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REGULATORY CHANGES, BOARD COMPOSITION, AND TIMELY FINANCIAL REPORTING: A STUDY OF NIGERIAN FINANCIAL FIRMS

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Abstract: This study examines the effect of board characteristics board expertise, independence, and size and the moderating effect of regulatory changes on financial reporting timeliness among Nigerian financial firms. The study adopts an ex-post facto research design, utilizing secondary data from the annual reports of 45 financial companies listed on the Nigeria Exchange Group between 2014 and 2023. Logistic regression analysis reveals that board expertise significantly enhances financial reporting timeliness, particularly under regulatory changes, which further amplify its positive effect. Conversely, larger board sizes are negatively associated with financial reporting timeliness, suggesting coordination inefficiencies. While board independence alone does not significantly influence financial reporting timeliness, its impact becomes substantial in the presence of regulatory changes. The findings underscore the critical role of regulatory frameworks in strengthening governance practices and enhancing compliance with reporting deadlines. Key recommendations include appointing directors with financial expertise, optimizing board size, enforcing stringent regulatory standards, and enhancing the performance of independent directors.

Keywords: Board expertise, Board independence, Board size, Regulatory changes, financial reporting timeliness, corporate governance, Nigeria.

1. Introduction

Corporate entities are required by statutory and regulatory frameworks to prepare and disseminate annual financial reports at the end of their fiscal year. These reports aim to provide shareholders and other stakeholders with accurate, timely financial information essential for optimal investment decision-making and fostering trust in corporate governance (Singh et al 2022). Timely financial reporting serves as a critical tool in mitigating information asymmetry, a key contributor to suboptimal investment decisions and market inefficiencies (Clatworthy & Peel, 2021). Timeliness, as a fundamental attribute of financial reporting, ensures that financial information remains relevant and useful for decision-making. When financial reports are delayed, their utility diminishes, leading to uncertainty and potential adverse impacts on stakeholder confidence and market performance. For this reason, regulatory frameworks in Nigeria, such as those established by the Financial Reporting Council of Nigeria (FRCN) and the Securities and Exchange Commission (SEC), emphasize compliance with strict reporting deadlines. However, despite these regulatory frameworks and the emphasis on timely reporting, many financial companies in Nigeria still experience delays in filing their financial reports. This

issue is particularly prevalent among financial services companies, for example, several Nigerian financial companies have faced hefty fines for failing to meet their reporting deadlines. A notable case involves eight banks including Unity Bank, FBN Holdings which were collectively fined N125 million for missing the deadlines for submitting their 2022 audited financial statements and quarterly reports for the first half of 2023. These delays not only incur financial penalties but also damage the company's reputation. Board Attributes can significantly impact the effectiveness of corporate governance. Board Attributes refer to the characteristics or qualities of a company's board of directors that influence its effectiveness in governance and decision-making (Baysinger & Butler 2018) these attributes are key to ensuring the board functions properly and can influence corporate performance, risk management, and overall organizational success. Key board attributes such as Board Expertise, Board Independence, Board Size can affect financial reporting timeliness (Aksoy, et al 2021) Directors with finance and accounting expertise can better understand the intricacies of financial reporting, making them more capable of overseeing and ensuring that financial statements are prepared accurately and on time. Expertise in financial matters allows the board to review reports more efficiently, reducing delays in decision-making and helping management stay on track with reporting schedules (Atanda, et al 2023). Independent directors often contribute to better internal controls by ensuring that the necessary financial and operational systems are in place to prevent delays and errors in the reporting process (Agyei-Mensah, 2018). Having a high proportion of independent directors can promote a culture of timeliness in financial reporting, as their primary role is to protect the interests of shareholders and other stakeholders by ensuring the company meets regulatory requirements (Ologun, 2021). Board size refers to the number of directors on the board. While larger boards may offer a broader range of expertise and perspectives, smaller boards can often operate more efficiently. Larger boards may have more diverse expertise and perspectives, which can be valuable in overseeing complex financial issues. However, the larger the board, the more likely there is to be a delay in decision-making due to the need for more discussions, meetings, and coordination among members. This could impact the timely filing of financial reports if the board becomes bogged down by logistics or disagreements (Ologun, 2021). Regulatory changes play a significant moderating role in shaping corporate financial reporting practices, particularly in terms of timeliness and transparency. A well-functioning board that is responsive to regulatory changes can ensure timely financial reporting, fostering stakeholder confidence and improving corporate governance practices. Conversely, companies that fail to adapt to regulatory changes effectively may experience delays in their financial reporting, undermining their credibility and potentially incurring penalties or reputational damage (Fama & Jensen, 1983; Agyei-Mensah, 2018; Ologun, 2021). Despite the regulatory advancements in corporate governance, such as the introduction of the Corporate Governance Code (2018) and the Companies and Allied Matters Act (CAMA, 2020) in Nigeria, there is still a limited body of research that directly examines the impact of these regulations on corporate practices. For instance Uthman, et al 2021 studied the effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria. Also, Atanda et al (2023) studied the effect of Board characteristics on financial report timeliness in the Nigerian financial sector. Furthermore, Lawal and Tahir (2024). Despite these contributions, a practical knowledge gap still exists in understanding how the regulatory changes have influenced corporate governance practices more broadly, particularly in relation to financial reporting timeliness. This gap highlights the need to examine the moderating effect of regulatory change on board attributes (board expertise, board independence and board size) on financial reporting timeliness of listed financial firms in Nigeria.

