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Effect of Firm Attributes on Financial Reporting Timeliness of Quoted Oil and Gas Companies in Nigeria

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Abstract: *Published information may lose its relevance if there is undue delay in it being reported. However, around the world, delay in the auditing of financial statements have been identified as leading to an overall delay in their publication. The study investigates the effect of firm attributes on financial reporting timeliness of the eleven (11) listed oil and gas firms on the Nigerian Stock Exchange for the period 2011 to 2020. Sample of eight (8) companies were selected using purposive sampling technique after applying a single filter. The study used Ex-post facto research design. The variables considered were firm age, firm size, leverage and profitability. Financial Reporting timeliness was measured using audit report lag. Panel data were collected from the annual reports and accounts of the selected firms. The multiple regression analysis technique was used to analyse the data. The result of the study indicates that firm age, firm size and profitability significantly affect financial reporting timeliness while leverage does not influence financial reporting timeliness. Therefore, the study concludes that firm attributes especially firm age and profitability are good predictors of financial reporting timeliness. The study recommends that firms should grow their assets, strive to make profit and incur less debt as these factors are very important for investment and other decision purposes by the users of the information.*

Keyword: financial reporting timeliness, firm attributes, oil and gas companies.

INTRODUCTION

It is important for every organization to know that annual financial report is a very significant factor that affect decision making processes of the users of accounting information especially, the shareholders and potential investors. A timely issue of financial statement enhances the decision-

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making abilities of existing and potential investors. A financial statement is said to be timely when it is prepared, audited and presented as and when due to the users and is otherwise, when delayed for whatever reason beyond the 3-month period as stipulated by Companies and Allied Matters Act (CAMA, 2020) as amended. The usefulness of publishing corporate financial statements is to assist in monitoring corporate activities, facilitating investment decisions and ensuring transparency of

operations. Many regulatory organizations have recognized this as a norm. It has also been claimed that choices grounded on financial reporting data influences the timeliness with which it is released. This implies that if information is released with excessive delay, it may lose its relevance and trustworthiness (Mahajan & Chander, 2008). On the one hand, timely reporting of financial activities contributes to the speedy and efficient presentation of stock markets, particularly in terms of their pricing as well as analysis functions (Owusu-Ansah, 2000), while on the other hand, excessive delay in having to release financial statement rises the uncertainty value of investment resolutions (Aktas & Kargin, 2011). As a result, the importance of timely revenue recognition among publicly listed businesses cannot be overstated. This is due not only to the fact that financial statements convey critical figures about a company's financial health, but also to the fact that accurate information release ensures the usefulness of financial facts for pronouncement making determinations. As a result, the value of public company financial statements is dependent on both their timeliness and correctness (Bala & Idris, 2015), making them more relevant and trustworthy.
Delay in auditing and subsequent submission and release of audited accounting reports remain a concern for investors and regulators. Finding the factors responsible for these delays remain an academic research problem, while previous empirical studies have focus on appropriateness of financial reporting of quoted firms generally (Ekienabor & Oluwole, 2019; Ohaka & Akani**,** 2017; Daluma & Saleh, 2017; Adebayo & Adebiyi, 2016; Efobi & Akougbo, 2014; Appah & Emeh, 2013; Iyoha, 2012). This study identified a gap in studies of timeliness of annual accounts of listed oil firms because to the best of researchers' knowledge and as extant literature reveals no attention is given to this area. Again, no study as extant literature reveals and to the best of researcher's knowledge has studied the combined impact of firm age, leverage, firm size, besides profitability on financial reporting timeliness in the oil and gas sector. This constitute one of the gaps in literature to be filled. Findings from this study will not only benefit the oil and gas sector but Nigeria hence, because of the uniqueness of the audit industry and the nature of the corporate environment, there will be additional advantages to existing literature.
Second, under the terms of CAMA (2020), as amended, the maximum period for businesses in Nigeria to prepare and publish their financial reports is three months. Nonetheless, most parties involved their reports far along than even this date (Modugu et al., 2012). As a result of the delay, interested parties may be forced to make financial decisions without address proof or rely on materials from unauthorized channels, which may deliver incorrect or erroneous information or interpretation, potentially misleading policy makers and decision-making processes. As a result, market experts may perceive excessive reporting delays as an effort to hide facts, which may have a negative effect on the company's worth. However, such firms have an encouragement to produce

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timely reporting in mandate to prevent market volatility in their stock market shares (Ohaka & Akani, 2017). As a result, research on the present level of audit report timeliness in Nigeria and its relationship to company characteristics is a step in the right direction, and this gap drives the study. The effect of firm characteristics on financial reporting timeliness of Nigerian listed oil and gas firms was experimentally investigated in this research.

