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AUDIT REPORT FILING RESPONSE OF PUBLIC NON FINANCE FIRMS LISTED IN NIGERIA: THE CORPORATE STRUCTURE VARIABILITY

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ABSTRACT
This study evaluated the effect of corporate structure variability on audit report filing response of non finance firms listed in Nigeria. Specifically, it investigated the effect of institutional ownership and free float ownership on audit report filing of early and late filers of audited financial report among listed non-finance firms on Nigerian Exchange Group. Adopting the ex post facto research design, the secondary data source such as the audited annual reports of 68 non-finance firms out of 101 non-finance firms listed on the floor of the Nigerian Exchange group sampled using the sample filtering non-probability sampling technique over a ten-year period ranging from 2015-2024, were extracted. Utilising the STATA ver 17 statistical software, relevance correlation and regressional analysis was conducted. Empirical findings showed that 2. Institutional ownership (IOWN) had strong significant and positive effect on audit report filing of late filers of annual financial report among listed non-finance firms in Nigeria, and the early filers maintained weak and negative effect (p-values 0.002 and 0.02; coefficients -0.064 and 1.854). Also, Free float ownership (FFLOAT) had a positive but no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria. (p-values 0.151 and 0.086; coefficients 0.093 and 2.438 for early and late filers).. In essence, this study concluded that corporate ownership variability plays a differentiated and context-sensitive role in determining the audit report filing actions of listed non-finance firms in Nigeria. The study therefore recommends that key stakeholders in the non-finance sector, particularly regulators and corporate governance enforcers such as the Securities and Exchange Commission (SEC) and the Nigerian Exchange Limited (NGX), should adopt differentiated oversight strategies in relation to institutional ownership. Specifically, these Enforcers should strengthen institutional Investors' engagement through the promulgation of stewardship codes and mandatory disclosure of institutional monitoring activities. This is essential to ensure that institutional ownership consistently promotes audit report timeliness across all filing categories.

***Key words:** Audit Report Filling Response, Corporate Structure variability, Early Filers, Free float ownership, Late Filers.*

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INTRODUCTION

Timely release of corporate financial report can be viewed as a way of reducing information asymmetry, improving pricing of securities, mitigating insider trading, leaks, and rumors in the market.

A good measure of corporate financial reporting transparency and quality is timeliness because if a corporation issues a perfectly accurate but late information, it becomes stale, and the more the information remains in the hands of managers, the less relevant it is to users (Weetman & Caramanis, 2005; McGee, 2007; Sirao, Kantudu, & Isma'ila 2020; Pradipta & Zalukhu 2020; Bamber, Bamber & Schoderbek, 1993). In developing economies as Nigeria, timely information in annual reports is most critical especially as other non-financial statement outlets such as media releases, press conferences, and financial analyst predictions are not as developed as in advance economies. This exacerbates the need for users of financial information to be able to access the information they require in a timely manner to make rational decisions. Under this framework, financial information users place a premium on the timing of information as well as its quality.

Iyoha (2019) argued that it takes an average of 119 days after the accounting year end for firms within the conglomerate sector in Nigeria to present its financial statement to users, while firms within the food and beverage sector takes about 144 days to present their financial statement to its users. Similar to late filings, Iyoha (2019) document that it takes no earlier than 137days and 145days for firms within the petroleum and health sectors respectively to make public its audited financial report. This timing standards strongly violates the Securities and Exchange Commission (SEC) and the Companies and Allied Matters Act (CAMA) provision on filing of audited financial report which stipulates that all listed companies must make available their audited financial reports for publication on or before ninety (90) days, after their financial year end. Hence, it is obvious that the situation in Nigeria is not palatable as many listed companies still go beyond the prescribed time frame for submitting its audited financial reports.

Hessel and Norman, (1992) who document that institutional investors (institutional shareholding) necessitate timely information release compared to individual shareholders because the information will serve as a source of argument against management actions that oppose their interests. This imply that institutional investors have the power to impose and make it a requirement for management to deliver financial information in a timely manner because they can use their high voting rights to impact management decisions (Binti-Hashim, 2017). However, it is pertinent to note that studies on free float ownership is timely and valuable in the Nigerian context. Free float ownership, representing the proportion of shares

available to public investors, often signals market liquidity and transparency (Ding, Ni & Zhong, 2016; Doostian & Farhad Toski, 2022). In developed economies, higher free float percentages have been associated with more timely financial disclosures, as public investors demand reliable and prompt information (Lakhani, 2016). But in Nigeria, where the equity market is relatively nascent and characterized by information asymmetry and regulatory weaknesses, it is unclear whether this relationship holds.

It is in line with the foregoing discourse that this study is poised to ascertain the effect of corporate structure variability on audit report filing response among public non finance firms in Nigeria, placing key emphasis on comparing between the persisting structure that possibly account for early filing against the ownership structure that account for late filing of annual financial report among such firms in Nigeria.

