ISSN 2237-7662, Florianópolis, SC, v. 23, 1-18, e3501, 2024
https://doi.org/10.16930/2237-7662202435012
Available at http://revista.crcsc.org.br

TIMELINESS OF FINANCIAL STATEMENTS FROM THE PERSPECTIVE OF FINANCIAL SLACK IN COMPANIES LISTED ON B3

TOMAZ DA SILVA MELO[1]
Universidade Federal de Santa Catarina
https://orcid.org/0000-0002-8254-5172
tomaz.melo@posgrad.ufsc.br

SULIANI ROVER
Universidade Federal de Santa Catarina
https://orcid.org/0000-0001-8612-2938
sulianirover@gmail.com

ALEX MUSSOI RIBEIRO
Universidade Federal de Santa Catarina
https://orcid.org/0000-0003-3389-9713
professoralexmussoi@gmail.com

PAULO ALEXANDRE DA SILVA PIRES
Universidade Federal de Santa Catarina
https://orcid.org/0000-0002-6202-0037
pires.pauloalexandre@gmail.com

ABSTRACT

The objective of this study is to analyze the effect of financial slack on the timeliness of financial statements in companies listed on B3. Accordingly, the research explores this objective descriptively, analyzing data from the period 2013 to 2023 collected through the Economatica® platform. Panel-categorized data were analyzed using logistic and multiple regressions as methodological tools to support understanding of the observed phenomena, based on a final sample of 199 companies. Differences were observed in means concerning leverage and financial slack, which are components of the financial structure of companies that delay their report publication compared to those that do not. Additionally, through regression models, it is evident that financial slack is significant and negatively affects the delay in publication, indicating that company liquidity is associated with lower risks of delayed reporting. This pattern is also confirmed in the model that studies the publication lag as the dependent variable, reinforcing the argument that more liquid companies experience shorter publication lag periods for their reports. Thus, the research contributes to validating complexity metrics and their role in studying phenomena associated with the timeliness of accounting information, in addition to adding the role of financial slack to the literature.

Keywords: Timeliness. Financial Slack. Financial Statements.

Edited in Portuguese and English. Original version in Portuguese.

Version of the paper presented at the 9th UnB Congress on Accounting and Governance and the 6th UnB Congress on Scientific Initiation - CCGUnBIC, held from November 8 to 10, 2023.

[1] **Correspondence address:** Centro Socioeconômico (CSE) | Campus Universitário Reitor João David Ferreira Lima | Trindade | 88040-900 | Florianópolis/SC | Brazil.

Received on 05/14/2024. **Revised on** 07/31/2024. **Accepted on** 09/03/2024 by Prof. Dr. Rogério João Lunkes (Editor-in-Chief). **Published on** 09/25/2024.

1 INTRODUÇÃO

Corporate reports, including financial statements, aim to provide interested users with useful information to enhance the decision-making process. According to CPC 00 (Pronouncement CPC 00 - R2 - 2019), accounting information must be relevant, faithfully represented, and adhere to comparability and verifiability, as well as being understandable and timely. One aspect of timeliness involves the punctuality of publication, studied by Soltani (2002) and Chiudini et al. (2018), becoming a pertinent element during the assessment of the informational usefulness of financial statements.

The usefulness of accounting information, studied through the prism of qualitative characteristics of enhancement, according to Salgado and Souza (2021), is at risk when preparers fail to prioritize the timeliness of reports across different dimensions. This reality also concerns regulatory bodies such as the Brazilian Securities and Exchange Commission (CVM), which emphasizes in its Annual Circular (2023) guidelines for companies to provide "periodic" disclosure of financial reports, aiming to avoid sanctions and other regulatory measures. These sanctions are outlined in CVM Resolutions No. 44 (2021), 80 (2022), and 81 (2022). Internationally, Watkins (2022) discusses positions of the Securities and Exchange Commission (SEC), highlighting that companies should maintain continuous disclosure schedules for reports to preserve the relevance of accounting information.

