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The Role of Board Structure and Audit Committee Structure on Financial Reporting Timeliness: Evidence from Public Listed Companies in Malaysia*

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Abstract

This study examines the effect of board structure and audit committee structure on financial reporting timeliness among Malaysia's top 100 public listed companies. Specifically, this study examines whether board independence, CEO duality, board ownership, audit committee independence, audit committee competence, and audit committee diligence influence the financial reporting timeliness of the public listed companies. This study selects the top 100 public listed companies by market capitalization listed on the Main Market of Bursa Malaysia as the sample since the main board has more public reprimands on financial reporting timeliness compared to other boards. The content analysis on annual reports for five years from 2015 to 2019 is utilized. The results show that audit committee competence and audit committee diligence significantly affect financial reporting timeliness. In contrast, board independence, CEO duality, board ownership, and audit committee independence have insignificant relationships with financial reporting timeliness. The findings in this study are helpful for compliance analysis and strategy formation in enhancing financial reporting timeliness. This study contributes to the agency theory by providing a new perspective on how different sections of corporate governance features interact together to influence financial reporting timeliness. In addition, the findings can assist the regulators in establishing quality corporate governance.

Keywords: Board Structure, Audit Committee, Timeliness, Financial Reporting, Top 100 Companies

JEL Classification Code: M4, M41, M48

1. Introduction

Financial reporting timeliness has been identified as one of the qualitative aspects of financial reporting because of the factors determining the value of the information and data and their impact on the users' decisions. Many accounting groups worldwide, such as the American Institute

of Certified Public Accountants (AICPA), Accounting Principles Board (APB), and Financial Accounting Standards Board (FASB), have stressed financial reporting timeliness as a qualitative attribute of financial reporting. In its Statement of Accounting Concepts, the FASB emphasized the importance of financial reporting timeliness as a major aspect of relevancy, stating that lack of timeliness might impair the relevance of financial information for users. In comparison to developed countries, the developing countries' registrar bodies are less feasible (Wallace, 1993). Companies in underdeveloped countries are more likely to submit incomplete data and information in a timely manner than companies in developed countries (Booth et al., 2002). Malaysia is not an exception to such a scenario.

Financial reporting timeliness in Malaysia has often been a continuous recurrence issue since many public listed companies were late in filing financial reports to the regulatory organizations. Bursa Malaysia has taken steps to advise the board of directors to issue their financial reports on time. The Bursa Malaysia listing requirement 9.23(a)

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requires public listed businesses to issue their annual reports to Bursa Malaysia and the shareholders within six months from the end of their financial year (Bursa Malaysia, 2021). To prevent the public listed companies from submitting their financial reports late, Bursa Malaysia, in collaboration with the Securities Commission (SC), imposes a penalty on the public listed companies that fail to publish material facts, such as financial reports, within the given timeframe. However, even though the penalty was imposed, some public listed companies were unable to complete the report on time. For example, in 2015, Bursa Malaysia sanctioned Energreen Corporation Berhad, Talam Corporation Berhad, and LFE Corporation Berhad for violating rule 9.23(a). These public listed companies ranked among Malaysia's top 100 public listed companies (Bursa Malaysia, 2015). In a more recent case, Bursa Malaysia issued a reminder to Serba Dinamik Holding Berhad to submit their financial reports on time, and only after the second reminder, did the company finally issue its financial reports in early 2022.

One could, however, pose a question. What causes these companies to delay their report submission? This study aims to answer this question as a study on this issue is largely unexplored, particularly in a developing country such as Malaysia. The findings of this study will add to the current literature and aid government bodies like the Malaysian Companies Commission in developing strategies, policies, and methods to improve financial reporting timeliness among publicly traded companies. The remainder of this paper is as follows. Section 2 provides the literature review on financial reporting timeliness and the link between financial reporting timeliness, board structure, and audit structure. Section 3 outlines the study design. The results and discussion are presented in Section 4. The last section, Section 5 concludes this study.

