

QUESTING FOR A UNIFORM FINANCIAL REPORTING DATE IN NIGERIA

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Abstract

This paper examines two additional contributing actor-groups that could be useful in capturing financial reporting delay as well as models eight fiscal year-end regimes. The paper uses descriptive statistics to analyse the reporting dates of 273 listed non-financial companies over a three-year period, from 2015–2017. We find the gaps of 30 December fiscal year-end to be shorter than those of other fiscal year-ends, and find that there are clear-cut modal reporting days or dates adopted by followers of 30 December fiscal year-end while there are none for other fiscal year-ends. More than for any other fiscal year-end regimes, 31 December fiscal year-end filers are more likely to comply with regulatory reporting deadline in Nigeria. Based on these findings, there is a need for a uniform (or at least, close to a uniform) financial reporting period for listed non-financial companies in Nigeria. We recommend that relevant bodies should consider requiring listed non-financial companies in Nigeria to migrate to 31 December fiscal year-end, since there are less dispersions in reporting days/dates of the fiscal year-end.

Keywords: Audit committee, Board of directors, External auditors, Financial reporting delay, Fiscal year-end

Introduction

This paper investigates financial reporting delays among three separate important actor-groups involved in the financial reporting process with respect to dating or approving financial statements of eight identified fiscal year-end regimes. The actors are external auditors (EAs), audit committees (ACs), and boards of directors (BDs). In this paper, we define financial reporting delay as delay among EAs, ACs, and BDs leading up to the release of annual year-end audited financial statements. The paper is a quest for less variegated year-end reporting date. There are anecdotal and research evidences that point to concerns about the level of compliance with regulatory requirement regarding a 90-day rendition time for year-end financial statements in Nigeria. According to the Leadership newspaper of 17 April 2018, Nigeria's Stock Exchange (NSE) filing calendar indicates that 31 March is the deadline for submission of annual reports by companies adopting Gregorian calendar of December.

Prior researches (e.g., Gendron & Bédard, 2006) have called on future research to deal with BD and AC processes. In that regard, Sultana, Singh and Van der Zahn (2015) harped on the need for an empirical research that would connect effective roles of AC with audit lag. These are the motivations for the present study.

This paper focuses on four important financial reporting dates within companies' yearly financial reporting cycles. These are fiscal year-end reporting date, external auditors report date (EARD), audit committees report date (ACRD), and boards of directors approval date (BDAD).

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Drawing upon Gendron and Bédard (2006), this paper argues that the activities of the major actors involved in the financial reporting process are an obligation to check the financial performance and position of companies.

The link between EARD, ACRD and BDAD can be articulated. Although EA report may be ready, it may not be released until it has been reviewed and oversighted by the AC. And although EA and AC reports may be ready, the audited financial statements may not be released to equity investors and other stakeholders until they have been approved by the BD, who assert that they are satisfied that the audited financial statements give a true and fair view of the financial performance and position of the company. The date of approving the financial statements is the date that the BD authorises their issue to equity investors and other stakeholders.

Therefore, EAs are the first to finish and date the financial statements. It is most unlikely that they would be released until they have been subjected to AC's review and oversight (e.g., Eghlaiow, Wickremasinghe & Sofocleous, 2012). The date on the EA report shows when the EAs obtained sufficient appropriate evidence that formed the basis for their opinion. It is required that BD, represented by chief executive officers and chief finance officers, signs and dates the financial statements as an indication that the BD bears full responsibility for approving them. All three actors in the financial reporting chain work towards meeting the yearly reporting deadline.

By examining these three important actor-groups, this paper is anchored on team effectiveness. Group issues are a fruitful area of research (e.g., DeZoort, Hermanson, Archambeault & Reed, 2002). Since there is a need to push research beyond individual-based studies to consider issues at the team level (e.g., DeZoort *et al.*, 2002), we do not view or examine group members as individuals possessing or not possessing certain characteristics such as financial expertise, integrity, objectivity, independence and so on. As conceptualised in this paper, the three actor-groups are to function separately, but in a coordinated manner, concerning fiscal year-end financial statements.

To date, no prior research has attempted to model the three principal actors and fiscal year-end financial report dates in Nigeria. Of the three key actors, EAs is the most commonly researched with respect to audit lag or audit delay. Audit delay alone may not explain the totality of the delay in releasing year-end financial statements. Also, it is interesting to note that very few prior researches on audit delay has investigated differences in audit report dates among different EAs, as opposed to the numerous studies that investigated the interval between fiscal year-end and audit report date. This paper departs from prior papers that have addressed reporting delay in Nigeria in at least three respects. 1) Prior papers modelled only one fiscal year-end (mostly 31 December), 2) prior papers have not examined all three actors as separate groups; most of them (e.g, Enofe, Aronmwan & Abadua, 2013) examined the characteristics of shareholders representative and individual members of ACs, and 3) most of them did not examine AC in its own right but as a subset of BD. This current paper, therefore, extends and brings novelty to the general accounting or specific audit delay literature.

