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NIGERIA LOCAL GOVERNMENT ACCOUNTING SYSTEM AND FINANCIAL REPORTING IN NIGERIA, STUDY OF ORUMBA NORTH LOCAL GOVERNMENT AREA, ANAMBRA STATE

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Abstract: The study appraised the impact of Nigeria Local Government Accounting System and Financial Reporting in Nigeria using Orumba North Local Government Area as evidence of Study. Local government employee size, Local Government Complexity, Auditors Competence (AUC) are the independent variables while timeliness of financial reporting (TOFR) represented the dependent variable. Survey design was used for this study and Taro Yamane (1964) was used to select a sample size of 44 representatives out of a population of 50, while a final balance of 40 questionnaires were received from the respondents respectively. Data were collected, regressed and analyzed using Statistical Package for Social Sciences (SPSS) 25 where Linear Regression, were run effectively. The findings revealed that in Hypothesis I, the hypothesis test if LGES carries a significant impact on TOFR. Local Government Employee Size was found to have an insignificant effect on Firm's Timeliness of Financial Reporting. Therefore, we accept the null hypothesis and reject the alternative hypothesis. While in hypothesis II, the hypothesis tested if LGC carries a significant impact on TOFR. Local Government Complexity was found to have significant effect on Firm's Timeliness of Financial Reporting. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This shows that Local Government Complexity has a significant effect on Firm's Timeliness of Financial Reporting. In Hypothesis III, the hypothesis tested if AUC carries a significant impact on TOFR. The dependent variable TOFR was regressed on predicting variable AUC to test the hypothesis H_A^3. AUC significantly predicted TOFR, $F(1, 42) = 2.035, P > 0.001$, which indicates that the AUC can play an insignificant role in shaping TOFR $(b = -.515, P > 0.001)$. Auditors Competence was found to have an insignificant effect on Firm's Timeliness of Financial Reporting. One of our recommendations was that local government, as a third-tier government, should not be scrapped or changed to local administration; it should be strengthened and democratized instead. Officials of the local government should always be elected and not appointed and that there should be full autonomy and not be dependent on the state government for funds and rather allocation should come from FAAC.

Keywords: Nigeria Local Government, Accounting System, Financial Reporting

Introduction

In more recent times, government stakeholders, general public and accountants who have operational interest in the administration of local government have cause for concern about the timeliness of local government financial reporting (Government Accounting Standards Board GASB 2011). According to GASB (2023), financial report will retain its usefulness to local government stakeholders, municipal bond analysts, legislative fiscal staff and researchers at tax payer association and citizen groups if the report is timely say for about six months of its fiscal year end. Therefore, timeliness requires that information should be made available to financial statement users as rapid as possible and it is a necessary condition to be satisfied if financial statements are to be useful (Asli 2022).

According to Iyoha (2022), timeliness of financial reporting entails the availability of information needed by decision makers for effective and efficient useful decision making before it loses its capacity to influence economic decision. Hence, timely information in reporting financial statement assumes greater importance since other non-financial statement sources such as media release news conferences and financial analysts forecast are not well developed and the regulatory bodies are not as effective.

Since the amalgamation of the Northern and Southern protectorates of Nigeria in 1914 by Sir Lord Fredrick Lugard, there had been this sporadic attempt to restructure local governments, assign functions to them and establish district frame work for separation of powers between the executive, legislature and, the carrier servants in administration of local governments in Nigeria. The above was not realized until after the 1979 constitution when the civilian government made little efforts to allow local governments to function effectively as the third tier government. Chairmen and Councilors were selected instead of being elected, as it was done these days. The hope for the survival of local governments was resuscitated by the fifth generation of military administration in Nigeria. From 1986 positive and overt commitment was being exhibited for the permanent survival of local governments, it was then increased to 453, which continued until 1991 when Aba North and Aba South local government council was created out from Imo State. The suffocating administration and financial control of state on local governments were removed. The allocation from the federation accounts which has been increased from 10% to 16% and current 20% is now released directly to local governments as they now enjoy a common account with the state known as the state joint local government account including their internally generated revenue. Based on the extensive re – organization of the civil reform since 1988, the scope and characteristics of government accounting led as to first two terminologies or (government) financial management system of (government) accounting functions. The government accounting covers the following offices of the secretary and treasurer which have to do with financial planning, the treasurer's dealing with the budgeting control, the auditor general and director of local government inspectorate concerned of local government inspectorate concerned with internal audit and external audit.

