THE RELATIONSHIP BETWEEN FINANCIAL REPORTING TIMELINESS AND ATTRIBUTES OF COMPANIES LISTED ON EGYPTIAN STOCK EXCHANGE "AN EMPIRICAL STUDY"

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Abstract:

This study empirically investigates the relationship between industry type, company size, gearing, leverage, earnings quality, earnings management, electronic disclosure, and timeliness of corporate financial reporting of companies listed on Egyptian stock exchange during the period from 1998 to 2007.

The results indicate that industry type influences on the timeliness of corporate financial reporting, also show that the larger firms tend to take less timeliness than smaller firms to publish their annual financial reporting.

The study finds that highly Long-term debt/ equity ratio firms take a significantly longer timeliness than less long-term debt equity ratio firms to prepare and publish their annual financial reporting. It also finds that increasing the rate of return on owner equity for rate of return on investment capital firms take a significantly shorter than timeliness from decreasing rate of return on owner equity for rate of return on investment capital firms to prepare and publish their annual financial reporting .

The results also showing the higher quality of earnings firms tend to take less timeliness than quality of earnings firms to publish their annual financial reporting. It also finds that highly earnings management firms take a significantly shorter timeliness than less earnings management firms to prepare and publish their annual financial reporting .These results are important determinant of the relevance timeliness of Egyptian publicly listed financial reporting

Keywords: Timeliness of annual financial reporting, Earnings quality, Earnings management, Egyptian accounting standards

JEL Classification: G30, M41

1. Introduction:

Despite the increasing importance of financial reporting timeliness by study the factors affected in the timeliness of corporate financial reporting in its application in the advanced industrial countries and developing countries, but there was no test study on the factors affecting the timeliness of corporate financial reporting in Egypt.

Therefore, this study aims to determine the factors affecting the timeliness of annual financial reporting for companies listed on Egyptian stock exchange during the timeliness of 1998 to 2007, and investigate the relation between the timeliness and the next variables:

- Industry type
- Company size
- Company Gearing
- Company leverage
- Electronic disclosure
- Earnings quality
- Earnings management

The researcher has chosen a sample that consists of 83 from companies that are listed at the Egyptian stock exchange during period from 1998 to 2007 and it belongs to a various economic sectors , as well as it depends upon the method of descriptive statistics and multiple linear regression analysis .

The importance of this study is providing empirical evidence about the effective factors of the timeliness. Consequently the Public Authority of capital market, stock exchange market management and the Egyptian association for auditors and accountants can utilize from its results to provide the suitable timeliness in the accounting information of the Egyptian companies listed and expecting the delaying of announcing about the financial reporting of companies listed in the Egyptian stock exchange.

2. Background and Research hypothesis:-

2.1. Industry type:-

The accounting practices are different in the companies according to the difference of the industry type, and this the difference of the operational process, and the risks degree , these practices are different also in the supervision and controlling processes, such as the Banks in Egypt must be observation of the commitment with the Banks law requires No. (88) of 2003 and this may motivate the Banks to disclosure their financial reporting quickly for met the controlling requires and sending reassuring to the depositors, and so that this study and live the study of Davies and whetted (1980) will test the following hypothesis of the stock companies in Egypt.

H.1: There isn't significant relation between the industry type and the timeliness of corporate financial reporting

This hypothesis will be tested through comparison the timeliness about the corporate financial reporting that work in the financial services (banks, insurance, companies, and the securities companies)and the companies that work in other fields (industrial, service, real-estate and agriculturally)

2.2 .Company size:-

There are two contraries opinions about the relation between the company volume and timeliness of the financial reporting , since frost and panel(1994) referred to the first opinion is that the big companies stand for the delaying of financial reporting and because they need along timeliness, and this returns to the increasing of the accounting processes and the big volume of the financial information, the second opinion see that the big companies take shorter timeliness after the end financial year to corporate their financial reporting compared with the small companies, because the big companies have the options represented in the providing of the enough numbers of accountants and the accounting information systems mechanization that helps in the preparing speed of their financial reporting , in addition to the that when the company volume increase, the investors number increase, and so that the delaying of these companies in their financial reporting corporate is illustrated that these companies disclosure about their financial reporting more quick compared with the small companies (El Gabr 2006), so that the current study will test the following hypothesis of the stock companies in Egypt.

H.2: There is no relation between the company volume and the timeliness of the corporate financial reporting.