Literature review

Recent Nigerian studies, including Mohammed, Che-Ahmad and Malek (2018), Azubike and Aggreh (2014), Enofe (2013), and Modugu, Eragbhe and Ikhata (2012), have examined audit delay in the country. Mohammed *et al.* (2018) and Enofe *et al.* (2013) examined the relationship between audit delay after adopting IFRS, and shareholders' roles in audit committees (ACs) by focusing on

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shareholders' ability to perform as AC members in the new IFRS reporting regime in relation to financial reporting timeliness. Specifically, Mohammed et al. (2018) find the average audit delay to be about 96 days. Azubike and Aggreh (2014) examined the relationship between audit report lag and board size and independence, and firm type. Among variables Azubike and Aggreh (2014) hypothesised to affect audit report lag, their OLS results suggest that board size and board independence have positive significant relationship with audit report lag while industry type did not. Their findings further revealed that companies' average delay was approximately two months before the audited financial statements were finally ready for presentation to shareholders at annual general meetings. Similarly, using a small sample of 20 companies per year over a three-year period, Modugu *et al.* (2012) examined corporate attributes they predicted to affect audit delay of listed companies in Nigeria. Among the eight attributes they hypothesised to affect audit delay, their OLS results indicated that subsidiary of multinational companies (positive), total assets (negative), and audit fee (negative) had significant impacts on audit delay. We are not certain as to whether Modugu *et al.* (2012)'s study period was from 2009–2011 (see their Methodology), or from 2006–2008 (see their Conclusion and Recommendation).

External auditors (EAs) and financial report delay

In the accounting literature generally, and the auditing literature in particular, audit delay has been associated with external auditors (EAs), and it has been defined as the length of time elapsing from a company's fiscal year-end to the date of the EAs report (see Ashton, Willingham and Elliot, 1987; Ettredge, Simon, Smith and Stone, 2000; and Suryanto; 2016). Audit report delay comes from rendition of year-end financial statements beyond regulatory deadline. According to Ashton *et al.* (1987, p. 275), audit delay can affect the timeliness of accounting information releases. According to Beaver (1968), timeliness is associated with the market's reaction to accounting information releases. Prior research that examined EAs and audit delays in other economies includes Whittred (1980), Curtis (1976), Gilling (1977), Carslaw and Kaplan (1991), Ashton *et al.* (1987), Ashton, Graul and Newton (1989), Bamber, Bamber and Schoderbek (1993), Knechel and Payne (2001), DeZoort *et al.* (2002), and Carcello, Hermanson and Zhongxia (2011), among others – from developed economies; and Afify (2009), Vuko and Cular (2014), Rusmin and Evans (2017), Owusu-Ansah (2000), Suryanto (2016), Ika and Ghazali (2012), Leventis and Weetman (2004), and Owusu-Ansah and Leventis (2006), among others – from other developing economies other than Nigeria.

These prior papers reported mixed findings on audit delay. Long audit delay finds support in Suryanto (2016), who examined whether audit delay affects fraudulent financial reporting found that it gives enough time for EAs to examine financial statements in order to prevent fraudulent financial reporting. Thus, audit delay can prevent fraudulent financial reporting. This finding implies that audit delay is a good thing for companies' financial reporting. On the contrary, Owusu-Ansah (2000) opines that timeliness of financial information is important in mitigating insider trading, information leaks and rumours. This assertion can be interpreted to mean that audit delay provides the generality of investors an opportunity to get the same information during the period of delay. Bamber *et al.* (1993) argue that audit delay affects the decision making process of investors and other users of financial statements because lack of timely information leads investors to seek out alternative sources of information. These latter perspectives also mean that audit delay is a positive thing for shareholders and other stakeholders.

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Audit committees (ACs) and financial report delay

The importance of ACs has been widely documented in the accounting and auditing literatures (see Carcello et al. (2011) for a broad review of the literatures). ACs derive their authority from boards of directors (DeZoort et al., 2002). ACs are a sub-committee of the boards of directors appointed from among themselves to liaise between the BD and EA. Therefore, ACs are an essential corporate governance ingredient upon which are predicated stakeholders' hopes in constraining the behaviour of corporate managers (Gendron and Bédard, 2006; and Jensen and Meckling, 1976). That is, effective ACs are likely to reduce audit delay significantly. Enofe et al. (2013) remind us that the involvement of shareholders representatives in ACs (as chairmen) can play an important role in enhancing the effective performance of ACs in adhering to the disclosure requirements. According to Beasley, Carcello, Hermanson and Neal (2009), Kibiya, Che-Ahmad and Amran (2016), and DeZoort et al. (2002), ACs provide an independent review and oversight of companies' financial reporting process, auditing, internal controls and independent auditors.

