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An Empirical Study of the Nigerian Extractive Industries
Transparency Initiative (NEITI)

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Dedication

To the memory of my father, my loving mother, my wife and children

Acknowledgment

Declaration

I hereby declare that no portion of the work referred to in this thesis has been submitted for the application of another degree or qualification to another university or institute of learning.

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List of Abbreviations

ABU	Ahmadu Bello University
ABS	Aberdeen Business School
ACI	Academic Institutions
AD	After the Death of Jesus Christ
ADB	African Development Bank
AGF	Auditor General for the Federation
AU	African Union
BP	British Petroleum
COC	Clerk of the Committee
COMD	Crude Oil Marketing Department
CORR	Crude Oil Revenue and Reconciliation
CIF	Cost, Insurance and Freight
CISLAC	Civil Society Legislative Advocacy Centre
CIT	Company Income Tax
CITD	Centre for Information Technology & Development
CPI	Corruption Perception Index
CSOs	Civil Society Organizations
DPR	Directorate for Petroleum Resources
EFCC	Economic and Financial Crimes Commission
EITI	Extractive Industries Transparency Initiative
EISG	Extractive Industry Study Group
FOIA	Freedom Of Information Act
EOR	Enhancement of Oil Recovery
EU	European Union
FOC	Foreign Oil Companies
FOEN	Fried of the Earth Nigeria
GA	Government Agencies
GDP	Gross Domestic Product
G8	Group of Eight
G20	Group of Twenty
HC	Host Communities
ICPC	Independent Corrupt Practices & Other Related Offences Commission
IOCs	Independent and Local Oil Companies
IDSL	Integrated Data Service Limited
IMF	International Monetary Fund
JOA	Joint Operation Agreement
JVC	Joint Venture Contract
JVO	Joint Venture Operation
K-W	Kruskal Wallis
LG	Local Government
MED	Monitoring and Evaluating Department
MST	Median Sign Test
M-W	Mann-Whitney
NAOC	National Agip Oil Company
NAPIMS	National Petroleum Investment Management Service
NASS	National Assembly of Nigeria
NCC	Nigerian Coal Corporation

NEITI	Nigeria Extractive Industries Transparency Initiative
NGOs	Non-Governmental Organizations
NIS	National Integrity System
NLC	National Labour Congress
NLNG	Nigerian Liquefied Natural Gas
NMC	Nigerian Mining Corporation
NNOC	Nigerian National Oil Corporation
NNPC	Nigerian National Petroleum Corporation
NPDC	Nigerian Petroleum Development Company
NSWG	National Stakeholders Working Group
OCs	Oil Companies
OAGF	Office of the Accountant General of the Federation
OECD	Organisation of European Community Development
OPEC	Organisation of the Petroleum Exporting Countries
OPLs	Oil Production Licences
OSP	Official Selling Price
PAF	Public Accounting Firms
PAYE	Pay-As-You Earn
PIB	Petroleum Industry Bill
PITD	Petroleum and International Tax Development
PPPRA	Petroleum Product Pricing Regulatory Authority
PPMC	Pipeline and Products Marketing Company
PPSR	Petroleum Product Sales Reconciliation
PPT	Petroleum Profit Tax
PESTEL	Political, Economic, Sociological, Technological, Legal, Environmental.
PSC	Production Sharing Contract
PTDF	Petroleum Technology Development Fund
PV	Present Value
PWYP	Publish What You Pay
QAM	Quality Assurance Mechanism
RERT	Revenue Expenditure Reconciliation Team
RMAFC	Revenue Mobilization, Allocation and Fiscal Commission
RWI	Revenue Watch Index
RP	Realisable Price
RWI	Revenue Watch Institute
SEA	Social Environmental Accounting
SE	Stock Exchange
SEC	Securities and Exchange Commission
SPDC	Shell Petroleum Development Company
SPSS	Statistical Package for the Social Sciences
TI	Transparency International
TIN	Transparency in Nigeria
TIN	Transparency International Nigeria
TI'NIS	Transparency International's and National Integrity System
TUC	Trade Union Congress
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNCTAD	United Nations Conference on Trade and Development
UNEPA	United Nations Environmental Protection Agency

USA	United States of America
VAT	Value Added Tax
ZCC	Zero Corruption Coalition

ABSTRACT

This study conducts research to investigate whether Nigeria gaining Extractive Industries Transparency Initiative (EITI) compliance status in 2011 has, in practice, improved transparency practices in its oil and gas industry. Its findings are the result of applying an accountability theoretical framework to the disclosure practices of the oil and gas industry. Although other studies have been published on the activities of the Nigerian oil and gas industry, they did not relate specifically to the issue of improved transparency practices in Nigeria after it achieved EITI compliance status. In line with many studies in the field, this study has adopted a mixed methods approach to analysing the issues. This study uses a questionnaire to gather perceptions from the responses of key stakeholders from seventeen different organisations in Nigeria. These data are then used to test various hypotheses. It also conducts follow-up in-depth interviews in order to gain further insights from experts in Nigeria to help interpret the results obtained. Anecdotal commentaries from the popular press in Nigeria had suggested that, despite gaining EITI compliance status there were still major shortfalls in what might be described as acceptable standards of disclosure relating to oil and gas revenue transparency. This study's findings to a certain extent provide evidence that this is the case. In addition, it finds that there appears to be no corresponding improvement in accountability for the use of the said revenue for the good of Nigerian society. This study found out that there was information about oil revenue and other activities of the oil and gas industry, in addition to an increase of oil revenue to the Government. Further, this study discovers that there is a need for the Government and its related agencies to improve, in the management of oil and gas revenue. The Government should also allow the remedial actions to be made appropriately in the oil and gas industry, as recommended by the NEITI audit reports. This study also recommends Nigerian Government to allow civil societies and NGOs to act independently, in the activities of oil and gas industry. They should also be involved in the decision making on how to use the oil and gas revenue received. There is also a need for consultation or a group discussion among the key stakeholders of the oil and gas industry, including the government officials and those that were not accessing enough information of the oil and gas revenue, to discuss on how the Government, related agencies and the oil and gas companies will improve and maintain effective processes in providing sufficient and accurate information of the oil and gas revenue at the appropriate period. The results of this study have importance to the policy and also the body of literature.

Key words: Transparency and accountability, EITI, NEITI, and Nigeria.

CHAPTER ONE

Introduction

1.1 Background and Rationale for the Study

Developing countries and economies in transition often find that they have a high level of poverty, instability, socio-economic, and political problems despite their resources wealth (McPherson, 2008). With good governance, however, the exploitation of their resources can generate large revenues to foster growth and reduce poverty and instability (McPherson, 2008). In this regard, the idea of Extractive Industries Transparency initiative (EITI) was established and launched in 2002 at Johannesburg, South Africa. The initiative was sponsored by the British Government and aimed to encourage transparency practices in the management of extractive resources revenue between the government and companies operating in the extractive industries (World Bank, 2008). It set a global standard for companies to publish what they pay and for governments to disclose what they receive (McPherson, 2008). The EITI involves participation of governments, companies, civil society groups including Non-Governmental Organisations (NGOs), investors and international organisations such as the World Bank, International Monetary Fund, African Development Bank, Asian Development Bank and supported by the United Nations General Assembly, Group of Eight and European Union (EITI Archive, 2010 and Olcer and Reisen, 2009).

Nigeria signed up to the principles of EITI in 2003 which led to enactment of the Nigerian Extractive Industries Transparency Initiative (NEITI) Act, 2007 and also became compliant in March 2011 (EITI Newsletter, 2012 and EITI Archive, 2010).[1] Any country which desires to implement EITI has to undergo a validation exercise, and the global EITI Board uses it to determine a nation's candidature or compliance status (EITI Archive, 2010). The candidacy is a temporary stage of a nation before gaining compliance or result in delisting after validation (PWYP, 2011). Moreover, the main principle behind the initiative was transparency practices in the transactions between governments

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1. Other countries include: Central African Republic, Kyrgyzstan Republic, Niger, Norway, and Yemen.

and companies[2] operating within the extractive industries. Such public access to information on extractive revenue payments to government may empower lobby groups and civil organisations to hold government to account for its actions, and that may also assist to reduce mis-management or diversion of funds away from sustainable development purposes. Also, the improved transparency of the extractive industries' activities would likely lead to more effective control mechanisms being put in place in response to the greater public scrutiny (Heemskerk et al., 2003). The NEITI Act (2007) requirements were designed on the basis of the EITI principles, and NEITI was set up to achieve its national and international objectives, regarding to transparency practices in the Nigerian extractive industries.

Evidence from the EITI indicates that there were some other countries that achieved compliance ahead of Nigeria from 2009 such as Azerbaijan (EITI Newsletter, 2011). Literature also describes that, Azerbaijan was among the EITI member countries which provides comprehensive revenue transparency and has been providing audit reports consecutively on an annual basis (RWI, 2010). In addition, the government of Azerbaijan provides in a transparent manner the reconciliation of what it has receives as oil revenue and what the oil companies have paid annually, and also oil companies disclose what they have paid as oil and gas revenue to the government publicly (SOFAZ, 2011). Azerbaijan is a country with the population of about 9 million people. It also has proven crude oil reserves of more than 7 billion barrels, with oil production capacity of about 1 million barrel per day. On the other side, Nigeria supplies partial revenue transparency and produces audit reports with some lags (RWI, 2010). Nigeria is among the net oil exports countries in the world, with about 37.2 billion barrels of crude oil reserves and produces crude of about 2.4 million barrels per day. The population in Nigeria is more than 165 million people (Deziani, 2011). In spite of the revenue generates from the oil and gas industry, the Nigerian Government does not maintain effective processes of providing adequate information of the oil and gas revenue received from the oil and gas companies. That means there was continuing dissatisfaction of transparency practices in the Nigerian oil and gas industry before the country's compliance. Shaxson (2009) and Peel (2005) also described that lack of

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2. Including other statutory recipients of the extractive revenues.

transparency and accountability practices affects the activities of oil and gas revenue management in Nigeria's oil and gas industry, and it had become more complicated compared to other EITI member countries.

1.2 Statement of the Problem

Nigeria was the first country to sign up to the principles of EITI in June 2003**3** and implementation began in February 2004. Subsequently, the NEITI Act, 2007 was enacted in accordance with the EITI principles which led to the establishment of the Nigerian version (NEITI Hand Book, 2011). The Act provides for reconciliation of payments made by extractive industries with the receipts recorded by government agencies[4] (Arowosaiye, 2009). The regular publication of audit reports is part of the EITI criteria, which indicates the country's readiness for the achievement of transparency practices in its extractive industries (EITI Archive, 2010).

Nigeria has been deemed to be compliant with EITI principles and the NEITI Act requirements since March 2011, which means that transparency practices in the management of extractive industries resources' revenue in Nigeria is expected to be satisfactory and in accordance with the EITI principles and NEITI Act requirements. However, it seems to indicate that the current state of transparency practices in the Nigerian oil and gas industry has not led to a general perception of better transparency practices, relating to the oil revenue disclosure between the Nigerian Government and companies in the oil and gas industry. In addition, there appears to be no corresponding improvement in accountability for the use of the said revenue for the good of Nigerian society (MO, 2011). The government disclosure of oil and gas revenue and payments are not easily accessible in the public domain. Similarly, the independent auditors who are auditing the activities of oil and gas industry in Nigeria in partnership with the NEITI have stated that the government revenue recipient

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3. Subsequently, other countries such as Azerbaijan subscribed to the principles in November 2004.
4. These "government agencies" include the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), the Federal Inland Revenue Service (FIRS), the Central Bank of Nigeria (CBN), the Niger Delta Development Commission (NDDC), the Directorate of Petroleum Resources (DPR) and Petroleum Technology Development Fund (PTDF).

agencies[5] were also not providing adequate information relating to oil and gas revenue transaction activities (NEITI Audit Report (2009-2011), 2013).

The CBN was reported for the revenue mismatch, as the revenue recorded as being received from oil companies by the CBN did not match the record of payments in the oil companies' data. The independent auditors noted that usually, the CBN oil and gas revenue receipts were higher than the oil and gas companies' payments (NEITI Audit Report (2009-2011), 2013).[6] Additionally, the accounting recording system of oil and gas revenue collection of the CBN seemed to be inappropriate, because auditors were founding it very difficult to reconcile the oil and gas revenue accruing to the government (NEITI Audit Report (2009-2011), 2013). The Civil Society Legislative Advocacy Centre (2011) also described that the power supply in Nigeria depends largely on gas, which is supplied by the NNPC but the NNPC and Power Holding Company were not providing sufficient information of the transaction for the gas utilised by the power sector.

In the processes of oil and gas exploration and production, the independent auditors discovered that adequate metering facilities were still not provided by the DPR (industry regulator) at strategic places of the oil and gas production such as: reservoir to well head, flow line to flow station, and manifold to the export terminal (NEITI Audit Report, 2011). Furthermore, the report indicated that the metering facilities available were not accurately being utilised. Despite that, the crude oil measurements were only taken when loading for exports which indicated that only the crude oil that reaches terminal point could be accounted for (NEITI Audit Report, 2011).

1.3 Research Question

Since March 2011, Nigeria has been deemed to comply with the EITI principles and NEITI Act requirements. Literature from 2011, however, suggests that there is still a climate of uncertainty and concern appertaining to the transparency practices of the Nigeria's oil and gas industry and government (Transparency International, 2011). This study critically assesses whether

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5. Federal Inland Revenue Service (FIRS), Central Bank Of Nigeria (CBN), Office of the Accountant General of the Federation (OAGF) and Directorate of Petroleum Resources (DPR).
6. CBN recorded receipts where the companies made no payments and sometimes companies' payments could not be located on the CBN record.

there has been improvement in transparency and accountability practices in the Nigerian oil and gas industry after the country's EITI compliance in 2011.

1.4 Aim and Objectives of the Study

The aim is to test whether Nigeria gaining EITI compliance status in 2011 has improved transparency practices in the oil and gas industry in Nigeria, utilising an accountability theoretical framework. The objectives of this study relate to material issues regarding revenue transparency practices in the Nigerian oil and gas industry. Specifically, these objectives are:

- to critically evaluate and analyse whether there has been improvement of transparency practices in the Nigerian oil and gas industry after obtaining EITI compliance in 2011.

- to critically examine the effectiveness of performance of related government agencies Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN), Directorate of Petroleum Resources (DPR), Nigerian National Petroleum Corporation (NNPC) and Revenue Mobilization Allocation and Fiscal Commission (RMAFC)) in relation to oil and gas revenue management of the Nigerian oil and gas industry.

- to critically assess whether or not the Nigerian government maintains effective processes for the management of oil and gas revenue.

- to critically analyse the effectiveness of performance of oil and gas companies in relation to transparency practices in the Nigerian oil and gas industry.

- to recommend ways to improve transparency and accountability practices in the management of oil and gas revenue in Nigeria.

The above aim and objectives were achieved by critically assessing the perceptions of key stakeholders in the Nigerian oil and gas industry, through their responses from the administered questionnaire and in-depth telephone interviews. In order to respond to the research question and to achieve the targeted objectives of this study, hypotheses were developed as a result of conducting literature review related to activities of the Nigerian oil and gas

industry, although they did not relate specifically to the issues of transparency practices in Nigeria after it achieved compliance.

1.5 Research hypotheses

As an integral part of addressing the research question relating to the state of transparency and accountability practice in the Nigerian oil and gas industry after the country's deemed state of EITI compliance in 2011 and to help achieve the targeted objectives of this study, hypotheses were developed in relation to adequacy or otherwise of transparency practices in the Nigerian oil and gas industry. The following are the hypotheses:

- Hypothesis 1: With respect to oil and gas revenue, the Nigerian government does not disclose in a transparent manner its reconciliation of what it says it has received and what oil companies say they have paid.

- Hypothesis 2: There is insufficient disclosure of oil and gas revenue in the Nigerian oil and gas industry.

- Hypothesis 3: Government agencies' performance in improving effective management of oil and gas revenue in Nigeria has not improved transparency practices in its oil and gas industry.

- Hypothesis 4: Government management of the oil and gas revenue is sub-optimal with regard to the achievement of national goals and objectives.

- Hypothesis 5: Key stakeholders perceive that the state of transparency practices in the Nigerian oil and gas industry is sub-optimal with regard to the achievement of national goals and objectives.

1.6 Accountability as a theoretical Framework

Many research studies have used accountability as the theoretical framework that underpins their research, see for example; Dunne (2003), Gray et al. (1996), Broadbent et al. (1996), Roberts (1991), Munro (1996), Laughlin (1990) and Gray (1983). Every empirically-based research study needs a

theoretical structure to underpin it. There are many theories that could be used and the selection of the theory may influence the results obtained. This study chooses the theory of accountability using transparency of information to hold private and public office holders to account for their responsibilities (Jarvis and Desai, 2012).

1.7 Research Methodology and Methods

For the purpose of this study, a sequential mixed method approach was applied. This study uses a questionnaire to generate perceptions from the responses of key stakeholders for the analysis and interpretation. It also conducts follow up in-depth interviews to seek to explain findings from the questionnaire, as suggested by Saunders et al. (2012). This study critically reviews the literature, EITI rules (2011), NEITI Act (2007) and NEITI audit reports. The questionnaire was administered personally to participants in the sample groups. The interviews were conducted by telephone with selected participants from the sample groups. All the essential information has been obtained on the basis of the questionnaire. The findings were also corroborated by the result of follow-up in-depth interviews. This approach was to provide insight and aid interpretation and understanding of the analysis conducted.

1.8 Structure of the thesis

The thesis is divided into eight chapters. The first chapter introduces the study by explaining the background and rationale behind it. The chapter presents the statement of the problem that explains the need for the research. It also contains the research questions followed by the aim and objectives of the study, accountability as a theoretical framework, and finally the research methodology and methods applied in the process of carrying out this research.

Chapter two presents an overview of the global EITI and also reviews the historical background of transparency practices. Chapter three focuses on theoretical framework and the concepts that define transparency and accountability approach. Chapter four contains research methodology and methods used in this study. Chapter five presents analysis of questionnaires. Chapter six discusses data presentation, analysis and interpretation. Chapter

seven presents analysis of interview findings. Finally chapter eight contains summary and general conclusion.

CHAPTER TWO

The Extractive Industries Transparency: An overview

2.1 Introduction

This chapter presents an overview of the current state of transparency practices in the extractive industries. It starts by examining the historical background of transparency, explores aspects of accountability, highlights on the stakeholder and reviews critical perspectives on the global initiative. It also discusses literature on the governance and transparency in the oil and gas industries, explores oil exploration and its associated problems. Further, it presents a general critical review of the Extractive Industries Transparency Initiative (EITI), and ends with a conclusion.

2.2 Transparency

Recently, transparency has been defined as a social means of societal support for both private and public organisations (Nielsen and Madsen, 2009). In order to achieve that, there is need for providing as much detailed information as possible to legitimate stakeholders (Nielsen and Madsen, 2009). Nielsen and Madsen (2009) further regarded transparency as public access to information. They consider transparency from the viewpoint of the beholder (receiver) and not the sender. That means that transparency is a "means and not an end", and the only way subjects can relate to the world is through "words and text". For that reason, there is a need for disclosing as much information to stakeholders as possible.[7] Some literature such as that relating to Social Environmental Accounting (SEA) models, as in GRI (2002) and Heemskerk et al. (2003), also support the idea of Nielsen and Madsen (2009) which indicated that there is a need to disclose as much information as possible to many stakeholders. They also emphasised that, transparency seems to be a way of delivering accountability to society.

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7. The disclosures should contain both oil related and non-oil related revenue receipts and payments, including supplementary information to support the words.

Strathern (2000) in his paper titled "the tyranny of transparency" reports transparency as a contemporary social practice of audit, quality assurance and accountability. He argued that transparency should be promoted explicitly into a social arena, especially where a kind of reality is covered.[8] Strathern (2000) added that, in order to make invisible visible, more visibility and more information must be added to a report of actions. In a related development, Ganesan (2010) describes revenue transparency as a key to good governance of extractive industries.[9] Some scholars such as Holman (2002) equate transparency with a requirement to create a vast supply of detailed and forward-looking information. Others, such as Mouritsen et al. (2003) and Ambler et al. (2001) described that, quantitative measures should be supplemented by a commentary, advocating the use of a proper mix of both qualitative and quantitative data.

