International Journal of Management, Social Sciences, Peace and Conflict Studies (IJMSSPCS), Vol.3 No.1 March, 2020; p.g.70 - 81; ISSN: 2682-6135(Print), ISSN: 2682-6127(online)

THE IMPACT OF AUDIT COMMITTEE ON CORPORATE GOVERNANCE IN NIGERIAN MANUFACTURING SECTOR.

JAMES O. ABIOLA (PhD)
Department of Accounting
Faculty of Management Sciences
Lagos State University, Lagos Nigeria
james.abiola@lasu.edu.ng

&

FUNMI AROWOLO
Department of Accounting
Faculty of Management Sciences
Lagos State University, Lagos Nigeria
arowolofunmi@gmail.com

Abstract

One of the vital purposes of establishment of firms quoted in the stock market is shareholders maximization. In order to achieve this purpose, there is need for compliance of corporate governance code established by the regulatory authorities of different industries. The study examines internal audit committee and corporate governance of selected firms in Nigerian manufacturing sector. The study adopted causal research design and utilized secondary data. The data were obtained from the annual reports of the selected firms which are Nigerian Brewery Plc and Nestle Nigeria Plc from 2008 to 2017. The study employed descriptive statistics, correlation and regression as the statistical tools for the study. The study found that audit committee size has negative and insignificant impact on the board size; audit committee size has a positive effect on non-executive director size but there is no significant effect; there is no positive and significant effect of audit committee size on executive director size of firms in the manufacturing sector. The study concluded that audit committee size has no significant effect on corporate governance. It was recommended that Composition of internal audit committee should be done by the shareholders and must be fully independent to carry out their duties; and shareholders should be represented in the composition of audit committee in the manufacturing firms.

Keywords: **Internal Audit Committee, Corporate Governance, Board Size, Executive Director; Non-Executive Director.**

Introduction

The typical feature of 'divorced management from ownership' of modern corporations, make stewardship accounting unavoidable in company administration and management (Modum, Ugwoke and Onyeanu, 2013). Professional managers who are considered more skilled than the owners of the corporations and are thus employed to run and manage the affairs of the companies are expected to guarantee transparency accountability and fairness in their duties (Howard, 2000). This is a basic principle of corporate governance (Modum et al. 2013). It is guaranteed by ensuring that various procedures are put in place to ensure seamlessness in accommodating corporate goal (ownership goal) and management goal in an enterprise. Adeyemi, Okpala and Dabor (2012) had distinguished management and control in the bid to explain corporate governance by emphasizing that if management is about running business, then governance in the corporate world is about seeing that companies are run properly.

Corporate governance dictates the structure of the board of directors and how the different interest groups are represented, coordinated, compensated and monitored. As observed by Uwuigbe (2011), maintaining effective corporate governance has been given priority by firms in developed countries over time, while its importance has not been accorded to corporate governance or firms in emerging economies. In recent times, investigations on this subject matter in developing countries have become the pressing interest of scholars (Irine & Indah, 2017; Ajala, Amuda, & Arulogun, 2012; Khurshed & Shahid, 2016; Osundina, Olayinka, & Chukwuma, 2016). The tendency of a firm to survive the dynamics of business environment is to a greater extent influenced by the soundness of the components that defined the corporate governance of the organization, because corporate governance is fundamentally the corporate path through which the interrelation between the organization and society as whole can be put in the right perspectives, in order to foster optimum resources management and performance (Coleman & Nicholas, 2006).

Adeyemi et al. (2012) posited that the board of directors is responsible for accounting for the daily activities in organisations and rendering proper stewardship on how the financial resources of the shareholders were managed. Towards this end, shareholders, at Annual General Meetings, appoint an external auditor to provide assurance services that the financial statements prepared by management represent the underlying financial transactions of the organization for the period covered. According to Modum et al. (2013), audit committee has been include in the corporate governance and the inclusion of audit committee in the corporate governance mechanism raises the expectations of shareholders and the general public for enhanced corporate governance and by extension increased performance of companies. This raised confidence is predicated on perceived checkmating role of the audit committees in ensuring that the board of director lives up to expectation in fulfilling the globally accepted pillars of corporate governance, to wit, accountability, fairness, responsibility and transparency.