Authors agree that to be effective, ACs must have qualified members with authority and resources to protect stakeholders' interests by ensuring a reliable financial reporting through diligent oversight efforts, where, according to Afify (2009)'s finding in Egypt, the existence of ACs have negative significant effect on audit report delay. From evidence provided in a study on Indonesian companies, Ika and Ghazali (2012) investigated and found timeliness of financial reporting to be associated with AC effectiveness. This finding led the authors to argue that the existence of ACs may lead to timely presentation of financial information, which suggests that AC effectiveness is likely to reduce financial reporting lead time. Reduction in financial reporting delay should be a welcome development because it can lead to timely release of financial statements information, and can mitigate or prevent insider trading. But in Suryanto (2016) views long audit delay as desirable because it prevents fraudulent financial reporting.

Boards of directors (BDs) and financial report delay

Extant literature suggests that board composition is related to the quality of financial reporting. Kibiya et al. (2016), Wu, Wu and Liu (2008), Ezat (2009), Dimitropoulos and Asteriou (2010) and Zaitul (2010) argued that board characteristics are important determinants of the timeliness of a firm's annual report. Kibiya et al. (2016) opined that shareholders in ACs will have influence in controlling and monitoring managers on the timeliness of financial report, its process as well as the release of the report within the required time. In particular, Wu et al. (2008), who investigated the effect of corporate governance on audit delay, found no significant relationship between board size and timely annual reports but found a positive significant relationship between reporting lag and BD with ultimate owners and independent directors. In Indonesia, Zaitul (2010), who investigated the relationship between BD and timeliness of financial reporting in listed companies found that several board characteristics like size, shareholding, multiple directorships and the length of service significantly affected the timeliness of financial reporting. Researching on the internet contribution to audit delay in Egypt, Ezat (2009) investigated the factors that affected the timeliness of corporate internet reporting, and found a positive significant relationship between the timeliness of corporate reporting and board composition and board size.

The literatures reviewed in this section did not show any prior papers that have captured the three actors working as separate, yet coordinated, groups with respect to the entire financial reporting delay in one paper, neither did they show extant papers have delved into details to provide models of year-

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end report dates, nor did they consider the four dates associated with year-end financial reporting in one study. These are the lacunae we addressed in this paper.

Methodology

Data and source

The research data cover the years 2015–2017, inclusive. They were hand-collected from 274 listed non-financial companies' published e-annual report and accounts. Listed companies in Nigeria are available on the Nigerian Stock Exchange website, <http://www.nse.ng>, under the "listed equities" page. Following Asien (2017 and 2018), we applied some filters during the data collection exercise. Firstly, we excluded companies that did not have websites. Secondly, we excluded companies that had websites but the websites could not open or could not be accessed. Thirdly, we excluded companies that met the above two conditions but their e-annual financial statements could not be downloaded. Table 1 shows the number of companies per year included in the study.

Table 1. Yearly distribution of number of companies (N=274)

Year	Number of firms	Percent	Cumulative %
2015	86	31.5	31.5
2016	97	35.5	67.0
2017	91	33.0	100.0
Total	274	100.0	

Authors compilation

Due to space limitation, the companies are not included in the paper but are available on request.

We applied central tendencies, dispersions and measures of location in analysing the data. These include mean, mode, median, standard deviation, variance, range (interval), and minimum and maximum values. For all categories, the first report date (day 1) is considered the minimum and we describe it as earliest report date. The day associated with that date is described as earliest report day. The last report date is considered the maximum. The last report date and the day associated with it is described as latest report day. We used the first report date of each category to benchmark that particular category by calculating the time span elapsing between the first report date and the rest report dates among the companies in same category. Thus, if the first report date was 4 January 2016, say, and another report date in that same group was 10 May 2016, say, then there would be 128 days between the first and the last dates, inclusive of both report dates. We built an algorithm in Microsoft excel(TM) that we used in calculating the number of days in the various report dates, and the counting of days included week-ends and public holidays. The dating pattern or order is: dd.mm.yr (date, month, and year) throughout the rest of the paper. For example, 4 January 2016 would be dated as 04.01.16. The dates from the Microsoft excel(TM) algorithm were processed on the Statistical Package for Social Sciences version 23, SPSS 23.

Results and discussion

Table 2 shows the breakdown of the data of the 274 companies into relevant years, and is partitioned into Panels A and B. Panel A is arranged in ascending month-ordered year-end dates while Panel B is according to ascending year-ordered year-end dates. Panel A indicates that there are eight year-end financial reporting dates adopted by listed non-financial companies in Nigeria. They are 31 March, 30

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April, 31 May, 30 June, 31 July, 30 September, 31 October, and 31 December. From the last three rows of Panel A, it can be seen that the majority (212) of listed non-financial companies adopted 31 December each year; 67 (2015), 72 (2016) and 73 (2017).