The economic value associated with financial reports could be affected if the disclosure timeline extends beyond the expectations of stakeholders, regardless of the corporate or regulatory profile of the entities (Ekienabor & Oluwole, 2018). Economic and financial indicators are used to track researchers' efforts in explaining the phenomenon associated with the publication timeline of financial statements, such as company size and indebtedness, analyzed by Cunha et al. (2015). Timely disclosure of decisions, which leads managers to assess the recognition of losses, establishment of provisions or contingencies, and their possible reversals, contributes to minimizing market failures, especially in the banking sector, as discussed by Acharya and Ryan (2016).

In this context, the present study aims to answer the following question: what is the effect of financial slack on the timeliness of financial statement publication in Brazilian publicly traded companies? To address this research problem, financial reports published by Brazilian companies listed on B3 between 2013 and 2023 are considered. In other words, the research aims to examine the impacts of financial slack measures on the publication timeline of financial statements of Brazilian companies listed on B3.

Therefore, this article becomes relevant for its theoretical contribution aligned with contemporary discourse, whether in regulatory or scientific contexts, regarding the timeliness of financial information. Furthermore, it expands the literature that validates control metrics used by Vivas et al. (2020), Salgado and Souza (2021), and Marques et al. (2023), which are associated with organizational complexity, while exploring the explanatory possibilities that financial slack measures can offer regarding timeliness.

As a practical contribution, the research aims to validate existing tools and stimulate reflections on other useful approaches for decision-making related to company evaluation, especially concerning the timeliness of reports. This contribution is associated with the use of liquidity metrics as variables of interest to understand the publication timeline of financial statements, which enhances the means for company analysis and investment allocation.

2 THEORETICAL FRAMEWORK

2.1 Timeliness of Financial Statements

The history of studies aimed at understanding the phenomenon related to the timing of financial statement publication, based on Lima's thesis (2010), shows movements of adherence by companies to provide improvements in the utility of reports through timeliness, as recommended by CPC 00 (R2). Thus, the importance attributed to financial statements during the economic and financial evaluation process of companies links efficient transaction dynamics to the quality and relevance of financial reports (Kothari, 2001). In this regard, timeliness, based on reflections from the seminal study by Chambers and Penman (1984), contributes to the composite movement of other discretionary corporate positions of managers, such as controlling stock price variation, which aims to enhance the quality of readings by external users of the company.

Al-Ajmi (2008) delves into the study of timeliness by considering certain company characteristics, especially size, due to the complexity in which large companies disclose their reports within shorter timelines compared to other company profiles, influenced by the number of agents pressing for performance in generating results. From another perspective, Son and Crabtree (2011) discussed how earnings reports are received by the interested community, particularly market analysts, especially when disclosed promptly, which enhances positive effects associated with trust and credibility among investors and other market agents. Unerman et al. (2018) conducted a review within the conceptual framework of the IASB (International Accounting Standards Board) and SASB (Sustainability Accounting Standards Board) to identify disclosure mechanisms regarding externalities, and their findings showed that timeliness contributes to qualitative characteristics, alongside informational integrity.

Agency costs are grounded in the prism of informational asymmetry between the organization's controllers (insiders) and minority shareholders (outsiders) (Jensen & Meckling, 1976). In this context, Jayanimitta et al. (2020) argue that the timing of annual corporate report disclosures helps to minimize the effects of informational asymmetry, enabling external agents not involved in the company's institutional control to make decisions with lower risk of error.

Table 1

Operational Control and Sources on Timeliness

Nature	Description	Reference
Conceptual	**Timeliness** means providing information to decision-makers in time for them to be able to influence their decisions. Generally, the older the information, the less useful it is. However, some information can remain timely long after the reporting period has ended because, for example, some users may need to identify and assess trends.	CPC - 00 (R2)
Scientific	**Timeliness** involves providing timely information to stakeholders, with the benefit of timeliness being maximized through dialogue with the economic realities and perspectives of each company. Market allocative efficiency depends on timely information, especially in economically emerging jurisdictions (countries).	Owusu-Ansah & Leventis (2006)
Operational	Article 27. The issuer must deliver the financial statements to the CVM on the date they are made available to the public. § 2. The date referred to in the caput shall not exceed, in the case of	Resolução CVM n.º 80/2022

national issuers, 3 (three) months, or, in the case of foreign issuers, 4 (four) months from the end of the fiscal year.

