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Impact of Mandatory Information Disclosure on Compliance with CAMA 2004

Kwaji, Sini Fave, Ahmed Bello Bawa (PhD); Ishaya John Dabari (PhD)
Department of Accountancy, School of Management and Information Technology
Modibbo Adama University of Technology, Yola, Adamawa State- Nigeria.

***Corresponding Author:**
Kwaji Sini Fave
Email: sinifavek@gmail.com

Abstract: This study examined the impact of mandatory information disclosure on compliance with companies and allied matter Act(CAMA) of telecommunication companies in Nigeria. The study adopted ex-post facto research design which relied on secondary data collected from the financial statements of three (3) telecommunication companies for the period of 2004 to 2015. The multiple regression model was used to analyze the data. The results indicated that computed compliance index of telecommunication companies were partially complied (av.75.6%) with the requirements of regulatory agencies. Furthermore, the finding revealed that accounting policies has significant impact at 1%, this shows positive compliance by the telecommunication companies, balance sheet and profit and loss has significant impact at 5%. This means that there is a partial compliance by the telecommunication companies, the auditor's report has significant impact at 10%, and this shows weak compliance by the telecommunication companies. While directors report is insignificant. This means that there is non- compliance by the telecommunication companies. It is concluded that the level of compliance with existing regulation required was partial which showed some internal weaknesses and consequent distress in the operations of the telecommunication companies in Nigeria. To this effect, there is a clarion call for the enforcement of full compliance by all the Telecommunication companies in Nigeria. It is therefore recommended that National Communication Commission should monitor the compliance with the requirements of mandatory information disclosure and pursue its objective to achieve best corporate governance practices in Nigerian telecommunication companies.

Keywords: Compliance; CAMA; Mandatory information disclosure; Telecommunication companies

INTRODUCTION

Regulatory compliance can be taken on different definitions according to the industry in which the policies are applied, since compliance means incorporating standards that conform to specific requirements [1]. Regulatory compliance is the regulations a company must follow to the specific requirements. The international capital arena has been found to comply with disclosing mandatory requirements [2]. Corporate transparency is determined by the information it discloses in its financial reports. Accurate, relevant and reliable disclosure are seen as means of enhancing corporate image reducing cost of capital, and improving marketability of shares. Prior studies [3, 4] show that disclosure levels are associated with some company characteristics.

The main legal framework for corporate accounting practices in Nigeria is the Companies and Allied Matters Act CAP 2004. The Securities and Exchange Commission (SEC) regulates securities market participants under the Investments and Securities Act 2004 and the Securities and Exchange Commission Rules and Regulations [5]. The Nigerian Stock Exchange, established by the Nigerian Stock Exchange Act of 1961, supports the Securities and Exchange Commission to supervise the securities market operations, and regulates the capital market.

The basic required information to be disclosed by Companies and Allied Matters Act [6] relating to corporate financial reporting is contained in Part X1-Financial Statements and sections 331-356 of CAMA 2004. The provision of CAMA is a matter of law that has to be complied with by companies. CAMA 2004 as amended directs every company to keep accounting records; Section 331- 356 is mandatory as it relates to financial statements. Section 334 requires directors of every company to prepare financial statements in respect of each year of the company. Section 334 (2) stated that financial statement should include; statement of accounting policies; balance sheet, profit and loss, the auditor's report and the directors report.

Prior research between 2005 to date did not show enough evidence of compliance with CAMA, 2004 as noted by Akhtaruddin [7]. Several studies Abiodun [8], Abiola [9], Adezembe [10], were carried out in Nigeria but in different fields which included, primary mortgage institutions, deposit money Banks, oil

& gas companies respectively, but did not show evidence of follow up to the work of Akhtrauddin. There have been inconsistent findings. The Telecommunication companies do not fully comply with the disclosure requirements as stipulated by the regulatory agencies such as National Communication Commission (NCC). However, the study by the researcher was carried out since 2005, which might have a different outcome if conducted now, that is why this study seeks to examine whether Telecommunication Companies comply with CAMA 2004 using the period 2004 to 2015.