The following hypotheses were developed:

HO_1: Firm age has no significant effect on financial reporting timeliness of quoted oil and gas corporates in Nigeria.

HO_2: Firm size has no significant effect on financial reporting timeliness of quoted oil and gas firms in Nigeria.

HO_3: Firm leverage has no significant effect on financial reporting timeliness of quoted oil and gas firms in Nigeria.

HO_4: Firm Profitability has no significant effect on financial reporting timeliness of quoted oil and gas firms in Nigeria.

LITERATURE REVIEW

Firm Attributes

Firms may be distinguished from one another established on specific features. Such qualities are known as corporates attributes because they exist at the company level besides having the ability to affect the choices of the company's management. Shehu and Farouk (2014) defined company characteristics as firm-level factors that influence the firm's decisions both from inside and outside over time. Size, leverage, productivity, value, efficiency, and capital structure, as well as other factors, are examples of such variables. Those business characteristics are generally exclusive to a particular firm, and they typically have a convinced impact on the minds of the fact users about the organization's success and future. Company age, firm size, leverage, and profitability are some of the characteristics and their relationships with financial statement timeliness described below.

Firm Age

The age of a business is the amount of time it has been in existence. The age of such a being or object, agreeing to Ofuan & Izien (2016), is the period span in which it has existed. According to Shumway (2001), some think that the listing age should determine the age of the business; nevertheless, he believes that the firm's lifetime should be described as the number of years from incorporation. Shumway (2001), defined a point in the life of a business. Therefore, age citation has developed more cost-effective. His dispute is presented after the perspective of business as a corporate authority. This is founded in the idea that business is formed as a legal entity via incorporation (Gitzmann, 2008; Pickering, 2011). Prior research has highlighted a company's age as a factor that can have an effect on the class of accounting run through in terms of timeliness. This has shown that age may be used to reduce audit reporting latency.

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In addition, previous research has highlighted a company's age as a characteristic that has a probable effect on the feature of accounting activity in relations of timeliness. The grownup the company, the more likely it has effective internal mechanism processes. Equally, younger businesses are further likely to fail and have less expertise with financial statements (Hope & Langli, 2008). In other words, Age of firm has the ability to decrease reporting latency. According to the research, the older a company is, the more possibly it's financial reporting will be appropriate. As a result, a destructive correlation between financial reporting appropriateness and business age is predicted.

Firm Size

Firm size identified as an essential business characteristic related to corporate accounting timeliness. The key variable of notice in just about all timeliness recording studies that have investigated its relationship with the most probable causes of financial statement reporting stays. Many reasons support the idea that company size is related to financial reporting timeliness. First, theoretically, the more participation of outside interests, the bigger the company. Furthermore, big corporations have greater analyst followings. Furthermore, bigger companies have far more external investors but are further carefully watched by predictors when they are more visible. Large companies are also more prominent than smaller firms, and, as a result, they are other inclined to use measures to minimize regulatory involvement (Ismail & Chandler, 2004). The more a firm's influence over its stakeholders, the simpler it is to outperform smaller companies (Babalola 2013). Larger companies stand to lose more from the negative indications sent by an unusually lengthy inspection delay, which puts pressure on the assessor to speed up the audit practice due to shorter commentary time delays.

Second, scale to a greater need for high-quality reviewed annual statement. Al Ajmi (2008) investigated the relationship between company size and inspective report lag and discovered that the bigger the firm, the greater the need for high-quality audits. These issues will have an impact on the time it takes to deliver audited yearly reports to the public (Al-Ajmi, 2008). Third, bigger companies have more resources than smaller enterprises, such as sophisticated financial reporting and more technical advancement. These characteristics should assist bigger companies in ensuring more timely reportage. Further, Ismail and Chandler (2004) argue that big companies are more expected to have greater security processes, internal appraising, and public transparency, both of which would mark it stress-free to audit a great number of trades in a smaller period of time, resulting in the issue of audited yearly reports sooner.