Objectives

The broad objective of the study is to investigate the extent to which audit report filing response of listed non finance firms in Nigeria is affected by corporate structure variability.. Specifically, the study seeks to:

1. investigate the effect of institutional ownership on audit report filing of early and late filers of audited financial report among listed non-finance firms on Nigerian Exchange Group.
2. find out the effect of free float ownership on audit report filing of early and late filers of audited financial report among listed non-finance firms on Nigerian Exchange Group.

LITERATURE REVIEW

Audit Report Filing Response

Response to audit report filing has been viewed and addressed from different angles. While some scholars as Basuony *et al.* (2016) prefer to associate it with audit time lag using audit report lag others as Abed, Bataineh, and Suwaidan (2020) and Afify (2009) linken it to as management lag and total lag respectively. Accordingly, Mohammed, Mahshed, Keramatola, Gholan, and Faramarz (2013) described audit delay as elapsed time between the close of a year end and the end of audit fieldwork. The latter is usually the date on which substantial audit test are completed and the auditor leave the clients' premises. Thus, audit report filing response depicts the timeliness attributed to audit reporting. It is about ensuring that financial information reaches the target financial statement Users in a timely manner to provide them with relevant and useful information for decision-making process. Many scholars including

Liu, *et al*, (2009); Chue and Lai, (2007); and Aktas and Kargin, (2011) have echoed the importance of financial report being delivered and made available to information users on time. There may be an increase in information lopsidedness when there is a delay in disclosing information (Chue & lai, 2007) leading to uncertainty in investors' decision-making process (Mohamad-Nor, Shafie, & Wan-Hussin, 2010) and in turn influence shareholders' (present and prospective shareholders) decision.

Corporate Structure Variability

In line with the position of Sahut and Gharbi (2010) ownership structure is the combination of ownership concentration, managerial ownership and institutional ownership. Alipour and Amjadi (2011) defined ownership structure as the composition of the biggest five shareholders, which includes a combination of institutional shareholders, individual and managerial shareholders while Shah, Safdar and Mohammad (2011) view ownership structure as the percentage of shares held by Directors. Khalil, Syed, and Zahid, (2012) opined that ownership structure is the composition of managerial ownership and concentrated ownership. Uwuigbe, and Olusanmi (2012) viewed ownership structure as decisions made by those who own or who would own shares.

Institutional Ownership

Institutional ownership is the total number of shares outstanding that are owned by institutions. Institutional ownership can simply be viewed as the number of shares held by institutional investors divided by the total number of shares outstanding in the firm (Ding, Zhang, & Zhang, 2007). Gordon and Edward (2006) defined institutional ownership in two ways; first as the total fraction of ownership held by all institutional investors and second as the ownership held by institutional block investors that is, the five/ten largest institutional investors. Bjuggren, Eklund, and Wiberg (2007) defined institutional owners as specialized financial institutions who manage savings collectively on behalf of other investors towards a specific objective in terms of acceptable risk, return maximization, and maturity of claims. Sahut, and Gharbi (2010) described institutional ownership as the percentage of shares owned by the actors available at the time of publication of a complete and audited financial statement while Feng, Ghosh, He, and Sirmans (2010) viewed institutional ownership as the percentage of equity owned by the governmental institutions, financial institutions, corporate institutions, mutual funds, foreign financial institutions, foreign institutions, foreign mutual funds and other institutions. Describing institutional ownership, Demiralp, Ranjan, Frederik and Venkat (2011) posit that institutional ownership are shares held by registered institutions such as

insurance firms, investment companies, pension funds, banks, and money managers. Ahmad and Jusoh, (2014) posit that institutional investors may play a significant role as external monitors of corporate activity.

In defining institutional ownership Chung and Zhang, (2011) sees it as the equity holdings in publicly traded companies by large financial organizations, such as mutual funds, pension funds, insurance companies, and investment banks. It represents a form of concentrated ownership where institutional investors act as significant shareholders, often with substantial voting rights and influence over corporate governance (Lin & Fu, 2017). Unlike dispersed individual ownership, institutional ownership emphasizes collective power and professional management in equity markets, enabling strategic decision-making that aligns with long-term performance goals. Literature underscores the dual role of institutional ownership as both a monitor and influencer of corporate behavior, driven by the institutions' fiduciary responsibilities and investment strategies (Boyd & Solarino, 2016; Boone & White, 2015). While institutional ownership is seen as a mechanism to reduce agency problems, its conceptualization extends to its impact on governance structures, transparency, and ethical practices (Chang, Kang & Li, 2016; Crutchley, Jensen, Jahera Jr, & Raymond, 1999). It also interacts with frameworks like agency theory and stakeholder theory, highlighting its dynamic influence on aligning managerial actions with investor and societal expectations making this multidimensional view a reflection of the evolution of institutional ownership as a critical pillar in modern corporate finance.

H_{02}: Institutional ownership has no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms on Nigerian Exchange Group.

