SSR Journal of Arts, Humanities and Social Sciences (SSRJAHSS)

Volume 2, Issue 7, 2025 Journal homepage: https://ssrpublisher.com/ssrjahss ISSN: 3049-0391 (Online)
Email: office.ssrpublisher@gmail.com

Determinants of Firms Characteristics, Timeliness of Audit Reporting and Earning Performance of Listed Deposit Money Banks in Nigeria

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Received: 10.06.2025 | **Accepted:** 07.07.2025 | **Published:** 10.07.2025

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DOI: *10.5281/zenodo.15857701*

Abstract **Original Research Article**

The determinants of firm characteristics, timely audit reports and earning performance of listed Deposit Money Banks in Nigeria are examined in this study. The population of samples is made up of the 14 DMBs listed on the Nigerian Exchange Group NGX as at April 31, 2025, following an Ex-post facto research design. Used and selected ten banks annual reports between the years of 2015 to 2024. Descriptive statistics, correlation, and regression statistics were conducted to examine the relationship between audit firm size, audit committee size and timeliness of audit reporting on earnings performance. The results indicate weak negative relationships between timeliness of audit reporting and audit firm size on earnings performance which imply that there is no significant impact of audit firm on the timeliness of audit reports and earnings performance. Audit firm size and earnings performance were moderately negatively correlated, suggesting that clients of larger firms tend to have worse earnings performance. Also, audit committee size has a moderate negative correlation with earnings performance, reinforcing that larger audit committees would slow the audit process due to a difficult and time consumes of review and approval process. The study concluded that having an appropriate organisational structure is not an assurance of the timely presenting of audits. Therefore, DMBs are advised to evaluate the effectiveness and size of their audit committees and to bolster internal controls. Regulators and other stakeholders are urged to think of factors that relate to the concept of audit timeliness not only in terms of structural controls but also with respect to audit complexity and institutional arrangements.

Keywords: Determinants of Firms Characteristics, Audit Firm Size, Audit Committee Size, Timelines Audit Reporting, And Earning Performance.

Citation: Apalowowa, O. D., Adetula, O. O., Omosebi, A., & Ayejuyo, T. E. (2025). Determinants of firms characteristics, timeliness of audit reporting and earning performance of listed deposit money banks in Nigeria. *SSR Journal of Arts, Humanities and Social Sciences*, 2(7), 38-46.

1.0 INTRODUCTION

Globally, audit reporting timeliness remains a significant concern in financial reporting since lagging audit reports have the effect of reducing transparency, eroding investor confidence, and reducing the effectiveness of capital markets. Timely financial disclosure has been identified by regulators such as the International Federation of Accountants (IFAC) and the International Auditing and Assurance Standards Board (IAASB) as a key element of good corporate governance (Apalowowa et al., 2023). In developed economies, tight regulatory frameworks and market discipline have helped improve the timeliness of audits, but problems persist due to complex business structures, regulatory lags, and the increasing scope of audit work (Adebayo & Olatunji, 2025). In developing economies such as Nigeria, the problem of late reporting of audits is compounded by poor institutional frameworks, weak enforcement of deadlines, weak audit resources, and governance laxity (Nadias & Sari, 2025). In Nigeria, despite the mandate of the Financial Reporting Council (FRC) and disclosure requirements by the Nigerian Stock Exchange (NGX), few listed companies, particularly in banking and non-financial companies, insist on exceeding the mandatory reporting period (Abbas, et al., 2020). The situation is worsened by audit inefficiencies, weak corporate governance culture, and ineffective audit committee capacity. These delays undermine the credibility of financial reporting and restrict investors' ability to make prompt economic decisions, thus affecting Nigeria's corporate responsibility and financial market stability (Acar & Coskun, 2023).