Table 2. Detailed frequency of fiscal year-end reporting dates x # of companies (N = 274)

Panel A. Monthly year-end dates			Panel B. Yearly year-end dates		
Year-end date	# of companies	%	Year-end date	# of companies	%
31 March 2015	8	2.9	31 Mar 2015	8	2.9
31 March 2016	13	4.8	30 Apr 2015	1	.4
31 March 2017	10	3.7	31 May 2015	1	.4
30 April 2015	1	.4	30 Jun 2015	3	1.1
30 April 2016	2	.7	31 Jul 2015	1	.4
30 April 2017	2	.7	30 Sep 2015	4	1.5
31 May 2015	1	.4	31 Oct 2015	1	.4
31 May 2016	1	.4	31 December 2015	67	24.5
31 May 2017	1	.4	31 March 2016	13	4.8
30 June 2015	3	1.1	30 April 2016	2	.7
30 June 2016	4	1.5	31 May 2016	1	.4
30 June 2017	2	.4	30 June 2016	4	1.5
31 July 2015	1	.4	30 September 2016	4	1.5
30 September 2015	4	1.5	31 October 2016	1	.4
30 September 2016	4	1.5	31 December 2016	72	26.4
30 September 2017	2	.7	31 March 2017	10	3.7
31 October 2015	1	.4	30 April 2017	2	.7
31 October 2016	1	.4	31 May 2017	1	.4
31 October 2017	1	.4	30 June 2017	2	.4
31 December 2015	67	24.5	30 September 2017	2	.7
31 December 2016	72	26.4	31 October 2017	1	.4
31 December 2017	73	26.7	31 December 2017	73	26.7
Total	274	100.0	Total	274	100.0

It can be seen from the table that 8, 13 and 10 (= 31) companies had their fiscal year-ending in 31 March 2015, 2016, and 2017, respectively. Upon interrogating the data, we deleted one company from 31 March 2015 adopters because it had extreme dates, so that we are now left with 30 companies from 31 March 2015–2017. Adding the 30 (for March 2015–2017) and the 212 (for December 2015–2017) together gives a total of 242 companies, which we focused mainly upon in the ensuing analyses.

Analysis of 31 March fiscal year-end descriptive

In Table 3, the mean (median) EARD and BDAD is about 201 (65) days. The earliest (latest) external auditors report date was on 18.05.15 (11.11.16). This represents 543 days' interval between the first (last) external auditors report dates. The mean (median) ACRD days is about 204 (68). The first (last) AC report was dated on 15.05.15 (11.11.16), which represents 546 days' interval between the two dates.

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Table 3. Descriptive statistics for 31 March 2015 2017 fiscal year-end reporting dates (N = 30)

	31 March 2015 (N = 7)			31 March 2016 (N = 13)			31 March 2017 (N = 10)		
	EARD ^{1,2}	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	201.14	203.71	201.14	74.38	84.85	85.77	132.70	132.20	131.60
Median no. of days	65.00	68.00	65.00	42.00	49.00	51.00	61.50	62.5	61.50
Modal no. of days	none	none	none	35 ^a	49 ^a	55	16	18	17 ^a
Modal report date	none	none	none	22.6.16	22.6.16	28.6.16	30.6.17	30.6.17	30.6.17
Std. Dev (days)	220.346	220.803	220.346	128.324	129.141	128.860	143.146	143.502	143.548
Variance (days)	48552.476	48753.905	48552.476	16467.26	16677.47	16604.9	20490.90	20592.844	20606.04
Days interval	543	546	543	498	510	510	372	374	373
Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	18.05.15	15.5.15	18.05.15	18.05.16	05.05.16	05.05.16	15.06.17	13.06.17	14.06.17
Latest report (days)	544	547	544	499	511	511	373	375	374
Latest report date	11.11.16	11.11.16	11.11.16	28.09.17	27.09.17	27.09.17	22.06.18	22.06.18	22.06.18

¹: EARD = External Auditors Report Date

²: ACRD = Audit Committee Report Date

³: BDAD = Board of Directors Approval Date

[?]: EARD is equivalent to audit report delay that is commonly researched by the audit delay literature

^a Multiple modal reporting days/dates exist. These are, for 2015 for EARD, 35 (22.6.16), 38 (24.6.16), and 58 (14.7.16); and for 2016 for ACRD, 4 (22.6.16), 50 (23.6.16), 55 (28.6.16) and 71 (14.7.16); and for 2017, 17 (30.6.17) and 298 (29.3.18). The smallest days/dates are shown.

For 31 March 2016, the mean (median) EARD is about 74.38 (42) days. The earliest (last) EAs report was dated on 18.05.16 (28.09.17), representing 498 days' interval between the two dates, which appears to be too long. The interval between/among EARD of 543 days (2015) and 498 days (2016) has improved (or reduced) by about 45 days. The mean (median) ACRD days is about 85 (49) days, while the earliest (last) AC report was dated on 05.05.16 (27.09.17), representing about 510 days' interval between the two dates. This appears to be too long. It is to be noted that the interval between/among ACRD of 546 days (2015) and 510 days (2016) has improved by about 36 days. The average (median) BDAD days is about 86 (51) days. The first (last) board of directors approval was dated on 05.05.16 (27.09.17), representing 510 days' interval between the two dates. However, it appears to be too long.