Transparency needs to connect four key aspects to the public accountability and make them effective and meaningful: the release of accurate information, accessibility to information deemed in the public interest, openness to meetings, and consultation before policy is formulated (Beetham and Boyle, 1995). Meyers (2006) supports the idea of Mouritsen et al. (2003) and Amber et al. (2001) regarding transparency, as he views it in the context of public service and emphasises on communicating reliable and relevant information, in timely manner regarding to the government activities. Meyers (2006) added that, transparency can be seen as a process designed to reveal actions, policies and political processes to make apparent the motives behind a particular action. Julian (1998) also suggests that, transparency is a process which provides adequate disclosure of information, availability and easily accessible information and dissemination of information to legitimate stakeholders.

Recently, scholars such as Hooks et al. (2002) debated that, the quality of disclosure in an annual reporting system of a given organisation depends upon the importance of items to be reported, considering that an industry can disclose as much information as possible regarding its financial activities, but this does not necessarily represent its quality. Hooks et al. (2002) further

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8. Example of audit in the British higher education (a small British literature in social anthropology).
9. As also observe in revenue transparency by IMF guide (2007).

pointed out that some items of disclosure seemed to be more important than others, and therefore, classified disclosures as mandatory, voluntary or mixed. Consequently, the issue of transparency has led to some arguments by the scholars and resulted in discourses which reviewed that, transparency is a "means not an end". They further highlighted that the only way subjects can relate to the world is through "words and text" (Nielsen and Madsen, 2009).

For that reason, Nielsen and Madsen signified that it is important to disclose as much information to stakeholders as possible, considering that transparency and accountability will lead to good governance. Going by this definition, transparency can be seen as public access to information on the activities of organisations. It is therefore reasonable to say that transparency is not synonymous with accountability, but it is among the essential building blocks to accountability and good governance (Revenue Watch Institute, 2010). Moreover, Sihotang (2003) emphasises that transparency is a core-element of accountability.[10]

That is to say, accountability cannot be achieved without transparency. Notwithstanding this clarity, it is extremely difficult to separate transparency from accountability. Therefore, there is a need to understand the term accountability. It is obvious that transparency is a part of accountability, and may be of limited value if the other dimensions are neglected. The next section considers the concept of accountability. This study adopts the definitions of Nielsen and Madsen (2009), which is also in line with the opinions of Julian (1998) and Beetham and Boyle (1995). They concentrated on the issues directly related to this research, which wishes to assess the effectiveness of processes on how public access the information about the activities regarding to the oil and gas revenue generate from the Nigerian oil and gas industry, between the government and oil companies in Nigeria. This is also in accordance with the principle of EITI and NEITI act requirements, for the promotion of transparency and accountability practices in the Nigerian context.

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10. Other elements are stakeholders' appreciation and mutual trust.

2.3 Accountability Concept

In practical terms it may be difficult to divorce the term transparency from accountability. Thus, accountability cannot only be seen as ethical but also morally important practice, since demanding accountability from someone is to ask this person to perform carefully such a responsibility in accordance with the principles and guidelines for that responsibility (Messner, 2009). Similarly, Scheduler (1999) perceives accountability in three dimensions; (i) to provide information relating to actions (ii) justify the actions (iii) resort to penalty in the event of breach. Likewise, accountability can be seen as a symbol for good governance, and it is a concept which refers to the process of being called to account for activities with regard to agreed-upon performance standards (Meyers, 2006). Therefore, accountability is often judged as a basic tool to determine the type of responsibility. Certainly, any accountable government is believed to be the good government. On the other hand, unaccountable government is likely to provide fertile ground for every type of abuse of power (Julian, 1998). Additionally, Gray et al. (1996) defined accountability as "a process involving two responsibilities: (i) the responsibility to undertake actions (or forebear from taking actions); and (ii) the responsibility to provide an account for those actions". Therefore, transparency that has been defined as public access to information on the activities of an organisation falls, within the second part of the definition of accountability.[11] This study goes in line with the definition of Gray et al. (1996) which was also supported by Scheduler (1999), Meyers (2006) and Messner (2009). It also chooses the theory of accountability using transparency of information to hold private and public office holders to account for their responsibilities.

Accountability in the public sector requires government to answer to the citizenry by justifying the sources and applications of public funds (Iyoha and Oyeride, 2009). The citizens also, have a right to know and receive openly declared facts and figures that would enable them to make a debate and decide on how well their elected representatives have discharged their responsibilities (Iyoha and Oyeride, 2009). Accountability is also very important for establishing checks and balances so that corruption and abuse of

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11. The responsibility to disclose the information of activities.

office can be minimised. This is quite relevant to the Nigerian context, which is politically under development and needs strong institutions and structures to support its policies. Iyoha and Oyerinde (2009) also consider accountability to be seen as "an essential element to creating wealth and maintaining a free society". That is to say, the revenue from resources will benefit the resources' rich countries, however, instead they suffer from poverty and insecurity, at the same times categorised as poor nations. They are classified as poor not just because they are ravaged by one form of misery or the other, but they are poor in terms of development and they cannot account for the resources they have (Iyoha and Oyerinde, 2009). Therefore, accountability will continue to remain a basic tool for sustainable economic growth and socio-political advancement to the nations (Sihotang, 2003).

The economic development of accountability may also be affected due to the different interpretation of accounting procedures, in the activities of extractive industries. Because, the methods of costing used in accounting practices by extractive industries, usually has significance to the financial consequences. This relevance prevents standard setters' efforts to create a standardisation of accounting practice, and "thereby perpetuate the status quo of choice in accounting methods" (Cortese, et al., 2009). However, for decades there has been controversy surrounding the choice of different methods of costing (full cost and successful efforts). The choice of different methods is interrelated with the economic benefits derived from the extractive industries from the results of differences in the financial reporting. The practices were used among the firms in the petroleum industry and other industries in the several respects, despite the debates and frequent calls for the equality (Cortese, et al., 2009).

The attempts made by the International Accounting Standard Board (IASB) to respond to the numerous calls over many years for standardisation have not been successful to date (Cortese et al., 2009). Therefore, in most cases, the practices are either successful-efforts method or the full-costing method. The successful efforts method is the practice of capitalising only the identifiable costs directly associated with the discovery of a commercial reserve and treating all other costs as operating expenses. On the other hand the full-cost

method capitalises all pre-discovery costs irrespective of their commercially status (Sunder, 1976).

2.4 Stakeholders' appreciation

This is another core-element of accountability. Likewise, the EITI principles regarded stakeholders as an important element in relation to their activities in the extractive industries (EITI rules, 2011). In business terms, a stakeholder can be an individual or a group of people that maintains a stake in a business (Fassin, 2009) but this is a narrow definition of stakeholder. In general terms, stakeholders are those conceivable actors who can affect or be affected directly or indirectly by activities of an organisation (Fassin, 2009; Nielsen and Madsen, 2009). The Nigerian oil and gas industry has multi-stakeholders which include: the related government agencies, oil and gas companies, civil society groups and NGOs. This study also recognises stakeholders among the key element of the research in accordance with the theory of accountability,[12] which underpins this study and the EITI principles.

2.5 Critical Perspectives on Extractive Industries Transparency Initiative

In almost everything there should be a benefit as well as a shortcoming. In relation to the EITI, analyses have been made by scholars such as Ocheje (2006), who views the initiative at different perspectives. Ocheje suggests that, the EITI can identify the problems but may not solve them. In addition, EITI can only complement and not substitute for the national and international legislations. Further, Ocheje highlights future consequences of the EITI process on whether it may lead to accountability.[13]

Some scholars such as: Olcer and Reisen (2009), Ocheje (2006), and Schumacher (2004) noted that, it is now several years after the launch of the Extractive Industries Transparency Initiative (EITI). Still, the results of its effects were strange in some of its member nations, and it is to the extent

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12. Other elements are transparency and mutual trust.
13. Giving consideration to the oil revenue transparency practices of the extractive resources' countries, as described by the Revenue Watch Index (2011).
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that does not "on average" improve the perception of corruption levels in those countries. Similarly, indicators of the World Bank's worldwide governance revealed that corruption control in EITI implementing countries was not as good as than in non-EITI resource-rich member nations (Olcer and Reisen, 2009). This assertion relates to the Revenue Watch corruption perception index scores with regard to EITI implementing countries, which indicates that the level of corruption in some EITI member countries are still high (Revenue Watch Index, 2011). Although, the Transparency International report (2012) indicates that, there is a progress of revenue transparency in some EITI member countries. This means that overtime EITI member countries may do better and would be able to reduce the corrupt practices and also improve transparency in the oil and gas revenue management. That would also generate debate and leads to better application of the resources' revenue, as suggested by the Ganesan (2010). He added that, transparency practices will assist to reduce secrecy in the extractive industries' activities and improve oil and gas revenue generation.

Studies, such as Abutudu and Garuba (2011), Shaxon (2009), and Peel (2005) have made significant contributions on issues, relating to transparency and accountability practices in the Nigerian oil and gas industry. They made an assessment of how lack of transparency and accountability practices in the oil industry affect the country's socio-economic and political activities, peace and social justice. They deployed the methods of interviews and observations that led them to the conclusions that, lack of transparency and accountability practices in the activities of Nigeria's oil and gas industry and its related government agencies, have a negative effect on revenue generation to the Government. These literatures did not relate specifically to the issues of transparency practices in Nigeria after it achieves compliance.

Palley (2003) describes corruption as the enemy of both free markets and democracy, as corrupt government promotes corrupt business and corrupt business promotes corrupt government. This inevitable logic means that citizens and investors everywhere have a public and private interest in making effort to combat corruption by increasing transparency and accountability practices. For instance when extractive industries fail to disclose revenue payments to the Governments, it will be easier for government officials to

misappropriate the revenue and more difficult for citizens to hold officials accountable. Likewise, the governments and oil companies may be benefitting from categorisation of disclosure, as they consider some items of their interest to be voluntary or mandatory in favour of themselves (Palley, 2003).

2.6 Governance and transparency in extractive industries

Oil and gas serves as the engine of the global economy and it may remain the largest single fuel in the global energy mix in the near future. Other sources of energy will serves as complement to it in meeting the global growing demand for energy supply (Bahgat, 2007). The prediction of the global energy demand indicates that, the needs for energy will grow by 2030 at 60%, whereby the demand for oil is expected to rise at the same rate (Guidi et al., 2006). Oil and gas accounts significantly for about 40% of the world energy supply and it also contributes to about 10% of the overall global trade (Guidi et al., 2006 and OPEC, 2004). As such, the management of the resources and its revenue is also necessary, and with good governance of the resources the revenue will foster economic growth and social development. This observation relates to the idea of Extractive Industries Transparency Initiative (EITI), which encourages transparency and accountability practices in the management of extractive industries and its revenue.

Literature indicates that, Nigeria has been widely acknowledged by lack of transparency and accountability practices, in the management of oil and gas industry and its revenue (Abutudu and Garuba, 2011). Similar observation has also been made by Peel (2005) which describe that, lack of transparency and accountability practices affects the Nigeria's oil producing area (Niger Delta region). The NEITI National Stakeholders Working Group (2012) indicates that, Nigeria has been struggling to attain EITI compliance until March, 2011.[14] The difficulties were related to the poor management of oil and gas revenue, which resulted to the delay in providing audit reports at appropriate periods. This is because, the auditors often find it very difficult to reconcile the receipts by Government and payments made by oil and gas companies. As the system of oil and gas revenue collection operates improperly, without

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14. It is several years after sign up to the EITI principles in 2003. It became candidate in 2008 and became compliant in 2011 (NEITI NSWG, 2008-2012).

distinguishing categories of oil and gas revenue receipts. The authorities themselves such as; the Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN), Directorate of Petroleum resources (DPR) and Nigerian National Petroleum Corporation (NNPC)'s records did not provide sufficient information of oil and gas revenue transaction that will allow reconciliation of receipts and payments by the auditors (NEITI Financial Audit, 2011). Consequent to that, the audit reports of 2006-2008 and 2009-2011 consecutively described the revenue collection system of related government agencies as inappropriate, for the management of oil and gas revenue. The audit reports were consistent with the observation made by Ocheje (2006) which suggests that, the EITI process may assists to identify problems related to activities of the oil and gas industry. Additionally, Abutudu and Garuba (2011) indicate that the contract procedures for the purchases of petroleum products and sales of crude oil have not been made transparently. This is similar to the report of fuel subsidy scheme fund (2012) which indicates that NNPC, OAGF and independent oil marketers were responsible for the oil and gas revenue mis-management of the fuel subsidy scheme. There was also an indication that the audit of oil industry was not carried out consecutively on an annual basis, as the audits of 2009-2011 were recently completed in 2013.

In line with the United States Dodd-Frank Act (2010), Nigeria made an attempt to encourage disclosure of extractive resources' revenue payments to the Government by extractive companies, whereby the Nigerian Stock Exchange Commission (NSEC) reviews some policies regarding the exchange rules in 2012. In that respect, extractive companies operating in Nigeria will be encouraged to disclose revenue payments made to the Government in their financial report within the country. Nigeria is also planning for sub-national transparent transfer of the resources revenue from federal to regional and local governments,[15] in order to enhance the practice of transparency and accountability in the management of resources revenue (Revenue Watch Institute, 2011). In view of that, the Nigerian Government needs to improve timeliness of reporting practices and make disclosure of information a regular process instead of a one-time event. Going by the above complex situation of the current state of transparency and accountability practices in the Nigerian

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15. Decentralization of the resources revenue.

oil and gas industry, it seems to be that, transparency in Nigeria does not improve significantly to the prevalence perception of stakeholders after the country's compliance. This claim could be evaluated by the establishment of facts from the empirical perspective of this study, in order to come up with the reasonable conclusion, which is the main aim of this research.

The United States Government establishes the Act recently, "the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (2010)". This Act was enacted for the financial reforms which include the financial reporting system of extractive industries listed in the US Stock Exchange. The Act responds to the claims that have been made by stakeholders to the US Securities and Exchange Commission (SEC), to stand as a new financial services regulatory reform Act for the extractive industries, specifically the financial reporting systems. The Act also aimed to make disclosure of extractive revenue payments to government compulsory by extractive industries listed in the US Security Exchange. This may assist other developing resources rich countries to adopt the system, and that will also promote transparency practices in the management of resources revenue and as well leads to the good governance of extractive industries. In some countries, it is very difficult to access comprehensive data of the extractive industries' revenue and payments, due to poor management of information systems across government agencies (Revenue Watch Index, 2010 and Olcer, 2009). As such, it is not easy to assess oil and gas revenue payments to the government such as; PPT, royalty, and other charges (Olcer, 2009).

Moreover, the United States of America and United Kingdom made an intention to implement EITI (EITI Newsletter, 2011 and 2013). The United Kingdom Government and France also expressed their will to apply the law on revenue transparency in the European Union (EITI Newsletter, 2011). The literature indicates that, some resources-rich countries provide partial or scant information, regarding the revenue received from oil, gas and minerals extraction, contracts and other sources of revenue (Revenue Watch Index, 2010). It is good to notice that openness about income by the government will combat a high-level of corruption and reduces citizens' mistrust of how government manages their resources' revenues (Revenue Watch Index, 2010 and Olcer, 2009). Therefore, there is the need to manage the resources'

revenue in a transparent manner for the economic development and political stability. It is also believed that transparency is one of the essential building blocks to good governance (Revenue Watch Index, 2010 and Olcer, 2009).

The Revenue Watch Institute recently provided the result of its survey in relation to transparency practices of extractive industries, which categorises resources-rich countries' reporting systems into three groups according to their revenue transparency practices, thus; comprehensive, partial and scant. The result further illustrates that; Brazil and Norway attained the first position (most transparent nations), Nigeria became twenty third among the group which provides partial revenue information, whereby the Equatorial Guinea, Democratic Republic of Congo and Turkmenistan classified as the last, by obtaining the position of forty-one among the group provides scant revenue information (Revenue Watch Index, 2010). Even though, disaggregated reporting is not the EITI core requirements, but it shows higher quality of revenue report, as it contains meaningful information regarding to the oil revenue payments (PWYP USA, 2011).

Figure 2.1 explains the category of countries according to their revenue transparency practices in the extractive industries.

Figure 2.1: Revenue transparency per country

Comprehensive Revenue Transparency

Countries provide citizens with substantial amounts of information about revenue from the extractive sector. Governments show strong reporting practices and tend to make available detailed or disaggregated data on the different areas of the extractive sector under their authority.

Country	Value
Brazil	97.0
Norway	96.4
Russia	89.7
Mexico	83.4
Chile	80.6
Colombia	79.6
Kazakhstan	77.5
Peru	76.8
Azerbaijan	75.1
Ecuador	73.6
United States	71.4
Timor-Leste	70.5
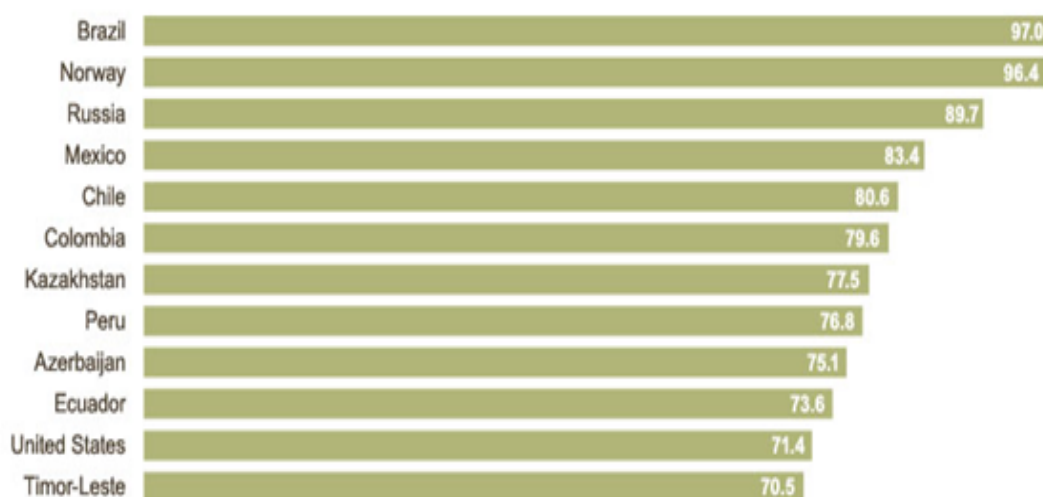
Partial Revenue Transparency

Countries provide citizens with information about their revenue from the extractive sector, yet have important transparency gaps in one or more specific categories of the index.