Source: Compiled by the authors (2024).

In Table 1, scientific and conceptual contributions to understanding timeliness are observed. From a conceptual standpoint, there is justification for enhancing informational utility for the benefit of interested users. In addition, the scientific line discusses the scope of opportunities that timely information can offer to agents across different spheres of interests and needs, reinforcing the utility of timeliness presented by the conceptual framework. Furthermore, there is a regulatory provision directed at companies with shares traded on the São Paulo Stock Exchange (B3), aiming to establish minimum time criteria for the disclosure of reports to society, providing conditions for scrutiny by all interested users.

In addition to the discussion on jurisdictions, national literature identifies scenarios of familial ownership control in a significant portion of publicly traded companies. In these cases, timeliness negatively impacts long-term asset returns (Silva et al., 2016). In the realm of experimental studies, Anderson (2023) considered timely publication of reports as assumptions for the study. Meanwhile, Souza et al. (2023) found that, even amidst operational constraints imposed by the Covid-19 pandemic, companies classified in high governance levels did not delay the publication of their reports.

2.2 Financial Slack

The concept of financial slack encompasses intrinsic elements of the business evaluation process, which are characterized by patrimonial, operational, and strategic elements related to risk management with a focus on company performance. Among these elements, financial slack is seen as the product of the company's operational effort in relation to its present short-term obligations (Nohria & Gulati, 1996). This product is conceptually discussed across various dimensions, which include both short- and long-term characteristics, as well as assets of different natures controlled by the companies. This designation indicates to senior management resources with a high degree of liquidity or realizability, enabling the pursuit of opportunities (Campos & Nakamura, 2015; Beuren et al., 2020).

On the other hand, analyses of company performance consider cash generation and allocation, weighing the role of liquidity ratios in controlling company operations, especially regarding current asset and liability accounts (Santos & Santos, 2020; Scarpel & Milioni, 2001). Financial slack, from the perspective of economic events, is associated with multiple assignments, encompassing control over shareholders' equity security, as well as aiming for operational resilience in economic instability scenarios (John et al., 2016). The authors also highlight that the quality of short-term resources, such as decisions involving their allocation and use, conveys decision-making elements to users, signaling risk management policies, characteristic of the financial structure and governance levels of organizations.

Delving deeper into economic circumstances, it is evident that levels of financial slack can assist companies in early stages of economic recessions, as well as protect managers from disproportionate pressures, delaying stakeholders' actions (Namiki, 2016; Latham & Braun, 2008). Furthermore, Vanacker et al. (2017) discuss the jurisdictional environments in which companies operate, which carry institutional elements that may heighten perceptions of legal uncertainty among shareholders and potential investors regarding companies. In this regard, the analysis of

financial slack quality is not limited to the association derived from the ratio between short-term asset and liability accounts, as it encompasses various external factors affecting the company. These factors pertain to decisions influencing companies' operational efficiency, captured through liquidity, debt, and risk metrics. (Pamplona et al., 2019).

2.3 Similar Studies

Cunha et al. (2015) studied some determinants of the timing of financial report publication, highlighting that debt levels may explain potential deficiencies in the timeliness of annual financial reports. Other non-economic factors may also explain the phenomenon involving report timelines, considering the effort companies make to diversify their boards, especially the board of directors (Dobija et al., 2021).

From another perspective, the timing of financial statement disclosure can be studied considering the loss of reporting deadlines, restatements, and lag in reporting. These observations were used by the authors to understand the quality of earnings reported to the market by companies (Salgado & Souza, 2021). That said, companies reporting lower-quality earnings tend to compromise the reliability of information (Santos et al., 2020). Regarding these findings, it is worth noting that CPC 00 (R2) assigns the role of an "enhancing qualitative characteristic" to timeliness; hence, financial information is only ready for enhancement if prepared with minimal error (reliable). Furthermore, in the pursuit of minimizing errors in report preparation, Ashraf et al. (2020) investigated the impact of audit committees with technology expertise on the timeliness of financial statement disclosures. The results showed a significant improvement in reporting, particularly in reducing potential future material corrections, as well as an increase in timeliness.