Ryan and Nelson (2002) posit that one item which has received attention recently in the local government financial reporting, is the timeliness of its annual reports. They further agreed that the quality of an annual report depends on its timeliness as well as its comprehensiveness. Hence, late annual report is of limited use and that a delay in the publication of an annual report undermines the role of an annual report in the local democratic process.

Objectives of the Study

The Major objective of this study is to examine the Impact of Local Government Accounting System on timeliness of Financial Reporting in Orumba North Local Government Area of Anambra State Nigeria.

Other specific objectives are:

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1. To evaluate the influence of local government employee size on timeliness of financial reporting in Orumba North local government Area of Anambra State.

2. To assess the impact of Local Government Complexity on timeliness of financial reporting in Orumba North local government Area of Anambra State.

3. To find out the impact of Auditors Competence on timeliness of financial reporting in Orumba North local government Area of Anambra State.

Research Hypotheses

The following research hypotheses will be posed in their null format in order to test the above research questions:

H01: The size of local government employees has no direct influence on the timeliness of financial reporting in Orumba North local government Area of Anambra State.

H02: Local Government Complexity has no significant impact on timeliness of financial reporting in Orumba North local government Area of Anambra State.

H03: Auditor's competence has no significant influence on timeliness of financial reporting in Orumba North local government Area of Anambra State.

Conceptual Review

Local Government Accounting

The passage of time significantly affects the perceived usefulness of reported financial information by financial report users. Governmental Accounting Standard Board (GASB) principles for states and local government on how important it is for all governmental entities to prepare their possible (Robert 2021). According to Robert (2021), setting priorities and allocating limited resources is appropriately the responsibility of policy makers.

Accountability professionals, however, can provide important information regarding the costs and benefits of timely financial reporting to help support policy makers' decisions. By preparing timely financial reports, government allows interested citizens, taxpayers and other constituents to access decision useful information that can be used to make a range of important decisions regarding housing, schools, and the services they receive in return for their tax paid.

Ebimobowei and Bariweni (2013) posit that the objectives of audit of local government accounts are to ensure; that the provision of funds for expenditure duly authorized by a competent authority; that the expenditure is in accordance with ta sanction properly accorded and is incurred by an officer competent to incur it; that payment has, a fact been made to the proper person and that it has been so acknowledged and recorded that a second claim against government on the same account is impossible.; that the charge is correctly classified and that if a charge is debited to the personal account of a contractor, employee and other individual, or is recoverable from him under any rule or order, it is recorded as such in a prescribed account, that in the case of audit of receipts sums due are regularly recovered and checked against demand and sums received are duly brought to credit the account; that in the case of audit of stores and stock, where a priced account is maintained, stores are priced with reasonable accuracy; that articles are counted periodically and otherwise examined for verification of the

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accuracy of the quantity of balances in books and that total of the valued account tallies with the outstanding amount; and that expenditure conforms to the general principles which have for long, been recognized as standards of financial property.

Financial Reporting Timeliness

Financial reporting timeliness is a function of a number of auditor and client related factors such as

(i) the time taken to complete the audit
(ii) management decision with regard to timing of issuing financial statements;
(iii) statutory requirement of a minimum number of days that have to be allowed between AGM date and the date of serving the notice of holding the AGM

(iv) other logistical barriers, e.g; availability of a suitable date and/or venue for holding the AGM.

In the view of the above assertion Turel (2010), observed that timeliness of financial statements is one of the important determinants of financial reports. He argued that irrespective of whether one chooses to call timeliness an objective of accounting or an attribute of useful accounting information, it is clear that both the disclosure regulations and a large part of accounting literature adopt the premise that timeliness is a necessary condition to be satisfied if financial statements are to be useful either in the public or private sector. Dogan (2007) noted that financial information users should be able to reach information they need in a timely manner in the case where they are in a position to make a decision or anticipate. Within this context, timing information is at least as important as the content to financial information users. Information users consider that timing of financial reporting is an important complementary factor of accounting information (Almosa and Alabbas, (2007).

