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# EFFECT OF AUDIT COMMITTEE ATTRIBUTES OF FINANCIAL PERFORMANCE OF LISTED OIL AND GAS FIRMS IN NIGERIA

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**Abstract**
*The study examined the impact of audit committee characteristics on financial performance of listed oil and gas firms in Nigeria. A correlational and ex-post factor research designs were adopted for the study. The population of this study is 9 listed oil and gas firms and the sample size of the study consists of 9 listed oil and gas firms on the floor of Nigeria Exchange Group for the period 2013 to 2022. Panel corrected standard errors (PCSE) regression model was employed to analyze the data of the study with the aid of diagnostic tests. The findings of this study revealed that audit committee size, gender, independence and legal expertise are positively related to the financial performance of oil and gas firms in Nigeria. On the other hand, the audit committee meetings attendance documented negative correlation with financial performance of listed oil and gas firms in Nigeria. The number of female experts in the audit committees should be increased so that the committee would have the complexity that allows for more effective checkmating of financials presented by the management to curb the opportunistic propensities. The number of legal experts in the audit committees should be increased so that the committee would have the complexity that allows for more effective checkmating of financials presented by the management to curb the opportunistic propensities.*

**Keywords:** Audit, Performance, Committee, Financial, Nigeria

## 1. Introduction

The paramount goal of every business organization is to meet up with the expectation of its stakeholders. This can only be achieved when the business performance is on right track, various strategies are being adopted by the business entity to sustain and maximize the financial strength of its operations (Kauji, Usman & Adamu, 2023). Financial strength is a vital tool to evaluate the financial health of any business, it plays a vital role in the growth of a business entity, payment of ratio on equity, enable the entity to compete in an efficient and effective manner and also to create enabling atmosphere that attract potential investors. Therefore, financial performance of a firm is a major yardstick that can be used to determine the wealth of a firm. Ezechukwu and Amahalu (2017) posit that the term performance is yet to have a universally accepted definition which led to different interpretations or meaning of performance based on individuals and corporate needs, ranging from profit, return on equity, return on asset, sales, and growth and so on. Moreover, the importance and relevance of a business entity's financial performance to both managers and other stakeholder has become very imperative that necessitate unending research for a comprehensive and good understanding of how the performance of a firm is influenced by factors surrounding the business entity.

Audit committee size is considered as one of the important elements of audit committee characteristic that influences the financial performance of an organization, (Buallay & Al-Ajmi, 2019; Karamanou & Vafeas, 2005) stated that a larger audit committee is more likely to analyze firms' financial performance thus having higher chances of justifying financial fraud. Lin, Li and Yang (2006) and Daniel et al. (2021) posited that audit committee meeting attendance has the ability to create better communication between audit committee members and auditors.

Female executives possess better transformational leadership qualities than their male counterparts, Moreover, and their leadership qualities make females more cooperative toward their subordinates and improve financial performance (Francis et al. 2015). In Nigeria, to the best of the researchers' information, no study has explored the correlation between audit committee legal expertise and financial performance. Even though none of the Codes of the CG in Nigeria has explicitly discussed the composition of legal experts on the audit committee, the Security and Exchange Commission, Code of Corporate Governance (2011) stressed that the first responsibility of the audit committee to is to determine whether the accounting and reporting procedures of the company are in agreement with the legal provisions and approved ethical practices.

In addition, oil and gas sector contributed about 6.33% to the total real GDP (Gross domestic product) in Q2 2022, down from the figures recorded in the corresponding period of 2021 and the preceding quarter, where it contributed 7.42% and 6.63% respectively NBS (National bureau of statistics, 2022). Therefore, the study seeks to examine the effect of audit committee characteristics on the financial performance of listed oil and gas firms in Nigeria.

