Corporate Attributes and Audit Delay in Emerging Markets: Empirical Evidence from Nigeria

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ABSTRACT

The broad objective of the study was to examine the determinants of audit report lag in the Nigerian context. Specifically, the study examined the effects of the following factors on Audit fees; Audit firm type, Leverage, Return on equity, Firm size, subsidiaries and Year-end. The panel research design was used for the study. The data was sourced from the annual reports of all financial companies quoted on the floor of the Nigerian stock exchange. The method of data analysis utilized in the study is the panel data estimation techniques (pooled, fixed and random effects regression). In line with the study objectives, the finding reveals that (i) Company size has no significant positive impact on audit delay. (ii) Firm's financial performance has a significant impact on Audit delay. (iii) Audit firm type (big 4 and non-big 4) has a significant impact on Audit delay. (iv) Leverage has no significant impact on Audit delay and (v) Number of subsidiaries has a significant impact on Audit delay and (vi) Financial year end has no significant impact on Audit delay. The recommendation is that in achieving the objective of making the financial statements readily available for making timely decisions, the Nigerian stock exchange, Securities and Exchange Commission, the Financial Reporting Council, the Central Bank of Nigeria and other regulatory bodies should put in place measures to ensure strict compliance with 3 months window for financial reports preparation and presentation.

1.0   INTRODUCTION

Audit reports timeliness generally refers to the length of time from a company's financial year-end to the date of the auditor's report and thus it is measured as the number of days between a firm's fiscal year-end and the report date (Ashton, Willingham, and Elliot, 1987). Audit report timeliness has been viewed and addressed from different angles; while some may prefer to look at audit time lag using audit report lag, others have used management lag, total lag and also audit time lag. The auditing

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literature has long recognized the importance of audit delay research because audit delays affect the timeliness with which financial and audit information are publicly disclosed. Timeliness of audit reports in relation to financial reporting, is an important qualitative attribute of accounting information and influences whether information is useful to those who read financial statements or otherwise. The timeliness of audited corporate annual financial reports is considered to be a crucial and an essential factor affecting the usefulness of information made available to various users. According to Soltani (2002), the accounting profession has recognized that the timeliness of reports is a significant characteristic of financial accounting information for the users of accounting information, and for regulatory and professional agencies. One of the important objectives of corporate reporting is to provide information that will assist external users in decision making. This information, however, is required to be made available within a short period of time from the end of the reported period; otherwise, it loses some of its economic value. Therefore, reducing audit delays and improving timeliness of audit reports is recognized by the accounting profession, users of accounting information, and regulatory and professional agencies as an important characteristic of financial accounting information.

The timeliness of Audit reports is a critical factor in emerging and newly developed capital markets where the audited financial statements in the annual report are the only reliable source of information available to investors. In Addition, Owusu-Ansah (2000) argues that timely reporting is an important device to mitigate insider trading, leaks and rumors in emerging capital markets. Timeliness can also be viewed as a way of reducing information asymmetry and reducing the opportunity to spread rumors about the companies' financial health and performance. In Nigeria, by provisions of CAMA (1990) as amended the maximum time within which companies are expected to complete and make public their financial report is three (3) months. However, most companies present their reports much later than this date (Modugu, Eragbe and Ikhatua 2012). Therefore, a study on the current level of timeliness of audit report in Nigeria is in the right direction. Consequently, the focus of this study is to examine the determinants of audit report timeliness using selected quoted companies in Nigeria.