Since this relation will be tested by the measurement of the company volume by natural log for the total assets in the end financial year.

2.3. Company Gearing

The study of Owusu and Ansah 2000 showed that there are two contraries opinions about relation between the Gearing and timeliness of corporate financial reporting , since the first refer to that the increasing of the company debt stands for increasing the pressures that the loaners and the practice on the company for the financial reporting more quickly to evaluate the company performance and the determination of the commitment level with the indebtedness contracts requires and taking the necessary corrective decisions.

The second opinion of Carslaw and Kaplan (1991) refer to that the increase of the company debt because of the long timeliness which the audits tale it in the check of the debt sides, so that the current study will test the following hypothesis.

H.3: There is no significant relation between the Gearing of the company and the timeliness of corporate financial reporting.

This relation will be tested by the company depot measuring based on the debts to investment capital ratio.

2.4. The leverage:-

The leverage refers to that the company depends on the debts in financing invested capital and the researcher thinks that the companies that achieve the positives of leverage (the rate of return on owners equity is more bigger than the rate of return on the investment capital) because the operational profits rate is bigger than the interest rate aspire to reach this information to the securities market and this stands for the increasing of the stock prices.

The companies that achieve negative of leverage (the rate of return on owners equity is more less than the rate of return on the investment capital) because of increase the cost of debt is more bigger than the operational profits rate, aspires to delaying of disclosure about this financial information to not affect on the stock prices, so that current study will test the following hypothesis of the stock companies in Egypt.

H.4: There is no significant relation between the leverage and the timeliness of corporate financial reporting.

This hypothesis will be tested through comparison of timeliness for companies that achieve the positives of leverage with the companies that suffer form the negatives of the leverage.

2.5. Earnings quality:-

The timeliness of financial reporting is an important indicator for determine stock prices, one of the most important financial information is the earnings quality (leventieSS.2004, PP. 43:56,) since the timeliness of the financial information is important to reduce depending on the Rumors, When the different economic decision are taken (AASah,2000, PP.241-254), and the study of relation between net operating cash flows and operating income is the essential determinants to govern on the earnings quality, because the determination of the difference amount between than clear the cash ability of firm earnings and the financing required for it (Younes: 1996).

And the researcher thinks that the companies which have goal news about the earnings quality aspires to reach it to the securities market compared with the companies which have negative news about the earnings quality aspires to delaying of financial information disclosure to net affect on the stock price, so that the current study will test the following hypothesis of the stock companies in Egypt.

H.5: There is no significant relation between the Earnings quality and the timeliness of corporate financial reporting.

This relation will be tested by the measure of the operating cash flows to net profit acceptable to contribute, since this sing reflex the ability of company income to generate the cash flows form operational activities.

2.6. Earnings management:-

The earnings management is considered accounting problems that causes the worry of the supervision and controlling Actors on the financial markets, because of its direct effect on the spread profits quality, as following it's effect on the securities market efficiency because it represents the inter face of the management in the financial report through the accounting adjustments, according to the accrual base for the report about the accounting profit disagrees with the financial performance and compatible with the targets (Sylvia and sire gar 2008, PP,1027) and the company managers aims to its earnings management to great their self benefit (when the Bonus plans related with the Earnings management) or avoiding of the debt contracts or taking tax decisions or avoiding the political costs.

The researcher thinks that the companies which following the earnings management models, to be able to achieve the earnings management, so that the current study will test the following hypothesis for the stock companies in Egypt.

H.6: There is no significant relation between the earnings management and the timeliness of corporate financial reporting.

This relation will be tested the measure of the earnings management by using of Eigel indicator. (Ashari, et al 1994)

2.7. Electronic disclosure:-

Study of AshBaugh, et. Al, (1999) search using of a sampling from 290 American companies In different sections for the electronic report on the "internet", the study showed that 70% from the sampling companies use the electronic financial report with existing Marked contrast these companies about related with the exhibited contents quality, since some companies exhibited detailed, accounting data and information annual and monthly, while other companies exhibited information passed on it 2 years or more. The study includes the difference search between the accounting variables used and it showed that there are significant difference related to the assets size and the rate on assets and these that distinguishes with the high quality in the traditional disclosure.

In Egypt, (Tawfik, 2001) searched the electronic disclosure on Egyptian Banks in 2000, and this through it's identifying and A description of how the employed Bank section unit in Egypt by using this contribution to spread and disclosure about their information electronically.