According to Omokhudu and Amake (2018); Githinji (2012), the audit committee is a key support in any corporate organization in monitoring and placing a check on good accounting and management practices. The Audit Committee function of an organization plays a significant role in enhancing good corporate governance by providing an assurance of adherence by management to observe prudent corporate policies, the management of risks and place a check on internal controls compliance with set auditing standards (Githinji, 2012). The Audit Committee can be of great help to the board in establishing, implementing, monitoring, evaluating and sustaining good corporate governance practices for the benefit of the company and its stakeholders. In the view of Omokhudu and Amake (2018), audit committee is an intermediary or a watch dog. The financial statement users will normally take actions based on the analysis of the various reports contained in financial statements. According to Sec 359(4) of CAMA, 1990 as amended, one of these reports is the report by the audit committee. This report is used to comment and communicate on the report of the external auditors, the objections or queries as well as the response from management and to state if proper procedures have been followed by the auditors in the course of performing their audit.

Zubair (2016) expressed that the critical role of Audit Committee (AC) is believed to be a means of improving economic efficiency and stakeholders" confidence in the quoted firms through financial standard compliance. To achieve this, Ejeagbasi, Nweze, Ezeh and Nze (2015) pointed that audit committee should possess some certain attributes which include independence of the committee, frequency of meetings, the size of the committee and financial knowledge of the committee members (Mohiuddin & Karbhari, 2010). These attributes of the audit committee are significant in addressing the short comings and weaknesses associated with the internal control system of the banks and the errors and limitations associated with external audit function. This is because internal control and internal audit are less independent of the management, while external auditors" function is limited to the information available to them which is highly influenced by management (Zubair, 2016). However, audit committees are independent of the management and have sufficient authority over the operations, transactions, documents and all the relevant records to perform their duties. Audit committee functions with these attributes are expected to ascertain a true and fair view of the financial performance and position of the firms and also enhance the confidence of the investors as well as other stakeholders.

Statement of the Problem

Every firm irrespective of the sector wants to achieve its mission and vision. One of the goals that a quoted firm wants to achieve is to maximize the wealth of the shareholders as well as good profitability. To achieve this, firms must comply with the code of conduct for corporate governance. According to Temple (2019), corporate governance practices go to the very heart of a firm performance related matters. Thus, the importance of corporate governance cannot be understated.

According to Owolabi and Dada (2011), a series of recent events have placed corporate governance issues as a top concern especially in the international business community. Modun et al.(2013); Jafaru and Iyoha (2012) expressed that the spate of corporate failures in recent times calls for serious examination of their causes and possible solution. The failure and/or collapse of some firms in the international business community such as Enron, Global Grossing, Marconi, World Com, Lehman Brothers, Barings Bank, Royal Ahold and Adelphi Communication indicated that there is serious issue on the practices corporate governance (Temple, 2019). Similarly, related case of firm's failure occurred in Nigeria. As noted by Temple (2019); Ademola, Moses and Ucheagwu (2016); Owolabi and Dada (2011), Cadbury Nigeria plc and some firms that have cease to exist like Afribank Plc, All States Bank experienced poor corporate governance which led to falsification of financial statement, poor risk management as well as financial frauds of different kinds. And thus, this led to establishment of audit committee.

Despite the introduction of audit commitment as it is stipulated by the regulatory authorities, the firms still could not achieve their mission and vision due to lack of appropriate corporate governance practices and these has restricted to poor performance. Modum et al. (2013); Adeyemi et al.(2013) opined that corporate failure still rampant among Nigerian firms in the manufacturing sector as most firms are financed on high debt.

In addition, there are numerous studies on audit committee and corporate governance differently (Ibrahim & Jehu, 2018; Umobong and Ibanichuka 2017; Oyedokun, Sanyaolu & Bamigbade 2017;Al-Shaer, Salama and Toms, 2017; Kantudu & Samaila , 2015; Onakoya, Ofoegbu & Fasanya, 2011). The studies of Ejeagbasi et al. (2015); Okolie (2014) examined audit committee and corporate governance together. Despite the numerous studies on audit committee and corporate governance, most of these studies were conducted in financial sector. It is on this premise that this study intends to fill the gap by investigating the impact of audit committee on corporate governance in Nigeria manufacturing sector.