1.02   STATEMENT OF THE PROBLEM

The empirical evidence on the determinants of audit timeliness has as a matter of fact been at extreme ends and largely inconclusive. The polarity in empirical findings interestingly is a common denominator for both studies undertaken in developed economies and those undertaken for emerging markets. For example, Ahmad and Kamarudin (2001) {Malaysia} found that extraordinary item and company size were not determinants of audit report timeliness. Ibadin, Izedonmi and Ibadin (2012) {Nigeria} found that board independence, board size, company size, leverage, profitability and audit firm size were not statistically significant. Modugu, Eragbhe and Ikhatua (2012) {Nigeria} found multinationality connections of companies, company size and audit fees to be significant determinants. Hossain and Taylor (1998) {Pakistan} found that only status as a subsidiary of a multinational company variable is significant amongst other variables such as size of a company, debt-equity ratio, profitability, audit fee, industry type and audit firm size. Owusu-Ansah (2000) {Zimbabwe} identified company size, profitability and company age as statistically significant. Ahmed (2003) {Bangladesh, India, and Pakistan} found Profitability and corporate size as significant determinants only in Pakistan. Abdelsalam and Street (2007) {United Kingdom} found board independence to be significant. Turel (2010) {Turkey} found that audit opinion, auditor firm and industry affect timeliness. Despite the unanimity in the literature that audit delay is not an attribute to be encouraged, the findings with respect to the determinants of audit delay have been at polarity and this suggests to us that the issues surrounding the determinants of audit delay are far from been resolved.

1.03   RESEARCH OBJECTIVES

The specific objectives of the study are to; ascertain the empirical evidence on the relationship between Audit delay and the following company characteristics; leverage, Return on equity, Audit firm size, financial year end, company size and Subsidiaries.

1.04   RESEARCH HYPOTHESES

The null hypotheses is that there is no significant relationship between audit delay and the following company characteristics; leverage, Return on equity, Audit firm size, financial year end, company size and Subsidiaries

2.0   LITERATURE REVIEW

Modugu, Erahbhe. and Ikhatua (2012) examine the relationship between audit delay and company characteristics in Nigeria. A sample of 20 quoted companies was selected for a period of 2009 to 2011. Ordinary Least Square technique was adopted in the analysis. The result show that multi-nationality connections of companies, company size and audit fees paid to auditors are the major determinants of audit delay in Nigeria. The study also reveals that audit report lag for each of the companies takes a minimum of 30 days and a maximum of 276 days for Nigerian companies to publish their annual reports. Nigeria listed companies take approximately two months on the average beyond their balance sheet date before they are finally ready for the presentation of the audited accounts to the shareholders at the annual general meetings.

Similarly, in Fagbemi., and Uadiale., (2011) study a sample of forty-five audited financial statements of quoted companies was used. The data collected were analysed using descriptive and inferential statistics. Findings show that the average number of days for which financial reports are ready after the year end is one hundred and forty-one days. The earliest time for which audit report is made ready after year end is thirty-one days afterwards. The result indicates a relationship between corporate reporting timeliness and company affiliation with a foreign entity. However, the results found no correlation between timeliness of financial statements, business complexity and business leverage.

Iyoha (2012) examines the impact of company attributes on the timeliness of financial reports in Nigeria a sample of 61 companies' annual reports for ten (10) years were selected. The data were analyzed and results estimated using Ordinary Least Square (OLS) Regression. The findings reveal that the age of company is the major company attribute that influences the overall quality of timeliness of financial reports. The study also observed a significant difference in the timeliness of financial reporting among industrial sectors. For instance the banking sector was found to be timelier in financial reporting than other sectors. In Korea, Lee and Jang, (2008) study audit report lag is negatively associated with non-audit fees paid to incumbent auditors. It was also seen that ARL is negatively associated with the use of Big 4 auditors and unqualified audit opinions. The study, however, did not find significant associations between Audit Report Lag and auditor tenure.

Oladipupo (2011) investigated the extent of audit lag in Nigeria. Forty companies were selected. Both univariate and multivariate analyses were performed on the data collected. The study observed that; audit delay ranged from 16 to 284 days; Nigeria listed companies take approximately four months on the average beyond their balance sheet date before they are finally ready for the presentation of the audited accounts to the shareholders; That profitability, total assets, total debt, total equity, audit fees and industry type have no significant impact on audit delay.