Finally for 2017 fiscal year-end, the mean (median) EARD is about 133 (62) days. The first (last) EAs report was dated 15.06.17 (22.06.18). This represents 372 days' interval between those dates, and the interval in 2017 has improved over those of 2015 and 2016, it was 543 days in 2015 and 498 days in 2016. The mean (median) ACRD days is about 132.20 (63) days. The earliest (latest) AC report was dated 13.06.17 (22.06.18). This represents 374 days' interval between the dates. This has reduced from the 2016 and 2015 levels. The mean (median) BDAD days is about 132 (62) days. The first and the last BDAD was obtained on 14.06.17 and 22.06.18. This represents 373 days' interval between those dates; which is an improvement on the records of 2016 and 2015.

In sum, the mean reporting days of the three actor-groups of 31 March are longer than the 90 days required of listed companies in Nigeria, this is with the exceptions of those of EARD, ACRD and BDAD of 2016, which is 74.38, 84.85 and 85.77, respectively.

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We can see from Table 3 that the modal reporting days for BDAD in 2016 is 55, which fell on 28.6.16, the date that the majority of board of directors approved the financial statements. The modal reporting days for EARD and ACRD for 2017 is 16 and 18, respectively, both dated on 30.6.17. This implies that 30 June was the preferred date that the EAs and ACs of these companies had chosen to date their reports in 2017. Table 3 shows that there are no clear-cut modal reporting days/dates for companies adopting 31 March 2015 and 2016 fiscal year-end, except for BDAD.

Analysis of 31 December fiscal year-end descriptive

Table 4 contains the descriptive statistics of 31 December 2015–2017 fiscal year-ends. The average (median) EARD is about 94 (90) days. The earliest (last) EAs report was dated on 31.12.15 (30.06.16). This is an interval of 182 days between the first (last) dated EAs report. When we compare the interval of EARD of 31 March 2015 fiscal year-end (in Table 3) against that of 31 December 2015 fiscal year-end, we can see that the gap of 31 December 2015 is far less; i.e., 543 vs 182. This means that the interval of EARD is shorter for 31 December 2015 fiscal year-end. The mean (median) ACRD is about 46 (42) days. The earliest (latest) ACRD and BDAD was on 11.02.16 (22.06.16), representing 132 days' interval between the two dates. This is encouraging, when compared to the other 31 December 2016 and 2017 figures on AC dates. When we compare the interval of ACRD and the BDAD of 31 March 2015 fiscal year-end of 546 and 543 (see Table 3) against those of 31 December 2015 fiscal year-end of 132 each (see Table 4), we can see that the gap of 31 December 2015 is lesser, i.e., 546 vs 132. This means that the intervals of AC report days are shorter for 31 December 2015 fiscal year-end than for 31 March 2015 fiscal year-end.

Table 4. Descriptive statistics for 31 December 2015–2017 fiscal year-end reporting dates (N=212)

	31 December 2015 (N = 67)			31 December 2016 (N = 72)			31 December 2017 (N = 73)		
	EARD ^{1, 2}	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	93.33	45.54	46.27	59.61	53.90	57.79	50.84	43.74	46.47
Median no. of days	90.00	42.00	43.00	57.00	53.00	56.00	51.00	43.00	45.00
Modal no. of days	92	43	43	60	53	55	52	37 ^a	51
Modal report date	31.03.16	24.03.16	24.03.16	30.03.17	23.03.17	23.03.17	29.03.18	Multi	28.03.18
Std. Dev (days)	27.219	21.248	21.794	27.322	25.570	25.637	33.357	26.25570	26.31
Variance (days)	740.860	451.464	474.957	746.466	653.835	657.238	1112.667	689.362	692.225
Days interval	182	132	132	204	185	188	212	153	153
Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	31.12.15	11.02.16	11.02.16	30.01.17	30.01.17	28.01.17	06.02.18	06.02.18	06.02.18
Latest report # of days	183	133	133	205	186	189	213	154	154
Latest report date	30.06.16	22.06.16	22.06.16	22.08.17	03.08.17	04.08.17	06.09.18	09.07.18	09.07.18

: EARD = External Auditors Report Date

: ACRD = Audit Committee Report Date

: BDAD = Board of Directors Approval Date

²: EARD is equivalent to audit delay that is commonly researched by the audit delay literature

^a: Multiple modes and dates exist. The smallest value is shown

For the 72 companies that had 31 December as fiscal year-end in 2016, the average (median) EARD is about 60 (57) days. The earliest (latest) EAs report was date on 30.01.17 (22.08.17), which represents 204 days' interval between the first and the last dated EAs report. Comparing the gap of EAs report days of 31 March 2016 fiscal year-end of 498 (in Table 3) against those of EAs of 31 December 2016

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fiscal year-end of 204 (in Table 4), we can see that the gap of the former is longer than that of the latter by 294 days = $(498 - 204)$. This implies that there is less gap in EAs report date of 31 December 2016 fiscal year-end than that of 31 March 2016. For 31 December 2016, the mean (median) ACRD days is about 54 (53). The earliest (last) AC report was dated on 30.01.17 (03.08.17), representing 185 days' interval. A comparison of the gap of AC report days of 31 March 2016 fiscal year-end of 510 days (see Table 3) and 185 days reveals that the gap is longer by about 325 days. The average (median) BD days for 31 December 2016 fiscal year-end is about 58 (56). The earliest (last) BD approval was dated on 28.01.17 (04.08.17), about 188 days' interval. This figure has reduced in comparison to that of 31 March 2016 by 322 days (from 510 to 188). For December 2017 fiscal year-end, the average and median EAs report days is about 51. The earliest (last) EAs report was dated 06.02.18 (06.09.18), about 212 days' interval. When we compare this interval against those of 31 March 2017 fiscal year-end, 372 days, we can see that the gap of 31 March 2017 is longer than that of 31 December 2017 by about 160 days = $(372 - 212)$. This means that there is less gap in EAs report date for Gregorian fiscal year-end.