Although, Wallace (1988) Okike (2000) and Ofoegbu and okoye (2006) concluded that 65% of the financial performance issued by Nigerian corporations are deceptive as it could not capture the reality of the business financial operation. Also, Ani, Inyiama and Okorie (2022) expressed a serious concern about the difficulties in assessing the operational and financial performance of most of the oil and gas firms despite effort of the management in monitoring evaluating as well as controlling the financial affairs of the organization by the auditors to ensure that they protect the interest of their stakeholders in determining the states of their financial performance. Moreover, in the recent report by Fasua (2018) of pro-share research institute, quoted the minister of petroleum saying that Nigerian oil and gas is no longer profitable as it were; that "Nigeria's petroleum industry is not as profitable as we make out, for several reasons. Certainly nowhere near as profitable as to able to afford the tastes we have now developed and the way those who run that industry award themselves with crazy salaries and allowances, foreign trips, five stars medicals and everything's in between. Nigeria has therefore been building castles in the air thinking it has a profitable and robust industry which we could build magnificent castles and establish greatness". Although, Chukwu and Nwabochi (2019), Tinuola, et al (2021) attributed the financial performance drawn back in the oil and gas sector to internal control failures, ineffectiveness and inefficiency of the audit committee, being one of the corporate governance mechanisms.

Nevertheless, several scholars have attempted to examine the relationship between audit committee characteristics on financial performance in various contexts such as (Chinedu, 2023; Mazadu, Bala & Daddau, 2023; Bala, Abdulwahab, Kwanbo, Khatoon & Karaye, 2022; Kurawa & Ishaku, 2020). Meanwhile, this study seeks to investigate the effect of audit committee characteristics on financial performance of listed oil and gas firms in Nigeria during the periods of (2013-2022). Where, audit committee characteristics would be represented by audit committee size, audit committee meeting attendance, audit committee gender, audit committee independence and legal experts. And financial performance would be represented by return on assets.

Although, to the best of the researcher's knowledge no study was conducted with respect to audit committee characteristics on financial performance of listed oil and gas particularly in Nigeria during the periods of 2013-2022. Moreover, no study was also conducted on Nigerian oil and gas sector using the combination of (audit committee size, audit committee meeting attendance, audit committee gender, audit committee independence and its legal experts) representing audit characteristics in relation to financial performance.

The main objective of this study shall be to examine the effect of audit committee characteristics on financial performance of listed oil and gas firms in Nigeria. Specific objectives are to:

i. Examine the effect of audit committee size on financial performance of listed oil and gas firms in Nigeria.
ii. Examine the effect of audit committee meeting attendance on financial performance of listed oil and gas firms in Nigeria
iii. Examine the effect of audit committee gender on the financial performance of listed oil and gas firms in Nigeria.
iv. Examine the effect of audit committee independence on financial performance of listed oil and gas firms in Nigeria.
v. Examine the effect of audit committee legal expertise on financial performance of listed oil and gas firms in Nigeria.

In line with the specific objectives of the study, the following hypotheses are formulated in null form and to be tested:

$H_{O1}$: Audit committee size has no significant effect on financial performance of listed oil and gas firms in Nigeria

$H_{O2}$: Audit committee meeting attendance has no significant effect on financial performance of listed oil and gas firms in Nigeria

$H_{O3}$: Audit committee gender has no significant effect on financial performance of listed oil and gas firms in Nigeria.

$H_{O4}$: Audit committee independence has no significant effect on financial performance of listed oil and gas firms in Nigeria.

$H_{O5}$: Audit committee legal expertise has no significant effect on financial performance of listed oil and gas firms in Nigeria

## 2. Literature Review

### 2.1 Conceptualization

This study considered financial performance as the ability of an organization to effectively utilize its assets and other relevant resources towards maximizing the profitability of the organization. This study define audit committee size as the number of directors appointed to be members of the audit committee, these committees can be small, medium or large audit. However, this study adopted the definition by Chinedu (2021) & Zubair (2015) who considered audit committee meeting attendance as the frequency of audit committee member's attendance during the financial year, for effective monitoring and control of the organizations' activities. Conclusively, this study adopts the definition of Carter et al. (2003) which states that the presence of audit committee gender is considered as an improvement to the organizations value and performance as it provides new insight and perspective. Therefore, this study termed and considered audit committee independence as non-executive members of an organization that should be seen to be independent. Therefore, this study termed and considered audit committee legal expertise as someone who has legal background (bachelor of law, masters of law, or has been called to bar) in the audit committee of an organization.

### 2.2 Empirical Review

Qamhan et al. (2018) reports in their studies "do attendance and changes of audit committee members matter? Within the period 2008-2012, secondary data was used to sample 370 observations obtained from the annual reports of 74 companies listed on the Muscat security companies, analysis of panel data was made via the fixed effect model to validate the hypothesis, this paper aims to examine the association between new audit committee meeting attendance and changes of member through appointment of members of the audit committee during the year. The result shows that there is a negative association between earnings management and changes to members through appointment. There is need to conduct a more recent research on oil and gas firms in Nigeria.

