

EFFECT OF FIRM SPECIFIC ATTRIBUTES ON FINANCIAL REPORTING QUALITY OF LISTED OIL AND GAS COMPANIES IN NIGERIA

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Abstract

Financial Reporting Quality is a critical concern in Nigeria's economically sensitive oil and gas sector. This study investigates the effect of firm specific attributes on the financial reporting quality (FRQ) of listed oil and gas companies in Nigeria over the period 2015–2023. The study employed a quantitative research design using secondary panel data and, following diagnostic tests, utilized the Pooled Ordinary Least Squares (OLS) estimation technique. The population of the study were eight listed oil and gas companies with sample size of seven companies using purposive sampling techniques. The results reveal that Firm Size, firm financial performance all exerts a significant and positive effect on financial reporting quality. This suggests that larger and more profitable firms, as well as those that effectively utilize debt financing, exhibit superior reporting transparency and reliability. Conversely, Firm Age was found to have negative but statistically insignificant effect. The findings emphasize that financial strength and scale are primary drivers of high-quality financial reporting in this sector, validating the importance of corporate financial and structural characteristics in shaping disclosure outcomes. The study recommends that oil and gas firms should focus on operational efficiency and financial management to sustain high profitability, continue to pursue strategic growth to capture the benefits of Firm Size, utilization of Leverage strategic. These ensure that practices remain dynamic and adapt quickly to evolving regulatory requirements and industry best practices by preventing age from becoming a liability to FRQ.

Keywords: Firm Attributes, Firm Size, Firm Age, Firm Leverage and Firm Financial Performance.

1. Introduction

The quality of financial reporting had been an enduring concern by regulators, investors and academics, because reliable financial statements were foundational to efficient capital allocation and investor confidence in capital markets (Adekanmi, et al., 2021). In Nigeria the demand for high quality reporting had intensified following recurrent corporate failures and high-profile disclosure lapses and researchers had therefore paid greater attention to factors that could explain variation in reporting quality across firms (Holiness & Okolie 2024). The oil and gas sector was especially important to the Nigerian economy, oil and gas companies had been consequential

for fiscal transparency, investor decisions and public policy given the sector's revenue centrality (Adebayo et al., 2022). Because firm attributes were controllable or observable characteristics of firms, scholars had proposed that these attributes might have systematic effects on the faithfulness and usefulness of published financial information (Ywhejevwe-Togbolo et al., 2024).

Firm attributes were gestated as performance characteristics that described a company's internal environment and strategic posture. Common attributes that had been examined included firm size, leverage, performance, firm age, ownership structure and revenue growth (Ywhejevwe-Togbolo et al., 2024). Firm size was hypothesized to influence reporting quality through economies of scale in reporting systems and greater scrutiny from regulators and auditors; larger firms had often produced more comprehensive disclosures and better- documented controls in the empirical Nigerian studies (Adebayo et al., 2022). Leverage had been linked to reporting behaviour through debt covenant pressures; several previous studies in Nigeria had reported that higher indebtedness motivated managers to manipulate earnings or delay adverse disclosures to satisfy lenders (Adebayo et al., 2022). Firm Performance was structured in two ways: profitable firms had incentives to disclose more information to signal strength, yet they could also manage earnings to smooth performance (Holiness & Okolie 2024). Firm age was interpreted as an indicator of institutional maturity and governance evolution; older firms had sometimes shown better reporting routines but not uniformly cross sectors (Ywhejevwe-Togbolo et al., 2024).

Temple (2019) noted that there appear to be a number of problems with the Nigerian oil and gas industry, including market abuses, internal control failures, false disclosures, financial statement misstatements, transactions not carried out at arm's length, and other lapses resulting from inadequate firms' attributes. Chukwu and Nwabochi (2019) claim that the primary reasons for poor financial reporting quality are the inefficiency and ineffectiveness of the audit committee, one of the corporate governance mechanisms. Oil and gas are among the other sectors of the Nigerian economy that have seen corporate scandals. Examples include the US\$1.1 billion Malabu Oil Scam, 21 Oil Subsidy Cabals, the Capital Oil and Gas scandal, the NNPC/CBN unrelenting revenue scandal, the African Petroleum NGN12 billion scams, and the most recent one involving Jubril Adewale Tinubu, the group managing director of Oando Plc, and his longtime deputy, Omamofe Boyo of Oando Plc (Chukwu & Nwabochi, 2019). Fraudulent activities distort the state's growth and development, so the multiplier effect affects more than just investors (Odjaremu & Jeroh, 2019).