2. Literature Review

Financial reporting timeliness refers to the reporting delay from a company's accounting year-end to the date the audit report is finished (Chambers & Penman, 1984). Timeliness indicates the provision of financial reports within the time frame required by regulators. Timely corporate financial reporting is important for a company since a delay in releasing the financial reports would build vulnerability related to investment decisions, which would influence the market in the long run (Ashton et al., 1987). Timely reports are also necessary to empower the acknowledgment of all useful information that would enable users of financial reports to foresee and examine the company's performance in making investment choices.

A group of studies has examined the level of financial reporting timeliness. These studies reported that the level of timely reporting is different in each country. For example,

Ahmad and Kamaruddin (2003) found that the maximum delay over the five consecutive years ranges from 220 days to 341 days among the public listed companies in Malaysia. Similarly, Che-Ahmad and Abidin (2008) found that the longest delay was 442 days for the companies listed on the Main Board and Second Board of Bursa Malaysia as of 31 December 1993. Afify (2009) also examined the audit report delay of Egyptian listed companies and found the maximum and mean number of days to finish and submit the studies; financial reporting timeliness for public listed companies is highly important in examining financial reporting quality.

Another group of studies examined the factors that make management delay or not submit timely financial reports in France. Aubert (2009) found that, on average, companies facing certain issues often may not release timely financial reports. Similarly, McGee and Yuan's (2012) results indicated that the Chinese firm took a long time to disclose their financial reports than their counterparts in more developed market economies. In this study, two factors are examined, namely, board structure and audit committee structure, and their effects on financial reporting timeliness.

According to Wan and Ong (2005), the board of directors (board) can be assumed to perform different jobs, such as planning company strategies, administering and monitoring the operations, and controlling assets and resources. From the legal point of view, a board consists of persons liable for the corporate administration (Osman & Samontaray, 2022). A board should not meddle in the organization's day-to-day operational activities, which are controlled by its Chief Executive Officer (CEO) (Jaturat et al., 2021). Functionally, boards only carry out lawful obligations, such as addressing the interests of the investors, choosing and appointing the CEO, offering advice and guidance to higher management, and fulfilling the control component by observing the managers and the company's financial performance (Madyan et al., 2021). This study examined three components of board structure: board independence, CEO duality, and board ownership since these are the structural components of a board of directors.

Board independence relates to the participation of external directors on issues relating to the corporate and strategic direction of a company (Yunos, 2011). The more independent the board, the more viable it will be in observing the administration's conduct (Afify, 2009). Bakare et al. (2018) found board independence has a significant effect on the financial reporting timeliness of Kenyan public listed companies. Similar findings were found in Basuony et al. (2016) when they examined the link between board independence and financial reporting timeliness of 201 firms from 11 nations in the Middle East. Other groups of studies, however, provided contrasting findings that showed no significant effect on board independence and financial reporting timeliness (Al Daoud et al., 2015).

A body of the financial reporting literature posited that board independence influence the probability of identifying false financial statements decreases when the number of independent directors increases (Vafeas, 2005; Jantadej & Wattanatorn, 2020). Additionally, board independence is powerful in settling office issues because of its viability in observing the administration (Johnson et al., 1996). Furthermore, a productive review would subsequently lessen the review report slack. Abdelsalam and El-Masry (2008) guaranteed that board independence is emphatically identified with financial reporting timeliness, and it has little to exploit from deferred or specific exposures. Therefore, based on the literature, the following hypothesis is developed:

H1: *There is a significant negative relationship between board independence and financial reporting timeliness.*

CEO duality refers to the leadership structure where a company's CEO also acts as the Chairman of the board, often is also the chairman (Abdelsalam & Street, 2007). Similarly, Xie et al. (2003) defined CEO duality as the situation in which the same person performs the functions of both the CEO and Chairman. The duality of CEO positions, that is, executive director of the company and Chairman of its Board represents a conflict of interests between ownership and management with which agency theory deals (Haniffa & Cooke, 2002). Of consequence, this affects a board's ability to effectively oversee a CEO's decisions, leaving greater opportunities for the CEO to promote his own personal interests, to generate potential losses to the company's shareholders.