Leverage

Financial leverage is defined by the Chartered Institute of Management Accountants (CIMA) as the volume of liability in proportion to equity in an entity's capital arrangement or dues curiosity in correlation to turnover (CIMA 2005). Also known as the debt ratio, economic power is a solvency ratio that measures a company's shareholders' equity of its total resources. Firms with greater levels of system dependent resources are deemed extremely leveraged and extra precarious for lenders.

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As a matter of fact, financial leverage reflects other creditors' entitlements on the company's assets. The degree to which a business utilizes fixed-income instruments, such as debt, including preferred stock, is referred to as firm leverage. Leverage is identical to the proportion of the company's total debt to total assets, indicating the degree to which the total assets are funded by loans. A rise in this percentage indicates the company's reliance on external debt funding and a higher score given to the business by loan suppliers. However, because of the stringent covenants imposed by loan lenders, this may limit companies' autonomy and, in the worst-case situation, lead to financial insolvency. This is due to the fact that with a great level of financial burden comes a high level of interest payments.

Firms with high leverage report quickly than firms through low leverage. Agency theory. This viewpoint argues that more heavily leveraged businesses suffer from greater monitoring costs. Because highly leveraged companies partake an encouragement to invest inefficiently, loan holders often add provisions to their liability bonds that limit administration's actions (Jensen & Meckling, 1976). One such provision would demand timely and regular expose so that debt owners may evaluate the company's continuing financial condition and performance (Owusu-Ansah, 2000).

Profitability

Profitability is anticipated to have an effect on the firm's financial statement timeliness. The performance of a company has an impact on the fair for company securities (Watts & Zimmerman, 1990). Market growth as a result of good news (positive performance) would raise the market value of the company's equity and leadership shares and reduce the market value of present equity with management stocks owing to bad news (negative performance). As a result, it is fair to expect a effective company's management to communicate positive news to the unrestricted on a timely basis (Mahajan & Chander, 2008).Previous pragmatic results indicate that businesses with negative news or sufferers lean towards to postpone reporting slower than those with positive news (Al-Ajmi, 2008; Mahajan & Chander, 2008; Ismail & Chandler, 2004; Owusu-Ansah, 2000). According to Al-Ajmi (2008), positive and bad news are variables that influence both inspection report and financial reporting time delays. Furthermore, early publishing indicates good news regarding the firm's success.

Financial Reporting Timeliness

Timeliness has increasingly been known as a qualitative feature of financial reporting. In recent years, there has been a lot of emphasis on the issue of financial reporting appropriateness, and it has been generally recognized as an essential feature of financial reports by accountants, financial analysts, and managers. Users must be provided with financial relevant information for their forecasts and decisions, but also with up-to-date information regarding the current fiscal year, since old information or content from past fiscal years may help them to make business choices for the future (Chai & Tung, 2002).

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For many periods, empirical studies on the quality of financial reporting have shown the statistical validity of passing information from one person to another (Beaver, 1968) and its effects on the value of enterprise (Givoly & Palmon, 1982). Acknowledging the beneficial and detrimental effects of prompt disclosure of accounts, regulatory authorities have established maximum penalty time limits within which public companies must provide shareholders as well as other external users with financial results and submit them to appropriate regulatory bodies. Since other non-financial statements, like press releases, public appearances, and forecasts from financial analysts, are not as successful in the emerging economies as in Western industrialized nations, timely information in corporate reports is more essential (Wallace, 1993).

Garsombke (1981) offered a broad definition of timeliness, defined as the time from the end of an accounting period or the date on which the consumer of the financial statements receives the information. Patton (1990) says that the reporting delay between the end of the reporting fiscal year and the reporting date is timely. The longer it takes for information to reach consumers in need, the less useful it is to prospective investors and creditors. The timely publication of audit reports and the information that goes with them is of the greatest importance to accounting standards (Kothari, Leone & Wasley, 2008).

