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EFFECTS OF CORPORATE GOVERNANCE ON FINANCIAL REPORTING LAGS: EVIDENCE FROM NIGERIAN LISTED DEPOSIT MONEY BANKS

This paper assessed the effects of corporate governance on financial reporting lags, with particular emphasis to Nigerian listed deposit money banks. It is based on secondary data gathered from the published annual report and accounts of eight (8) sampled banks for the period of 5 years from 2010 to 2014, selected according to their data availability and time constrain from fifteen (15) that are operating on the floor of Nigerian Stock Exchange as at December, 2016. The study make used of panel data regression analysis using STATA 14.0. Based on the results from the analysis, the study founds out that all the regression results with the five of the independent variables have positive and significant relationship with the FRL. This mean that complying with corporate governance mechanism reduces FRL by at least one and half months. It was therefore recommends that, in the sense that using the service of experts and up to date monitoring and supervision reduces unnecessary delay in publishing the financial report by listed commercial banks in Nigeria. Hence, there is need for shareholders to lay their support to companies, so that they can employ professionals/skilled labour. Therefore, there is need for listed Nigerian commercial banks to increase the number of their independent directors to add to the board composition. This will lead to timely release of published accounts to enable economic decision by shareholders in respect of their investment in the banks. Possibly they can adopt the use of a two tier board to reduce the effect of agency problems/cost.

Keywords

Corporate governance, Financial reporting lags, Audit committee, Board composition

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