The research study this through empirical study for the characteristics of this sector for this modern contribution, then A description of how the need of financial side organization form these practices through the accounting standards, so that the current study will test the following hypothesis for the stock companies in Egypt.

H.7: There is no significant relation between electronic disclosure and the timeliness of corporate financial reporting.

This hypothesis will be tested by companies on the disclosure timeliness about the financial reporting of the companies which have site on the information wide to spread their financial reporting and the companies which don't have a site and don't make the electronic report.

3. Empirical Analysis and Results

3.1. Study variables and model:-

The relation between timeliness of corporate financial reporting and the company's Attributes represented on the company size, Gearing, Leverage, earnings quality and the electronic disclosure by using the following Regression analysis model

Delaying period = a + B1 Industry type+ B2 Company size + B3 Gearing + B4 leverage + B5 Earnings quality + B6 Earnings management + B7 Electronic disclosure ε

Since:-

Delaying period: - Is measured by the number of days between the end of fiscal year and publishing of the financial reporting.

Company size: - It measured by the natural Log for the total assets in the end of fiscal year.

Gearing: - Is measured by debts to investment capital ratio in the end of fiscal year.

Leverage: - Identifying the positives and negatives of leverage by comparison rate of return on stockholder equity with rate of return on the investment capital, and this variable is measured by using a Dumpy variable, since this variable takes zero in the case of the leverage negatives and one in the case of the leverage positives.

Earnings quality: - Is measured by net operating cash flows to net income ratio.

Earnings management: - Using the Eigel indicator to earnings management, the company is considered from the companies which use the earnings management if the indicator is less that or equal one, if the indicator is more than one, the company don't use the earnings management.

Electronic disclosure: - Is measured by using a dummy variable, since this variable take zero in non-electronic disclosure case and one in the case of the electronic disclosure.

B1: B7 are constants of the mathematical relationship of the imposed variable.

3.2. Study sampling and community:-

The study community represent in the listed companies in the securities market in Egypt through the timeliness from 1998. To 2007, this timeliness causers the application of the Egyptian accounting standards approved by the minstrel decision no. (503)of 1997 and it's modifications and its replacement by the news accounting standards by the decision No.(243) of 2006, in addition to the international principals application for the corporate governance and there is a study sampling is selected by depending on the following standards:-

1. The providing of the annual financial reporting.
2. The providing of the dates of the annual financial reporting.
3. The application of the international corporate governance principals with ratio 50% at least.
4. The absence of taking decisions from the securities market management by stopping the dealing on the companies stocks through the study period.

And the companies which didn't complete their financial reporting during the study period, have been excluded, including the listed companies recently in Cairo and Alex. Stock exchange.

The information of financial reporting of companies Is determined by the following dates:-

1. The date of sending copy of the annual audited financial reporting to the disclosures management in the stock exchange.
2. The date of sending a copy of the annual audited financial reporting to the tax authorities.
3. The date of the public association meeting of the contributors to discuss the annual audited financial reporting.
4. The date of publishing annual audited financial reporting on journalizes
5. The date of spreading the audited financial reporting on the international information wide.

And in the case of no possibility of Accessing the date of the financial reporting, it is used the date of the audit report that printed on the financial reporting to determine the timeliness of the financial reporting as came in the study of Abdulla, 1996.

It is resulted, by the application of the previous standards; a sampling of 83 companies contributed on the different economic section, like the most important the financial section as Banks, insurance companies and the securities companies, the Non-financial section like the industrial, service, real estate and agricultural companies and table (1) schedule showed the data of the test study sampling.

Table (1)
Sample characteristics of the companies

variable		**Number**	**%**
type	Banks	120	14.5
	Insurance companies	30	3.6
	Financial service companies	70	8.4
		220	26.5
	The industrial companies	280	*33.7*
	Real estate companies	100	*12*
	Services companies	170	*20.5*
	Agricultural companies	60	*7.8*
		610	*73.5*
	total	830	100
Electronic Disclosure (ED)	Electronic disclosures	256	30.9
	Non- Electronic disclosures	574	69.1
	total	830	100
Leverage	Positives of leverage	670	80.7
	Relative of leverage	160	19.3
	total	830	100

Source:- The disclosure management, Cairo stock exchange 2007.