However, according to Davies and Whittred (1980), the timely of the financial reports comprises two dimensions: the reporting frequency and length and the latency between the end of a reporting period and the date of publication of the annual disclosures. The timely aspect of this study is the delay in the delivery to customers of financial information.

Empirical Review

Firm Age and Financial Reporting Timeliness

Omar and Ahmed (2016) investigated the variables influencing corporate financial reporting timeliness: empirical data from the Palestinian and Amman stock exchanges. The study's sample included 180 companies listed on the Palestinian and Amman Stock Exchanges. The non-linear and non-test were used. According to their findings, certain Palestinian businesses lack auditing committees in accordance with Palestinian Security Exchange guidelines or fail to comply with providing auditing committee information. In addition, their research discovered a link between business age and revenue recognition timeliness. Similarly, Efobi and Okougbo (2014) investigated the proficient market proposition using data from the Nigerian stock exchange. They used a sample of 33 financial institutions from 2005 to 2008 to investigate the variables that may influence financial reporting timeliness in Nigeria. The Generalize Least Squares (GLS) recession method was uses for the estimate, and the results showed that the age of the business has a positive significant impact. Iyoha (2012) also investigated business characteristics and the timeliness of financial statements in Nigerian firms using a sampled of 61 annual reports from 1999 to 2008. For analysis, the Ordinary Least Squares (OLS) Regression method was utilized in conjunction with

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the data panel valuation technique. The age of the company was shown to be the most important factor influencing the overall value of accounting statements timeliness in Nigeria. The present research showed that company age has a substantial impact on financial reporting timeliness, which is consistent with the evaluated studies.

Firm Size and Financial Reporting Timeliness

The Ethics of Innovative Accounting in Revenue Recognition: Difficulties in regulating institutions, examining the connection between the revenue recognition indicator and the timely of Nigerian money deposit banks, Oraka, Okoye, and Ezejiofor (2019). The study focused on the effect of banking size or type of audit firm on accounting information in Nigeria. Qualitative ex-post research has been utilized. The regression analysis was performed with the assistance of SPSS version 20.0 to assess assumptions. According to the conclusions of the research, the size of the corporate institution has an effect on the quality of financial reporting in Nigerian banks. Ibadin and Afensimi (2015), on the other hand, conducted research on earnings management and ownership concentration in which the causes of audit report lag in the Nigerian setting were investigated. The research focused on audit firm type, audit fees, leverage, firm size, and return on equity, companies, and period end. A panel study design uses in the study. Panel data estimate methods were used to examine the data (i.e. fixed and random, pooled effects recession). It was discovered that the size of the business had no substantial beneficial effect on audit delays. Furthermore, Adediran, Adejoh, and Oyewole (2019) investigated the system of internal control on fraud detection in Nigeria. From 2008 to 2017, they examined the effect of corporate characteristics on the appropriateness of financial documentary of insurance firms in Nigeria. The data collected from the financial statements of the sampled businesses exhausting an ex-post facto study methodology. The data was analyzed using pairwise correlation, the ordinary least squares (OLS) multiple regression method, and descriptive statistics. Their results revealed that the firm size has a substantial negative impact on examination report delays. However, Ohaka and Akani (2017) conducted similar research on IFRS adoption and earnings management of Nigerian listed manufacturing companies. The effect of company size and stakeholders structure on financial accounting timeliness in listed Nigerian businesses was investigated. The findings demonstrates a strong connection among company size and financial reporting timeliness. The present research agrees with Ohaka and Akani's findings (2017).

Leverage and Financial Reporting Timeliness

Hoang, Dang, and Nguyen (2018) conducted research on evaluating real audit quality in which the variables that influence the suitability of financial accountings (FA) of businesses in Vietnam were investigated. For the period 2012-2016, panel data with 1070 observations on 214 companies listed on the Vietnamese stock interchange was utilized. The study's findings utilizing the GLS regression method revealed that financial leverage had no influence on the rightness of financial reporting. Similarly, Adediran, Adejoh, and Oyewole (2019) investigated the internal control system for detecting fraud: Nigeria Experience, examining the effect of business features on the timeliness of

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financial accounting of insurance corporates in Nigeria from 2008 to 2017. Their results shown that company debt had a negligible negative impact on audit result delays. Furthermore, the above-mentioned results by Efobi and Okougbo (2014) showed that there is a negatively substantial connection between company leverage and performance and financial documentary timeliness. The new research agrees with the previous findings.