Studies that have examined the link between CEO duality and financial reporting timeliness so far reported significant positive and negative impacts between the two. For example, Afify (2009) used 85 selected Jordanian companies quoted on the Cairo and Alexandria Stock Exchange (CASE) and found that CEO duality is positively associated with financial reporting timeliness. If the roles of chairman and CEO are combined, it poses a monitoring quality threat with unfavorable information to outsiders. Similar findings were found in Sakka and Jarboui (2016) that showed that CEO duality is significantly positively related to financial reporting timeliness as the role combination is likely to intimidate the external auditor's audit process, thus increasing financial reporting timeliness. However, there are studies that reported a negative relationship between CEO duality and company financial reporting timeliness (Duru et al., 2016). Therefore, the hypothesis proposed is as follows:

H2: *There is a significant negative relationship between CEO duality and financial reporting timeliness.*

Board ownership is defined as the percentage of shares held by directors with more than 5% of the company's total shares. In the foundation of Agency Theory, ownership is seen as an important factor for high-quality corporate governance practices (Sakka & Jarboui, 2016; Rahman & Saima, 2018). The separation of power between ownership and management resulted in higher ownership concentration and less information asymmetry (Haniffa & Cooke, 2002). Setiawan and Nahumury (2014) reported an insignificant association between board ownership and financial reporting timeliness in a sample of 156 banking companies on the Indonesia Stock Exchange from 2007 to 2012. They analyzed their data using multiple linear regression (MLR) analysis and reported that Indonesia's stock ownerships tend to be centralized. The negative association is supported by Al-Ajmi (2008), who examined the factors affecting the audit report lag of 231 companies on the Bahrain Stock Exchange (BSE) from 1999 to 2006 and found audit report lag was reduced for high ownership concentration companies, providing more timely information. Therefore, the hypothesis proposed is as follows:

H3: *There is a significant negative relationship between board ownership and financial reporting timeliness.*

An audit committee is defined as a committee or equivalent body introduced by a company as a link between the board and the external auditors. A majority of the independent directors are on this committee, and their role is to observe the company's transactions in a detached and dispassionate manner (Sun et al., 2010). The audit committee acts as an element of guaranteeing the legitimacy of corporate undertakings according to acknowledged moral and lawful guidelines (Mat et al., 2021). The Federal Committee on Corporate Governance (FCCG, 1999) highlighted that the audit committee's roles are to incorporate the review of selected auditors, check the review tasks and after-effects of the review, assess the company's inward monetary controls, and oversee the financial report information for publication. This study focuses on three components of the audit committee structure namely, audit committee independence, audit committee competence, and audit committee diligence.

A review by Abdullah (2004) from 1998 to 2000 found that audit committee independence had a positive critical relationship with financial reporting timeliness in 1998, but the relationship was immaterial in 2000. The study showed that AC independence is insufficient to clarify the timeliness of financial reports. Abdullah (2004) clarified that the justification for the outcome might be because of the development level of the audit committee in Malaysia. The acknowledgment of audit committee work in Malaysia was still at the underlying stage around then. The insignificant

relationship between audit committee independence and practicality of financial report timeliness is consistent with et al. (2010). However, a study by Hashim and Rahman (2011) found that audit committee independence has a significant negative relationship with financial reporting timeliness. The result clarified the capacity of audit committee independence to satisfy its obligations even more successfully. Therefore, the hypothesis proposed is as follows:

H4: *There is a significant negative relationship between audit committee independence and financial reporting timeliness.*

A group of studies has examined the link between audit committee competence and financial reporting timeliness. For example, Yadirichukwu and Ebimobowei (2013) used the simple sampling approach to investigate the effect of audit committee competence on financial reporting timeliness for 35 businesses listed on the Nigerian Stock Exchange (NSE) from 2007 to 2011. They found a substantial positive relationship between audit committee competence and financial reporting timeliness due to the fact that audit committee members have a better tendency to prevent and detect material misstatements. On the other hand, other studies such as Sultana et al. (2015) found a significant negative relationship between audit committee competence and financial reporting timeliness. Based on the mixed findings, this study develops the following hypothesis:

H5: *There is a significant positive relationship between audit committee competence and financial reporting timeliness.*

One way to quantify the diligence of the audit committee is by considering the number of meetings held. The audit committee should meet regularly, with due notice of issues to be discussed, and record its conclusions in discharging its duties and responsibilities. The Blue-Ribbon Committee on audit committees in the US has advised the audit committee to meet at least four times a year. The frequency of meetings demonstrates that the audit committee is functioning diligently and commits time to rectify any urgent issues and offer a better review of the financial and general environment. In this way, it may help in identifying financial statement mistakes.

