JOURNAL OF GLOBAL ACCOUNTING
12(1) February, 2026.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

CORPORATE OWNERSHIP VARIABILITY AND AUDIT REPORT FILING OF LISTED NON-FINANCE FIRMS IN NIGERIA

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CITATION: Orunko, F.O. & Okoye, E.I. (2026). Corporate ownership variability and audit report filing of listed non-finance firms in Nigeria, *Journal of Global Accounting*, 12(1), 1 - 25. Available:https://journals.unizik.edu.ng/joga

ABSTRACT

This study evaluated the effect of corporate ownership variability on audit report filing in Nigeria. Specifically, it investigated the effects of managerial ownership, and family ownership on audit report filing attitude 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 managerial ownership had weak, negative and 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 0.799 and 0.919; coefficients -0.005 and -0.0025). Also, family ownership (FAMO) had a negative and 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 0.864 and 0.199; coefficients -0.009 and -1.936). In essence, this study concluded that ownership structures do not operate with uniform potency across all reporting timelines; rather, their effects were mediated by the firm's filing behaviour, internal governance quality, and regulatory responsiveness. The study therefore recommends that stakeholders in the non-finance sector of Nigeria should not rely solely on equity participation by Directors as a mechanism for improving audit report timeliness. Instead, regulatory bodies and corporate boards should prioritize strengthening external monitoring systems, audit process automation, and enforcement of reporting deadlines.

Key words: *Audit Report Filling, Corporate Ownership variability, Early Filers, Family ownership, Late Filers, Managerial ownership.*

INTRODUCTION

One channel through which management show their stewardship to shareholders is by preparing and making public their financial reports. While this is required by law and hence expected, the reports must also be released timely for relevance and usefulness (Merter &

Özer, 2024). Therefore, the timeliness of financial report release becomes one important characteristics of financial accounting information for the accounting profession (Chaker, 2024; Ofori, Arthur, Asiedu, Nyantakyi, & Opoku, 2024). Little wonder why Rajagukguk, (2024) document that timeliness of financial report helps in reducing the opportunity to spread rumors about the companies' financial health and performance. It mitigates misappropriation of corporate assets by managers (Leventis & Weetman, 2004), reduce unfavorable effects of moral hazard and the implications of adverse selection of managers to abuse their privilege gained from access to internal information and behave unethically for private benefits (Scott, 1997). Euromoney Institutional Investor PLC, (2001) posit that timely release of annual report lowers the cost of equity through lower transaction costs which follows that corporate organizations with more timely disclosure have reduced magnitude of periodic surprises about their performance, ultimately increasing management credibility and reduces share price volatility (Mayapada, Biswas & Roberts, 2024). Therefore, timely disclosure of annual report information allows for the realization of the firm's true underlying value and attracts more long-term investors and stock market analyst (Lang & Lundholm, 1999).

Despite the underlined benefits of timely release of financial reports, several internal monitoring factors have been identified as constraints by different scholars (Carslaw & Kaplan 1991; Ahmad & Kamarudin 2003; Charumathi & Krishnan 2011; Aktas & Kargin 2011; Al-Ghanem & Hegazy 2011; Arowoshegbe, Uniamikogbo & Adeusi 2017; Blankley, Hurtt & MacGregor 2015; Durand, 2018). Significant in prior related literature, Jensen and Meckling (1976) postulate that the varied structure of corporate share ownership; (subsequently referred to as ownership variability), helps financial information users achieve their goals and minimize delays associated with financial reports release. Similarly, Sepasi, Kazempour, and Mansourlakoraj, (2016) note that ownership structure and the identity of shareholders are important attributes that explains timeliness of financial reporting while Sakka and Jarboui (2016) posit that family ownership structure is a vital internal control tool of efficient governance culture that can sturdily affect the power concentration and authority connection between management and shareholders. Sadewo and Saputra, (2024) in their study posit that the inclusion of directors' interest (managerial shareholding) in the shareholding structure can be a great step towards timely release of financial information

Iyoha (2019) document 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. Therefore, this study finds it expedient to isolate non-finance listed firms whose filing date stretches beyond 90days (Late Filers) and conduct a customized analysis to enable the researcher proffer specialized solutions to management, government, shareholders, and other stakeholders who are beneficiaries of firms' financial statement information. This is more as studies on ownership variability and audit report timeliness nexus is an aspect of corporate reporting which has not been adequately examined in developing markets such as Nigeria. It is against the backdrop that this study is envisaged.