Chinedu (2023) investigated the relationship between audit committee attributes and financial performance of insurance firms in Nigeria within the period of 2017-2021. A sample of four variables were used as follows (audit committee size, meetings, independence and gender diversity) respectively and return on asset as the dependent variable. And the study adopted ex post factor as research design. Meanwhile secondary data were extracted through annual audited financial performance of the 7 sampled firms out of 23 firms. A descriptive statistic, correlation and regression analysis was conducted. The result shows that audit committee gender diversity has positive and statistical significant impact on financial performance of Nigeria insurance firms at 5% level. In that regard s, there is need to conduct a similar research in Nigeria oil and gas firms with all variable listed above covering the period between 2013-2023.

Kastury and Anandasayanan (2020) studied the impact of audit committee characteristics on financial performance of I4 out of 23 listed firms under materials sector, within the period of 2012 to 2019. The study used secondary data from the annual audited financial performance of the sampled firms. Descriptive statistics and regression analysis where used to analyze the data. Meanwhile the study considered earning per share as a dependent variables and firm size respectively. The study further found that audit committee independence has a positive impact on EPS. Therefore, there is need to conduct a similar research with all the independent variables listed above but with the exception of audit committee financial expertise in Nigeria on oil and gas firms within the period of 2013- 2022.

Krishnan et al., (2011) considered the increase of legal experts on the audit committee in the US and examined the association of legal expertise on corporate audit committee and FRQ. They took a sample of 1,000 firms for the three years of 2003 to 2005. They adopted the performance adjusted model by as measure of FRQ. The study reveals a negative significant impact between the AC legal expert and DA. This indicates that legal expertise acts as a monitor rather than a mere signal to financial reporting. More recently, Tongshui, Ningning and Yan (2016) studied the mediating role of the accruals quality on the AC attributes and the cost of equity of 272 listed firms in Thailand for the period of 2010 to 2012. This study adopts Agency Theory to explain the relationship between audit committee characteristics and financial performance of listed oil and gas firms in Nigeria. Agency theory was originated from the work of Berle and Means (1932).

## 3. Methodology

A correlational research design was considered suitable for this study. The populations of the study will consist of all the Nine (9) listed oil and gas firms in Nigeria as at 2022. And census sampling technique will be considered suitable for the study where all the 9 listed oil and gas firms will be selected. The study will use secondary data from the audited financial statement of listed oil and gas firms in Nigeria as the sampled firms for the period of 10 years (2013- 2022). Multiple regression will be adopted because it is a useful statistical technique that reveal linear relationship among variables.

**Table 1: Variables Measurement**

| S/N | Variables | Measurement | Source |
|---|---|---|---|
| 1 | Return on Assets (ROA) | As earnings after interest and tax divided by the total assets. | Menacer (2014), Yahaya & Lamidi (2015), Anarfo (2015) |
| 2 | Audit Committee Size (ACS) | The total number of audit committee members. | Kibiya (2016) |
| 3 | Audit committee meeting attendance (ACMA) | The number of times the Committee members attend meetings during the financial year. | Adeyemi, Okpala and Debor (2012) |

| | | | |
|---|---|---|---|
| 4 | Audit committee Gender (ACG) | Measured as the ratio of females in the firms' audit committee membership. | Abbott, Parker and Presley (2012). |
| 5 | Audit Committee Independence (ACI) | Ratio ofindependent non-executive directors on audit committee to the total number of audit committee. | Emeh and Appah (2013). |
| 6 | Audit Committee Legal Expertise (ACL) | Ratio of AC members with legal background such as Bachelors of Laws, Masters in Laws, members of Nigerian Bar Association to the total number of AC members. | (Krishnan et al. 2011). |
| 7 | Firm's Size (FSZ) | Natural log of total assets | Opoku, Adu and Anarfi (2013) Rajha and Alslehat (2014) |

**Source:** Generated by the Author, 2024.

### 3.1 Model Specifications

$ROA_{it} = \beta0_{it} + \beta1ACS_{it} + \beta2ACMA_{it} + \beta3ACG_{it} + \beta4ACI_{it} + \beta5ACL_{it} + \varepsilon_{it}$

Where:

ROA = profitability of the periods

i=firms

t=times

$\beta_0$ = Intercept

$\beta_1$- $\beta_5$ = coefficient of the explanatory variable

ACS = Audit Committee Size of the periods

ACMA = Audit Committee Meeting attendance of the periods

ACG= Audit Committee Gender of the periods

ACI = Audit Committee Independence of the periods

ACL = Audit Committee Legal Expertise of the periods

ε = error term of the model

## 4. Results and Discussion

### 4.1 Descriptive Statistics

The descriptive statistics is presented in table 4.1 where the mean, standard deviation, minimum, maximum, kurtosis and skewness of the variables employed are described.