The average (median) ACRD days is about 44 (43). The first (last) dated AC report was 06.02.18 (09.07.18), which is 153 days' interval. A comparison of this gap against that of 31 March 2017 fiscal year-end, 373 days, suggests that the interval has improved by 220 days; and comparing it against that of 31 December 2016 fiscal year-end of 185 days reveals that the gap has improved (declined) by $185 - 153 = 32$ days. Even more is the figure of AC report date for 31 March 2017, which is 374 days. This means that AC days are shorter for 2016 and 2017 Gregorian fiscal year-end than the comparative figure of the same periods for 31 March fiscal year-ends. This implies that there is less lag in ACRD of 2017 Gregorian fiscal year-end than that of 31 March 2017. For December 2017, average (median) BDAD is about 47 (45) days. The first (last) AC date and BD date was 06.02.18 (09.07.18), that is 153 days' interval between those dates. The figure reduced by $35 = (188 - 153)$ days when compared against that of 31 December of the previous fiscal year-end; and reduced by $153 = (373 - 220)$ days when compared against that of 31 March 2017.

Except for multi modal days/dates of ACRD, in 2017, there are clear-cut modal reporting days (dates) in which companies adopting 31 December fiscal year-end prefer to date their financial statements. In 2015, the modal reporting days for EARD was 92, and it was dated on 31.03.16; and ACRD and BDAD was 43 days each, which was dated on 24.03.16. This implies that the majority of EAs, ACs and BDs prefer to date or approve their report of 31 December 2015 financial statements on 31 March 2016, 24 March 2016, and 24 March 2016, respectively. For fiscal year-ending 31 December 2016, the modal number of days was 60, 53, and 53 for EARD, ACRD and BDAD, respectively. This implies that the majority of EAs prefer to date their December 2016 fiscal year-end report on 30 March 2017; while ACs and BDAD prefer 23 March 2017. For 31 December 2017, the modal reporting number of days was 52 days for the EARDs, and 51 days for BDAD. The former prefers to date theirs 29 March 2018 while the latter prefers 28 March 2018. ACRD had more than one modal reporting days, the analysis breaks down.

Analogous to the preceding analyses, references to standard deviations and variances indicate that there are greater uncertainties and risks in the various financial reporting dates for 31 March than for 31 December. The relevant statistics can be found in Table 5, which are extracted from Tables 4 and 3. Overall, our result is consistent with Ashton et al. (1987)'s finding that audit delay is significantly longer for companies that have a fiscal year-end other than December.

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Table 5.

	EARD	ACRD	BDAD	EARD	ACRD	BDAD	EARD	ACRD	BDAD
<i>31 December year-end (from Table 4):</i>									
	2015			2016			2017		
Mean report days	93.33	45.54	46.27	59.61	53.90	57.79	50.84	43.74	46.47
Std. Dev (days)	27.219	21.248	21.794	27.322	25.570	25.637	33.357	26.25570	26.31
Variance (days)	740.860	451.464	474.957	746.466	653.835	657.238	1112.667	689.362	692.225
<i>31 March year-end (extracts from Table 3):</i>									
Mean report days	201.14	203.71	201.14	74.38	84.85	85.77	132.70	132.20	131.60
Std. Dev (days)	220.346	220.803	220.346	128.324	129.141	128.860	143.146	143.502	143.548
Variance (days)	48552.476	48753.905	48552.476	16467.26	16677.47	16604.9	20490.90	20592.844	20606.044

Analysis of other fiscal year-end descriptive

We found other fiscal year-end dates in the course of data collection. These are 30 April, 31 May, 30 June, 31 July, 30 September, and 31 October. They are not widely adopted in Nigeria. These can be found in the Appendices at the end of the paper, they are analysed there.