Profitability and Financial Reporting Timeliness

Andreas and Surya (2019) investigated the factors of profitability in big Australian businesses. In this research, a sampled of all trade, service, and stock firms quoted on the Indonesia Stock Exchange from 2014 to 2016 was utilized. The assumptions testes using multiple-linear regression. Profitability had a substantial impact on the suitability of accounting report suggestions, according to the findings. However, Omer (2017) used panel data technique to investigate the length of the examiner client association and the level of remunerations: A case for obligatory auditor variation on the Borsa Istanbul. The study's findings revealed that good news (money) had a substantial negative effect on the timeliness attitude of sample businesses. Similarly, Mutiara, Zakaria, and Anggraini (2018) discovered that business profit had a negative and substantial impact on audit report latency in their research. A fresh perspective on firm performance in an emerging market. According to the present research, profitability has a substantial impact on financial disclosure timeliness.

Theoretical Framework

Signaling theory

Michael Spence's signaling theory, introduced in 1973, makes use of asymmetric information between businesses and outsiders. Management employees are better knowledgeable about the future operations and future possibilities than outsiders (investors). As noted by Bergh and Baelden (2014), information asymmetry will develop if administration ensures not properly communicate all evidence that may influence stock profits to the capital market. Firms must give statistics as a sign to shareholders in order to prevent asymmetric information. Signal theory is a public announcement which provides indications for market participants to make investment choices (Yendrawati & Mahendra, 2018). A company's earnings and losses will be both unfortunate news for the capital market. Profits may send out good signals in this scenario, attracting investors, and vice versa. As a result, this hypothesis tells us a lot about the company's desire to share information with other parties. According to the results of Yendrawati and Mahendra (2018), the market is anticipated to be able to differentiate between excellent and poor quality of a particular business. As a result, signal theory is helpful since timeliness in financial accounting to the public is important, and slower audit report lags may basis to less utility of the facts in decision building as the figures becomes irrelevant.

METHODOLOGY

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The study adopted Ex-Post Facto research design. The population used in this study is all the eleven (11) oil and gas companies listed on the floors of the Nigerian stock exchange within the period 2011-2020. Oil and gas firms are chosen because literature presents a dearth of studies in the sector in Nigeria in terms of financial reporting timeliness. However, the study used a total of 8 companies as sample size. The study utilized secondary sources of data. The necessary data were extracted from the annual reports of sampled listed oil and gas companies for the period 2010-2019 financial years. The study adopted the use of panel multiple regression to test the relationship between financial reporting timeliness (explained by audit report lag) and firm attributes (firm age, firm size, leverage and profitability). The model for the study is specified thus;

$FRT_{it}=\beta 0+ \beta_1 FA_{it} + \beta_2 FZE_{it} + \beta_3 LEV_{it} + \beta_4 PROF_{it} + \mu_{it}$……...(i)

Where: FRT= Financial Reporting Timeliness, FA=Age, FZE=Firm size, LEV= Leverage, PROF= profitability, i =ith firm, t= time period and μ_{it} = Model disturbance term.

Measurement of Variables

Table 1. Variable, Definition, Measurement and Source

Variable	Definition	Measurement	Construct Validity	Aprori sign
FRT	Financial Reporting Timeliness	Audit Report lag (the period between a company's fiscal year end and the date of the auditor's report)	Appah and Emeh (2013).	
FA	Firm age	Natural log of firm age	AL-Tahat (2015)	+
FSIZE	Firm size	Log of total assets	Adebayo and Adebiyi (2016), Oraka, Okoye and Ezejiofor (2019).	+
LEV	Leverage	Debt-equity ratio	AL-Tahat (2015).	-
PROF	Profitability	Return on assets	Mutiara, Zakaria and Anggraini (2018).	+

Source: *Researcher's compilation (2021)*

RESULTS AND DISCUSSION

In this section, the data and outcomes for the study are obtainable and analysed.

