



THE EFFECT OF AUDIT COMMITTEE RESOURCES ON ACCOUNTING REPORTING QUALITY OF LISTED OIL AND GAS IN NIGERIA.

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Abstract

This study focuses on the link between audit committee resources and accounting reporting quality proxy by accrual quality of listed Oil and Gas firms in Nigeria. The aim is to examine whether audit committee variables such as female gender, size, and accounting certification expert have an oversight effect on financial reporting quality. The study employed ex-post facto and correlational research designs. The population of the study is twelve (12) oil and gas firms listed on the Nigerian Exchange Group as of December 31, 2021. The study covered a ten-year period from 2012 to 2021. Ten (10) oil and gas firms were sampled using the purposive sampling method. The information is taken from audited yearly accounts of the sampled firms which formed a panel data set that was analyzed using the multiple regression method of analysis. The study provides evidence that Audit Committee-female gender (ACFG), Audit Committee Size (ACSZ), and Audit Committee Accounting Certification expert (ACAE), influence the Financial Reporting Quality of listed Oil and Gas firms in Nigeria. The study acclaims that there is a necessity for policy maker make provision for at least two accounting certification resources in the audit committee to grip multifaceted financial entities more effectively than others generally in Oil and Gas firms listed in Nigeria.

Keywords: *audit committee, financial reporting quality, accounting certification expert, accrual*

Background to the Study

Financial reporting quality (FRQ) is one of the greatest central bases of information essential for the decision-making of investors. Therefore, the quality of financial data controls the quality of its value for economic decision-making. The usefulness of such financial reports to the present and potential equity investors, lenders, and other creditors in making decisions as a capital provider is a function of its relevance and faithful presentation (Shin & Jeon, 2021). Moreover, in March 2018, the International Accounting Standard Board (IASB) and the interpretations committee of the International Financial Reporting Service (IFRS) confirms relevance, and faithful illustration as important features. So, this basis signifies the best factors of FRQ. Hence, the audit committee have a key role in overseeing and monitoring top managers relatively the internal control and the independence of the auditor to produce accounting report that can stand the test of time for the benefit of owners (Almaqoushi & Powell, 2020). Nevertheless, the proportion of female gender within the audit committee counts, females are perhaps



more ethical and reputational mindful than men. Females are more congenial towards accounting and financial rules, improving FRQ (Juwita, 2023). Although there is no best audit committee size, guidelines advise three to five members with a large majority autonomous. A larger audit committee is more likely to see and resolve probable problems connected to the FRQ and agency issues. As they have required variety and strength of skills accomplished in improving supervision and monitoring jobs (Kaoje et al., 2023). Despite that, audit committee accounting certification expert members with accounting expertise that belongs to the accounting body directly affect FRQ enhancement. Accounting certification experts basically control the efficiency of the audit committee in the solidification of the accounting process. Also provide an effective means of monitoring management's financial reporting practices (Rahman et al., 2023).

Statement of the Problem

Oil and Gas is characterized by financial reporting failure, market manipulations, inside control failures, untrue disclosures, and wrong accounts financial reporting and audit committee delays stopping from poor board oversight. It comprises of group managing director of Oando Plc, Jubril Adewale Tinubu and his long-time deputy, Omamofe Boyo of Oando Plc. A group of stakeholders in the capital market known as Consolidated Capital Market Stakeholders Forum (CCMSF), Ansbury Investment Incorporated and Alhaji Dahiru Bara'u Mangal (shareholder representative) petitioned against the board and management of Oando Plc. That led to the investigation that generated Oando's forensic audit report in June 2019, showing a lot of financial reporting failure. It reported the sale of its subsidiary, Oando Exploration and Production Limited (OEPL), to Green Park Management Limited, without obtaining the Commission's approval, (in violation of the provisions of the ISA 2007), and the consent of the Minister of Petroleum (as required under the Petroleum Act, 1969), transactions not on arm lengths. The sale of OEPL enabled Oando Plc to report a profit instead of losses of N25.8bn in 2016 and N34.9bn in 2017. There was a steady increase in directors' remuneration during these periods of reported losses. Hence, misstating its financial statement and therefore deceptive investors, lack of effective internal control, a high number of related party transactions, and unjustified disbursements to directors (Proshare, December, 2017:1599-8842 Vol.1 No. 161). And it was equally reported by Oji, H. (2019, June 25). Security and Exchange Commission (SEC) followed due process in Oando's forensic audit report, *The Guardian Business News*.

