SECTORAL VARIATIONS IN DELAYS IN CORPORATE FINANCIAL REPORTING IN NIGERIA: EFFECT OF REGULATORY PRESSURE

OLADIPUPO, A.O.¹ and DABOR, E.L.¹

¹Department Of Accounting, Faculty of Management Sciences
University Of Benin, Nigeria

ABSTRACT

The goal of this study is to find out whether there are statistically significant differences in timeliness of corporate financial reporting in the financial and non-financial sectors in Nigeria. The study examines the variations in audit delay, management delay and total delay in corporate financial reporting in the financial and non-financial sectors. Using 825 firm-year observations of data from the annual reports and accounts of Seventy Five (75) companies quoted on the Nigerian Stock Exchange from 2000 to 2010, the results show that financial firms do report their financial statements earlier than the non-financial firms. The mean audit delay for financial firms is 150 days and 166 days for non-financial firms with mean difference of 16 days. The mean management delay for financial firms is 81 days and 94 days for non-financial firms with mean difference of 13 days. The mean total delay of financial firms is about 231 days and 260 days for the non-financial firms, with difference of 29 days. The test of hypothesis of difference in means shows that the mean difference of 29 days for total delay, mean difference of 16 days for audit delay and the mean difference of 13 days for management delay are not statistically significant at 5% level. Thus, the differences in the regulatory provisions on the timing of publication of corporate financial reporting are not necessary. Uniform timeline should be set for all publicly quoted companies in Nigeria regardless of the sector in which they operate if the regulatory bodies want public firms to report more timely in Nigeria to meet the global best financial reporting practice.

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