Atlas and Kargin, (2011), posited that undue delay in releasing financial statements increases uncertainty associated with investment decision. Likewise, increase in the delay reduces the information content and relevancy of the information (Yim, 2010). Sengupta, (2004) argued that entities should balance the relative benefits of timely reporting with the reliability of information provided in the financial statements. To provide information on a timely basis, it may often be necessary to report before all aspects of a transaction or other events are known, thus impairing reliability. Conversely, if reporting is delayed until all aspects are known, the information may be highly reliable but of little use to users who have had to make decision in the interim (McClelland and Giroux, 2000).

Gupta (2005) noted that timeliness of financial report implies an early communication of information to avoid delays in economic decisions. Timeliness in publishing government accounting recognize that financial reports in providing accountability for the use of public monies, entities should prepare and publish on a timely basis. Hence, the later the reports are produced and published after year and the less useful they are for stakeholders and for informing decision-making. The legislated time frame for councils and related entities to finalize their audited financial reports and submit them to the ministry for local government is 30th September each year.

Theoretical Framework

The theoretical framework of this study is based on institutional theory and agency theory.

i. Institutional Theory

The institutional theory which was propounded by DiMaggio and Powell in 1983, considers organizations as operating within a social framework of norms, values and assumptions about what constitutes appropriate or acceptable economic behaviour. The basic assumptions about institutional theory include: (1) adoption of structures and management practices that are considered legitimate by other organizations in their fields, regardless of their actual usefulness: (2) organizations responding to pressures from their institutional environments and adopting structures/or procedures that are socially acceptable and appropriate organizational choice; and (3) organizations conforming to predominant norms, traditions and social influences in their internal and external environments which will promote governments that gain support and legitimacy by conforming to social pressures. From the perspective of the public sector, legitimacy might be pursued from other national governments, international organizations and groups of interest. The institutional theory states that changes in management practice or culture of an institution to new ones (example: from the traditional cash accounting to accrual based IPSAS) do not occur primarily because of the efficiency or usefulness of the new style adopted but as a result of some institutional pressure. Three mechanisms through which institutional isomorphic change takes place have been identified: (1) coercive isomorphism which stems from external factors like international organizations dictating the use of certain style of management to governments.

The adoption of IPSAS by developing countries to a larger extent is influenced by external factors such as foreign investors, international accounting firms, and international financial organization among others; (2) mimetic isomorphism which is standard response to uncertainty and following the actions of perceived more successful organizations. As such uncertainty in tertiary institution financial system in managing their finances and inability to matching financial assets and liabilities in terms of amounts and timing might have necessitated government to emulate other public entities that are more legitimate and successful; and (3) normative isomorphism which is associated with professionalization and is concerned with cultural innovations to adopt new styles that are considered superior to the one being used. Professional bodies exhibit similar traits to their professional counterparts in that they mimic each other. These professional bodies to a larger degree influence greatly their counterparts.

The relevance of the institutional theory in this study is that changes in organizational structures or style (such as accounting rule choice) do not occur because of the benefits associated with the new style but such changes do occur as a result of the three mechanisms posited above, that is coercive, mimetic, and normative isomorphism. The institutional theory, though relevant to the present study does not emphasize on accountability in financial reporting. It focused only on organizational structure. To fill the gap, agency theory is considered.

ii. Agency Theory

The agency theory was established by Jensen and Meckling in 1976. Agency theory (also known as the principal-agent or principal agency theory/model) describes the relationship between two or more parties, in which one party, designated as the principal, engages another party, designated as the agent, to perform some task on behalf of the principal. The theory assumes that once principals delegate authority to agents, they often have problems controlling them, because agents‟ goals often differ from their own and because agents often have better information about their capacity and activities than do principals. The difficulty that arises from the principal-agent relationship is that it is not possible for principals to contractually define everything that the agent should do in every conceivable situation. The ideal or complete contract is impossible due to bounded rationality. The problems arising from the principal-agent relationship may be exacerbated by three factors: hidden information, sunk costs and opportunism.