Country	Value
Iraq	63.8
Venezuela	63.0
Trinidad & Tobago	61.9
Yemen	60.5
Liberia	60.5
South Africa	58.0
Bolivia	56.3
Papua New Guinea	51.1
Indonesia	50.0
Malaysia	48.4
Nigeria	46.5
Botswana	46.3
China	42.2
Gabon	41.8
Cameroon	41.8
Zambia	41.2
Sierra Leone	38.2
Mongolia	38.2
Sudan	37.4
Iran	36.1
Angola	34.7
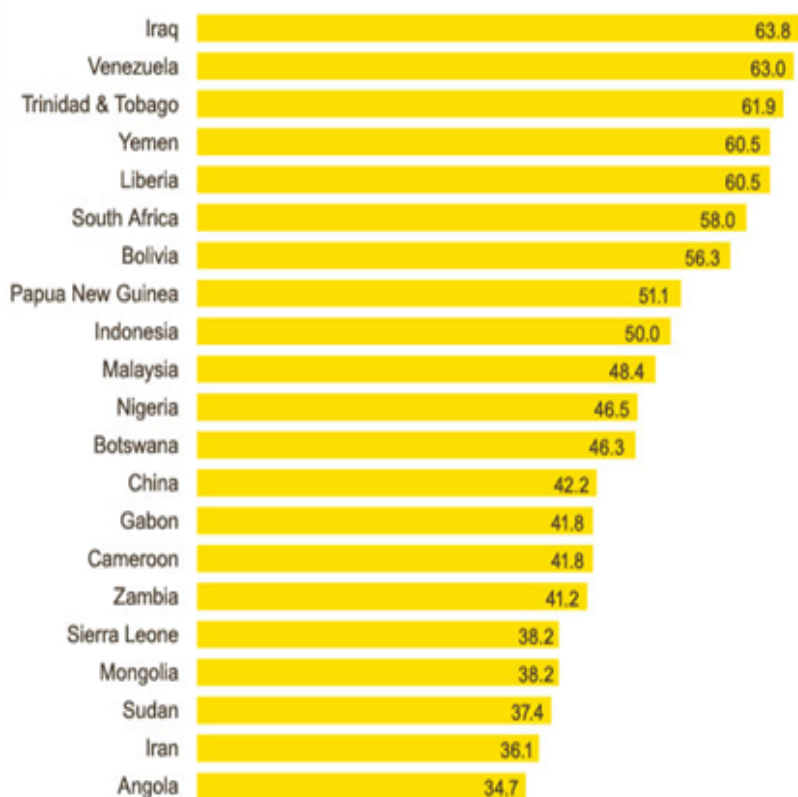
Scant Revenue Transparency

Countries disclose the least amount of information and have poor reporting practices across all the categories covered.

Country	Value
Saudi Arabia	32.4
Ghana	32.3
Kuwait	29.8
Tanzania	27.8
Algeria	22.8
DRC	22.5
Equatorial Guinea	11.6
Turkmenistan	9.7
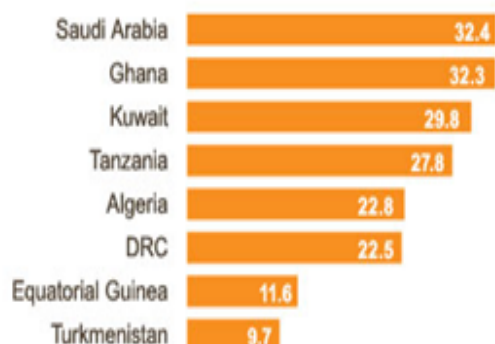
Source: Revenue Watch Index (2011)

The above Figure 2.1 portrays the category of countries according to their revenue transparency practices in the extractive industries, and how they provide their citizens with the information of revenue generated from the extractive industries. Further, it describes that Nigeria obtained 46.5% out of

the 63.8% highest score attained by Iraq, and Angola has the lowest of 34.7% among countries provides partial revenue payments transparency (Revenue Watch Institute, 2011). The transparency international report (2010) also recommends that there is a need to improve transparency practices in the payment of revenue generate from the oil and gas industries.

2.7 Oil exploration and its associated problems

Following the high demand and consumption of the commodities (oil and gas) in the globe, the search for exploration of the resources is also increasing significantly (Ariweriokuma, 2009). An increase to the demand for energy as in China, India and other developed nations relates to the increase of price of the commodities, at the same times instability is affecting the key oil producers in the Middle East[16] and in the developing oil producing countries such as; Nigeria, Angola, Sudan, as well as the new emerging once Ghana, Niger and other West African states (Muller, 2010; Ariweriokuma, 2009; and Brown, 2007). Most of these countries are known for poverty, civil conflicts, human right abuses, authoritarian rule, and political instability than good governance or sound resource management policies which resulted to the "resource-curse" (Brown, 2007 and Ross, 1999).

Muller (2010) supports the arguments of Brown (2007) and Ross (1999) and reviewed that, oil dependence and violent conflicts are correlated (Muller, 2010). Similarly, Fattouh (2007) made an observation that "energy security" will be questionable. Considering the fact that, the general perception to the global oil producing states especially, in the Middle East and African Sub-Saharan region are highly unstable politically and economically.[17] He concludes by indicating that the unrest is associated with socio-economic and political challenges, which results from the resources-curse (Fattouh, 2007).

2.8 The Extractive Industries Transparency Initiative (EITI): a background

The development of global energy problem brings about an agreement among the state parties to work together voluntarily and establish a framework, with

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16. People of such countries are protesting for evolutional changes.
17. Fattouh (2007) suggests that the UN's sanction on Iran may affect the global oil market.

the aim to promote transparency in the resources' revenues and payments. That led to the establishment of the EITI by the former British Prime Minister Tony Blair at Johannesburg, South Africa in 2002, and it was sponsored by the government of United Kingdom (The World Bank, 2008 and Ocheje, 2006).[18] Subsequently, its secretariat was officially commissioned in September, 2007 at Oslo, Norway after the appointment of the first EITI board members in 2006 (The World Bank, 2008). The EITI has multi-stakeholders such as: extractive industries, supporting governments, implementing governments, civil society groups and Non-Governmental Organisations.

The EITI member countries are required to publish what they received as revenue from the extractive industries and the industries to disclose what they pay to the governments as well (publish what you pay coalition),[19] which is a growing movement for good governance in the developing world. In support of that, Section 5(e) of the EITI (2002) mandates its member states for regular and timely reporting of the financial activities of their extractive industries to the EITI secretariat. Additionally, Section 21(c) also requires implementing countries to regularly and in timely manner publish their annual audit reports and make it easily accessible to the public domain. The following Figure 2.2 explains how EITI operates according to its principles and the standard.

Figure 2.2: The EITI processes
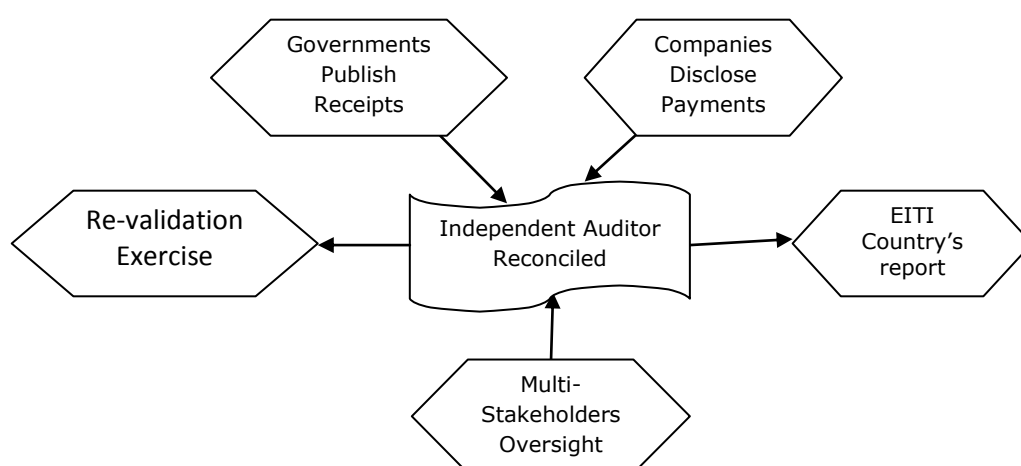
Source: Developed from the OECD Development Centre (CEV/DDC, 2009) and EITI fact sheet (2010).

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18. The EU Energy Initiative for Poverty Eradication and Sustainable Development, and Strategic Partnership for the EU and Africa were also introduced at that time.
19. Other advocators include: global witness, transparency international, New Partnership for Africa's Development (NEPAD) and UN global compact.

The EITI member countries have now increased to forty four by accepting the United State of America as a candidate of the EITI in March 2014 (EITI Newsletter, 2014). Twenty six out of them attained compliant status. Among the candidate countries, some of them are still on extension to complete validation except the Equatorial Guinea and Sao Tome and Principe who are de-listed in April 2010 (EITI Archive, 2010).[20] Though, the transparency movement is still young, yet growing rapidly. The EITI records significant achievements of its objectives regarding to the rapid increase of numbers of compliant countries from one state in 2009 to twenty one countries in 2013 (EITI Newsletter, 2013).

Apart from the above significant achievement of the EITI regarding to the rapid increase of numbers of the compliant countries within a short period of time, there are some challenges that EITI should take into account. Example, to ensure strong protection and participation of the civil societies including NGOs, in the activities of extractive industries of the EITI member countries especially the developing states, to ensure total implementation of the new complementary financial reporting requirements,[21] and widening the scope of the initiative to include the issues of contracts and licensing transparency in its country members (Shaxson, 2009).

Certainly, EITI member countries are expected to benefit from advantages of the initiative such as; rent-seeking and curbing corruption, access to capital, investment climate, capacity building and empowering civil society groups. For instance; Nigeria benefits by compiling a report for the first time of its oil and gas industry's activities from 1999-2004, on the process of implementing EITI, which some scholars such as Nicholas Shaxson (2009) describes as "glorious audit". The audit brings out the sketch map of Nigeria's oil and gas industry's activities and makes the information of its revenue publicly available. This will assists Nigeria to take measures for controlling corrupt practices and revenue mis-management. However, lack of political will and capacity of the agencies responsible for taking the remedies highlighted by the NEITI audit reports

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20. They are no longer considered as EITI candidate nations. Even though, the Sao Tome and Principe was readmitted as a candidature by the EITI Board on 26 October 2012.
21. By complying with the Stock Exchange listing rules and International Accounting Standards (IAS) regulations.

continue to affect transparency practices in the Nigerian oil and gas industry (NEITI Audit report, 2011).

Consequent to the above problems, EITI intends to strengthen the position of extractive resources' citizens, by mandating extractive industries to publicly make available the disclosure of revenue payments, to their host countries and governments to publish revenue receipts from the extractive companies, in such a manner that they can use such information to check the actions of their elected responsibilities (Olcer, 2009). In this regard, accountability theory also assists to provide the guidelines for the possible solution to the problem of responsibilities between the agent and principal (Lindberg, 2009).

2.9 Conclusion

This chapter discusses literature review on the current state of transparency practices in the extractive industries. The chapter also reviews that, literature indicates that Nigeria has been widely acknowledged to have transparency and accountability problems in the management of oil revenue. As a result of that, Nigeria has been struggling to achieve compliance until March, 2011. Because of continuing dissatisfaction of the Nigerian transparency practice, it identifies the need to investigate whether compliance assists in improving transparency practices in Nigeria. This chapter reviews literature on the global extractive industries transparency initiatives and defines transparency, accountability and stakeholders' appreciation. It explains that EITI attained notable achievements regarding its objectives, which includes; the compliance of many member countries, full implementation of EITI principles for the revenue reporting systems by some multi-national extractive industries and acceptance of EITI Principles by the global communities. The chapter also considers relationship between transparency and accountability practices, for the good governance of the management of oil industry. It describes how some scholars such as Olcer (2009), Ocheje (2006) and Schumacher (2004) perceived activities of the EITI. The following chapter three will discuss accountability as a theoretical framework which underpins this study.

CHAPTER THREE

Accountability as a theoretical Framework

3.1 Introduction

The concerns of chapter two was to review literature relating to transparency and accountability practices in the extractive industries. It also highlights on the current state of transparency practices in the activities of Nigerian oil and gas industry. The aim of this chapter is to discuss the theoretical framework which has been adopted by this study; accountability theory. Section 3.2 introduces accountability as a theoretical framework. Section 3.3 defines the concept of accountability as implied in the literature. Lastly, section 3.4 presents conclusion.

3.2 The Theoretical Framework: accountability

Many studies in accounting have used accountability as their theoretical framework. The theory is a guide through which outcome would be measured (Gray et al., 1996; Roberts, 1991 and Munro, 1996). This study chooses the theory of accountability using transparency of information to hold private and public office holders to account for their responsibilities. This is also in accord with the Lindberg (2009) which suggests that the theory could be evaluated on its own terms but considered more appropriate with testable assumption (Lindberg, 2009). Similarly, Gray et al (1996) emphasised on the relevance of the theory of accountability by applying it to evaluate the functions of government and private organisations (see Gray et al., 1996 on the practicality of such implication).

Apart from accountability theory, other theories can properly operate within an accountability framework such as agency or shareholder, stakeholder, and legitimacy theories. The agency or shareholder theory was first developed by Friedman (1964), it views corporations as only accountable to and pursuing the interests of the shareholders, and that profit-making is the main business social responsibility (Friedman, 2002, 1970 and 1964). This theory is more suitable for private organisations where the managing of investors' wealth is

the primary motive. It is also concerned with the agency relationship, in which one party (the principal) delegates authority to another (the agent) who performs the duties (Eisenhardt, 1989). Information asymmetry is peculiar to the shareholder or agency theory (Friedman, 1964).

On the other hand, stakeholder theory was developed by Freeman (1984). The theory recognises stakeholders as 'any group or individual who can affect or is affected by the achievement of activities of an organisation' (Freeman et al., 2007 and Freeman, 1984). Stakeholder theory was developed as a result of rejection of the idea that the business organisation should only be concerned about maximisation of its shareholders (wijnberg, 2000). Wijnberg (2000) also describes that, stakeholder theory may possibly be the most popular way to approach issues that have to do with wider responsibilities of business. Fassin (2008) made similar observation with that of the Wijnberg (2000), which indicated that stakeholder theory relates its concepts between the corporate responsibility and business ethic, as the theory is centred to provide the sustainability and survival of the business by improving the relationship of an organisation with its environment and the ambivalent position of pressure groups and regulation. Therefore, the managers of organisations should recognise the validity of diverse stakeholder interests, by making an attempt to respond to them within a mutual supportive framework, which is a moral requirement for the managerial function.

The idea behind the stakeholder theory is simply the fact that an organisation should not only be accountable to its shareholders, but also to other legitimate stakeholders that can influence or be influenced by organisation's operations (Freeman, 1984). Kiousis et al (2007), Wilson (2001), Ledingham and Bruning (2000) and Grunig and Huang (2000) argue that this theory is concerned about maintaining the existing social relationships corporations have, in order to satisfy its stakeholders and uplift their reputation. Jones (1995) also observes that the stakeholder theory is concerned with how corporate managers handle their relationships with the stakeholders, what are the consequences of managing this relationship, and what will be done by corporate managers to maintain the relationship. The legitimacy theory concerns more about social responsibility. It was established on the idea of norms and corporate social responsibilities to the society in which an

organisation operates (Bebbington et al., 2008 and Deegan, 2002). These theories may not fit into a study that deals with the public sector in which various groups of citizens have one interest or the other. As such, alternative theory should be considered as suggested by this study.

This study adopts the theory of accountability which has been found to be suitable especially to the study which attempts to evaluate the functions of government institutions and private organisations (Gray et al., 1996). Desai and Jarvis (2012) also noted that the theory is appropriate in a situation where the effectiveness of reporting systems between government agencies and extractive industries could be assessed, as applied in this study. Additionally, the theory has been used by studies that review the performance of organisations engaged with the financial activities (Lindberg, 2009). Therefore, the development of a framework that will assists in building accountability for improving the quality of management of the resources revenue is necessary. This could be achieved by observing the concept of accountability principles. The concepts describes the relationship between principal and agent, and processes of accountability theory that encourage evaluation of effectiveness of reporting system between the public and private organisations, with a view to report on their performances (Gray et al., 1996). Iyoha and Oyeride (2009) observe that, accountability in the public sector requires government to answer to the citizenry by justifying the sources and applications of public funds. This is what the accountability theory emphasises, as the citizens have a right to know and receive openly declared facts and figures that would enable them to debate and decide on how well their elected representatives have discharged their responsibilities (Iyoha and Oyeride, 2009).

3.3 Characteristics of accountability theory

The following are the characteristics of accountability theory, which should be integrated in any form of accountability in accord with the Lindberg (2009). They are: (i) the principal or institution demanding for the account (ii) an agent or institution to be accountable for its responsibility (iii) the right to demand for the account and readiness for the consequences, failure to account for the responsibilities (Lindberg, 2009).

In the extractive industry activities, there are several agency problems which are pointed out by the EITI Principal-Agent framework. In that respect, ownership of natural resources is attributed to sovereignty of the citizens, which are regarded as the principals. Whereby, the agents are the leaders who are responsible to safeguard the well-being of the country and their people. In practice, the issue is quite different with regard to the agents of the resource-rich countries, who do not have the same encouragement to provide their people with the best of their interest, because leaders are rewarded more through bribes from the managers of the industries than from their citizens. They prefer mostly to negotiate with the industries' managers than to their people (Olcer, 2009).

In this context, accountability appears to be the managerial tool for improving monitoring and evaluating the effectiveness of management performance, which may assist to solve the problems of deficits in governance. By using accountability theory, this study was able to carry out the research on the basis of accountees and accountors (principal-agent) relationship. This also assists to assess the effectiveness of performances of related government agencies and oil companies, operating in the Nigerian oil and gas industry relating to transparency practices in the management of oil and gas revenue.

Figure 3.1 indicates that, stakeholders are divided into two; accountees and accountors in accordance with the theory of accountability. Accountees are the institutions (principals) which observe the activities of accountors according to their rights and demanding for the account in accordance with the instructions. This study divides accountees into two groups, according to their statutory rights in relation to the activities of Nigerian oil and gas industry. The first group has the right to analyse and interprets the activities related to Nigerian oil and gas industry.[22] They are; Civil Society groups (CS), Non-Governmental Organisations (NGOs) and Academic Institutions (ACI). The second group has the right to oversee, investigate and reconcile the activities related to the Nigerian oil and gas industry. They include; National Assembly of Nigeria (NASS), the office of the Auditor General for the Federation (AGF) and Nigerian Extractive Industries Transparency Initiative (NEITI).

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22. (see CSOs analysis on the NEITI oil and gas audit report, 2005 an agenda for action).

The accountors are the institutions (agents) who are expected to perform their actions according to the instructions. They are also accountable for their responsibilities, by providing the necessary and available information about their actions, make it easily accessible and in timely manner. The accountors are divided into two groups according to their responsibilities to the activities of Nigerian oil and gas industry; the first group is the related government agencies that are engaged in activities of the oil and gas industry and also responsible to receive and manage the oil and gas revenue. They include; Nigerian National Petroleum Corporation (NNPC), Directorate of Petroleum Resources (DPR), Central Bank of Nigeria (CBN), Office of the Accountant General of the Federation (OAGF) and Federal Inland Revenue Service (FIRS). The second group comprises of Foreign and Indigenous oil and gas companies, which are engaged in the oil and gas production activities and also pay the oil and gas revenue to the Government.