Free Float Ownership

Free float ownership is a key concept in corporate finance, reflecting the portion of a company's shares that are readily available for trading in the stock market. These shares are held by public investors rather than company insiders, institutional investors with significant holdings, or government entities. The concept is foundational in understanding market liquidity, volatility, and investor behavior. According to Sakinc and Gungor (2015), free float shares exclude those subjects to trading restrictions or concentrated in the hands of entities with long-term strategic interests, thereby representing the truly "free" portion of the equity market. The conceptual framework of free float ownership is pivotal for market regulators and participants alike, as it informs index inclusion criteria, market capitalization adjustments,

and the efficacy of market pricing mechanisms (Agarwal & Pradhan, 2023; Hearn, Filatotchev & Goergen, 2022).

A deep exploration of the term reveals its role in enabling efficient price discovery and maintaining market stability. As Jochem *et al.* (2020) indicate, free float ownership serves as an indicator of the tradability of shares, influencing the degree of investor access to a company's equity. The definitional clarity of free float ownership is also linked to its implications for corporate governance. High free float ratios can dilute the control exerted by large shareholders, promoting transparency and accountability (Firth, Gao, Shen & Zhang, 2016; Gödeckem & Schiereck, 2024). However, it may also increase exposure to speculative trading and short-termism (Andres, 2008). Such a duality underlines the complex dynamics that free float ownership introduces into financial markets, as highlighted by Le Vine and Polak (2019), where the interaction between ownership structure and market efficiency is critically scrutinized.

> H_{05}. *Free Float ownership has no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms on Nigerian Exchange Group.*

Theoretical Review

Public Interest Theory of Economic Regulation

The notion of this theory can be traced back to the works of Arthur Cecil Pigou, as it is difficult to pointedly identify the origin of the theory. The theory stems from the general postulations of regulation which Hertog (2010) refers to as the use of instruments of legal nature to implement and attain social-economic policy objectives. The attribute of such legal instrument drive governmental authorities to require compliance with prescribed behavior under penalty of sanctions. Firms are, therefore, compelled to observe certain prices and practices, to supply goods of a particular nature, not play in certain markets, amongst other requirements, with sanctions ranging from fines, incarceration, an injunction against withholding certain actions to divestiture of businesses or outright closure of businesses. Kay and Vickers (1990) posit structural and conduct regulations are the two variants of economic regulations.

Public interest theories of economic regulation rest on the assumptions of full information, perfect enforcement and benevolent regulators. According to this theory, the regulation of firms or other economic actors contributes to the promotion of the public interest Hertog (2010). Public interest can further be described as the best possible allocation of scarce

resources for individual and collective goods and services in society, geared at preventing market failures. In the views of Arrow, (1970), Arrow (1985) and Shubik (1970), one of the ways of attaining efficient allocation of resources when a market failure is identified, is government regulation. In the earlier development of the public interest theories of regulation, it was assumed that market failure is a sufficient condition to explain government regulation (Baumol, 1952). However, this theory is criticized for its Nirvana approach, implying that theoretically efficient institutions could be seen to efficiently replace or correct inefficient real-world institutions (Demsetz, 1968). This study is pinged on this theory due to its relevance that regulatory timelines for listed firms to file their financial statements is important to protect the interests of players in the capital markets. When these timelines are not adhered to, public interests of market and its participants suffer, a situation, if not well managed could trigger market failure.

Empirical Review

Asyikin, Ernawati, and Melania (2024) examined the influence of profitability, company size, ownership structure, and the size of the public accounting firm on the timeliness of financial reporting in conventional banking. Data were collected from the Indonesian Stock Exchange, specifically focusing on conventional banking companies, for the period between 2019 and 2022. The study categorized timeliness of financial reporting as the dependent variable, while profitability, company size, ownership structure, and the size of the public accounting firm served as independent variables. Employing a quantitative research design, the authors used a purposive sampling technique, resulting in a sample of 23 banks with 92 observations over four years. Logistic regression analysis was utilized to test the hypotheses. The findings revealed that profitability, company size, and ownership structure significantly influenced the timeliness of financial reporting, whereas the size of the public accounting firm showed no significant impact.

Prasdecia and Imelda (2024) investigated the impact of institutional ownership, independent board membership, company size, profitability, and leverage on the timeliness of financial reporting. The study utilized data from non-cyclical consumer sector companies listed on the Indonesia Stock Exchange for the period 2020–2022. The dependent variable in the study was the time span for submitting financial reports, while institutional ownership, independent board membership, company size, profitability, and leverage served as independent variables. A quantitative research design was employed, with purposive sampling yielding a sample of 125 companies. The data were analyzed using a Random-Effects Model within multiple

regression analysis, supported by descriptive and inferential statistics. The findings revealed that company size had a significant negative effect on the timeliness of reporting, suggesting that larger firms submitted reports more promptly due to their resources and governance structures. However, institutional ownership, independent board membership, profitability, and leverage were found to have no significant influence on timeliness.