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Descriptive Statistics

A descriptive statistic is a data analysis that serves to explain, illustrate, or summarize the behavior of data in a meaningful manner, allowing for a more straightforward understanding of the data gathered. This section describes the characteristics of the variables, ranging from the mean for every variable through the maximum, minimum, and standard deviation.

Table 2: Descriptive Statistics

	FRT	FA	FSE	LEV	PROF
Mean	114.2625	26.75000	10.74939	0.080057	0.029004
Median	90.00000	22.50000	10.79603	0.060942	0.030751
Maximum	302.0000	60.00000	11.46212	0.364992	1.510478
Minimum	11.00000	6.000000	8.519896	0.091905	-0.557564
Std. Dev.	50.56835	15.96476	0.555734	0.073845	0.203114
Skewness	1.549650	0.553892	-2.290144	1.497069	4.376341
Kurtosis	6.285226	2.029668	10.33868	5.820801	37.64435
Jarque-Bera	67.99458	7.229099	249.4511	56.40593	4256.134
Probability	0.000000	0.026929	0.000000	0.000000	0.000000
Sum	9141.000	2140.000	859.9509	6.404534	2.320343
Sum Sq. Dev.	202015.5	20135.00	24.39837	0.430798	3.259170
Observations	80	80	80	80	80

Source: Eviews Output, 2022.

The results in Table 2 specifies that the variable of financial reporting timeliness (FRT), which is measured using audit report lag for quoted oil and gas firms has an regular value of 114 with standard deviation of 50.56835, and least and maximum are 11 and 302 days respectively. The value of the mean indicates that on average, firms spent 114 days between financial year end and when they are anticipated to arrange and present their yearly reports. However, the value of the standard deviation which is far below the mean indicate a certain level of variance in the data. This indicates that the deviation between corporates is very enormous. Also, the table specifies that the sampled companies have an average firm size (FSZ) of 10.74939 with standard deviation of 0.555734 respectively. This means as logged, the mean value for firm size stood at 10.74939 million naira. The figure of the standard deviation shows that there is a high level of variance in the value of total assets for the companies sampled for the study. The minimum and the maximum as shown by the table is 8.519896 and 11.46212. This implies that the least number of assets is 8.51 million naira and the largest is 11.46 million naira.

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Furthermore, the descriptive statistics in Table 2 shows that on average, the 8% of the capital is debt and the value of standard deviation which about 0.073845 showed that there is variance in the leverage of the companies. The table shows that the minimum and maximum figures are 9% and 36% respectively.

In addition, the descriptive statistics from Table 2 also indicates the mean for profitability to be 0.029004 and a standard deviation of 0.203114. This means that the average profitability for the firm within the period of the study stood at 29 kobo however, the value of the SD shows the data is clustered around the mean. This also, signify that the profit varies across the companies given the value of SD which is far above the mean. The table indicate that profitability has a minimum and maximum of -0.557564 and 1.510478 respectively. Which means that in some years, companies register negative return on assets.

For firm age (FA), the table above shows a mean value of 26.75000 and a corresponding standard deviation of 15.96476. This shows that the average age of firm within the sample stood at 26 years and the value of the SD shows little variation in this outcome. The table further revealed that the minimum age is 6 years while the maximum age is 60 years.

Correlation Matrix

A correlation matrix showing the correlation coefficients between the variables investigated was created. The connection between variables is shown by each column in the table. For a more sophisticated study, a confidence interval may be utilized to summarize data or to diagnose it for future research. The Karl Pearson correlation was utilized to demonstrate the strength of the effect of chosen firm characteristics on the corporate accounting timeliness of Nigerian Stock Exchange-listed oil and gas firms.

Table 3: Correlation Matrix

	FRT	FA	FSE	LEV	PROF
FRT	1.000000				
FA	0.391876	1.000000			
FSE	0.564157	0.538956	1.000000		
LEV	0.337192	0.152762	0.138864	1.000000	
PROF	0.116481	-0.249605	-0.103942	-0.038430	1.000000

Source: Eviews Output, 2022.