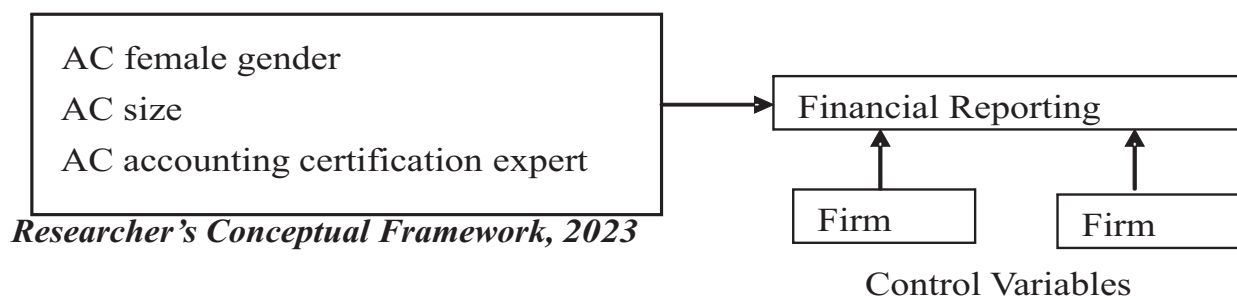
The focus of the research work is to scrutinize the consequence of audit committee female gender, audit committee size and audit committee accounting certification experts as it affects the FRQ of listed oil and gas firms in Nigeria. It covers a period of 10 years from 2012-2021. This period is well-thought-out because of the wobbliness of business failure and financial manipulation in the oil and gas segment in spite of the huge involvement of the oil and gas industry to the Nigerian economy. Multiple regression was used to test the model studied. The result is likely to have specific positive inferences for coming up with policies and measures that will enhance the obedience to IFRS standards and corporate governance that will control manipulative accounting reports thus supervisors ensuring high FRQs such as the Financial Reporting Council of Nigeria, Nigerian Securities and Exchange Commission and Corporate Affairs Commission

LITERATURE REVIEW

Conceptualizations

This section conceptualized the variables of the study by first showing the diagrammatic representation of the independent (audit committee attributes) and dependent variable (FRQ).

Audit Committee Attributes



Financial Reporting Quality

The theory of FRQ was initial noticed by financial forecasters and Stock market managers. They inferred that the stated profit prepares not conform with the companies. Dechow et al., (2010) define FRQ as higherquality earnings more faithfully represent the features of the firm's important earnings procedure that are pertinent to a precise decision made by a specific decision-maker Despite that Yalah and Ogiriki, (2023) define FRQ as given details information that protects investors and promotes market confidence by ensuring that financial statements comply with applicable financial reporting regulations including accounting standards. Thus, Kabwe, (2023) define FRQ as the exactness in which the financial reports transport info to equity stakeholders about the company's predictable upcoming cash flows and the fundamental economic state. We normally used discretionary accruals as a proxy that is different from the nondiscretionary aspect of entire accruals, which mirrors firm status that obviously produce and dismiss accruals, the discretionary aspect recognizes manager's selections to bring about reported earnings to manipulate.