This study examined the impact of mandatory information disclosure on compliance with CAMA 2004 by listed telecommunication companies in Nigeria. The study is important to firms in identifying the problems or at least minimize them for the company and improve the financial performance of companies and also increase profitability. To the industry, the study would help management as an impetus that will reveal whether or not they fully comply with statutory requirements of corporate finance. Shareholders may find this research report useful as it provides a basis for the review of some existing laws which are not complied with for the performance of the companies and the reason for such non-compliance, It may be of great benefit to potential investors because it will enable them plan and make more informed decisions. Regulatory agencies like National Communication Commission (NCC), Commission and Corporate Affairs (CAC), will drive some level of benefits, which will help them to issue out necessary compliance directives. Researchers and academicians could equally benefit by adding to the stock of literature on information disclosure. The research facilitates the improvement of disclosure practices in Nigeria companies and also serves as bench mark for future researchers. The general public could also benefit from the research since it enhances compliance with statutory framework which could enhance the performance of the companies in Nigeria.

The remaining sections are divided into literature review, research methodology, result and discussion, conclusion and recommendation.

LITERATURE REVIEW

Companies and Allied Matters Act (CAMA) Provision and Financial Reporting of Companies.

Corporate financial reporting in Nigeria is currently guided by CAMA CAP C20 LFN 2004. This is the major legislation governing financial reporting of companies in Nigeria. The basic requirement relating to corporate financial reporting is contained in Part XI-Financial Statements, Section 331-356 of CAMA 2004, relate to financial statements. CAMA' 2004, is a major statutory framework that guides the activities and operations of Companies in Nigeria. It regulates virtually all aspect of Companies activities in Nigeria, which financial reporting is inclusive. CAMA therefore seek to promote corporate accountability. Asada [11] provide information for user' decision making, protect users from corporate managerial deception and fraud and ensure healthy competition among companies. Legal framework like CAMA is not just law to comply with in financial reporting by companies; there are certain values which are enforced by their regulation. Accounting Standards seek primarily to ensure uniformity and comparability in financial reporting [12].

Bushman and Piotroski [13] suggested that a country's legal and securities laws create incentives that influence the content of financial statements. The provision of statues like CAMA is a matter of law that has to be complying with by companies. CAMA '2004 as amended, direct every company to keep accounting records: Sections 331-356 of CAMA is mandatory relate to financial statements, Section 334 requires directors of every company to prepare financial statement in respect of every year of the company. Sections 334 (2) of CAMA on mandatory information disclosure (MID) stated that financial statement should include among other things; statement of accounting policies; balance sheet and profit and loss, the auditor's report, and the director's report.

Concept of Regulatory Compliance

Tom [1] Stated that regulatory compliance can be taken on different definitions according to the industry in which you are applying the policies. Since compliance means incorporating standards that conform to specific requirements. Regulatory compliance is the regulations a company must follow to the specific requirements [14], Kaufimann, [15] in general, compliance means conforming to a rule, such as a specification, policy standard or law. Regulatory compliance describes the goal that organizations aspire to achieve in their efforts to ensure that they are aware of and take steps to comply with relevant laws, policies and regulations due to the increasing number of regulations and need for operational transparency; organizations are increasingly adopting the use of consolidated and harmonized sets of compliance controls. Compliance with regulatory requirements has increasingly become a concern of corporate management and public sector management. According to Abiola and Ojo [9], Companies are required to render annually among others audited financial statements to the regulatory authorities. They asserted these statements are to be prepared in compliance with the requirements of relevant accounting standards. Compliance in Nigeria just like anywhere in the world generally means keeping to the laws and regulations. It involves all issues belonging or pertaining to enterprise or included in the law, which can be used for the purpose of implementing or validating compliance [16-18]. The regulators in Nigeria continue to endorse and encourage (by regulation) the use of the standards when establishing a compliance framework in telecommunication companies. This study attempts to fill the gap by assessing compliance on CAMA 2004 of listed telecommunication companies in Nigeria and why they do not compliance with the statutory agencies.