Table 3 depicts the association among the dependent variable, financial reporting timeliness, and the independent factors, firm age, firm size, leverage, and profitability, on the one pointer, and the explanatory variables themselves, on the other. In general, strong correlation between variables is anticipated, whereas low correlation between independent factors is expected. According to Gujarati (2004), a correlation value of 0.80 between two independent variables is deemed high, and

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therefore, specific steps are needed to rectify the data anomaly. Table 3 shows that all of the correlation coefficients between the predictor factors are less than 0.80. The lack of potential multicollinearity is indicated by this, but the value inflation factor (VIF) and the tolerance value (TV) tests are still needed to validate the postulation.

The table shows a positive relationship between the dependent variable, financial statement timeliness, and the independent variables, FA, FSZ, LEV, and PROF, with coefficients of 0.391876, 0.564157, 0.337192, and 0.116481, respectively. This indicates that the independent factors change in the same trend as the timeliness of financial reporting.

Regression Diagnostics The following fitness tests are performed to determine if the data used in the analysis is trustworthy.

Multicollinearity Test The absence of multicollinearity is a fundamental assumption in linear models. When the predictors are not independent of one another, multicollinearity develops. Tolerance and variance inflation factor (VIF) values are used to test for multicollinearity. The Multicollinearity test results are given in the table below.

Table 4: Variance Inflation Factor

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
FA	0.149056	4.327055	1.501115
FSE	148.7041	538.6353	1.417926
LEV	6109.732	2.252916	1.028646
PROF	838.4460	1.090005	1.067952
C	15914.19	497.5586	NA

Source: Eviews Output, 2022.

Based on the facts in Table 4, it is reasonable to conclude that there is no problem with multicollinearity. This is because the VIF (centered) values for all factors are less than 10 and more than 0.10. (rule of thumb).

Heteroscedasticity analysis

Heteroscedasticity arises when the error elements throughout the regression are still not equal. The heteroscedasticity was determined using the Breusch Pagan's Test. Based on the results, we can conclude that there is no fault with heteroscedasticity, but since chi square is 0.42, with a similar probability of 0.7338, which is insignificant, suggests that there is no concern with heteroscedasticity.

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Hausman Speciation Test

The Hausman test may help you determine whether the model for fixed effects or random effects is more suitable for interpretation in regression analysis (data analysis across time). The null hypothesis states the random effect of the chosen model, whereas the alternative hypothesis states that the model has a fixed impact. The tests essentially try to determine if the repressors of the model are linked to the unique mistakes. The null hypothesis affirms that the two have no connection. Due to the homogenous data in this research indicating that fixed effects and model random effects are comparable, the Hausman test is employed to evaluate whether models are much more efficient.

Table 5: Hausman Speciation Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.138145	4	0.0012

Source: output from Eviews, 2022.

The Hausman Speciation Test is then used to decide whether to adopt the fixed or random effect model. According to the Hausman Test, the chi2 value is 18.138145, and the prob > chi is 0.0012. The Hausman Test supports the fixed effect hypothesis, based on the significant result provided by the probability of chi2.

Table 6: Fixed Effect Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.

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C	154.1164	35.02964	4.399600	0.0000
FA	0.644346	0.361178	1.784011	0.0389
FZE	0.044680	5.344039	2.066729	0.0426
LEV	-0.007856	0.129797	0.060524	0.9519
PROF	0.195497	0.065156	3.000447	0.0038

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.469789	Mean dependent var	85.76250
Adjusted R-squared	0.384020	S.D. dependent var	7.577855
S.E. of regression	5.947436	Akaike info criterion	6.541278
Sum squared resid	2405.295	Schwarz criterion	6.898582
Log likelihood	-249.6511	Hannan-Quinn criter.	6.684532
F-statistic	5.477349	Durbin-Watson stat	1.502453
Prob(F-statistic)	0.000003		

Source: Eviews Output, 2022**.**

Multiple regression analysis was fitted to show the nature of the relationship between firm age, firm size, leverage, profitability and financial reporting timeliness. These results were used to test the study hypothesis. Table 6 shows fixed effect regression model summary which revealed that 47% of changes in financial reporting timeliness can be jointly accounted for by firm size, leverage, profitability and firm age. The remaining 53% was attributable to variables not included in the model. The R-square value showed the level at which the independent variables explain the dependent variable. The value of F-statistics stood at 5.4773 with probability of chi2 = 0.000. The probability of chi2 is significant at 5%, indicating that the model is fit. This serves as a substantial evidence to conclude that the variables nominated are suitable for the study on the effect of firm attributes on financial reporting timeliness of quoted oil and gas firms in Nigeria.