3.3. Methodology:-

To achieve the research goals and test of its hypothesis, the researcher made the fallowing:-

1. The researcher gat the dates of the financial reporting corporate. By the disclosure management in the stock exchange, and the public association site of the financial market in Egypt, and the information centre site and support of the decision of the ministry assembly dates is made in the number of daily news papers, and it is measured the variable of the disclosure timeliness of the companies which are the study sampling by the following equation:-

The disclosure timeliness (by days) = the date of publishing financial reporting – the date of ending financial year

2. The Assets , the stock holder's equity, long term liabilities, capital investment, the net operating cash flows, net income and Revenues of the companies from their annual financial reporting through the timeliness from 1999 to 2007 and enter this data to the computer as a variables, than the financial relations and ratios are entered to the computer to took over the computer account, and addition of the following accounted variables the rate of investment capital ,the rate of return on stock holder's Equity and earnings management factor and net operating cash flows and the natural log of the assets.

3. Using the internet tools through to Egypt all sites of the companies in the securities market which are used electronic disclosure.

4. It is entered to the computer, the accounted, volume for the Delay variables, (variable of type equal one for the financial sector and equal zero for non- financial sector), and electronic disclosure variable (ED) equal one for the electronic report and zero in the absence of electronic report.

5. Using the computer program (SPSS). In the account of the description statistics and the account of the correlation factor between the study variables of the delay period, company type, company size, gearing, leverage, earnings quality and electronic report.

3.4. Results of study and testing of hypotheses:-

3.4.1. The relation between industry type and the timeliness of corporate the financial reporting:

The timeliness of corporate the financial reporting according to the type of the industry for the companies sampling of study during the period from 1998 to 2007 as the following:

1- The financial sector companies is quicker in publishing its financial reporting about the non financial sector companies as the mean of the delaying period financial sector companies reaches 68.9 days during the period of the study, whereas the mean reaches 108.4 days in the non financial sector companies during the same period.

2- In financial sector, financial services companies is quicker in publishing its financial reporting as the mean of the delaying period for it reaches 57 days ,but the mean for banks reaches 72 days and 74 days in insurance companies during the same period.

3- In non financial sector, services companies is quicker in publishing its financial reporting as the mean of the delaying period for it reaches 78 days ,but the mean for industrial companies reaches 88 days and 95 days in Real estate companies during the same period.

In order to test the firstly hypothesis that is related to the effect of industry type on the timeliness, an analysis of one-way ANOVA discrepancy is performed by using Test (F) on a significant level that is less than 5% as in the following table:

Table (2)

Results of testing the effect of industry type on the timeliness

Sector	Number of observations	Mean	S.D	Test (F)	
				F value	Sig.
Financial sector	220	68.9	33.7	8.36	000
Non - financial sector	610	108.4	38.9		

Table (2) shows that (F) that calculated is greater than (F) that scheduled, this means refusal of the hypothesis that are equivalent average to the two groups that shows the non-existence of an significant differences between the average of the timeliness of corporate the financial reporting between the companies of financial sector and the companies that are affiliated to the non financial sector, consequently refusing the firstly hypothesis, this mean that there is an effect of industry type on the timeliness of Corporate financial reporting of the companies listed at the Egyptian stock exchange during the period from 1998 to 2007.

3.4.2. The relation between the company size and the timeliness of corporate financial reporting:

Table (4) shows the timeliness of corporate financial reporting according to of the company size on study sampling during the period from 1998 to 2007.

Table (3)
Descriptive Statistics for company size on the timeliness

	Large -size companies	Small-size companies	total
No. of observations	142	688	830
S.D	72	106	98
maximum	42	38	39
minimum	85	112	109
	65	87	84

Table(3) shows that the big-size companies is faster in publishing their repots than small-size companies , as the mean delaying period in the Large -size companies reaches 72 days, whereas this mean reaches 106 days in Small-size companies during the same period.

In order to test the second hypothesis that is related to the effect of the company size on the timeliness of corporate financial reporting, an analysis of one-way ANOVA discrepancy is performed by using Test (F) on a significant level that is less than 5% as in the following table:

Table (4)
Results of testing the effect of company size on the timeliness

Sample size	No. of observations	Mean	S.D	Test (F)	
				F value	Sig.
Big-size companies	142	72	42	12.5	000
small-size companies	688	106	38		

Table (4) shows that (F) that calculated is bigger than (F) that scheduled, this means the refusal of the hypothesis of arithmetic averages of the two group that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate financial reporting between big-size companies and small-size companies. Consequently, the refusal of the second hypothesis and this means the existence of an effect of company size on the timeliness of corporate financial reporting for companies listed in Egyptian stock exchange within period from 1998 to 2007.

