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THE IMPACT OF CORPORATE GOVERNANCE ON VOLUNTARY INFORMATION DISCLOSURES OF QUOTED NIGERIA OIL FIRMS: AN EMPIRICAL ANALYSIS

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ABSTRACT

The main objective of this study is to empirically investigate the impact of corporate governance on voluntary information disclosures of quoted Nigeria Oil Firms using data from annual reports from a sample of 7 quoted companies during 2008 – 2017. A content analysis of the annual reports of sampled companies was carried out with the use of a disclosure checklist developed by the researcher. Multiple regression is employed for the study. The study reveals that corporate governance has significant impact on financial reporting of quoted Oil firms in Nigeria and that the level of voluntary disclosure has significantly improved after the introduction of corporate governance codes in Nigeria. Institutional share ownership is significance but negative at 5% while audit committee meeting and firm size were positive and significance at 1%. The paper recommend the reviews of the corporate governance codes be sustained, institutional share ownership should be discourage and audit committee meeting should be encouraged.

Keywords: *Corporate Governance, Voluntary Information Disclosures, Disclosure Index, Financial Reporting.*

INTRODUCTION

In the early1990s, the importance role of corporate governance to financial reporting disclosures was never taken serious by most top management around the world but series of corporate collapse which occurred in early 2000 in developed and developing counties has led to researchers to have interest in the mechanisms of corporate governance and their contributions to the company (Wan Zanani, Shahnaz & Nurasyikin, 2008). In fact, the sudden demise of large, well-established companies such as Enron, WorldCom or Parmalat as well as significant financial reporting restatements at Shell, Xerox, Ahold and many others have shaken not only confidence in financial reporting, but into the

financial system as a whole (Berndt and Leibfried, 2007). All these corporate failures have now made financial reporting to become a global issue. In Berndt & Leibfried (2007), financial reporting today is perceived no longer as a low-priority bookkeeping exercise, but a central function for directing a company under good corporate governance principles.

Information disclosure in annual reports comprises of both mandatory and voluntary disclosures. Mandatory disclosures are those statutorily required to be disclosed by companies while voluntary disclosures are added information in annual reports which are in excess of disclosure requirements and relates to freedom of managers to disclose such in the annual reports without any compulsion. The need for voluntary disclosures emanates from the fact that financial reports must be capable of meeting the needs of the various categories of users and also serves as a basis for investment decisions by investors and other stakeholders. Berndt and Leibfried (2007) opined that it has become evident that financial reporting is a core element of corporate governance within the past few years

The sudden failure of several famous and large companies in Nigeria and globally have cast doubts on stakeholder's confidence on information disclosed by corporate entities. This widespread failure of corporate entities resulting from poor disclosures has necessitated the need for improvement in financial information disclosures by setting up good corporate governance structures.

In the Nigeria sector, empirical studies reveal that accounting reports of Nigerian companies have been found to be deficient over time (Wallace, 1988; Umoren, 2010). Adeyemi and Fagbemi (2010) in Chima (2012) highlighted that some cases of the failure of Nigerian Banks, the case of Lever Brothers (presently known as Unilever plc), African Petroleum, Cadbury Nigeria plc and host of others has been linked to poor financial reporting and weak corporate governance. CBN Codes, (2006) noted that the corporate failures in companies which had earlier enjoyed good reputation, has been severally criticized and seen as being a product of poor corporate governance. SEC (2007) pointed out that virtually all the reported cases of corporate failure both locally and internationally has been traced to poor corporate governance practices.

Globally, the users of corporate information have intensified their expectation for published corporate disclosure to meet their needs. However, such disclosures rarely meet such needs because of information asymmetry between the managers and the owners as well as other stakeholders. The managers are likely to use information at their disposal to pursue their own interests to the detriment of the owners. This has always led to an increase in the gap between what is expected by users and what is actually disclosed. This can be called the disclosure gap.

Motivated by the assertion that the adoption of corporate governance codes by Nigeria oil firms will improve corporate voluntary information disclosures and enhance financial reporting credibility of annual reports, this research contributes to the growing knowledge on corporate governance by empirically investigating the impact that Corporate Governance Codes for quoted companies in Nigeria has on voluntary disclosures. Consequently, the objectives of this study are to:

- Evaluate the aggregate impact of Corporate Governance mechanisms on voluntary information disclosures of quoted oil firms in Nigeria as well as to investigate the relationship between each of the corporate governance variables on voluntary disclosure.