Marsenne, Ismail, Taqi, and Zulfikar (2023) examined the impact of firm size, audit committees, and institutional ownership on the timeliness of financial reporting, with audit opinion serving as a moderating variable. Data for the study were obtained from the Indonesia Stock Exchange, focusing on infrastructure, utility, and transportation sector companies during the 2019–2021 period. The dependent variable was financial reporting timeliness, while the independent variables included firm size, audit committee characteristics, and institutional ownership, with audit opinion as the moderating variable. Employing a purposive sampling technique, the study analyzed data from 68 companies, resulting in 204 firm-year observations. Logistic regression analysis was utilized to test the hypotheses. The results revealed that firm size positively influenced timeliness, indicating that larger firms tend to report financials promptly. However, neither audit committees nor institutional ownership significantly affected timeliness. Furthermore, the audit opinion failed to moderate the relationship between the independent variables and financial reporting timeliness.

Aldjoeffry and Raharja (2022) studied the effect of audit committee, institutional ownership, profitability, and audit complexity as moderating variable to financial statement report delay by conducting an empirical study on manufacturing companies listed on IDX in 2017 – 2019. The sample selection was carried out by purposive sampling and based on predetermined criteria; the number of samples used was 83 manufacturing companies. The data analysis results showed that institutional ownership and profitability had a negative effect on financial statement report delay, while audit committee had no significant effect on financial statement report delay.

Yilmaz et al. (2021) explored the impact of ownership structure, board attributes, and the adoption of eXtensible Business Reporting Language (XBRL) on the timeliness of financial reporting among non-financial companies listed on Borsa Istanbul (BIST) in Turkey. The study utilized data spanning from 2010 to 2018, covering various sectors within the non-financial domain. The dependent variable in this research was the timeliness of financial reporting, with independent variables including institutional ownership, foreign ownership, board size, gender diversity, and XBRL adoption, while profitability, firm size, and leverage

were among the control variables. Employing a panel data approach with random effects regression and logistic regression for hypotheses testing, the authors analyzed 1,683 observations from 187 companies in the main sample and 486 observations from 54 companies in a subsample. The findings indicated that institutional ownership and women's participation on boards positively influenced timely reporting, while high leverage delayed reporting. XBRL adoption significantly reduced reporting lags, particularly for larger firms.

Ebaid (2021) studied the nexus between corporate characteristics and financial reporting timelines of firms listed on the Saudi Stock Exchange. Specifically, the study investigates the relationship between financial reporting timeliness and corporate size, profitability, leverage, and institutional ownership. A sample of 67 nonfinance companies listed on the Saudi market during the period 2015–2018 was used. Multivariate regression analysis was performed to analyze the relationship between the four corporate characteristics and timeliness of financial reporting. The findings revealed that financial reporting timeliness is significantly correlated with three of the corporate's characteristics, while there is no significant correlation between institutional ownership and timeliness of financial reporting.

Sudradjat, Ishak, Sukmawati, and Syifa (2020) investigated the influence of profitability, leverage, firm size, firm reputation, and institutional ownership on audit report lag. The data were collected from manufacturing companies listed on the Indonesian Stock Exchange over the period 2014–2018. This study considered audit report lag as the dependent variable, while profitability, leverage, firm size, firm reputation, and institutional ownership were independent variables. Utilizing an explanatory research design, the sample was determined through purposive sampling, comprising firms that met specific criteria over the study period. The analysis employed multiple regression using the Ordinary Least Squares (OLS) method. Results revealed that firm size significantly reduced audit report lag, indicating that larger firms submit audit reports more promptly. Conversely, profitability, leverage, firm reputation, and institutional ownership had no significant effects on audit report lag.

Abed, Bataineh, and Suwaidan (2020) evaluated the impact of corporate governance characteristics and ownership structures on audit report lag and management report lag in non-financial companies listed on the Amman Stock Exchange in Jordan. The study covered the period from 2014 to 2017 and focused on manufacturing firms. Audit report lag and management report lag served as dependent variables, while the independent variables included board independence, role duality, director age, board diversity, institutional ownership, ownership concentration, and audit firm size. A quantitative research design was

employed, using a sample of 62 companies with 190 firm-year observations. The data were analyzed using Ordinary Least Squares regression. Findings revealed that institutional ownership significantly reduced both types of reporting lag, while board diversity and director age increased them. Audit firm size was negatively associated with audit report lag, highlighting the efficiency of larger audit firms.

Abed, Bataineh, and Suwaidan (2020) investigated whether corporate governance factors and ownership structure affect audit report lag and management report lag for 190 non-financial companies listed on the Amman Stock Exchange for the period 2014-2017. The results of the study reveal than on average auditors needs 58 days until they provide their report. The results of Multivariate regression suggest that director age, institutional ownership and ownership concentration has an impact on audit report lag measured by number of days passes from December 31 until the issuance of external audit report. The results of descriptive analysis documents are that on average management needs 106 days until they release their reports to the public. The results indicate strong empirical evidence for number of non-executive directors, role duality, director age, board diversity and institutional ownership with management report lag.