Concept of Information Disclosure

Paul [19] stated that information disclosure means a series of behavioral regulations and activity standards for relevant parties in the securities market who publicize the information related with securities by certain way in the process of issuing stocks. Listing on the market, and trading, according to laws, and rules of securities administrative agencies and Stock Exchanges. To ask companies that issue securities openly to execute the information disclosure is the core content of modern securities market. It covers the wholly process of securities issues and circulation. Usually, before the issue of stocks, companies publicize stock- issuing introduction, listing announcements, interim reports, and grave affair reports, mainly including companies operation and financial statement.

On the other hand, the Central Bank of Nigeria, [20], defined full disclosure as the mandatory financial, operational and management information which financial institutions are required to disclose in the rendition of their periodic returns to the regulatory authorities and the public. In Nigeria, disclosure in financial statement reports started with the companies Ordinance of 1922 (as amended) and through to the companies Act of 1968 and now the Companies and Allied Matters. The Financial Reporting Council of Nigeria (Formerly NASB) is also involved in the efforts at evolving and promoting financial disclosure. The NASB was established in 1982 with the power to set and issuing accounting standards which have to be complied with while preparing financial statements. However, Nigeria has adopted the International Reporting Standards (IFRS) effective from 1st January, 2012 and has as well changed the name of its National Standards setting body from the Nigeria Accounting Standards Board to the Financial Reporting Council of Nigeria.

Mandatory Information disclosure

Mandatory information disclosure provides users of annual report with a factual account of the organization's compliance with regulations during the period of reporting [21]. The mandatory disclosures are basically international standards, studies on mandatory disclosure practices in Zimbabwe was conducted by Owusu- Anasah [22] and Chamisa [23]. Owusu [22] empirically investigates the degree of influence of eight corporate organisations on the extent of mandatory disclosure and reporting companies in Zimbabwe. Owusu- Ansah and Chamisa used an unweighted relative disclosure index method which consists of 32 disclosure items from the three regulatory sources Zimbabwe. (i.e, they adopted IAS, the Companies Act, and the listing rules of the ZSE). To capture the intensity of the disclosure of these items, they were disaggregated into 214 sub-items.On the other hand, Akhtaruddin [7] investigated the extent of mandatory disclosure by 94 companies listed on both Dhaka Stock Exchange (DSE) and the Chittangong Stock Exchange (CSE). It also assesses the relationship between company specific characteristics (age, size, status, profitability) and mandatory disclosure of the sample companies. The disclosure index employed in the study is based mainly on the companies Act 1994. Disclosure requirement of the stock exchange and the approved IAS used unweighted disclosure index and OLS regression analysis. They found that companies on average disclosed 44 percent of the items of information. In addition they found that company age, profitability, and status have no significant effect on disclosure; however there is little support for industry size as a predicator of mandatory disclosure.

Accounting Policy

Section 334 (2) of CAMA 2004 stated that financial statements should include statement of accounting policies. Therefore, Accounting policies are the specific principles, rules and procedures implemented by a company's management team and are used to prepare its financial statements. These include any methods, measurement systems and procedures for presenting disclosures. Accounting policies differ from accounting principles in that the principles are the accounting rules and the policies are a company's way of adhering to those rules. Accounting policies are a set of standards that govern how a company prepares its financial statements (Hope, 2003). These policies are used to deal specifically with complicated accounting practices such as depreciation methods, recognition of goodwill, and preparation of research and development costs, inventory value and the consolidation of financial accounts. These policies may differ from company to company, but all accounting policies are required to conform to Generally Accepted Accounting Principles (GAAP) and/or International Financial Reporting Standards (IFRS). Accounting policies can be thought of as a framework in which a company is expected to operate; however, the framework is somewhat flexible, and a company's management team can choose specific accounting policies that are advantageous to the financial reporting of the company [24].