According to Chima (2012), several groups of people have interest in company's affairs due to their investments or anticipated investments, hence understanding why firms disclose information as well as what affects the firms' voluntarily discloses will be very significant to them. Findings from this study will be significant to government, investors, regulatory bodies, researchers, accountants, stockbrokers, financial analysts and scholars as financial reporting is a useful mechanism for managers to communicate with outside parties.

The overall disclosure index generated from the checklist of this study and the factors influencing disclosure are expected to assist local and foreign investors in making more informed decisions. This study will also help the management of quoted companies to assess their level of voluntary information disclosure using the disclosure index score generated by this research with a view of improving on their disclosure practices.

This research work is a contribution in the area of Corporate Governance and voluntary information disclosures. Hence, it will be significant to future researchers, academicians and the public.

LITERATURE REVIEW

A lot of studies have indicated a substantial increase in discussions in annual report and some of the studies reveal poor and inconsistent information disclosures in accounts of companies. The experience from the case of Enron, WorldCom, Pamalet, Cadbury and other big companies is that it has caused the government and regulatory bodies to work towards ensuring the restoration of public confidence in corporate governance as well as in the credibility of financial statements. According to Chima,(2012), a good financial report must not only be capable of providing users with mandatory disclosures but as well go extra mile in providing voluntary information disclosures so as to meet the needs of the various categories of users. Providing information on which sound investment decision can be made is the goal of all disclosure requirements so as to reduce uncertainties and understand as much as possible the values of the company as can be inferred from its reports(Glassman, 2003). Fama and Jensen (1983) highlights that financial reports are the most important source of information for various stakeholders who use then for investing, controlling and regulatory decisions. According to Whittington, (1993), financial reporting provides the means to give adequate information about the economic and financial corporate situation so that it will be able to reduce the information asymmetries between the stakeholders

In Klai and Omri (2011), it has been strongly debated that there is a relationship between corporate governance and the financial information reported. Financial reporting is a crucial element necessary for the corporate governance system to function effectively. Section 3.16 of the CBN Codes (2006), states that transparency and adequate disclosure of information is the key attribute of corporate governance. Corporate firms can easily raise capital if the firm has a good reputation with regards to financial reporting as Levitt (2000) opined that good corporate governance is recognized to influence the financial reporting process and will go a long way in restoring investor's confidence. Wang & Zezhen (2011) opined that voluntary disclosures replenish compliance disclosures and this have a way of improving the financial reporting process.

Empirical Review

Empirically, Abubakar and Syamarlah (2014) in their paper title corporate governance and disclosure in Nigeria: An empirical Study. This paper outlines a sample case study of 'best practice' as per the Nigerian 2011 code which can be adapted as role 'model'. Oando PLC, one of the top 30 companies, is identified as the company which had complied with the Nigerian corporate governance code, in reference to transparency and internal control with "Excellent" performance. Similar to European codes, the Nigerian corporate governance codes are voluntary and listed companies are expected to comply with. The study explores the standard and quality of CG practices disclosed by Oando PLC, over the period 2010-2012, using the Nigerian 2011 Code as a benchmark.

In the same vain, Araniyar and Chizea (2017) in Ghana in their paper that examines corporate governance disclosure in Ghanaian and Nigerian Banks using the un-weighted disclosure index technique. The research analyses corporate governance disclosure practices in the annual reports of 10 listed banks in Ghanaian and Nigerian banks in the year 2014. The findings of the research reveal that Ghanaian and Nigerian banks comply with several codes and principles of corporate governance disclosure: with Ghanaian banks having a lower level of disclosure than their Nigerian counterparts. The paper concludes that both Ghanaian and Nigerian banks have poor scores in voluntary corporate governance disclosure. Ghanaian banks tend to be worse off, as the level of variation in levels of corporate governance disclosure is higher than Nigerian banks. In comparison, Nigerian banks on the average tend to have better voluntary disclosure practices than Ghanaian banks. Also, Ghanaian and Nigerian banks include some elements of corporate social responsibility reporting in their annual reports. The research recommends that policymakers and regulators should devise policies targeted at enhancing voluntary corporate governance disclosure and increasing board diversity in the boardrooms.