Menon and Williams (1991) have reported that a small number of meetings or no meeting at all held in a year indicate the audit committee's bad controlling practices. Their results showed a significant positive association between audit committee diligence and financial reporting timeliness since audit committee diligence with more activities and meetings helps to resolve auditors' issues,

thereby improving financial reporting timeliness. This finding was supported by Xie et al. (2003). They found that audit committee diligence with more activities influences the monitoring of the company's effectiveness and improves financial reporting timeliness. Stewart and Munro (2007) reported the same context. They found that holding frequent meetings improves the overall audit quality and minimizes audit risk. However, Puasa et al. (2014) reported an insignificant negative association between audit committee diligence and financial reporting. Therefore, the following hypothesis is proposed:

H6: *There is a significant positive relationship between audit committee diligence and financial reporting timeliness.*

3. Research Design

3.1. Sample Selection

This study selects the top 100 public listed companies by market capitalization listed on the Main Market of Bursa Malaysia as the sample since the mainboard has more public reprimands on financial reporting timeliness compared to other boards (Ahmed Razman & Hashanah, 2003). These companies were also chosen as the population because they must submit to the Exchange financial statements audited by certified accountants. The audit is a compulsory requirement of the Companies Act 2016 (Che-Ahmad & Abidin, 2008). Furthermore, Bursa Malaysia's Listing Requirement, Paragraph 9.23(b), mandate all public listed companies to submit audited financial statements to the Bursa within four (4) months after their financial year-end. In addition, Paragraph 9.23(a) requires the release of annual reports to shareholders and Bursa Malaysia no later than six months from the end of their financial year. According to Krejcie and Morgan (1970), the effective sample size for a population size of 100 is 80, with a 95% confidence level. As a result, 80 of the top 100 public listed companies in Bursa Malaysia were chosen.

3.2. Research Instrument

This study used content analysis as its study instrument. This study collected the secondary data for the selected 80 public listed companies from their annual financial reports. The corporate annual financial reports were chosen because they provide reliable audited information valuable to credit analysts and allow the previously obtained information to be confirmed. They also provide non-financial information supporting the company's operations that are essential for analyzing the company's composition.

3.3. Data Collection Procedure

The data for the dependent variable relating to financial reporting timeliness and the independent variables relating to the board and audit committee structures were collected from the annual financial reports of the sample companies for five years, from 2015 to 2019. However, companies in the financial services and trust fund sectors were excluded from this study. Apart from the annual reports on Bursa Malaysia's websites, DataStream, and Refinitiv Eikon were also used to obtain the relevant data for this study.

4. Results

4.1. Descriptive Statistics

Table 1 shows the descriptive statistics for financial reporting timeliness distribution categories in terms of frequency and percentage. As shown in Table 1, the number of observations (N) is 400 [80 public listed companies \times five years (2015–2019)] extracted from the financial reports available on Bursa Malaysia's website. Paragraph 9.23(b) requires public listed companies to submit their audited financial reports and other relevant materials within four (4) months (120 days) after the close of their financial year. Following this requirement, the observations were classified into five categories:

- submitting a report within one month of the financial year-end (less than 31 days),
- submitting in the 2nd month after the financial year-end (31–60 days),
- submitting in the 3rd month (61–90 days),
- submitting in the 4th month (91–120 days), and
- submitting after the 4th month (more than 120 days).