Objectives

This study aims to evaluate the effect of corporate ownership variability on audit report filing in Nigeria. Specifically, the study intends to:

1. determine the effect of managerial ownership on audit report filing of early and late filers of audited financial report among listed non-finance firms on Nigerian Exchange Group.
2. ascertain the effect of family 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

In this study audit report filing, financial reporting timeliness, audit report timeliness, audit delay and audit report lag have been employed interchangeably as seen also in earlier studies of Ashton, Willingham, and Elliot, (1987). Audit report timeliness is an important concept in accounting and have been defined severally as "the time between a company's financial year end and when it takes to present its audited report to the public (Basuony, Mohamed, Hussain & Marie, 2016). Though an old concept, it however, stresses the relevance of making

information available to decision makers while it is still relevant and useful. Lievia and Herusetya, (2022) defined audit report timeliness as the capacity of the decision makers to access information before losing its relevance and ability to effects judgments. Audit report timeliness is a critical attribute of financial reporting quality, emphasizing the swift issuance of audit results post-financial year-end. Timeliness, defined within financial reporting frameworks like the IASB's conceptual framework, underscores the importance of delivering information promptly to enhance decision-making relevance for stakeholders (Abernathy *et al.*, 2018). Audit report timeliness bridges information asymmetry gap by mitigating delays that can affect the utility of financial statements for investors, regulators, and other users. Several scholars describe audit timeliness as the period from the fiscal year-end to the audit report issuance, often referred to as audit report lag (ARL) (Ismail & Lode, 2015). This temporal dimension is not merely logistical but indicative of audit quality, governance efficacy, and market confidence. Mathuva *et al.*, (2019) note that factors like corporate governance structures, auditor-client relationships, and audit committee characteristics critically shape audit report timelines, emphasizing a multi-dimensional interplay between institutional norms, operational efficiency, and regulatory mandates.

Corporate Ownership Variability

In the views of Lemma and Negash, (2016) ownership variability in the context of corporate ownership structure refers to the dynamic nature and distribution of ownership stakes among various shareholders. Such variability in distribution can occur due to changes in shareholder interests (Boyd & Solarino, 2016), mergers and acquisitions (Santos, Moreira & Vieira, 2014), stock market fluctuations (López-Iturriaga & Rodríguez-Sanz, 2001), or strategic decisions by the company to issue new shares or buy back existing ones (Denis & Sarin, 1999). However, in this study, corporate ownership variability is seen to reflect the fluidity of ownership, where the percentage of equity held by different stakeholders—ranging from individual investors to institutional entities, whereby the notion of corporate ownership is born.

Extant related literature reveals that various scholars have different definition for ownership structure. For instance, Demstz and Lehn (1985), regarded ownership structure as the fraction of shares owned by a firm's most significant shareholders, with much attention given to the fraction owned by the five largest shareholders. Demstz and Lehn (1985) also document that ownership structure is the fraction of shares owned by firm's management, which include

shares owned by members of the corporate board, chief executive officer (CEO) and top management. Chiara (1997) viewed ownership structure as a combination of concentrated ownership and large stockholdings by institutional owners for productivity while Ram and Camela (1998) defined ownership structure as directors' equity which could be summed up as the percentage stake owned by beneficiary and non-beneficiary directors.

Managerial Ownership

This is also referred to as insider ownership (Obigbemi *et al*., 2017) and have been addressed as the percentage of shares held by directors and members of the board of a company (McConnell & Servaes, 1990). Managerial ownership can be defined as the shares that are held by managers. Holderness (2003) defines the managerial ownership as the amount of the total shares held by insiders. Cosh, Fu, and Hughes (2006) documented that managerial ownership is the percentage of a firm's ordinary shares owned by the Chief Executive or managing partner. Panayotis and Sophia (2006) viewed managerial ownership as the percentage of shares owned by firm's management that is, the composition of board members, CEO and top management. Khan, Balachandran, and Mather **(**2008**)** in their perspective posit that managerial ownership is the percentage of ordinary shares owned by the directors, executive directors, and independent directors while Ruan, Tian, and Ma (2009) defined managerial ownership as the proportion of managers' stock ownership. Laiho (2011) viewed managerial ownership as the insider holdings by the board of directors and the management team.