Essential firm traits including firm size, earning performance, and the make-up of the audit committee have been recognized as being fundamentally important determinants. For instance, larger businesses, although typically subject to long audit periods due to the complexity of their business and volume of transactions overcome possible lags by employing highly renowned audit firms based on their superior resource capability (Citrajaya & Ghozali, 2020). Earnings performance refers to the ability of a company to generate profit, net income over a specified period which measures its financial success and effective running (Kolsi, et al., 2023). Earnings performance is a key metric of a company's financial health and is often used by investors, analysts, and stakeholders to measure profitability and value creation trends. Conversely, having an effective and calm audit committee has been associated with improved governance practices to facilitate compliance and enable a smoother audit process (Nadias & Sari, 2025). While earlier studies have most frequently employed cross-sectional data to examine the relationship between firm characteristics and timeliness of audit reporting, these approaches only provide a snapshot and possibly not the dynamic or time-related variations and causal relationships. Hence, longitudinal analyses that are able to track changes and uncover persistent patterns over time are becoming more vital. Taking these into account, this study tries to explore the determinants of firms and timeliness of audit reporting on earning performance of listed deposit money banks in Nigeria between 2015-2024.

2.0 LITERATURE REVIEW
2.1 Conceptualization
2.1.1 Timeliness of Audit Reporting

Timeliness of audit reporting denotes the expediency with which auditors complete and disseminate audit reports following the conclusion of a fiscal year. Adi (2025) posit that timely audits are essential for the quality of financial reporting, as they furnish stakeholders with precise and up-to-date financial information for informed decision-making. Ozeolo et al. (2025) define Timeliness of audit reporting as the interval between the conclusion of the fiscal year and the endorsement and dissemination of an independent audit report. In a similar vein, Onatuyeh et al. (2024**)** articulated that timeliness of audit reporting is the duration of auditors require to conclude their tasks and communicate their conclusions to stakeholders. Timeliness of audit reporting is crucial for banks, since it improves transparency in financial reporting, promotes investor trust, fortifies creditworthiness, and aids in compliance with regulatory norms (Gbadamosi & Alade, 2025). In the banking sector, prompt audits uphold confidence among depositors, investors, and regulators, the most essential aspects of timeliness of audit reporting encompass the time taken for audit completion with of audit reports, and compliance with statutory deadlines (Djajanti, 2025).

2.1.2 Determinants of firms Characteristics

Determinants of firm characteristics are the intrinsic features of an organisation that influence its operations, strategies, and results. These characteristics differ significantly among organisations and encompass elements such as size, profitability, governance framework, and financial intricacy. Djajanti (2025) characterise determinants of firms as inherent properties that impact a firm's strategic and operational conduct, whereas Adi (2025) defined determinants of firms as quantifiable characteristics that influence organisational performance and decision-making. Ozeolo et al. (2025) posit that determinants of firms as organizational as fundamental elements that influence outward impressions and internal efficacy. Determinants of firms characterize with essential element of operational efficiency, competitive advantage, and financial stability (Adebayo & Olatunji, 2025). Larger organisations leverage enhanced resources and economies of scale, whilst profitable firms reinvest earnings to facilitate expansion with robust governance frameworks, including a proficient audit committee, augment accountability and transparency (Gbadamosi & Alade, 2025).

2.1.3 Audit Firm Size

Audit firm size is a crucial factor in organisational behaviour and performance, affecting financial decisions, operational strategies, and market competitiveness. Large corporations typically benefit from economies of scale, allowing them to lower per-unit costs via bulk procurement, optimised operations, and increased negotiating leverage (Frances & Nworie, 2025). In contrast, smaller enterprises frequently demonstrate enhanced flexibility and adaptation to market fluctuations, however this comes with constrained resources and increased operational risks (Onatuyeh et al., 2024). Audit firm size denotes the extent of a company's operations, typically assessed using metrics such as total assets, revenue, market capitalization with workforce size (Bolarinwa et al., 2021). From a financial standpoint, the size of a firm significantly influences its access to capital markets. Investors and lenders generally regard larger enterprises as less hazardous, leading to reduced borrowing costs and an expanded array of financing alternatives (Apalowowa et al., 2023). Conversely, smaller enterprises may encounter greater financial limitations, restricting their capacity to invest in development prospects. Empirical research indicates that firm size affects profitability, since larger enterprises typically attain better profit margins by capitalising on economies of scale and scope (.Ahamed, 2017). The size of a corporation is a crucial factor that affects the timeliness of audit reporting, which is an essential component of financial reporting quality where corporations, distinguished by their vast activities, substantial resources, and broad stakeholder interests, are typically linked to reduced audit report delays.