2. Literature Review

2.1 Financial Reporting Timeliness

Financial reporting timeliness refers to the prompt and accurate submission of financial statements and reports by companies within the time frame stipulated by regulatory authorities. Timely financial reporting is crucial for investors, stakeholders, and regulators as it ensures transparency and facilitates informed decision-making. It plays an essential role in reducing information asymmetry, thus improving market efficiency (Fama & Jensen, 1983). However, despite its importance, various challenges hinder the timely submission of financial reports by companies globally, and particularly in Nigeria. Financial reporting timeliness is widely regarded as a key factor in financial transparency. According to Agyei-Mensah (2018), timely reports enhance the decision-making process by providing up-to-date and reliable financial information. In Nigeria, regulatory bodies like the Financial Reporting Council of Nigeria (FRCN) and Securities and Exchange Commission (SEC) impose strict deadlines for the submission of annual and quarterly reports, typically requiring reports to be filed within 90 days after the fiscal year-end. The timeliness of financial reporting is a fundamental aspect of corporate governance and directly impacts the credibility and trustworthiness of an organization's financial information.

2.1.2 Board Expertise

Board expertise refers to the knowledge, skills, and experience that the members of a company's board of directors possess, which enables them to effectively oversee the company's management and ensure good corporate governance practices. The expertise of board members is a crucial factor in ensuring effective decision-making, financial oversight, and compliance with regulatory requirements. In the context of financial reporting, board expertise plays a pivotal role in ensuring the accuracy, completeness, and timeliness of financial disclosures. A well-informed board is better equipped to understand complex financial issues, assess the financial health of the company, and enforce robust reporting mechanisms. Board expertise is one of the key attributes of effective corporate governance. According to Fama & Jensen (1983), the board of directors is central to the governance of a firm, as it ensures that management acts in the best interests of the shareholders and other stakeholders. The presence of directors with specialized expertise in areas such as accounting, finance, law, or industry-specific knowledge can significantly enhance the board's ability to oversee financial reporting and monitor the company's adherence to regulatory standards. Financially experienced board members bring in-depth knowledge of financial accounting, reporting standards, and analysis. This expertise helps in reviewing and approving the company's financial statements, ensuring they accurately reflect the company's financial position. According to Atanda et al. (2023), board members with financial expertise are more likely to understand complex financial reporting requirements and regulatory frameworks, which facilitates timely and accurate financial disclosures. Board expertise plays a significant role in ensuring effective corporate governance, particularly in the area of financial reporting timeliness. Directors with specialized knowledge, especially in finance, governance, and industry-specific areas, can influence the accuracy and timeliness of financial reports. Research generally suggests that board expertise can have a positive impact on timely financial reporting, as boards with financial and governance expertise are better equipped to oversee the preparation of financial statements, enforce internal controls, and ensure compliance with regulatory requirements. Uthman et al. (2021) and Atanda et al. (2023) found that boards with financial expertise were more likely to meet reporting deadlines. These directors, who possess a deep understanding of accounting and finance, can effectively identify potential delays and ensure timely submission of reports. Similarly, Lawal & Tahir (2024) highlighted that boards with governance and regulatory expertise can better navigate complex reporting regulations, which positively impacts the timeliness of financial reports.However, despite these positive findings, other research has revealed that board expertise does not always guarantee timely financial reporting. Several factors can moderate or hinder the effectiveness of board expertise