Despite growing evidence, gaps persisted that motivated further inquiry. First, many studies had used narrow proxies or single-dimension measures of reporting quality, limiting generalizability (Herath 2017). Second, sector-specific dynamics such as the capital intensity, regulatory exposure and environmental risk profile of the oil and gas sector had been under- examined relative to manufacturing or financial firms in Nigeria, leaving questions about whether generic findings held in high-risk, high-stakes industries (Awodiran & Ogundele, 2022). Third, the mixed evidence on IFRS effects had underscored the need to consider enforcement and institutional contexts when interpreting associations between standards and quality (Ahmed et al., 2013; Doukakis 2014).

Basically, the study is aimed at examining the effect of firm specific attributes on the financial reporting quality of listed oil and gas companies in Nigeria. The objective of the study therefore has developed certain question as; how firm size influences reporting quality through economies of scale in reporting systems and greater scrutiny from regulators and auditors in Nigeria; how firm age is interpreted as an indicator of institutional maturity and governance evolution in Nigeria; how older firms had sometimes shown better reporting routines but not uniformly cross sectors and to what extent leverage had been linked to reporting behaviour through debt covenant pressures, that higher indebtedness motivated delay adverse disclosures to satisfy lenders and why firm performance incentives result to disclosure of more information to signal strength on the FRQ in Nigeria.

2. Literature Review

This section reviews relevant and related concepts regarding firm-specific attributes and the financial reporting quality of oil and gas companies

2.1. Theoretical Framework

Agency theory

Agency Theory, a cornerstone of corporate governance and financial economics, addresses the conflicts of interest between principals (owners or shareholders) and agents (managers or executives) in a firm. This theory, notably advanced by economists Michael Jensen and William Meckling in their seminal 1976 paper, investigates how the separation of ownership and control in modern corporations can lead to issues such as moral hazard and adverse selection (Jensen & Meckling, 1976). The relevance of agency theory had been widely recognized in corporate governance and accounting research because it provided a framework for understanding conflicts of interest between principals and agents. In sum, agency theory remained highly relevant for studies examining financial reporting quality because it offered a conceptual foundation for understanding the conflicts between owners and managers, the incentives that drive reporting behaviour and the institutional mechanisms that could enhance accountability and transparency (Jensen & Meckling 1976; Bushman & Smith 2011). Its application in empirical research provided both theoretical and practical justification for investigating how firm attributes, governance structures and monitoring environments collectively shaped the quality of financial information in organizations.

Stakeholder theory

The relevance of stakeholder theory had been extensively recognized in corporate governance and accounting research because it broadened the focus of managerial responsibility beyond shareholders to include all parties affected by corporate actions. The theory was originally pioneered by Freeman in 1984, who argued that organizations should consider the interests of all stakeholders including employees, customers, suppliers, creditors, regulators, and the wider community rather than focusing solely on shareholder wealth maximization (Freeman 1984). In sectors such as oil and gas, where operations had widespread economic, environmental, and social impacts, stakeholder theory offered a framework to understand why companies might prioritize extensive disclosures on environmental liabilities, corporate social responsibility initiatives, and governance practices. Empirical applications of stakeholder theory had been used to explain how firm attributes influenced financial reporting quality. For example, larger firms and those with greater profitability tended to face more stakeholder scrutiny, compelling managers to provide more

accurate and extensive disclosures to satisfy diverse stakeholder needs (Clarkson 1995).

Similarly, firms with higher leverage or complex operations might report more detailed financial and non-financial information to maintain credibility with creditors, regulators, and community stakeholders. Stakeholder theory thereby provided a conceptual rationale for examining the interplay between firm characteristics and reporting practices. Hence, stakeholder theory remained highly relevant for studies of financial reporting quality because it provided a comprehensive framework to account for the needs and expectations of diverse constituencies. Its application helped explain why firm size, profitability, leverage, and other attributes influenced disclosure practices, and it underscored the ethical and strategic imperatives for transparent, decision-useful reporting (Freeman 1984; Donaldson and Preston 1995; Clarkson 1995).

2.2. Empirical Review and Hypothesis Development

This section discusses the empirical works of previous studies in relation to the study under consideration. The empirical review of literature considers the relationship exist between Firm specific attributes and Financial Reporting Quality.