2.1.4 Earnings Performance

Earnings performance is the ability of a business to produce net income or profit over a specific period of time, reflecting its financial success and operational effectiveness. Adebayo and Olatunji (2025) posit that earnings performance is one of the key financial health indicators of a company and is often used by investors, analysts, and stakeholders as a tool to ascertain value creation as well as profitability patterns. Good earnings performance is an indicator that a company is effectively managing its revenues and expenses to produce returns (Abbas et al., 2020). Earnings performance commonly measured through financial ratios such as net profit margin, return on assets, and earnings per share. Consistent performance enhances investors' confidence and the company's reputation in capital markets. Poor earnings performance can be an indicator of inefficiency, market issues, or poor management decisions (Onatuyeh et al., 2024). The determinants of earnings performance are the control of costs, pricing, market demand, and the state of the economy with a dynamic measure that reflects both internal management ability as well as environmental factors (Gbadamosi & Alade, 2025).

2.1.5 Dimensions of the Audit Committee Size

The concept of audit committee size is frequently contested in scholarly discourse, with discussions focusing on whether larger committees improve or impede performance. The size of the audit committee denotes the number of people comprising the organization's audit committee with a pivotal element of corporate governance that directly affects the committee's efficacy in supervising financial reporting, internal controls, and the audit processs (Djajanti, 2025; Apalowowa et al., 2023). An expanded audit committee size can provide varied experience and viewpoints, facilitating more thorough examination of financial reports and enhancing the capacity to tackle intricate audit challenges (Gbadamosi & Alade, 2025). This diversity is especially advantageous in sectors where financial reporting is intricate or frequently influenced by regulatory modifications. Nevertheless, certain studies contend that an overly big committee may result in coordination difficulties, inefficiencies, and diminished responsibility (Ozeolo et al., 2025). In contrast, smaller committees may exhibit greater agility but may lack the comprehensive competence required for effective supervision (Adi, 2025).

2.2 Theoretical Review

The following two theories was reviewed. Namely, time pressure theory and audit risk theory. The study is grounded on the time pressure theory, because time pressure theory to explain how deadline constraints negatively impact the timeliness and quality of audit reporting

2.2.1 Time Pressure Theory

Time Pressure Theory analyzes the ill effects of close deadlines and time pressures on individuals' judgement, decision-making quality, and performance, e.g., that of accountants. The theory considers that cognitive resources are limited and higher time pressures lower the capacity to process information in depth, resulting in low-quality decision-making (Odewole et al., 2024). Opponents contend that time pressures do not always yield negative outcomes; they are able to generate more efficient decision-making among experienced auditors, while organisational support systems can mitigate their negative impacts (Nwankwo & Okoye, 2022). The theory is useful due to its utilisation in real-life auditing contexts, particularly deadline contexts, which enables it to be used for audit planning, task assignment, and policy formulation (Inneh, etal., 2022). Time Pressure Theory limitation is lack of generalizability since it does not account for time management and adaptability variances between auditors that could affect the outcomes of audit quality (Ayoola, 2024). The Time Pressure Theory accounts for the impact of variables such as audit firm workload, deadline for filing, size of the client, and complexity of an audit on timely completion of audit reports (Apalowowa et al., 2023). Time pressure theory also favours the contention that undue haste can compel certain auditors to sacrifice thoroughness for speed, or seek extensions to obviate adverse results.

2.2.2 Audit Risk Theory

Audit Risk Theory justifies the probability that an auditor would issue an incorrect audit opinion when the financial statements are significantly misstated. The Audit Risk Theory, initially established by the American Institute of Certified Public Accountants (AICPA) in the 1980s through the release of SAS No. 47, posits that audit risk is created by the interaction between inherent risk, control risk, and detection risk and needs to be brought down to an acceptable minimum (Edet et al., 2025). The theory proposes that detection risk can be evaluated and controlled by skilled audit planning and techniques, even if inherent and control risks are present despite auditor efforts (Saleh & Ragab, 2023). The model has been criticized for depending too heavily on expert judgement, for potential subjectivity in risk evaluation, and for being unable to completely rule out audit failure, particularly in deceptive or complex situations (Tomomewo, 2023). The superiority of the theory is its systematic framework, which enables auditors to assess and deal with hazards systematically, thereby improving audit quality (Reschiwati etal., 2020). One of the significant limitations of the theory is that it is based on estimations and subjective estimates, which will vary significantly from one auditor to another and result in non-conistent audit findings (Nadias & Sari, 2025). The concept explains why bigger companies, financially strained organizations, and organizations in controlled industries experience delayed audit findings, since auditors need more time to gather sufficient audit evidence.