Additionally, it is expected that more frequent reports, such as quarterly financial statements, improve the timeliness of information. This is because, despite being quicker, these statements are also more simplified compared to annual financial reports, which are audited and more comprehensive, providing investors with greater security and informational support (Vieira et al., 2023). From a tax perspective, Rodrigues and Martinez (2018) reflected in their findings that delays in financial report publication in companies can be explained by the adoption of aggressive tax practices. Regarding the type of news to be disseminated, whether these are laden with bad or good news, it is noted that these influence the timing of financial statement disclosures. Studies show that negative news tends to lead to postponement of corporate report publication (Vivas et al., 2020). Consequently, these results are consistent with the findings of Morais and Souza (2024), who discuss the negative nature of non-persistent earnings announcements by companies, as well as help explain scenarios of less timely information.

2.4 Hypothesis Formulation

The first hypothesis relates to the delay in the publication of financial statements. In this regard, it is considered that companies delaying publication have lower financial slack. The literature discusses that organizations with higher levels of debt, size, and complexity tend to delay the disclosure of financial reports. These scenarios conceptually oppose financial slack (Cunha et al., 2015; Souza et al., 2023; Vivas et al., 2020). It is noted that slack is associated with practices aimed at benefiting companies in light of potential opportunities (Campos & Nakamura, 2015; Beuren et al., 2020; John et al., 2016). Thus, the first research hypothesis is described:

H1: Companies with financial slack tend not to delay the disclosure of financial reports, maximizing/preserving timeliness.

The second hypothesis investigates the lag in the publication of financial statements. It is expected that companies with financial slack are associated with a greater lag in the disclosure of reports. Studies reinforce the idea that companies have incentives to prioritize the dissemination of good news, minimizing the space for negative news (Vivas et al., 2020). These incentives ultimately detract from the goal of improving the usefulness of accounting information, as assumed by the qualitative characteristic of timeliness (CPC, 2019). Companies with financial slack, as they prepare for investments and opportunities, may exhibit greater operational resilience during times of crisis and variable performance, depending on the jurisdiction (Rodrigues & Florencio, 2020; Beuren et al., 2020; Padilha et al., 2017). Thus, the second research hypothesis is formulated as follows:

H2: Companies with financial slack tend to have shorter delays in the disclosure of financial reports, maximizing/preserving timeliness.

3 METHODOLOGICAL PROCEDURES

3.1 Definition of the Population and Data Collection

This study aims to examine the effect of financial slack on the timeliness of financial statements, considering reports published by Brazilian companies with shares traded on B3 (Brazil, Bolsa e Balcão) between 2013 and 2023. This temporal scope was chosen due to the availability and accessibility of economic and financial data provided by Economatica®. The study universe comprised 386 companies, accounting for some organizations with missing data and financial institutions. Data analysis was conducted using the open-source software RStudio®.

3.2 Definition of the Sample and Data Collection

Financial data were initially analyzed using descriptive statistics and mean tests, as well as panel data logistic and multiple regression, where the companies included in the final sample were analyzed over a period of 10 years, from 2013 to 2023. Next, Table 2 presents the final study sample.

Table 2
Criteria for exclusion of companies from the sample

Companies between the period of 2013 to 2023	**386**	
(-) Financial Companies	52	13%
(-) Companies with negative EBIT	46	12%
(-) Companies with outliers	71	18%
(-) Companies with negative equity	18	5%
(=) Final number of companies in the study	**199**	**52%**

Source: Compiled by the authors (2024).

It should be noted that companies with negative EBIT, those contributing to the formation of outliers, and financial companies were removed from the sample due to their specific characteristics. Companies with negative EBIT and equity were excluded because they impact the studied indices. These decisions are necessary because such data could distort the results, following the methodological aspects used by Souza et al. (2023) and Beuren et al. (2020). As a result, 199 companies were included. Additionally, the exclusion of companies contributing to the formation of outliers is justified, considering those variables that were two standard deviations away from the mean, as some companies showed disparities in size. This approach is aligned with the decisions of Pamplona et al. (2019) and Beuren et al. (2020), who also studied financial slack. The study resulted in an unbalanced panel, as due to data unavailability, it was not possible to analyze all companies over 10 years. Thus, the observations totalled 975.

