International Journal of Social and Management Sciences (IJOSMS)
ISSN: 2805-3842.Volume 2, Issue 1 (March, 2023).

EFFECT OF AUDIT ATTRIBUTES ON AUDIT REPORT LAG OF LISTED NON-FINANCIAL SERVICES COMPANIES IN NIGERIA

TERU Peter Susan, PhD[1] & USMAN Tanimu Gadi[2]

[1&2]Department of Accounting, Taraba State University, Jalingo

Abstract

The study examined the effect of audit attributes on audit report lag of listed non-financial services companies in Nigeria from 2012-2021. Specific audit attributes are audit quality, audit committee size, audit tenure, audit service and audit fee. The study adopts ex-post facto research design. The population of the study consists of one-hundred and twelve companies whose shares were listed on the Nigerian Stock Exchange as at 31st December, 2021. Data were collected through secondary sources. Data generated from the annual reports and accounts were analyzed using descriptive statistic and Poison regression. The finding revealed that audit quality and audit service, has negative effect on audit report lag while audit committee size and audit fee has a positive significant effect on audit report lag. On the other hand, audit tenure has negative insignificant effect on audit report lag of listed non-financial services companies in Nigeria. The study recommends that non-financial companies should engage more of Big 4 audit firms in commensurate to their capacity because Big 4 audit firms have the capacity to audit their annual report within the shortest possible period of time.

Keywords: *Audit Attributes, Audit Report Lag, Poison Regression*

Introduction

The timeliness of Audit reports is a critical factor in emerging and newly developed capital markets where the audited financial statements in the annual report are the only reliable source of information available to investors. Thus, shareholders are entitled to obtain information on the financial condition and results of the company's operations. The information is used by the shareholders to evaluate the performance of the management and make a decision on whether the company is providing benefits or not to them. Therefore, the financial statements are a form of management accountability for the management of the entity's resources entrusted to it (Arowoshegbe, Uniamikogbo & Adeusi, 2017).

In order for the financial statements to be valuable to the user at the time of decision making, the financial statements should contain qualitative characteristics that are characteristic of financial statement information. The qualitative characteristics of financial statements based on the basic framework of preparation and presentation of financial statements of financial accounting standards are understandable, relevant, reliable and comparable. Relevant qualitative and reliable qualitative characteristics are the primary quality characteristics of a financial report. The financial statements are said to contain relevant information if the financial statements have the ability to influence the decision of the manager or users of the financial statements so that the existence of

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

the financial statements is able to alter or support their expectations about the results or consequences of the action taken (Al-Ajmi, 2008).

Therefore, financial statements reported by firms play a vital role in the decisions of investors, creditors and shareholders. The efficiency of financial markets strongly depends on the quality of financial statements reported by firms. Timeliness is one of the qualitative characteristics that enhance the usefulness of financial statements. Timeliness of corporate financial reporting has become much more important than ever before due to massive changes in both business operations and technology (Ansah & Leventis, 2006; Arowoshegbe, Uniamikogbo & Adeusi, 2017).

Accounting information tends to become stale over time. In the competitive business environment, stale accounting information is less relevant to creditors and investors. There is an inverse relationship between the long reporting delays and relevance of financial information (Akingunola, Soyemi & Okunuga, 2018). Delivery timeliness of financial statements to the public is essential to maintaining the relevance of information in the financial statements. Due to inadvertent delays in the delivery of financial statements, the information generated in the financial statements will lose the ability to influence user decisions (Praditya, 2013). For investors, the timely delivery of financial statements will reduce uncertainty in investment decision making (Akingunola, Soyemi & Okunuga, 2018) and the dissemination of asymmetric information among investors in the capital market (Hassan, 2016). Timely delivery of financial statements will help to reduce the occurrence of leak, rumors and insider trading in the stock market (Owusu-Ansah, 2000). Timeliness of financial statement submission also provides valuable information for shareholders in the decision-making process (Al-Ajmi, 2008).