Objectives of the Study

The main objective of the study is to investigate the impact of audit committee on corporate governance in Nigerian manufacturing sector. However, other sub-objectives of the study are to:

I. evaluate the impact of audit committee size on board size of firms in the Nigerian manufacturing sector
II. examine the impact of audit committee size on non-executive director size of firms in Nigerian manufacturing sector
III. determine the influence ofaudit committee size on executive director size of firms in Nigerian manufacturing sector
IV. investigate the combine effect of audit committee size on corporate governance of Nigerian manufacturing sector

REVIEW OF LITERATURE

Conceptual review

The concept of Audit Committee

The International Audit and Assurance Standard Board (IAASB), a sub-committee of the International Federation of Accountants (IFAC) described an audit as an independent examination of, and expression of opinion on the financial statements of a business enterprise by an appointed auditor in accordance with his terms of appointment and in agreement with the relevant statutory and performance requirements. Zubair (2016); Spira (2003) described audit committee as an effective body that protects the interests of shareholders and ensure the reliability of information disclosed. The audit committee is an operational arm of the corporate board of directors serving as a controlled mechanism capable of establishing an interface between the management and the statutory audit and reduces conflicts of interest and subsequently the agency costs (Chen & Zhou, 2007).

Audit Committee and Corporate Governance

Modum and Onyeanu (2013) serve as an intermediary between the management and the external auditors and thus, it is equally expected that an effective audit committee can enhance the independence and professional skepticism of an external auditor. Interestingly, the Board of Director and the Audit Committee exist in a mutually reinforcing symbiotic relationship. The effectiveness of one enhances the efficiency of the other since an effective Audit Committee helps to set a positive tone at the top.

Corporate governance dictates the structure of the board of directors and how the different interest groups are represented, coordinated, compensated and monitored. Adewuyi and Olowookere (2008) asserted that organizations with good corporate structures are expected to have higher profits, less bankruptcy risk, higher valuations and pay out more cash to their shareholders.

Theoretical Framework

Agency theory

The agency problem was first highlighted by Adam Smith in the eighteenth century and explored by Ross (1973), with the first detailed description of the theory presented by Jensen and Meckling in 1976.

According to this theory, shareholders who are the owners of the corporation appoint managers or directors and delegate to them the authority to run the business for the corporation's shareholders (Clarke, 2004). The agency relationship between two parties is defined as the contract between the owners (principals) and the managers or directors (agents) (Jensen & Meckling, 1976). On the basis of the agency theory, shareholders expect the managers or directors to act and make decisions in the owners' interests.

However, managers or directors may not necessarily always make decisions in the best interests of the shareholders (Padilla, 2002).

Stakeholder Theory

The stakeholder theory has been developing continuously over the past three decades. One of the first theorists to present the stakeholder theory as inherent in management discipline was Freeman (1984). He also proposed a general theory applicable to firms, which is based on the premise that firms should be accountable to a broad range of stakeholders (Solomon & Solomon, 2004).

Thus, the aim of the agency theory is to concentrate on shareholders' rights and the separation of ownership from control so that a company can maximise the wealth of its shareholders. The stakeholder theory focuses not only on shareholders, but it has been expanded to take into account the interests of many different stakeholder groups, including interest groups with social, environmental and ethical considerations (Clarke, 2004; Letza, Sun & Kirkbride, 2004).

Thus, this study adopted agency theory. This study is adopted because audit committee serves as an agent for control mechanism in order to protect the interest of the shareholders and others stakeholders of a firm.

Empirical Review on Audit committee and Corporate Governance

Ejeagbasi, Ezeh, and Nze (2015) examined corporate governance and audit quality in Nigeria in banking industry. The study adopted ex-post factor research design. The study used secondary data from 2007 to 2017 from the annual reports of the selected banks. The study employed correlation analysis as data analysis method and it was revealed that board composition has a negative and insignificant relationship with audit quality, separation of the roles of the CEO from that of the chairman of the board, board size. Also, composition of the audit committee has positive and significant relationship with audit quality. The study recommended that the relationship between management and shareholders have to be characterized by transparency and fairness.

Vuko, Maretić, and Čular (2015) analyzed the role and effectiveness of internal mechanism (audit committee) of corporate governance on credit institutions performance in Croatia. The sample of the study consisted of 78 credit institutions listed in Zagreb Stock Exchange, from

2007 to 2012 has been collected and efficiency index of audit committee (EIAC) has been created. They found that audit committees of credit institutions have medium efficiency, and there is a significant difference in audit committee effectiveness in observed period, moreover there is a significant difference between level of audit committee effectiveness and audit firm type. While there is no positive relationship between audit committee effectiveness and credit institution performance.