Henderson and Kaplan (2000) focus on audit lag in the banking sector and their results reveal that a financial institution takes less time to issue an audit report because it operates in a highly regulated industry. Leventis, Weetman and Caramanis (2005) suggest that any attempts to regulate more closely the timeliness of audited financial reports should focus on audit-specific issues (e.g., audit fees or audit hours, proxied by the presence of extraordinary items in the income statement, the number of remarks in the subject to/except for audit opinions) rather than on the audit client's characteristics. They find that the type of auditors, audit fees, number of remarks in audit report, extraordinary items and uncertainty of opinion in the audit report are statistically significant in explaining variations in audit timeliness.

Yacob and Che-Ahmed (2012) examined the effect of IFRS complexity on audit delay in Malaysia. It was observed that the adoption of FRS 138, a standard on intangible assets, poses challenge to auditors to the extent that they require more time and efforts to audit because of the problems of definition, measurement and recognition. Using 2,440 firm year observations, the panel regression analysis show a significant positive relationship between FRS 138 adoption and audit delay. Hence, IFRS complexity takes the auditor more time to audit. The results show that the length of audit report period ranges from 20days to 364days and an average audit delay of 101days with a standard deviation of 25days. However, the mean delay is lower than the minimum requirement of Bursa Malaysia of four months.

Cohen and Leventis (2012) indicate that there is a considerable audit report lag from several municipalities. They find that strong political opposition to the mayor, mayoral re-election, population, and the existence of internal accounting teams for accrual accounting, audit remarks and municipality size are all statistically significant factors in explaining variations in audit report lag.

3.0 METHODOLOGY AND MODEL SPECIFICATION

The design adopted for the study is cross-sectional research design. The design is well suited in examining the several sample units across time. The population of the study covers all companies quoted on the Nigerian stock exchange as at the study period. However, resulting from the practical difficulties of accessing the population, a subset regarded as a sample will be utilized. The simple random sampling technique was employed in selecting a sample of thirty seven companies for seven years (2005 to 2012). The secondary data will be retrieved from financial statements of the sampled companies. The study made use of Panel regression techniques as the data analysis method. The choice of the techniques is predicated by the assumptions made about the stochastic term and its correlation with the explanatory/exogenous variables. However, the appropriate estimation technique for depends on the properties of the error components. Thus in estimating panel regressions, we usually are confronted with the following: Fixed Effects estimation and Random Effects estimation. The Hausman (1978) test helps to determine the choice between the fixed or random effect models in conducting the panel least square regression by calculating the value of Probability chi-square. The decision rule is if the probability of the chi-square is lower than the study confidence level of 5%, then the assumptions for the random effects estimation are violated and fixed effect should be used, and vice versa. For the purpose of the study a multivariate econometric model is specified and estimated. The model examines the determinants of audit delay.

$$AUDL = \beta_0 + \beta_1 LEV + \beta_2 ROEQ + \beta_3 FINC + \beta_4 AUDF + \beta_5 YEND + \beta_6 SIZE + U_t$$

Table 1: Definition of variables and expected signs

Variables	Explanatory/Explained Variable	Explanation
AUDL	Audit Delay	Audit delay of quoted companies
LEV(-)	leverage	Debt and equity used in company
ROEQ(-)	Return on equity	Return on equity of the companies
AUDF (-)	Audit firm size	Audit firm size-Big 4 (1) others(0)
YEND (+/-)	Financial year end	Financial year-end,31st December assigned(1)others(0)
SIZE(-)	Size of the company	Proxied by total assets owned by the company
SUBS(-)	Subsidiaries	Subsidiaries of the companies

Source: Researchers Compilation (2015)

4.0 PRESENTATION AND ANALYSIS OF RESULT

Table.2 Descriptive statistics

	AUDL	AUDF	LEV	ROE	SIZE	SUSBS	YEND
Mean	152.4127	0.539	8911.714	2.478	291053.1	6.587	0.730
Maximum	186	1	192149	6.842	2173750	23	2
Minimum	42	0	0.324	-414.192	837	1	0