Despite that, non-discretionary accrual is the one that charts accruals into cash streams where better mapping shows higher earnings quality. Shin and Jeon, (2021) defined it as accruals driven by economic basics rather than by discretionary accruals driven by managerial decisions likewise Ashari and Krismiaji, (2020) define accrual as earnings quality that encompassing information that investors priced in the investment market. On the other hand, discretionary accruals are modifications of cash flows carefully chosen by the manager to affect reported income. Hassan, Aly & Hussainey, (2022) define it as a financial report of a business earnings willingly not as stipulated by law or structured by standards value notwithstanding Qader et al., (2023) define discretionary accruals as an important device to dropping information and generate irregularity between enterprises and investors likewise, Ha, (2022) define discretionary accruals as a determined interference in financial reporting, intended to grasp earnings targets by changing accounting practices. However, Vagner et al., (2021) discretionary accruals is any effort to heat/doctor or tailor financial accounting reports to a specified anticipated level of result.

Audit Committee Human Resourced

Rahman, Chen, Mamdouh and Al-Faryan, (2023) define audit committee as the accountable body that oversees the entire accounting and financial reporting process; in the same mood Leng, (2023) define audit committee as formal system responsible for monitoring the integrity of the FRQ. Although, Abdel-Hafeez, Ali, (2022) audit committee is defined as a subset of board of directors of a company set up to increase the FRQ, while Wisnu et al., (2023) define audit committee is an active watchdog with several dimensions of expertise.



Juwita, (2023) define female gender of audit committee from agency theory perspective, are lean towards reducing info irregularity and has a main influence on the FRQ and firm outcomes while Lai, (2023) define female gender in audit committee is a gender that take cognizance of uncertainty, improve monitoring mechanisms to enhance FRQ while Komal, et al., (2021) define female gender in audit committee as a booster of value and monitoring role in enhances reporting lag from the auditors, while Dobija et al., (2021) define female gender in audit committee as a member that can multi-task on the job and conscious of accounting rule.

Kaoje, Alkali and Moddibo, (2023) define audit committee size as a pool of expert of different domain while Almarayeh, Abdullatif and Aibar-Guzmán, (2022) define audit committee size as member that wear many colors of responsibilities and Ngo and Le, (2021) define audit committee size as a majority of independent members likely to discover and resolve potential problems related to the reporting process also Gerayli, Pitenoei and Abdollahi, (2021) define audit committee size as a selection of people of repute that function on behalf of shareholders.

While, Alvarado and Iturriaga, (2022) accounting expert is a member that appreciate the complexity of financial reporting and resolve auditor-management disputes notwithstanding, Tonye and Boloumbele, (2023) accounting certification expert is define as a verifier of the figures and explanations used in financial reporting that reflect a firm's true financial status likewise, Rahman et al., (2023) defined as member that improve the audit committee monitoring capacity and lessen the exploitation of qualitative data in accounting report.

Review of Empirical Literature and hypothesis development

Audit committee is an important committee which help the shareholder to protect the interest and wealth maximization objective. It a mini- committee of the board that wear a cloth of many colours in term of responsibilities lay before them relatively to reliable and integrity of financial reporting quality that can be motivational to the both current and potential investors. They are monitoring role improve agency conflict and reduce cost associated with agency problem

Audit Committee Female Gender and Financial Reporting Quality

Thus, Riyadh et al. (2019) studied whether Board features partake in Earnings Management midst global Oil and Gas Firms in the world. The Board attributes like (board independence, board size, board diversity, and CEO duality), using secondary data, and a sample of 71 companies was carefully chosen from the Top 250 corporations for a year (2016). The study reveal that female gender has a significant influence on the decreasing of earnings management.

However, Mohammed & Hamza, (2022) examine board diversity impacts on earnings management for listed oil and gas companies in Nigeria, it measures female and foreign directors board diversity as an autonomous variable. While the dependent variable is discretionary accruals a substitution for earnings management. It is eleven listed Nigerian oil and gas from 2009-2019 with 121-year observations. Secondary data was used, panel data analysis. The modified Jones (1995) model was used. Result revealed that female directors and foreign directors of Nigerian-listed oil and gas companies have a negative influence on earnings management. By this means, it is advised that a sure percentage of female directors is obligatory for the Nigerian listed oil and gas firms.