Narwal and Jindal (2015) examined the impact of corporate governance on the profitability of Indian textile sectors. They collected data from annual reports of textiles companies for the period of five year ranging from 2009 to 2014. The profitability has been taken as dependent variable and board size, audit committee members, board meetings, non-executive directors, directors remunerations as independent variables. For analyzing the data the authors used correlation and OLS regression model in this study. Finally, they found a strong positive association is observed between director's remuneration and profitability. The Audit Committee members is observed negative associated with the profitability. The study concluded that board size, board meeting and non-executive directors do not significant association with the profitability.

METHODOLOGY

This study used causal research design. This study used causal research design because its enables in bring out the effect of independent variable on the dependent variable.

This study made use of secondary data. The data were collected from the annual reports of the selected listed firms-Nigerian Brewery Plc and Nestle Nigeria Plc. Data were collected on audit size, board size, executive director size and non-executive director size within the period of 2008 to 2017.

The data collected in this research study were analyzed using regression analysis because it provides a mechanism for the prediction of the functional relationship existing between dependent and independent variables. This was done through the help of Economic View. Both simple and multiple regression analysis were employed.

The regression equation is thus given below;

$y_1 = \beta_0 + \beta_1 x_1 + \mu_i$…….. (1)

$y_2 = \beta_0 + \beta_1 x_1 + \mu_i$…….. (2)

$y_3 = \beta_0 + \beta_1 x_1 + \mu_i$…….. (3)

$Y = \beta_0 + \beta_1 X + \mu_i$…….. (4)

Where:

X = Audit Committee

Y = Corporate Governance

$X = (x_1)$

x_1 = Audit Committee Size

$Y = (y_1, y_2, y_3)$

y_1= Board Size

y_2= Non-Executive Director Size

y_3= Executive Director Size

ANALYSIS

Hypothesis one: Audit committee size does not have significant effect on board size of firms in Nigerian manufacturing sector

Dependent Variable: BOARD_SIZE
Method: Least Squares
Date: 05/30/19 Time: 20:25
Sample: 2008 2017
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	35.55556	12.62615	2.816024	0.0226
AUDIT_COMMITTEE_SIZE	-4.111111	2.137265	-1.923538	0.0906

R-squared	0.316239	Mean dependent var	11.30000
Adjusted R-squared	0.230769	S.D. dependent var	2.311805
S.E. of regression	2.027588	Akaike info criterion	4.428427
Sum squared resid	32.88889	Schwarz criterion	4.488944
Log likelihood	-20.14213	Hannan-Quinn criter.	4.362040
F-statistic	3.700000	Durbin-Watson stat	3.108483
Prob(F-statistic)	0.090620		

Source: Researcher's Computation, 2019

Interpretation

The above table showed the regression results of the data run through e-view version 9. From the above results, the R-squared which is the coefficient of determination showed that 31.6% of the changes in board size is caused by audit committee size while the remaining percentage are caused by other variables that are not taking into consideration by the hypothesis. The results indicated that there is negative effect of audit committee size on board size of manufacturing firms in Nigeria. Also, it is shown that audit committee size has no significant effect on board size of the selected firms in Nigerian manufacturing sector. Therefore, the study accepts the hypothesis that audit committee size does not have significant effect on board size of firms in Nigerian manufacturing sector

Hypothesis two: Audit committee size does not have significant effect on non-executive size of firms in Nigerian manufacturing sector

Dependent Variable: NON_EXECUTIVE_DIRECTOR
Method: Least Squares
Date: 05/30/19 Time: 20:51
Sample: 2008 2017
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.555556	5.778579	-0.269193	0.7946
AUDIT_COMMITTEE_SIZE	1.111111	0.978156	1.135924	0.2889

R-squared	0.138889	Mean dependent var	5.000000
Adjusted R-squared	0.031250	S.D. dependent var	0.942809
S.E. of regression	0.927961	Akaike info criterion	2.865202
Sum squared resid	6.888889	Schwarz criterion	2.925719
Log likelihood	-12.32601	Hannan-Quinn criter.	2.798815
F-statistic	1.290323	Durbin-Watson stat	1.921147
Prob(F-statistic)	0.288870		

Source: Researcher's Computation, 2019

Interpretation

The above table displayed the regression results of the hypothesis two- audit committee size does not have significant effect on non-executive size of firms in Nigerian manufacturing sector. The results showed that 13.9% of the changes in non-executive director size is explained by audit committee size while the remaining 86.1% is explained by other factors that are not included in the hypothesis. It is further revealed that audit committee size has a positive effect on non-executive director but there is no significant effect of audit committee size on non-executive director. Thus, the study accepts the hypothesis that audit committee size does not have significant effect on non-executive size of firms in Nigerian manufacturing sector.