In Addition, Owusu-Ansah (2000) argues that timely reporting is an important device to mitigate insider trading, leaks and rumors in emerging capital markets. Timeliness also reduced information asymmetry and opportunity to spread rumors about the companies' financial health and performance. Thus, Nigeria non-financial companies report their financial activities beyond the stipulated three (3) months according to the provisions of CAMA (1990) as amended (Modugu, Eragbe & Ikhatua, 2012). This means that the companies are not complying with the provision of the laws as stipulated for the companies reporting. Therefore, a study on the current level of timeliness of audit report in Nigeria is in the right direction. Consequently, the focus of this study is to examine the effect of audit attributes on audit report lag using listed non-financial companies in Nigeria

In the same way, this study used broader firms compares to the study of Siyanbola, Sanyaolu, Ogbebor and Adegbie (2020)**,** Handoyo and Maulana (2019), Ayemere and Elijah (2015), Leventis, Weetman and Caramanis (2005) which used only one sector and the period is chosen to make the study more recent compares to other studies.

Furthermore, since audit report lag is count numbers, integer count regression is more appropriate for the analysis against the existing literature. Therefore, this study invalidates the previous literature.

In the coming sections of the study, an in-depth explanation of the procedures employed in the study is provided.

Concept of Audit Attributes

Audit Quality

Audit quality is considered as one of the crucial issues that influences the audit profession (Vanstraelen, 2000). Audit quality is also an attribute that is valued by the equity market (Franz, Crawford & Johnson, 1998). It is suggested that high quality audit services improve the quality and credibility of the financial statement from the perspective of other contracting parties, particularly, other parties that are not involved in the preparation of the financial statement (Wallace, 2004).

Efficient auditing of firms can confirm the validity of the presented financial numbers, evaluate the extent to which managers maintain financial reporting integrity and ensure the firms' monitoring structure and effectiveness. The consequences of a good audit report are that it discourages earnings management and improves investors' trust and firm value (Balasubramanian, Black & Khanna, 2010). In other words, high quality auditing could enhance investors' protection and firm value (Black, 2001). It is suggested that a good audit report would seek to ensure high quality accounting conservatism by reducing information asymmetry among the users of accounting information, and consequently, decrease the cost of equity and improve the terms of financing (Ashbaugh & Pincus, 2001).

According to Issa (2008), audit quality means the ability of audit process to detect and report on the material misstatement of the financial statements, and the reduction of information asymmetry between management and shareholders. The level of audit quality is linked to quality level of the information contained in financial statements, the reason for this is that the financial statement that have been audited by high quality auditors rarely contained substantial misstatements, which is reflected in minimization agency costs between shareholders and management. Thus, according to the literature, audit quality positively affects the quality of accounting information. With respect to conservatism, it is expected that accounting conservatism is greater in the financial statements of companies that use the best auditing services.

Audit Tenure

Tenure audit is the length of the engagement period between the auditor and the audit client associated with the use of audit services that have been agreed on an on-going basis without any change with the other auditors. In identifying the appropriate audit tenure, caution and compliance with applicable regulations are required. This is related to the existence of the problem of Key Audit Partner (KAP) rotation in pseudo where there is a rotation of KAP. Therefore, in this study measuring the audit tenure only uses real rotation. This is because of the experience and understanding of the auditor to the client in accordance with the duration of the provision of audit services in real terms.

Audit tenure refers to the number of consecutive years that the auditor has audited the client (Johnson, Khurana & Reynolds, 2002). Auditors who have long served a client may establish close relationship with management lead to impairment of auditor independence (Hamid & Suzana, 2013). Raghunandan (2002) claims that auditor tenure is not associated with the reporting failure and claims that the mandatory auditor rotation not perceived as a good solution to improve the audit quality. From the auditor perspective, long duration enhances the auditor competency which make them become more knowledgeable about client business environment, valuable in management plan and mitigate in contingency arise. In contrast, Albring, Robinson and Robinson

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

(2007) claims that the mandatory rotation could be a vital solution in improving the auditor independence and audit quality since the longer tenure will contribute the client willingness to purchase other services from their auditor.