The first hypothesis of the study stated that firm age has no significant impact on financial reporting timeliness of quoted oil and gas firms in Nigeria. Results of the study reveals positive and significant relationship between firm age and financial reporting timeliness of quoted oil and gas companies in Nigeria. (β=0.644346, p value <0.05). This implies that a unit increase in firm age increases financial reporting timeliness by 64% while holding firm size, profitability and leverage constant.

The second hypothesis of the study states that firm size has no significant effect on financial reporting timeliness of quoted oil and gas companies in Nigeria. Results of the study revealed positive and significant relationship between firm size and financial reporting timeliness of quoted

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oil and gas companies in Nigeria. ($\beta = 0.044680$, p value <0.05). This implies that a unit change in firm size will lead to a significant positive increase in financial reporting timeliness while holding leverage, profitability and firm age constant. Based on this, the study rejects the null hypothesis two (HO_2) which states that, firm size has no significant effect on financial reporting timeliness of listed oil and gas firms in Nigeria.

The third hypothesis states that leverage has no significant effect on financial reporting timeliness of quoted oil and gas companies in Nigeria. Results of the study reveals that leverage has negative insignificant effect on financial reporting timeliness of quoted oil and gas companies in Nigeria. ($\beta = -0.007856$, p value >0.05). This implies that an increase in leverage decreases timely financial reporting by -0.0078 units while holding firm size, profitability and firm age constant. Based on this, the study accepts the null hypothesis (HO_3) which states that, leverage has no significant effect on financial reporting timeliness of quoted oil and gas companies in Nigeria.

The fourth hypothesis states that profitability has no significant effect on financial reporting timeliness of quoted oil and gas companies in Nigeria. Results of the study reveals positive and significant relationship between profitability and financial reporting timeliness ($\beta = 0.195497$, p value <0.05). This implies that a unit change in profitability increases the timeliness of financial reporting by 19% while holding firm size, leverage and firm age constant.

CONCLUSION AND RECOMMENDATION

The overall findings of this research show that there is a strong beneficial link between company characteristics and timeliness of financial statements. The findings of standardized regression analysis in particular revealed that company size had a favorable effect on the quality of financial reporting. The study therefore, concluded that firm size does play a vital function in improving the timely reporting of financial information. The study also resolved that profitability has positive and significant effect on financial reporting timeliness of oil and gas firms in Nigeria. Suggesting that profitability is a necessary performance factor that determine the timing of release of financial information. The study further avers that leverage has negative insignificant effect on financial reporting timeliness of oil and gas firms in Nigeria. The study therefore, lacks any statistical evidence to conclude that a firm with increased debt ratio can inspire the timely release of financial information. The study finally, revealed that firm age positively and significantly influences financial reporting timeliness of oil and gas firms in Nigeria. Thus, this study has the statistical evidence to conclude that the age of a company greatly contributes to early release of the financial information.

The following recommendations were made in line with the findings and conclusion:

i. This study recommends that younger companies in terms of age should invest in their internal control measures by devising ways of eradicating the inherent weaknesses and vulnerabilities

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embedded in them. This is one of the advantages older companies have over new ones that bring about the timing differences in financial reporting.

ii. It is also recommended that firms should consider growing their assets since larger firms have more resources to deploy for earlier preparation and release of financial reports.

iii. Thirdly, since no evidence exist associating leverage with financial reporting timeliness, the study recommends that less debts should be incurred unless critical situations call for such. This is partly, because other viewers believe that a high ratio of debt to total assets increases the probability of failure, particularly when the general economy is poor.

iv. Lastly, it is recommended that companies should strive to make profit as this serves as a motivation for early release of financial statements. This can help in sending positive signals to the market thereby attracting potential investors and improving market performance.

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