Statement of Financial Position

Gupta [25] stated that balance sheet is a statement of financial position of a concern at a given date. It shows the financial position of a concern at a given date of accounting period, because the situation may be entirely different on the following day and indeed, might have been quite different a day earlier. Gupta therefore, defines a balance sheet as "a statement prepared with a view to measure the exact financial position of a business on a certain date. It is prepared from the trial balance after all the balances of nominal accounts are transferred to trading and profit and loss account and corresponding accounts in the ledger are closed. The balances now left in the trial balance are either personal or real accounts. In other words, they either represent assets or liabilities existing on the date of closing of accounts. All these assets and liabilities are displayed in the balance sheet according to certain principles such as (a) all real and personal account having debit balances should be shown on the assets side of balance sheet which is on the right-hand side. (b) All the real and personal account having credit balances should be shown on the liabilities side of balance sheet, which is on the left-hand side. The excess of assets over liabilities represents the capital of the owner. The balance sheet is one of the well-known financial statements of a company. It is designed to show everything a business owns and everything a business owes in one quick look. While other statements like the income statement or statement of cash flows are more traditionally used to examine company revenues and profit ratios while the balance sheet also can play an important role in judging company worth.

Directors Report

Section 334 of CAMA 2004 requires directors of every company to prepare financial statement in respect of every year of the company. Parkinson [26] stated that the Directors' Report is a document produced by the board of directors under the requirements of UK, which details the state of the company and its compliance with a set of financial, accounting and corporate social responsibility standards. The Directors' Report arose out of a general move for greater transparency in corporate governance. It is useful for shareholders to find out issues such as whether the company has good finances, whether the market has potential, and whether the business has the structural capacity to expand into new opportunities. In order for shareholders to make informed decisions when casting their votes at annual or other meetings, the Directors' Report provides part of that essential minimum standard of information. It is complemented by the Director’s Remuneration Reports and the Company Accounts. Much of the Directors' Report requirements are basic harmonized standards in all European Companies, through the accounts modernization directive, but the UK chose to go further in the interests of greater transparency and accountability. The Directors' Report must be disclosed to the public, and so also serves as an important source of public information, as a form of social accounting. Following its introduction, the Reports (under various names) had a bumpy history.

Auditors Report

Section 334 (2) of CAMA 2004 stated that financial statement should include auditor’s report which is recorded in the annual report. The auditor's report ensures that a corporation's financial statements comply with GAAP. This is sometimes referred to as the clean opinion. Most auditors’ reports consist of three paragraphs. The first states the responsibilities of the auditor and directors. The second is the scope, stating that GAAP was used. Finally, the third paragraph gives the auditor’s opinion. An auditor’s report provides an opinion on the validity and reliability of a company’s financial statements starting and maintaining solid, professional accounting practices is essential for the growth of business. When financial statements are finalized, they usually must contain an evaluation –an auditor’s report from a licensed accountant or auditor. This report provides an overview of the evaluation of the validity and reliability of a company or organizations financial statement. The goal of an auditor’s Report is to document reasonably assurance that a company’s financial statements are free from error. An audit report is a written opinion of an auditor regarding an entity’s financial statements (Kiishman, 2003). The report is written in a standard format, as mandated by generally accepted auditing standards (GAAS). GAAS requires or allows certain variations in the report, depending upon the circumstances of the audit work that the auditor engaged in.

Empirical Review of studies on Compliance

In Nigerian financial reporting environment was empirically investigated by Wallace [3] Okike [27], Ofoegbu and Okoye [28]. Wallace work is one of the pioneer studies on the Nigerian corporate reporting. The author investigated the extent of disclosure using statutory, similar to the studies of Buzby [29], McNally *et al*. [30], and Chow and Wong-Boren, [31]. Further to the study of Wallace [3]. Okike [27], investigates the corporate reporting practices in Nigeria. The researcher observes it was weak and accounting reports have been found deficient in the sense that they lack vital information.

Owusu- Ansah [22], and Chamisa, [23] empirically investigated the degree of influence of eight corporate attribute on mandatory disclosure and reporting of 49 listed companies in Zimbabwe. Owusu-Ansah and Chamisa used an unweighted relative disclosure index method which consists of 32 disclosure items from the three regulatory sources in Zimbabwe (i.e. they adopted IAS, the Companies Act, and the listing rules of ZSE). Some researchers conducted studies on how firms respond to mandatory information disclosure, companies were faced increasing pressure to review information about their operations including their environmental performance. The study examines which types of organization especially likely to reduce their pollution levels once they face mandatory disclosure requirements, also Mandatory disclosure in a single period, mult-model, in which there are covariance between firms and cash flow [32].