Audit Committee Size

According to Persons (2009), audit committee size enhances corporate disclosures. John and Senbet (1998), found a positive relationship between audit committee and audit report lag. Potential problems in the financial reporting process are more likely to be uncovered and resolved with a larger audit committee. This could arise if a larger committee size increases the resources available to the audit committee and improves the quality of oversight. Ahmad-Zaluki and Wan-Hussin (2010) submit weak evidence that the audit committee size is positively associated with the quality of financial information disclosure, proxied by the accuracy of initial public offering management earnings forecast. Meanwhile Bédard and Gendron (2010) posits that size of audit committee is not a vital determinant of audit delay, but they admonished that the incremental costs of poorer communication, coordination, involvement and decision making associated with larger audit committee might outweigh the benefits.

Audit Committee Meetings

The audit committee meeting is obviously concerned as the right platform for directors to discuss the financial reporting process of monitoring financial reporting matters (Mohamad-Nor, Shafie & Wan-Hussin, 2010). However, the frequencies of meetings may reflect the activeness of audit committee in assessing internal control and it may also respond to the emergence of problems (Krishnan, 2005). Audit committee must carry out activities effectively through an increased frequency of meeting in order to maintain its control functions (Bedard & Johnstone, 2004).

Audit Fees

According to, Causholli, De Martinis, Hay and Knechel (2010), audit fees reflect interdependence of audit demand, audit market structure, audit firm nature and the actual cost of the auditing process. Hence, audit fee is the cost determined in the contract to be incurred by the client to the auditing firm for auditing the financial statements (El-Gammal, 2012; Rusmanto & Waworuntu, 2015). Or as the amount of fees the company pays for the verification of financial statements to have an opinion assessing their consistency to GAAP (Santos, Cerqueira & Brandao, 2015).

Audit fees paid to auditing firms are usually composed of three parts: (i) fixed cost of performing the audit process and issuing the audit opinion, (ii) litigation cost for possible audit failure and loss of reputation and (iii) profit margin determined by the audit firm and market competition (Zhang & Huang, 2013).

The model developed by Simunic (1980) hypothesized that audit fee is the product of the unit price and quantity of audit services demanded by the company's management, in addition to, the auditor's share in potential future losses from defects in the audited financial statements. In other words, audit fees consist of two main elements: (a) direct audit costs added to profit mark-up and (b) potential future losses that might arise related to the audit. Thus, audit fees model represents the determinants that affect audit quantity and price and potential associated audit risk.

Concept of Audit Report Lag

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

Audit report lag is the length of days required by the auditor to complete the audit process of the company's financial statements after the closing date of the company's books (Carslaw & Kaplan,1991; Bamber, Dchederdek & Bamber, 1993). The audit report lag is measured by counting the number of days (after the closing date of the company's `book January,1) up to the date of signing of the independent auditor's report (LAI) by the auditor stated in the company's audited financial statements.

According to Owusu-Ansah and Leventis (2006), audit report is the number of days between the end of corporate financial year and the days of corporate audited financial report public release. Ettredge, Li and Sun (2006) defined Audit Report Lag as the duration from the end of corporate fiscal year to the date when auditors sign their reports. Harjoto, Laksmana and Lee (2015) defined Audit Report Lag as a proxy to evaluate timeliness of audit report, as well as to evaluate timeliness of corporate earnings report. Similarly, Payne and Jensen (2002) stated that Audit Delay is a period between the end of regional government book year and report completion of financial audit. Audit Report Lag can be affected by two things which are when the audit is started and how long it will take to conduct the audit (Carslaw & Kaplan, 1991).

Abdulla (1996) suggested that the shorter the time between the end of the accounting year and the publication date, the greater the benefits that can be derived from the financial statement. Delay in releasing financial statement is most likely to boost uncertainty associated with the decisions made based on the information contained in the financial statements. Thus, the decision might not be of superlative quality and therefore, delayed. This study aligns its definition of audit report lag to that of Owusu-Ansah and Leventis (2006).