3.4.3. The relation between gearing and the timeliness of corporate financial reporting:

Table (5) shows that the effect of gearing on the timeliness of corporate financial reporting of company sampling of this study during the period from 1998 to 2007.

Table (5)

Descriptive Statistics for company gearing

	Companies depend on debit	Companied depend equity	total
No. of observation	230	600	830
Mean	122	105	114
S.D	63.9	42.5	38
maximum	158	142	125
minimum	98	85	87

Table (5 shows that the companies that depend upon owner equity in financing investment capital is quicker in publishing financial reporting about the companies that depend upon debit in financing investment capital as the mean of delaying period of financial reporting in the companies that depend upon debit reaches 122 days, whereas the mean reaches 108.4 days in the companies that depend upon the owner equity during the same period.

In order to test the third hypothesis that is related to the effect of gearing on the timeliness of corporate financial reporting, an analysis of the one – way ANOVA is conducted by using test (F) on a significant level that is less than 5% as in the following table:

Table (6)

The results of testing the effect of gearing on the timeliness

Sample size	Number of observations	Mean	S.D	Test (F)	
				F value	Sig.
Companies depend on debit	230	122	36.9	7.65	000
Companies depend on Equity	600	105	42.5		

Table (6) shows that (F) that calculated is bigger that (F) that scheduled, this means the refusal of the hypothesis of arithmetic means of the two group that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate financial reporting between the companies that depend upon the owner equity less than depending upon debit, Consequently, the refusal of the fourth hypothesis and this means the existence of an effect of debit on the timeliness of corporate the financial reporting of companies listed in the Egyptian stock exchange within the period from 1998 to 2007.

3.4.4 The relation between the leverage and the timeliness of corporate financial reporting:

Table (7) shows the effect of the positives or negatives of leverage in the timeliness of corporate financial reporting of companies sampling of study during the period from 1998 to 2007.

Table (7)
Descriptive Statistics for company leverage

	leverage Positives	leverage Negatives	total
No. of observation	589	241	830
Mean	78	116	96
S.D	36.5	48.5	40.5
maximum	105	165	116
minimum	65	98	82

Table (7) shows that the companies that achieve positives of leverage is quicker in publishing financial reporting than the companies that suffer the negatives of the leverage as the mean of delaying period about the financial reporting in the companies that achieve the positive the leverage reaches 78 days, whereas this mean reaches 116 days in the companies that suffer the negatives of the leverage during the same period.

To test the fourth hypothesis that is related to the effect of the positives or negatives of the leverage on the timeliness of corporate financial reporting, an analysis of one-way ANOVA is conducted by using test (F) in significant level that is less than 5% as in the following table:

Table (8)
The results of testing the effect of the leverage on the timeliness

	No. of observations	Mean	S.D	Test (F)	
				F value 6.58	Sig. 000
leverage Positives	589	87	36.5		
leverage Negatives	241	116	48.5		

Table (8) shows that (F) that calculated if bigger than (F) that scheduled, this means the refusal of the hypothesis of arithmetic means of the two group that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate the financial reporting between the companies that achieves the positives of the leverage and the companies that suffer the negatives of the leverage, Consequently, the refusal of the fifth hypothesis and this means the existence of an effect of leverage on the timeliness of corporate the financial reporting companies listed in Egyptian stock exchange within the period from 1998 to 2007.

3.4.5 The relation between Earnings quality and the timeliness of corporate financial reporting:

Table (9) shows the effect of the Earnings quality on the timeliness of corporate the financial reporting by depending upon the ratio of the net operating cash flows to net operating income for the companies sampling of the study during the period from 1998 to 2007.

Table (9)
Descriptive Statistics for Earnings quality

	Bad news about earnings	**Bad news about earnings**	**total**
No. of observation	**256**	**574**	**830**
Mean	**140**	**65**	**106**
S.D	**58.6**	**35.6**	**39.8**
maximum	**178**	**104**	**165**
minimum	**102**	**58**	**88**

Table (9) shows that the companies that have good news about earnings is quicker in publishing financial reporting than the companies that have the bad news about the earnings quality as the mean of disclosure about financial reporting in the companies that have an information about the quality of earnings reaches 65 days during the period of study, whereas the mean reaches 140 days in the companies that have bad information about quality of earnings during the same period.