In China, Qu, (2011), conducts a study of voluntary disclosure of 297 listed firms in China from 1995-2006. A checklist of 15 voluntary disclosure items is developed and the result of OLS Regression shows that the level of Voluntary disclosure made by Chinese Stock Market gradually increased during 1995-2006. Board composition, Audit committee composition, foreign share ownership, leverage, legal-person ownership, size, industry type and quality of external auditor have positive

and significant relation to voluntary disclosure. State ownership has negative and significant relationship with the extent of voluntary disclosure. Profitability and Growth opportunities found to be negative and insignificant relation with voluntary disclosure.

Al-janadi (2010), studies the moderating effect of government ownership on the relationship between corporate governance mechanisms and voluntary disclosure of 150 listed companies in Saudi Arabia and UAE from 2006 to 2007. Checklists of 46 voluntary disclosure items were used. The results of multivariate (OLS) analysis shows that most corporate governance mechanisms especially board composition, board size, CEO duality, audit quality, institutional share ownership and concentration of ownership have significant contribution in providing quality voluntary disclosure. While government ownership found to be negatively significant with the extent of voluntary disclosure.

Adelopo (2011), assesses the voluntary disclosure practices amongst listed companies in Nigeria. They used 52 samples of the firms for the period 2006. The study uses 24 voluntary disclosure items. The results of univariate (Partial correlation) and multivariate (OLS), shows that firm size, audit type and performance has positive and significant relationship with voluntary disclosure. Block share ownership, management share ownership, leverage, and foreign member on the board have negative and significant relationship with the level of voluntary disclosure.

A study conducted in Saudi Arabia by Aljanadi, Abdul, Rahman and Omar (2013), on corporate governance mechanisms and voluntary disclosure by 87 Saudi listed companies for the period of 2006 to 2007. The study use 22 voluntary disclosure checklists and the multivariate analysis shows that board size, firms' size, proportion of non-executive directors, audit type and industry type are positive and significant with the extent of voluntary disclosure. Government share ownership and Separation of CEO Role are negative and significant with the extent of voluntary disclosure. While family member on the board, audit committee compositions and profitability are positive but not significant with the level of voluntary disclosure.

Rouf (2011), study corporate characteristics, governance attributes and the extent of voluntary disclosure of 120 listed non-financial companies in Bangladesh in 2007. 68 voluntary disclosure items are used. The result of

OLS regression reveals positive association between Board size, Board Leadership, Audit committee and voluntary disclosure. Negative association between proportion of non-executive directors, ownership structure, and profitability with voluntary disclosure.

In Kuwait, Al-shammari and Al-sultan (2010), study corporate governance and voluntary disclosure of 170 listed companies in 2007. Voluntary disclosure checklists of 76 items are developed and the results of univariate and multivariate analysis indicated that the level of voluntary disclosure is higher in larger companies and where a voluntary audit committee exists. The extent of voluntary disclosure was positively associated with the extent of Audit committee, company size and industry type. Board composition, and audit type found to be positive but not significant with the level of voluntary disclosure. While family member on the board, Role duality and leverage are found to be negative but not significant with the level of voluntary disclosure.

The relationship between institutional ownership and disclosure has been examined in prior studies, the evidence is mixed. Some studies found a positive association between institutional ownership and the extent of voluntary disclosure (El-Gazzar 1998, Barako, Hancock & Izan 2006, Guan, Sheu & Chu 2007). In contrast, Schadewitz and Blevins (1998), report an inverse relationship between institutional ownership concentration and disclosure, based on a study of interim disclosures by Finish firms.

Emmanuel and Sabastain (2015) investigates the impact of corporate governance disclosure practices on bank performance in Nigeria. The study used secondary data from the annual reports of banks listed on the Nigerian stock exchange. Empirically, the study used panel regression technique to determine the influence of corporate governance disclosure practices on the performance of banks in Nigeria. The regression result indicates that the extent of disclosure is positively related with performance that is banks that had higher degree of disclosure also posted better performance.