2.2.1. Firm Size and Financial Reporting Quality

The relationship between firm size and financial reporting quality in Nigerian oil and gas companies is multifaceted, while others identify a positive and significant association between firm sizes with financial reporting quality. Empirical literature has established a link between firm size and financial reporting quality. The size of a firm could be reflected in its total assets or total sales. Saji (2022) examined the relationship between firm size and financial reporting quality within an emerging market context under IFRS adoption. The study employed an empirical approach using firm-level data and regression analysis to assess how institutional factors interact with firm characteristics in influencing reporting quality. The results indicated that firm size has a conditional effect on financial reporting quality. While larger firms generally exhibited better reporting practices, the strength of this relationship depended largely on the quality of regulatory enforcement and institutional frameworks. In environments with weak enforcement mechanisms, firm size did not significantly guarantee higher reporting quality. The study highlights that firm size alone is insufficient in explaining financial reporting quality; rather, it must be considered alongside institutional quality and governance structures. This finding introduces an important dimension to the literature by emphasizing contextual influences.

Lathifannisa et al. (2023) explored the relationship between firm size and earnings management, which serves as an inverse proxy for financial reporting quality. Using panel data regression, the study analyzed firms across different sectors to determine how firm size influences the tendency to manipulate earnings. The findings revealed a negative and significant relationship between firm size and earnings management, implying that larger firms are less likely to engage in opportunistic financial reporting practices. Consequently, this suggests that firm size improves financial reporting quality. The authors argued that large firms face higher scrutiny from auditors, regulators, and investors, which discourages earnings manipulation. Additionally, reputational concerns and the need to maintain investor confidence further compel large firms to produce high-quality financial reports.

Muhammad and Abubakar (2025) investigated whether specific firm attributes are systematically associated with financial reporting quality (FRQ) in Nigerian-listed oil and gas companies over 13 years (2012–2024). Guided by Agency Theory and Resource Dependence Theory, the analysis employed multivariate panel techniques suitable for firm-level data observed over time, with standard controls for scale effects and unobserved heterogeneity. The results indicate that firm size is negatively and significantly related to discretionary accruals, suggesting that larger issuers have stronger information environments and internal controls.

H0₁: Firm size has no significant effect on the financial reporting quality of listed oil and gas companies in Nigeria.

2.2.2. Firm Age and Financial Reporting Quality

Firm age denotes the duration of a company's existence at the point of analysis. Ayuba, et al., (2024), alongside Attah et al. (2024), investigated the influence of firm characteristics of financial reporting quality among quoted oil and gas companies in Nigeria from 2011 to 2020. A sample of eight companies was selected through a purposive sampling technique following the application of a single filter. The study employed an ex post facto design. The multiple regression analysis reveals that firm age has a significant impact on financial reporting quality. The study concludes that firm attributes, particularly firm age, serve as effective predictors of financial reporting quality.

Wijaya et al. (2024) examined the determinants of earnings quality (a proxy for financial reporting quality) in the transportation and logistics sector using data from 2019–2023. The study employed panel regression to assess the influence of firm-specific characteristics, including firm age, on earnings quality. The findings revealed that firm age has a significant relationship with earnings quality, indicating that older firms tend to exhibit better financial reporting practices. The study argued that mature firms have accumulated experience in financial reporting and have more established internal control systems, which enhances reporting reliability. However, the study also emphasized that firm age works alongside other variables such as audit quality and governance, suggesting that age alone may not fully explain financial reporting quality.

Li et al. (2024) investigated the interaction between financial reporting quality and CEO age using a large dataset of U.S. firms from 2010–2022. The study found that the effect of financial reporting quality on firm outcomes (investment efficiency) is stronger in firms with older leadership, indicating that age-related experience can enhance the usefulness of financial reports. However, another related study shows that older CEOs may also be associated with increased financial reporting irregularities under certain conditions, highlighting a complex relationship between age and reporting quality. This suggests that age (at both firm and managerial levels) does not always uniformly improve financial reporting quality.

H0₂: Firm age has no significant effect on the financial reporting quality of listed oil and gas companies in Nigeria.