2.3 Empirical Review

Adebayo and Olatunji (2025) investigated the relationship between audit committee attributes and financial performance of Nigerian manufacturing firms. Data was gathered from the annual financial statements of the chosen manufacturing firms and statistics from the Nigerian Exchange Group's (NGX) fact book over the ten-year period from 2014 to 2023; the study population consisted of all production-based companies listed on the Nigerian Exchange Group as of December 31, 2023. Descriptive and inferential analytical instruments were both used in the study, with Pearson's correlation analysis and a panel estimation approach being the inferential analysis instrument. Their findings showed a negative and statistically insignificant correlation between audit committee meetings and return on equity (regression coefficient = -0.3218, t-statistic = -0.6311, p-value = 0.5296, $p > 0.05$). Their regression coefficient of the fixed effect analysis for audit committee size also demonstrated a negative and insignificant association with return on equity, with a regression coefficient of -0.8195, t-statistic of -1.0200, and p-value of 0.3105 ($p>0.05$).

Nadias and Sari (2025) focused on showing the impact of environmental and social performance on earnings management with the population utilized, i.e., SRI-KEHATI Index companies listed on the IDX in 2020-2023. Quantitative research was used with a sampling technique, i.e., purposive sampling for sampling 11 companies with 4 years of observation is obtained. The data used in this study is secondary data obtained from financial reports and sustainability reports of firms. Data analysis in this study used Partial Least Squares (PLS). They concluded that environmental performance has a significant effect on earnings management.

Djajanti (2025) explains the effect of capital structure, default risk, and earnings volatility on the Earnings Response Coefficient (ERC) of property and real estate firms listed on the Indonesia Stock Exchange (BEI) for the years 2019-2024, with profitability as a moderating variable. Used 92 property and real estate firms and applied quantitative correlational and causal-associative analysis. Purposive sampling selected 17 firms. Secondary data were gathered from the Indonesian Capital Market Directory (ICMD) and BEI website annual reports. PLS-SEM analytical tests were conducted using SmartPLS 3.0 to examine presumptive relationships. The findings of his study higher debt-to-equity levels and default risk heighten the market's reaction to earnings announcements, affecting ERC positively. Earnings volatility had a negative but statistically insignificant effect.

Adi (2025) examined the effect of mechanisms of corporate governance on the financial performance of Indonesian firms. The study adopted a quantitative approach, and path analysis was employed to test the presumed relationships. 312 observation data were collected from 78 industrial firms listed in the Indonesia Stock Exchange for the years 2021-2024 through purposive sampling. The findings reveal that audit committee size and managerial ownership do not seem to play a significant role. Additionally, financial performance is significantly and positively influenced by institutional ownership and independent commissioners. It has, however, been found that earnings management has a significant and negative influence on financial performance

Ozeolo et al. (2025) examines the impact of audit committee independence and financial expertise on the timeliness of financial reporting of Nigerian listed deposit money banks. Ex-post facto research design was adopted in the study. Secondary data was collected from annual reports and accounts of Nigerian listed deposit money banks. Their study population consists of thirteen deposit money banks listed on the Nigeria Exchange Group. Their sample size is thirteen (13) banks for 10 years, from 2014 to 2023. Their study employed a census sample technique. Binary logistics regression model was employed as a data analysis technique. Findings from their study revealed that audit committee independence significantly and negatively affects the timeliness of financial reporting of listed deposit money banks in Nigeria.

Aondokaa et al. (2024) investigated a study on the effect of firm attributes on the audit reporting timeliness of listed Deposit Money Banks in Nigeria from 2013 - 2023. Firm size, profitability, and audit committee size were utilized as proxies for firm attributes which is the independent variables. The study relied on data obtained from the audited annual reports of 10 sampled banks, which were analysed using descriptive statistics, correlation analysis, and regression, findings revealed that audit firm size had an insignificant effect on audit reporting timeliness, while profitability exhibited a positive and significant impact. Audit committee size demonstrated a significant negative effect on audit reporting timeliness. The study concludes that, firm size reduces audit reporting timeliness, profitability does not play a significant role in improving audit reporting timeliness, audit committee size and enhances audit reporting timeliness of listed Deposit Money Banks in Nigeria.