Audit Attributes and Audit Reporting Lag

Abdillah, Mardijuwono and Habiburrochman (2019) analyzed the factors that affect an auditor's efficiency in completing the audit process proxied by audit report lag of 77 out of 231 manufacturing companies listed in Indonesian Stock Exchange in 2014–2016. Company characteristics were proxied by the audit committee effectiveness, financial condition, accounting complexity and profitability, whereas auditor characteristics were proxied by auditor reputation, audit tenure and auditors' industry specialization. Multiple linear regression method was used for the analysis. The results showed that partially variables of the audit committee effectiveness and profitability had a significant negative effect on audit report lag while the variable financial condition had a significant positive effect on audit report lag. Meanwhile, variables of the accounting complexity, auditor reputation, audit tenure and auditors' industry specialization did not show significant influence on audit report lag. Despite the fact the objectives set by the study was achieved, the result of the regression cannot be relied upon because the audit reporting lag is in count data hence, integer count data regression will be more appropriate. Also, the result sample only represent 33.33% which is too low thus it will be good if the study considered at least 50% of the population so as to enables good representation of the population.

Ozcan (2019) analyzed factors that influence timely corporate financial reporting by using a sample of 90 manufacturing firms listed on Borsa Istanbul over the period of 2014-2017. The results of regression analysis reveal that firm size, type of audit firm, board independency, profitability and leverage significantly affect the timeliness of financial statements. Though the objectives of the study were achieved, the technique that was applied for the analysis is inappropriate thus, count integer regression is more appropriate.

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

Handoyo and Maulana (2019) evaluated the factors that affect ARL on the Conventional Bank Companies listed in the Indonesia Stock Exchange. The study used sample of 84 companies listed in Indonesia Stock Exchange which submitted financial reports to Otoritas Jasa Keungan (OJK) the Financial Service Authority in the period of 2013-2015. The study used multiple linear regression for the analysis. Based on the analytical results, Profitability, Auditor Opinion, and Firm Reputation had negative significant effect toward ARL. Then Auditor Switching, Complexity, and Board of Size of Director had positive significant effect toward ARL. The methodology of the data is not correct because multiple ordinary regression was used instead of integer count data regression analysis. Also, the study could have extended the period to 2018 since it was conducted 2019 hence, there is need for recent study using a current period.

Mazkiyani and Handoyo (2017) examined the influence of company size, profitability, and solvability, age of company, accounting firm size and audit committee on audit report lag. The observations of the study included 332 manufacturing firms on the Indonesia Stock Exchange, from the period of 2009-2012. The outcome of the estimation revealed that profitability and organizations size have a significant effect on audit report lag. Conversely, the study found an insignificant effect on audit report lag and the variables of firm size, solvability, firm age, and audit committee. Three years data is too small thus, a longer period will give a robust result.

Rediyanto, Sutrisno and Endang (2017) evaluated the impact of audit committee, internal auditor, and independent auditor on audit delay, using a sample of 130 firms listed on the Indonesia stock exchange from 2013 -2015. Also, audit complexity was adopted as a moderating variable to present a moderating effect on the association of audit committee, intern auditor, and independent auditor on audit delay. The study employed the Partial Least Square (PLS) estimation to analyze data. Following the analysis, it was established that audit delay span between 6 to 179 days in the sampled firms. The outcomes confirmed an adverse effect of the audit committee and the internal auditor on audit delay, meanwhile, the independent auditor exhibits no significant effect. Further analysis also indicated that audit complexity can be regarded as moderating factor on the association amidst internal auditors and audit delay. Conversely, audit complexity may not be viewed as a moderate audit committee and audit delay.

Arowoshegbe, Uniamikogbo and Adeusi (2017) examined factors that influence timeliness of an audit report in Nigeria. A pooled sample of 42 financial and non-financial companies quoted on the Nigerian Stock Exchange (NSE) was examined from 2012-2015. The quasi-experimental design method was used. The Ordinary Least Square (OLS) regression technique was used to analyze the data and the findings revealed that audit firm type, size of the company, and age of the company affect timeliness of audit report in Nigeria. The study showed that while audit firm type has a positive significant effect on audit report timeliness, the age and size of the company have a negative significant influence on timeliness of audit report. Audit firm switch was discovered to have no major influence on timeliness of an audit report. The variables were well studied but however, the study mainly focused on audit factors. Other corporate governance variables can enhance the significance of the study for decision making by wider stakeholder.