Figure 3.1: Accountees and accountors relationship model
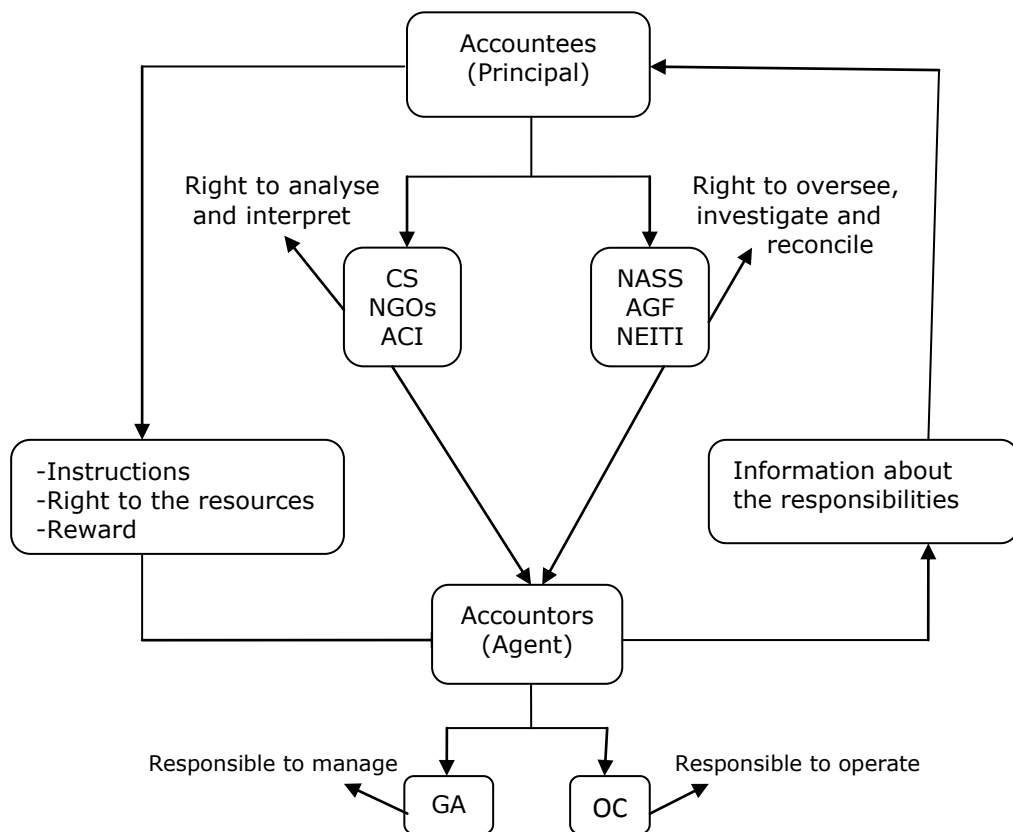
Developed from Gray et al. (1996)

In a broader perspective, an organisation owes accountability to all of its stakeholders but the nature of accountability depends on the relationship of the stakeholder with the organisation (Gray et al., 1996). As described above, the government and its related agencies were identified as accountors by this study, due to the nature of their responsibilities in relation to the Nigerian oil and gas industry. They are the public office holders engaged in the oil and gas industry's activities, they also receive and manage the oil and gas revenue. Therefore, public office holders should be accountable for their responsibilities (see Lindberg, 2009 on the types of accountability and Gray et al., 1996). The NNPC is accountable to the Government. The DPR is the industry regulator, responsible for regulating the activities of the Nigerian oil and gas industry and manages the procedures for awarding contracts and licenses to explore oil and other production activities. It also monitors the assessment and collects royalties from the oil and gas companies. The CBN is the government banker, responsible for the collection of all oil revenues. The FIRS is responsible for assessing and collecting PPT and other charges. The OAGF is the accountant of the Federal Government and manager to the government accounts with the CBN. The oil and gas companies are the main operators of oil production activities in the Nigerian oil and gas industry.

On the other side, the accountees comprise of the civil society groups including NGOs, the Nigeria Extractive Industries Transparency Initiative (NEITI), the Office of the Auditor General for the Federation (AGF) and the National Assembly (NASS) which is the legislative arms of the government. These organisations represent public interest in their activities, through active participation in the activities of oil industry and its related government agencies. They carry out the functions of an audit, investigation and oversee the activities of oil and gas industry on behalf of the public. By carrying out these activities, the effectiveness of public and private organisations' performances could be assessed. The result would also be provided for decision making, remedial action or for any necessary action to be taken. As an individual may not have the right directly to perform such actions. Rather, that should be done by elected representatives, civil society organisations, government or private institutions that are recognised by the law to carry out the activities.

3.4 Conclusion

This chapter presents theoretical frame work "accountability theory" which is applied to underpin this study. This chapter reviews on accountability theory and its characteristics. It also discusses categories of stakeholders (accountors and accountees), and how they relate to activities of the Nigerian oil and gas industry according to their responsibilities. This chapter explains why accountability theory chose to be appropriate in this study. It also discusses the alternative theories that are useful of economic theory of accountability to be used and why they are rejected.

Research Methodology, Methods and Techniques

4.1 Introduction

The previous chapter reviews accountability as a theoretical framework as applied in this study. The aim of this chapter is to discuss methodology, methods and techniques used for the purpose of data collection and analysis. This chapter presents research Philosophical approaches and methods applied in this study. It also contains questionnaire development and states how the pilot testing was conducted. The chapter explains why the study uses a questionnaire to gather data, the methods for the selection of sample, and how targeted respondents were identified. It explains how the questionnaire was distributed to the targeted respondents in the survey, and how it derives hypotheses and explains its basic concepts. The chapter also discusses how the follow-up interviews have been conducted, in order to corroborate the findings of the questionnaire. The methods used for the data analysis were also discussed and explains the type of statistical software tool used for the analysis.

4.2 Philosophical approaches

In any form of research in social sciences, the choice of methodology depends on the research approach adopted by the researcher (Blaikie, 2010). Hence, the approach provides basis and steps that guide a researcher on how to carry out a research from one of the following approaches: deductive, inductive, abductive or retroductive approaches which are also connected to research philosophies identified by the researcher (e.g. positivism, interpretivism or pragmatism) as described in Blaikie (2010) Figure 4.1. In this direction, this study uses abductive approach which combines the deductive and inductive approaches within a particular research, in order to answer the research question, which is the main objective of this research. This study also adopts the philosophy of pragmatism, as it allows choosing whichever method(s) to help undertake a research which was also suggested by Saunders et al. (2012). The research philosophies are also associated with the research

assumptions such as; ontology and epistemology (Blaikie, 2010). Saunders et al. (2012) suggest that the assumptions guide researchers on how to view natural phenomenon in a social world. For example, the ontological assumption relates to a nature of social reality by investigating phenomenon and condition of its existence, this assumption has philosophical stance of positivists as applied by natural scientists (Saunders et al., 2012). The epistemological assumption concerns about a process of acquiring knowledge. It also advocates research for understanding the differences between humans in our role as social actors rather than about objects. This assumption has an attitude of interpretivist, as observed by Blaikie (2010).

Saunders et al. (2012) suggested that, it is possible to combine different philosophical positions within a study using pragmatism, by combining positivism and interpretivism. Pragmatists recognises that, a world can be interpreted and research could be conducted in different ways, as no single point of view can ever give the entire picture of the situation, that there may be multiple realities (Saunders et al., 2012). Further, this does not mean that pragmatists use mixed methods at all times, but suggests applying an appropriate method or methods that will assist to collect reliable and relevant data. That has also been observed by Morgan (2007) and Pansiri (2005).

Figure 4.1: Research Philosophies
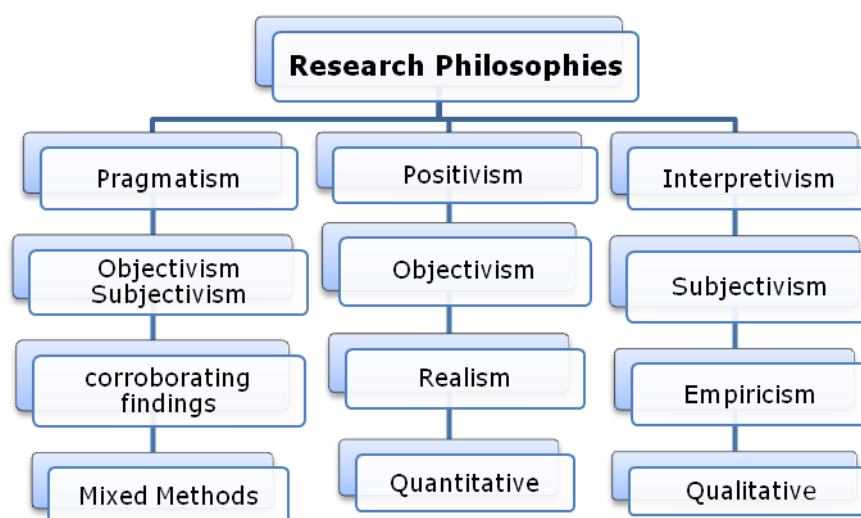
Sources: Saunders et al. (2012) and Blaikie (2010).

A good research project should reflect on methodological fit that will develop a coherent linkage among the major elements of research. Such as: the main research question, aim and objectives, extant theory, literature, hypotheses, methodology and contribution to knowledge (Jonker and Pennink, 2010). The research could be undertaken quantitatively, qualitatively or mixed depending on the nature of the research project (Blaikie, 2010). A quantitative method focuses mostly on numbers and frequencies. It is also associated with scientific and experimental approaches. Qualitative method uses value-based wordings for the analysis of data. It is also subjective to interpretation and allows for open communication between the researcher and participants (see Blaikie, 2010). Though, it is not excluded from using statistics to enhance its analytical designs (Ololo, 2009).

This study uses mixed methods "sequentially", following quantitative findings with the qualitative results. This also reiterates the opinions of Saunders et al. (2012) which indicate that, mixed methods assist to provide appropriate background and better understanding of the research problem, it also clarify the findings of the research.

4.3 Research Methods

There are various ways in which data can be obtained and analysed. This study uses perception questionnaire to generate data for the analysis and interpretation of result (Jonker and Pennink, 2010). The questionnaire was administered personally to research participants for obtaining their responses, in accordance with the Kothari (2004). Administering questionnaire personally is more efficient and less time consuming compared to other methods such as; postal and internet questionnaires (Kothari, 2004). A questionnaire could be designed in different forms such as; structured, un-structured or both (mixed). This study uses structured questionnaire so that participants would be free to respond to the statements in the same order, to enable measure responses of the respondents and transformed it to data for the purpose of statistical analysis (Kothari, 2004).

The study also needs explanation of previous findings from the questionnaire for the feelings and experience of participants, which made it obvious that the

use of follow-up interviews is unavoidable in this study. This is to corroborate findings from the questionnaire with the results of follow up interviews, in accord with the suggestion made by Saunders et al. (2012) and Bryman (2012). In order to deal with confidentiality of the research participants, a code was used against each of the response instead of names when presenting the findings. Table 2.4 presents additional information on the interview participants which describe the type of participants, but precaution was taken to ensure that none of the information could identify the research participants. All interviews were recorded using a digital voice recorder and effort was made to transcribe the interviews.

4.3.1 Questionnaire Development

There are certain principles and guidelines for effective designing of the questionnaire, which includes; the categorisation of variables, wordings, and the general appearance of the questionnaire (Jonker and Pennink, 2010). In order to obtain the maximum responses, the questionnaire was designed in such a way that the words should be simple and familiar to all respondents. The statements also followed a logical sequence, and the questionnaire does not contained phrases that reflect upon the status of the respondents (Jonker and Pennink, 2010 and Fadol, 2010).

In the process of designing the questionnaire for the survey, a pilot study was conducted and the questionnaire was pilot-tested. The pilot-testing helped with the setting of non-ambiguous statements in the questionnaire. It also facilitated in determining on whether the language of the questionnaire would be understandable and clear and if the sequence of statements was appropriate (Jonker and Pennink, 2010). Based on the responses from the pilot testing, the questionnaire was reviewed before being used in the survey. The administration of questionnaire personally helped to introduce the research to the participants and explained why they were chosen to participate in the study. This also helped to collect back the completed questionnaires in good time. In the process of collecting the completed questionnaire, it was discovered that some participants did not respond to some statements in the questionnaire, especially those of the Federal Inland Revenue Service, the office of the Auditor General for the Federation and Nigerian Agip Oil

Company. In this situation, the attention of participants was drawn in order to respond to the remaining statements. Therefore, another arrangement was made to come back for the collection of the remaining questionnaires after completion then, they were completed and collected successfully in an appropriate time. The questionnaire was designed in six different sections (A, B, C, D, E, and F). Section A has the personal details of respondents. This includes nationality and place of work of the respondents. Section B contains statements designed in relation to some of the material issues that need to be addressed, to enhance greater transparency practices in the Nigerian oil and gas industry despite the country's compliance. The statements relate to disclosure of revenue and expenditure of the Nigerian oil and gas industry. Section C presents statements that relate to the government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry. This section highlights on the statements that describe on how related government agencies contribute to transparency practices in the Nigerian oil and gas industry. Section D contains statements designed to relate to the government management of the oil and gas revenue, with regard to transparency practices in the Nigerian oil and gas industry. In this section the statements portray on how government manages oil and gas revenue. Section E presents statements that relate to the influence of oil and gas companies, with regard to transparency practices in the Nigerian oil and gas industry. The statements in this section describe on how oil and gas companies influence transparency practices in the Nigerian oil and gas industry. Finally, Section F contains statements that relate to the influence of Nigerian and international civil society groups, on the promotion of greater transparency practice in the Nigerian oil and gas industry. The statements in this section indicate on how civil society groups contribute to the promotion of greater transparency practices in the Nigerian oil and gas industry.

Attached to each section of the questionnaire is the traditional 5 point Likert scale ranging from (Strongly Agree to Strongly Disagree) Strongly Agree =1, Agree =2, Neutral =3, Disagree =4, and Strongly Disagree =5. They are used for measuring the level of respondents' agreement or disagreement with the statements provided in the questionnaire. That also makes participants to be free to respond to the statements in the same order, to enable measure their

responses and transformed it to data for empirical analysis and hypotheses tests (Kothari, 2004).

4.3.2 Pilot Testing

Before a questionnaire becomes an effective research instrument for data collection, it has to undergo certain rigorous processes, so that the statements or questions contained in the questionnaire are not ambiguous or biased (Jonker and Pennink, 2010). In order to make the questionnaire an effective research instrument for data collection of this study, it contains simple and straightforward statements, so that respondents may feel at ease while completing it. The pilot testing of questionnaire was undertaken to determine the validity and reliability of the research instrument, and it is the final stage for pre-testing questionnaire. Finally, the questionnaire was edited in the light of responses obtained during the pilot testing.

The pilot testing was conducted both in the United Kingdom and in Nigeria. In the United Kingdom, the pilot testing of questionnaire was on the basis of general context of both the area of study and also the design of questionnaire, as a research instrument for collecting data and statistical analysis, and for the achievement of the targeted objectives. The questionnaire was distributed to the research students and staff of Aberdeen Business School, who have a background knowledge and experience in accounting, business, management and related areas of the study in the context of oil and gas industry. They also have experience of using questionnaire as a research instrument for collecting data. The participants (staff and students of Aberdeen Business School) gave their contribution on the structure of the questionnaire. They suggested that, the size of questionnaire should be reduced for easy completion, at the same time commended the quality of instrument. Furthermore, the questionnaire captured most of the material issues related to the activities of Nigerian oil and gas industry and its related government agencies, in relation to transparency and accountability practices. After receiving comments from the students and staff of the Aberdeen Business School, the questionnaire was revised where necessary and used as a basis for the second pilot testing in Nigeria.

Respondents were identified for the pilot testing in Nigeria, because of their background knowledge and experience of the Nigerian oil and gas industry's activities. This was in order to receive their comments on the basis of Nigerian context. The participants included the senior and management staff of the National Petroleum Investment Management Services (NAPIMS), the Account and Finance Department, and Crude Oil Marketing Department (COMD). These are departments under the Nigerian National Petroleum Corporation (NNPC). Other participants are the Department of Petroleum Resources (DPR), Nigerian Extractive Industries Transparency Initiative (NEITI) secretariat, and Public Accounting Firms (PAF).

NAPIMS is the portfolio manager of upstream activities of the National oil company, including Joint Ventures, Production Sharing Contracts, Service Contract and other related activities. NAPIMS also approves capital expenditures and purchase contracts, monitoring NNPC's joint ventures with the international firms and Production Sharing Contracts (PSCs). It reviews Petroleum Profit Tax (PPT) assessment by managing the reports of audited accounts from the upstream oil companies. Account and Finance Department is a department deals with the financial activities of the NNPC. Whereas, the Crude Oil Marketing Department (COMD) manages the sales of government equity crude, responsible for sales data, and for establishing a representative price for tax purposes of different crude oils based on market realisations.[23] The Directorate of Petroleum Resources (DPR) was selected to participate in the pilot testing because of its responsibility for regulating the activities of the Nigerian oil and gas industry (industry regulator). It approves exploration licences, drilling programmes, production and development activities, importation of capital equipment, monitoring and collection of royalties, under the supervisions of operation, inspectorate, regulatory and Licenses Units. It also compiles production data used for the assessment of Petroleum Profit Tax and Royalty.

NEITI was another potential participant in the pilot testing which include; senior staff of the Technical and Services Department (TSD), Monitoring and Evaluation Department (MED) as being responsible for the monitoring and

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23. Both Bonny Light and Forcados (Brent blend).

evaluating activities of Nigerian extractive industries.[24] The Public Accounting Firms was among the participant in the pilot testing. The study also selects participants from the Messrs S.S Afemikhe & Co, chartered accountants who worked as auditors with the NEITI, on the process of carrying out audit in the Nigerian oil and gas industry.[25] They were selected because of their participation in auditing activities of the Nigerian extractive industries from 1999-2008. As such, they have the expertise of the Nigerian oil and gas industry's activities and its related government agencies.

In summary, the participants were identified for the pilot testing due to their background knowledge and experience, as well as their active participation in the activities of Nigerian oil and gas industry. The questionnaire was also revised in the light of feedback received from the responses of participants before using it in the survey exercise. The pilot testing in Nigeria was conducted successfully and the questionnaire was revised on the basis of comments received from the various organisations that have participated in the pilot study. They include; the NNPC specially the Finance and Account Department and NAPIMS, the DPR particularly the Technical Services Department, and Messrs S.S Afemikhe & Co chartered accountants. The questionnaire then revised in the light of the participants' feedback and approved by Principal Supervisor, before conducting the survey. That also have added to its quality and facilitated to the maximisation of the response rate, which also led to the achievement of the main objectives of this study.

4.3.3 Sampling

Data collection process involves some major constraints, among which are: time, cost, nature of the research, and the population size. With respect to population size, the total population of the study may not be covered, and therefore, participants in this research were selected in order to form sample groups to represent the total population. The sample groups were selected on probability sampling in accordance with the Kothari (2004). In the selection of sample groups, the study depends on the number of participants who can meaningfully respond to the questionnaire.

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24. To ensure compliance with the principles of the EITI (2002) and the NEITI Act (2007) requirements.
25. Afemikhe & Co is an indigenous public accounting firm based in Nigeria and an associated partner with the Hart Group of UK.

This study uses sample groups as subsets of the research population, and conducts a survey which is a methodology designed to collect data from the sample groups (Kothari, 2004). This study selects sample groups from the population sample, under probability sampling using stratified sample method, as suggests by Kothari (2004). This method assists to select appropriate and reliable sample groups, because stratified sampling divides the population into several groups of the same characteristics as "strata". It also gives each element in the population sample an equal independence and a chance of inclusion in the sample groups, so that, the result obtained could be generalised and assured in terms of probability (Kothari, 2004).

In order to avoid incorrect inferences (systematic bias and sampling error) in the process of sampling procedure, respondents were identified in a different sample groups according to their characteristics and influence in the Nigerian oil and gas industry. The sample groups were appropriately framed to ensure representation of the population sample. For the avoidance of non-responses and a systematic bias, all key stakeholders were initially represented in the sample groups. Kothari (2004) describes that, an effective way to increase validity of sample is by selecting a better sampling design which has a minimum sampling error. In this regard, the following processes have taken into consideration for designing the sample groups: selection of the right samples to represent the population and minimises sampling error, consider the cost of survey, avoid systematic bias and ensure the result of the sample groups can be generalised confidently.

4.3.4 Sample groups

Sample groups were identified (drawn) from the research population sample, according to their characteristics and relevance in relation to transparency practices of the Nigerian oil and gas industry. The study divides the population sample into seven sample groups covering seventeen different organisations which include: NNPC, DPR, CBN, NEITI, RMAFC, FIRS, AGF, OAGF, PTDF, NASS, CS, NGO, FOC, IOC, HC, PAF and ACI. Group one, government agencies - these are related government agencies engaged in the oil and gas industry's activities and management of its revenue. Some of the agencies represent government in oil production contractual agreements, sales of government

crude, purchases of petroleum products and management of its investments. Others provide regulations, monitor the assessments and receive the oil and gas revenue. They also participate in mobilising and distributing the oil revenue, as well as reconciling physical, process and financial activities of the oil and gas industry.

Among the government agencies participated in the survey and responded to the questionnaire are: Nigerian National Petroleum Corporation (NNPC), Directorate of Petroleum Resources (DPR), Central Bank of Nigeria (CBN), Nigeria Extractive Industries Transparency Initiative (NEITI), Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC), and Federal Inland Revenue Service (FIRS). Others are Petroleum Technology Development Fund (PTDF), Office of the Accountant General of the Federation (OAGF), and the office of the Auditor General for the Federation (AGF). Group two, the National Assembly of Nigeria (NASS) – this is a legislative arm of the Federal Government of Nigeria, it enacts laws and oversees the activities of public organisations including the oil and gas industry. The National Assembly of Nigeria comprises the two chambers of House of the Senate and House of Representatives (upper and lower).