**Table 2: Descriptive Statistics**

| | ROA | ACS | ACMA | ACG | ACI | ACLE |
|---|---|---|---|---|---|---|
| **Obs.** | 90 | 90 | 90 | 90 | 90 | 90 |
| **Mean** | 0.071 | 3.133 | 4.133 | 0.335 | 0.420 | 0.171 |
| **Std. dev** | 0.029 | 1.153 | 0.674 | 0.208 | 0.166 | 0.060 |
| **Minimum** | 0.007 | 2.000 | 3.000 | 0000 | 0.12 | 0.15 |
| **Maximum** | 0.143 | 6.000 | 6.000 | 0.67 | 0.78 | 0.34 |

**Source:** Extracted from STATA 13 Output, 2024.

Table 2 reveals that ROA of listed oil and gas firms in Nigeria has a mean value of 0.071 with deviation value of 0.029, and minimum and maximum values stood at 0.007 and 0.143 respectively. This implies that the average alteration of ROA of listed oil and gas in Nigeria by managers is 0.029 to 0.071 and the standard deviation from both sides of the mean is 0.143. This indicates that the dispersal of the data from the mean is not far away. The minimum value of the ROA is 0.007 which indicate that the least financial performance by the management of listed oil and gas firms in Nigeria. However, the maximum ROA value of 0.143 is high and entails a condition where the financial performance covered 0.143 of the effect in the financial statement of listed oil and gas firms in Nigeria. Audit committee size stood at 3.133 implying that on an average the audit committee size consist of 3 members while the standard deviation is 1.153 indicating a moderate scatter of the data from the mean, as evidenced by the mean value which is far away from the standard deviation. The minimum coefficient of 2 and the maximum coefficient of 6 indicate that the code of corporate governance and the provision of CAMA is not adhered to by some of the listed oil and gas firms in Nigeria.

Audit committee meetings attendance averages 4.133 with a standard deviation of 0.6737. The standard deviation indicates a moderate spread of the data from the mean. The minimum coefficient of 3 indicates that the minimum meeting by audit committee of listed oil and gas firms in Nigeria per annum is 3 for the period under review. In the same vein, the maximum coefficient of 6 indicates that maximum meeting by the audit committee of listed oil and gas firms in Nigeria per annum is 6 within the period under review. Table 2 reveals that the mean of audit committee gender is 0.335 meaning that the proportion of the female audit committee members in the audit committee is significant. The standard deviation of 0.208 indicates a wide dispersion from the mean. The minimum and maximum coefficient of 0% and 67% which imply that the least number of female in the audit committee of listed oil and gas firms is 0% and they do not exceed 67% of the total number of members.

For audit committee independence, the table shows a minimum and maximum of 0.12 and 0.78 respectively. This implies that the smallest proportion of non-executive directors in the audit committee is 0.12 and the largest proportion is 0.78. This means that there is at least one non-executive director in the composition of six members of the audit committee of all sampled listed oil and gas firms in Nigeria. Again, the averages coefficient of 0.420 and standard deviation of 0.166 indicate that the data is widely dispersed from the mean. Lastly, audit committee legal expertise showed a minimum and maximum of 0.15 and 0.34 respectively. This implies that the smallest proportion of non-executive directors in the audit committee who are from the legal background is 0.15 and the largest proportion is 0.34. This means that there is at least one non-executive director in the composition of six members in the audit committee who are from the legal background of all sampled listed oil and gas firms in Nigeria. Again, the averages coefficient of 0.171 and standard deviation of 0.060 indicate that the data is widely dispersed from the mean.

**4.2 Diagnostic Test**

This section presents and discusses the diagnostic test conducted so as to determine by comparison to the gold standard (that is the best alternative) for reliability and validity of the inferential statistics from the regression model. The test consists of Multicollinearity test (that is tolerance value and variance inflation factor VIF) and Breusch-Pagan / Cook-Weisberg test for heteroskedasticity.