To test the fifth hypothesis that is related to the effect of the quality of earnings on the timeliness of corporate financial reporting, an analysis of one – way ANOVA is conducted by using Test (F) on a significant level as in the following table:

Table (10)
Results of testing the effect of Earnings quality on the timeliness

Earnings quality	**No. of observations**	**Mean**	**S.D**	**Test (F)**	
				F value	**Sig.**
Bad news about earnings quality	**256**	**140**	**58.6**	**12.8**	**000**
Good news about earnings quality	**574**	**65**	**35.6**		

Table (10) shows that (F) that calculated is bigger than (F) that scheduled, this means the refusal of the hypothesis of arithmetic means of the two group that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate the financial reporting between the companies that have good news about the earnings ability in generating the operating cash flows and the companies that have bad news about the earnings ability in generating the monetary operating flows, Consequently, the refusal of the sixth hypothesis and this means the existence of an effect of earnings quality on the timeliness of corporate financial reporting of companies listed in Egyptian stock exchange within the period from 1998 to 2007.

3.4.6. The relation between the Earnings management and the timeliness of corporate financial reporting:

Table (11) shows the effect of Earnings management on the timeliness of corporate financial reporting according to Earnings management factor for the companies sampling of this study during the period from 1998 to 2007.

Table (11)
Descriptive Statistics for Earnings management

	Earnings management	Non-Earnings management	total
No. of observation	**314**	**516**	**830**
Mean	**111**	**96**	**99**
S.D	**35**	**45.6**	**42.5**
maximum	**176**	**108**	**112**
minimum	**96**	**59**	**78**

Table (11) shows that the companies that follow the methods of profits management is quicker in announcing its financial reporting about the companies that do not perform the process of Earnings management, as the mean of timeliness financial reporting in the financial sector reaches 67.9 days, whereas the mean reaches 108.4 days in the non-financial sector during the same period.

To test sixth hypothesis by the effect of earnings management on the timeliness of corporate financial reporting, an analysis of one-way ANOVA is conducted by using test (F) on a significant level that is less than 5% as in the following table:

Table (12)
Results of testing the effect of Earnings management on timeliness

	No. of observations	Mean	S.D	Test (F)	
				F value	Sig.
Companies perform the process of Earnings management	**314**	**111**	**53**	**10.82**	**000**
Companies do not of Earnings management	**516**	**96**	**45.6**		

Table (12) shows that (F) that calculated is bigger than (F) that scheduled, this means the refusal of the hypothesis of arithmetic means of the two group that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate financial reporting between the companies that perform the earnings management and the companies that do not perform the earnings management, Consequently, the refusal of the seventh hypothesis and this means the existence of an effect of earnings management on the timeliness of corporate the financial reporting of companies listed in Egyptian stock exchange within the period from 1998 to 2007.

3.4.7. The relation between electronic disclosure and the timeliness of corporate financial reporting:

Table (13) shows the effect of electronic disclosure on the timeliness of corporate financial reporting of companies sampling of this study during the period from 1998 to 2007.

Table (13)

Descriptive Statistics for Earnings management

	Electronic disclosure	Non-electronic disclosure	total
No. of observation	256	574	830
Mean	75	82	80
S.D	32	38	36.7
maximum	111	119	114
minimum	62	70	75

Table (13) shows that the companies that performs electronic disclosure, have issued its financial reporting quicker than the companies that do not perform the electronic financial disclosure as the mean of the timeliness of announcing the financial reporting in the case of the electronic disclosure reaches 75days during the timeliness of the study, whereas the mean reaches 82days in the case of the non disclosure during the same period.

To test the seventh hypothesis that is related to the effect of the electronic disclosure on the timeliness of corporate financial reporting, an analysis of One-Way ANOVA is conducted by using test (F) on a significant level that is less than 5% as in the following table:

Table (14)

Results of testing the effect of the electronic disclosure on the timeliness

	Number of observations	Mean	S.D	Test (F)	
				F value	Sig.
electronic disclosure	256	75	32	9.14	000
Non- electronic disclosure	574	82	38		

Table (14) shows that (F) that calculated is less than (F) that scheduled, this means the acceptance of the hypothesis of the equivalence of the means of the timeliness of announcing the two groups that shows the non-existence of significant discrepancies between the mean of the timeliness of corporate the financial reporting between the companies that perform the electronic disclosure and the companies that do not perform the electronic disclosure, Consequently, accepting the eighth hypothesis and this means the non-existence of an effect of electronic disclosure on the timeliness of corporate financial reporting of companies listed in Egyptian stock exchange within the timeliness from 1998 to 2007. This is due to the fact that the legal requirements to publish the financial reporting and it are not affected by presenting the service of electronic disclosure at least till the date of completing the research.