Umoren [33] empirically investigates the extent of compliance of the listed financial and non-financial Nigerian companies with the disclosure requirements of SASs, IAS/IFRS, determine the factors influencing the extent of mandatory information disclosure in the annual reports of listed companies in Nigeria. The study built a disclosure index using a researcher-developed checklist containing 165 information disclosure items (SAS 82 items; IFRS 73 items,). Company attributes examined are size, profitability, company listing age, leverage, auditor type, industry and multinationality. The study observes that 54 out of sampled 90 companies comply with the disclosure requirements of IAS 16. Hodgdon, Tondkar, Adhikari & Harless [34] investigated the extent of disclosure compliance by companies from developed countries with non US listings that claim to have complied with IASs in 1999 and 2000. They also sought to determine the impact of a number of company characteristics on the extent of compliance. The study reveals that the level of compliance from a sample of 101 companies selected from 13 countries (Austria, China, Czech Republic, Denmark, Finland, Germany, Hong Kong, Hungary, Italy, Netherlands, South Africa, Sweden and Switzerland) is 58% and 64% in 1999 and 2000 respectively.

Al-Shammari [35] evaluated the extent of compliance with disclosure requirements of international financial reporting standards (IFRSs) by 168 companies listed on the Kuwaiti Stock Exchange in 2008 using a self-disclosure compliance index and multivariate regression analysis to test the relationship between the level of disclosure compliance with IFRSs and nine company characteristics. The results show that the level of compliance by sampled firms is 82%. Al-Jabri & Hussain [36] assessed the level of disclosure in the annual reports of 94 manufacturing and service firms listed on Muscat Securities Market (MSM) in Oman. A disclosure checklist consisting of 66 mandatory items was developed to assess the level of disclosure in the 2003 annual reports of the sampled firms to investigate the level of compliance with eight standards namely IAS 1 – presentation of financial statements; IAS 2 – Inventories; IAS 10 – events after the balance sheet date; IAS 16 – property, plant and equipment; IAS 21 – the effects of changes in foreign exchange rates; IAS 24 – related party disclosures; IAS 28 – accounting for investments in associates and IAS 33 – earnings per share were selected with 138 disclosure items to measure compliance with the standards. The study reveals that the mean level of compliance by all the sampled firms was 79% while the minimum compliance level observed was 41%. In similar vein, Adetunji, Mamuda and James [37] evaluated an assessment of compliance with disclosure requirements of IAS 16 by listed agricultural firms in Nigeria. The tools of analysis used were the compliance index and the 2 way ANOVA purposely to test the hypotheses proposed and the findings were made that at present Nigerian companies are far from achieving the disclosure requirements of IFRS going by poor level of compliance with the International Accounting Standard (IAS) 16. This was not unconnected with the fact that the statements of accounting standard operational in Nigeria in the period under review have little disclosure requirements relative to the International Accounting Standards which conforms to the global best of practice, the study recommended that among others that the newly established Financial Reporting Council of Nigeria should learn from the mistakes of its predecessor and ensure effective monitoring of firms in order to enforce strict compliance with the disclosure requirements of IFRS. This study perceived the necessity of examining the level of regulatory compliance with CAMA 2004 as a way of determining the impact of mandatory information disclosure of listed Telecommunication companies in Nigeria.