Abdullah, Khaled and Doaa (2016) empirically explore corporate governance and the demographic traits of top management teams as the determinants of voluntary risk disclosure practices in listed banks. The study uses manual content analysis to measure the levels of risk disclosure

in all Saudi listed banks from 2009 to 2013. It also uses ordinary least squares regressions analysis to examine the joint effect of corporate governance and demographic traits on risk disclosure. The empirical findings show that external ownership, audit committee meetings, gender, size, profitability and board size are primary determinants of voluntary risk disclosure practices in Saudi listed banks. The remainder of the independent variables of both corporate governance mechanisms and demographic traits are insignificantly correlated with voluntary risk disclosure practices in Saudi listed banks. The study supports upper echelons theory and further encompasses demographic research into the risk disclosure field. The empirical findings offer several important implications by reporting to banks' stockholder, regulatory bodies and any other interested group on the importance of corporate governance and demographic determinants, which can be used to augment risk reporting in the banking industry. This study also backs upper echelons theory and encourages further demographic research into the risk disclosure field.

In the empirical study conducted by Siriyama and Sara (2017). The research paper study address the interrelationship between corporate governance and voluntary disclosure. More specifically, the main focus of the paper is to understand how both internal and external governance mechanisms impact the information disclosed in annual reports. It also answered do mangers tend to disclose less or more? Furthermore, it examines the degree of compliance with the governance regulatory requirements. Furthermore, the ultimate objective of this study also is to address how corporate governance can influence information asymmetry between managers and stakeholders. The study concludes that corporate governance is not only about set of regulations of how firms are governed, but also about the way managers take the responsibility when they issues their financial statements. The study recommends that Market regulators produce codes and regulations to ensure how timely and accurate information released by companies in most countries around the world.
Yau & Emmanuel (2013) in their study The Impact of Corporate Governance on Voluntary Information Disclosures of Quoted Firms in Nigeria: An Empirical Analysis. The main objective of this study is to empirically investigate the impact of corporate governance on voluntary information disclosures of quoted companies in Nigeria using data from 385 annual reports from a sample of 35 quoted companies during 1999 – 2009. The study also adopted Pre and Post approach to study the

significant difference on information disclosures during pre and post corporate governance codes era in Nigeria. A content analysis of the annual reports of sampled companies was carried out with the use of a disclosure checklist developed by the researcher. Multiple regression is employed to the study. The study reveals that corporate governance has significant impact on financial reporting of quoted firms in Nigeria and that the level of voluntary disclosure has significantly improved after the introduction of corporate governance codes in Nigeria.

In a Jordanian paper by Fawzi (2014) title Corporate Governance Mechanisms and Voluntary Disclosure Compliance: The Case of Banks in Jordan. The study discussed the role of central bank in developing corporate governance best practices in Jordanian banks. The study focuses on investigating the extent to which Jordanian banks are comply with corporate governance code for banks in Jordan as outlined by central bank in 2007. Furthermore, it investigates the extent to which banks comply with the corporate governance code for banks in Jordan in transparency and disclosure. Based on the annual financial reports of 13 banks listed in Amman Stock Exchange (ASE) for 2012, the results indicated that the overall compliance with corporate governance code for banks in Jordan is 90.9%. The results show that the lower compliance is concentrated in audit committee as only 70.5% of the banks do comply with its rules as outlined in corporate governance code for banks. After computing the voluntary disclosure index, the results show that the average disclosure score is 61.3%, which is unsatisfactory. Apart from employee information, the results show high consistency in disclosure practices among Jordanian banks.

Folashade, Abeer, and Mary (2017) examined Corporate Governance Disclosure in Nigerian Listed Companies. This study examines the impact of corporate governance disclosure on firm performance, board composition, and company size. The study used secondary data from companies listed on the Nigerian stock exchange and examined 31 companies across 5 sectors from 2010-2013. This study used panel regression techniques and the results indicate that asset turnover, board composition and number of employees are all significantly related to corporate governance disclosure. However, return on assets, return on equity and earnings per share are not significant. Overall, this study found that listed companies compliance with the Securities Exchange Commission (SEC) Disclosure requirements has a positive influence on

corporate governance performance for the firms listed in the Nigerian Stock Exchange.

Underlying Theory

Several theories have been developed on why firms should disclose voluntary information and the need to provide a detailed financial report by those entrusted in the management of company's affairs. The entity theory, the proprietary theory, institutional theory, political economy theory, resource dependence theory, stakeholder's theory and the agency theory all agree that all companies reveal information mostly for traditional user groups and for investment decisions.

The agency theory applies to the relationship between managers and equity holders as well as explicit recognition of other stakeholders of the firm. According to Jensen and Meckling (1976), agency theory provides a framework linking information disclosure behaviours to corporate governance. The agency theory posits that in the presence of information asymmetry the agent (the directors and managers) is likely to pursue interests that may hurt the principal, or shareholders (Ahmadu, Aminu & Tukur, 2005). Hence, the agency theory is the underpinning theory for this research work and fundamental theory upon which this research study is based as it provides a framework linking information disclosure behaviours to corporate governance.