In Table 3, the explored sectors are presented, along with the composition of companies in each sector. The factors associated with the sectors were used as controls in the regressions investigating the lag in report publication.

Table 3
Sectors of the sample

Factor	Sectors	Quantity of Companies	
1	Industrial Goods	44	22%
2	Communication	4	2%
3	Cyclical Consumer Goods	62	31%
4	Non-Cyclical Consumer Goods	15	8%
5	Basic Materials	15	8%
6	Oil and Gas	3	2%
7	Healthcare	16	8%
8	Information Technology	10	5%
9	Public Utilities	30	15%
Total of companies		**199**	

Source: Compiled by the authors (2024).

In the development of the econometric models concerning H2, the lag in the publication timeline of the financial statements of the companies included in the sample was considered as the dependent variable. This timeline is the result of the difference between the expected date for the disclosure of reports and the actual date of disclosure to the market, considering the submission to the CVM. Regarding H1, a dummy variable was used to capture companies that delayed publication and those that did not as the dependent variable. Table 4 presents the variables of interest for the present study, along with the control variables, econometric model, and scientific basis, as the variables were selected based on previous studies.

Table 4
Variables, Measurement Methods, and Scientific Basis

Variable		Measurement Method	Authors
Dependent Variables			
H1	Loss of Deadline (PP)	Dummy variable that takes the value of 1 if the company missed the disclosure deadline, 0 otherwise.	Salgado e Souza (2021); Owusu-Ansah e Leventis (2006).
H2	Publication Lag (DP)	Lag in publication measured in number of days.	
Independent Variables of Interest - Financial Slack Indicators			
Current Liquidity (LC) | Current Assets / Current Liabilities		Current Liquidity (LC) | Current Assets / Current Liabilities	Pamplona et al. (2019); Beuren et al. (2020).
Immediate Liquidity (LI) | Available Assets / Current Liabilities		Immediate Liquidity (LI) | Available Assets / Current Liabilities	
General Liquidity (LG) | (Current Assets + Short-Term Receivables) / (Current Liabilities + Non-Current Liabilities)		General Liquidity (LG) | (Current Assets + Short-Term Receivables) / (Current Liabilities + Non-Current Liabilities)	
Quick Liquidity (LS) | (Current Assets - Inventories) / Current Liabilities		Quick Liquidity (LS) | (Current Assets - Inventories) / Current Liabilities	
Control Variables			
Size (TAM) | LN(Total Assets), where LN = natural logarithm.		Size (TAM) | LN(Total Assets), where LN = natural logarithm.	Salgado e Souza (2021); Pamplona et al. (2019).
Leverage (END) | Total Liabilities / Total Assets		Leverage (END) | Total Liabilities / Total Assets	
Corporate Governance (GOV) | Dummy variable that takes the value of 1 if the company has joined the Novo Mercado of B3, 0 otherwise.		Corporate Governance (GOV) | Dummy variable that takes the value of 1 if the company has joined the Novo Mercado of B3, 0 otherwise.	
Return on Assets (ROA) | EBIT / Total Assets		Return on Assets (ROA) | EBIT / Total Assets	

Source: Compiled by the authors (2024).

Regarding financial slack variables, the studies by Santos and Santos (2020), Campos and Nakamura (2015), and John et al. (2016) provide evidence that the availability of financial resources allows companies to meet minimum conditions for governing their resources and actions. In this sense, these explanatory variables may have a positive effect on the timeliness of financial statements. Concerning control variables, the studies by Ekienabor and Oluwole (2018) and Cunha et al. (2015) highlight the complexity of the environment in which these companies operate, both externally and internally, considering size and governance level. These factors contribute to a range of aspects that companies must consider.