Ezugwu and Emmanuel [38] the researchers carried a study on Auditors reputation: the impact on compliance with international accounting standard 5 by quoted companies in Nigeria. The technique of analysis used in the study was the Spearman’s Rank Correlation Analysis .the study employed Ex-post facto research designs. The Finding reveals that there is no significant correlation between firms’ scores and auditors’ rank, it was recommended that the professional accounting bodies should make sure that their members at all times qualify reports prepared not in accordance with the requirements of accounting standards, and any failure on the part of the auditors sanctioned appropriately. This study carried out investigation on compliance with CAMA 2004 of listed Telecommunication companies, while the above on international accounting standard 5 by quoted companies. Ahmed, Ebrahim, Arek, Abdel and Fattah [39] Examined Corporate governance and initial compliance with IFRS in emerging markets: The case of income tax accounting in Egypt, the result show evidence that corporate governance factors that indicated the sophistication level of both company’s management and owners (i.e. institutional ownership and foreign representation on the board) and the perceived quality of the engaged auditor improve compliance with IFRS requirements. Companies with higher levels of institutional ownership and foreign representation on the board are more likely to engage an audit firm with international affiliation and comply with IFRS recognition and disclosure requirements. From the empirical review, it is clear that some of the studies have inconsistent findings. This creates a serious gap in literature hence the need to carry out the present study to fill the gap why Telecommunications operating in Nigeria do not mostly comply with the statutory regulations, as posit from the work of Akhtaudin [7].

Theoretical Framework

The theoretical framework of this study focused on the impact of mandatory information disclosure on compliance with CAMA 2004 by listed telecommunication companies in Nigeria. The underpinning theory for the study is compliance theory which provides plausible evidence on the variables under study. The compliance theory is concerned with the question of why actors, states, firms and individuals may comply with or do not comply with accepted laws. In other words, the theory is concerned with the question of behavioral motivations underlying compliance with laws. Within the context of compliance theory, a law must be prescribed which is binding on actors and such law (s) must be enforceable. Sutinen and Kuperan [40] maintain that monitoring, surveillance and enforcement are the means to achieve control of regulated economic agents. The theory is relates to this study in that it is concerned with the question of behavioral motivations underlying compliance with laws. This is because Telecommunication Companies in Nigeria also expected to comply with the laws and where they fail to comply; there are penalties and sanctions against them. The theoretical framework for this study is reflected in Figure 1, which is based on the extant literature reviewed and the problem statement. The dependent variable is compliance with CAMA measured on interval scale ranging from 1to 5 while the independent variable is mandatory information disclosure measured on five point Likert scale.

Fig-1: Theoretical Framework

METHODOLOGY

This study examined the impact of mandatory information disclosure on compliance with CAMA 2004 by eight (8) listed telecommunication companies in Nigeria. The study adopted ex- post facto research, this is due to the fact that documentary source of data was used. The secondary data was obtained principally from annual reports and account of the selected Telecommunication Companies in Nigeria. This study considered the period 2004 to 2015; this involves an empirical analysis of annual financial report and accounts of the telecommunication companies. The population for the study consists of all the (8) eight telecommunication companies in Nigeria as at December, 31st 2015. Out of this three (3)companies were selected as sample which includes, Airtel Nigeria Limited, MTN Nigeria and Globacom. This is due to the size and spread of the network of the selected companies and availability of data. Therefore a scale of 1 to 5 for compliance was developed and mandatory information disclosure, where by 5 is assigned where there is full compliance and 1 for non-compliance. The qualitative grading system and multivariate regression model were used for the purpose of data analysis as reflected in Table 1 below.

Table-1: Grading System for the Measurement of Compliance level in Percentage

S/NO	Scale	Percentage Score (%)	Remarks/ Decision rule
1	1	01----20	Non-Compliance
2	2	21----40	Sketching Compliance
3	3	41----60	Fair Compliance
4	4	61----80	Partial Compliance
5	5	81---100	Full Compliance

Source: Adapted from Adamu (2015)

The multivariate regression is specified by the model.
CW CAMA= f (ACPLD, BSL, AUDREP, DIRREP) ------------- (1) CW CAMA = β0 + β1itACPLD + β2it BSL + β3itAUDREP+ β4itDIRREP+ εit Where; ACPLD= Accounting Policies, BSL= Balance sheet and P&L, AUDREP= Auditor's report, DIRREP= Director's report, εit = Error term., β_0 = Regression Intercept, = $\beta_{1;}\, \beta_2$ parameters to be estimated, A Priori expectation; $\beta_1 > 0$ - implying that ACPLD is influenced by CW CAMA, $\beta_2 > 0$ - implying that BSL is influenced by CW CAMA, $\beta_{3;} > 0$- implying that AUDREP is influenced by CW CAMA, $\beta_4 > 0$- implying that DIRREP is influenced by CW CAMA, Where; $\beta_{1;}\, \beta_2$ $\beta_{3;}\, \beta_4 > 0$