Hypothesis three: Audit committee size has no significant impact on executive director size of firms in Nigeria manufacturing sector

Dependent Variable: EXECUTIVE_DIRECTOR
Method: Least Squares
Date: 05/30/19 Time: 20:45
Sample: 2008 2017
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.111111	6.805726	0.751002	0.4742
AUDIT_COMMITTEE_SIZE	-0.222222	1.152025	-0.192897	0.8518

R-squared	0.014630	Mean dependent var	3.800000
Adjusted R-squared	0.009792	S.D. dependent var	1.032796

S.E. of regression	1.092906	Akaike info criterion	3.192415
Sum squared resid	9.555556	Schwarz criterion	3.252932
Log likelihood	-13.96207	Hannan-Quinn criter.	3.126028
F-statistic	0.037209	Durbin-Watson stat	2.621447
Prob(F-statistic)	0.851847		

Source: Researcher's Computation, 2019

Interpretation

The above table showed the regression results of the hypothesis three- audit committee size has no significant impact on executive director size of firms in Nigeria manufacturing sector run through e-view version 9. From the above results, the R-squared which is the coefficient of determination showed that 1.4% of the changes in non-executive director size is caused by audit committee size while the remaining percentage are caused by other variables that are not taking into consideration by the hypothesis. The results further indicated that there is negative effect of audit committee size on non-executive director size of manufacturing firms in Nigeria. Also, it is shown that audit committee size has no significant effect on non-executive director size of the selected firms in Nigerian manufacturing sector. Therefore, the study accepts the hypothesis that audit committee size has no significant impact on executive director size of firms in Nigeria manufacturing sector

Hypothesis Four: Audit committee size has no combined effect on corporate governance

Dependent Variable: Corporate governance
Method: Least Squares
Date: 05/30/19 Time: 21:32
Sample: 2008 2017
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.71111	7.267268	1.749091	0.1184
AUDIT_COMMITTEE _SIZE	-1.022222	1.230151	-0.830973	0.4301

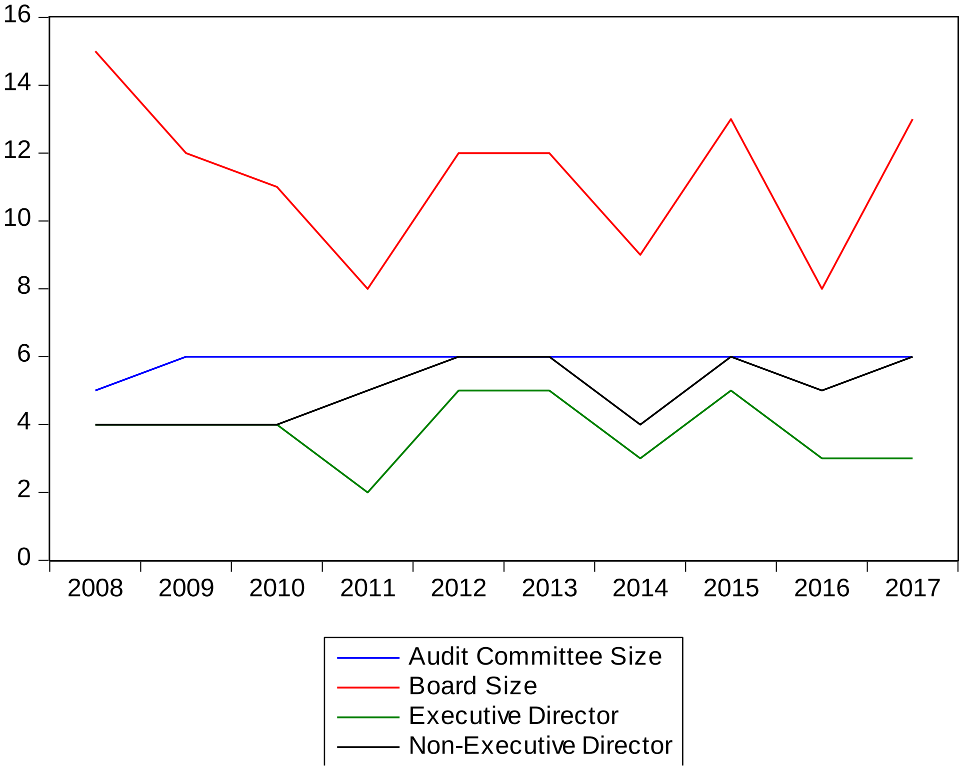
R-squared	0.079456	Mean dependent var	6.680000
Adjusted R-squared	0.035612	S.D. dependent var	1.146783
S.E. of regression	1.167024	Akaike info criterion	3.323647
Sum squared resid	10.89556	Schwarz criterion	3.384164
Log likelihood	-14.61823	Hannan-Quinn criter.	3.257260
F-statistic	0.690516	Durbin-Watson stat	3.066433
Prob(F-statistic)	0.430090		