From the descriptive statistics are shown in Table 1, 162 financial reports (40.5%) were submitted within 61 to 90 days, followed by 122 reports (30.5%) submitted within 31 to 60 days. Eighty-nine (89) or 22.3% of financial reports were submitted between 91 and 120 days. It is encouraging

to see that there are eight (8) financial reports (2%) were able to submit their financial reports within a month (less than 31 days) from the close of the financial year. Unfortunately, there were 19 annual reports (4.8%) that were submitted more than 120 days from the financial year-end. Overall, the statistics in Table 1 show that the majority of the reports (95.25%) were found to have financial reporting timelines of less than 120 days in compliance with the listing requirement 9.23(b). However, 19 reports (4.75%) over the five years (2015 to 2019) had not complied with financial reporting requirements. This evidence suggests that financial reporting timelines may be a vital concern for the Malaysian public listed companies' accounting policy since most of them appear to comply with the maximum allowable reporting lag regulated by Bursa Malaysia Listing Requirement, which is 120 days (4 months).

Table 2 shows the mean score and standard deviation values for all variables used in this study. The result shows that the mean value of financial reporting timeliness is 2.9725 with a standard deviation of 0.89732, indicating that the average timeliness of reporting is on a scale of 2 (31 to 60 days). This result shows that, on average, the Malaysian top

Table 2: Descriptive Statistics for all Variables $N = 400$

Variables	Mean	Std. Deviation
Dependent Variable		
Financial reporting timeliness	2.9725	0.89372
Independent Variables		
Board independence	1.4425	0.49730
CEO duality	0.2850	0.45198
Board ownership	1.6050	0.53824
Audit committee independence	1.9625	0.19022
Audit committee competence	2.1250	0.33113
Audit committee diligence	1.3750	0.60023

Table 1: Financial Reporting Timeliness of Malaysian Public Listed Companies

Distribution of Financial Reporting Timeliness	Frequency	Percentages (%)	Cumulative Frequency	Cumulative Percentage (%)
Less than 31 days	8	2	8	2
31 to 60 days	122	30.5	130	32.5
61 to 90 days	162	40.5	292	73
91 days to 120 days	89	22.3	381	95.3
More than 120 days	19	4.8	400	100
Total	400			

100 public listed companies submitted their audited annual reports to Bursa Malaysia between 31 and 60 days after their closing date. Moreover, the minimum and maximum delays were 1.00 (less than 31 days) and 5.00 (more than 120 days), respectively. Hence, consistent with the results in Table 1, this evidence suggests that most Malaysian top 100 public listed companies comply with the four-month reporting deadline.

The compliance rate is high, 95.25% of 400 financial reports (see Table 1), suggesting that the top 100 Malaysian public listed companies did not face barriers in submitting their financial reports on time. As a conclusion, compared with other developing countries, such as Jordan (between 61 and 90 days) (Al Daoud et al., 2014), Indonesia (70 days) (Setiawan & Nahumury, 2014), and Palestine (62 days) (Hassan, 2016), Malaysia could be considered good at issuing timely financial information.

In terms of board independence, the mean score is 1.4425 (SD = 0.49730) indicates that this sample of public listed companies has between 33.3% and 50% independent directors on the board, on average. The standard deviation of 0.4973 shows that the data has a fairly tight cluster around the mean, indicating that the companies have complied with the MCCG requirement of having at least one-third (1/3) of the total number of directors consisting of independent non-executive directors. The CEO duality variable was determined by looking at the person(s) holding the CEO and Chairman positions in the company. Table 2 shows that the mean for the duality is 0.2850 (SD = 0.45198). The minimum and maximum values of CEO duality are 0 (roles separated) and 1 (roles combined), respectively. These results indicate that, on average, the top 100 public listed companies separate the roles of the CEO and Chairman.

Concerning board ownership, it was measured by the spread of the directors' share possession. This variable was estimated by the number of shares held by the three largest shareholders of the company, who are also members of the board (Setiawan & Nahumury, 2014). In this study, board ownership was coded '1' if less than 1 million shares, '2' ($1 \text{ million} \leq \text{Board ownership} \leq 100 \text{ million shares}$), and '3' (Board ownership > 100 million shares). The statistics in Table 2 show that the mean score is 1.6050 (SD = 0.53824), demonstrating that the board of directors of the top 100 public listed companies have, on average, under 1 million shares in the companies.