**Table 3: Diagnostic Test**

| Variables | VIF | Tolerance | |
|---|---|---|---|
| ACMA | 1.82 | 0.549 | |
| ACG | 1.74 | 0.576 | |
| ACI | 1.26 | 0.792 | |
| ACS | 1.17 | 0.853 | |
| | 1.06 | 0.948 | |
| Mean VIF | | | 1.41 |
| Hettest $Chi^2$ | | | 30.15 |
| Hettest Sig | | | 0.000 |

**Source:** Extracted from STATA 13 Output, 2024.

Multicollinearity test is administered to determine whether or not there is correlation among the independent variables which will distort the findings of the study. The tolerance values and also the variance inflation factor are competent measures for assessing multicollinearity. The test as indicated by variance inflation factor (VIF) alludes that there is the absence of extreme association as all the tolerance values are smaller than 1 and all the factors are below 10. The VIF mean stood at 1.41.

More so, the test for heteroscedasticity was administered in order to assess whether or not the variability of error terms is constant. Findings from the test divulge that there is existence of heteroscedasticity evidenced from the hettest chi2 (1) is 30.15 with a probability of 0.000 which is 1% significant pointing out that the data are heteroscedastic not homoscedastic.

This suggests that the original OLS regression is not suitable for the study which leads this work to run for Prais-winsten regression, heteroskedastic panel corrected standard errors (PCSE) that correct for heteroskedasticity which is meant to be suitable. The existence of heteroscedasticity in the model is as a result of substantial difference in the businesses activities carried out by oil and gas companies and difference in world corporate governance. Therefore, each business entity will adopt that which is more suitable for the nature of their operations.

**Table 4: Summary of Regression Result**

| Variables | Coefficient | Z-value | P-value | Model Summary |
|---|---|---|---|---|
| ACS | 0.001 | 0.57 | 0.568 | |
| ACMA | -0.001 | -0.27 | 0.785 | |
| ACG | 0.069 | 2.92 | 0.003 | |
| ACI | 0.024 | 1.29 | 0.198 | |
| ACLE | 0.052 | 0.48 | 0.628 | |
| R-square | | | | 0.235 |
| Wald Chi$^2$ | | | | 43.08 |
| Prob. Chi$^2$ | | | | 0.000 |

**Source:** Extracted from STATA 13 Output, 2024.

Table 4 divulges that audit committee size has a p-value of 0.598 and a coefficient of 0.001 which is insignificant at all levels. This implies that audit committee size is positively associated with financial performance of listed oil and gas firms in Nigeria. This signifies that, 1% increase in the audit committee size will translate to no increase on the financial performance of listed oil and gas firms in Nigeria. It can be concluded that larger size of audit committee does not lessen agency problem in the listed oil and gas firms in Nigerian. This finding is in cohort with the finding of Ali, Jamal and Ashfaq (2023), Abdulwahab (2021) & Bala et al. (2015) they found that there is a significant and negative associated between size of audit committee and earnings management. It also extend the findings to Fodio et al. (2013) and Lin et al. (2010) whereas contrary to (Bala, Abdulwahab, Kwanbo, Khatoon & Karaye, 2022; Nelson et al. 2011).

Table 4 indicates that there is a negative insignificant association between the audit committee meetings attendance and financial performance of listed oil and gas firms in Nigeria. This is evidenced from the beta coefficient of -0.001 and a P-value of 0.785 which is insignificant at all levels. This indicates that audit committee meetings attendance does not contribute in any way toward financial performance of listed oil and gas firms in Nigeria. This is a contradiction from the priori expectations of the researcher as the frequent meetings of the audit committee members should provide opportunity for members of the audit committee to utilize their knowledge and gumption to analyze the unaudited and audited financials as well as reviewing the adopted system of accounting and internal control by listed oil and gas firms in Nigeria in order to provide a reliable and profitable financial statement which can be generally accepted by various stakeholders. This is in support of Chinedu (2023), Abdulwahab (2021) & Othman et al. (2014) but it opposes the finding of Chtourou et al. (2001), Xie et al. (2003) and Bala & Benjamin (2015).