RESULT AND DISCUSSION

Table-4.1: The level of Compliance with CAMA

Year	Airtel	MTN	Glo	Mean Compliance Index
2004	80	70	60	70
2005	60	70	60	63.3
2006	80	90	60	76.7
2007	90	90	60	80
2008	80	70	60	70
2009	80	90	80	83.3
2010	60	80	60	66.7
2011	70	80	80	76.7
2012	90	90	80	83.3
2013	80	90	90	83.3
2014	80	60	90	76.7
2015	90	60	70	73.3
Mean Compliance Index	77	78.3	69	75.6
Max	90	90	90	
Min	60	60	60	
Std.Dev.	10.59	9.19	11.97	
Rank	2nd	1st	3rd	
Remark	Partially Complied	Partially Complied	Partially Complied	

Source: Computed from Annual Report and Account of the three selected Telecommunication companies (2004-2015)

Table 4.1 shows the level of compliance with CAMA Computed from Annual Report and Account of the three selected Telecommunication companies (2004-2015). The table shows that MTN is the first in compliance with CAMA; it had a mean compliance index of 78.3 percent, a maximum of 90 percent, and a minimum of 60 percent and a standard deviation of 9.19 (implying that there was a slight variation in the level of compliance with CAMA). MTN Level of compliance is at partial complied category during the period of the study. This is followed by Airtel which is second in compliance with relevant provisions of CAMA; it had a mean compliance index of 77 percent. With a maximum of 90 percent, a minimum of 60 percent and a standard deviation of 10.59 percent, there is evidence that Airtel is partially comply with the provisions of CAMA. Consequently, Glo came third in compliance with the provision of CAMA; It had it mean compliance index of 69 percent is under the partial compliance category, maximum of 90 percent, minimum of 60 percent and a standard deviation of 11.97.

On the overall average level of compliance with the selected telecommunication companies is 75.6 percent i.e., partial compliance category.

Multivariate Analysis

Table-4.2: Summary of Regression Result

CWCAM	COEF	STD.ERR	T	P-VALUE
ACCPOL	0.5656	0.1609	3.5200	0.0010***
DIREEP	-0.2291	0.1563	-1.4700	0.1510
AUDREP	-0.2411	0.1423	-1.6900	0.0990*
BSPL	0.3459	0.1637	2.1100	0.0420**
CONS	6.3899	0.8269	7.7300	0.0000
Num of obs				36
F(4, 35)				6.5700
Prob>F				0.0005
R-squared				0.4288
Adj R-squared				0.3635
Root MSE				1.0565

Key: ***significant at 1%, **significant at 5% and *significant at 10%; Coefficients and figures in apprentices are T-values. Source; Stata Output

Table 4.2 shows the summary multiple regression results between the dependent variable total compliance with CAMA and independent variables, Accounting policy, Balance sheet & P & L, Auditors report and Directors report. The model summary shows the cumulative R2 (0.4288) which is the multiple coefficient determination gives the proportion of the total variation in the dependent variable explained the independent variables jointly. Therefore the combined relationship at 43 percent indicated a strong relationship between the variables. Therefore, independent variables could explain about 57 percent in the variation in the dependent which could not be explained by other factors not captured in the study. An adjusted R2 of 0.3635 indicates that 36 percent of the variation in compliance with CAMA can be explained by variability in Accounting policy, Balance sheet & P & L, Auditors report and Directors report. However, other factors account for the remaining 64 percent. It indicated that the model was fit and the explanatory variable were properly selected, combined and used as significant value of the reporting quality is accounted for by the explanatory variables.