In terms of audit committee independence, it was calculated by the ratio of independent directors in the committee to the total number of committee members. This variable was coded '1' (Audit committee independence < 50%) and '2' (Audit committee independence \geq 50%). From Table 2, it is seen that the mean score is 1.9625 (SD = 0.19022), implying that, on average, less than 50% of the companies' audit committees consisted of independent directors.

Regarding audit committee competence, the dummy variables used were '2' for audit committee competence without members of accounting professional bodies and '3' for audit committee competence with at least one member who is affiliated with a professional accounting body. Table 2 shows that the mean score for this variable is 2.1250 (SD = 0.33113). This outcome suggests that, on average, the audit committee competence of the sample public listed companies did not have any member affiliated with a professional accounting body as required by Bursa Malaysia Listing Requirement, Paragraph 15.10(1) (ci) and (cii).

With regards to audit committee diligence, the variable was measured by the number of audit committee meetings during the year. The minimum value (1) represents audit committee meetings of less than five times a year, and the maximum value (3) denotes meetings of 10 times a year. A value of '2' means that the audit committee met five times a year over the period of observation (2015–2019). Table 2 shows that the mean score is 1.3750 (SD = 0.60023), indicating that, on average, audit committee meetings held were less than five times a year from 2015 to 2019. It is worthwhile to note that some of the 80 public listed companies had complied with the MCCG's (2012) recommendation of having audit committee meetings four times a year.

4.2. Pearson Correlation Analysis

Table 3 shows the results of the Pearson correlation coefficient (r) values. The correlation values in Table 3 show greater than 0.9, indicating no multicollinearity among the independent variables. In other words, the multi-linear regression results would not be jeopardized by multicollinearity. Notably, audit committee competence has the greatest relationship with financial reporting timeliness ($r = 0.189$).

4.3. Multiple Linear Regression Analysis

Table 4 presents the results of the multiple regression analysis. The R -squared value of 0.211 shown in Table 4 reveals that board independence, CEO duality, board ownership, audit committee independence, audit committee competence, and audit committee diligence could justify 21.1% of the variance in financial reporting timeliness. The adjusted R -squared value of 0.199 summed up the model as it considers the number of factors in the model.

Table 5 presents the results of the analysis of variance to test for the model fit. The F Distribution and Significance Tables with a 0.05 importance level show that the F -value cut-off point should be 2.2141 when the degree of freedom for the numerator is 5 and the denominator is 244. The F -test statistics in Table 5 is 17.5, greater than the cut-off F value ($F_{0.05} = 2.2141$). This result shows that a significant

Table 3: Pearson Correlation Coefficients for Financial Reporting Timeliness Model

	FRT	BDIND	CEODUAL	BDOWN	ACIND	ACCOMP	ACDIL
FRT	1						
BDIND		1					
Correlation	-0.255						
Sig. (2-tailed)	0.0001						
CEODUAL			1				
Correlation	-0.353	-0.050					
Sig. (2-tailed)	0.0001	0.323					
BDOWN				1			
Correlation	-0.116	-0.055	0.093				
Sig. (2-tailed)	0.020	0.269	0.063				
ACIND					1		
Correlation	-0.168	0.176	0.125	-0.023			
Sig. (2-tailed)	0.001	0.0001	0.013	0.652			
ACCOMP						1	
Correlation	0.189	-0.276	-0.239	0.067	-0.124		
Sig. (2-tailed)	0.0001	0.0001	0.0001	0.182	0.013		
ACDIL							1
Correlation	0.005	0.165	-0.136	0.118	0.014	-0.110	
Sig. (2-tailed)	0.917	0.001	0.006	0.018	0.784	0.27	

Key: FRT is financial reporting timeliness, BDIBD is board independence, CEODUAL is CEO duality, BDOWN is board ownership, ACIND is audit committee independence, ACCOMP is audit committee competence, and ACDIL is audit committee diligence.