2.2.3. Firm Leverage and Financial Reporting Quality

Prior studies indicate diverse relationships between leverage and the quality of financial reporting. Shehu (2023) analysed the monitoring characteristics and financial reporting quality of publicly listed manufacturing firms in Nigeria. A sample of 32 firms was selected from a total population of 59 for the study. Multiple regression analysis was utilised to investigate the study's Model, revealing a positive and significant correlation between leverage and earnings quality, the latter serving as a proxy for financial reporting quality, as assessed through the modified Dechow and Dichev (2002) model. The result that positively influences earnings quality could be an indicator that providers of debt financing in the manufacturing sector are effective in monitoring the activities of managers. According to Harrison and Thomas (2019), short-term debt often doesn't bear interest, in contrast to long-term debt such as bank loans which are typically interest-bearing. Furthermore, the use of these types of debt differs based on their purpose. Short-term debt, which is due within a year, is typically used to finance the day-to-day operations of the company (Yenni et al., 2021). On the other hand, long-term debt, which is due after a year, is used to finance long-term investments (Cheng et al., 2020; Hasanaj & Kuqi, 2019). Thus, total debt captures both short-term and long-term debt, providing a comprehensive view of a company's indebtedness. These three debt measures are often divided by total assets to understand the proportion between the debt and the company's total assets. The purpose of financial leverage is to amplify the expected financial performance, as measured by Return on Equity (Ibrahim & Isiaka, 2020). Debt financing can provide a company with additional capital, enabling it to seize new business opportunities and undertake new investments, which could enhance financial performance (Cheng et al., 2020; Yenni et al., 2021).

H0₃: Firm leverage has no significant effect on the financial reporting quality of listed oil and gas companies in Nigeria.

2.2.4. Profitability and financial reporting quality

In the work of Samuel et al (2024) conducted "Firm Characteristics and Financial Reporting Quality in Nigeria". The objective was to investigate how a broad set of firm characteristics (size, leverage, liquidity, asset growth, turnover, profitability, firm age) affect financial reporting quality for nonfinancial firms in Nigeria. The population comprised all 108 nonfinancial firms listed on the NGX as of 2022; sample size was 80 firms (based on tolerable error formula). Secondary data from annual reports were used; panel regression with discretionary accruals model measured quality. The research gap: inconsistencies in prior findings and limited sample breadth in Nigeria. They found mixed results: profitability had no significant relationship; leverage had a positive relationship with quality. Conclusion: firm attributes matter but results vary; recommendation: management should prepare true state of affairs rather than focus on profit maximization, and regulators should emphasize substance over form. However, Samson (2020) carry out a study on Firm Attributes and Profit Manipulation Aggregate among Quoted Nigerian Industrial Companies from 2003–2020. The population was quoted industrial organizations; sample size was 56 purposively selected firms. Data were secondary from financial statements; analysis used panel regression. Findings indicate that profitability negatively and significantly influenced earnings management.

H0₄: Firm profitability has no significant effect on the financial reporting quality of listed oil and gas companies in Nigeria.

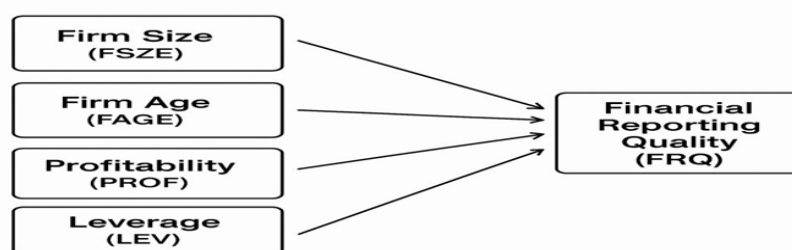


Figure1: Conceptual Framework

3. Methodology

The study adopted a quantitative research design, which was deemed appropriate for testing relationships between firm attributes and financial reporting quality using numerical data. The population comprised nine (9) number oil and gas companies listed on the Nigerian Exchange Group (NGX) from 2015 to 2023. Using censors sampling, the study selected firms with complete and consistent financial reporting data over the study period, resulting in a sample size of seven (7) firms, depending on data availability. Data collection relied on secondary sources, primarily annual financial statements, published reports, and other relevant disclosures from the NGX and firms' official websites. The study focused on firm attributes including firm size, firm age, profitability and leverage, while financial reporting quality was measured using Modified Jones model.