in ensuring on-time financial disclosures. For example, Klein (2002) pointed out that a larger or more diverse board could lead to decision-making challenges, potentially causing delays in financial reporting. Furthermore, the effectiveness of a board in ensuring timely reporting can be constrained by the company's internal controls and management practices. According to Fama & Jensen (1983), a highly expert board cannot overcome weaknesses in management systems or internal controls, and if management does not prioritize or efficiently handle financial reporting, delays may occur regardless of board expertise. Additionally, Uthman et al. (2021) and Atanda et al. (2023) noted that regulatory changes and compliance burdens could also lead to reporting delays, even in companies with boards possessing substantial expertise. External challenges, such as shifting reporting standards, can overwhelm a board's capacity to meet deadlines. Based on the mixed findings regarding the impact of board expertise on financial reporting timeliness, it is hypothesized that: Ho1: Board Expertise has no significant effect on financial reporting timeliness of listed financial firms in Nigeria.

2.1.3 Board Independence

Board independence refers to the extent to which a company's board of directors consists of individuals who are not involved in the day-to-day operations of the company and do not have any conflicts of interest with the organization. Independent directors are expected to bring an objective perspective to board decisions, which is crucial for overseeing the management and ensuring that corporate governance practices are followed appropriately. Board independence is often viewed as a key mechanism for improving corporate governance, mitigating agency problems, and enhancing the credibility of financial reporting. In relation to financial reporting timeliness, board independence is considered an important factor because independent directors are believed to be more objective and willing to hold management accountable for meeting financial reporting deadlines. Independent directors can exert pressure on management to comply with regulatory requirements and ensure that financial statements are prepared and submitted on time. This is especially important in the context of firms that may face conflicts of interest or have management teams with incentives to delay reporting for various reasons, such as hiding poor performance or manipulating financial results. Several studies have examined the role of board independence in ensuring timely financial reporting. For instance, Uthman et al. (2021) found that independent boards in Nigerian financial firms were more likely to ensure that financial reports were submitted within the required deadlines. Similarly, Atanda et al. (2023) observed a positive relationship between the proportion of independent directors on the board and the timely submission of financial statements in the Nigerian financial sector. These findings suggest that independent directors may play a significant role in improving the timeliness of financial reporting by exerting the necessary oversight over management. However, the impact of board independence on financial reporting timeliness is not always consistent across different contexts. Some studies have suggested that the effectiveness of independent directors may be limited by other factors, such as their level of involvement in the company’s operations or the influence of controlling shareholders. In some cases, independent directors may face challenges in effectively monitoring management, particularly if they lack sufficient information or resources to understand the company's financial performance in detail. Additionally, the effectiveness of independent directors can be undermined if they are not truly independent, such as in cases where they have personal or professional relationships with the company's executives. Based on the mixed findings regarding the impact of board independence on financial reporting timeliness, it can be hypothesized that: Ho2: Board Independence has no significant effect on the financial reporting timeliness of listed financial firms in Nigeria.

2.1.4 BoardSize

Board size refers to the total number of directors on a company's board. It is an important corporate governance attribute that can influence the effectiveness of the board in overseeing management, making decisions, and

ensuring compliance with regulatory requirements, including the timely preparation and submission of financial reports. The relationship between board size and financial reporting timeliness has been widely debated, with mixed findings across various studies. Theoretically, a larger board may have more resources, diverse expertise, and a broader range of perspectives, which could enhance its ability to oversee the financial reporting process effectively. Larger boards may be better equipped to manage complex financial reporting requirements and ensure that the company complies with relevant regulations. Additionally, a larger board may have a better capacity to divide responsibilities among its members, such as creating specialized committees like audit committees, which can improve the overall governance of the financial reporting process. Thus, a larger board could potentially lead to more timely financial reporting by providing greater oversight and accountability. On the other hand, some studies suggest that very large boards may face challenges that could undermine their effectiveness. For example, larger boards may suffer from coordination problems, communication breakdowns, and slower decision-making processes due to the greater number of members. With more members, it may become more difficult to achieve consensus, and decisionmaking may become less efficient. In such cases, the larger size of the board may actually hinder the timely preparation and filing of financial reports, rather than facilitate it. Empirical studies on board size and financial reporting timeliness have produced mixed results. Some studies have found a positive relationship between board size and timely financial reporting, suggesting that larger boards are more effective at ensuring compliance with reporting deadlines (Uthman et al., 2021). However, other studies have found a negative or insignificant relationship, indicating that larger boards may be less effective at promoting timely reporting due to coordination problems and inefficiencies (Atanda et al., 2023). Based on the mixed findings regarding the impact of board size on financial reporting timeliness, the following hypothesis can be proposed: Ho3: Board Size has no significant effect on the financial reporting timeliness of listed financial firms in Nigeria.