Jensen and Meckling, (1976) and Mollazadeh Jebdreghi *et al.*, (2024) document that managerial ownership, fundamentally, refers to the proportion of a company's shares owned by its management team, aligning the financial interests of managers with those of shareholders to mitigate agency conflicts. Particularly, this ownership structure is pivotal in corporate governance theory, emphasizing its dual role as a monitoring mechanism and a performance incentive (Dobos & Csiszárik-Kocsir, 2024). From a conceptual standpoint, managerial ownership integrates two principal perspectives: an incentive-alignment view, where equity stakes motivate managers to prioritize shareholder wealth, and an entrenchment view, which cautions against excessive ownership potentially insulating managers from oversight (Chaturvedi *et al.*, 2024). As noted by Salmela, (2024) the scholarly discourse is complex, as managerial ownership's effectiveness varies with firm characteristics, market environments, and governance frameworks.

H_{01}. *Managerial 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.*

Family Ownership

Traditionally, the definition of family ownership involves one or more members of a family wielding considerable control over the company, due to their significant percentage of ownership (capital) (Allouche & Amann, 2000). In the views of Tagiuri and Davis (1996,), maintaining family ownership relies on three pillars: direction/management, family and ownership. These authors note that "there are two or more extended family members who influence the direction of the business through the exercise of kinship ties, management roles, or ownership rights". Chua, Chrisman and Sharma (1999) define family ownership as one that is managed on the basis of handing down the firm from generation to generation in order to obtain a formal or implicit vision of the business as the property of a single family or a small number of families. Further, Gallo and Ribeiro (1996) consider that family ownership embody an important interconnecting bond between the company and the family and that part of this shared culture stems from basic assumptions regarding actions and values, where this culture is not only permanent but also voluntarily shared. According to Chua *et al.* (1999), the uniqueness of family ownership arises from the family itself: "what makes a family business unique is that the pattern of ownership, governance, management, and succession materially influences the firm's goals, strategies, structure, and the manner in which each is formulated, designed, and implemented" (Chua *et al.*, 1999).

Family ownership, as defined by Bammens and Hünermund, (2020), typically refers to the direct or indirect control exerted by family members through equity holdings, which grants them significant influence over strategic and operational decisions. This conceptualization goes beyond mere equity percentages, highlighting the sociocultural elements that family ties inject into business governance, including values, traditions, and long-term orientation. De Massis *et al.* (2015) distinguishes between family ownership and family management, underscoring that ownership does not necessarily equate to operational control but often carries the socioemotional wealth of preserving family legacy and reputation. Minichilli *et al.* (2016) emphasize the dual facets of family ownership: economic control and socioemotional wealth, the latter reflecting the family's psychological and emotional investment in the firm. Chrisman *et al.* (2015), document that family ownership is often associated with idiosyncratic

governance mechanisms aimed at balancing non-financial objectives, such as family cohesion, with traditional corporate goals. Such ownership structures can result in unique strategic behaviors influenced by the family's identity and intergenerational aspirations (Arregle *et al.*, 2017).

Shanker and Astrachan (1996) and Astrachan and Shanker (2003) differentiate family firms from the involvement of family members in business decision making. Along the same lines, Astrachan *et al.* (2002) develop a measurement scale (the F-PEC scale) that measures the level of family influence in any organization considering three dimensions: Power (P), Experience (E) and Culture (C). The purpose of F-PEC extends beyond characterizing family-owned or non-family-owned companies to identify the level of involvement and influence of the family in the company (Alves & Gama, 2020).

H_{03}: *Family 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

Signaling Theory

Signaling theory was originally proposed by Spence (1973) to explain job market behavior. Signaling theory helps to explain the behavior of two parties when they have access to different information. Strategic signaling refers to actions taken by a signaler to influence views and behaviors of receivers. According to Brigham and Houston (2014), a signal is an action taken by a firm to guide investors on how management views the firm's prospects. The signal may be in the form of performance information that has been carried out by management to realize owner's objectives. Also, signals can be in the form of promotions or information stating that the company is better than other companies. The information signal is needed by investors to consider and determine whether to invest in the company's shares or not. Signaling theory has been widely used in accounting and auditing studies which proposed that management may signal something about the firm through various aspects of financial information disclosure. One of these aspects of disclosure is reporting timeliness. The timing of information disclosures may be seen as a signal of whether the firm has good news or bad news to tell. Early release of financial information may signal some underlying good news (such as earnings increases) that management wants the market to know as soon as possible. Delayed disclosure suggests bad news (such as earnings declines). This proposed

relationship can be summed up as "good news early, bad news late". If there is unfavorable earnings news, however, management may fear a drop in share price resulting from prompt disclosure of unfavorable news. Such factors may encourage managers to delay the disclosure of their financial outcome. Thus, career concerns can tempt managers to withhold bad news. Timely reporting helps mitigate or reduce the level of insider trading, leaks and rumors in the market. (Owusu-Ansah, 2000). The relevance of signaling theory in this study is that it helps the researcher understand some possible motives of managers in their plight to delay the release of audited financial reports and it provides knowledge of the possible consequences of delayed information on stock market prices.