4. Multiple regressions analysis:

To identify the type of relation between the factors that affect on the timeliness of corporate financial reporting and the mean of disclosure period, spearman's correlation coefficient on the significant level is calculated and it reaches 5% concerning the relation between the variables of the study for the total of the study subjects, it shows the following:

1- There is a reversal relation between the timeliness of corporate financial reporting and the level of governance, the size of the company, and the existence of profits, earnings management and the positives of the leverage. This shows the decrease in the timeliness of corporate the financial reporting of the companies that have higher governance level and the biggest companies and the companies that achieve the positives of the leverage, the companies in which there is an increase in the ratio of net operating cash flows / net income and the companies that perform the electronic disclosure.

2- The existence of direct correlation between the timeliness of corporate financial reporting and the negatives of leverage, earnings management, number of observations on audit report.

This points out to the increase in the timeliness of corporate financial reporting for the companies that suffer from the negatives of the leverage and the companies that have auditing reporting with observations

The model of multiple linear regression prospects the possibility of delaying the issuance of financial reporting as the following:

Delaying Period = a + β1 Industry type + β2 Company size + β2 Gearing + β4 Leverage + β5 Earnings Quality +β6 Earnings management + β7electronic disclosure + ε

Table (15) shows the results of applying this equation considering the variable of the timeliness of corporate the financial reporting as the variable that is affiliated as function in the group of illustrated variables:

Table (15)
The estimators and the significance of multiple linear regression of the timeliness of corporate financial reporting

Variables	Beta	T value	P value
Constant	78.35	8.51	000
Type	-7.09	-3.586	0.572
C size	-3.16	-2.31	0.105
G	-0.17	3.184	0.011
Lev.	-14.8	2.576	0.030
QE	-28.4	0.902	0.391
EM	-0.895	-2.43	0.243
QE	-28.4	0.902	0.391
EM	-0.895	-2.43	0.243
ED	0.0009	1.312	0.222

This table shows the following:

1- The variable factor of industry type is negative. This means that there is a static prove at level 5%. This result coincides with the opinion that indicates that the companies that work in the financial sector corporate the financial reporting faster than the companies that work in the other activities. It also supports the validity of the second hypothesis as there is an effect for the industry type on the timeliness of corporate the financial reporting.

2- The variable factor of company size is negative, it means that there is a static prove at level 5%, this result traces back to the availability of the material and human factors in the big companies. This helps in preparing and publishing its financial reporting. This result supports the validity of the third hypothesis as there is a reversal relation between the company size and the of corporate the financial reporting.

3- The variable factor of the gearing is positive, it means that there is a static prove at level 5%. This result traces back that depending upon loaned capital in financing leads to difficulties in preparing and publishing the financial reporting. This result also supports the validity of the fourth hypothesis as there is a direct relation between the debt and the timeliness of corporate the financial reporting.

4- The variable factor of leverage is negative. It means that there is a static relation at level 5%. This result traces back to the sish of the companies to disclosure the financial information in case of increasing revenue ratio on the properties than the revenue ratio on investment. It also supports the validity of the fifth hypothesis between the positives of the financial leverage and the timeliness of corporate the financial reporting.

5- The variable factor of QE is negative. This means that there is a static prove at level 5%. This result traces back to the wish of the companies to disclosure about its financial information in case of increasing the ratio of total monetary inflows to the total of income. This result supports the validity of the sixth hypothesis because of the existence of reversal relation between the QE and the timeliness of corporate the financial reporting.

6- Variable factor of EM is negative. It means that there is a static prove at level 5%. This traces back to the wish of the companies to disclosure about the financial information in case of making EM before discovering this and achieving the objectives of EM. It also supports the validity of the seventh hypothesis as there is a reversal relation between EM and the timeliness of issuing the financial reporting.