After collecting all the variables for the study, a logistic regression model with panel data was used for the study of H1, employing the equations presented below to outline the models:

$$PP_{i,t} = \beta_0 + \beta_1 LC_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(1)}$$

$$PP_{i,t} = \beta_0 + \beta_1 LC_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(2)}$$

$$PP_{i,t} = \beta_0 + \beta_1 LI_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(3)}$$

$$PP_{i,t} = \beta_0 + \beta_1 LG_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(4)}$$

For the study of H2, a multiple linear regression model with panel data was adopted, utilizing the equations presented below to outline the models:

$$DP_{i,t} = \beta_0 + \beta_1 LS_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(5)}$$

$$DP_{i,t} = \beta_0 + \beta_1 LC_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(6)}$$

$$DP_{i,t} = \beta_0 + \beta_1 LI_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(7)}$$

$$DP_{i,t} = \beta_0 + \beta_1 LG_{i,t} + \beta_2 TAM_{i,t} + \beta_3 END_{i,t} + D_1 GOV_{i,t} + \beta_4 ROA_{i,t} + \varepsilon_{i,t} \quad \textbf{(8)}$$

Given the presented models, tests were conducted to assess the assumptions of regression. The results of the Shapiro-Wilk test indicated non-normality of the regression residuals; however, the current study involved a large sample, allowing this assumption to be disregarded. Additionally, the VIF test was conducted to identify multicollinearity in the data, showing that there was no indication of such in the research. Finally, the Breusch-Pagan test confirmed that the data are not heteroscedastic.

4 RESULTS

4.1 Descriptive Analysis and Mean Test

In Table 5, the descriptive statistics of the independent numerical variables (LC, LI, LG, and LS) and control variables (ROA and END) of the companies are presented.

Given the findings in Table 5, a significant portion of the studied variables showed substantial differences between companies that missed the reporting deadline and those that did not. Beuren et al. (2020) consider ROA as a measure of performance, relating to the expected short-term returns of companies. In the present study, it was observed that the analyzed variable showed subtle differences between the groups of companies, with those that missed the publication deadline exhibiting a higher ROA.

Table 5
Descriptive Statistics and Mean Test of the Variables

Variables	Companies that Missed the Deadline		Companies that Did Not Miss the Deadline		Mean Test (t-test; two-tailed)	
	Mean	**SD**	**Mean**	**SD**	**T**	**Sig.**
LC	1.631	0.7797	1.94	0.9410	- 3.502	0.000654**
LI	0.292	0.2748	0.387	0.3943	- 2.993	0.0033**
LG	1.048	0.5110	1.167	0.5410	- 2.095	0.0384**
LS	1.227	0.6566	1.5	0.7015	- 3.060	0.00277**
ROA	0.104	0.0718	0.101	0.0724	0.351	0.725
END	0.594	0.1612	0.554	0.1654	2.233	0.0275**

Legend: LC = Current Liquidity; LI = Immediate Liquidity; LG = General Liquidity; LS = Quick Liquidity; END = Leverage; ROA = Return on Assets.
Significance at the*1%; **5%, ***10%.
Source: Compiled by the authors (2024).

Regarding the aspect of leverage (END), it is observed that companies that missed the deadline have a higher average than those that did not. This finding suggests that the first group (companies that missed the deadline) operates in more complex corporate environments, involving operational and organizational dimensions, in contrast to the second group of companies (those that did not miss the deadline). Supporting this finding, Assunção et al. (2017) broaden the discussion on leverage by including corporate governance, as it adds challenges to companies concerning performance expectations and operational risk management.

Concerning the variables of interest that represent financial slack (LI, LS, LC, and LG), all show statistical significance at the 5% level. This finding corroborates the reflections of Beuren et al. (2020), Santos and Santos (2020), and Pamplona et al. (2019), highlighting that companies with greater slack are aligned with operational and risk-averse management measures. In all financial slack metrics, it is evident that companies that did not delay the publication of their reports exhibit positive differences compared to companies that published their reports late. This reality complements the understanding of the leverage aspect of companies, as the delay in report publication may be associated with the liquidity environment present in organizations.

4.2 Regression Models

The regressions reveal the influence of the independent financial slack variables (LI, LS, LC, and LG) and control variables (END and ROA). Table 6 presents the logistic regression models, in which the dependent variable is the loss of the deadline (PP) for the disclosure of reports.