Table 4: Model Summary of Multiple Linear Regression Analysis

Dependent Mean	R-squared	Adjusted R-squared
2.9725	0.211	0.199

Table 5: Analysis of Variance

Source	df	Sum of Square	Mean Square	F-value	Pr > F
Model	6	67.215	11.203	17.5	<0.0001
Error	393	251.48	0.640		
Corrected Total	399	318.69			

direct association between the dependent variable (financial reporting timeliness) and all independent variables exists. Besides, the critical value (0.05) is higher than the p -value of the model (p -value < 0.0001), further confirming that the model is statistically significant and fit.

Table 6 presents the β -values for the MLR equation. The statistics in Table 6 have added to the improvement of the regression equation as shown below:

$$\text{FRT} = 4.495 - 0.439 (\text{BDIND}) - 0.665 (\text{CEODUAL}) - 0.129 (\text{BDOWN}) - 0.378 (\text{ACIND}) + 0.104 (\text{ACCOMP}) + 0.021 (\text{ACDIL})$$

Based on the coefficient values in Table 3, the relationship between board independence and financial reporting timeliness is negative ($r = -0.255$). The significant value (p -value) is 0.0001, less than 0.05, showing that board independence has a significant relationship with financial reporting timeliness. In table 6, the board independence's parameter estimates reveal a negative beta weight (β -value = -0.0439), indicating a negative connection. Furthermore, the p -value of less than 0.0001 (<0.05) indicates a significant relationship between board independence and financial reporting timeliness. However, this study rejects H1 purely on the strength of the Pearson correlation coefficient ($r = -0.255$), falling into the range of 0.00 to -0.30 . This study shows that board independence on the financial reporting

Table 6: Parameter Estimates

Variables	Unstandardized Coefficient		Standardized Coefficient	t-value	Sig. value	Collinearity Statistics	
	Parameter Estimate (β)	St. Error	Standardized Estimate (β)			Tolerance	VIF
Constant	4.495	0.556	0	8.090	<0.0001		
Board independence	-0.439	0.086	-0.244	-5.080	<0.0001	0.867	1.153
CEO duality	-0.0.665	0.095	-0.337	-7.024	<0.0001	0.875	1.143
Board ownership	-0.0.129	0.076	-0.078	-1.693	0.091	0.954	1.048
Audit committee independence	-0.378	0.216	-0.080	-1.748	0.081e	0.948	1.055
Audit committee competence	0.104	0.132	0.038	0.785	0.785	0.834	1.199
Audit committee diligence	0.021	0.069	0.014	0.305	0.305	0.927	1.079

timeliness is statistically significant in the predicted direction. This finding is consistent with Afify (2009), who contended that board member has a minor negative impact on financial reporting timeliness because shareholders are less concerned about getting dominant information to speed up the preparation of the financial reports. However, the results of this study contradict Abdelsalam and El-Masry (2008).

The correlation analysis results in Table 3 show that the relationship between CEO duality and financial reporting timeliness is negative ($r = -0.353$). The p -value of 0.0001, less than 0.05, shows that CEO duality is significantly related to the financial reporting timeliness. Hence, H2 is accepted. The results in Table 6 support the hypothesis, with a p -value less than 0.0001 (< 0.05). Furthermore, the parameter estimates for CEO duality reveal a negative beta weight (β -value = -0.665), indicating that financial reporting timeliness is likely to fall by 0.665 when CEO duality is increased by one unit. This result is consistent with the Agency Theory, which suggests that separating tasks and responsibilities between the Chairman and CEO can lead to a shorter financial reporting timeliness.

According to Table 3, board ownership negatively correlates with financial reporting timeliness ($r = -0.116$). The p -value is 0.020, smaller than 0.05, showing that the relationship is significant. Such a result is consistent with the result in Table 6 that shows the board ownership's parameter estimates indicate a negative beta weight (β -value = -0.129), implying that when board ownership is increased by one unit, then financial reporting timeliness would also decrease by 0.129. However, the p -value is 0.091 (> 0.05), indicating that board ownership has no discernible influence on financial reporting timeliness.