Jensen and Meckling (1976) stated that the separation of ownership and control has resulted in an agency problem as the managers who act as agents might not always act in the best interests of the shareholders or owners, who are the principals of the firm. This might be due to the interests of both parties which are not aligned. Agency problem results in agency costs, which are the costs of the separation of ownership and control. Agency costs have been defined as the sum of the monitoring expenditures by the principal, the bonding expenditures by the agent and the residual costs. Agency costs therefore arise from the divergence of interests between shareholders and company managers; it includes the monitoring costs, bonding costs, residual loss and costs of free cash flow and debt. The agency problems arise because managers will not solely act to maximize the shareholders‟ wealth, they may protect their own interests or seek the goal of maximizing companies‟ growth instead of earnings while making decisions. Jensen and Meckling suggested that the inefficiency may be reduced as managerial incentives to take value maximizing decisions increased.

The agency theory is used to provide a coherent explanation or rationale for IPSASs adoption in any governance jurisdiction. The agency perspective resonates from the separation of ownership and control in a modern corporation and the fears that the interest of the owners (the principal) and agent (the managers) may not cohere. Accordingly, the theory presumes tension between the principal and the agent, thereby creating the demand for tension diffusion mechanisms. The use of published financial statements is one of such mechanisms. The view of the agency theory from the public sector perspective, is that, a government official is elected or appointed to act on behalf of the public as an agent, performing the work of directing and controlling resources on behalf of the public (principal).

The agency theory, therefore, calls for a strong public accountability between the agent and the principal which can be done through the use of a comprehensive financial statement exemplified by IPSAS. Public accountability is a function of the capabilities of principals to judge the performance of their agents. The agency theory has proven to be a flexible and useful approach for interpreting the effects of institutional arrangements on the accountability of public decision makers and public policy. It is also presented in this study as core to the understanding of how IPSAS could improve on accountability in public sector financial reporting.

Empirical Review

i. **Size of Local Government and Timeliness of Financial Reporting**

Karim and Ahmed (2005), the size of the reporting company has been a major variable of interest in most studies examining audit and publication delays. It is argued that large local councils are likely to have stronger internal control, more sophisticated accounting information system, internal audit and greater accountability- all of which should make it easier to audit larger number of transactions in a relatively shorter time. On the other hand, it could also be argued that it is likely to take longer to audit larger companies because of the volume of audit work involved.

However, Ashton et al (1989) rebut this argument suggesting that greater volume of audit work might not necessarily lead to longer audit delay, as the auditor has commenced the audit before year end date. The other reasoning why a large client should not necessarily take longer to audit is that the presumably higher audit fees paid by larger clients allow auditors to deploy more audit personnel or more efficient audit personnel in larger clients, to cope with the extra volume of work. Apart from auditor's perspective, there are economic reasons why larger clients have incentives to opt for smaller audit lag. Such reason includes larger companies being politically visible, having more external stakeholders, being more closely monitored analysts, having more to lose from negative signal provided by a longer than expected audit delay and being able to exert pressure on the auditor to expedite the audit process (Karim and Ahmed 2005).

The size of the local councils varies widely, based on the functions they perform and the extent of the communities they serve. Councils vary widely in size, population, nature and financial activity. Each council operates autonomously and is directly responsible to its own communities. In other words, it is expected that the larger council will be able to commit more resources to the process and hence produce a higher quality report (Boyne and Law, 1991; Neilsen, 1993). Barton, (1999), observed that both total revenue and total assets are often used as a proxy for size. However, because the valuation of assets in the local government sector is still contentious even till today, total revenue was used for size.

Mustafa, Ender and Orhan (2007), posit that among factors which affect disclosure time of financial statements, size of company and complexity of activities and efficacy of internal control systems are considered as important. It was specify that council disclose their financial statement earlier or on time because they possess more resources, good accounting information system and good internal control system. according to Mustafa et, al (2007), good internal control system is defined as an important factor which does not delay in reporting because it reduces the time spent by auditors. In a study carried out by Mustafa et al (2007), in which duration of auditing process was examined based on these three factor, an inverse relationship between duration of auditing process and size of council was found. The magnitude of local government has influence on the timeliness of financial reporting. Different reasons have been cited as evidence to support the relationship between timeliness and local government size. Firstly, larger councils have more resources to execute and enforce strong internal control system in their organization and can afford continuous audit which should make it easier to audit large number of activities in a shorter time. Secondly, local government is more visible to the public vies with high number of population putting pressure on the council to release financial report as soon as possible. Millichamp (2002), further adds that today's dispensation local councils could be very large with several activities. The preparation of the accounts of such council is a very complex operation and may involve the compilation and analysis of accounting and control system.