Observing the association between audit committee gender and financial performance of listed oil and gas firms in Nigeria, table 4.4 divulges a beta coefficient of 0.068 and P-value of 0.003 which is significant at 1% level. This implies that audit committee gender has a positive significant effect on financial performance of listed oil and gas firms in Nigeria. This signifies that 1% increase in female member of audit committee will lead to a significant effect on the financial performance of listed oil and gas firms in Nigeria, thus, it validates agency theory. The finding contradicts Ali et al. (2023)

& Ruhaida (2011) but is consistent with Chtourou et al. (2001), Carcello et al. (2006), Lin et al. (2010), Bala & Benjamin (2015) and Chinedu (2023).

To examine hypothesis four which contends that audit committee independence has no significant effect on financial performance of listed oil and gas firms in Nigeria, table 4.4 shows a beta coefficient of 0.024 and a P-value of 0.198 which is insignificant at all level. This implies that audit committee independence is insignificantly and positively related to financial performance of listed oil and gas firms in Nigeria. This signifies that every 1% increase of directors that are non-executive in the audit committee, financial performance of listed oil and gas firms in Nigeria will have no effect. This indicates that audit committee independence may be a means of earnings mitigating manipulation by management. It is not a surprising phenomenon reason being that it is within researcher's priori expectation. This result is in conflict with agency theory which claims that the presence of directors that are non-executive (as agents) in audit committee are expected to synchronize the shareholders and the managers interest which will aid in curbing agency problem. The finding is in line with that of Fodio et al. (2013), and Ali et al. (2023) while it contradicts that of Chtourou et al. (2001).
To examine hypothesis four which contends that audit committee independence has no significant effect on financial performance of listed oil and gas firms in Nigeria, table 4.4 shows a beta coefficient of 0.052 and a P-value of 0.628 which is insignificant at all level. This implies that audit committee legal expertise is insignificantly and positively related to financial performance of listed oil and gas firms in Nigeria. This signifies that every 1% increase of directors that are legal experts, financial performance of listed oil and gas firms in Nigeria will have no effect. This indicates that audit committee legal expertise may be a means of earnings mitigating manipulation by management. It is not a surprising phenomenon reason being that it is within researcher's priori expectation. This result is in conflict with agency theory which claims that the presence of directors that are non-executive (as agents) in audit committee are expected to synchronize the shareholders and the managers interest which will aid in curbing agency problem. The finding is in line with that of Fodio et al. (2013), Bala et al. (2015) and Ali et al. (2023) while it contradicts that of Chtourou et al. (2001).

Comprehensively, the overall effect of all the regressors (audit committee size, audit committee meetings attendance, audit committee gender, audit committee independence and audit committee legal expertise) on financial performance of listed oil and gas firms in Nigeria, the model summary reveals the results of the regression. The Wald $Chi^2$ of 43.08 which is at 1% level of significant (0.000) divulges that the model is well fitted, the variables are properly sorted out and combined hence the findings of the study can be relied upon. The percentage or proportion of total variation in the regressed variable as elucidated by the regressors jointly is given by R-square which is the multiple coefficients of determination. Table 4.4 proposes that the explanatory variables are able to elucidate the total variation of the regress and (ROA) to the extent of 23.5%, the remaining 76.5% is believed to be accounted for by the random error term.

## 5. Conclusion and Recommendations

This study examines audit committee characteristics on financial performance of listed oil and gas firms in Nigeria. The study concludes that, non-executive directors as well as their legal experts may lack the requisite industrial experience and financial sophistication that may improve financial wellbeing. Also, the study concludes that audit committee gender and financial performance of listed oil and gas firms in Nigeria is positively significant indicating that the objectivity of female experts in the audit committee remains unwavering on ensuring they use their knowledge to effectively and efficiently monitor the activities of management. In addition, the study concludes that there is an insignificant negative association between audit committee meetings attendance and financial performance of listed oil and gas firms in Nigeria. Lastly, the study concludes that there is an insignificant but positive association between audit committee size and financial performance of listed oil and gas firms in Nigeria.

Regulatory organizations such as Financial Reporting Council of Nigeria (FRCN), Corporate Affairs Commission (CAC) and Security and Exchange Commission (SEC) should ensure strict adherence to code of best practice by listed oil and gas firms in Nigeria so that the various stakeholders' interest would be protected fully. Further research may be needed to be conducted on the audit committee attributes in other sectors other than oil and gas sector.

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