Group three, oil companies - These are key operators in the oil industry and they cover foreign and indigenous oil and gas companies. Among the foreign oil companies participated in this study include; the Royal Dutch Shell (Shell D'Arcy) or Shell-BP, Chevron Nigeria Limited (CNL), Exxon-Mobil Oil Company, Nigerian Agip Oil Company (NAOC), Total Exploration and Production Oil Company. The indigenous oil companies are those engaged in the activities of oil and gas exploration and production, licensing rounds and marginal oil fields operations. They include; the Nigerian Petroleum Development Company (NPDC), which has experience in oil and gas exploration and production in the hydrocarbon regions of Nigeria and Equatorial Guinea, the Statoil Nigeria Limited which also has experience of operation of the Deepwater oil producing fields such as in "Agbami oil producing field". The OandO Oil Company has experience of operations in the downstream and upstream activities. Others include Alliance Oil Producing Nigeria Limited and Continental Oil and Gas Company, which are mostly involved in the licensing round operations. The

Millennium Oil and Gas Company have experience of operating in the marginal oil fields.

Group four, Civil Society Groups including NGOs – these are the civil society organisations engaged in the activities of emerging democratic experience in Nigeria. They also participate in the campaign of Publish What You Pay (PWYP), which encourages the mandatory disclosure of extractive resources' revenue payments to the government. The civil society groups also advocate for good governance, transparency and accountability practices by policy analysis and regulation. They monitor the state performance, action and behaviour of public officials, and provide support for the fight against corrupt practices. Among the civil society groups selected to participate in this research are: Civil Society Legislative Advocacy Centre of Nigeria (CISLAC), Publish What You Pay Nigeria (PWYP Nigeria), PACT Nigeria, Extractive Industry Study Group (EISG), Zero Corruption Coalition (ZCC), Transparency In Nigeria (TIN) and Centre for Democracy and Development (CDD). They were selected because of their experience and idea about the activities of Nigerian extractive industries and the related government agencies, as well as the EITI and NEITI processes.

Group five, Host Communities – In a real sense, all Nigerians are the host communities and involved in the effect of the activities of Nigerian oil and gas industry. For specification and clear representation, this study considers the Ministry of Niger Delta Affairs and Niger Delta Development Commission (NDDC) to represent the host communities and participate in this study.[26] This is because, their areas are mostly affected by the activities of oil and gas industry, than other parts of the country. Similarly, the majority of the officials of these organisations are people from the communities of the oil and gas producing areas, who are engaged in the activities for the development and social well-being of their communities. The activities of these organisations are also related to the oil and gas industry, because the host communities receive contribution of revenue from the oil and gas companies for their projects.

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26. Majority of the officials of these organisations are the members of the communities from the oil and gas producing areas.

Group six, Public Accounting Firm (PAF) - the study selects Messrs S.S Afemikhe & Co, among the Chartered Accountants. This is because they are independent auditors working with the NEITI for several years with regard to the audit activities, in partnership with the Hart Group of United Kingdom. Therefore, they have the proficiency and experience as being the NEITI auditors for conducting audit to the Nigerian oil and gas industry from 1999 to 2008. Though, there are other accounting firms who were auditing the activities of oil and gas companies and NNPC, but they lack experience of the EITI process and NEITI Act requirements. Group seven, Academic institutions (ACI) – these are academic institutions that have background knowledge and experience of teaching the courses of petroleum accounting, engineering, geology and mining. They include; Ahmadu Bello University (ABU) Zaria of Kaduna state, Bayero University Kano (BUK), Federal University of Petroleum Resources Effurun (FUPRE) Delta state, University of Ibadan, Lagos state and University of Jos, Plateau state. The participants in each sample group were also selected according to their expertise and availability. As such, appropriate numbers of participants were selected from the sample groups.

The following Table 4.1 explains sample groups of participants along with sub-groups, including the number of questionnaires distributed to each of them and the ones completed and returned back successfully during the survey.

Table 4.1: Sample groups

Group One: Government Agencies

Sub-groups	Questionnaire Distributed	Questionnaire Returned
Nigerian National Petroleum Corporation	16	14
Directorate of Petroleum Resources	8	7
Nigerian Extractive Industries Transparency Initiative	10	8
Central Bank of Nigeria	12	9
Federal Inland Revenue Service	10	9
Revenue Mobilisation Allocation and Fiscal Commission	8	5
Office of the Accountant General of the Federation	6	6
The office of the Auditor General for the Federation	15	15
Petroleum Technology Development Fund	4	2
Totals	**89**	**75**

Group Two: NASS

	Questionnaire Distributed	Questionnaire Returned
National Assembly	24	20
Totals	**24**	**20**

Group Three: Oil Companies

Sub-groups	Questionnaire Distributed	Questionnaire Returned
Foreign Oil Companies		
Exxon-Mobil	2	2
Nigeria Agip oil company	4	4
Total Exploration and Production oil company	4	4
Indigenous Oil Companies		
Nigerian Petroleum Development Company	3	3
OandO oil company	2	2
Statoil Nigeria Limited	1	1
Millennium Oil and Gas Limited	1	1
Alliance Oil Producing Nigeria Limited	1	1
Continental Oil and Gas Company	2	2
Totals	**20**	**20**

Group Four: Civil Society Groups including NGOs

Sub-groups	Questionnaire Distributed	Questionnaire Returned
Civil Society Groups		
Civil Society Legislative Advocacy Centre	15	15
Non-Governmental Organisations (NGOs)		
PWYP Nigeria	2	2
PACT Nigeria	2	2
Extractive Industry Study Group	2	2
Transparency In Nigeria	2	2
Zero Corruption Coalition	2	2
Centre for Democracy and Development	2	2
Totals	**27**	**27**

Group Five: Host communities

Sub-groups	Questionnaire Distributed	Questionnaire Returned
Ministry For Niger Delta Affairs	5	5
Niger Delta Development Commission	8	5
Totals	**13**	**10**

Group Six: Public Accounting Firms

	Questionnaire Distributed	Questionnaire Returned
Messrs S.S Afemikhe & CO. (Chartered Accountants)	2	2
Totals	**2**	**2**

Group Seven: Academic Institutions

	Questionnaire Distributed	Questionnaire Returned
Ahmadu Bello University Zaria	3	2
Bayero University Kano	2	2
University of Jos	2	1
University of Ibadan	3	2
Totals	**10**	**7**
Grand Totals	**185**	**161**

4.3.5 Population sample

Population can be described as a "set of existing units", sometimes it relates to human, non-human, events or things in which the researcher wishes to conduct a research on (Bowerman and O'Connell, 2003). The population a time can be numbered (finite) or uncertain (infinite) as depicted by Kothari (2004). The population in this regard is finite considering that variable elements of the research could be observed and measured, as the study have an idea about the total number of elements contain in the sample groups (Bowerman and O'Connell, 2003). For the purpose of this study, appropriate numbers of sample groups were selected out of the population with respect to their meaningful relationship and influence in relation to the activities in the Nigerian oil and gas industry.

4.3.6 Strata formation

This study divides key stakeholders of the Nigerian oil and gas industry into seven strata, in order to have an appropriate population sample. Each stratum has characteristics that reflect on the population sample, so that appropriate and independent views of population could be captured. Stratified simple random sampling is carried out usually where the population consists of a variety of identifiable groups (Gravetter and Forzano, 2003). It also helps to make a good selection without bias and easy to compare each segment of population sample on the process of data analysis (Gravetter and Forzano, 2003).

$Strata_1$: Government Agencies

$Strata_2$: National Assembly

$Strata_3$: Oil and Gas Companies.

$Strata_4$: Civil Society Groups including NGOs

$Strata_5$: Host Communities.

$Strata_6$: Public Accounting Firms

$Strata_7$: Academic Institutions

$Strata_1$ contains government agencies that are related to the Nigerian oil and gas industry's activities, such as; CBN, FIRS, RMAFC, NEITI, NNPC, DPR, AGF, OAGF and PTDF. $Strata_2$ is the legislative arm of government, the National

Assembly of Nigeria (NASS). $Strata_3$ are the oil companies, which comprises of the Foreign Oil Companies (FOC) and Indigenous Oil Companies (IOC) operating in the Nigeria's oil and gas industry. $Strata_4$ are the Civil Society groups including NGOs such as; Civil Society Legislative Advocacy Centre of Nigeria (CISLAC), Publish What You Pay Nigeria, PACT Nigeria, Extractive Industry Study Group (EISG), transparency In Nigeria (TIN), Zero Corruption Coalition (ZCC), Centre for Democracy and Development (CDD). $Strata_5$ consists of host communities serving in the government institutions such as; the Ministry of Niger Delta Affairs and Niger Delta Development Commission (NDDC). $Strata_6$ contains the Public Accounting Firm, which is Messrs S.S Afemikhe & Co. Chartered accountants. $Strata_7$ are the academic institutions which comprises; Ahmadu Bello University Zaria, Bayero University Kano (BUK), University of Jos, University of Ibadan and Federal University of Petroleum Resources Effurun (FUPRE).

Among the related government agencies in the $strata_1$ (CBN, FIRS, RMAFC, NNPC, DPR and OAGF) and oil companies of the $strata_2$ are recognised as "Accountors". They are key players in the Nigerian oil and gas industry's activities and expected to act transparently and responsibly to account for their activities, in accordance with the accountability theory (Gray et al., 1996). Whereas, the AGF, and NEITI perform the reconciliation activities of oil and gas revenue and payments, they are also considered as "Accountees" including the $strata_3$, $strata_4$, $strata_5$, $strata_6$ and $strata_7$, as they observe the activities of key players in the Nigerian oil and gas industry. They are expected to see the result of accountors' actions in accordance with the guiding principles of their responsibilities. In addition, the role of AGF, NASS, NEITI and PAF exceeds to the level that, they are recognised by law to investigate, monitor, oversee and reconcile the financial activities of the public offices including oil and gas industry as also described in Figure 3.1.

As such, the accountees' opinions are essential in this research, it will assist the study to make an assessment of how they perceived the actions of accountors, regarding to their responsibilities. The result might be of beneficial to the key stakeholders, regulators, analysts, general public and the body of knowledge.

4.3.7 Questionnaire distribution

On the process of distributing questionnaire for the survey in Nigeria, seventeen sample groups were identified as participants comprising thirty three different organisations. A total number of one hundred and eighty five questionnaires were distributed to the respondents personally, with a view to obtain high response rate. However, the maximisation of response rate depends *inter alia* on how well the research instrument has been designed (Jonker and Pennink, 2010 and Fadol, 2010). Similarly, appropriate numbers of questionnaire were distributed to participants in order to obtain sufficient responses. The study depends on the number of staff who can meaningfully respond to the questionnaire.

It is preferable to distribute questionnaire in person in Nigeria for the following reasons: (a) lack of an effective postal service system; (b) electronic devices like a computer system cannot be relied upon, due to the ineffective electricity supply and sometimes poor internet service network; (c) mailing the questionnaire to respondents is associated with many problems such as low rate of return. This could be reliable only when respondents are educated and cooperating. Additionally, the control over the questionnaire may also be lost once it is sent to respondents, and the method is likely to be the slowest of all other methods; (d) administering the questionnaire personally to respondents will give a chance to negotiate on the time to come back for the collection of completed questionnaires. There is a control over it since the questionnaire is handed over to the respondent at the place of work or residence; and (e) a hand delivery of the questionnaire will establishes personal contact between researcher and respondents. If asked questions regarding procedural issues or points of clarification, an explanation may be made to the respondents at the time of delivering the questionnaire but without intention to influencing any response that the respondents were making.

The questionnaire was distributed to the targeted participants according to their group of samples and availability of respondents: government agencies, national assembly, oil companies, civil societies, host communities, public accounting firms, and academic institutions. Respondents were selected from each group for the following reasons: (a) they have the knowledge and

experience with regard to the operational activities of the Nigerian oil and gas industry; (b) they have the knowledge and experience in relation to the financial activities of the Nigerian oil and gas industry; (c) they have direct interest in the Nigerian oil and gas industry; (d) they are involved in the activities of the Nigerian oil and gas industries (e) they have idea about the EITI and NEITI processes; and (f) they have available respondents to respond to the questionnaire.

Among the respondents in the government agencies include; NNPC – the management and operational staff of the National Petroleum Investment Management Services (NAPIMS), Crude Oil Marketing Department (COMD), Finance and Accounts (F&A), Regulatory and Policy Compliance, Corporate and Legal Services. They were selected because of their experience in operational, financial, regulation and policy compliance and other activities related to the oil and gas industry. The DPR – the management, operational and technical staff of this directorate are among the participants in this survey. They were selected because of their experience in the process of awarding contracts and licences for oil and gas production, they also monitor the assessment and collect royalties from the oil companies and manage signature bonuses. They also have experience in measuring oil and gas production and other technical activities, as being the industry regulator.

The NEITI – the management and senior staff of Finance and Accounts, Audit, Legal, Technical, Monitoring and Evaluation departments. It also includes some members of the National Stakeholders Working Group (NSWG), as being the governing body of the NEITI according to the Section 5(1 and 2) of the NEITI Act. They were selected because of their experience which involves the supervisory functions of the financial and other related activities, in the Nigeria's extractive industries. They also have experience in the activities of EITI on the process to ensure conformity with its principles in the extractive industries' activities. Similarly, NEITI is the promoter of transparency and accountability practices in the Nigeria's extractive industries. The FIRS – the management and senior staff of the departments of Petroleum and International Tax Department (PITD), Finance and Accounts, and Research and Development. They were selected because of their experience in the management of oil and gas revenues locally and internationally, including

other activities of Nigerian oil and gas industry such as: the assessment and collection of PPT, direct charges on Joint Ventures, Production-Sharing contracts and Sole Risk Operations.

The CBN - the management and operational staff of Banking and Payments, Research and development, Legal, Finance and Audit departments. They were selected because of their experience in the management of government revenue including extractive industries' revenue receipts from the extractive industry companies. The RMAFC – the management and operational staff of the departments of Mobilization and Allocation, Planning Research, Human Resources, Public Affairs, Finance & Accounts and Fiscal Efficiency. They were selected because of their experience in the financial activities relating to the oil and gas industry, through mobilising and allocating the oil revenue. The OAGF – the senior staff of Oil and Gas Accounting Unit (OGAU) which is responsible for monitoring government revenue from the oil and gas industry. It also re-assesses Memoranda of Understanding (MOU) between the Government and oil and gas companies, and reviews petroleum profit tax and royalty payments to the Government. The officials responsible for the activities of Revenue and Expenditure Reconciliation Team (RERT) visiting organisations related to the oil and gas industry. It also includes members that represent the Ministry of Finance on Committees of Crude Oil Revenue and Reconciliation (CORR), Petroleum Product Sales Reconciliation (PPSR) and the senior staff of the Directorate of Budget and Planning of the Federal Ministry of Finance. They were selected to participate in this study, because of their expertise and experience in the management of government revenue and expenditure including the oil and gas industry.

The AGF – the management and senior staff of Extra Ministerial, Treasury, and Revenue departments were among the participant in this research. They were selected because of their experience and expertise in the financial control of the government revenue and expenditure, including the oil and gas industry. They also have the idea of the EITI and NEITI processes, through the NEITI audit report which is submitted to the AGF annually. This is in accordance with the Section 4(3) of the NEITI Act, which mandates NEITI to disseminate the audit report of the Nigerian oil and gas industry to the AGF on annual basis. The office of the Auditor General for the Federation is directly accountable to

the National Assembly (Federal Parliament). The AGF's activities are carried out through the following three departments: Extra Ministerial, Treasury, and Revenue Departments. These departments were selected to participate in this survey because of their experience in the activities of oil and gas revenue management in Nigeria. The AGF deals with the oil and gas industry through the administration of the Extra-Ministerial Department. It exercises the duties of external auditors for reconciling expenditures incurred from the federation account, by the federal government agencies and parastatals with the exception of federal ministries. In the federal ministries, there are residential auditors who were posted-out from the AGF's office to control the expenditures incurred in the ministry.

The Treasury Department is responsible for reconciling the federation account, consolidation revenue account, sources and application of revenue accounts. It also reconciles the NNPC and its subsidiaries' accounts, and allocation or distribution of revenue account to the three tiers of governments. Revenue Department is responsible for auditing the oil and gas and non-oil and gas revenues.[27] The oil and gas revenue sources comprises of the revenue generated from the sales of crude oil by the NNPC, revenue accrued from the capital investment on joint venture contracts, joint venture operations and the sales of refined petroleum products for the domestic use. It also includes revenue paid to the government by the oil and gas companies, such as: PPT, royalties, dividend paid, licences fees and signature bonuses. These activities are controlled by oil and gas unit. The non-oil and gas unit covers the activities of auditing revenue generated from the customs services and Value Added Tax (VAT) from the Federal Inland Revenue Service (FIRS).

The Petroleum Technology Development Fund (PTDF) is a related government agency under the ministry of petroleum resources. It benefits from signature bonuses revenue, which is used to train Nigerians at various levels in the fields of engineering, geology, science and management and other specialised areas related to the activities of the Nigerian oil and gas industry. In fact this study is sponsored by the agency (PTDF). The respondents include; the senior and management staff of departments of the research and development, education

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27. Oil and gas revenues are generated from the NNPC and oil and gas companies. Whereas the non-oil and gas revenues covered the revenues generated from the customs services and FIRS.

and training, finance and local content division. They were selected because of their experience in the activities of Nigerian oil and gas industry, through the collaboration activities with the oil industry on the process of collecting the statutory allocation of signature bonuses to the agency.

Another participant in the questionnaire survey was the Federal Parliament (National Assembly) which represents Nigerian society and it has statutory responsibilities of law making, appropriation and oversight functions over the activities of public institutions including the extractive industries. The oversight functions are carried out through the various committees of members of the national assembly. Among them are the committees of Petroleum (upstream and downstream), Gas Resources, and Solid Minerals Development. Others include Appropriation, Finance, Anti-Corruption, Ethics and Value, Revenue and Expenditure, Establishment and Public Service. The opinions of these committees' members will have significant contribution to this research, regarding their perceptions on transparency practices of the Nigerian oil and gas industry.

The members of these committees were selected to participate in this study, because of their legislative experience and idea about activities of the Nigerian oil and gas industry. They also have awareness regarding the EITI and NEITI processes, through collaborative activities with the civil societies. In addition, the national assembly receives a copy of the NEITI audit report annually. These equipped them with adequate knowledge and experience of the activities of NEITI and Nigerian extractive industries. In this regard, legislatures have the first hand information that can facilitate the enactment of laws to further empowered NEITI's role, in ensuring revenue transparency in the Nigerian oil and industry. Therefore, their awareness about this study is very important as well as their responses.

This study observes that, some new elected members and those that were dispensed to the new committees have little idea with the activities of their present committees. Nevertheless, the study sticks to the members that have sufficient knowledge regarding to the activities of the Nigerian oil and gas industry and its related government agencies. This has been achieved by the help of the clerks of the appropriate committees and the head of management

offices of the two chambers, who are the senior personnel officers and serves as administrative secretaries to the committees. They assist to identify the appropriate members at the various committees, who have the knowledge and experience of completing the questionnaire.

The participants in the Foreign Oil Companies (FOC) operating in the Nigeria's oil and gas industry include; the management and operational staff of Nigeria Agip Oil Company, Exxon-Mobil Oil Company and Total Exploration and Production Oil Company. The FOCs operate in partnership with NNPC under the Joint Venture Contracts (JVCs), Production Sharing Contracts (PSCs), and Joint Operating Agreements (JOAs). They were selected to participate in this study, because of their status and expertise in oil production and development activities in the Nigerian oil and gas industry, and their experience in the assessment and payment of oil and gas revenue to the Government.