ii. Local Government Complexity and Timeliness of Financial Reporting

The complexity of local government has also been used to explain timeliness of financial reporting. It is plausible to expect a positive association between timeliness and local government complexity (Karim and Ahmed 2005). Cetris Paribus, a more complex council can take longer than a less complex one. Givoly and Palmon (1982) in a study conducted on audit complexity, finds that the potential measures to proxy audit complexity include number of branches, number of subsidiaries, number of oversea subsidiaries, number of industries in which the client operates, the absolute amount of inventory and receivable les and the proportion of assets in inventory and receivables. Ashton et al (1989), used four measures of audit complexity in their study of financial report timeliness in the United States of America. Their measures include complexity of operations, accounting and financial control system, electronic data processing system and the number of separate audit reports issued. Among the four variables, they find significant association between timeliness of financial reporting and complexity of operation. Ashton et al (1989), in their Canadian study, argue that presence of extra-ordinary items and contingencies could lead to increases in audit delay. Other study that finds a significant association between audit complexity and timeliness of financial reporting include Bamber et al (1993), Ng and Tai (1994), Jaggi and Tsui (1999), Owusu-Ansah (2000).

Gareth (2013), observed that local government sector has constantly evolved over the years and the more it has evolved the more diverse it has become. The most reforming of governments can only hope to change elements of the public sector at any time thereby affecting timeliness of financial reporting. The incremental change had year upon, piled onto the public sector and this incremental change has made things ever more complicated. The larger saving that government, and the rest of the public sector are being asked to make have both led to more creativity amongst public sector mangers but also more complexity. He noted that local government has shared services with other councils, private sector companies and other public bodies; it has contracted services (including some councils where nearly all services are to be commissioned), partnership, grants and a variety of different partnership arrangements. A lot of this complexity is designed to improve services, drive efficiencies from the system and to break down organizational silos. The problem with all this complexity is that it constrains further action and timely financial reporting in the council. In the present study, the proportion of assets in the form of inventory and receivables was used as the measure of audit complexity. The challenge is how to look far enough into the future to design services that are future proof and how to influence people and service not directly controlled by the council. Gareth (2013), posited that local authorities definitely rising to this challenge through collaboration and learning to manage this multitude of complexity.

iii. Auditors Competence and Timeliness of Financial Reporting

According to Hertati & Zarkasyi (2015), competence is defined as skills, abilities, and abilities. Competency also includes work-related knowledge, skills, and talents. Susanto & Rambano (2022) defines competence as an essential personality trait that can directly affect or foretell the quality of good financial reports. In good financial management, companies must have competent human resources in their fields. Competent in this case is an individual who has an educational background in accordance with his field and has experience in that field. In RBV theory, the company's performance as one of which measured by financial report quality is largely determined by the quality of its internal resources. Susanto's research (2022) states that quality of the company's financial reports may be impacted by the human resources' proficiency.. That is, if the competence is good, then the financial report performance will be good. According to Kusmariyanto et al. (2022) companies that have good resources can be an advantage for the company itself. According to agency theory, the competence of resources in the financial sector will be able to affect the company's financial report performance. Nurcahyanti & Ruscitasari (2022) explained the indicators of human resources consisting of education, training and experience. According to Anggi (2022) these indicators can reflect the skills, knowledge and attitudes of human resources. According to Gumelar et al. (2022) financial managers who understand financial science will be able to facilitate companies in compiling their reports. Naturally, this report was created by human resources, who are highly qualified and are in accordance with their scientific fields. Several studies conducted by Han and Maharani (2022) and Kusuma et al. (2021) state that there is a direct correlation of the competence of human resources on the company's financial report performance.

iv. Accounting and Timeliness of Financial Reporting

Hafez, Aziz, and Elzebak (2015) carried out a study to ascertain the optimal cost control and reduction techniques that can be applied in the project and construction industries. Twenty-two (22) sampled construction enterprises that operate in Egypt were used in the study. The study used a survey research design technique in which structured questionnaires were administered to participants in order to gather responses. It was discovered that one of the main reasons for the failures to achieve cost control in projects was a lack of knowledge about techniques rather than the wrong techniques to use. According to the researchers, using Activity Based Costing (ABC) is superior since it improves cost estimation, improves awareness of tender price, and provides the most recent cost data necessary for better managerial decision-making. For better measurements, it was advised that managers of businesses consider switching to the Activity Based Costing (ABC) approach in place of more established cost control techniques.