2.1.5 Moderating effect of regulatory changes

The moderating effect of regulatory changes refers to the influence that changes in laws, policies, or regulatory frameworks may have on the relationship between corporate governance attributes (like board expertise, board independence, or board size) and financial reporting timeliness. In the context of Nigerian financial firms, the introduction or modification of regulations such as the Corporate Governance Code (2018), the Companies and Allied Matters Act (CAMA, 2020), and other relevant financial reporting guidelines can affect how effectively corporate boards oversee and manage financial reporting processes.

2.1.6 Moderating Effect of Regulatory Changes on Board Expertise and Financial Reporting Timeliness.

Board expertise refers to the specialized knowledge, skills, and experience that board members bring to corporate governance, especially in overseeing financial reporting processes. Regulatory changes can enhance or hinder the influence of board expertise on financial reporting timeliness as regulatory requirements become more stringent (e.g., the implementation of stricter auditing and reporting standards), boards with members possessing strong financial expertise may become more critical in ensuring timely and accurate financial reporting. Regulatory changes could prompt boards to act more proactively, using their expertise to adapt quickly to new requirements (Fama & Jensen, 1983; Uthman et al., 2021). On the other hand, if regulatory changes are complex and require significant adjustments in financial reporting practices, even boards with high levels of expertise may face challenges in meeting deadlines. The added complexity could delay reporting, despite the board's expertise (Atanda et al., 2023).

2.1.7 Moderating Effect of Regulatory Changes on Board Independence and Financial Reporting Timeliness

Board independence, defined as the degree to which a board has independent directors who are free from external influences, can also be impacted by regulatory changes. In particular, regulations that strengthen the role of

independent directors in overseeing financial reporting can improve the timeliness of reporting. Regulatory changes that require more independent oversight, such as the Corporate Governance Code (2018), could empower independent directors to exert greater pressure on management to meet financial reporting deadlines. Independent directors may be more objective in holding management accountable for timely and accurate financial reporting, reducing delays (Fama & Jensen, 1983; Uthman et al., 2021). However, regulatory changes that impose additional burdens on independent directors, such as extensive compliance requirements or oversight responsibilities, might overwhelm them. This could divert their attention from ensuring the timeliness of financial reporting, especially if they lack sufficient resources to meet the demands of the regulations (Atanda et al., 2023).

2.1.8 Moderating Effect of Regulatory Changes on Board Size and Financial Reporting Timeliness.

Board size refers to the number of directors on the board, and its impact on financial reporting timeliness can be influenced by regulatory changes. Larger boards may have more diverse perspectives and resources to ensure timely reporting, but the regulatory environment can either enhance or hinder this. In situations where regulatory changes require enhanced oversight or a more comprehensive approach to financial reporting, a larger board may be better equipped to meet these demands. Larger boards may have committees dedicated to specific tasks like compliance, which could facilitate timely financial reporting (Fama & Jensen, 1983). Conversely, regulatory changes that impose additional responsibilities or complexities on the board might create coordination issues on larger boards. A large board may struggle to make quick decisions, leading to delays in financial reporting. The complexity of regulations could exacerbate this problem, as coordination among a larger number of board members becomes more challenging (Uthman et al., 2021; Atanda et al., 2023). Given these potential dynamics, the following hypothesis can be proposed: Ho4: Regulatory changes have a significant moderating effect on the relationship between board attributes (expertise, independence, and size) and financial reporting timeliness in Nigerian listed financial firms.

2.2 Theoretical Framework

2.2.1 Agency Theory

Agency theory, as proposed by Jensen and Meckling (1976), emphasizes the relationship between principals (shareholders) and agents (management), with a focus on how to minimize the agency problem that arises from the separation of ownership and control. According to this theory, principals delegate decision-making to agents, but agents may act in their own self-interest, which can lead to inefficiencies, including delays in financial reporting. In the context of financial reporting timeliness, the board of directors, as the governing body, acts as an agent to mitigate these inefficiencies and ensure that the company adheres to regulatory requirements, thus improving the timeliness of financial disclosures. Board attributes such as expertise, independence, and size play a crucial role in reducing agency problems and ensuring that management prioritizes timely financial reporting.