Source: Researcher's Computation, 2019

Interpretation

The above table displayed the regression results on hypothesis 4- audit committee size has no combined effect on corporate governance. The results revealed that 7.9% of the variations in the combined proxies for corporate governance is accounted by audit committee size while the remaining percentage are accounted by variables not considered in the study. The results disclosed that there is a negative effect of audit committee size on corporate governance in the selected firms. Also, the audit committee size does not have significant effect on corporate governance in the Nigerian manufacturing sector for the period under review.

Graphical Representation of the Variables



Source: Researcher's Computation, 2019.

Conclusion and Recommendation

The study aimed to examine the impact of audit committee on corporate governance in the Nigerian manufacturing sector. This objective has been achieved through the employment of regression analysis via E-view.

The Composition of internal audit committee should be done by the shareholders and must be fully independent to carry out their duties. Internal audit committee should be reporting to the shareholders during the annual general meeting or during emergency meetings of the shareholders. There should be a minimum number for executive directors and non-executive directors for firm in the manufacturing sector in Nigeria.

REFERENCES

Ademola, O.J., Moses, O.I. & Ucheagwu, C.J. (2016). Corporate governance and financial performance of selected manufacturing companies in Nigeria. *International Journal of Advanced Academic Research, 2*(10), 29-44

Adewuyi, A. O. & Olowookere, A. E. (2008). Corporate governance and performance of Nigerian listed firms: Further evidence. *Corporate Ownership & Control, 6*(2), 467-478

Adeyemi, S. B., Okpala, O. & Dabor, E. L. (2012). Factors affecting audit quality in Nigeria. *International Journal of Business and Social Science, 3*(20), 198-109

Ajala, O. A., Amuda, T., & Arulogun, L. (2012). Evaluating the effects of corporate governance on the performance of Nigerian banking sector. *Review of Contemporary Business Research, 1*(1), 32-42.

Clarke, T. (2004). *Theories of corporate governance*. New York: Routledge

Coleman, A., & Nicholas, B. N. (2006). Does board and CEO matter for bank performance? A comparative analysis of Banks in Ghana. *Journal of Business Management, 13*(1), 46-59.

Chen, K. Y. & Zhou, J. (2007). Audit committee, board characteristics, and auditor switch decisions by andersen's clients. *Contemporary Accounting Research, 24*(4), 1085-1117.

Ejeagbasi, G. E., Nweze, A.U; Ezeh, E.C. & Nze, D.O (2015). Corporate governance and audit quality in Nigeria: Evidence from the banking industry. *European Journal of Accounting, Auditing and Finance Research, 5*(1), 18-39

Freeman, R. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman Publishing.

Freeman, R.E. (1999). Divergent stakeholder theory. *Academy of management Review*, 24(2), 233–236.

Githinji, R.M. (2012). The role of the audit committee in the corporate governance of state corporations: A case of the Kenya urban roads authority. M.A Thesis, University of Nairobi.

Global Journal of Business & Management Research,11(12), 19-32

Howard, L. (2000). *Auditing* (14th edn). London: Ebis Press.