Std. Dev.	170.2593	0.500	24322.31	37.009	457731.9	4.955	0.463
Jarque-Bera	34221.12	21.003	6282.776	78804.69	155.052	48.788	15.904
Probability	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: Researchers Compilation (2015)

Table 2 presents the result for the descriptive statistics for the variables. As observed, AUDL has a mean value of approximately 152 days and this indicates that the average time lag for Audit reports to be delivered by most companies in the sample exceeds the statutory 3 months requirement as set out by CAMA (1990). This finding is supported by that of Modugu, Eragbe and Ikhatua (2012) and Ibadin, Izedonmi and Ibadin (2012) that also found that most companies present their reports much later than the 3 months statutory period. The maximum and minimum audit delay is 186 days and 42 days respectively. The standard deviation of 170.259 suggests that the audit delay across the companies exhibits may not necessarily exhibit and the Jacque-Bera statistic of 34221.12 alongside its p-value (p=0.00<0.05) indicates that the data satisfies normality and as well as the unlikelihood of outliers in the series. AUDFT (Audit firm type) has a mean value of 0.539 which suggest that about 53.9% of the firms are audited by the big 4. The standard deviation is 0.283 is small as expected and indicates that most companies engage the services of the big 4. The Jacque-Bera statistic of 21.003 alongside its p-value (0.00) indicates that the data satisfies normality. LEV is observed with a mean value of 0.62 with maximum and minimum values of 1.88 and 0.278 respectively. The standard deviation value of 0.29 indicates strong clustering around the mean. ROE is observed with a mean 2.478 and with a maximum and minimum value of 6.842 and -414.192. The standard deviation is 78804.69 is large and suggest that firms in the sample differ considerably in their financial performance as indicated by the Return Equity. The Jacque-Bera statistic of 78804.06 alongside its p-value (0.00) indicates that the data satisfies normality. The mean for FIRM SIZE measured as the log of total assets stood at 9.667 with maximum and minimum values of 14.859 and 4.454 respectively. The standard deviation of 2.566 shows evidence of considerable clustering of firm size around the mean indicating that the sizes of the companies in the sample may not be significantly different from the mean size. The Jacque-Bera of the statistic of 12.029 and p-value of 0.00 indicates that the data is normal and that outliers are unlikely in the series. The mean for SUSBS measured as the number of subsidiaries operated by the company is approximately 7 with maximum and minimum values of 23 and 1 respectively. The standard deviation of 4.955 suggests some level of difference in the number of subsidiaries of firms in the sample. The Jacque-Bera statistic of 8304.8 alongside its p-value (p=0.00<0.05) indicates that the data satisfies normality. YEND has a mean value of 0.730 which suggest that about 73% of the firms have companies end their fiscal year at December 31.The standard deviation of 0.463 is low which indicates that most companies in the sample have their year-end in December. The Jacque-Bera statistic of 15.0904 alongside its p-value (0.00) indicates that the data satisfies normality.

Table 3. Correlation Result

	AUDF	AUDL	LEV	ROE	SIZE	SUSBS	YEND
AUDF	1						
AUDL	-0.034	1					
LEV	0.277	-0.122	1				
ROE	-0.065	-0.090	0.019	1			
SIZE	0.545	-0.191	0.572	-0.096	1		
SUSBS	0.471	-0.043	0.408	-0.082	0.677	1	
YEND	-0.506	0.186	-0.124	-0.074	-0.482	-0.516	1

Source: Researchers Compilation (2015)

From table 3 above, the correlation coefficients of the variables are examined. However of particular interest to the study is the correlation between AUDL and the other variables. As observed, a positive correlation exists between AUDL and LEV (r=-0.122). A negative correlation is also observed between AUDL and SIZE (r=-0.191). A negative association is observed between AUDL and ROE (r=-0.090). A negative association is observed between AUDL and AUDF (r=-0.034). A negative association is observed between AUDL and SUBS (r=-0.043). A negative association is observed between AUDL and YEND (r=0.186). Evaluating the correlation coefficients amongst the variables, we find that AUDF is

positively correlated with AUDO (r=0.173), with LEV (r=0.277), with SIZE (r=0.545) and with SUSBS (r=0.471).