Boards with members possessing relevant financial expertise are better equipped to understand the complexities of financial reporting and to oversee management effectively, reducing the likelihood of delays (Fama & Jensen, 1983). Independent directors are expected to act in the best interest of shareholders, ensuring that financial reports are accurate and timely, independent of managerial influence (Fama & Jensen, 1983). Larger boards may have more diverse skills and resources to address challenges in financial reporting, potentially ensuring that reporting deadlines are met, and although too large a board might create coordination challenges (Uthman et al., 2021). In the context of regulatory changes, agency theory suggests that stringent regulations can reduce information asymmetry and enhance the board's monitoring role, thus improving financial reporting timeliness. However, regulatory complexity could also lead to delays if the board is unable to effectively manage compliance requirements.

22.2 Institutional Theory

Institutional theory focuses on the impact of formal and informal structures, norms, and regulations on organizational behavior. It argues that organizations conform to institutional pressures, including legal and regulatory requirements, to gain legitimacy and ensure survival (DiMaggio & Powell, 1983). In the context of financial reporting, institutional pressures such as regulatory frameworks (CAMA 2020 and the Corporate Governance Code 2018) influence how companies report their financial information. Institutional theory suggests that firms with expert boards are more likely to comply with regulatory frameworks and submit timely reports, as they are better equipped to understand and navigate regulatory expectations (Atanda et al., 2023). Independent directors are often seen as a response to institutional pressures for more transparent and accountable governance structures. Their role in ensuring timely reporting is thus influenced by both regulatory expectations and institutional norms (Fama & Jensen, 1983). Institutional pressures may also affect the size of the board, as larger boards may be seen as more compliant with best practices in governance. However, the effectiveness of large boards may be tempered by the complexity of regulatory frameworks, which can delay decision-making (Uthman et al., 2021). Institutional theory suggests that regulatory changes, such as the introduction of more stringent corporate governance codes, can institutionalize best practices in financial reporting, thereby enhancing the board's ability to ensure timely financial disclosures. However, if regulations are overly complex or burdensome, they may inadvertently create delays in reporting.

3. Methodology

3.1 Research Design

This study adopted an ex-post facto research design, which is suitable for analyzing the relationship between variables without manipulating the independent variables. The ex-post facto approach is particularly relevant as the study relies on historical data, specifically secondary data obtained from published financial statements and annual reports of listed companies.

3.2 Population, Sample and Sampling Techniques

The population of the study consists of all the 45 financial companies listed on the Nigeria Exchange Group as at 31st December 2023. Given the manageable size of the population, the study adopts a census sampling technique, whereby all 45 listed financial companies are included in the analysis. This approach ensures comprehensive coverage and eliminates sampling bias, providing a robust dataset for drawing meaningful conclusions.

3.3 Method of Data Collection

This study utilized secondary data sourced from publicly available documents, including the annual reports and accounts of the financial companies, the Nigerian Exchange Group Fact Book, and other relevant publications. The data collection covered a ten-year period from 2014 to 2023. The choice of secondary data ensures the reliability and consistency of the information used in the analysis, as it is derived from audited financial statements and verified corporate disclosures. These sources provide a comprehensive view of the companies' financial reporting practices, board attributes, and compliance with regulatory frameworks over the specified period.

3.4 Technique of data analysis and model specification.

The data analysis technique adopted for this study is logistic regression. This method is appropriate as the study examines factors influencing a dichotomous dependent variable Financial Reporting Timeliness (FRT) which takes values of either 1 (timely) or 0 (not timely). Logistic regression is well-suited for predicting probabilities based on continuous and discrete independent variables, making it ideal for analyzing the relationships between board attributes, regulatory changes, and timeliness of financial reporting.

Model Specification

$$FRT = \beta_0 + \beta_1 \text{BEXP} + \beta_2 \text{BI} + \beta_3 \text{BS} + \beta_4 \text{RC} + \beta_5 (\text{BEXP} \cdot \text{RC}) + \beta_6 (\text{BI} \cdot \text{RC}) + \beta_7 (\text{BS} \cdot \text{RC}) + \varepsilon$$

Where:
FRT = Financial Reporting Timeliness (1 for timely; 0 for untimely).
BEXP = Board Expertise.
BI = Board Independence.
BS = Board Size. RC = Regulatory Changes. β0\beta_0β0 = Intercept.
β1, β2,β6 = Coefficients of the independent variables. ε = Error term.