METHODOLOGY

The ex-post factor research design was used in this research work. The listed Nigerian oil marketing companies in 2017 constitute the population of this study; from which seven companies were sampled out as representatives of the population. The study cover a period of ten year

Population of the Study

The research population of this study comprises of all the oil marketing companies that are quoted on the floor of the Nigerian Stock Exchange. This can be seen in the table below.

Table 3.1: Study Population

S/N	COMPANY NAME	YEAR OF INCORPORATION	YEAR OF LISTING
1	OANDO PLC	1969	1992
2	AFROIL PLC		1990
3	BECO PETROLEUM PLC	1986	2009
4	CONOIL PLC	1960	1989
5	ETERNA OIL & GAS PLC	1989	1998
6	FORTE OIL PLC	1964	1978
7	MOBIL OIL NIG. PLC	1951	1979
8	MRS OIL NIG. PLC	1969	1978
9	TOTAL NIG. PLC	1956	1979

Source: Generated by author from the NSE 2015/2016 Fact book.

Table 3.1 shows the population of the study consisting of nine quoted petroleum marketing companies drawn from the 2008/2017 fact book of the Nigerian Stock Exchange (NSE), out of which the population of the study was derived. The criteria for choosing the population is the availability of the data from 2008 to 2017, the justification for this criteria to ensure the availability of comparable data from 2008 to 2017, and the companies that met with these criteria are listed in table 3.2. However, Beco Petroleum PLC and Afroil PLC did not met with the criteria, as Beco was only listed on the Nigerian Stock Exchange in 2009 and Afroil has been de-listed from Nigerian Stock Exchange since 2008, and as such they did not have complete required data.

Table 3.2: working population

S/N	COMPANY NAME	YEAR OF INCORPORATION	YEAR OF LISTING
1	OANDO PLC	1969	1992
2	FORTE OIL PLC	1964	1978
3	MOBIL OIL NIG. PLC	1951	1979
4	MRS OIL NIG. PLC	1969	1978
5	TOTAL NIG. PLC	1956	1979
6	CONOIL PLC	1960	1989
7	ETERNA OIL & GAS PLC	1989	1998

Source: Generated by the researcher from table 3.1.

The Variables of the Study and their Measurement

This study used two set of variables: dependent and explanatory variables

The Dependent Variable

The dependent variable of this study is the total voluntary disclosure score. Eighty seven (87) voluntary disclosure checklist items were developed after a review of voluntary checklist used by previous disclosure studies. These includes the checklist used by: Abdel-fattah (2008), in Egypt; Akhtaruddin & Haron (2010), and Ho & Taylor (2013) in Malaysia; Agca & Onder (2007), in Turkey; Alves (2011), in Portugal and Spain; Rouf (2011), and Saha & Akter (2013), in Bangladesh; Barako, Hancock & Izan (2006), in Kenya; Allegrini & Greca (2013), in Italy; Leung & Gul (2004), in Hong kong; Eng & Mak (2003), in Singapore; Hossain & Hammani (2009), Adelopo (2011), and Damagun & Chima (2013), in Nigeria. The purpose of this review was to identify commonly used items in voluntary disclosure researches. The check list developed was compared with the mandatory disclosure requirements in Nigeria in CAMA 2004 and SEC 2011 Codes of CG in order to ensure that mandatory disclosure items were not mistakenly included in the check list. Due to subjectivity inherent in weighted approach such as making a particular disclosure more important than the other, and on the assumption that all items are equally important and different users pay attention to different information, this study used unweighed approach in scoring the item i.e. scoring the item one if it is disclosed and zero if is not disclosed as used by (Adelopo 2011, and Kolsi 2012).

The Explanatory Variables

The explanatory variables of this study include the independent and control variables

a) Independent Variables

The study follows the recent direction in disclosure literature of assessing the relationship between corporate governance and voluntary disclosure. It uses a number of CG mechanisms which includes, (board size, board composition, institutional share ownership, and audit committee meetings) as independent variables on the extent of voluntary disclosure in corporate annual reports of companies listed in the Nigerian industrial goods sector.

b) Control Variables

A review of the literature on voluntary disclosure led to the decision to include one (1) control variables in the regression models. This is:

1) Firm Size

Firm size is the most common variable in disclosure literature either in developed or developing countries. In the corporate disclosure literature, firm size is one of the main corporate governance variable as control.