7- Variable factor of ED is positive, but the relation is non significant at level 5%. This means the non-existence of an effect for ED on the timeliness of corporate the financial reporting of the joint stock companies that are listed in the Egyptian market of the securities during the period from 1998 to 2007. this traces back to the fact that the legal requirements of publishing the financial reporting are fixed and are not affected by offering the service of ED at least till the end of completing the search.

According to P-Value, the most significant variables of explanation of the timeliness of corporate the financial reporting is the QE, the governance level, the positives of leverage, the type of AR and the industry type.

5. Conclusion and recommendations:

This study aims to determine the factors that affect the timeliness of corporate annual financial reporting for the companies listed on the Egyptian stock exchange in the period from 1998 to 2007, and this is the period that witnesses applying international principles of the companies governance in the companies listed on the stock exchange of Cairo and Alex, and issuing the Egyptian Accounting standards by the ministerial decision number (243) of 2006 by testing of relationship between the timeliness of corporate financial reporting and the following variables:

- Industry type
- Company size
- Company Gearing
- Company leverage
- Electronic disclosure
- Earnings quality
- Earnings management

The researcher selected a sample formed from 83 companies from the listed companies on Egyptian stock exchange through the period from 1998. to 2007, he depended on the descriptive statistics and multiple linear regression analysis

The search stranded to the following results:-

1. the reduction of the period of announcing the reporting in the companies of the financial sector about the non-financial sector companies, the disclosure period

Average reaches 80 days in 1998 in the first group, and in the same year, it reaches 154 days in 2007 in the first group, while the Average of reduction reaches 79 days in the second group.

2. The big companies are quicker in announcing about their financial reporting than the small companies, the average of the period of announcing about the financial reporting in the financial sector reaches 72 days during the period of the study. While this average reaches 106 days in the non-financial sector during the same period.

3. The companies which depend on the property in financing their investment capital is more quicker in announcing about their financial reporting than the companies which depend on the debt in financing their investment capital, the average of the disclosure period about the financial reporting in the companies which depend on the debt reaches 108.4 days in the companies which depend on the property during the same period.

4. The companies which achieve the leverage positives are quicker in announcing about their financial reporting than the companies which suffer from the leverage positives. The average of the disclosure period about the financial reporting reaches 78 days during the period of the study, while it reaches 116 days in the companies which suffer from the leverage negatives.

5. The companies which have good news about the earnings are quicker in the announcing about their financial reporting than the companies which have bad news about the earnings quality. In the companies which have information about the earnings quality, the average of the disclosure period about their financial reporting reaches 65 days during the period of the study, while this average reaches 140 days in the companies which have bad information about the earnings quality during the same period:

6. The companies which follow the earnings management styles are quicker in announcing about their financial reporting than the companies which don't make the profits management processes. The average of the disclosure period about the financial reporting in the financial sector reaches 68.9 days during the same period. While this average reaches 68.9 during the period of the study, while this average reaches 108.4 days in the non-financial sector during the same period.

7. The companies which have a site on the internet and make the electronic financial disclosures, corporate their financial reporting faster than the companies which don't make the electronic financial disclosure. Thus the average of the disclosure period about the financial reporting in the case of the electronic disclosure reaches 75 days during the period of the study, while this average reaches 82 day in the absence of the electronic disclosure during the same period.

8. There is a reversal relation between the corporate financial reporting period and company size, earnings quality, electronic disclosure and leverage positives. These show the reduction of the financial reporting corporate period for the

companies which have a higher governance level, companies which have a bigger size for the companies which achieve the leverage positives, companies which raise in it the ratio of net operating cash flows to net operating income, and the companies which make the electronic disclosure.

9. there is a relation between timeliness of the financial reporting period and all the leverage negatives, number of the reservations of the accounts audit report and this refers to the raising of the financial reporting corporate period for the companies which suffer from the leverage negatives, the companies which make the profits management processes, and the companies which have Audit reporting and reservations.

10. the most important signification illustrative variables for the financial reporting corporate period are referenced in the earnings quality, governance level, leverage positives, audit report pattern and the industry type according to testing of the signification of the several descending model

From the search results, the researcher recommends with the modification of the Egyptian companies law, to use in the companies listed on Egyptian stock exchange by disclosure about their financial reporting during 3 months from the end of financial year instead of 6 months in order to provide the suitable timeliness, and making many search in this filed depending on other methodology and by using other variables in addition to the study of the relation between timeliness of periodical financial reporting and Egyptian company Characteristics.

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