Model specification

For a study on the "Effect of Firms Specific Attributes on Financial Reporting Quality of Listed Oil and Gas Companies in Nigeria," the model specification can be as:

$$FRQ_{it} = f(FSZE_{it}, FAGE_{it}, ROA_{it}, LEV_{it}) \dots\dots\dots(i)$$

$$FRQ_{it} = \beta_0 + \beta_1 FSZE_{it} + \beta_2 FAGE_{it} + \beta_3 ROA_{it} + \beta_4 LEV_{it} + \mu_{it} \dots\dots\dots(II)$$

Where:

FRQ_{it} = Financial Reporting Quality of firm i at time t

FSZE_{it} = Firm Size of firm i at time t (measured by natural log of total assets)

FAGE_{it} = Firm Age of firm i at time t (measured as number of years since incorporation)

ROA_{it} = ROA of firm i at time t (measured using Return on Assets, ROA)

FLEV_{it} = Leverage of firm i at time t (measured as total debt to total equity ratio)

β₀ = Intercept

β₁, β₂, β₃, β₄ = Coefficients of independent variables

μ_{it} = Error term capturing unobserved factors affecting financial reporting quality

3.1 Measurement of Variables

Table 1. Variable, Measurement and Source

Variable	Definition	Measurement	Source
FRQ	Financial reporting Quality	Modified Jones Model	Aniefor, et al., (2021)
FSIZE	Firm Size	Log of total assets	Oraka, et al., (2019)
FAG	Firm Age	Natural log of firm age	Anusi & Nduka (2022).
FLEV	Leverage	Debt to Equity Ratio	
ROA	Return on Asset	Net Income over Total Assets	Omoro, et al., (2022)

Source: STATA Output, (2025).

4. Results and discussion

4.1 Descriptive

This section outlines the characteristics of the variables, including the mean, maximum, minimum and standard deviation for each variable.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
FRQ	63	0.014837	0.161083	-0.22199	0.3282
FAGE	63	37.28571	17.26775	7	68
FSZE	63	7.76874	0.916331	5.73655	9.42751
ROA	63	0.017566	0.046846	-0.06828	0.080785
LEV	63	0.593996	0.253582	0.219892	1.00958

Source: STATA Output, (2025).

Table 2 presents the descriptive statistics of the study variables, which provide an overview of their central tendencies and dispersion. The dependent variable (FRQ) had a mean value of 0.0148 and a standard deviation of 0.1611, indicating moderate variability across the sampled firms and periods. Its minimum and maximum values were -0.2219 and 0.3282 respectively, suggesting both negative and positive performance levels among firms during the study period. The average firm age (FAGE) was approximately 37 years, with values ranging between 7 and 68 years. This implies that the sampled firms were relatively mature entities with diverse operational histories. Firm size (FSZE) recorded a mean value of 7.77 and a standard deviation of 0.92, showing that firm sizes varied but remained relatively close around the average. The minimum and maximum firm size was 5.74 and 9.43 respectively, confirming that the sample consisted mainly of medium to large-scale firms.

The firms' Return on Assets (ROA) had an average of 0.018, with a standard deviation of 0.047, minimum of -0.068, and maximum of 0.081, indicating that profitability levels among firms were modest but positive on average. Leverage (LEV) averaged 0.594 with a standard deviation of 0.254, suggesting that the average firm financed about 59% of its assets through debt. Overall, the descriptive results indicate notable variation in the financial and structural characteristics of the sampled firms, which provides an appropriate basis for regression estimation.

4.2 Correlation and Multicollinearity Test

A correlation matrix was created to illustrate the correlation coefficients among the examined variables. The relationship between variables is demonstrated by each column in the table. A confidence interval can be utilised to summarize data or assess it for future research in a more advanced study. The Karl Pearson correlation was utilised to demonstrate the effect of firm specific attribute on financial reporting quality of oil and gas companies listed on the Nigerian Stock Exchange. The correlation matrix of the variables is presented in Table 3.

Table 3: Correlation test

Variable	FRQ	FAGE	FSZE	PROF	LEV
FRQ	1.0000				
FAGE	0.0600	1.0000			
FSZE	0.0696	0.7153*	1.0000		
ROA	0.3042*	0.2589*	0.0236	1.0000	
LEV	0.0563	0.1363	-0.2079	-0.2090	1.0000

Source: STATA Output, (2025).