Hassan (2016) assessed the determinants of audit report lag as at 2011 using annual reports for all the 46 listed companies on Palestine. Multiple regression analysis was performed to identify the influence of a set of company characteristics, ownership structure variables, and corporate

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

governance mechanisms. The result of the analysis demonstrated that the audit reporting delay is influenced by the board size, corporate size, status of audit firm, company complexity, existence of audit committee, and ownership dispersion. A year study will not give a correct finding considering the significance of this study hence a more period will give a robust finding.

Signalling Theory: Signalling theory has been developed by Spence (1973) to explain why managers disclose accounting information. Similar to the agency theory, signalling theory addresses the information asymmetry resulted from the separation of managers and ownership. This theory argues that agency problem of information asymmetry can be reduced when management gives signals of information to investors (Ezat, 2010).

Signals are the actions taken by management to provide quality information concerning the financial position of the company to investors (Spence, 1973). Therefore, higher quality companies would like to distinguish themselves from lower quality ones by signalling their good performance and achieving higher good reputation. Also, companies with bad news have motivation to disclose more timely information to avoid bad reputation that may arise because of late disclosure (Ezat, 2010).

The signalling theory explores how auditors can be considered a signal by management in the stock market. Companies may appoint higher quality auditors to send signals to interested parties on the quality of financial information. According to Moore and Ronen (1990), a better company can afford to appoint an expensive auditor to signal that it is a profitable company with higher quality expensive auditor that can add to the creditability of financial information.

Moreover, stock price of the company could be influenced by the earnings announcement and issuance of financial information. Signals of good or bad news provided from the financial statements will affect the decision of the investors and consequently the stock price of the company (Mukhtaruddin, Relasari & Abukosim, 2015). Therefore, timely accounting information signals a good quality information provided by the management while a lower quality company will tend to not provide information in a timely manner. Non timely information may give indication that there is bad news the company do not want to publish which may lead to a decrease in the company's stock price.

In this study, according to the signalling theory, a longer audit report lag could give a bad signal to investors concerning the company, while a shorter one confirms the quality of the information provided in the stock market. Moreover, the higher quality and expensive audit firm could signal higher creditability for financial statements. The study aligns to signalling theory because it explains how management of the studied firms portray their financial reports to the stakeholders of non-financial firms in Nigeria.

Methodology

The study adopted an ex-post facto research design. The designs describe the effect of independent variables on dependent variables after the occurrence of the event. In this study, the design helps to ascertain the causal relationships between the audit attributes and audit report lag over a period of ten years. The total non-financial companies are one-hundred and twelve (112) hence they

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

constitute the population of the study while eighty-eight (88) constitute the sample size. The Poisson regression model takes the form of:

$ARL = P(ARL) + \mathcal{E}_i$

The model specified for the study is given as:

$P(ARL_{it}) = \beta 0 + \beta_1 AQ_{it} + \beta_2 ACS_{it} + \beta_3 AT_{it} + \beta_4 AS_{it} + \beta_5 AF_{it} + \mathcal{E}_{it}$

Where;
ARL= Audit report lag
AQ= Audit Quality
ACS =Audit committee size
AT= Audit tenure
AS= Audit service
AF = Audit fee
I= firm
T= time
Ɛ = Error term
$\beta 0$ = Constant
β_1- β_5 = Coefficient of the parameters

Table 1: Measurement of Variables

SYMBOLS	VARIABLES	MEASUREMENT	SOURCE
ARL	Audit report lag	number of days between the end of corporate financial year and the days of corporate audited financial report public release	Abdillah, Mardijuwono and Habiburrochman (2019)
AUDITATTRIBUTES			
AQ	Audit Quality	Dummy value: This was measured by scale (1,0) ,1 = If the audit firm is among the big 4 is denoted by 1 otherwise 0	Ozcan (2019)
ACS	Audit Committee size	The total of audit committee members of the firms	Apadore and Mohd Noor (2013)
AT	Audit tenure	Audit tenure refers to the number of consecutive years that the auditor has audited the client. It will be measure by 1 if audit tenure is 3years otherwise 0 (Johnson *et al*., 2002).	Abdillah, Mardijuwono and Habiburrochman (2019)
AS	Audit Service	Number of meetings held by the auditors in a year	Apadore and Mohd Noor (2013)
AF	Audit fee	Amount of auditors' fee for audit engagement	Apadore and Mohd Noor (2013)