Respondents from the Indigenous Oil Companies (IOC) were the Management and operational staff of the Nigerian Petroleum Development Company (NPDC), OandO Oil Company, and Statoil Nigeria Limited. Others were Alliance oil Producing Nigeria Limited, Continental Oil and Gas Limited and Millennium Oil and Limited. IOCs operate in partnership with international oil companies on the Sole Risk arrangement. However, with the development of local content act (2010) most of the abandoned oil fields were merged under the control of IOCs for operation. The government gives them support to bring them into use and continue to produce oil. This also gives IOCs a chance and capacity to participate fully in contractual activities of the Nigerian oil and gas industry, for the development of national economy and gain chance to compete with the foreign oil industries. The Federal Government of Nigeria intends to invest on the capital projects directly through IOCs in partnership with the FOCs.

Normally, oil fields were dumped by industry operators because of some reasons: (a) if the oil block allocated to the oil industry does not has sufficient reserve for commercial use (b) where it has been discovered that the quantity of oil if produce may not cover the cost of its production (c) in a situation whereby the oil field may develop serious technical problems in future, which may hinder the production. As such, government decides to merge them off and directed IOCs to take over the operation of some of them for re-

developing, after examining their potential performances. Therefore, IOCs were selected to participate in this study because of their status and expertise in the oil industry's activities, and commitment to the payment of oil revenue for the development of national goals and objectives.

The participants among the Public and Accounting Firms (PAF) are the senior officials of the Messrs S.S Afemikhe & Co. Chartered Accountants of Nigeria. This firm serves NEITI as auditors for the oil and gas industry and its related government agencies for several years, in association with the Hart Group Chartered Accountants of the United Kingdom from 1999 to 2008.[28] They were selected because of their proficiency and experience of the financial affairs of the Nigerian oil and gas industry. Their position of being among the first NEITI auditors engaged in the Nigerian oil and gas industry's activities, equipped them with the knowledge and experience of activities of the NEITI and oil and gas industry as a whole. In this regard, their responses and comments should be an important contribution to this study.

Civil society groups including NGOs – the respondents among these categories were the officials of the Nigerian Civil Society Legislative Advocacy Centre (CISLAC), Transparency in Nigeria (TIN), PWYP Nigeria, Extractive Industry Study Group (EISG), Zero Corruption Coalition (ZCC), and Centre for Information Technology & Development (CITD). They were selected because of their experience in policy analysis, advocacy of regulation and monitoring of state performance toward the actions and behaviour of public officials. They also have the idea of transparency and accountability practices through participation in the EITI and NEITI processes. This equipped them with the knowledge of revenue transparency and accountability practices, in the extractive industries. The enactment of the Freedom of Information Act (2011) encourages participation of civil societies and NGOs to the NEITI's activities, regarding transparency practices in the Nigerian oil and gas industry and other related financial matters. The Act also guarantees public access to information held by public institutions and provides protection for the whistle blowers (FOIA, 2011).

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28. They are among the pioneer indigenous NEITI auditors.

Potential respondents from academic institutions comprise the academic and non-academic staff of the participants' Universities of Ahmadu Bello, Bayero, Ibadan and Jos at the departments of Business, accounting, geology and mining, and engineering. They were selected because of their background knowledge and experience of teaching the oil and gas accounting, geology and engineering, which may possibly assist them to have an idea about the activities of the Nigeria's oil and gas industry and its related government agencies. Their responses are also very important to this study.

For representation of the host communities, the Ministry of Niger Delta Affairs and the Niger Delta Development Commission (NDDC) were among the respondents for the following reasons: the Ministry of Niger Delta Affairs was created in 2008 to improve transparency and accountability practices, in the management of fund allocated to the NDDC and oversees the activities of the Niger Delta region's development projects, which are executed by the NDDC.[29] NDDC is now an agency under the Ministry of Niger Delta Affairs, which is responsible for the regional development of the oil producing areas. The commission is constituted by the indigenous population of the Niger Deltans. It is funded by the Government and contribution of 3% of the annual operating budget of the existing oil companies operating in the oil producing areas. The senior officials of the ministry of Niger Delta Affairs and NDDC were selected because of their experience in the activities of Nigerian oil and gas industry and commitment to the development of oil producing areas, through the functions of their institutions.

The targeted respondents were accessed through their established contact addresses, and an introduction letters were also submitted to the addresses of their respective organisations which explained the purpose of my visit to the organisation and outlined the list of departments or groups of people that are expected to participate in the activities. As stated above, every effort has been made to maximise the response rate by a range of methods including clarity and brevity of the statements and utilisation of key contacts. The size of questionnaire was reasonable to make respondents at ease to complete, in a

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29. NDDC replaced the interventionist agencies such as the Oil Mineral Producing Areas Development Commission (OMPADEC) but yielded marginal impact, as it is project-centered initiative (income-based) rather than integrated rural human capacity development initiative (human-based).

large scale questionnaire there will be non-responses. Most of the respondents responded to the questionnaire 161/185 and the responses rate was reasonable (87%) for making the analysis and provides better results for interpretations. The responses from the pilot testing were excluded from the list of the main survey responses.

4.3.8 Scale of measurement

Transparency in this context regarded as dependent variable, whereas, the other elements such as; government agencies and oil companies (key players) in the oil and gas industry are considered to be the independent variables. The key players' actions in the industry are significantly affecting the level of dependent variable (transparency). As such, transparency in the Nigerian oil and gas industry is dependent often the performance of those independent variables. This research measures the actions of these variables by assessing key stakeholders' perceptions, through their responses from the questionnaire. In each section of the questionnaire, respondents were free to indicate the level of their agreement, neutrality or disagreement to the statement, by selecting the appropriate boxes provided ranging from one to five (1-5) as in 5 points Likert scale ordinal measurement; 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, and 5= Strongly Disagree (Bowerman and O'Connell, 2003). The ordinal scale places events in order, with no attempt to make the intervals of the scale or equal, in terms of some rules. It also permits the ranking of items from highest to lowest without absolute values, or equal differences among the ranks (Kothari, 2004).

4.4 Method of Data analysis

The choice of data analysis methods and techniques depend on whether the data is quantitative, qualitative or mixed (Collis and Hussey, 2003). An appropriate method has to be used for the analysis of data. In the context of this study, mixed methods were applied using questionnaire to collect data separately and conduct follow up interviews to corroborate the findings from the questionnaire, as suggested by Saunders et al. (2012). This study uses non-parametric method for the analysis of data generate from questionnaire. The method is sometimes better for the tests at correctly finding statistically

significant differences. Non-parametric methods are more general and can be used to the data that is measured on nominal and ordinal levels (Collis and Hussey, 2003 and Bowerman and O'Connell, 2003).

In the event of hypotheses test, non-parametric methods have slightly smaller chance of falsely rejecting the null hypotheses, in which the specified alpha value would seem to indicate. This study uses Median Sign and Mann-Whitney tests for the data analysis. The participants' responses were also analysed statistically and better results were obtained successfully. Median Sign test was used by this study in order to find out significant differences between the actual median and predicted median of the research by indicating an agreement, neutrality and disagreement of the respondents. Mann-Whitney Rank Sum test was also used by the study such that significant differences between the sums of the ranks of the groups could be established, as the method has ability to indicate the source of each difference between the two sample groups (Bowerman and O'Connell, 2003).

These methods are also appropriate for the analysis of data measured on an ordinal scale, such as the traditional 5-point Likert scale, as in the case of this research. Simultaneously, the significant level or degree of certainty could be chosen from 1-10 percent, but this research prefers choosing 5 percent as significant level for identifying statistically significant results, so as to be consistent with the conventional level accepted for the business research (Bowerman and O'Connell, 2003). The data generated were also analysed without any limitations of the methods. Similarly, this study analyses the data gathered from the interviews manually. Because, the size of the data and number of participants were not much but they are sufficient to use, which may not necessitated applying a software tool such as NVivo, as described in Section 4.5.

4.4.1 Measure of Central Tendency

In statistical analysis, usually Mean, Median and Mode are the appropriate measure of central tendency. However, for the context of this study median was chosen, considering that it denotes the value of the middle number when a set of numbers are arranged in order of magnitude. Median divides the set

of numbers into two parts, at one side all numbers are below the median, whereas the other side has numbers above the median. Therefore, median considered to be a positional average used in the context of this study, as also described by Kothari (2004). This study also used traditional 5 point Likert scale, as the set of numbers are arranged in ordinal level simply for ranking.

Kothari (2004) and Bowerman and O'Connell (2003) Suggested that the application of non-parametric methods (Median Sign and Mann-Whitney tests) is appropriate for evaluating significant differences of the opinion between the two or more sample groups. As such, the methods could be relevant for this research that wish to assess the perception of stakeholders, with a view to find out significant differences in their opinions regarding the improvement of transparency and accountability practices in the Nigerian oil and gas industry from 2011.

4.4.2 Hypotheses

There are many definitions in relation to research hypothesis, however, some scholars perceived research hypothesis from different perspectives among them are: Jonker and Pennink (2010); Kothari (2004); and Gravetter and Forzano (2003). With regard to the perception of Kothari (2004), he suggests that hypotheses could be predictable statements, accomplished for being tested by scientific methods that relate independent variables to some dependent variables. However, in the literature of Jonker and Pennink (2010) they defined hypotheses as statements which show relationship between the set of variables based on empirical assumptions. Similarly, hypotheses have been defined as statements of relationship between the two or more variables (Gravetter and Forzano, 2003). In other word, hypotheses are regarded as assumptions to be proved or disproved by the scientific result. Gravetter and Forzano (2003) described that, the research idea cannot be evaluated until it has been transformed into a research hypothesis but Bowerman and O'Connell (2003) perceived formulation of hypotheses as a condition which needs an attempt to find supportive evidence.

The basic concepts of hypotheses in the context of statistical analysis are: alternative hypotheses (H_a) and null hypotheses (H_o). Alternative hypotheses

are usually the one a research wishes to prove, and disprove null hypotheses. The null hypotheses are the statements being tested and cannot be rejected unless there is convincing sample evidence that they are not true. On the other hand, alternative hypotheses are statements that will be accepted only if there is concrete evidence that they are true (Bowerman and O'Connell, 2003). Hypotheses can be classified as simple or complex. Hypotheses are simple if the statistical test results equals to the hypothesised value ($\eta_1 = \eta_0$) and they are called *null hypotheses.* But they are complex when the statistical test results are not equals to the hypothesised value ($\eta_1 \neq \eta_0$) that are called the *alternative hypotheses* (Kothari, 2004).

4.4.3 Minitab software statistical tool and formula

Minitab 16 statistical software tool was used for the statistical analysis of this study for the fact that, it is simple to operate and easily accessible. It is a special-purpose statistical software package which provides a wider range of statistical procedures, and offers a range of options for controlling the analysis to the better (Bowerman and O'Connell, 2003). Minitab has the advantage of performing many statistical calculations that are easier to use for different statistical analyses, especially in finding significant differences of the opinion among the research variable elements, which is the main aim of this research. Bowerman and O'Connell (2003) describes Minitab as a software that provides a quality result of the analyses, it also allow errors to be edited using the excel features and the result will be automatically in a standard excel spread sheet. This study presents statistical tests in two categories of methods as well as the data analysis. They are: Median Sign and Mann-Whitney tests:

(i) Median Sign Test: this is a single variable analytical test used to provide significant differences in the median of the sample groups. It is a non-parametric test, which has the ability to indicate the level of agreement, neutrality and disagreement of the variable elements. Similarly, median is recognised as a middle of the range of data set, whereby half of the observations are less than or equal to it, and the other half of the observations are greater than or equal to it.

In a set of 5 point Likert scale, the median is 3, as such, median is the appropriate frequency of distribution for descriptive statistics, which intends to describe the level of numbers that are below or above the middle number. The following are the concepts of hypothesis, including the formula on how to calculate alternative hypothesis of the median sign test: (a) null hypothesis (H_0): $\eta_1 = \eta_0$ (b) alternative hypothesis (H_a): $\eta_1 \neq \eta_0$.

$$Z = \frac{S - \dfrac{n}{2}}{\sqrt{\dfrac{n}{4}}}$$

$H_a:$	S	$P - value$
$H_1 : Median > K$	A	$P(Z > S)$
$H_1 : Median < K$	$A - n$	$P(Z < -S)$
$H_1 : Median \neq K$	$A \; or \; A - n, \, which \; ever \; is \; greater$	$2P(|Z| > S)$

$Note: K = the \; value \; of \; hypothesized \; median, \; A = number \; of \; observations \; above$ $hypothesized median, \; and \; n = the \; sample \; size \; after \; omitting \; observations \; equal \; to \; the$ $hypothesized \; value.$

(ii) Mann-Whitney responses of the two independent sample groups with a view to find out significant differences in the responses between themselves. It test the null hypothesis that has two equal medians, at the same time test alternative hypothesis with two different medians, which means that one median is either less than or greater than the other. The Mann-Whitney test uses the ranks of the sample data, instead of their specific values, to detect statistical significance differences of the opinions between the two variable elements. The following are the concepts of hypothesis, including the formula for computing alternative hypothesis of the Mann-Whitney Rank Sum test: (a) null hypothesis (H_0): $\eta_1 = \eta_2$ (b) alternative hypothesis (H_a): $\eta_1 \neq \eta_2$.

$$H_a: \qquad\qquad Z_W \qquad\qquad P-value$$

$$H_1: ETA1 > ETA2 \qquad Z_W = \frac{W - \dfrac{n(m+n+1)}{2} - 0.5}{\sqrt{\dfrac{mn(m+n+1)}{12}}} \qquad P(Z > Z_W)$$

$$H_1: ETA1 < ETA2 \qquad Z_W = \frac{S - \dfrac{n(m+n+1)}{2} + 0.5}{\sqrt{\dfrac{mn(m+n+1)}{12}}} \qquad P(Z < -Z_W)$$

$$here\; S = W - n(m+n+1)$$

$$H_1: ETA1 \neq ETA2 \qquad Z_W = \frac{\left| W - \dfrac{n(m+n+1)}{2} \right| - 0.5}{\sqrt{\dfrac{mn(m+n+1)}{12}}} \qquad 2P(|Z| > Z_W)$$

Note : W = Mann − Whitney test statistics , n = the size of sample 1, *m = the size of sample* 2, *ETA1 = Median of sample* 1, *and ETA2 = Median of sample* 2.

4.5 Interviews

The follow-up interviews were conducted by telephone, asking a commentary from the selected experts on what have been discovered and what they think about the research findings? The aim of the follow-up in-depth interviews was to seek explanations from respondents, and to allow them express their opinions to complement the responses of the questionnaire (see, Saunders, 2012). Seven sample groups were chosen to participate in the interviews. Each participant was selected from a sample group. They are: NNPC, DPR, NEITI, OC, FIRS, NDDC and CS. This study uses Purposive sampling to select participants for the interview in accordance with the Denscombe (2007). The purposive sampling is used in a situations where an interviewer is familiar about a persons or events and makes deliberate choices, as they are seen being likely to produce the most valuable data. Participants in this interview

were the managerial and operational staff of related government agencies, oil and gas companies and representative from the civil society groups.

The participants were selected because of their participation and expertise in the activities of Nigerian oil and gas industry. The area of study is also relevant to their current job. The participants of the interview were in Nigeria, while the interviewer was in the United Kingdom. The telephone interview has advantages of easy access to the participants, speed of data collection, lower cost and allow making contact with respondents compared to the internet interviews, which is more technical and mostly applicable in developed countries. It also allows contact with the participants where face-to-face interview would be impractical because of the distance, prohibitive cost and time constraints (Saunders et al., 2012). However, in a telephone interview reliability may be reduced, where a participant refuses to take part in the discussion. Therefore, establishing personal contact with participants is very essential. Using telephone interview could be appropriate than sending questionnaire through the internet or post for a number of reasons. The respondents may refuse to complete a questionnaire, as they may think that it is not appropriate to provide sensitive and confidential information to someone they have never met. They may also have fear of anonymity in relation to the information they are required to provide, and consider their time more important than to spend it for providing written explanatory answers.

This study uses an interview schedule to guide the interviews, and a list of interview themes was provided to participants before the interview, so that they will be prepared for the interview. Ideas were grouped into themes based on the relevance of the statement under discussion. Setting a theme assists to formulate a focus for the progress of the interviews, as it reflects the question(s) related to the research topic for the interview. The participants were contacted before the interview, and make emphasis on the importance of their contribution to this study, as personal contact and credibility have been established during the questionnaire survey. The Participants were free to comment on the questions asked, because they were assured that their identity would not be disclosed when presenting the findings, and the interview questions were also not ambiguous. All the participants responded to the interviews. The length of the interviews was ranging from 1 hour 45

minutes to 2 hour 10 minutes; the average time was 1 hour 50 minutes. The interviews were recorded using a digital voice recorder and effort was made to transcribe the interviews. Table 4.2 contains summary of the interview participants:

Table 4.2 Summary of the interview participants

Research Participants	Position of Participants	Sample groups	Types of Organisation
P1	Managerial	NNPC	State owned oil company
P2	Operational	DPR	Industry regulator
P3	Managerial	NEITI	Government agency
P4	Managerial	OC	Oil company
P5	Managerial	FIRS	Government agency
P6	Managerial	NDDC	Government agency
P7	Managerial	CS	Civil Society groups

Note: NNPC= Nigerian National Petroleum Corporation, DPR= Directorate of Petroleum Resources, NEITI= Nigerian Extractive Industries Transparency Initiative, OCs= Oil Companies, FIRS= Federal Inland Revenue Service, NNDC= Niger Delta Development Commission and CS= Civil Society groups.

Table 4.2 above, describes the kind of participants participated in the follow up interviews, including the organisation and group in which they were selected. It also contains the codes use instead of the names or positions of participants in the analysis and interpretation.

4.5.1 Procedures for the interview

The interviews were conducted and anonymity was assured to the participants before the start of the interviews. The participants responded positively to the questions. The interviews were recorded by the digital voice recorder and later be transcribed. Usually, the entire interview data is not transcribed but instead relevant points are quoted from individual respondents. The data were also reduced by simplifying and transforming it from the original transcript to the final version, as opined by the Saunders et al. (2012). The data were analysed manually because of the size and number of respondents which are very small but they are sufficient to use, that may not necessarily require the application of the software tool such as NVivo for the analysis. The NVivo is a useful tool for managing complex and large volume of data.

The scientific terms and ideas were also checked to ensure that they are precise. The explanation required from the questions drew the attention of participants to inter-play among their opinions, but reaffirmed the previous findings from the questionnaire. The interview findings were analysed through

the process of organising and interpreting the data, in order to obtain a meaning in respect to the research questions. That has been achieved by using data display, data reduction and generating conclusions (Saunders et al., 2012).

4.6 Conclusion

The chapter reviewed the research methodology, methods, and techniques for the collection of data and analysis. It explains how research differs using an appropriate philosophy and approach that will fit in the study. Similarly, the chapter discussed the importance of the development of coherent linkage among the major elements of research, which is a task for a good research project (Jonker and Pennink, 2010). The chapter describes that, mixed methods was applied to undertake this study using a questionnaire-survey and conducted an in-depth interviews to seek to explain the findings from the questionnaire, in accord with the Saunders et al. (2012) and Jonker and Pennink (2010). This chapter also discusses questionnaire development, how the questionnaire was designed, pilot-tested, amended and then administrated to a representative sample groups and produces 87% response rate. It also explained the selection of sample groups and participants that participate in the study and how questionnaire was distributed. The chapter explains the methods used for the statistical analysis and interpretation of results, using the Minitab statistical tool for the analysis. The following chapter five will bring the analysis of the questionnaire-based survey regarding the responses of key stakeholders to statements of the questionnaire.