In addition, Hasan et al., (2022) used a sample of industries firms quoted on the WSE UK between 2010 and 2015 with 350 observations from 17 industries. It was informed that women on board are positively linked to improve FRQ, thus adding to women's participation on board declines the time between the financial year-end and publication of the report, as well as the probability of qualified auditor judgement, henceforth improve FRQ. It was resolved that for women impact verdicts and monitor management, therefore more women is wanted on the board for auditors to lessen reporting delay and improve the timeliness.

More over, Juwita (2023) examined gender diversity on the board of directors and the impact on the FRQ. In this study, using a sample of LQ 45 listed firm on the Indonesia Stock Exchange from 2019 to 2021, it employed panel data analysis. Gender diversity of the board of commissioners, board of directors, board of audit committee, female audit committee compared to the total number, audit fees as a moderating variable to scrutinize gender (logarithmic audit fee), and FRQ, proxy for Discretionary Accrual modified by Jones model. In the result, female commissioners and female audit committees have a significant effect on the FRQ. The occurrence of the negative coefficient proves that more female commissioners and female audit committee members in the firm will lessen the discretionary accrual which likewise improves the FRQ.

Audit Committee Size and Financial Reporting Quality

Miko (2020), using non-financial firm of 405-year observations from listed Nigerian companies for the period of 2009-2013, it explored OLS method of regressions analysis. The result found that audit committee size has a negatively significant association with EM, signifying that any rise in audit committee size leads to a reduction in EM. But this study used Modified Jones Model which is age long so it cannot capture current phenomena.

Abubakar, Usman, Anuforo and Alhaji (2021), investigative the influences of audit committee human resources in Nigeria. With a sample of 72 non-financial firms with 360 firm-year explanations for a five-year period (2014-2018). Data was gotten from the annual reports and account those select firm. The Panel Corrected Standard Error was employed for analysis. The result discovered that audit committee size thwarts opportunist management doings in earnings counterfeits figure in the account which remained that audit committee improves the FRQ and the character of the prevent actual earnings manipulations.

In Nigeria, Dare et al., (2022) examined audit committee size and meetings on audit quality of listed Oil and Gas Nigeria, for 10 years from 2009-2018. Used an expo-facto research design and it considered all the 12 listed Oil and Gas sectors; out of which 10 companies were randomly sampled, data were handpicked from the audited account of the sampled firms. Logistic regression data analysis, it was found that audit committee size is a positively significant with audit quality whereas meeting is a positively but insignificant with audit quality of companies in the oil and gas segment in Nigeria. It was resolved that audit committee has a statistically significant effect on audit quality in Nigeria. Thus, it was suggested that priority and focus must be on the size of the audit committee to expand audit quality and that sense modality the meetings of the committee members must be go back to. This study is not FRQ and uses two audit committee attributes variable. In view of these, there is the need to conduct new elaborate studies that will improve existing literature.



Okafor et al., (2022) examine the ecological disclosure of listed Oil and Gas firms in Nigeria. The period cover was thirteen (13) years from 2008 to 2020. The independent variables are Leverage, Firm Size, Audit Committee Size and dependent was Effluent Disclosure. Secondary data was extracted from audited annual reports and accounts of the eleven (11) sampled firm and regression analysis method was used. The results revealed a significant and positive association between Leverage and Effluent, there is a significant but negative association between Firm Size and Effluent, also it has a significant and positive connection between Audit Committee Size and Effluent. It was advised that oil and gas companies had better be stimulated to go for leverage on debt bases of funding to improve wealth maximization objective with other people's resource that will empower the companies to grow extra involving in ecological improvement.

In the same way, Chukuemeka et al., (2023) explored the connection among board features, earnings worth and company societal accountability disclosure in listed oil and gas firm in Nigeria. It used all the 12 listed oil and gas firm in the Nigerian Stock Exchange in population and sample. It employed Pearson Correlation Coefficient Statistical tool complementarily with the Statistical Package for Social Sciences version 23.0. The finding showed that the board size has a significant association with discretionary accruals and with social responsibility disclosure. It was advised that the board size must not be fewer than 9 memberships consider the extent of the number of board size to better disclosure of business societal responsibility doings and the decrease in discretionary accruals and consequent enhancement in the FRQ. The study does not use any of the current study independent variables.