Empirical Review

Astami, Pramono, Rusmin, Cahaya, and Soobaroyen, (2024), explored how family ownership and characteristics of supervisory boards influence audit report lag in Indonesia. The research focused on 124 non-financial firms listed on the Indonesian Stock Exchange over the 2017–2019 period, within the manufacturing, real estate, and transportation sectors. The study identified audit report lag as the dependent variable, with independent variables including family ownership, supervisory board size, board independence, meeting frequency, and female representation, alongside control variables like firm size, leverage, and audit firm affiliation. A matched-pair sampling design was used, producing 372 observations, analyzed using Ordinary Least Squares regression. Findings revealed that family ownership is associated with longer audit report lag, while larger supervisory boards and frequent meetings reduced it. However, board independence and female representation had no significant impact.

Muotoo and Odum (2024) explored the impact of firm attributes on the timeliness of audit reports among consumer goods companies listed in Nigeria. The study utilized data from the Nigerian Exchange Group, covering the years 2014 to 2023. Variables including audit report timeliness as the dependent variable, and firm profitability, firm size, and firm leverage as independent variables. Using an ex-post facto research design and purposive sampling, the researchers analyzed secondary data from 16 companies, representing a subset of the 21 listed firms in the sector. Panel regression analysis was conducted using Eviews to test the hypotheses. Results indicated that higher profitability had a significant negative impact on audit timeliness, suggesting longer delays for more profitable firms. Conversely, firm size and leverage exhibited non-significant negative relationships with audit timeliness.

Sulimany (2023) investigated the influence of ownership structure on audit report lag among non-financial listed firms in Saudi Arabia utilizes data spanning 2012 to 2021, covering industries such as materials, real estate, and consumer services. The dependent variable is audit report lag, with independent variables being managerial, family, government, and institutional ownership, alongside control variables including audit committee size and independence, profitability, and leverage. Using a dynamic panel approach with the Generalized Method of Moments (GMM), the research analyzes data from 102 firms, resulting in 1,020 observations. Findings reveal that higher managerial ownership is associated with longer audit delays, whereas family and institutional ownership enhance timeliness. Government ownership, however, shows no significant impact.

Triyanto, Farida, and Permata (2023) analyzed the effects of managerial ownership, auditor industry specialization, audit complexity, and auditor switching on the timeliness of financial reporting. The data were collected from energy sector companies listed on the Indonesian Stock Exchange during the 2017–2021 period. The study defined timeliness of financial reporting as the dependent variable, with managerial ownership, auditor industry specialization, audit complexity, and auditor switching as the independent variables. Employing a quantitative research approach, the researchers utilized purposive sampling to include 41 companies, resulting in a total of 205 observations over five years. Logistic regression analysis was employed to test the hypotheses. The findings revealed that managerial ownership, auditor industry specialization, and audit complexity had significant positive effects on the timeliness of financial reporting. However, auditor switching had no significant impact.

Sanjaya and Ariyani (2022) investigated the impact of corporate governance mechanisms on the timeliness of financial reporting in automotive companies listed on the Indonesian Stock Exchange. The study utilized financial data from Indonesia spanning the years 2017 to 2021. Specifically, it analyzed how managerial ownership, institutional ownership, the audit committee, and an independent board of commissioners influenced reporting punctuality. The variables were categorized as dependent (timeliness of financial reporting) and independent (managerial ownership, institutional ownership, audit committee, and independent board of commissioners). Using a purposive sampling technique, the study considered a sample size of 33 observations. Findings revealed that managerial ownership, institutional ownership, and

the independent board of commissioners significantly enhanced reporting timeliness, whereas the audit committee showed no significant effect.