CHAPTER FIVE

Analysis of the Questionnaire

5.1 Introduction

The previous chapter discussed about the research methodology, methods and techniques used for the data analysis. This chapter brings the analysis of questionnaire, which aimed to explore the views of the targeted respondents with regard to transparency practices in the Nigerian oil and gas industry, according to their sample groups: Nigerian National Petroleum Corporation (NNPC), Directorate of Petroleum Resources (DPR), Central Bank of Nigeria (CBN), Nigerian Extractive Industries Transparency Initiative (NEITI), Revenue Mobilisation Allocation and Fiscal Commission (RMAFC), Federal Inland Revenue Service (FIRS), Office of the Auditor General for the Federation (AGF), Office of the Accountant General of the Federation (AGF), Petroleum Technology Development Fund (PTDF); National Assembly (NASS); Oil Companies which comprises (FOC) and (IOC); Civil Societies (CS) including NGOs; Host Communities (HC); Public Accounting Firms (PAF); and Academic Institutions (ACI). The questionnaire was divided in six sections (A-F), and it contained 50 statements. Each section has statements that reflect on principles of the EITI and NEITI Act requirements. It was also designed in such a way that respondents would be free to indicate the level of their agreement, neutrality or disagreement, regarding to the statements provided. Such that their responses could be measured by an ordinal level of 5 point Likert scale. The chapter also presents the statistical test results of the methods applied for data analysis.

This chapter is divided into three sections. Section 5.2 explains participants' responses to questionnaire according to their sample groups, as discussed above in the previous chapter five, section 5.3 presents statistical test results, and finally section 5.4 contains conclusion.

5.2 Participants' responses

This section presents participants' responses. It also contains place of the work and nationality of respondents. It includes respondent's responses, the actual response of the respondents represent their response rate, which will also be the total usable for the analysis of data. The missing questionnaire is the one not returned back to the researcher at the end of the period of survey. The following Table 5.1 explains Nationality and work place of respondents who participated in the survey, including their frequencies of questionnaire and percentage.

Table 5.1: Nationality and Working Place of Respondents

Nationality	Nigerians		161	
	Place of Work		**Frequencies**	
	Academic Institutions		10	7
	Central Bank of Nigeria		12	9
	Civil Society groups		15	15
	Non-Governmental Organisations		12	12
	Federal Inland Revenue Service		10	9
	Foreign Oil Companies		10	10
	Indigenous Oil Companies		10	10
	Industry Regulator		8	7
	Ministry of Niger Delta Affairs		5	5
	National Assembly		24	20
	Nigeria Extractive Industries Transparency Initiative		10	8
	Nigerian National Petroleum Corporation		16	14
	Revenue Mobilization Allocation and Fiscal Commission		8	5
	The office of Auditor General for the Federation		15	15
	Office of the Accountant General of the Federation		6	6
	Petroleum Technology Development Fund		4	2
	Public Accounting Firms		2	2
	Niger Delta Development Commission		8	5
Totals			**185**	**161**
Percentages			**100**	**87**

The above Table 5.1 states the number of participants in the survey and the actual number who responded to the questionnaire. The actual respondents to the questionnaire were one hundred and sixty one out of the one hundred and eighty five participants, representing eighty seven percent of the population sample. It further indicates that all the actual respondents in the survey were Nigerians. The Table also explained the working place of respondents and the number of questionnaire distributed to each of them, including the completed ones which were returned back successfully during the survey. It also contains total percentage of response rate. A significant percentage of questionnaires (87%) were completed and returned successfully during the survey. This is as

a result of distributing the questionnaire personally across the participants (key stakeholders) in Nigeria according to their sample groups, as presented in Section 4.3.7. The following Table 5.2 explains the questionnaire usage and response rate for the groups. It describes the total number of questionnaires issued, actual usage and usable percentage.

Table 5.2: Questionnaire usage and response rate by the group

Respondents	Questionnaire Issued	Actual usage	Questionnaire Missing	Usable percentage
NNPC	16	14	2	7.567
DPR	8	7	1	3.783
CBN	12	9	3	4.864
NEITI	10	8	2	4.324
RMAFC	8	5	3	2.702
FIRS	10	9	1	4.864
AGF	15	15	0	8.108
OAGF	6	6	0	3.243
PTDF	4	2	2	1.081
NASS	24	20	4	10.810
FOC	10	10	0	5.405
IOC	10	10	0	5.405
CS	15	15	0	8.108
NGO	12	12	0	6.486
HC	13	10	3	5.405
PAF	2	2	0	1.081
ACI	10	7	3	3.783
Totals	**185**	**161**	**24**	**87.019**

NNPC= Nigerian National Petroleum Corporation, DPR= Directorate of Petroleum Resources, CBN= Central Bank of Nigeria, NEITI= Nigeria Extractive Industries Transparency Initiative, RMAFC= Revenue Mobilization, allocation and Fiscal Commission, FIRS= Federal Inland Revenue Service, AGF= office of the Auditor General for the Federation OGAF= Office of the Accountant General of the Federation, PTDF= Petroleum Technology Development Fund, NASS= National Assembly, FOC= Foreign Oil Companies, IOC= Indigenous Oil Companies, CS= Civil Societies, NGOs= Non-Governmental Organisations, HC= Host Communities, Public Accounting Firms, and Academic Institutions.

The above Table 5.2 described the respondents' interest to the study by showing a reasonable percentage of the response rate from the participants. Moreover, the noble achievement of the high response rate (87 percent) justifies the success of the survey, and the response rate is good enough to analyse the data statistically. Basically, the officials of government agencies were the public office holders, and they are therefore accountable to the public. As such, their responses contributed significantly to this study. They are: NNPC, DPR, CBN, NEITI, RMAFC, FIRS, AGF, OAGF, and PTDF. The National Assembly of Nigeria has statutory power to make the laws, appropriation and oversight functions regarding the activities of public institutions including the extractive industries. The oil and gas companies in this group are operating under the upstream and downstream sectors, including the marginal fields and licensing rounds in the Nigerian oil and gas industry. Oil and gas companies are recognised as accountors by the nature of

their activities in the oil and gas industry, in accordance with accountability theory (see Gray et al., 1996). According to Gray et al. (1996) accountability theory is useful for evaluating the effectiveness of government institutions and private organisations, as it enables judgment to be made of the performance of the organisations relative to their responsibilities. Their activities in the oil industry are complex in nature as such, they can influence transparency and accountability practices greatly in the oil and gas industry. All the participants from the civil societies including NGOs have completed and returned their questionnaires successfully. The HC group represents the ministry of Niger Delta and Niger Delta Development Commission (NDDC). Messrs S.S Afemikhe & Co. participated in this survey as representative of the Public accounting firms, who are partners with the NEITI. The academic institutions participated in the survey are: Ahmadu Bello University Zaria, Bayero University Kano, University of Jos, and University of Ibadan.

The success of high response rate was as a result of administering the questionnaire personally and directly to the respondents, through their identified contact addresses. That also gave chance for making adequate agreement on the time in which the questionnaire will be collected back after completion. In fact most of the participants gave their maximum support and cooperation to the survey, and that contributed to the success of this research. Additionally, respondents were appreciated with the statements contained in the questionnaire, as it portrays most of the main function of government and its agencies, with regard to transparency practices in the management of oil and gas revenue. It also highlighted some of the tasks in which key stakeholders should be maintained, in order to provide greater transparency and accountability practices in the activities of the Nigerian oil and gas industry.

Majority of the organisations visited for the purpose of this survey were pleased with this study and indicated their willingness to cooperate and provide the necessary supports for the successful completion of this study. Particularly; the Central Bank of Nigeria (CBN), Nigeria Extractive Industries Transparency Initiative (NEITI) which is the supervisory body of the financial activities relating to the Nigeria's extractive industries, Public and accounting Firms (PAF), and office of the Accountant General of the Federation (OAGF).

Others are the office of the Auditor General for the Federation (AGF), Niger Delta Development Commission (NDDC), Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC), National Assembly (NASS), as well as the Non-Governmental Organisations (NGOs) and Civil Society groups (CS) specially, the CISLAC of Nigeria.

Respondents further, described that this research will no doubt, add more awareness to the NEITI process and the activities of related government agencies, regarding to transparency and accountability practices. Similarly, the officials of Public accounting firm (Messrs S.S Afemikhe & Co.) had also appreciated the contents of the questionnaire which they said has captured most of the problematic financial, physical and process activities of the Nigeria's oil and gas industry. Adding that the research was conducted at the right time, when the country is experiencing socio-economic and political challenges.[30] Therefore, transparency and accountability practices will assist the activities of the Nigerian oil and gas industry and management of its revenue to improve. The following section explains the outcome of the hypothesis tests.

5.3 The statistical test results

Standard statistical tests and procedures are used to test the derived hypotheses. Two different statistical tests were applied as explained in the preceding chapter: the Median Sign test and the Mann-Whitney Rank Sum test. As a consequence of carrying out these tests the results were obtained, from which those with the statistically significant differences were identified, interpreted and discussed. The tests compare research predicted median with the result of actual medians. A 95% confidence interval was applied (i.e. a 0.05 significance level) for identifying statistically significant results.

In line with the decision rule for hypothesis testing, the null hypotheses can be rejected where the predicted median and actual median are the same ($H_0: \eta_1 = \eta_0$) in favour of alternative hypothesis, which states that the predicted median and actual median were not the same ($H_a: \eta_1 \neq \eta_0$) at an alpha level (α), if and only if the appropriate rejection point condition holds, or the

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30. The country's economy largely depends on oil and gas revenue and still the people of the country are suffering (see the rationale behind this study in chapter one).

corresponding P-value is less than the alpha (α). In a situation whereby P-value is less than the alpha level we reject the null hypotheses and where P-value is greater than the alpha value, the null hypotheses cannot be rejected. A frequent choice for alpha (α) is 0.05 but sometimes 0.01 can be chosen and the highest is 0.10. Setting alpha (α) low means there is only a small chance of rejecting the null hypothesis (H_0) when it is true. It means that we need strong evidence against the null hypotheses before we reject it. Therefore, this study considered it reasonable to set the alpha level at 0.05 as the degree of certainty for this research to measure the statistical test results.

This study considered 5 point Likert Scale for measuring the respondents' responses throughout the questionnaire. The test results were presented in the following sections, section 5.3.1 contains the result of Median Sign test and section 5.3.2 presents the result of Mann-Whitney Rank Sum test. The following section explained the Median Sign test result.

5.3.1 Median sign test

This section presents Median Sign Test result, which is a non-parametric method used to assess the responses of independent sample groups, with a view to finding significant differences in the median between the actual median and the predicted median of 3, among respondents to statements. This study applies Median Sign Test for a significant result. The following section explains the Mann-Whitney rank sum test result.

5.3.2 Mann-Whitney Rank Sum Test

This study applies Mann-Whitney Rank Sum Test to calculate a result for significant differences between the sums of the ranks of the groups, in relation to the statements. Mann-Whitney Rank Sum test has the ability to indicate the source of differences between the two sample groups in relation to a particular event. If the resulting probability value is less than the chosen alpha level, then a statistically significant difference between the two sample groups can be accepted. This study uses Mann-Whitney Rank Sum test for the analysis of key stakeholders' responses between the two independent sample groups, regarding to a statement.

5.4 Conclusion

This chapter presents the analysis of questionnaire and explained Nationality and working place of the research participants. It also indicates that all the respondents were Nigerians. The chapter discusses the result of statistical tests, according to the three methods (Median Sign and Mann-Whitney Tests). It also describes response rate of the sample groups. The following chapter six brings discussions on the data presentation, analysis and interpretation.

CHAPTER SIX

Data presentation, analysis and interpretation

6.1 Introduction

This chapter presents and analyses data generated from the responses of the questionnaire. Formulation of the statements was influenced by the EITI principles and NEITI Act requirements. Each statement of the questionnaire was designed to enable the stakeholders to express their opinions on whether good practice as recommended by EITI and NEITI was being carried out in the Nigerian oil and gas industry. The statements were also framed to provide data that would enable a view to be taken on whether or not the research objectives had been achieved. The chapter also uses data from the responses to each statement to test the derived hypotheses. This study applies the Median Sign test to find out statistically significant differences between the actual median and the predicted median of 3, in relation to each statement. This study also uses the Mann-Whitney Rank Sum test for analysing the responses of stakeholders, with a view to finding statistically significant differences of sum of the ranks between the two sample groups, in relation to a statement. In line with standard practice, and to achieve the targeted objectives, the discussion and interpretation of the statistical analyses were restricted to the results with significant differences.

The structure of this chapter is as follows: Section 6.2 presents the analysis of stakeholders' perceptions on the statement that with respect to oil revenue, the Nigerian government does not disclose in a transparent manner its reconciliation of what it says it has received and what oil companies say they have paid. Section 6.3 contains the analysis of stakeholders' perceptions on the insufficient disclosure of oil and gas revenue in the Nigerian oil and gas industry. Section 6.4 discusses the analysis of responses to the statement that stakeholders' perceptions regarding government agencies' performance in improving effective management of oil and gas revenue in Nigeria does not promote transparency practices in its oil and gas industry. Section 6.5 presents the analysis of stakeholders' perceptions on the statement that

government management of the oil and gas revenue is sub-optimal with regard to the achievement of national goals and objectives. Section 6.6 highlights the analysis of stakeholders' perceptions on how to improve transparency practices in the Nigerian oil and gas industry to help achieve national goals and objectives. Finally, Section 6.7 presents a summary of the analyses involved in the above mentioned sections.

6.2 Analysis of the statements in section B of the questionnaire, regarding transparency practices in the Nigerian oil and gas industry.

Respondents' responses to the statements in Section B of the questionnaire are discussed in this section. These statements, which relate to some of the material issues that will enhance greater transparency practices in the Nigerian oil and gas industry, were designed to enable relevant data to be collected for testing hypothesis 1, that: "with respect to oil and gas revenue, the Nigerian government does not disclose in a transparent manner its reconciliation of what it says it has received and what the oil companies say they have paid". Further, the testing of hypothesis 1 then leads to a consideration of objective 1, which is: "to critically evaluate on whether there has been improvement of transparency practices in the Nigerian oil and gas industry after Nigeria obtained EITI compliance in 2011".

The following are the statements of section B of the questionnaire:

1. The government discloses publicly the oil and gas revenue it receives annually from oil and gas companies.

2. The Directorate of Petroleum Resources provides on a timely periodic basis the volume of crude oil the country produces.

3. Oil and gas companies disclose publicly the oil revenue payments made to the government annually.

4. NEITI encourages government transparency practices in the application of oil and gas revenue received.

5. NEITI adequately monitors the oil and gas revenue payments to the government by oil companies as recorded by oil companies.

6. NEITI adequately monitors the oil and gas revenue received by the government as recorded by the government.

7. NEITI provides publicly on an annual basis the result of the audit of the oil and gas industry's performance.

8. The NEITI Act (2007) has led to improvements in transparency practices in the Nigerian oil and gas industry.

9. NEITI submits an annual audit report of the oil and gas industries' performance to the Office of the Auditor General for the Federation.

10. Non-Governmental Organisations (NGOs) are routinely consulted about decision making on the use of oil and gas revenue in Nigeria.

11. NGOs are informed by the government about how oil and gas revenue is spent.

Table 6.1 presents Median Sign Test result, regarding some of the material issues that will enhance greater transparency practices in the Nigerian oil and gas industry.

Table 6.1: Median Sign Test results for statements 1-11

Statements	No. of Resps.	Actual Median	Predicted Median	Med. Difference	Above Median	Equal to Median	Below Median	P-Value
ST1.	161	3.00	3.00	0.00	74	31	56	0.1360
ST2.	161	3.00	3.00	0.00	72	24	65	0.6082
ST3.	161	4.00	3.00	1.00*	87	36	38	0.0000
ST4.	161	2.00	3.00	-1.00*	13	24	124	0.0000
ST5.	161	2.00	3.00	-1.00*	40	34	87	0.0000
ST6.	161	2.00	3.00	-1.00*	43	34	84	0.0004
ST7.	161	2.00	3.00	-1.00*	33	38	90	0.0000
ST8.	161	2.00	3.00	-1.00*	16	34	111	0.0000
ST9.	161	3.00	3.00	0.00*	38	54	69	0.0037
ST10.	161	4.00	3.00	1.00*	105	35	21	0.0000
ST11.	161	4.00	3.00	1.00*	112	39	10	0.0000

Note that, the results with significant differences are marked with asterisks * and 5% is the significance level. The level of the measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree =5.

Table 6.1 above shows that there were no significant differences between the actual median and the predicted median of 3, among respondents to statements 1 and 2 out of statements 1-11, which have the probability values

of 0.1360 and 0.6082 greater than 0.05 "significance" criterion. From the above Table 6.1, it can also be seen that the MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 3, regarding perceptions on what oil and gas companies disclose publicly about the oil revenue payments made to the Government annually. A majority of respondents (54%) disagreed or strongly disagreed with the statement, whilst 24% of them either agreed or strongly agreed and 22% neither agreed nor disagreed (see Table 6.2). This is a small majority of the respondents who did not agree with the statement. This might be because the data relating to the oil and gas revenue payments made to the Government by the oil companies were not accessible publicly or, if the Government did publish the information, the key stakeholders were unaware of this fact or were unable to access it. This is consistent with the observation made by the Committee for the Petroleum Revenue Special Task Force (2012) which indicates that its members were not able to do the reconciliation of oil and gas revenue received. This was because they were not able to access the data of oil and gas revenue received by the Government and the record of payments made by the oil and gas companies (see Petroleum Revenue Special Task Force Report, 2012). One of the interviewees from the oil companies commented that "Well, oil companies send a notice of oil revenue payments made to the Government to the relevant authorities. The oil companies also provide the data of all the oil and gas revenue payments to the auditors or on special request to the Government".

Table 6.2 presents descriptive statistics for statements 1-11.

Table 6.2: Descriptive statistics for statements 1-11

Statements	Mean	Median	Mode	Scales					Total
				1	**2**	**3**	**4**	**5**	
ST1.	3.14	3.00	4	15	41	31	54	20	161
				(9.32)	(25.47)	(19.25)	(33.54)	(12.42)	(100)
ST2.	3.00	3.00	4	24	41	24	55	17	161
				(14.90)	(25.47)	(14.91)	(34.16)	(10.56)	(100)
ST3.	3.36	4.00	4	12	26	36	65	22	161
				(7.45)	(16.15)	(22.36)	(40.37)	(13.67)	(100)
ST4.	2.07	2.00	2	38	86	24	13	0	161
				(23.60	(53.42)	(14.91)	(8.07)	(0.0)	(100)
ST5.	2.56	2.00	2	23	64	34	40	0	161
				(14.29)	(39.75)	(21.12)	(24.84)	(0.0)	(100)
ST6.	2.69	2.00	2	17	67	34	34	9	161
				(10.56)	(41.61)	(21.12)	(21.12)	(5.59)	(100)
ST7.	2.55	2.00	2	24	66	38	23	10	161
				(14.91)	(40.99)	(23.60)	(14.29)	(6.21)	(100)
ST8.	2.14	2.00	2	46	65	34	13	3	161
				(28.57)	(40.37)	(21.12)	(8.07)	(1.86)	(100)
ST9.	2.74	3.00	3	17	52	54	31	7	161
				(10.56)	(32.30)	(33.54)	(19.25)	(4.35)	(100)
ST10.	3.63	4.00	4	5	16	35	82	23	161
				(3.10)	(9.94)	(21.74)	(50.93)	(14.29)	(100)
ST11.	3.85	4.00	4	2	8	39	75	37	161
				(1.24)	(4.97)	(24.22)	(46.58)	(22.98)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 4, regarding perceptions on what NEITI encourages about government transparency practices in the application of oil and gas revenue received. A majority of respondents (77%) either agreed or strongly agreed with the statement, whilst 8% disagreed and 15% neither agreed nor disagreed (see Table 6.1). No one strongly disagreed which suggests that the almost universal view of NEITI (and it would be surprising otherwise) is that they encourage transparency in general and, in particular, indicates that most of the key stakeholders acknowledge that NEITI encourages government transparency practices in the application of oil and gas revenue received. An interview participant also expressed the view that, "it is true that NEITI promotes transparency practices in Nigeria".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 5, regarding perceptions on what NEITI adequately monitors about the oil and gas revenue payments to the Government by oil

companies as recorded by oil companies. A majority of respondents (54%) either agreed or strongly agreed with the statement, whilst 25% of them disagreed or strongly disagreed and 21% neither agreed nor disagreed. NEITI monitors payments of the oil and gas revenue to the Government by the oil and gas companies, as recommended by the NEITI Act (2007) but it seems that there is a need for the NEITI to improve the reporting of that monitoring as 46% of respondents appeared to be in doubt about the monitoring. An interviewee from the NEITI expressed the view that "NEITI has been in existence since 2007. It performs the functions which include the monitoring of oil and gas revenue and reconciliation of oil revenue between the related government revenue recipient agencies and oil companies".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 6, regarding perceptions on what NEITI adequately monitors about the oil and gas revenue received by the Government as recorded by the Government. A majority of respondents (52%) either agreed or strongly agreed with the statement, whilst 27% of them disagreed or strongly disagreed and 21% neither agreed nor disagreed. One of the interviewees from the oil companies commented that "NEITI performs its duties of monitoring the oil and gas revenue payments as recommended by its Act. It also promotes transparency and accountability practices in the activities of the Nigerian oil industry, through the reconciliation activities".