Variable and measurements:

Total voluntary disclosure score: Ration of actual number of disclosed items to the total disclosure items as used by Abdel-fattah (2008). Akhtaruddin and Haron (2010), Ho and Taylor (2013), Agca and Onder (2007), Alves (2011), Rouf (2011), and Saha and Akter (2013).

Board size: Number of directors on the board as used by Hassan (2013) Abdel-fattah (2008). Ronnie Lo (2009), Anderson and Daoud (2005), and Barako (2007).

Board composition: Proportion of non-executive directors to the total directors on the board as used by Damagun and Chima (2013), Abdel-fattah (2008), Ronnie lo (2009), Barako (2007), and Hannifa and Cooke (2000).

Audit committee meetings: Number of meetings held by the committee within a year as used by Alves (2011), Qu (2011), Allegrini and Greco (2011), Madi (2012), and Saha and Akter (2013).

Institutional share ownership: Proportion of ordinary shares held by institutional investors to the total ordinary shares issued by the company as used by Abdel-fattah (2008), Donnelly and Mulcahy (2008), Johnson (2005), and Aljanadi (2010).
Firm size: Logarithm of total assets as used by Damagun and Chima (2013), Abdel-fattah (2008), Ronnie lo (2009), Adelopo (2011), and Clemente and Labat (2009).

Model Specification

The Regression equation empirical model for this research is given as:
$TVD = \beta o + \beta 1BS + \beta 2\ BCnEx + \beta 3InsSHARE + \beta 4AudCOMMITTE + e$ (2)
$TVD = \beta o + \beta 1BS + \beta 2\ BCnEx + \beta 3InsSHARE + \beta 4AudCOMMITTE\ \beta 5FS + e$ (3)
TVD = Financial Reporting Disclosure Index.

BS = Board size
BCnEx = Proportion of the non-executive directors to the total board size.
Ins SHARE = institutional share ownership.
AudCOMMITTEE = audit committee meetings
FS = Firm size,
TVD = Σi=1 njxij (4) Njj

RESULTS AND DISCUSSION

Table 1: Multicollinearity Test

Variable	VIF	1/VIF(TV)
FS	2.35	0.425612
BS	2.14	0.467647
BC	1.76	0.567216
ACM	1.38	0.723178
INS	1.14	0.876322
Mean VIF	1.75	

Source: out of VIF developed by researcher using STATA 11 (2019)

The two common ways to check for the presence of Multicollinearity between independent variables are correlation coefficients and variance inflation factors (VIF) with tolerant values. This study used VIF to check whether the explanatory variables of the model suffer from Multicollinearity. The VIF in excess of 10 should be taken as an indication of harmful Multicollinearity (Neter, Wasserman & Kutner 1989, and Gujarati 2003), and the result of the test show that the maximum VIF is 2.35 and the minimum VIP is 1.14 and this is less than 10 which indicate absence of Multicollinearity.

Table 2: Descriptive statistics

Variables	Observation	Mean	Std.dev	Min	Max
TVD	70	0.66893710	0.1155239	0.4367876	0.942523
BS	70	8.557143	1.900692	5	13
BC	70	0.6511731	0.2553968	0.38	0.9167
INS	70	0.3712647	0.2283658	0	0.6748
FS	70	9.639889	0.6140676	8.46643	10.82881
ACM	70	3.4149889	0.9087794	2	7

Source: Output of summary statistics developed by research using STATA 11 (2019)

Table 2, the mean total voluntary disclosure score for the sampled oil companies in Nigeria shows an average voluntary information disclosure

of about 0.67. This means that Nigerian industrial goods companies disclosure information voluntary of about 67%. This shows element of high level of voluntary information disclosure in the industry, with a minimum disclosure level of 43.67 % and maximum disclosure level of 94.25%. The standard deviation of 0.115 indicates that there is no significant variation in voluntary disclosure of information between the sampled oil companies during the period of the study. As indicated in the Table 4.1, the mean board size is about 8 members with minimum of 5 members and maximum of 13 members. The standard deviation of 1.9 shows that there is significant variation about the size of the board of the sampled oil companies. In addition it is shows that the average of the proportion of non-executive directors on the board is about 65%, with ranges from 38% to 92%. This reflects the vital role that non-executive directors play on the board and raise a question about its effectiveness. This shows that only 38% of the board members are executive directors. The standard deviation of 0.255 indicates that there is no much difference in composition of membership of the board among the sampled oil companies. On the average the intuitional share holder owned about 37% of the total equity share issued by the sampled oil companies for the period of the study. This indicates that the remaining 63% of the total equity shares of the companies was held by individual investors of the companies.