Consequently, Kaoje, Alkali and Moddibo (2023) examine audit committee attributes on FRQ, by means of a sample of 150 food and drinks companies enumerated on the Nigerian Stock Market. Data were select from the firm's audited annual reports for a period from 2014–2019. A panel data analysis was employed using GLS estimator. The results revealed a positive and significant association among audit committee Independence, audit committee meetings with earning management though a negative association between audit committee size, audit committee financial expert, firm size and earning management among the listed companies in Nigeria. It was settled that bigger audit committee memberships are extra active in monitoring the happenings in the management, and likewise, healthier at sustaining the FRQ.

Accounting Certification Expert and Financial Reporting Quality

Likewise, Abernathy et al., (2013) in the USA investigative the audit committee accounting financial expertise and forecasters' capability to forestall upcoming earnings with data obtainable from 2000–2008, it used data from S&P 500 to enable him capture members of the board of directors eliminate firms in the financial services due to technicality in the earnings characteristics differ. The sample consist of 2484 firm–year observations use t-statistics based on Huber–White standard errors to correct for clustering by firm. The result showed that there was a substantial relationship between audit committee accounting financial expertise and analyst earnings forecasts that are more accurate and less dispersed. In on the other hand, no relationship between non-accounting financial expertise (i.e., supervisory expertise) and forecast accuracy. These settled the significant of accounting expertise in audit committee and advances analyst earnings forecasts thus, FRQ

Orbunde et al., (2019) studied the impact of audit quality proxied by audit firm size, auditor business specialty, auditor tenure, and audit committee financial expertise on earnings management



proxy by discretionary accruals of listed Oil & Gas companies in Nigeria. Panel research design was adopted, to examine all the fourteen (14) oil and gas firm in the Nigerian Stock Exchange from 2011-2020. Secondary data from audited annual reports and accounts of all the sample firms. It was panel multiple regression analysis. It found that, auditor tenure and the collaboration between audit committee financial expertise and auditor industry specialization had a significant negative association with discretionary accruals. Thus, advised that auditor industry specialization should be fortified by supervisory body such as SEC to ensure interface between audit committee financial expertise and auditor industry knowledge to interact and alleviate earnings management of firms in Nigeria.

Olayinka & Folajimi, (2020) examined the impact of accounting expert on the FRQ (using earnings quality, accounting conservatism, earnings smoothness and persistence as proxies) of listed oil and gas firm in Nigeria. It used ex-post facto research design. The study made up of 12 oil and gas firms. A purposive sampling method was adopted and the 12 oil and gas were selected due to availability of secondary data that covered a period of 10 years from 2004 -2018. The experiential results show that accounting expert has a significant effect on the FRQ of listed oil and gas firms in Nigeria. Based on the result it was suggested that the supervisory institution should treasure in the ways of rewarding firms that fulfil the accounting guiding ethics and obey information disclosure for earnings quality valuation and punish erring corporations that hide appropriate and valuable information from the stakeholders.

Teru & Kefas, (2022) inspect the impact of audit committee attributes on the tax aggressiveness of listed oil and gas companies in Nigeria from 2011-2020. Ex-post Facto research design, data from the audited annual reports and accounts of 6 sampled oil and gas. Multiple regression analysis was used to analyze the data. It was found that there is an insignificant negative association among audit committee size (ACS), audit committee independence (ACIND) and tax aggressiveness using effective tax rate as a measure. Audit committee regular meeting (ACFM) and audit committee financial expertise (ACFE) nevertheless shows a positive important association with ETR. It was endorsed that Nigeria listed oil and gas firms need to strengthen audit committee human resources and stay to maximize openings and returns that align with older firms operating in the market for better improvement in operations and an increase in tax aggressiveness since older firms are able to enjoy larger economic of scales.