Oranefo (2022) explored the relationship between ownership structure and audit report lag among manufacturing companies in Nigeria. The study utilized data from the Nigerian Stock Exchange covering the period from 2011 to 2020. The dependent variable was audit report lag, while the independent variable was institutional ownership, and control variables included managerial ownership and foreign ownership. Employing an ex-post facto research design, the study analyzed a sample of 30 manufacturing firms selected through purposive sampling. Ordinary Least Squares regression was applied to test the hypotheses. Results revealed that institutional ownership significantly reduced audit report lag, emphasizing its role in promoting timely financial reporting. The findings suggest that a greater presence of institutional ownership improves audit efficiency by aligning management incentives with those of professional investors.

Hoang, Pham, Thalassinos, and Le (2022) studied the impact of corporate governance mechanism, company characteristics on the timeliness of financial statements of listed companies in Vietnam. The study examined the panel data from financial statements and annual reports of 172 Vietnamese companies listed on HOSE and HNX from 2014 to 2020 and found that company size had a negative impact on timeliness of financial statements, while profitability had a positive impact. The findings also showed that managerial ownership and audit quality have a negative impact on timeliness of financial statements.

Asuzu, Ogbodo, Egbunike, Nzeribe and Ejiaka (2021) examined the effect of managerial stock ownership on audit report lag of quoted manufacturing firms in Nigeria. Ex-post-facto research design was adopted for thirty-nine quoted manufacturing firms in the conglomerates, consumer goods and industrial goods sectors spanning through 2011 to 2019 financial years. Data analyses comprised descriptive and inferential statistics. Inferential statistics employed were Pearson correlation and multiple panel regression. The regression analysis concludes that there is significant interaction among managerial ownership and audit report lag.

Almuzaiqer, Fatima, and Ahmad (2021) studied “Royal Family Members and Financial Reporting Timeliness: Evidence from UAE”. The study aims to examine the relationship between Royal family members on the board of directors and financial reporting timeliness among listed companies in the United Arab Emirates (UAE). UAE has two markets, namely

Abu Dhabi Exchange Security (ADX) and Dubai Financial Market (DFM). The data of the study were collected from these two markets for the periods of 2011 to 2018 which resulted in 437 firm- year sample data. The results of this study showed that the existence of royal family members on the board of the UAE listed companies is significantly associated with financial reporting timeliness. The findings also reported that board independence, audit committee size, audit committee expert, and firm profitability are significantly associated with financial reporting timeliness.

Okechukwu, Aruwa and Ame (2021) examined the effect of board characteristics and ownership concentration on financial reporting timeliness of quoted oil and gas companies in Nigeria. The study used correlational research design. The population of the study was the eleven quoted oil and gas companies on the Nigerian Exchange Group as at 31st December 2020 and all the eleven companies were taken as the sample size. The study made use of multiple regression analysis which revealed that foreign ownership and managerial ownership have statistically insignificant effect on financial reporting timeliness.

For Lourenço, Branco, and Curto (2018), the purpose of the study is to examine some factors influencing the timeliness of corporate financial reporting in Portugal, highlighting the differences between publicly listed family firms and nonfamily firms. Panel fixed and random effect regression analysis is used to analyze some factors. Findings indicate that Portuguese listed family firms are more likely to promptly report their annual financial statements, when compared to non-family firms.

Hashim (2017) analyzed the relationship between ownership characteristics and audit report lag in Malaysian listed companies, emphasizing managerial, dedicated, transient, and foreign ownership. Data were collected from Bursa Malaysia over a three-year period, from 2007 to 2009, covering diverse sectors such as construction, consumer goods, and trading. Control variables incorporated board independence, board diligence, and company size. Utilizing fixed panel regression analysis on a sample of 288 companies representing approximately 35% of the population, the study identified that managerial ownership was positively associated with audit report lag, implying delays due to potential agency problems. Conversely, dedicated ownership reduced audit report lag, indicating enhanced monitoring. Transient ownership also significantly increased audit delays, reflecting short-term investment orientations, while foreign ownership exhibited no significant relationship.

Lourenço, Branco, and Curto (2016) investigated the timeliness of financial reporting among Portuguese listed firms, with a focus on comparing family and non-family firms. The study utilized data from the Portuguese Stock Exchange (Euronext Lisbon) spanning the years 2007 to 2015. It concentrated on firms from various sectors without restricting to a specific industry. Key variables included financial reporting timeliness as the dependent variable, with independent variables being family ownership, analyst following, type of auditor, and control variables such as firm size, ownership concentration, and business complexity. A sample size of 341 firm-year observations, comprising both family and non-family firms, was analyzed using random effects regression. The findings revealed that family firms were more prompt in financial reporting compared to their non-family counterparts, likely due to reputation concerns and stakeholder trust-building.