The correlation results in Table 3 also show that the association between audit committee independence and financial reporting timeliness is negative ($r = -0.168$) but negligible ($-0.30 < r < 0.00$). The p -value is 0.001, less than 0.05, showing that the relationship between audit committee independence and financial reporting timeliness is significant. The results in Table 6 do not support this hypothesis. Although the negative beta weight (β -value = -0.378) indicates that financial reporting timeliness is projected to decrease by 0.378 when audit committee independence is increased by one unit, the p -value is 0.081 (> 0.05). According to Kirk (2000), one of the audit committee's goals is to provide an equal evaluation of financial information, and audit committee independence can help improve financial reporting quality.

Table 3 shows that audit committee competence is positively related to financial reporting timeliness ($r = 0.189$), implying that financial reporting timeliness increases in tandem when audit committee competence increases. However, the p -value of 0.785 (> 0.05) reveals that audit committee competence influence on financial reporting timeliness is insignificant, thereby rejecting the hypothesis. This direction is consistent with Ismail et al. (2012) and Shukeri and Islam (2012), who stated that public listed companies' efforts to comply with the MCCG recommendations caused all AC characteristics to resemble each other.

The correlation results in Table 3 prove that the association between audit committee diligence and financial reporting timeliness is positive ($r = 0.005$). Thus, the greater the audit committee's diligence, the better the financial reporting timeliness. In addition, its p -value is 0.917, greater than 0.05, which indicates that the relationship is

insignificant. Thus, H6 is rejected. The results in Table 6 show that audit committee diligence does exhibit a positive beta weight (β -value = 0.021), indicating that financial reporting timeliness is expected to increase by 0.021 when audit committee diligence is increased by one unit. However, the relationship is not significant because the p -value is 0.760 (>0.05).

As shown in Table 6, the contribution of each variable to the conceptual model in this study was determined using the standardized coefficients. The greater the beta of the independent variable, the more noticeable the change in the dependent variable. The standardized coefficients (β) of all six independent variables are less than one. Audit committee competence (0.038) is the independent variable with the highest β -value, followed by audit committee diligence (0.014), CEO duality (-0.337), audit committee independence (-0.080), board ownership (-0.078), and board independence (-0.244). The direction of these values, positive or negative, is consistent with the unstandardized coefficients. In addition, Table 6 shows that the p -values of board independence (<0.0001) and CEO duality (<0.0001) are less than 0.05, implying that these variables have significant relationships with the dependent variable, financial reporting timeliness. In contrast, the p -values for board ownership (0.081), audit committee independence (0.785), audit committee competence (0.785), and audit committee diligence (0.305) are greater than 0.05. These values indicate that these variables have an insignificant effect on financial reporting timeliness. As a result, hypotheses H3, H4, H5, and H6 are rejected, while H1 and H2 are accepted.

5. Conclusion

The main goal of this study is to examine the relationship between financial reporting timeliness (dependent variable) and the attributes of board and audit committee structures (independent variables) among Malaysia's top 100 public listed companies. The Agency Theory was used to explain the outcomes. The board structure attributes selected for this study were board independence, CEO duality, and board ownership. In contrast, the selected audit structure attributes were audit committee independence, audit committee competence, and audit committee diligence. The results of this study show that audit committee competence and audit committee diligence significantly affect financial reporting timeliness, whereas board independence, CEO duality, board ownership, and audit committee independence have insignificant relationships with financial reporting timeliness.

This study is not without limitations. Firstly, the scope of this study was only the top 100 public listed companies on Bursa Malaysia's Main Market from 2015 to 2019. Therefore, its findings might not be generalizable to all

companies in the Main Market or other market sectors of Bursa Malaysia. Secondly, the sample in this study is biased towards the 100 largest corporations listed on Bursa Malaysia by market capitalization. This bias might affect the accuracy and completeness of the findings that might not represent the trend of all public listed companies in Bursa Malaysia. Future studies should prevent sampling bias by selecting better samples that include companies in all industry sectors in Bursa Malaysia.

This study adds to the extant theoretical knowledge by showing new and original insight into the different elements of board and audit committee structures as part of corporate governance. It also highlights how they influence financial reporting timeliness. In addition, the legislators could use this study to highlight the financial reporting timeliness issues among public listed companies and formulate guidelines and strategies to enhance the companies' compliance with the financial reporting timeframe. Furthermore, the regulators use the valuable input from this study to establish good conduct or practices of corporate governance.

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