Compliance with 90 days' (3 months') filing requirement

In Table 5, concerning EARD, except for the mean of 93.33 days in 2015, the mean reporting days of 2016 and 2017 are close to each other: 59.61 and 50.84, respectively. These averages are shorter than the 90-days deadline required of listed companies in Nigeria. Clearly, as can be seen from a comparison of Table 5, except for 31 March 2016, companies adopting 31 March 2015 and 31 March 2017 were in breach of the rendition time for year-end financial statements. Therefore, companies adopting 31 December fiscal year-end date are more likely to comply with the requirement than those adopting 31 March fiscal year-end date. This result shows that reporting delay improved (became shorter) among Nigerian non-financial companies for the periods covered by the study. Azubike & Aggreh (2014,) and Mohammed et al. (2018,) found the average audit lag by Nigerian listed non-financial companies to be approximately 111 days and 96 days, respectively; howbeit, they did not investigate more than one fiscal year-end. Comparatively, and using December fiscal year-end modelled in this paper (and the finding therein), Nigerian companies have fared better than their counterparts in other parts of the developing economies. The average external auditors delay for non-financial companies listed on the Nigerian Stock Exchange is shorter than those in Indonesia where the average was found to be 98 days (see Ika & Ghazali, 2012), Greece has 106.95 days (see Leventis and Weetman, 2004) and 113 days (see Owusu-Ansah and Leventis, 2006).

Conclusion and recommendations

This paper is questing for a unified reporting date in Nigeria. The motivations for the study is derived from anecdotal and research evidences that point to concerns about the level of compliance with regulatory deadline for year-end financial statements in Nigeria, and the call to deal with audit delay at group levels. The paper is anchored on team effectiveness, which DeZoort et al. (2002) identified as a fruitful research area. Among other things, the paper addressed four important financial reporting dates regarding year-end financial reporting dates including fiscal year-end-, external auditors-, audit committees-, and boards of directors – report dates. It articulated reporting chain amongst the three

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principal actor-groups involved in the financial reporting process. The paper went beyond audit delay to examine the totality of financial reporting delay captured by the three actor-groups.

There is documented evidence suggesting that the gaps in the various report days were shorter for the 31 December fiscal year-end than for the other seven year-end regimes. The evidence suggested that there were clear-cut modal reporting days or dates adopted by followers of 31 December fiscal year-end, as opposed to adopters of 31 March and the other six fiscal year-ends which do not have a clear-cut modal reporting day/date. The majority of the individual actor-groups prefer to date or approve the audited financial statements of 31 December financial statements on a particular day in the fiscal year. The documented evidence indicated that the mean reporting days of companies adopting 31 December fiscal year-end were shorter than the mean of adopters of other fiscal year-ends. This implies that more than any other fiscal year-ends, 31 December adopters are more likely to comply with the 90-day regulatory deadline in Nigeria. The documented evidence also suggested that the gap of external auditors reports days was shorter for 31 December fiscal year-end adopters than for other fiscal year-ends. This finding is consistent with Ashton et al. (1987), who found audit delay to be significantly longer for companies that had a fiscal year-end other than 31 December. Furthermore, we provided evidence suggesting that the interval of audit committee report days were shorter for Gregorian fiscal 2015 year-end than for any other fiscal year-ends.

In addition, the documented evidence suggests that there is uncertainty for investors and other stakeholders as a result of companies adopting different (not less than eight) financial reporting year-end dates in Nigeria. We provided evidence that 31 December year-end reduces the uncertainty and risk associated with financial reporting deliverables in the country.

Based on these findings, there is a need for a uniform (or at least, close to a uniform) financial reporting period for listed non-financial companies in Nigeria, particularly audit reporting period.

We recommend considering requiring companies to migrate to 31 December fiscal year-end, since there were less dispersions in reporting days/dates of the fiscal year-end. Furthermore, it will also ensure more timely (and more useful) year-end financial statements.

The applicability of the recommendation can be looked into by relevant bodies in Nigeria such as the Manufacturers Association of Nigeria, Chambers of Commerce and Industry, the Financial Reporting Council of Nigeria, the Security and Exchange Commission, Nigerian Stock Exchange, and others, including audit firms in Nigeria.

This recommendation did not address the various likely attendant increase in costs (such as additional manpower, equipment, office space, etc.) that would be needed by accounting firms and regulatory bodies. This is a limitation of the paper, and is left for future studies to consider.

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Appendices

Analysis of other fiscal year-end descriptive

Appendix 1 contains descriptive statistics of the companies ending their fiscal year-ends on 30 April and June, and 31 May for the three years. Panel A presents the descriptive statistics 30 April 2015, 2016 and 2017. In 2017, the average and median EAs report, ACs report, and BD approval days were 10 days for each. There were 12 days' interval between the first date (13.7.17) and last date (25.7.17). A detailed analysis of 30 April 2015 and 2016 is not conducted. Panel B contains the descriptive statistics for 31 May 2015, 2016 and 2017, detailed analyses of these are not conducted. Panel C contains the descriptive statistics of 30 June 2015–2017, a brief analysis of this follows. In 30 June 2015, the average (median) days were the longest when compared to April 2015–2017 or May 2015–2017, or the same month in 2016 and 2017.

Appendix 1. Descriptive statistics for 30 April 2015–2017 fiscal year-ends

Panel A.