While Tonye and Boloumbele (2023) analytically explored the effectiveness of audit committee on financial statement fraud, using twenty-one (21) consumer goods firms listed on Nigeria Exchange Group, applied purposive random method to select ten (10) for a period of 2011-2020, data from audited annual financial report of sample firms were analyzed using regression with the aid of e-view. The result exposed that the audit committee size, audit committee meeting, audit committee independence have a positive and statistically significant effect with financial statement fraud, while audit committee financial expert has a positive and statistical non-significant with financial statement fraud.

Also recently, Rahman et al (2023) investigate FRQ and audit committee quantified accounting expertise, size, and independence. The data obtained from the annual COMPUSTAT database through Wharton Research Data Services (WRDS). Data related to audit services and accounting financial expertise were downloaded from Institutional Shareholder Services (ISS). For the period of 2003 to 2019 and includes 35,694 firm-year observations, using multivariate empirical analysis. The Generalized Method of Moments (GMM) technique was used to regulate it. The result shows that quantified accounting expertise, size, and independent directors on the AC have a coefficient value

negatively statistically significant thus they impact FRQ. It is concluded thus that accounting certification expertise directors on the AC significantly improves FRQ and significantly reduce the real EM and enhance the accrual quality firms. Thus, these are presented in null hypotheses form.

Ho₁: Audit committee female gender has no effect on the FRQ of listed oil and gas firms in Nigeria.

Ho₂: Audit committee size has no effect on the FRQ of listed oil and gas firms in Nigeria.

Ho₃: Audit committee accounting certification expert has no effect on the FRQ of listed oil and gas firms in Nigeria.

Theoretical Framework

This study uses agency theory to underpin the associates among audit committee resources and FRQ of oil gas listed firms in Nigeria. As propounded by Berle and Means (1932) and advanced by Jensen & Meckling, (1976), he conceptualized the agency-principal problem. The consequences of the agent's shirking can be called agency costs. As result of separation of ownership from control to enable the assigned agent to in the interest of the owner, thus the owner has incurred cost such as monitoring, closeness, and enduring loss. The monitoring expenses are those suffered by the principal to prevent the activities of the agent that can cause him damage or impairment. In fact, the principal will apply some supervisory tools to crack any unscrupulous behaviour of the agent and to device motivation schemes to decrease the deviation from owner's interests. While bonding or closeness or attachment expenses are those overheads incurred to enable owner prevent the agent from doing things conflicting with the principal's interests. Finally, the last type of cost is the residual or outstanding loss that is resulting from the suboptimization by the agent, the owner's welfare maximization objective. It is the summation of monitoring or supervisory, closeness, and outstanding loss or wealth maximization represents agency costs or expenses. In the setting of firms, these originated mostly from the occurrence of information asymmetry between shareholders and managers (Jensen & Meckling, 1976, Barako et al., 2006 and Dharwadkar et al., 2000).

Previous studies have examined audit committee resources and FRQ using various concepts of such as accounting expert. Tonye et al., (2023); Rahman et al., (2023), that the domain-specific knowledge of audit committee accounting experts provides effective means of monitoring accounting irregularity practices and minimizing associated agency costs while Yang, (2020); Mardessi et al., (2020) and Juwita, (2023) found that female gender in audit committee is positively significant on FRQ. In the case of Özcan et al., (2021) the larger size of the audit committee human resources is positively impacting firm value while in Kaoje et al., (2023), there was a negative association between audit committee size and earning management. It is expected that companies with high agency costs resulting from the separation of ownership and control will form audit committees to add credibility to the financial statements.

METHODOLOGY

The research work used ex-post facto and correlational research designs. The population of the study is twelve (12) oil and gas firms listed on the Nigerian Exchange Group as of December 31, 2021. The work covered ten years from 2012 to 2021. Ten (10) oil and gas firms were sampled using the purposive sampling technique. Data was extracted from the audited annual accounts of the sampled firms (11 Plc Oil, Ardova (Forte oil) Plc, Conoil Plc, Eterna Plc, Japaul Gold Plc, MRS Oil Nigeria Plc, Oando Plc, RAK Unity Pet. Comp. Plc, Seplat Energy Plc and Total Nigeria Plc) which formed the panel data set that was analysed using multiple regression as technique of analysis.