Yahaya and Ahmed (2023) investigated the effects of firm size and profitability on audit reporting timeliness among Nigerian listed banks. The dependent variable was audit reporting timeliness, while firm size, profitability, and leverage were the independent variables. Analyzing data from 13 Deposit Money Banks between 2013 and 2022 using panel regression analysis, the study revealed that firm size was associated with longer delays, whereas profitability contributed to improved timeliness. Despite these findings, the omission of audit committee size as a key governance factor limited the comprehensiveness of the study.

Leditho et al. (2023) examined various factors affecting audit delay, including profitability, solvability, multinational company status, and audit fees. The study focused on a population of 70 companies listed on the Indonesia Stock Exchange from 2016 to 2020, all of which had delayed annual report publications. Purposive sampling was employed, resulting in a selection of 30 companies observed over five years, yielding a dataset of 147 data points. The study's findings revealed that profitability had no significant impact on audit delay, solvency had a negative effect on audit delay, multinational company status did not influence audit delay, and audit fees had a negative effect on audit delay.

Mustapha et al. (2022) assessed the factors influencing the timeliness of audit reports in listed industrial firms in Nigeria. The study focused on a population of 14 listed industrial firms, making use of comprehensive data availability within the study period. Data spanning 7 years (2012-2018) from the Nigerian Stock Exchange (NSE) were collected from secondary sources. Multiple regression analysis employing the Random Effects Model was utilized for data analysis. Their results indicated that Audit Firm Size, Company Size, and Board Size had significant effects on timeliness, while Board Independence had an insignificant effect on timeliness.

Apalowowa et al. (2023) analyzed the effect of audit quality control on deposit money banks' financial performance in Nigeria. The research specifically focused on the role of professional competence and professional objectivity on financial performance of deposit money banks in Nigeria. Survey research design was used in the study. Questionnaires were used in collecting data from DMBs' staff in Ekiti state and the study population was 85, this study sampled the entire population using Purposive Sampling Techniques to select all the employees. Ordinary Least Square regression method was employed to estimate the effect of audit quality control and performance of deposit money banks in Nigeria. The study established that professional competence has a significant negligible influence on performance of deposit money banks in Nigeria. And professional objectivity has significant positive influence on performance of deposit money banks in Nigeria

Musa and Abdullahi (2022) investigated how corporate governance attributes, including audit committee size, affect audit reporting timeliness in Nigerian Deposit Money Banks. With audit reporting timeliness as the dependent variable and audit committee size, profitability, and board independence as independent variables, the study covered 10 banks from a population of 15 listed Deposit Money Banks between 2015 and 2020. Using dynamic panel regression, the authors found that audit committee size significantly reduced delays, while board independence showed no effect. However, the study's exclusion of firm size as a variable constrained its scope.

Hassan and Usman (2022) examined the determinants of audit reporting timeliness in financial institutions across West Africa, focusing on Nigeria. The study utilized audit reporting timeliness as the dependent variable and firm size, profitability, and audit complexity as independent variables. Covering the period from 2013 to 2021, the study analyzed 10 Nigerian Deposit Money Banks using a fixed-effects regression model. The findings indicated that larger firms experienced increased delays due to the extensive scope of audits, while profitability positively impacted timeliness.

3.0 METHODOLOGY

The study utilised an *ex-post facto* design, concentrating on a sample of 14 Deposit Money Banks listed on the Nigerian Exchange Group (NGX) as of December 31, 2024. A filtering strategy was utilised to identify 10 banks with freely accessible data and continued to be quoted till April 31, 2025. Data were obtained from financial statement of annual reports for a duration of 10 years, spanning from 2015-2024, for the selected banks. The analysis employs descriptive statistics, correlation analysis, and regression analysis.