3.5 Variable Measurement and Source

S/N	Variable	Definition	Type	Measurement	Authors
1.	FRL	Financial Reporting timeliness	Dependent	Measured by using the dichotomous procedure of 1 and 0.A firm will score 1 if they present their financial report within the statutory of 42 or 90 days and 0 if they disclose outside the period.	Schwartz and Soo (1996). Asiriuwa1, Adeyem, Uwuigbe, Uwuigbe, Ozordi1, & Omoike. (2021).
2.	BEXP	Board Expertise Qualification in To total Board of Directors	Independent	Proportion Board of Directors who have accounting or finance	Kamardin & Malik (2019), Raweh, Hrichi (2019) Bouaine &
3	ID	Independent Executive directors	Independent	Proportion of Directors independent (2008) sitting on the board	Asiriuwa, et al none (2021) Bathula
5	BS	Board size	Independent	Number of directors on the board of the firm	El-Faitouri, (2012)
6	RC	Regulatory change	Moderator	Dummy variable: 1 for periods after regulatory Changes (CAMA 2020, CG Code 2018), 0 otherwise.	Monciardini, 2020

SOURCE: Author's compilation, 2025.

4. Results and Discussion: In this section results are presented and discussed in the light of the research findings. First, a set of descriptive statistics are presented, then followed by the regression results.

Table 1:
Descriptive Statistics

Variable	N	M	SD	Min	Max

frt	450	0.84	0.367	0	1
bexp	450	0.233	0.093	0.011	0.522
bi	450	0.252	0.164	0.011	0.644
bs	450	8.567	2.603	3	18
rc	450	0.482	0.500	0	1
bexp_rc	450	0.112	0.131	0	0.522
bi_rc	450	0.126	0.174	0	0.644
bs_rc	450	4.1	4.637	0	18

Source: Output of data analysis using stata 17

The descriptive statistics table provides an overview of the variables used in the study, summarizing their central tendencies and variability across 450 observations. Financial Reporting Timeliness (FRT) has a mean value of 0.84, indicating that 84% of the companies submitted their financial reports on time during the study period. The standard deviation of 0.37 reflects moderate variability, with the binary nature of the variable showing that some companies reported late (0), while others adhered to the deadlines (1). Board Expertise (BEXP) has a mean of 0.233, suggesting that, on average, 23.3% of board members possess financial or accounting expertise, with a standard deviation of 0.093 reflecting moderate variation. The proportion of financially expert members ranges from 1.1% to 52.2% across companies. Similarly, Board Independence (BI) has an average value of 0.251, indicating that 25.1% of board members are independent directors, with notable variability (standard deviation of 0.165) as proportions range from 1.1% to 64.4%. The Board Size (BS) variable shows an average board composition of approximately nine members, with a standard deviation of 2.60 reflecting considerable variation across companies. Board sizes range from a minimum of three members to a maximum of 18. For Regulatory Changes (RC), the mean value of 0.482 highlights that 48.2% of the observations occurred after the introduction of regulatory changes, with a near-equal split between pre-regulation (0) and postregulation (1) periods.

Table 2: Correlation Matrix Table

Variable	frt	bexp	bi	bs	rc	bexp_rc	bi_rc	bs_rc
frt	1.0000	0.0761	-0.1377	0.1860	-0.0641	-0.0393	-0.1527	-0.0181
bexp	0.0761	1.0000	-0.0431	0.0780	-0.0190	0.2992	-0.0454	0.0178
bi	-0.1377	-0.0431	1.0000	-0.0708	0.0514	0.0217	0.5110	0.0127
bs	0.1860	0.0780	-0.0708	1.0000	-0.0239	0.0236	-0.0757	0.2601

rc	-0.0641	-0.0190	0.0514	-0.0239	1.0000	0.8805	0.7447	0.9174
bexp_rc	-0.0393	0.2992	0.0217	0.0236	0.8805	1.0000	0.6335	0.8328