Lim (2012) investigated the relationship between ownership structure and concentration and their effects on the timeliness of corporate earnings disclosure, particularly focusing on Malaysia. The study analyzed data collected from Bursa Malaysia, spanning from 1996 to 2009, and covered a wide range of industries. The dependent variables were the timeliness of price discovery and reporting lag, while the independent variables included ownership concentration, and the identity of the largest shareholder categorized into families, foreign investors, domestic financial institutions, and government entities. Using Generalized Least Squares (GLS) Random Effects Regression to examine 1,276 firms with a total of 14,760 firm-year observations, the study identified that firms with concentrated foreign and domestic financial ownership exhibited timelier earnings disclosure, while government ownership resulted in longer reporting delays.

Gap in Literature

Despite extensive studies on the effect of ownership structure on audit report filing attitude which have been proxied with timeliness, significant gaps remain, particularly in the Nigerian context. For example, studies such as Astami *et al.* (2024) and Sulimany (2023) explored family ownership and managerial ownership in Indonesia and Saudi Arabia, respectively, identifying varying effects on audit report lag. The novelty of this study lies in its dual-sample approach, distinguishing firms filing financials before and after the 90-day SEC deadline, thus offering a refined understanding of corporate ownership variability's influence on audit report filing attitude in Nigeria.

JOURNAL OF GLOBAL ACCOUNTING
12(1) February, 2026.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

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

$EFARFATID_{it} = \partial_0 + \partial_1 MOWN_t + \partial_2 FOWN_{it} + \partial_3 FSISE_{it} + \mu_{it}$ ……. Eqn 1

Model 2 Sample for Late Filers

$EFARFATID_{it} = \partial_0 + \partial_1 MOWN_t + \partial_2 FOWN_{it} + \partial_3 FSISE_{it} + \mu_{it}$ ……. Eqn 2.

Where:

LFARFA	=	Late Filers Audit Report Filing Attitude
EFARFA	=	Early Filers Audit Report Filing Attitude
MOWN	=	Managerial Ownership
FAMO	=	Family Ownership
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

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ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
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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

to investigate the effect of the independent variables on the dependent variable of this study, panel data estimations that include fixed and random effects analysis were deployed, while Hausman specification test was used to determine the most appropriate of both models. It is worthy to note that each model that was determined by the Hausman Specification test statistics was adequately validated with some key diagnostics, hence the outcomes from the specification test result determined the final econometric model that was employed to test the hypotheses. Further, the absence of multicollinearity is established, and the result is presented in Table

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Table 4.4 Regression Analysis Result for Audit Report Filing Attitude

	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)
MOWN	-0.005	0.008	-0.005	-0.025	-0.085	-0.025
	(0.881)	(0.780)	(0.799)	(0.977)	(0.375)	(0.919)
FAMO	-0.009	0.022	-0.009	-1.936	0.017	-1.936
	(0.939)	(0.801)	(0.864)	(0.146)	(0.427)	(0.199)
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

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	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**	

Source: STATA ver 17.

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.

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.

JOURNAL OF GLOBAL ACCOUNTING
12(1) February, 2026.
ISSN (Online): 1597–7641; ISSN (Print): 1597-8273
https://journals.unizik.edu.ng/joga

Test of Hypotheses

Hypothesis One

H_o: Managerial 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: Managerial 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 (*first and second rows, third column of Table 4.4 from the left hand side*) revealed that Managerial Ownership (MOWN) [see Table, Coef. = –0.005 (p-value 0.799)] reveals a weak and negative direction and does not show a statistically significant influence on audit report filing among listed non-finance firms in Nigeria. Similarly, for late filers' model, Managerial Ownership (MOWN) [Coef. = –0.025 (p-value 0.919)] also exhibits a weak, negative and statistically irrelevant effect on the timing of audit report filing. Noteworthy from these outcomes is that, although both coefficients are negative in sign, the magnitude is extremely small in the early filers' group and moderately larger in the late filers' group, yet both estimates remain far from statistical relevance.

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-values 0.799 and 0.919 are greater than 0.05, we accept the null hypothesis. This supposes that managerial ownership has weak, negative and 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 0.799 and 0.919; coefficients -0.005 and -0.0025 for early and late filers).