Source: Researcher's compilation, 2022

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

Result and Discussion

Table 2 Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ARL	850	95.11647	38.52598	26	344
AQ	850	.5020178	.1279443	0	1
ACS	850	5.412941	.9183752	3	8
AT	850	.9305882	.2543027	0	1
AS	850	3.558824	.5880222	2	4
AF	850	128223.3	535666.7	756	5416667

Source: Author's computations, 2022

The result shows that there is delay in the audit report of non-financial services companies in Nigeria to the extent of 344 days. This mean that the companies did not comply with the minimum requirement of three months in reporting of financial statement. However, other companies complied with the requirement by reporting within three months after their fiscal year. This is indicated by the minimum value of 26 days. In an average, it took the companies 95days to report their financial report.

The audit quality is represented by the Big 4 and non-Big 4 audit firms shows that some of the companies are audited by Big 4 as shows by the maximum of 1 while others are not audit by the Big 4 as shown in the minimum of 0. In an average, non-financial companies are audit by big 4 to the maximum of 50.2%.

Audit committee size has a maximum of 8 which shows the numbers of the audit members on the board while some of the companies have a minimum audit committee size of 3. The audit tenure shows the numbers of years that audit firm audit a company financial statement consecutively within a span of 3 years. It was found that in some companies, they maintain one audit firm more than 3 years as indicated by the maximum value while other do not as shown with a minimum of 0.

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

The audit service shows the frequency of meeting by the audit members. It was found that in a year, the audit members met at least 2 times in a year while their maximum meeting is 4 times as indicated by the result above. The result also shows that non-financial companies paid a minimum of ₦756000 as their audit fee with the highest paid of ₦ 5416667. In an average, the companies paid ₦ 128223.3 as audit fee.

Table 3 Correlation Result

	ARL	AQ	ACS	AT	AS	AF
ARL	1.0000					
AQ	-0.1322	1.0000				
ACS	0.0044	0.0709	1.0000			
AT	-0.0073	-0.0774	-0.0083	1.0000		
AS	-0.0840	0.1977	0.0324	0.0470	1.0000	
AF	0.0607	-0.1852	-0.0652	-0.0146	-0.1049	1.0000

Source: Author's computations, 2022

The audit quality which shows the association between audit firm and audit report lag is 13% however, the association is negative. Audit committee size has a positive correlation with audit report lag to the extent of 0.0044 (0.44%). Audit tenure has a negative correlation with audit report lag to the extent of 0.73.

In the same, audit service has a negative correlation with audit report lag. Despite the negative correlation, the correlation is low to the extent of 8.4%. Furthermore, audit fee is related to the extent 0.0607 which indicates that there is low correlation between audit fee and audit report lag.

Table 4 Regression Result and Test of Hypothesis

ARL	Coef	Std. Err.	z	P>|z|
AQ	-.0777736	.0075137	-10.35	0.000
ACS	.0155188	.0040645	3.82	0.000
AT	-.0057517	.0139596	-0.41	0.680
AS	-.0471625	.0061813	-7.63	0.000
AF	3.23e-08	6.85e-09	4.72	0.000
CONS	4.733759	.0318231	148.75	0.000

Source: Author's computations, 2022

This result shows the effect of audit attributes on Audit report lag of listed non-financial services companies in Nigeria. It was found that audit quality has a negative significant effect on audit report lag. This indicates that increase in the number of the Big 4 in auditing the annual report of non-financial companies, it will reduce the audit report lag by .0777736 coefficients.

Audit committee size has a positive significant effect on audit report lag. This indicates that increase in audit size will increase audit report lag. However, audit tenure has a negative insignificant effect on audit report lag with p-value greater than 5% level of confidence.

Furthermore, audit service has a negative significant effect on audit report lag. This means that frequent meeting of audit committee members will leads them to strategies on how to reduce the reporting period. However, audit fee has a positive significant effect on audit report lag. The constant shows a positive effect on audit report lag. This signifies that audit delay is at a constant of 4.733759 coefficient. The model is fit with probability of 0.0000 which indicates that audit attributes used explains significant changes on audit report lag.