The model estimation utilised a modified linear model based on Aondokaa et al. (2024) and Siyanbola et al. (2020):

$$ART = f(FS + PROF + ACS) \qquad \text{(i)}$$

The above equation is shown as an econometric model as follows:

$$ARTit = a_0 + b_1FS_{it} + b_2PROF_{it} + b_3ACS_{it} + e_{it} \qquad \text{(ii)}$$

Where,

ART_{it} = Audit report timeliness for firm i in period

FSit = Firm Size for firm i in period t

$PROF_{it}$ = Profitability for firm i in period

ACS_{it} = Audit Committee Size for firm i in period t

e_{it} = error term for firm i in period

a_0 = constant.

b_{1-3} = coefficient of the predictor

However, this study remodified the model in the previous studies to capture earning performance as an essential element of firm characteristics and timeliness of audit reporting which previous studies failed to captured. The model remodified thus;

$$EP = f(\beta TARit_1 + \beta AFSit_2 + \beta ACSit_3 + e_{it} \qquad \text{(iii)}$$

Where:

EP = *Earning Performance*

TAR = Timeliness of Audit Reporting

AFS= Audit Firm Size

ACS = Audit Committee Size

e_{it} = error term for firm

β_{1-3} = coefficient of the predictor

The a priori expectation is that *β1-β3 which is* firm characteristics and timeliness of audit reporting *would a correlation relationship with earning performance.*

Table 1: Measurement of Variable

Variable	Variable Classification	Measurement	Source
Timeliness of audit reporting	**Dependent**	Days elapsed from the conclusion of the financial year to the date the auditor endorses the audit report.	
Firm Size (FS)	Independent	Natural Logarithm of total assets	
Audit Committee Size (ACS)	Independent	Head count of members who are members of the committee	
Earning Performance	Independent	Profit After Tax (PAT) divided by Total Assets	

Source: Authors' Compilation (2025)

4.0 DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Descriptive Statistics

The mean of Earnings Performance is 0.0407, and the standard deviation is 0.0954, which is rather high. This means that there is a lot of variety amongst businesses. The lowest and highest values (0.0047 and 9.5246) show that there are outliers or extreme values, which could mean that the companies are making a lot of money. The average time it takes to report an audit is 75.27 days, which means that businesses have almost two and a half months to make their audit results public. The standard deviation is 21.15, which means that the reporting horizons can be anything from 31 days to 150 days long. The average size of a firm is 8.03, and the standard deviation is 0.55, which is moderate. This means that most organisations are using audit firms of moderate size, which means that there isn't much difference in the abilities of the audit firms in the sample. The average size of a committee is 5.66, with a minimum standard deviation of 0.51 and a range of 5.32 to 8.38. This shows that committee sizes are similar among firms. Data shows that audit and committee firm sizes don't change much, but profits performance and audit timeliness do, which could mean that there are effects that are distinct to each firm.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std.Dev.	Min	Max
Earnings performance	100	0.04068	0.09545	0.0047412	9.5246
Timeliness of audit reporting	100	75.2724	21.14699	31	150
Audit Firm Size	100	8.02546	0.54666	6.877377	10.2294
Audit Committee Size	100	5.65537	0.507642	5.3219	8.37540

Source: Authors' Computation (2025)

4.2 Correlation Result

The correlation between TAR and AFS is negative and weak (r = -0.0367), indicating an extremely weak inverse relationship, directing towards the evidence that audit firm size has little to no influence on audit timeliness. Similarly, TAR and EAR_PERF have a weak negative relationship (r = -0.0646), substantiating the evidence that improved earnings performance is weakly associated with delayed audit reporting, although the association is insignificant. The strongest correlation that was obtained is that of AFS and EAR_PERF (r = -0.4920) and that is the relationship of a moderate negative relationship. This would mean that bigger audit firms are associated with clients with poorer earnings performance, or vice versa. Strangely, TAR and ACS are also related in a moderate negative relationship (r = -0.3502) and that means that bigger audit committees are associated with less timely audit reports, possibly because review and approval procedures are more complex. Generally, the correlation matrix shows relatively weak associations between TAR and the explanatory variables, in that while there are some, they may not be strong enough individually to account for timeliness of audits on their own without the necessity for additional regression analysis.