Table 6
Logistic Regression Analysis

Dependent Variable: **Loss of Deadline (PP)**				
	(1)	(2)	(3)	(4)
Quick Liquidity (LS)	- 0.032**			
	(0.014)			
Current Liquidity (LC)		- 0.025**		
		(0.011)		
Immediate Liquidity (LI)			- 0.046*	
			(0.025)	
General Liquidity (LG)				- 0.022
				(0.020)
Leverage (END)	0.079	0.072	0.104*	0.090
	(0.059)	(0.060)	(0.057)	(0.064)
Dummy Governance (GOV)	0.002	0.001	0.002	- 0.003
	(0.019)	(0.019)	(0.019)	(0.019)
Return on Assets (ROA)	0.051	0.034	0.056	0.062
	(0.129)	(0.129)	(0.129)	(0.129)
Constant	0.090*	0.096*	0.045	0.062
	(0.048)	(0.050)	(0.039)	(0.054)
Observations	975	975	975	975
McFadden's R2	0.010	0.010	0.0086	0.0063

Significance at the *10%; **5%, ***1%.
Source: Compiled by the authors (2024).

According to Table 6, it is observed that immediate liquidity (LI) negatively influences the publication lag (PP) of financial statements (significant at the 10% level). The other regressions also show liquidity variables negatively associated with the loss of the deadline, reflecting that the greater the financial slack of the companies, the lower the probability of disclosing reports late. The coefficient of leverage (END) shows a positive influence on the loss of the deadline (PP), corroborating the reflections presented by Salgado and Souza (2021). These authors highlight that higher probabilities of missing the publication deadline are associated with high levels of leverage.

Thus, financial slack, especially in terms of current liquidity (LC), which addresses short-term obligations, differs from general liquidity (LG), which incorporates long-term elements, and serves as an indicator of company management in the market, according to Beuren et al. (2020) and Pamplona et al. (2019). In light of the regression, it is evident that the loss of the publication deadline (PP) of the financial statements (significant at the 5% level) is negatively explained by the variation in current liquidity (LC) of the companies, thereby confirming Hypothesis 01. Although the dummy variable (GOV) does not show significance regarding the delay, it remains positive, complementing the analysis of leverage (END).

Table 7 presents the multiple linear regression models, with the dependent variable being the lag in the publication timeline (DP) of the reports.

Table 7
Multiple Regression Analysis

Dependent Variable: **Publication Lag (DP)**				
	(5)	(6)	(7)	(8)
Quick Liquidity (LS)	- 3.741**			
	(1.580)			
Current Liquidity (LC)		- 2.609**		
		(1.210)		
Immediate Liquidity(LI)			- 3.209	
			(2.774)	
General Liquidity(LG)				- 0.098
				(2.216)
Leverage (END)	2.877	2.580	6.621	7.865
	(6.681)	(6.806)	(6.447)	(7.215)
Dummy Governance (GOV)	4.969**	4.798**	4.735**	4.444**
	(2.108)	(2.104)	(2.116)	(2.105)
Return on Assets (ROA)	7.229	8.846	6.594	6.544
	(14.492)	(14.535)	(14.521)	(14.541)
F Statistic (df = 4; 970)	3.124	2.884	2.050	1.714
Observations	975	975	975	975
R2	0.013	0.012	0.008	0.007

Significance at the *10%; **5%, ***1%.
Source: Compiled by the authors (2024).

As presented in Table 7, a fixed effects multiple linear regression was conducted, controlled by year and sector, as utilized by Beuren et al. (2020), Pamplona et al. (2019), and Morais and Souza (2024). The aim is to identify specific variations for each year and for the nine sectors (Table 3) presented in this study's sample. Similar to the logistic regression presented in Table 6, the financial slack variables negatively influence the publication lag (DP) of the reports, indicating that more liquid companies are associated with shorter lag times, providing stakeholders with alternatives for decision-making support regarding the financial reports.