With a minimum institutional shareholding of 0% and maximum of 67%. The standard deviation of 0.228 indicates that institutional shareholding among the sampled companies is diverse. On the average, three (3) meetings were held by the audit committee of the sampled companies in a financial year. This indicates that members of the audit committee met every four month to discuss matter concerned the committee. The standard deviation of 0.90 indicates high level of dispersion in the meeting held by audit committee as shows by a minimum meeting of 2 times and maximum meeting of 7 times in a years among the companies. Firm size, measured by the natural logarithm of total assets has a mean of about 9.63, with a minimum of about 8.66 and maximum of about of 10.82. But the standard deviation of 0.61 suggests a high level of dispersion in the total assets among the sampled companies.

Table 3: Correlation matrix

	TVD	BS	BC	INS	FS	ACM
TVD	1.000					
BS	0.4178	1.000				
BC	-0.0265	0.1748	1.000			
INS	-0.1477	-0.2022	-0.2670	1.000		
FS	0.6524	0.6264	-0.2677	0.0116	1.000	
ACM	0.4009	0.2929	0.3866	0.0087	0.2223	1.000

Source: Correlation output developed by researcher using STATA 11 (2019)

Table 3 shows the correlation coefficients on the relationship between the dependent variable (TVD) and explanatory variables board size, board composition, institutional share ownership, audit committee meetings and firm size). The values of the correlation coefficient range from -1 to 1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative), the absolute value of the correlation coefficient indicates the strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.0, because each variable has a perfect positive linear relationship with itself. As shown in table 3, the relationship between institutional share ownership, and board size with total voluntary disclosure score are weak and negative with correlation coefficient value of -0.1477 and -0.0265 respectively. Likewise, weak and negative board size, board composition with institutional share ownership with -0.2022 and -0.2670 respectively. in the same vain, there is weak and negative relationship between board composition and firm size with -0.2677. And finally a strong and positive relationship exists between board size and firm size with total voluntary disclosure score with correlation coefficient value of 0.530 and 0.647 respectively. All other relationships are positive and strong.

Table 4: Regression results

TVD	COEFF	STD. ERRORS	T VALUE	PROB
BS	-.0079364	.007638	-1.04	0.303
BC	.0110588	.0516135	0.21	0.831
INS	-.0900136	.0464398	-1.94	0.057**
ACM	0.3539	.0128461	2.77	0.007***
FS	.1280371	.0247816	5.77	0.000***
INTERCEPT	-.5927102	.2085829	-2.84	0.006
R Sq.	0.527			
PROB.	0.00000***			

Source: Regression output developed by researcher using STATA 11(2019). (*, **. ***, indicate significant levels at 10%, 5%, and 1* respectively).

The R-square is 53 % which shows the corporate governance variables explain TVD to the extent of 53% while the remaining percentage are explained by other factors that are not captured in the model. The probability is significant at 1% an indication that the model is fitted and the study results can be relied upon.

The regression result of the study's model indicates that some independent variables have positive impact TVD while others have negative impact. Thus; TVD = -.5927102 - .0079364BS + .0110588BC - .0900136INS + .03559ACM + .1280371FS + e. from the regression results, BS and INS have negative relationship with TVD while BC, ACM and fs have positive relationship with TVD.

The results in table 4. Show that board size has negative but has no significant influence on voluntary disclosure of information in the Nigerian listed oil companies at 30% level of significance. The regression result shows that board composition is positive and statistically not significant with voluntary disclosure in the Nigerian listed oil companies 83%.

Concerning the relationship between institutional share ownership and voluntary disclosure in the Nigerian listed oil companies, the regression result in table 4 reported a negative and significant association at 5%. This significant association indicates that institutional investors are one of the major determinants of voluntary disclosure of information. This result is consistent with the findings of Schadewitz and Blevins (1998). But, is inconsistent with findings of Al-janadi (2010), who find positive and significant association between institutional share ownership and the extent of voluntary disclosure. Thus, the study's result implies that the higher the proportion of share held by institution, the lower the voluntary information disclosure.