Frischanita (2018) examined the influence of institutional ownership, audit committees, and gender on audit report lag in mining sector companies. The data for this study were collected from companies listed on the stock exchanges of Indonesia, Malaysia, and Singapore for the period 2012–2016. The study used audit report lag as the dependent variable, with institutional ownership, audit committee characteristics, and gender (of the CEO and audit committee chair) as independent variables. Employing a random purposive sampling technique, the study analyzed a sample of 13 companies from which 5 where taken from Indonesia, 5 from Singapore, and 3 from Malaysiaresulting in 65 observations. The research employed multiple linear regression to test the hypotheses and a One-Way ANOVA to assess differences in audit report lag among the three countries. Findings indicated that institutional ownership significantly reduced audit report lag, while neither audit committees nor gender showed a significant effect.

Raditya (2018) explored the determinants of audit delay, specifically focusing on institutional ownership, independent commissioners, auditor opinions, and the presence of subsidiaries as contributing factors. The study utilized data from companies listed on the Indonesia Stock Exchange during the period 2016 to 2017, targeting a sample of 105 firms selected through purposive sampling. The dependent variable was audit delay, while the independent variables

included institutional ownership, independent board commissioners, auditor opinions, and subsidiaries. Using multiple regression analysis to test hypotheses, the findings indicated that institutional ownership and auditor opinion negatively and significantly influenced audit delay, suggesting these factors reduce the time taken to complete audits.

Fujianti (2016) explored the role of corporate governance mechanisms in influencing the timeliness of financial reporting and its subsequent impact on market reactions. The data for this study were collected from the Indonesia Stock Exchange, focusing on companies listed in 2013, with a sample size of 96 firms across various industries. The dependent variables included timeliness of financial reporting and market reaction, while the independent variables comprised management ownership, institutional ownership, board size, board independence, and audit committee characteristics. The study adopted a cross-sectional research design, utilizing purposive sampling and employing logistic regression and independent t-tests to evaluate the hypotheses. Findings indicated that institutional ownership, board independence, and audit committees significantly influenced the timeliness of reporting, underscoring their roles in reducing delays. However, management ownership and board size showed no significant effect.

Basuony, Mohamed, Hussain and Marie (2016) investigated board characteristics and ownership structure variables as determinants of financial reporting timeliness. The sample of this study comprised of 201 companies for the period 2009 to 2013 which covered 11 countries of S&P Pan Arab index. Ordinary Least Square and Ridge regression analysis are performed to test the audit report timeliness determinants. The results reveal that higher percentage of companies releasing their audit report in less than 60 days are audited by big four firms. The regression analysis result indicates that CEO duality, board size, board independence, ownership concentration, institutional ownership, foreign ownership, auditor type, return on assets, and firm age significantly affect audit report lag.

McGee and Yuan (2012) investigated the timeliness of financial reporting as an attribute of corporate governance by comparing companies listed on the Shanghai Stock Exchange in China with selected firms in the United States and the European Union. The study spans data collected from 2003 to 2007, focusing on publicly listed firms across diverse industries. The dependent variable is the timeliness of financial reporting. Independent variables include the country of operation and the type of audit firm. The study employs a comparative analysis framework using descriptive and inferential statistical methods, specifically significance testing, to evaluate differences in reporting timeliness. Findings reveal that Chinese firms

report less timely financial results compared to U.S. and EU firms, with U.S. firms being the timeliest.

MATERIALS AND METHOD

This study employed *ex-post facto* and match-pair research design. Ownership variability observations of early filers were sieved out of observations of late filers using the match-pair research design. The population of the study comprised one hundred and one (101) non-finance firms from the Agriculture, Consumer goods, industrial goods, oil and gas, healthcare, services, natural resources, ICT, and conglomerate sectors as listed on the floor of the Nigerian Exchange Group (NGX). However, using a sample filtering non-probability sampling technique, an experimental group (sample size) of sixty-eight (68) non-finance listed firms were obtained. Notably, specific criteria employed to select the experimental (late filers) and control observations (early filers) was used. Data extracts used cut across a period of ten years (2015 – 2024).

Model Specification

In line with the objectives of this study, two models by Asiriuwa, Adeyemi, Uwuigbe, Uwuugbe, and Ozordi (2021), Asuzu, *et al*. (2021) and Okechukwu *et al*. (2021), as modified and adapted for the purpose of this study in econometric specifications are as presented below.

Model 1 Sample for Early Filers

$$EFARFATID_{it} = \partial_0 + \partial_1 IOWN_t + \partial_2 FFLOAT_{it} + \partial_3 FSISE_{it} + \mu_{it} \ldots\ldots\ldots \text{Eqn 1}$$

Model 2 Sample for Late Filers

$$EFARFATID_{it} = \partial_0 + \partial_1 IOWN_t + \partial_2 FFLOAT_{it} + \partial_3 FSISE_{it} + \mu_{it} \ldots\ldots\ldots \text{Eqn 2.}$$

Where:

LFARFA	=	Late Filers Audit Report Filing Attitude
EFARFA	=	Early Filers Audit Report Filing Attitude
IOWN	=	Institutional Ownership
FFLOAT	=	Free FloatOwnership
FSIZE	=	Firm Size
β_0	=	Constant
β_1- β_7	=	Slope Coefficient
μ	=	Stochastic disturbance
i	=	i^{th} firm
t	=	time period

The study utilised the panel data analysis technique for the relevant statistical analysis conducted in this study. The choice of this technique stems from the fact that data collected is based on time series and as a result, cross-sectional attributes in nature. This permitted for the study of the relevant variables used, across time as well as across the sampled firms (cross-section). Moreso, panel data regression provides better results since it uses large observations and reduces the problem of degree of freedom (Muhammad, 2012). It helps to capture the individual cross-sectional (or firm-specific) effects that the various pools may exhibit with respect to the dependent variable in the model. All analyses were conducted at 5% level of significance using STATA 17 software. And for the purpose of making relianle findings and reaching meaningful conclusions, the study relied on "accept the null hypothesis if the p-value obtained is greater than the level of estimation or significance (0.05), otherwise reject and accept the alternate hypothesis" as its decision rule.

RESULT AND DISCUSSIONS

Data Analysis

Test of Hypotheses

Table 1 Regression analysis result

	EARLY FILERS (FIXED EFFECT)	EARLY FILERS (RANDOM EFFECT)	EARLY FILERS (FE/ D–Kraay SE)	LATE FILERS (FIXED EFFECT)	LATE FILERS (RANDOM EFFECT)	LATE FILERS (FE/ D–Kraay SE)
IOWN	-0.064	-0.072	-0.064	1.856	-0.0007	1.856
	(0.428)	(0.290)	**(0.022)	(0.151)	(0.437)	**(0.002)
FFLOAT	0.093	0.018	0.093	2.438	0.0001	2.438
	(0.379)	(0.828)	(0.151)	(0.130)	(0.970)	(0.086)
FSIZE	12.267	1.934	12.267	0.077	0.008	0.877
	***(0.000)	(0.200)	**(0.024)	(0.985)	(0.432)	(0.967)
F-STAT/WALD STAT	3.01	6.23	259.70	1.39	10.07	110.00
	**(0.0041)	(0.5133)	***(0.0000)	(0.2128)	(0.6097)	***(0.0000)
R- SQUARED	0.0541	0.0301	0.0541	0.0272	0.0786	0.0553
	MEAN VIF = 2.25					
	Hausman Test Chi^2 = 22.18, Probability = ****(0.0024)** **Year Fixed Effects** = Prob. > F = 0.0827 **Firm Fixed Effects** = Prob. > F = 0.0000 *** **Breusch and Pagan Lagrangian multiplier Test for RE** Chi^2 = 413.74, Probability = (0.0000) *** **Wooldridge Test for Serial Auto-Correlation** Chi^2 = 3028.178, Probability = ***(0.0000) **Test For Cross Sectional Dependence** CD = 0.379, CDW = 0.636, CDW+ = 0.0000*** CD* = 0.009**			**Hausman Test** Chi^2 = 11.38, Probability = (0.1230) **Year Fixed Effects =** Prob. > F = 0.7442 **Firm Fixed Effects =** Prob. > F = 0.0000 *** **Breusch and Pagan Lagrangian multiplier Test for RE** Chi^2 = 41.43, Probability = (0.0000) *** **Wooldridge Test for Serial Auto-Correlation** Chi^2 = 14.582, Probability = ***(0.0006) **Joint Test for Normality on e:** $chi^2(2)$ = 19.29 Prob > chi^2 = 0.0001 **Joint Test for Normality on u:** $chi^2(2)$ = 21.29 Prob > chi^2 = 0.0000 **Test For Cross Sectional Dependence** CD = 0.000***, CDW = 0.099, CDW+ = 0.0000*** CD* = 0.759	
	NOTE: (1) BRACKET () ARE P-VALUES; (2) **, *, IMPLIES STATISTICAL SIGNIFICANCE AT 5% AND 1% LEVELS RESPECTIVELY**					

The comparative evaluation of fixed and random effects models for *early filer model* reveals that the fixed effects (FE) model offers superior explanatory power and statistical robustness, with a within R-squared value of 0.0541, and a significant F-statistic (3.01, p = 0.0044), affirming the joint significance of the regressors in explaining audit report filing of non-finance firms studied. Conversely, the random effects (RE) model shows weak explanatory power with a between R-squared value of 0.0016 and an insignificant Wald chi-square (p = 0.5133), suggesting poor model fit. Diagnostic tests underscore the appropriateness of panel estimation: the F test for unit fixed effects (p = 0.0000) and Breusch-Pagan Lagrangian Multiplier test (chibar^2 = 413.74, p = 0.0000) confirm the need to control for unobserved heterogeneity. Though the test for year fixed effects (p = 0.0827) suggests weak temporal influence, the Hausman specification test (χ^2 = 22.18, p = 0.0024) decisively favors the FE model over RE, validating the consistency of the FE estimates in the presence of endogeneity between regressors and firm-level effects. Multicollinearity is ruled out as a major issue (mean VIF = 2.25), ensuring the stability of estimates, while the Wooldridge test (F = 3028.18, p = 0.0000) and cross-sectional dependence test (CD = 2.61, p = 0.009) reveal the presence of serial correlation and spatial dependence, respectively. These findings collectively justify the application of Driscoll–Kraay robust standard errors to correct for heteroskedasticity, autocorrelation, and inter-firm dependence, thereby enhancing the reliability and credibility of the regression inferences drawn from the model.