Ndubuisi, Chidoziem and Chinyere (2017) evaluated the extent to which cut over from manual accounting system to the use of accounting software has had impact on the profitability of listed microfinance institutions operating in Nigeria. Data from the audited reports of the mentioned entities, spanning ten (10) years from 2006 to 2015, was examined with the SPSS program. According to the study, using accounting software as opposed to a manual accounting method had a noticeably bigger impact on the microfinance institutions' earnings and profitability. Therefore, the study suggested that more microfinance institutions employ accounting software, as this will improve their prospects and make them more attractive to foreign investors.

Chong and Nizam (2018) investigated the nexus between accounting software and the business performance of firms operating in Malaysia. One hundred and fifty (150) respondents completed standardized questionnaires, from which the researchers gathered data. The study's main conclusion was that the adoption and usage of accounting software significantly improved the chances of survival and sustainability for businesses in Nigeria. In order to optimize the advantages of using accounting software, the study advised managers and owners of businesses to work on raising their level of technology understanding.

Ogundajo, Ogunode, Awoniyi, Iwala (2022), conducted research on the Usage of Accounting Software on Cost Control of Listed Deposit Money Banks in Nigeria. 120 respondents in Nigeria's financial services industry completed a standardized questionnaire used in the study's field survey design. 89.7% of the total, or 107, were recovered as usable copies. The instrument's value of 0.967, which is higher than 0.70 according to the Cronbach's alpha test, suggested that the research tool was dependable. Regression analysis was utilized for the data analysis, and the sampling size determination for the descriptive and inferential statistics was done using the purposeful sampling technique. The study's findings showed that accounting software had a substantial impact on responsibility accounting, as measured by software proxies such as efficiency, dependability, easiness, accuracy, and data quality ($R2 = 0.600$; $F(5, 114) = 32.758$; p-value = 0.000). additionally to activity-based costing (p-value = 0.000; $R2 = 0.810$; $F(5, 114) = 91.489$). Thus, the study came to the conclusion that the adoption and deployment of accounting software significantly improves cost control in listed deposit money institutions. Specifically, the study discovered that the two main factors influencing the efficacy of cost control in listed deposit money banks in Nigeria are the operational ease of the software and the accuracy that goes along with it.

Methodology

Population of Study and Sample Size

From the total population size of 50 staffs of Orumba North Local Government Area, sample size of 44 were drawn using Taro Yemen's (1964) formula. The researcher used a stratified random sampling in her study and a total of 40 questionnaires were retrieved. The Data collected were regressed with the help of SPSS 25.

Source of Data

This research is designed to examine the Impact of Local Government Accounting System on timeliness of Financial Reporting in Orumba North Local Government Area of Anambra State Nigeria. Data was collated from both primary and secondary sources as questionnaires were distributed to various respondents.

Data Presentation and Analysis

Test of Hypothesis

H_0^1: There is no Impact of local government employee size on timeliness of financial reporting

Regression

Descriptive Statistics			
	Mean	Std. Deviation	N
TOFR	1.36	.574	44
LGES	1.07	.231	44

Correlations			
		TOFR	LGES
Pearson Correlation	TOFR	1.000	-.191
	LGES	-.191	1.000
Sig. (1-tailed)	TOFR	.	.107
	LGES	.107	.
N	TOFR	44	44
	LGES	44	44

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	LGES[b]	.	Enter
a. Dependent Variable: TOFR			
b. All requested variables entered.			