At Table 3, the pairwise correlation analysis examined the linear association among the explanatory variables. The results showed that firm size (FSZE) and firm age (FAGE) were positively correlated ($r = 0.715$, $p < 0.05$), suggesting that older firms tend to be larger. Furthermore, ROA exhibited a positive correlation with the dependent variable (FRQ) ($r = 0.304$, $p < 0.05$), indicating that firms with higher profitability tend to perform better in the measured outcome. Other correlation coefficients were relatively low, suggesting the absence of serious collinearity issues.

4.3 Variance Inflation Factor

Assessment of Multicollinearity The lack of multicollinearity is a critical assumption in linear models. Multicollinearity arises when predictors exhibit dependence on one another. Tolerance and variance inflation factor (VIF) values serve as indicators for assessing multicollinearity. The results of the Multicollinearity test are presented in Table 4.

Table 4: Variance Inflation Factor

Variable	VIF	1/VIF
FRQ	3.25	0.307556
FSIZE	3.04	0.328622
FAGE	2.43	0.635223
LEV	1.53	0.654780
ROA	1.37	0.728677
Mean VIF	2.30	

Source: Stata Output, (2025).

The data presented in Table 4 supports the conclusion that multicollinearity is not an issue. The VIF (centered) values for all factors are below 10 and above 0.10, in accordance with established guidelines. This was confirmed by the Variance Inflation Factor (VIF) test, where all VIF values were below 5, and the mean VIF was 2.30. According to Gujarati and Porter (2009), VIF values below 10 indicate no multicollinearity problem. Thus, the explanatory variables were suitable for inclusion in the regression model.

4.5 Model Selection

Given the panel structure of the dataset (seven firms observed from 2015–2023), both Fixed Effects (FE) and Random Effects (RE) models were estimated. The Hausman test was then employed to determine the most appropriate estimator. The result of the Hausman test yielded a probability value of 0.7391, which is greater

than the 0.05 significance level. This indicates that the difference in coefficients between the FE and RE models is not systematic, thus supporting the Random Effects model as the more efficient estimator under the null hypothesis. However, the Breusch–Pagan Lagrangian Multiplier test for random effects produced a p-value of 1.000, implying that the variance of the random effects is not significantly different from zero. Consequently, the Pooled Ordinary Least Squares (OLS) model was preferred as the final estimation technique for this study.

4.6 Regression Analysis

Multiple regression analysis was utilized to clarify the relationship between firm age, firm size, leverage, profitability and financial reporting quality.

Table 5: Regression results based on OLS with Robust standard error

Variable	Coef.	Std. Err.	t	P>t
FAGE	-0.00338	0.002039	-1.66	0.103
FSZE	0.066063	0.028917	2.28	0.026
ROA	1.537043	0.436056	3.52	0.001
LEV	0.176109	0.087715	2.01	0.049
_Cons	-0.50398	0.192324	-2.62	0.011
R ₂	0.1560			
F(4, 58)	4.33			
Breusch Pagan	0.44			
Shapiro	0.845			
Prob > F	0.0039			

Source: STATA Output, (2025).

Table 5 summarizes the robust estimation, showing that 15% of the variation in financial reporting quality is collectively explained by firm size, leverage, profitability and firm age. The remaining 85% was attributed to variables not included in the Model. The F-statistic was 4.33, with a chi-squared probability of 0.0039. The chi-squared probability is significant at the 1% level, suggesting that the Model is well-fitted. This presents substantial evidence to determine that the chosen variables are suitable for analyzing the influence of firm-specific characteristics on the financial reporting quality of oil and gas companies in Nigeria.

Several post-estimation diagnostics were conducted to validate the robustness of the OLS results. The Breusch–Pagan / Cook–Weisberg test for heteroskedasticity returned a p-value of 0.4000, implying that the null hypothesis of constant variance could not be rejected. Hence, there was no evidence of heteroskedasticity. The Shapiro–Wilk test for normality of residuals produced a p-value of 0.845, confirming that the residuals were normally distributed. The Ramsey RESET test ($p = 0.5842$) indicated that the model had no omitted variable bias. Based on these results, the regression model satisfied all key assumptions, confirming its statistical reliability.

4.7 Discussion of Findings

This section offers discussion of findings from the regression estimates which is based on OLS with robust standard error to control for possible threat of heteroscedasticity and serial correlation.