Additionally, it is observed that the dummy variable (GOV) has a positive influence in all the presented regressions, reflecting the dialogue these companies have with agents that contribute to the complexity of organizational environments, according to Beuren et al. (2020) and Assunção et al. (2017). Furthermore, the publication lag (DP), studied by Salgado and Souza (2021), analyzes the phenomenon where companies reporting losses tend to delay the disclosure of financial reports. This fact contrasts with the environment of liquid companies, empirically validating financial slack as a metric for explaining the phenomenon related to the timeliness of reports. Thus, Hypothesis 02 is accepted.

In regression models 7 and 8, the liquidity variables lose significance, although they maintain a negative sign, with only the dummy variable (GOV) remaining significant at the 5% level. This suggests that the Novo Mercado adds elements that may explain the greater publication lag of financial statements, as also noted by Salgado and Souza (2021) and Vivas, Ferreira, and

Costa (2020). It is worth noting that the R^2 is low, given the data profile and the phenomenon under analysis, similar to the study by Vivas et al. (2020).

5 CONCLUSION

The present research aimed to analyze the effect of financial slack on the timeliness of financial reports published by Brazilian publicly traded companies listed on B3. For this purpose, 199 companies were used over the period from 2013 to 2023, allowing for the study of 975 observations.

Other studies have utilized measures (proxies) related to timeliness concerning publication lags and missed deadlines. In the present study, these measures of timeliness were used to be explained through the financial slack of the companies. In this sense, the proxies for financial slack were developed from indicators aimed at capturing different liquidity scenarios present in the companies, through current liquidity (LC), general liquidity (LG), immediate liquidity (LI), and quick liquidity (LS) studied by Pamplona et al. (2019) and Beuren et al. (2020). These were the variables considered as measures of interest in the study, so that the eight regression models, each representing a dimension of liquidity, could individually explain the two phenomena associated with the timeliness of the reports.

In the eight models studied, control variables were included to provide better explanatory quality regarding the variations of the phenomenon (timeliness) under analysis, represented by: Size (TAM), Leverage (END), Governance Level (GOV), and Return on Assets (ROA). In the empirical models related to the first hypothesis (H1), the results show that financial slack scenarios are negatively and significantly associated with the loss of the publication deadline (PP), meaning that companies that tend to miss the deadline for disclosing reports exhibit lower levels of financial slack, indicating the presence of operational risks that can diminish the economic performance of the organization to a certain extent.

H2, which predicted a negative relationship between financial slack and the publication lag of financial statements, was confirmed. The findings indicate that financial slack has a negative and significant relationship with the publication lag of reports. In other words, it can be concluded that the presence of financial slack in companies is indicative of lower scenarios involving delays in financial reporting. These results thus reinforce the reflections supported by the literature regarding the study of financial slack and the quality of accounting information.

As a suggestion, due to space limitations in the present research, it is recommended to study other aspects related to risk and planning of companies already in use in the national literature, such as financial constraints in Brazilian companies and their effects on timeliness. However, these measures aim to provide validity to complexity metrics, involving size and leverage, which have extensive scientific reflections. Additionally, it is suggested to study companies that are making decisions regarding changes in accounting policies, from the perspective of technical pronouncement CPC 23 or earnings smoothing, testing perspectives that achieve the reliability of reports, and whether these scenarios explain variations in timeliness.

Finally, the results of this study provide evidence that financial slack has a negative and significant effect on the timeliness of reports disclosed by companies, through publication lag and missed deadlines. Thus, reinforcing the findings of Pamplona et al. (2019) and Ross (1977), the liquidity scenarios of companies can lead to informational asymmetry between economic agents and the organizations under analysis.

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CONFLICT OF INTERESTS

The authors declare that there are no conflicts of interest regarding this submitted work**.**

AUTHORS' CONTRIBUTIONS

Functions	1ª author	2º author	3º author	4º author
Conceptualization	♦			
Data Curation	♦			
Formal Analysis		♦		
Funding Acquisition	♦			
Investigation	♦			
Methodology			♦	
Project Management	♦			
Resources	♦			
Software	♦			
Supervision				♦
Validation		♦		
Visualization		♦		
Writing – First Draft	♦			
Writing – Revision and Editing	♦			