The F-Statistics of 6.57 and corresponding significant (probability) value of 0.005 shows that the independent variable jointly explains or influences the dependent variables. The coefficient of the individual variables shows that ACCPOL has a coefficient value of (0.5656) and t-value of 3.52 while P-value of 0.0010 which is significant at 1%. From the coefficient value (0.5656), it can deduced that Accounting Policy and compliance with CAMA of Listed Telecommunication Communication in Nigeria are positively related which implies that for every 1unit increase in the accounting policy of listed Telecommunication Communication the compliance with CAMA will increase by 57units. This implies that the larger Accounting Policy of listed telecommunication companies the higher their compliance will be. The present study therefore is consistent with the findings in Al-Jabri and Hussain [36] and Iatridis [41], and is inconsistent with the finding of Malgorzaata [42].

The table revealed that (DIRREP) has a coefficient value of – 0.2291 and t- value of -1.4700 while P- value of 0.1510 which is insignificant. The negative value of the coefficient (-0.2291) signifies that DIRREP and compliance with CAMA of listed telecommunication companies are negatively related which implies that for -.2 units increase in Directors report, the compliance with CAMA of listed Telecommunication companies in Nigeria will decrease by .23 units.. These findings corroborate with Baysinger [43]. However it was inconsistence with Al-Mutawa and Hewaidy [44].

Table 4.2 shows that (AUDREP) has a coefficient value of -0.2411 and t- value of – 1.6900 while P- value of 0.0990 which is significant at 10% Level of compliance. From the coefficient value (-0.2411), it can deduced that Auditors report and compliance with CAMA of listed telecommunication companies in Nigeria are negatively related which implies that for every - .24 units increase in Auditors report of listed telecommunication companies, the level of compliance with CAMA will decrease by - 1.69 units.. This finding is consistence with Augustine, Mgbame, Odeyile and Kuegbe [45].

Table 4.2 shows that (BSPL) has a coefficient value of 0.3459 and t- value of 2.1100 while P- value of 0.0420 which is significant at 5% Level of significance. The coefficient value 0.3459 signifies that Balance sheet and profit and loss on compliance with CAMA of listed telecommunication companies in Nigeria are related meaning that whenever the Balance sheet and profit and loss the telecommunication companies' increase by .35 units, compliance with CAMA of listed telecommunication companies will also increase by 2.11 units. The finding is consistence with Baysinger [43], all the hypotheses are supported

DISCUSSION OF FINDINGS AND IMPLICATION

The findings of the multiple regression results show that Telecommunication Companies in Nigeria partially complied with the legal requirement of the laws of the country by sufficiently to have partial disclosed the required information. Salisu [46] suggested that the responsibility of setting- up regulatory agencies by the government to issue and ensure compliance with standards and guidelines rest on the affected companies. However, if the regulatory agencies issue laws and guidelines which should ensure quality financial reporting but failed to monitor and enforce compliance then regulatory agencies is ineffective and does not justify its existence. By implication, compliance by Nigeria telecommunication companies and similar enterprises in general with legal requirement may have far reaching effect on the position of compliance with laws of the country. The inadequate protection of investors may affect their confidence in the financial system which will eventually affect the growth of the capital market and economy in general. Furthermore, the study reveals that accounting policy has significant impact at 1%. This shows positive compliance by the Telecommunication Communication companies which concurred with the study of Iatridis [41]. The findings reveal that Directors report (DIRREP) has insignificant impact on compliance. This shows that Directors report has no serious effect on CAMA. This is contrary to the findings of Baysinger [43]. The study shows that Auditor's report (AUDREP) is significant at 10% Level of compliance. This shows that there is weak compliance with CAMA of listed telecommunication companies in Nigeria which concurred with the study of Augustine, Mgbame, Odeyile and Kuegbe [45]. The findings reveal that Balance sheet and profit and loss (BSPL) is significant at 5% on the level of compliance with CAMA. This shows that there is significant level of compliance by telecommunication companies in Nigeria. This concurred with the findings of Akira [47], Wallace [3],

CONCLUSION AND RECOMMENDATION

It is concluded that the level of compliance with existing regulation required was partial which showed some internal weaknesses and consequent distress on the operations of the telecommunication companies in Nigeria. To this effect, there is a clarion call for the enforcement of full compliance by all the Telecommunication companies in Nigeria. It is therefore recommended that NCC should monitor the compliance with the requirements of information disclosure and pursue its objective to achieve best corporate governance practices in Nigerian telecommunication companies.

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