Discussion of Findings

On the effect of audit attributes on Audit report lag of listed non-financial services companies in Nigeria, it was found that audit quality has a negative significant effect on audit report lag. This indicates that increase in the number of the Big 4 in auditing the annual report of non-financial companies, will reduce the audit report lag of the companies. This result provides the basis for rejecting the stated null hypothesis that audit quality had no significant effect on audit report lag of listed non- financial services companies in Nigeria. This finding is consistent with the result of Ozcan (2019); Arowoshegbe, Uniamikogbo and Adeusi (2017); Ayemere and Elijah (2015); Ilaboya and Iyafekhe (2014); Al-Ghanem and Hegazy (2011); Almosa and Alabbas (2007); Leventis, Weetman and Caramanis (2005).

Audit committee size has a positive significant effect on audit report lag. This indicates that audit committee size has significantly influence audit report lag as the p value is less than the significant value of 5%. The finding is in line with findings of Apadore and Mohd Noor (2013) but not agreed with the result of Ilaboya and Iyafekhe (2014); Mazkiyani and Handoyo (2017).

Also, audit tenure has a negative insignificant effect on audit report lag of listed non-financial companies in Nigeria. This means the results of the regression analysis indicates that audit tenure has no significant influence on audit report lag. The implication of this result is that no matter the number of consecutive years the auditor serves his client will not affect the timeliness of audit report of listed non- financial companies in Nigeria. Consequently, this finding will lead to the acceptance of the stated hypothesis that audit tenure had no significant effect on audit report lag of listed non- financial companies in Nigeria. This finding aligns to the report of Abdillah, Mardjuwono and Habiburrohman (2019) and Lee and Jahng (2008).

Furthermore, audit service has a negative significant effect on audit report lag. This means that frequent meeting of audit committee members will lead them to strategies on how to reduce the

Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

reporting period. This result indicates that the stated null hypothesis that audit service had no significant effect on audit report lag of listed non- financial services companies in Nigeria is rejected. The finding is in support of the result reported by Ahmed and Che-Ahmad (2016); Abdillah, Mardijuwono and Habiburrochman (2019) but disagrees with the finding of Apadore and Mohd Noor (2013); Hashim and Rahman (2011).

However, audit fee has a positive significant effect on audit report lag. This indicates that increase in audit fee will significantly increase audit report lag. The model is fit with probability of less than 5% level of significance which indicates that audit attributes used explains significant changes on audit report lag.

Conclusion and Recommendations

On the variables of audit attributes, the study concludes that increase in audit quality will decrease audit report lag due to the fact that big 4 audit firms have the capacity to audit the annual report of non-financial companies within the shortest possible period of time. In terms of audit committee variable, the presence of too many audit committee members will lead to an increase in the process of decision making hence, an increase in audit committee size will increase audit report lag. However, a commensurate size that can monitor financial report of the companies is encouraged. Audit tenure has negative insignificant result which indicates that audit tenure has no significant influence on audit report lag. Also, the study concludes that audit service has a negative significant determinant on audit report lag. This means that frequent meeting of audit committee members will make them develop strategies on how to reduce the reporting period. On audit fee variable, increase in audit fee will significantly increase the audit report lag. This indicates that as the companies increases their audit fee, it will increase audit report period.

The study recommends that non-financial companies should engage more of Big 4 audit firms in commensurate to their capacity because Big 4 audit firms have the capacity to audit their annual report within the shortest possible period of time.

Also, too much audit committee members will lead to increase in the process of decision making hence, non-financial companies should have a commensurate audit committee size that can monitor financial report of the companies.

On audit service, the study recommends that audit committee should exercise diligence on their services to the companies because frequent meeting of audit committee members will lead them to strategies on how to reduce the reporting period. This will also serve the interest of other stakeholders.

Furthermore, non-financial companies should pay their auditors in commensurate with the nature of the work they are engaged with and where necessary, their fee should be reduced because increase in audit fee will significantly increase the audit report lag.

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Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

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Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com

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Taraba State University, P.M.B 1167, Jalingo, Taraba State, Nigeria.
Email: editor.ijosms@gmail.com