Empirical Model Specification

Collins et al., (2017) in measuring discretionary accruals which is a proxy for FRQ. After calculating discretionary accruals, the following model will be used to investigate the resource of the audit committee on FRQ proxy by discretionary accruals

$$FRQ_{it} = \beta_0 + \beta_1 ACFG_{it} + \beta_2 ACSZ_{it} + \beta_3 ACAE_{it} + \beta_4 FMSZ_{it} + \beta_5 FMAG_{it} +$$

Where:

$$\beta_{0it}, \beta_{1it}, \beta_{2it}, \beta_{3it}, \beta_{4it}, \beta_{5it}$$

DAC= Discretionary accrual (Proxy for FRQ), Audit committee resources are female gender (ACFG), size (ACSZ), accounting certification expert (ACAE), Firm size (FMSZ) and Firm age (FMAG), it = Firm i at Time t, ε_{it} = Error term.

Firm's specific parameters for firm i in

year.

Table 1. Descriptive Statistics of the Variables

Variables	Min	Max	Mean	SD	Obs
FRQ	0.0013	0.1058	0.0158	0.0193	100
ACFM	0	2	0.72	0.6369	100
ACSZ	4	9	5.71	1.0852	100
ACAE	0	2	1.09	0.5522	100
FMSZ	5.5003	9.0315	7.6884	0.6588	100
FMAG	3	50	27.7	12.2849	100

Source: Extracted from STATA 13 output file, 2023.

The descriptive statistics result, the FRQ have a mean value of 0.0158 with standard deviation of 0.0193, which suggests that, there is slight deviation from the average value. The ACFG have mean of 0.72 with a standard deviation of 0.6369, minimum 0 and maximum 2 values, this suggests that 60% of the oil and firms has female gender human resources in audit committee. ACSZ have a mean of 5.71, minimum 4 and maximum 9 values with the standard deviation of 1.0852 which suggests that oil and gas firms have about five human resources in the audit committee. The ACAE mean display 1.09 with minimum 0 and maximum 2 values with a standard deviation of 0.5522. The outcome exposed that 50% of the oil and gas firms have accounting expert in audit committee.

Correlation Matrix

The correlation matrix shows association between independent and dependent variables of the study in term of the degree, direction and coloniality.

Table 2. Correlation Matrix

Variables	FRQ	ACFM	ACSZ	ACAFE	FMSZ	FMAG
FRQ	1.0000					
ACFM	0.1320	1.0000				
ACSZ	-0.3917*	0.1444	1.0000			
ACAE	0.0001	0.1518		1.0000		
	0.4875*	-0.0712	-0.3268*		1.0000	
FMSZ	0.0000	0.4813	0.0009			1.0000
	0.0653	0.2007*	0.1617	-0.4977*		
FMAG	0.5186	0.0452	0.1081	0.0000		
	0.0961	0.0395	0.1268	-0.4233*	0.4806*	
	0.3415	0.6964	0.2089	0.0000	0.0000	

Source: Extracted from STATA 13 output file, 2023.*Coefficient significant at 5%

ACFG has a coefficient of 0.1320 but there is no evidence of association with FRQ. ACSIZ have a negative relationship with coefficient of -0.3917 at a 1 % significance level with FRQ. Also, ACAE have a positive relationship with FRQ having a coefficient of 0.4875 at a 1 % significant level. Thus, accounting certification experts' resource in the audit committee will improve FRQ.