Firm Age (FAGE)

The negative but insignificant coefficient ($\beta = -0.0034$, $p = 0.103$) suggests that older firms may experience diminishing dynamism or structural rigidity, which can reduce performance, although this effect is not statistically significant. The result corroborates the view of Adeniran (2018), who found that firm longevity alone does not guarantee better performance outcomes. The result supported hypothesis one that firm age has no significant impact on the financial reporting quality of oil and gas companies in Nigeria.

Firm Size (FSZE)

This variable has coefficient ($\beta = 0.0661$, $p = 0.026$) indicates that a one-unit increase in firm size is associated with a 0.066-unit increase in FRQ, holding other factors constant. This suggests that larger firms tend to achieve higher performance levels, possibly due to better access to financial resources, economies of scale, and stronger market positions. This finding aligns with the argument of Ojo and Akinlabi (2021) that firm size enhances operational efficiency and financial resilience. Hence, the study rejected hypothesis two that firm size has no significant impact on the financial reporting quality of oil and gas companies in Nigeria.

Profitability (PROF)

The positive and highly significant coefficient ($\beta = 1.5370$, $p = 0.001$) implies that more profitable firms perform better in FRQ. Profitability reflects sound financial management and operational effectiveness, which contribute positively to overall performance. This result is consistent with the findings of Okafor (2020) and Yusuf (2022), who reported that profitability enhances firms' sustainability and growth potential. Based on this result, hypothesis three is rejected and therefore, the alternate hypothesis is accepted.

Leverage (LEV)

The coefficient for leverage ($\beta = 0.1761$, $p = 0.049$) is positive and significant, indicating that firms that effectively utilize debt financing tend to perform better. This suggests that moderate leverage can improve financial flexibility and investment capacity. However, excessive leverage may still pose risk, as noted by Ibe and Chukwu (2019). Consequently, this study accepted the alternate hypothesis based on the statistical evidence that emerge.

5. Conclusion and Recommendations

Conclusion

This study conclusively established that firm attributes are significant determinants of financial reporting quality (FRQ), among listed oil and gas companies in Nigeria, using a Pooled OLS model. The findings revealed that Firm Size, Profitability, and Leverage all have a statistically significant and positive influence on FRQ. Profitability emerged as the strongest driver, indicating that financially robust firms exhibit superior reporting credibility, likely due to a lower incentive for earnings manipulation. The positive relationship with size and leverage suggests that the benefits derived from scale, resources, and external creditor monitoring effectively

encourage greater transparency, aligning with the principles of agency and stakeholder theories regarding heightened scrutiny and disclosure integrity.

In contrast, Firm Age showed a negative but statistically insignificant effect on FRQ, indicating that longevity alone is not a reliable predictor of reporting outcomes in this sector. The overall significance of the model confirms that these firm-specific characteristics jointly play a crucial role in shaping the information environment. Ultimately, the study provides robust evidence that financial and structural strength are the most effective drivers of high-quality financial reporting. This implies that management and regulatory policies should prioritize strategies that enhance profitability and ensure the proper oversight of capital structure to inadvertently boost the reliability of financial information, thereby strengthening investor confidence in the Nigerian oil and gas sector.

Recommendations

Based on the findings the following recommendation were made:

1. Firms must focus on operational efficiency and financial management to sustain high profitability (ROA), as it is the strongest positive predictor of financial reporting quality (FRQ). Management should view profitability as an essential internal control mechanism, as it significantly reduces the incentive to manipulate earnings, thereby naturally improving the credibility and reliability of financial reports.
2. Management should continue to pursue strategic growth to capture the benefits of Firm Size. Larger scale provides the necessary resources to invest in sophisticated accounting information systems and robust internal controls, which are vital for meeting comprehensive disclosure and compliance requirements, ultimately enhancing FRQ. Regulators should focus extra scrutiny on smaller firms that lack these advantages.
3. Firms should utilize Leverage strategically, recognizing the positive role that creditor monitoring plays in encouraging transparency. Management must maintain an optimal debt level and ensure clear communication with lenders, allowing the external discipline imposed by debt contracts to function as an effective corporate governance tool that promotes higher reporting quality.
4. Despite the insignificance of Firm Age, older firms must actively counter the risk of structural rigidity by fostering a culture of continuous learning and investing in modern reporting technologies. This ensures that their disclosure practices remain dynamic and adapt quickly to evolving regulatory requirements and industry best practices, preventing age from becoming a liability to FRQ.

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