Table 4.Panel Regression Result

	Fixed effects	Random effects	Pooled OLS	VIF
C	80.318*	57.683	-61.483	1.282
	(0.004)	(0.289)	(0.456)	
AUDF	123.902*	50.515	54.584	1.182
	(0.004)	(0.184)	(0.326)	
LEV	-0.001	-0.004	-0.007	1.024
	(0.551)	(0.600)	(0.585)	
ROE	-0.227*	-0.328	-0.108	1.054
	(0.000)	(0.419)	(0.829)	
SIZE	-0.003	-0.001**	-0.001*	2.573
	(0.327)	(0.055)	(0.039)	
SUSBS	0.629	7.027	23.657*	2.482
	(0.584)	(0.108)	(0.003)	
YEND	5.909	76.275**	147.004	1.104
	(0.546)	(0.074)	(0.024)	
R^2	0.82	0.089	0.17	
ADJ R^2	0.76	0.027	0.07	
F-Stat	12.335	1.434	1.748	
P(f-stat)	0.00	0.189	0.09	
D.W	2.2	2.8	1.4	
Hausman Test	0.043			

Source: Researchers Compilation (2015) * significant at 5%, ** significant at 10%.

Table 4 above, shows the regression result when we incorporate all explanatory variables together in a model. Based on the identification test i.e. the Hausman's Chi-square statistics, (0.043), the fixed effects result is reliable and actually performs better than the random effects and pooled estimations and the results explains a significantly higher proportion of systematic variations in AUDLAG. The inclusion of all explanatory variables using the fixed effects estimations revealed that AUDF is appeared positive and significant (50.515, p=0.004) .The positive effects of AUDF suggest that using the big 4 will result in an increase in audit report timeliness which invariably implies a decline in audit delay and hence we reject the hypotheses of no significant relationship between AUDF and Audit delay. The result is in tandem with that of Leventis, Weetman, & Caramanis (2005) that found that big 4 auditor increase timeliness for companies listed on the Athens Stock Exchange. Gilling (1997) also found a significant positive relationship between the audit delay and the size of the auditing firms. In contrast with our findings, Garsombke (1981), Carslaw and Kaplan (1991) and Davis and Whittred (1980) found no significant association between the audit firm size and audit delay. Al-Ajmi (2008) investigated the timeliness of annual reports of an unbalanced panel of 231 firms-years of financial and non- financial companies listed on the Bahrain Stock Exchange. The study found no evidence to support the effect of accounting auditor type (Big Four or non-Big Four). We find that ROE appeared positive and significant for the fixed effects (-0.277, p=0.004). The result indicates financial performance as measured by return on equity in this study is a significant determinant of Audit delay and hence we reject the hypotheses of no significant relationship between ROE and Audit delay. The study finding is also in tandem with Almosa and Alabbas (2007) using annual reports for 2003-2006 for listed joint stock companies in Saudi Arabia. The finding is also consistent with Al-Ajmi (2008) using annual reports of an unbalanced panel of 231 firms-years of financial and non-financial companies listed on the Bahrain Stock Exchange. However, the finding is inconsistent with Ibadin, Izedonmi and Ibadin (2012) and Ashton, Willingham & Elliot (1987). LEV appeared positive and significant (-0.277, p=0.004) and hence we reject the hypotheses of no significant relationship between LEV and Audit delay. However, the study's finding is in tandem with prior studies (Ismail & Chandler 2003; Al-Ajmi 2008; Moradi & Hoseini 2009) that have found out the leverage is significant determinant of Audit delay. We find that SIZE appears to have a negative impact on Audit report lag for fixed effects (-0.003) but is however not significant at 5% level and hence we accept the hypotheses of no significant relationship between SIZE and Audit delay. The finding is