Ibrahim, M. A. & Jehu, P. (2018). The effect of board composition on the informativeness of financial reporting quality: Empirical evidence from Nigeria. *Journal of Business and Management, 20*(3), 54-60

Irine, H. & Indah, M. S. (2017). The effect of corporate governance on the performance of a company: Some empirical findings from Indonesia. *Journal of Management and Business Administration Central Europe, 25*(1), 33-52

Letza, S., Sun, X. & Kirkbride, J. (2004). Shareholding versus stakeholding: A critical review of corporate governance. *Corporate Governance: An International Review*, 12(3), 242–262.

Modum, U., Ugwoke, R.O. & Onyeanu, E.O. (2013). Audit committees and corporate performance of selected companies quoted in the Nigerian Stock Exchange: A perception analysis. *Research Journal of Finance and Accounting , 4*(16),115-125

Mohiuddin, M. & Karbbari, Y. (2010). Audit committee effectiveness: A critical literature review. *Journal of Business and Economics* 9(1)*, 200-216,*

Narwal, K. P., & Jindal, S. (2015). The impact of corporate governance on the profitability: An empirical study of Indian Textile Industry. *International Journal of Research in Management, Science & Technology, 3*(2), 19-26

Jafaru, J. & Iyoha, F. 0. (2012). Directors and corporate governance in the banking sector: evidence from nigeria. *ICAN Journal of Accounting & Finance, 1*(4), 157-173

Jensen, M. C. & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305-360.

Kantudu, A. L. & Samaila, I. A. (2015). Board characteristics, independent audit committee and financial reporting quality of oil marketing firms: Evidence from Nigeria. *Journal of Finance, Accounting and Management, 6*(2), 34-50.

Khurshed, I. & Shahid, J. K. (2016). Corporate governance and its impact on profitability of the pharmaceutical industry in Pakistan. *Journal of Managerial Sciences, 10*(1), 73-82.

Okolie, J.U. (2014). Corporate governance and audit committee in Nigeria. *Journal of Policy and Development Studies 9*(1), 226-233.

Omokhudu, O.O. & Amake, C.C. (2018). Corporate Governance and Value Relevance of Accounting Information: Evidence from Nigeria. *Research Journal of Finance and Accounting , 9*, 70-87

Onakoya, A. B., Fasanya, I. O. & Ofoegbu, D. I. (2014). Corporate governance as correlate for firm performance: A pooled OLS investigation of selected Nigerian banks. *Journal of Corporate Governance, 13*(1), 7- 19

Osundina, J., Ademola, O. I. M. & Ucheagwu, J. C. (2016). Corporate governance and financial performance of selected manufacturing companies in Nigeria. *International Journal of Advanced Academic Research, 2*(10), 24-40

Owolabi, S. A.& Dada, S. O. (2011). Audit committee: An instrument of effective corporate governance. *European Journal of Economics, Finance and Administrative Sciences, 17*, 12-20.

Oyedokun, G. E., Sanyaolu, W. A. & Bamigbade, D. (2017). Corporate governance and financial performance of listed manufacturing firms in Nigeria. *Advances in Management, 16*(2), 3-17.

Padilla, A. (2002). Can agency theory justify the regulation of insider trading?. *Quarterly Journal of Austrian Economics*, *5*(1), 3–38.

Ross, S.A. (1973). The economic theory of agency: the principal's problem'. *American Economic Review*, *63*(2), 134–139.

Spira, L. F., (2003), Ceremonies of governance: Perspectives on the role of the audit committee. *Journal of Management and Governance 3, 231-260.*

Temple, M (2019). Investigating into the interaction effects between corporate governance and shareholders wealth in Nigeria. International Journal of Advanced Research and Review, 4(2), 1-10.

Umobong, A. A. & Ibanichuka, E. A. L. (2017). Audit committee attributes and financial reporting quality of food and beverage firms in Nigeria. *International Journal of Innovative Social Sciences and Humanities Research, 5*(2), 1-13.

Uwuigbe, O. R. (2011). *Corporate governance and financial performance of Banks: A study of listed banks in Nigeria*. Ph.D. Thesis, Covenant University, Ota, Ogun state

Vuko, T., Maretić, M. &Čular, M. (2015). The role and effectiveness of audit committee In corporate of credit institutions. *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering 9(4)*, 34-48

Zubair, A.I (2016). *Evaluation of the impact of audit committees on performance of listed deposit money banks in Nigeria*. Ph.D Thesis, Ahmadu Bello University, Zaria