Table 3: Correlation analysis

	TAR	AFS	EAR_PERF	ACS
TAR	1			
AFS	-0.0367	1		
EAR_PERF	-0.0646	-0.4920	1	
ACS	-0.3502	-0.0547	-0.0790	1

Source: Authors' Computation (2025)

4.3 Determinants of Firms Characteristics and Timeliness of Audit Reporting on Earning Performance

The regression output shows that the model explains approximately 75.6% of the variation in the dependent variable, Timeliness of Audit Reporting (TAR), as shown by the R-squared value of 0.7560. The F-statistic of 7.30 and p-value of 0.00103 show that the overall model is statistically significant at the 1% level, i.e., the independent variables jointly have a significant impact on TAR. Independently, Earnings Performance (EAR_PERF) has a positive and significant influence on TAR with a coefficient of 0.7521 and a p-value of 0.029, suggesting that firms with better earnings performance announce their audits in a more, timely manner. Audit Firm Size (AFS) has a negative but insignificant influence on it (coefficient = -0.3637; p = 0.76), suggesting that firm size does not have an influence on audit timeliness in this model. Yet Audit Committee Size (ACS) is significantly negatively related to TAR, with a coefficient of -0.7860 and t-value of -3.42, indicating that bigger audit committees can delay audit reporting, possibly due to slower decision-making or coordination issues. The intercept (0.7668) is also significant (t = 2.08), which is the timeliness of audit level when all explanatory variables are held constant, the model detects earnings performance and audit committee size as determinants of audit report timeliness.

Table 4: Fixed Effect (FE) Regression Results

Number of Obs	100		
R-Square	0.7560		
F-statistic (4)	7.30		
Prob(F-statistic)	0.00103		
TAR	Coefficient	T	
AFS	-0.3637	-0.60	0.76
EAR_PERF	0.7521	2.17	0.029
ACS	-0.7860	-3.42	
Constant	0.7668	2.08	

Source: Authors' Computation (2025)

4.4 Discussion of Findings

The correlation analysis reveals the explanatory variables and audit timeliness have no correlation The audit firm size is weakly inversely correlated with timeliness such that it has minimal effect on issuing audit reports in a timely manner. Similarly, earnings performance is weak and inversely related to audit timeliness such that good earnings are mildly associated with reporting delay though the association is not significant. There is a moderate negative relationship between audit firm size and earnings performance, indicating that big audit firms are representing the poorer earnings companies, or the converse. The size of the audit committee also has a moderate negative relationship with timeliness, indicating that bigger committees correspond to slower audits due to more prolonged review processes. These correlations suggest that patterns do exist, but none of the variables alone account for audit report timeliness, suggesting further research applying regression methods. The study supported by the findings in the study of Adi (2025) which examined the effect of mechanisms of corporate governance on the financial performance of Indonesian firms, their findings reveal that earnings management has a significant and negative influence on financial performance. This study findings contradicted the findings in the study of Adebayo and Olatunji (2025) which investigated the relationship between audit committee attributes and financial performance of Nigerian manufacturing firms, their findings showed a negative and statistically insignificant correlation between audit committee meetings and return on equity.

4.5 Implications

The implication of findings is that DMBs cannot rely just on structure or size characteristics in a bid to achieve timely delivery of audits. Instead, they must implement an integrated strategy comprised of process improvement, efficient internal controls, and strategic collaboration with auditors for improved report submission timelines. These findings also remind regulators of the importance of taking into account institutional practices other than performance and size traits in designing policy intended to achieve increased financial transparency and efficiency of audits in Nigeria's banking sector.

5.0 CONCLUSION AND RECOMMENDATIONS

The study concludes that the correlation between audit firm size, audit committee size and audit reporting timeliness on earning performance has a weak and statistically insignificant. Audit firm size has a highly weak negative correlation with audit timeliness, indicating that the size of the audit firm has no considerable influence on the speed with which the audit reports are released. Similarly, earnings performance is weakly negatively correlated with audit timeliness, meaning that financial performance is perhaps slightly correlated with later reporting of audits, although the correlation is insignificant. There was a moderate negative association between audit firm size and earnings performance, meaning that larger audit firms would be auditing clients with worse earnings, or vice versa. Furthermore, audit committee size also shows a moderate negative correlation with timeliness of the audit, indicating that bigger committees take longer to conduct the audit due to more extensive review and approval procedures. while there are visible trends in the data, none of these variables alone explain the timeliness of audit reporting, reinforcing the need for deeper analytical methods such as regression analysis. Based on these findings, deposit money banks in Nigeria should examine variability and composition of their audit committees to increase reporting effectiveness. Regulators and stakeholders are also encouraged to extend the scope of organizational and institutional factors, such as audit complexity, industry dynamics, and regulatory frameworks, that they consider while attempting to comprehend the dynamics of audit timelines.

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