Considering the association between audit committee meeting and voluntary disclosure, the regression result in table 4 reveals that audit committee meeting is positively and significantly associated with voluntary disclosure of information in the listed oil companies in Nigeria at 1% level of significance. This implies that as the number of audit committee meetings increases the extent of voluntary disclosure increase. This finding is in line with the findings of Qu (2011), Al-shammari and Al-sultan (2010).

Table 4 indicates that firm size, measured by the natural log of total asset, is significant and positively associated with voluntary disclosure at 1% significance. This finding is in line with the findings of previous disclosure studies (Aljanadi, Abdulrahman & Omar 2013, and Adelopo 2011). However, the findings contradicts that of Rouf (2011), who document a negative association between firm size and voluntary disclosure. The finding of this study shows that large firms disclosure more voluntary information than smaller ones. There is negative and significant association between institutional share ownership and voluntary disclosure in the Nigerian listed oil companies. This implies that the higher the proportion of share held by institution, the lower the voluntary information disclosure by the companies.

Audit committee meeting is positively and significantly associated with extent of voluntary disclosure in the Nigerian oil companies. Thus, as the number of audit committee meetings increases, the extent of voluntary disclosure by Nigerian listed oil companies' increases.
Firm Size, measured by the natural log of the total asset, is found to be significant and positively associated with voluntary disclosure in the Nigerian listed oil companies. Thus, large firms disclose more information than small ones because of their characteristics such as lower information production costs, higher complexity in business operation, wider ownership base, greater liability to agency costs, and more susceptibility to political costs.

CONCLUSIONS AND RECOMMENDATIONS

Institutional share ownership reduces the extent of voluntary disclosure of information in the Nigerian listed oil companies. Voluntary disclosure in the Nigerian oil companies increases as the number of meeting held by audit committee increases. Thus, audit committee meetings enhance the extent of voluntary disclosure of information. Size of the firm influence the extent of voluntary disclosure in the Nigerian listed industrial goods companies. Larger corporations are more likely to disclose more information than smaller corporations, since it is more probable that smaller corporations feel it will give the corporation competitive disadvantage, when disclosing full information in the annual report. The audit committee's meetings attendance, issues discussed and member's participation in the meetings should be included in future codes and disclosure requirements of SEC so as to improve the effectiveness of the audit committee of the Nigerian industrial goods companies.

Since size of firms has positive impact on the extent of voluntary disclosure in the Nigerian listed industrial goods companies, users of accounting information should be mindful of the negative effect of firm size on the extent of voluntary disclosure, which portray denials of responsibility such as societal obligation and expectations, tax liability and agency costs implications associated with organisational size.

Firstly, the introduction of codes of corporate of best practices has significantly improved voluntary information disclosures of firms in Nigeria. The result shows that corporate governance mechanisms have an aggregate impact on voluntary information disclosure of quoted firms in Nigerian. Secondly, we can conclude that audit committee meeting is one of the major elements of corporate governance that influences voluntary disclosures of Nigerian listed firms. Second, apart from the corporate governance variables, the study confirms that firm size and profitability also have a significant relationship with information disclosure.
Based on the empirical findings of this research, the following recommendations are made;

The empirical result shows that corporate governance mechanisms have aggregate positive impact on voluntary information disclosures. Hence the study recommends that reviews of the corporate governance codes be sustained. We however argue that the proliferation of different corporate governance codes in Nigeria might make it difficult for firms to comply due to contradictions amongst the numerous codes. This study thus recommends that all the differences in all the various corporate governance codes be harmonized for effective implementation and compliance with a view of improving voluntary disclosures.

Empirical result also shows that firm size has a significant impact on voluntary information disclosure, meaning that larger firms have the tendency to disclose more voluntary information than smaller firms. This means that some relevant information needed for investment decision might not be disclosed by some smaller firms because of the firms' size. The study therefore recommend to regulatory authorities in Nigeria for a review of mandatory disclosure requirement with a view of making some voluntary disclosures mandatory irrespective of the firms' size.This research used only four corporate governance variables to study voluntary information disclosures in Nigeria. Further research could be carried out by including more corporate governance variables such as Audit

committee characteristics, auditor's reputation etc. to study their impact on voluntary disclosures.

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