consistent with those of Ibadin, Izedonmi and Ibadin (2012), Iyoha (2012) and Owusu-Ansah (2000) documented an inverse relationship between company size and timeliness of financial reporting. In contrast, Courtis (1976), Abdulla (1996), Al-Ajmi (2008) found a significant relationship between company size and timeliness of financial reporting. YEND appears to have a positive impact on Audit report lag (76.275) but is however not significant at 5% level and hence we accept the hypotheses of no significant relationship between YEND and Audit delay. The finding lends support to that of Ibadin, Izedonmi and Ibadin (2012). SUSBS appears to have positive impact on Audit report lag (0.629) and not significant at 5% level and hence we accept the hypotheses of no significant relationship between SUSBS and Audit delay. The finding is in tandem with Fagbemi and Uadiale (2011)

5.0   CONCLUSION

The timeliness of audited corporate annual financial reports is considered to be a crucial and an essential factor affecting the usefulness of information made available to various users. Thus accounting information is required to be made available within a short period of time from the end of the reported period; otherwise, it loses some of its economic value. Therefore, reducing audit delays and improving timeliness of audit reports is recognized by the accounting profession, users of accounting information, and regulatory and professional agencies as an important characteristic of financial accounting information. Using the panel least squares regression analysis, this study found the following; (i)) Company size has no significant positive impact on audit delay, (iv) Firm's financial performance has a significant impact on Audit delay. (v) Audit firm type (big 4 and non-big 4) has a significant impact on Audit delay (v) Leverage has no significant impact on Audit delay, ((ix) Number of subsidiaries has a significant impact on Audit delay and (x) Financial year end has no significant impact on Audit delay The study recommends that there is the need to reduce audit delay is to be reduced to its barest minimum in order to achieve the objective of timeliness of financial statements to afford the investors the opportunity of making timely decisions for the overall well-being of their portfolios. In this regards therefore, there is the need for the Nigerian Stock Exchange, Securities and Exchange Commission. Nigerian Accounting Standards Board, Central Bank of Nigeria and other regulatory agencies should probe audit delay in Nigeria and formulates policies and penalties to enforce compliance. Also, companies should put in place measures of reducing the time lag between the financial year end and the Annual General Meeting (AGM). In order to boost the confidence the financial statement users have in using financial statements for decision making. Companies should however consider the cost and the benefit of timely disclosure. Furthermore, measures should be put in place to ensure that the audits of companies are carried out in due course.

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APPENDIX 1: FIXED EFFECTS OLS REGRESSION RESULT

Dependent Variable: AUDL

Variable	Coefficient	Std. Error	t-Statistic	Prob.
AUDF	123.9023	42.02365	2.948394	0.0041
LEV	-0.000121	0.000203	-0.599143	0.5506
ROE	-0.226772	0.020037	-11.31797	0.0000
SIZE	-3.86E-06	3.91E-06	-0.985758	0.3269
SUSBS	0.628743	1.144875	0.549181	0.5842
YEND	5.909776	9.751461	0.606040	0.5460
C	80.31804	27.07885	2.966080	0.0039
Weighted Statistics				
R-squared	0.821711	Mean dependent var		560.4510
Adjusted R-squared	0.755097	S.D. dependent var		432.3393
S.E. of regression	154.7560	Sum squared resid		2179398.
F-statistic	12.33550	Durbin-Watson stat		2.232702
Prob(F-statistic)	0.000000			
	Unweighted Statistics			
R-squared	0.313243	Mean dependent var		152.4127
Sum squared resid	2488483.	Durbin-Watson stat		3.447402