In the FE model of *late filer sample*, the within R-squared value of 0.0553 indicates that the explanatory variables modestly explain variation in audit report variability within firms, while the F-statistic (1.39) and Prob > F (0.2128) suggest the joint insignificance of the regressors. Similarly, the RE model presents a between R-squared value of 0.0037, Wald chi-square of 4.51, and Prob > chi2 (0.7197), confirming poor model fit across firms. However, diagnostic tests strongly support panel modeling: the F test for unit effects (F (61,166) = 2.34; p = 0.0000) and the Breusch–Pagan LM test (chibar2 = 41.43; p = 0.0000) both reject pooled ordinary least square in favor of panel methods. The test for year fixed effects (F (9,157) = 0.66; p = 0.7442) shows time dummies are statistically redundant, while the Hausman test (chi2 = 11.38; p = 0.1230) fails to reject the null, implying that the RE model is efficient. However, the Wooldridge test (F = 14.585; p = 0.0006) confirms first-order serial correlation, and the xtsktest reveals significant deviations from normality for both the idiosyncratic (e: p = 0.0001) and group-level (u: p = 0.0000) residuals.

While the CD* test does not indicate strong cross-sectional dependence (p = 0.759), other indicators (for example, CDw+) suggest mild dependence. Given these violations of classical OLS assumptions: non-normality, autocorrelation, and firm-level heterogeneity: the adoption of Fixed Effect regression with Driscoll–Kraay standard error model is methodologically sound, offering robust inference for policy-relevant insights into the governance dynamics shaping audit report filling within the Nigerian non-finance corporate landscape. In essence, Driscoll–Kraay robust standard error model (for early filers' sample) and Fixed Effect regression with Driscoll–Kraay standard error model (for late filers' sample) was employed to test the hypotheses of this study.

Hypothesis One

H_o: Institutional ownership has no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria.

H_i: Institutional ownership has significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria.

The results obtained from Table 1 on the multi-level fixed effect regression estimator using Driscoll–Kraay standard error technique for early filers' model (*third and fourth rows, third column of Table 1 from the left hand side*) revealed that Institutional Ownership (IOWN) [see Coef. = –0.064 (p-value 0.022)] has a weak statistically significant negative effect on audit report filing attitude among listed non-finance firms in Nigeria. Also, a careful look at the late filers' model suggests that institutional ownership [Coef. = 1.856 (p-value 0.002)] exhibits a strong statistically significant positive effect on audit report filing attitude.

Noteworthy from this outcome is that the effect of institutional ownership differs sharply in direction across the two models, it is negative in the early filers' group and positive in the late filers' group, indicating that the influence of institutional shareholders on audit timeliness may be conditional on the firm's reporting discipline. However, the outcome implies that, on average, and under the ceteris paribus assumption, a one-unit increase in institutional ownership will reduce audit report filing period by approximately 6.4 days among early filers, but increase it by about 186 days among late filers.

Decision: Accept the alternate hypothesis if the coefficient p-value obtained is less than 0.05, otherwise reject, and accept the null hypothesis. Since the p-value is 0.0.022 and 0.002 are less than 0.05, we accept the alternate hypothesis. This implies that Institutional ownership

(IOWN) has significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria, though the early filers maintained weak and negative effect while the late filers maintained strong and positive effect (p-values 0.002 and 0.02; coefficients -0.064 and 1.854).

This suggests that an increase in institutional shareholding is associated with a reduction in the number of days between financial year-end and audit completion. This aligns with signaling theory, which posits that firms with strong institutional investor presence are more likely to signal financial discipline and reporting efficiency to the market by filing their reports early. In the Nigerian context, particularly among listed non-finance firms, institutional investors, such as pension funds and asset management firms, are known to demand greater financial transparency and timely information dissemination to support portfolio rebalancing and fiduciary accountability. These institutional actors often have privileged access to boardrooms and influence audit committee oversight, which enhances the likelihood of timely financial closures. This finding gives credence to the empirical outcomes of Okolie, Izedonmi, and Enofe (2013), who documented that institutional investors serve as important external monitors capable of reducing audit report lag in Nigerian firms. Moreover, this effect may be strengthened by the NSE's post-listing requirements and governance codes, which indirectly empower institutional shareholders to pressurize management toward earlier disclosures, thereby reducing audit delay. Hence, in early-filing firms where compliance culture is stronger and institutional investors are more engaged, the negative coefficient is not only statistically significant but also economically intuitive within the Nigerian regulatory environment.