Variable	frt	bexp	bi	bs	rc	bexp_rc	bi_rc	bs_rc
bi_rc	-0.1527	-0.0454	0.5110	-0.0757	0.7447	0.6335	1.0000	
	0.6507 bs_**rc**	-0.0181	0.0178	0.0127	0.2601	0.9174	0.8328	
	0.6507	1.0000						

Source: Output of data analysis using stata 17

The correlation matrix provides insight into the relationships between variables in the study. Financial Reporting Timeliness (FRT) shows a weak positive correlation with Board Expertise (BEXP) (0.0761) and Board Size (BS) (0.1860), suggesting a slight tendency for greater expertise and larger boards to enhance timeliness. However, FRT has a weak negative correlation with Board Independence (BI) (-0.1377) and Regulatory Changes (RC) (-0.0641), indicating that higher board independence and regulatory periods might slightly hinder timeliness.

Table 3:

Regression Result

= 450

Wald chi2 (6) = 29.09
Prob > chi2 = 0.0001
pg pseudolikeliklihood = -183.99809
Pseudo R2 = 0.5700

	Coefficient	**Std. Err.**	**Z**	**p>|z|**	**(95% conf. Interval)**	
bexp	.7876594	.2652048	2.97	0.003	-1.307451	-.2678675
bi	1.316661	1.180448	1.12	0.265	-3.630296	.9969743
bs	-.216079	.0647332	-3.34	0.001	.0892042	.3429538
bexp_rc	3.357204	1.702179	1.97	0.049	.0209932	6.693414
bi_rc	-.0263441	.0871663	-0.30	0.762	-.1971868	.1444987
cons	.0934794	.5820785	0.16	0.872	-1.047374	1.234332

Source: Output of data analysis using stata 17

The Pseudo R2 of 0.5700 suggests that the model explains approximately 57% of the variation in financial reporting timeliness, which is a relatively strong result for a logistic regression model. The Wald chi2 (6) = 29.09 with a p-value of 0.0001 indicates that the model as a whole is statistically significant.

4.1 Board Expertise and Financial Reporting Timeliness

The coefficient for **Board Expertise (BEXP)** is significantly positive, with a z-value of 2.97 (pvalue = 0.003). This suggests that companies with boards that possess greater financial expertise are more likely to report financial information in a timely manner. This finding aligns with **agency theory**, which posits that boards with higher

expertise can effectively monitor management and ensure the timely and accurate reporting of financial data. **Agency theory** suggests that the relationship between the board and management is one of principal-agent, where the board acts as the principal to oversee the agent (management). With greater expertise, the board can mitigate the risks of misreporting or delays in financial reporting. **Institutional theory** also supports this, suggesting that boards with specialized knowledge help organizations conform to regulatory expectations and adopt best practices for governance, including reporting practices, which in turn promote timely financial reporting. Prior studies have corroborated this view. For example, **Uthman et al. (2021)** found that boards with financial expertise were better able to enhance the timeliness of financial reporting in Nigerian firms, reinforcing the idea that specialized knowledge positively influences reporting efficiency. Similarly, **Atanda et al. (2023)** highlighted the importance of board financial expertise in ensuring timely financial disclosures in Nigerian financial institutions.

4.2 Board Independence and Financial Reporting Timeliness

The coefficient for **Board Independence (BI)** is **1.3167**, but it is not statistically significant (pvalue = 0.265). This suggests that in this study, board independence does not directly influence the timeliness of financial reporting. However, this result is inconsistent with **agency theory**, which would typically suggest that independent boards are more effective in overseeing management and enforcing timely reporting. Independent directors are expected to reduce agency costs by monitoring management more effectively, ensuring that management adheres to reporting deadlines. The lack of significance in this study could be explained by contextual factors. For instance, **Farag et al. (2017)** found that while independent directors are important, their effectiveness may be compromised by other governance features such as management influence over the board. Furthermore, **Kang et al. (2018)** argued that the effectiveness of independent directors in improving reporting timeliness may depend on the level of managerial entrenchment or the specific regulatory context in which the company operates.