APPENDIX 2: POOLED OLS REGRESSION RESULT

Dependent Variable: AUDL

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-61.48295	138.8593	-0.442772	0.6592
AUDF	54.58416	83.64771	0.652548	0.5160
LEV	-0.000710	0.000682	-1.041344	0.3011
ROE	-0.107493	0.248198	-0.433095	0.6662
SIZE	-0.000156	0.000110	-1.422389	0.1591
SUSBS	23.65652	13.85478	1.707462	0.0919
YEND	147.0004	90.07613	1.631957	0.1069
AR(1)	-0.113968	0.156970	-0.726048	0.4701
R-squared	0.173367	Mean dependent var		166.0706
Adjusted R-squared	0.074171	S.D. dependent var		202.5459
S.E. of regression	194.8897	Akaike info criterion		13.49288
Sum squared resid	2848649.	Schwarz criterion		13.78025
Log likelihood	-563.4472	Hannan-Quinn criter.		13.60846
F-statistic	1.747727	Durbin-Watson stat		1.408004
Prob(F-statistic)	0.092943			
Inverted AR Roots	-.11			

APPENDIX 3: RANDOM EFFECTS REGRESSION RESULT

Dependent Variable: AUDL

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	57.68254	78.62157	0.733673	0.4646
AUDF	50.51547	62.78996	0.804515	0.4227
LEV	-0.000398	0.000354	-1.125166	0.2628
ROE	-0.328353	0.130222	-2.521487	0.0130
SIZE	-0.000104	7.67E-05	-1.358719	0.1768
SUSBS	7.026526	7.092700	0.990670	0.3239

YEND	76.27494	49.41007	1.543713	0.1254

Effects Specification

	S.D.	Rho
Cross-section random	19.46895	0.0143
Idiosyncratic random	161.5769	0.9857

Weighted Statistics

R-squared	0.089346	Mean dependent var	147.1139
Adjusted R-squared	0.027079	S.D. dependent var	168.6928
S.E. of regression	166.5128	Sum squared resid	3244000.
F-statistic	1.434886	Durbin-Watson stat	2.806901
Prob(F-statistic)	0.189170		

APPENDIX 4: DISCRIPTIVE STATISTICS

	AUDF	AUDL	LEV	ROE	SIZE	SUSBS	YEND
Mean	0.539683	152.4127	8911.714	-2.47771	291053.1	6.587302	0.730159
Median	1.000000	124.5000	888.5000	0.259900	18682.50	5.500000	1.000000
Maximum	1.000000	1862.000	192149.0	6.842000	2173750.	23.00000	2.000000
Minimum	0.000000	0.000000	0.000000	-414.1922	837.0000	1.000000	0.000000
td. Dev.	0.500413	170.2593	24322.31	37.00947	457731.9	4.954626	0.463253
Skewness	-0.159232	8.146605	5.305592	-11.05642	1.975190	1.261572	-0.792445
Kurtosis	1.025355	82.07490	35.92601	123.5049	6.732041	4.710731	2.280697
Jarque-Bera	21.00338	34221.12	6282.776	78804.69	155.0515	48.78749	15.90369
Probability	0.000027	0.000000	0.000000	0.000000	0.000000	0.000000	0.000352
Sum	68.00000	19204.00	1122876.	-312.1915	36672689	830.0000	92.00000
Sum Sq. Dev.	31.30159	3623531.	7.39E+10	171212.7	2.62E+13	3068.540	26.82540

APPENDIX 5: CORRELATION STATISTIC

	AUDF	AUDL	LEV	ROE	SIZE	SUSBS	YEND
AUDF	1.000000	-0.034372	0.277225	-0.06475	0.544898	0.471295	-0.505597
AUDL	-0.034372	1.000000	-0.122272	-0.090402	-0.190735	-0.043658	0.186023
LEV	0.277225	-0.122272	1.000000	0.019719	0.571699	0.408032	-0.124486
ROE	-0.06475	-0.090402	0.019719	1.000000	-0.096909	-0.081955	-0.074405
SIZE	0.544898	-0.190735	0.571699	-0.096909	1.000000	0.676813	-0.482367
SUSBS	0.471295	-0.043658	0.408032	-0.081955	0.676813	1.000000	-0.51596
YEND	-0.505597	0.186023	-0.124486	-0.074405	-0.482367	-0.51596	1.000000