The Coef. of –0.005 and –0.025 respectively indicate that Managerial Ownership (MOWN) has a weak and negative effect on early filing and late filing of annual reports by the non-finance firms studied, and does not show a statistically significant influence on audit report filing among listed non-finance firms in Nigeria. Similarly, for late filers' model, Managerial Ownership (MOWN) [Coef. = (p-value 0.919)] also exhibits a weak, negative and statistically irrelevant effect on the timing of audit report filing, to the extent that their timely response to the firms annual reporting exercise was statistically insignificant (p-values 0.799 and 0.919 for early filers and late filers were greater than 0.05).

This finding is consistent with the result documented by Eyenubo, Mohammed, and Ahmed (2017), who found that ownership by executive managers is not reliably associated with reduced audit delays, particularly in jurisdictions like Nigeria where structural constraints to include weak enforcement of corporate governance codes and low audit accountability, may diminish the influence of internal equity holdings on financial disclosure timelines. It also aligns with the submission of Odoemelam, Akani, and Achugamonu (2019), who observed that the presence of managerial shareholding does not necessarily improve corporate timeliness in financial communication. These patterns suggest that, within the Nigerian institutional environment, equity participation by management alone may be insufficient to incentivize faster audit completion, possibly due to entrenched procedural bottlenecks, limited transparency pressure, or symbolic rather than substantive governance roles played by insiders.

Hypothesis Two

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

On the variable of family ownership, the results obtained from the multi-level fixed effect regression estimator using Driscoll–Kraay standard error technique for early filers' model revealed that Family Ownership (FAMO) [see Coef. = –0.009 (p-value 0.864)] maintained a weak and negative position, and does not exhibit a statistically significant effect on audit report filing. Also, a careful look at the late filers' model suggests that Family Ownership (FAMO) [Coef. = –1.9364 (p-value 0.199)] continues to show a negative statistically insignificant but strong effect. Noteworthy from this outcome is the negative direction of the effect that is consistent across 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 family ownership (FAMO) has a negative and no significant effect on audit report filing attitude of early and late filers of annual financial report among listed non-finance firms in Nigeria (p-values 0.864 and 0.199; coefficients -0.009 and -1.936 for early and late filers).

JOURNAL OF GLOBAL ACCOUNTING
12(1) February, 2026.
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The Coef. of –0.009 and –1.9364 for early and late filers respectively indicates that family ownership had negative effect on the annual reports early and late filing decisions of the non-finance firms studied. This perhaps was why its role in the early filing and late filing attitude of the sampled non-finance firms was statistically insignificant (observe that the respective p-values of 0.864 and 0.199 for early filers and late filers which are greater than 0.05).

This result is consistent with the findings of Yunos et al. (2016), who observed that family ownership may not necessarily lead to improved audit timeliness due to the potential for weak external pressure and the dominance of informal control mechanisms. Similarly, the study by Okolie, Izedonmi, and Enofe (2013) in the Nigerian context reported that family-controlled firms tend to exhibit lower reporting efficiency when formal governance accountability structures are underdeveloped. Thus, this finding adds to the growing empirical evidence that family ownership, in isolation, may be insufficient in ensuring audit efficiency or compliance with regulatory timelines.

CONCLUSION AND RECOMMENDATIONS

By disaggregating the analysis between early and late filers, the study uncovers the asymmetric and heterogeneous effects of ownership structures, specifically institutional ownership and state ownership, on the timeliness of audit reporting. This conclusion is particularly salient within the Nigerian reporting environment, where timely financial disclosure is not merely a regulatory obligation but a strategic governance signal.

Based on the empirical findings and analysis, the study recommends that:

a. stakeholders in the non-finance sector of Nigeria should not rely solely on equity participation by Directors as a mechanism for improving audit report timeliness. Instead, regulatory bodies and corporate boards should prioritize strengthening external monitoring systems, audit process automation, and enforcement of reporting deadlines, as managerial ownership alone does not appear to drive the urgency or discipline required for timely financial disclosure.
b. stakeholders in Nigeria's non-finance sector should not also rely on family shareholders as a mechanism to improve audit report timeliness. Instead, regulatory bodies and corporate boards should enforce standardized reporting frameworks and independent audit oversight. Strengthening formal governance mechanisms and mandating

independent audit committee engagement are essential to fill the accountability gap where family ownership influence proves insufficient

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