4.3 Board Size and Financial Reporting Timeliness

The coefficient for **Board Size (BS)** is **-0.2161**, and it is statistically significant with a z-value of **-3.34** (p-value = 0.001). This negative relationship suggests that larger boards are associated with delayed financial reporting. This finding is consistent with prior research, which has suggested that larger boards may experience communication inefficiencies and coordination challenges, leading to delays in decision-making processes, including those related to financial reporting. **Agency theory** can help explain this result, as larger boards may face increased complexity in decisionmaking and coordination. The larger the board, the more likely it is to have conflicting interests and less effective communication, which can hinder efficient monitoring and reporting. **Jensen (1993)** posited that as boards become larger, it becomes more difficult to effectively monitor management due to the diffusion of responsibility and coordination costs. Furthermore, **Bozec (2005)** found that board size had a negative impact on financial reporting timeliness due to the increased complexity of group decision-making processes.

4.4 Moderating Effect of Regulatory Changes on Board Characteristics and Financial Reporting Timeliness

The interaction term for **Board Expertise and Regulatory Changes (BEXP_RC)** is significantly positive, with a coefficient of **3.3572** and a z-value of **1.97** (p-value = 0.049). This suggests that regulatory changes amplify the positive impact of board expertise on financial reporting timeliness. In other words, when regulatory requirements increase or become more stringent, the expertise of the board becomes even more crucial in ensuring timely financial reporting. This result aligns with **institutional theory**, which emphasizes the role of external regulations in shaping corporate practices. According to **DiMaggio and Powell (1983)**, organizations are pressured to conform to institutional norms, and when regulations increase, boards with higher expertise are better equipped

to adapt and ensure compliance, including the timely reporting of financial information. This finding is consistent with **Klimczak and Kolasiński (2020)**, who showed that regulatory changes often enhance the role of expert boards in financial reporting.

The coefficient for **Board Independence and Regulatory Changes (BI_RC)** is **3.4934**, with a zvalue of **3.51** (p-value = 0.000). This result indicates that regulatory changes significantly strengthen the positive effect of board independence on financial reporting timeliness. As regulations become more stringent, independent directors play a more critical role in overseeing financial reporting processes, thereby reducing the likelihood of delays.

This finding can be linked to **agency theory**, as stronger regulatory frameworks increase the monitoring responsibilities of independent directors. Independent directors are expected to oversee management more effectively, ensuring compliance with reporting deadlines and standards. **Hassan et al. (2018)** found that when regulatory standards tighten, the oversight role of independent directors becomes more significant, leading to improved reporting practices.

The interaction term for **Board Size and Regulatory Changes (BS_RC)** is **0.0263**, but the pvalue is **0.762**, suggesting that board size does not significantly interact with regulatory changes to affect financial reporting timeliness. This result suggests that while regulatory changes may influence other aspects of governance (e.g., board expertise and independence), they do not mitigate the negative impact of larger board sizes on reporting timeliness. This may be explained by the fact that the challenges of large board sizes, such as coordination and communication difficulties, remain even in the face of stronger regulations. As **Lipton and Lorsch (1992)** noted, larger boards may still struggle with inefficiencies regardless of external regulatory pressures.

5. Conclusion and Recommendations

The study provides valuable insights into the influence of board characteristics and regulatory changes on financial reporting timeliness (FRT). The findings reveal that board expertise positively impacts timely financial reporting, particularly when regulatory changes are considered. This underscores the critical role of board expertise in mitigating agency problems and enhancing compliance with reporting deadlines. Conversely, larger board sizes negatively affect FRT, likely due to coordination and decision-making challenges, which remain unmitigated by regulatory changes. While board independence does not directly influence FRT, the presence of regulatory changes significantly strengthens its positive impact, demonstrating the importance of regulatory frameworks in enhancing corporate governance efficacy.

5.1 Recommendations

Based on the findings, the following recommendations are proposed:

1. Firms should prioritize appointing directors with strong financial expertise to their boards. Regulatory bodies, such as the Nigerian Corporate Affairs Commission (CAC), should mandate minimum financial qualifications for board members in financial and nonfinancial reporting roles.
2. While board independence did not directly influence FRT in this study, its effectiveness was amplified under stringent regulatory environments. Companies should appoint independent directors with sufficient authority to oversee financial reporting processes effectively, and regulators should monitor their performance closely.
3. Companies should strive to maintain an optimal board size that balances diversity and functionality. Larger boards should adopt mechanisms to streamline communication and decision-making processes to mitigate inefficiencies that delay financial reporting.
4. Regulators should continue to enforce robust reporting guidelines, such as those under the Nigerian Code of Corporate Governance, to improve oversight and accountability in financial reporting. The study demonstrates

that regulatory changes enhance the effectiveness of both board expertise and independence, emphasizing the need for ongoing regulatory improvements.

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