	30 April 2015 (N = 1)			30 April 2016 (N = 2)			30 April 2017 (N = 2)		
	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	1.00	1.00	1.00	1.50	1.50	1.50	10	10	10
Median no. of days	1.00	1.00	1.00	1.50	1.50	1.50	10	10	10
Std. Dev	.000	.000	.000	0.70711	0.70711	0.70711	12.7279	12.7279	12.7279
Variance	.000	.000	.000	.5000	.5000	.5000	162	162	162
Days interval	0	0	0	1	1	1	12	12	12
Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	17.07.15	17.07.15	17.07.15	14.7.16	14.7.16	14.7.16	13.7.17	13.7.17	13.7.17
Latest report (days)	1	1	1	2	2	2	13	13	13
Latest report date	17.07.15	17.07.15	17.07.15	15.7.16	15.7.16	15.7.16	25.7.17	25.7.17	25.7.17

Panel B.

	31 May 2015 (N = 1)			31 May 2016 (N = 1)			31 May 2017 (N = 1)		
	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Median no. of days	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Std. Dev	.000	.000	.000	.000	.000	.000	.000	.000	.000
Variance	.000	.000	.000	.000	.000	.000	.000	.000	.000
Days interval	0	0	0	0	0	0	0	0	0
Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	21.08.15	19.08.15	20.08.15	11.08.16	29.07.16	14.07.16	31.08.17	2.08.17	7.08.17
Latest report (days)	1	1	1	1	1	1	1	1	1
Latest report date	21.08.15	19.08.15	20.08.15	11.08.16	29.07.16	15.07.16	31.08.17	2.08.17	7.08.17

Panel C.

	30 June 2015 (N = 3)			30 June 2016 (N = 4)			30 June 2017 (N = 2)		
	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	224	252.333	252	16.25	6.75	5	15.50	16.50	15
Median no. of days	36	39	36	8	7.50	5	15.50	16.50	15
Modal no. of days	.000	.000	.000	8	11	1	.000	.000	.00
Modal report date	-	-	-	27.09.16	26.09.16	19.09.16	-	-	-
Std. Dev	356.3664	402.8614	404.812	21.4223	5.05799	4.6188	20.5061	21.9203	19.7989
Variance	126997	162297	163873	458.9167	25.5833	21.3333	420.5	480.5	392
Days interval	634	716	718	47	10	8	29	31	28

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Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	03.09.15	31.08.15	03.09.15	20.9.16	16.09.16	19.09.16	31.08.17	27.08.17	30.08.17
Latest report (days)	635	717	719	48	11	9	30	32	29
Latest report date	21.08.17	16.08.17	21.08.17	09.11.16	26.09.16	27.09.16	29.09.17	27.09.17	27.09.17

¹: EARD = External Auditors Report Date

²: ACRD = Audit Committee Report Date

³: BDAD = Board of Directors Approval Date

There was only one company that ended its fiscal year on 31 July 2015. We did not find any company for 31 July 2016 and 2017. Also, one company each ended its fiscal year on 31 October 2015, 2016, and 2017; the descriptive statistics of 31 July and October are untabulated. In appendix 2, there were 10 companies ending their fiscal year on 30 September: 4 companies apiece in 2015 and 2016, and 2 companies in 2017.

Appendix 2 Descriptive Statistics for 30 September 2015, 2016, and 2017 fiscal year-ends

	30 September 2015 (N = 4)			30 September 2016 (N = 4)			30 September 2017 (N = 2)		
	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³	EARD ¹	ACRD ²	BDAD ³
Mean report days	8.75	27.25	21.25	169.7516	165.75	166	9.50	18.50	18.00
Median no. of days	1.50	25	16.50	26	18	18.5	9.50	18.50	18.00
Modal no. of days	1	.000	.000	26	.000	.000	.000	.000	.000
Modal report date	30.12.15	-	-	30.12.16	-	-	-	-	-
Std. Dev	14.8408	26.4244	21.4534	304.3948	307.0074	306.8387	12.0208	24.7487	24.0416
Variance	220.25	698.25	460.25	92656.25	94253.58	94150	144.5	612.5	578
Days interval	30	57	50	625	625	625	17	35	34
Earliest report day	1	1	1	1	1	1	1	1	1
Earliest report date	30.12.15	22.12.15	10.12.15	05.12.16	05.12.16	05.12.16	05.01.18	18.12.17	30.08.17
Latest report (days)	31	58	51	626	626	626	18	36	35
Latest report date	29.01.16	01.02.16	29.01.16	22.08.18	22.08.18	22.08.18	22.01.18	22.01.18	22.01.18

¹: EARD = External Auditors Report Date

²: ACRD = Audit Committee Report Date

³: BDAD = Board of Directors Approval Date

[?]: EARD is equivalent to audit delay that is commonly researched by the audit delay literature

A cursory look at the descriptive statistics of 30 September 2016 shows that they appear to be the longest when compared side-by-side with those of September 2015 and 2017. Analysing 30 September in particular, the average (median) EARD, ACRD, and BDAD was approximately, respectively, 170 (26), 166 (18), and 166 (18.5) days. The earliest (latest) EARD, ACRD, and BDAD was dated on 05.12.16 (22.08.18), which represents 625 days' interval between the two dates. The modal days for EARD was 26. This suggests that most of the EAs that audited the financial statements of companies adopting 30 September year-end in 2016 dated the financial statements on 30 December 2016, three months afterwards.