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.191[a]	.037	.014	.570	.322
a. Predictors: (Constant), LGES					
b. Dependent Variable: TOFR					

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.518	1	.518	1.594	.214[b]
	Residual	13.663	42	.325		
	Total	14.182	43			
a. Dependent Variable: TOFR						
b. Predictors: (Constant), LGES						

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.871	.411		4.551	.000		
	LGES	-.475	.376	-.191	-1.262	.214	1.000	1.000
a. Dependent Variable: TOFR								

Collinearity Diagnostics[a]					
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	LGES
1	1	1.978	1.000	.01	.01
	2	.022	9.459	.99	.99
a. Dependent Variable: TOFR					

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.92	1.40	1.36	.110	44
Residual	-.396	1.604	.000	.564	44
Std. Predicted Value	-4.033	.295	.000	1.000	44
Std. Residual	-.694	2.812	.000	.988	44
a. Dependent Variable: TOFR					

Interpretation of Regression Result on Hypothesis

The hypothesis test if LGES carries a significant impact on TOFR. The dependent variable TOFR was regressed on predicting variable LGES to test the hypothesis $H_A{}^1$. LGES insignificantly predicted TOFR, *$F(1, 42) = 1.594$, $P > 0.001$*, which indicates that the LGES can't play a significant role in shaping TOFR *($b = -.475$, $P > 0.001$)*. These results clearly a direct negative effect of the LGES. Moreover, the $R^2 = .037$ which depicts that the model explains 3.7% of the variance in TOFR.

Hypothesis - summary of the findings

Hypothesis	Regression Weight	Beta coefficient	R^2	F	P-Value	Hypothesis Supported
$H_A{}^1$	LGES-TOFR	-.475	.037	1.594	.214	No

Note* P > 0.05. LGES: Local Government Employee Size, TOFR: Timeliness of Financial Reporting

Based on t-statistics of -1.262 and p-value > 0.001, Local Government Employee Size was found to have an insignificant effect on Firm's Timeliness of Financial Reporting. Therefore, we accept the null hypothesis and reject the alternative hypothesis. This shows that Local Government Employee Size has no significant effect on Timeliness of Financial Reporting.

Findings

1. The findings show that even though local government employee size and timeliness of financial reporting in Orumba North local government Area of Anambra State do have some level of relationship, embracing all the requirement by accounting standards should be of utmost priority.
2. Local Government Complexity was found to have significant effect on Firm's Timeliness of Financial Reporting. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This shows that Local Government Complexity has a significant effect on Firm's Timeliness of Financial Reporting.

3. There was an indication that the Auditors compliance can play an insignificant role in shaping timeliness of financial reporting in Orumba North local government Area of Anambra State, thus more emphasis should be placed on it so that the required compliance level should be achieved at optimum.

Conclusion

This study reveals that marginal costing as a useful tool for decision making has contributed a lot in management decision and also has provided assistance to the management in vital decision especially in dealing within the problem requiring short term decision when fixed cost is excluded. Therefore, the management should encourage the use of planning and decision making in the organization.

Recommendations

Based on the findings of this study, the following recommendations were made:

First, local government, as a third-tier government, should not be scrapped or changed to local administration; it should be strengthened and democratized instead. Officials of the local government should always be elected and not appointed.

Second, there is the need to put a mechanism in place to promote transparency and accountability at all levels of governance. Statutory allocation of local government councils should be reviewed upward and inward, for the improvement of Internally Generated Revenue (IGR) and for self-financial reliance. In addition, prompt release of allocations from federation accounts should be looked into to avoid delay in executing council developmental projects. Local councils are also advised to look for ways of attracting industries to their areas which will propel economic development, employment and increase their revenue base. In this regard, it will be crucial to strengthen institutions' horizontal accountability and anti-corruption bodies in order to build up the economic and revenue base of the councils. Civil society organizations, particularly at the local level, should be reoriented and empowered to hold elected officials accountable.

Third, there is a great need to reform the structure of government at all levels. This will require a comprehensive review of the 1999 Constitution. For example, Section 7 of the 1999 Constitution that places local government under state government has made the former a mere appendage of the latter. Executive and legislative bodies should display the political will and commitment to reform the 1999 Constitution, which has been criticized by all strands of society. The reform of the Constitution will address other issues that are germane to good governance, such as party financing, campaign financing, and a proper electoral system.

Fourth, local government should have total autonomy. This will allow and guarantee its survival and provide it with remedies for the problems highlighted above. There are good prospects for Nigerian local government systems. These include: convenient grassroots governance; quick execution of projects without the bottlenecks often encountered in getting approval from the state; provision of essential services to the public by the local government councils; and awareness of the community's responsiveness and participation. By and large, there will be no bureaucracy with regards to the release of funds for social services.

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