Random Effect Model Results of Nigerian listed oil and gas firms

Table 3. *Random Effect Model Results*

Variables	Coef.	Std. Err.	Z	P> z
FRQ	0.0004	0.0243	0.02	0.986
ACFM	0.0035	0.0018	1.96	0.050
ACSZ	-0.0030	0.0014	-2.17	0.030
ACAE	0.0062	0.0028	2.22	0.027
FMSZ	0.0012	0.0030	0.39	0.695
FMAG	0.0005	0.0002	2.31	0.021
Mean VIF	1.34			
R-square	0.2965			
Wald	18.59			0.0023
Hausman	8.73			0.1205
LMT	58.13			0.0000

Source: Extracted from STATA 13 output file, 2023.

Table 3 shows the data analysis above revealed the predictive power of the model is explained by the R-squared value which is reported as 0.2965 (29.65%). This means that 29.65% variation in the FRQ of Nigeria oil and gas is explained jointly by resources in audit committee such as female gender, audit committee size, audit committee accounting certification expertise, firm size, and firm age. The overall statistical significance of the model is explained by the p-value of 0.001 (significant at 1%). It implies that the explanatory variables have a significant effect on the FRQ of listed oil and gas firms in Nigeria.

The regression output showed that positive and significant relationship between audit committee female gender (ACFG) and audit Committee accounting certification expert (ACAE) While there is negative and significant relationship between Audit Committee Size. Thus, audit committee female gender, Audit Committee Size and audit Committee accounting certification expert have effect on FRQ of the oil and gas listed firm on Nigeria Exchange Group.

Results and Discussion

This part of the study is to explain of the strength of the outcomes which can be regarded as best linear unbiased estimators.

Audit Committee Female gender and Financial Reporting Quality

Audit committee female member with a coefficient of 0.0035 and p-value of 0.050. This means that is positively and statistically significant at 5% level of significant which means that female gender in audit committee impact the FRQ of listed oil and gas firms in Nigeria.



Audit Committee Size and Financial Reporting Quality

In addition, audit committee size showed a negative coefficient value of -0.0030 and p-value of 0.030. It implies that is negatively statistically significant at 5% level of significant. This means that audit committee size influences the FRQ of listed oil and gas firms in Nigeria. This indicates that the size of audit committee members is negatively impacting on discretionary accruals of listed oil and gas firms in Nigeria. The implication of this result is that, larger audit committees are better at reducing discretionary accruals of listed oil and gas firms in Nigeria

Audit Committee Accounting Certification Expertise and FRQ

Specifically, audit committee accounting certification expert show a positive coefficient of 0.0062 with p-value of 0.027. This implies that is positively and statistically significant at 5% level of significant. This means that audit committee accounting certification expert influences the FRQ of listed oil and gas firms in Nigeria.

Policy Implication of the Research Findings

This work might be valuable to the administrative heads in the area's resources requirement in the audit committee that can influence financial reporting quality. If managers would abide by ethical corporate financial reporting practices and pay attention to audit committees' resource for high financial reporting quality. Policymakers should provide policy on the composition for the committee human resources to be clearly spelt out to enable members to perform their functions effectively.

Recommendation

1. Based on the output of the work, hence we endorsed that: the selection of autonomous directors ought to be built on the prior annals of the persons histories in term of performance relatively, not to place emphasizes on the percentage of overall number of directors on the board.
2. That government should consider these practical results for policy maker and make provision for at least two accounting certification resources in the audit committee to grip multifaceted financial entities more effectively than others generally in Oil and Gas firms listed in Nigeria.
3. That supervisory system like (SEC) or (NSE) must safeguard strict obedience to the good accounting norms in other to secure the demand of investors.

Areas for Further Studies

This study examined the impact of audit committee attributes on the FRQ of listed oil and gas firm in Nigeria. However, the study limited itself to listed oil and gas firms in the Nigerian Exchange Group. It is then, advised that additional scholarships with respect to audit committee resource and FRQ should be conducted in other sectors such as Natural Resources firms, Industrial Goods, Food and beverage firms, manufacturing firms, Building and Construction firms, or even conducts a cross-industry study of selected listed firms in the Nigeria Exchange Group. In this way, it will enable future researchers to conduct and documents more generalized findings and recommendations.



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