Conversely, in the late filer model, institutional ownership shifts direction, exhibiting a strong positive significant effect on audit report filing attitude, implying that higher institutional ownership in these firms is associated with longer audit delays. This contradictory outcome, when placed side-by-side with the early filer context, is theoretically interpretable through the lens of the public interest theory of economic regulation, which acknowledges that not all institutional investors act uniformly, especially when public policy mandates do not sufficiently enforce their active engagement. In the Nigerian setting, many institutional investors, particularly state-linked entities or pension administrators with rigid compliance charters, may adopt passive investment strategies that do not translate into effective monitoring of financial reporting timelines. This could foster a form of institutional inertia where ownership concentration fails to counterbalance management inefficiencies or complex audit environments typical in distressed or poorly governed non-finance firms. The results

corroborate the argument lead by by Osemene, Alade, and Ogunleye (2018) who found that the presence of institutional investors does not always guarantee audit timeliness in Nigerian firms, particularly when the institutions lack technical audit oversight capacity or operate within firms with entrenched managerial discretion. Thus, the late filing group's institutional ownership effect reflects a possibility where ownership without influence, or influence without enforcement, leads to longer audit cycles, particularly in a context of weak shareholder activism and low audit accountability enforcement.

Hypothesis Two

H_o: Free float ownership has no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria.

H_i: Free float ownership has significant effect on audit report filing of earlyand late filers of annual financial report among listed non-finance firms in Nigeria.

Discussing the variable of free float ownership, the results obtained from Table 4.4 on the multi-level fixed effect regression estimator for early filers' model revealed that Free Float Ownership (FFLOAT) [see Coef. = 0.0935 (p-value 0.151)] though maintains positive position, does not really exhibit a statistically significant effect on audit report filing attitude. Also, the late filers' model suggests that free float ownership (FFLOAT) [Coef. = 2.4384 (p-value 0.086)] shows a strong, positive and statistically insignificant effect on audit report filing attitude. Notably, the positive effect is consistent in both models.

Decision: Accept the alternate hypothesis if the coefficient p-value obtained is less than 0.05, otherwise reject, and accept the null hypothesis. Since the p-value is 0.864 and 0.199 are greater than 0.05 respectively, we accept the null hypothesis. This means that free float ownership (FFLOAT) has a positive but no significant effect on audit report filing of early and late filers of annual financial report among listed non-finance firms in Nigeria (p-values 0.151 and 0.086; coefficients 0.093 and 2.438 for early and late filers).

The implication of this is that the quest of investors other than founders, executives of the sampled firms, institutional investors and the state investors) for timely information regarding the performance of their equity investment readily plays critical strong and positive role leading to early and late filing of annual reports when compared to other categories of investors such as founders, executives of the sampled firms, institutional investors and the state investors, though such level of effect is considered insignificant. This is perhaps due to

their non-direct participation in the management, administration and regulatory functions of the sampled firms.

This finding aligns with the evidence presented by Al-Ajmi (2008), and Donwa, Mgbame, and Julius (2015), who found that firms with dispersed shareholding structures may lack concentrated governance pressure to enforce timely financial reporting. The absence of significance in both models, despite the consistent positive direction, further supports the argument that while free float ownership increases market accessibility, it may dilute the direct influence needed to drive audit timeliness, especially when small shareholders lack coordinated mechanisms for imposing disclosure discipline. Thus, in the context of Nigeria's capital market where many retail investors are passive, free float ownership appears to offer limited audit-enhancing incentives.

CONCLUSION AND RECOMMENDATIONS

This study conclusively affirms that corporate ownership variability plays a differentiated and context-sensitive role in determining the audit report filing actions of listed non-finance firms in Nigeria. While institutional ownership significantly enhanced audit report timeliness among early filers, it conversely contributed to delay among late filers, emphasizing the conditional influence of institutional monitoring. In essence, this study concludes that ownership structures do not operate with uniform potency across all reporting timelines; rather, their effects are mediated by the firm's filing behaviour, internal governance quality, and regulatory responsiveness.

Based on the findings, the following recommendations are advanced:

i. Key stakeholders in the non-finance sector, particularly regulators and corporate governance enforcers such as the Securities and Exchange Commission (SEC) and the Nigerian Exchange Limited (NGX), should adopt differentiated oversight strategies in relation to institutional ownership. Specifically, these Enforcers should strengthen institutional Investors' engagement through the promulgation of stewardship codes and mandatory disclosure of institutional monitoring activities. This is essential to ensure that institutional ownership consistently promotes audit report timeliness across all filing categories.
ii. Stakeholders should not assume that a high level of market-dispersed ownership will inherently drive timely financial reporting. To improve audit timeliness, regulatory agencies such as the Nigerian Exchange Group (NGX) and Securities and Exchange

Commission (SEC) should complement free float requirements with stronger mandatory disclosure enforcement, real-time audit tracking systems, and shareholder activism platforms that empower minority investors to demand timely filings. This approach will ensure that the benefits of free float ownership are supported by active accountability structures.

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