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 7, regarding perceptions on what NEITI provides publicly on an annual basis about the result of the audit of the oil and gas industry's performance. A majority of respondents (56%) either agreed or strongly agreed with the statement, whilst 20% of them disagreed or strongly disagreed and 24% neither agreed nor disagreed. This indicates that NEITI is doing relatively well relating to the audit activities from 2011 after Nigeria attained EITI compliance, as indicated by the responses of key stakeholders. The completion of a comprehensive audit report of 2011 is another effort made by the NEITI. This report bridges the gaps of outstanding audit periods that have elapsed. An interviewee from the NEITI secretariat expressed the

view that "As of now, the NEITI bridges the previous gaps of audit periods by publishing the 2011 audit report and the audit of 2012-2013 is in progress". This also indicates that NEITI has improved in the activities of audit compared to the previous period before Nigeria attained EITI compliance.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 8, regarding perceptions on whether the NEITI Act (2007) has led to improvements in transparency practices in the Nigerian oil and gas industry. A majority of respondents (69%) either agreed or strongly agreed with the statement, whilst 10% of them disagreed and 21% neither agreed nor disagreed. No one strongly disagreed which suggests that most of the stakeholders believe that the NEITI Act (2007) led to improving transparency practices in the Nigerian oil and gas industry. This is consistent with the observation made by the EITI as also described by the EITI Newsletter (2012). Transparency International also acknowledged that in its report made in 2012. This is a credit to the Government of Nigeria, NEITI Act and NEITI secretariat. An interviewee from the NEITI secretariat expressed the views that "Actually, the establishment of NEITI brings about the progress of transparency and accountability practices in Nigerian oil and gas industry. It also led to Nigeria's compliance in 2011. Despite these developments, there are still other issues related to the activities of NEITI which include; lack of power to enforce remedial actions recommended by the auditors and political will from the government to adequately support the activities of the NEITI".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 9, regarding perceptions on whether NEITI submits an annual audit report of the oil and gas industries' performance to the Office of the Auditor General for the Federation. Whilst 43% of respondents either agreed or strongly agreed with the statement, 24% disagreed or strongly disagreed and 34% of them neither agreed nor disagreed. NEITI has been making efforts to comply with international and national legal mandates, which include the submission of audit reports to the legitimate recipients such as the AGF (Asobie, 2011). This is in accordance with the Section 5 (e) and 21 (c) of the EITI principles and Section 4 (1, 2, and 3) of the NEITI Act. On the other

side, some respondents did not agree possibly because of the delay in the completion of audit at a stipulated period, but with the recent improvement of audit activities by the NEITI, the audit report will be disseminated at the appropriate period.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 10, regarding perceptions on whether Non-Governmental Organisations (NGOs) are routinely consulted about decision making on the use of oil and gas revenue in Nigeria. A majority of respondents (65%) disagreed or strongly disagreed with the statement, whilst 13% either agreed or strongly agreed and 22% of them neither agreed nor disagreed. This indicates that most of the respondents' opinions in relation to this statement perceived that the NGOs were not routinely consulted about decision making on the use of oil and gas revenue. The participant among the interviewees from an NGO expressed the view that "Actually, we are not yet involved in the decision making process on how the Government spends the oil revenue received".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 11, regarding perceptions on whether NGOs are informed by the Government about how oil and gas revenue is spent. A majority of respondents (70%) disagreed or strongly disagreed with this statement, whilst 6% of them either agreed or strongly agreed and 24% neither agreed nor disagreed. From the responses of participants, it seemed to be that the NGOs were not adequately informed by the Government about how oil and gas revenue has been spent. This opinion also supports the findings of Abutudu and Garuba (2011), Shaxson (2009) and Peel (2005) which were made before Nigeria attained compliance. It seems that yet, the issue has not been addressed very well. This available evidence is consistent with the observation made by the Fuel Subsidy Probe Committee (2012) which also describes that, most of the decision making process on the oil and gas revenue was made in secrecy.

The above analysis shows that there is a need for the Government to improve in the activities of oil and gas revenue transparency practices. It also indicates the concern of key stakeholders about the process on how the Government provides information of its activities, regarding the management of oil and gas revenue since 2011. For example: a majority of key stakeholders (94%) were in doubt on whether NGOs are informed by the Government about how oil and gas revenue is spent, whilst 87% were in doubt on whether NGOs are routinely consulted about decision making on the use of oil and gas revenue in Nigeria and 77% believed that NEITI encourages government transparency practices in the application of oil and gas revenue received.

Table 6.3 presents summary of MW test results with statistically significant differences between respondent groups and by the statements 1-11.

Table 6.3: Summary of MW test results with significant differences between respondent groups for statements 1-11

	Number of significant differences between the sample groups																	
	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	G13	G14	G15	G16	G17	Total
G1		1		4	1	3	3	2		3	3	6	4	7	6		3	46
G2	1		2	2		2	1					2	2	1	4	1		18
G3		2		2		3	1				3	5	1	6	4		3	30
G4	4	2	2		1	2	3	1		3	5	4	5	4	4		3	43
G5	1			1								2		2	1		1	8
G6	3	2	3	2			1	3	1			2	1	3	2		1	24
G7	3	1	1	3		1					1	1	1	4	1		1	18
G8	2			1		3				1	3	1	1	3	4			19
G9						1						1						2
G10	3			3				1			1	1	2	4	2		1	18
G11	3	2	3	5			1	3		1		2		2			1	23
G12	6	2	5	4	2	2	1	1	1	1	2		3	2	1		1	34
G13	4	1	1	5		1	1	1		2		3		2	2		2	25
G14	7	4	6	4	2	3	4	3		4	2	2	2		2	1	3	49
G15	6	1	4	4	1	2	1	4		2		1	2	2			1	31
G16														1				1
G17	3		3	3	1	1	1			1	1	1	2	3	1			21

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria,G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous oil companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

The above Table 6.3 enables the identification of instances where 2 groups have differed from each other in a substantial number of statements, which for the purpose of this analysis is taken as a minimum of 5 instances (equating to differences between groups being evident in approximately half of the 11 statements). This approach should enable patterns to be identified between the tendencies of groups to express their views in a particular way. In other words, this analysis will be restricted to those differences in order to find out the role of the groups and understand the reasons for the differences and the

relationship between the key stakeholders. There were also 49 instances of statistically significant differences between the NGO (G14) group and the other groups over the 11 statements, the NNPC (G1) with 46 and NEITI (G4) with 43 of the statements. Respondents from the National Assembly (G10), NNPC (G1) and Office of the Auditor General for the Federation (G7) gave responses that were consistent with the Government being transparent, with respect to the activities of the Nigerian oil and gas industry, whilst those of the Non-Governmental Organisations (G14) and Civil Societies (G13) indicated disagreement (see Appendix VIII).

From the above Table 6.3, it can be seen that respondents from NNPC have a high number of differences between the sum of the ranks of other groups, in relation to the statements which reflect on some of the material issues that will enhance greater transparency practices in the Nigerian oil and gas industry. NNPC (G1) has statistically significant different responses from those of the Non-Governmental Organisations (G14) in 7 of the statements. NNPC represents Government in the activities of the Nigerian oil and gas industry such as the sale of crude oil for exports and imports. Therefore, the NNPC is accountable to the Government and that might be the reason why the responses of NNPC indicated support for the activities of the Government. In an interview with a respondent from the NNPC, it was explained that the Government discloses oil and gas revenue publicly. He commented that "there was information of oil and gas revenue available on the NNPC and CBN websites". Other participants responded differently indicating that, the internet disclosure of oil and gas revenue does not provide the necessary information that appropriately informs legitimate stakeholders, and allows for independent organisations to do the reconciliation. Similarly, the committee for Petroleum Revenue Special Task Force (2012) also stated that the actual information on oil and gas revenue receipts and payments was not easily accessible and that was why the committee was not able to perform its task effectively. Further, the committee observed that the decisions of term buyers of the Nigeria's crude oil for exports were not transparent, because they were taken in secrecy. An interviewee from the CSs expressed the view that "Some are doing relatively well, but in most instances you find out that there are problems in the activities of the related government agencies. Because,

several issues were happening relating to the oil and gas revenue mis-management due to the lack of adequate transparency practices in the management of oil revenue, as in the issue of the recent fuel subsidy in 2012 which involves the NNPC". This lack of ease of accessibility of the information regarding the oil and gas revenue activities may be the reason why NGOs also responded differently.

NNPC (G1) also has differences with the Indigenous Oil Companies (G12) in 6 statements and with Host Communities (G15) in 6 of the statements. NNPC represents Government in the activities which include the management of Government's investments in the joint venture contracts. Therefore, it may respond in favour of the Government. On the other side, the IOCs are the indigenous oil companies operating in the oil and gas industry and pay oil and gas revenue to the Government. NNPC receives dividends from the oil and gas companies on behalf of the Government, but the Committee for Fuel Subsidy Probe (2012) discovered that NNPC takes time before remitting the revenue received from the oil and gas companies to the Government. Further, the report indicates that NNPC uses the oil and gas revenue received for the payments of the fuel subsidy. HCs also receive oil revenue from the NNPC as a contribution for the activities of the NDDC in the oil and gas producing areas. NEITI Audit Report (2011) describes that the NNPC owes HCs oil revenue, due to the previously outstanding underpayments of the oil and gas revenue. Similarly, an interviewee from the NDDC explained that "we normally suspend some of our projects due to the lack of fund, as a result of a delay of revenue payments from the oil and gas companies". Another interviewee from the NEITI secretariat expressed the view that "the oil and gas revenue recipient agencies are making progress in recovering accumulated outstanding oil and gas revenue, which previous audit reports have identified although some of them are still under litigation. For example, the FIRS and NDDC received the outstanding revenues from the NNPC and other oil companies which were long overdue". This indicates that NNPC has improved in making the oil revenue payments to the Government from the previous periods.

The Central Bank of Nigeria (G3) has differences with the NGOs (G14) in 6 statements and with IOC (G12) in 5 of the statements. CBN receives oil and gas revenue payments from the oil and gas companies and manages the

revenue received on behalf of the Government. NGOs are also among the governing body of the NEITI for the administrative activities. The independent auditors noted that the accounting recording system of the CBN was not maintained appropriately. This is similar to the view of the interviewee from the oil and gas company which commented that "the CBN usually gives us top time because of the discrepancies identified by the independent auditors which were related to the oil and gas revenue misclassifications". The IOCs were different as they were affected by the issue of the CBN revenue mis-classification, as also reported by the independent auditors in the NEITI Audit Report (2011). Similarly, an interviewee from the NNPC commented that "Yes, I agreed that CBN has a problem of oil and gas revenue misclassification because the oil companies were complaining about it, and I think auditors were aware about it also".

There were statistically significant differences in responses between the NEITI (G4) and those of the FOC (G11) in 5, CS (G13) in 5 of the statements. NEITI has experience of the FOCs' activities in the process of carrying out its responsibilities (NEITI Act, 2007). The FOCs also pay oil and gas revenue to the Government, but the Petroleum Revenue Special Task Force Committee (2012) indicates that the information on oil and gas revenue paid to the Government by the FOCs was not easily accessible publicly. An interviewee from the CSs expressed the view that "The oil companies are not adequately disclosing the oil and gas revenue payments made to the Government publicly on an annual basis, and auditors were also complaining about the insufficient data in relation to the oil revenue payments supplied by the oil companies at the audit period". CSs are also among the National Stakeholders Working Group (NSWG) of the NEITI, the organisations interact for the promotion of transparency practices in the activities of oil and gas industry. In spite of the presence of civil society groups in the NSWG the CSs indicate that, their participation in the management board of the NEITI does not represent their true interest, due to the government intervention in the selection of their representatives (Civil Society Legislative Advocacy Centre, 2010). CSs also observe that the functions of the NEITI were concentrated on the audit activities, as noted by the CISLAC (2010). Similarly, an interviewee from the CSs expressed the view that "It seems that NEITI is happy to audit and

uncover malfeasance perpetrated by oil companies rather than actions to remedy the identified lapses".

The above analysis appears to indicate that the inter-play of opinions among the groups of respondents emerged as a result of their functional differences and relationships between the key stakeholders. Some groups seemed to indicate a support to activities of the Government, because they receive funding from the Government or for political reason such as the government agencies NNPC, AGF and NASS. Others may be different such as independent organisations CSs and NGOs, as majority of them were not consulted on how the Government uses oil and gas revenue received and they cannot access the information publicly, or they may have evidence of government performance by evaluating the actions of its officials with respect to the transparency practices. This indicates the need for the Government to improve in providing publicly, the necessary information regarding the oil and gas revenue. There is also a need for consultation or group discussion among the key stakeholders of the oil and gas industry and the Government officials, including those that were not accessing enough information of the oil and gas revenue, to find out the possible ways on how the Government will improve transparency and accountability practices, in the management of oil and gas revenue.

The following section presents analysis of Section C of the questionnaire.

6.3 Analysis of the statements in section C of the questionnaire, regarding to transparency practices in the Nigerian oil and gas industry.

Respondents' responses to the statements in Section C of the questionnaire are discussed in this section. These statements, which relate to the government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry, were designed to enable relevant data to be collected for testing hypothesis 2, that: "there is insufficient disclosure of oil and gas revenue in the Nigerian oil and gas industry". Further, the testing of hypothesis 2 then leads to a consideration of objective 2, which is: "to critically examine the effectiveness of performance of related government agencies Federal Inland Revenue Service (FIRS), Central

Bank of Nigeria (CBN), Directorate of Petroleum Resources (DPR), Nigerian National Petroleum Corporation (NNPC) and Revenue Mobilization Allocation and Fiscal Commission (RMAFC)) in relation to transparency practices in the Nigerian oil and gas industry".

The following are the statements of section C from the questionnaire:

12. The Revenue Mobilisation, Allocation and Fiscal Commission influences transparency practices in the allocation of oil and gas revenue.

13. The Directory of Petroleum Resources provides publicly, on an annual basis, sufficient information with regard to the royalty payments made by oil and gas companies.

14. The DPR meets NEITI transparency requirements by, providing publicly, data with regard to the processes of awarding contracts and Licenses for oil and gas production.

15. The NNPC provides to auditors appropriate information with regard to the processes of awarding licenses for the export of crude oil.

16. The NNPC through Petroleum Product Pricing Regulatory Agency provides to auditors appropriate information with regard to the processes of awarding licenses for the import of refined oil products.

17. The Central Bank of Nigeria provides to auditors appropriate information with regard to oil and gas revenue.

18. The Federal Inland Revenue Service provides publicly on annual basis sufficient information with regard to the revenue payments made by oil and gas companies.

19. The Federal Inland Revenue Service performs its duties effectively with regard to the collection of oil and gas revenue from oil and gas companies.

20. The Office of the Accountant General of the Federation participates actively in the management of the oil and gas revenue.

21. The Office of the Accountant General of the Federation keeps accurate records of all payments and receipts from the oil and gas revenue.

22. The Office of the Auditor General for the Federation is proactive in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out.

23. The National Assembly receives on an annual basis the audit report of the oil and gas industries from the NEITI secretariat.

24. The oversight functions of the relevant committees of the National Assembly relating to the activities of the Nigerian extractive industries are sufficient to promote revenue transparency practices in the oil and gas industry.

Table 6.4 presents MST statistical result regarding government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry.

Table 6.4: Median Sign Test result for statements 12-24

Statements	No. of Resps.	Actual Median	Predicted Median	Med Difference	Above Median	Equal to Median	Below Median	P- Value
ST12.	161	3.00	3.00	0.00*	36	52	73	0.0006
ST13.	161	4.00	3.00	1.00*	83	42	36	0.0000
ST14.	161	4.00	3.00	1.00*	85	50	26	0.0000
ST15.	161	3.00	3.00	0.00	45	58	58	0.2370
ST16.	161	3.00	3.00	0.00	50	44	67	0.1391
ST17.	161	2.00	3.00	-1.00*	29	47	85	0.0000
ST18.	161	2.00	3.00	-1.00*	38	38	85	0.0000
ST19.	161	2.00	3.00	-1.00*	39	27	95	0.0000
ST20.	161	3.00	3.00	0.00	46	60	55	0.4260
ST21.	161	3.00	3.00	0.00*	46	38	77	0.0068
ST22.	161	4.00	3.00	1.00*	87	46	28	0.0000
ST23.	161	3.00	3.00	0.00*	37	44	80	0.0001
ST24.	161	4.00	3.00	1.00*	85	36	40	0.0001

Note that, the results with significant differences are marked with asterisks * and 5% is the significance level. The level of the measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree =5.

Table 6.4 shows that there were no significant differences between the actual median and the predicted median of 3 among respondents to statements 15, 16 and 20 out of statements 12-24. The probability values for the statements are 0.2370, 0.1391 and 0.4260 which are greater than the 0.05 "significance" criterion. From the above Table 6.4, it can also be seen that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 12, regarding perceptions on what the

Revenue Mobilisation, Allocation and Fiscal Commission influences about transparency practices in the allocation of oil and gas revenue. Whilst 45% of respondents either agreed or strongly agreed with the statement, 32% of them neither agreed nor disagreed and 22% disagreed or strongly disagreed (see Table 6.4). RMAFC performs its duties in accordance with the established guidelines of the 1999 Constitution of Nigeria. The activities of RMAFC include monitoring of the oil and gas revenue accruals to the Government and disbursement of revenue, from the Federation Account to the three tiers of the Governments (federal, state and local governments). The RMAFC also reviews formula for the allocation of oil and gas revenue and advises Government on fiscal efficiency. Deziani (2011) stated that the functions of RMAFC encourage transparency practices in the allocation of the oil and gas revenue. In spite of the RMAFC's efforts, the responses of key stakeholders appeared to indicate that there are other issues affecting the functions of the commission, as a simple majority of respondents (54%) seemed to be in doubt about the effective performance of the RMAFC. This may be a narrow interpretation of the statement because RMAFC has many functions related to the national revenue. Possibly, the respondents who have a doubt consider the issues related to the observation made by Abutudu and Garuba (2011) which suggest that the functions of RMAFC are sometimes affected by the government intervention. Accordingly, this intervention hinders activities of the commission such as the State Government's "joint accounts" which denies the Local Governments their rightful benefits from the national revenue. Similarly, the Government sometimes rejects the revenue allocation formula for political reasons.

Table 6.5 presents descriptive statistics for statements 12-24.

Table 6.5: Descriptive statistics for statements 12-24

Statements	Mean	Median	Mode	Scales					Total
				1	2	3	4	5	
ST12.	2.70	3.00	2	15	58	52	32	4	161
				(9.32)	(36.02)	(32.30)	(19.88)	(2.48)	(100)
ST13.	3.40	4.00	4	7	29	42	57	26	161
				(4.35)	(18.01)	(26.09)	(35.40)	(16.15)	(100)
ST14.	3.46	4.00	4	8	18	50	61	24	161
				(4.97)	(11.18)	(31.06)	(37.88)	(14.91)	(100)
ST15	2.94	3.00	3	9	49	58	32	13	161
				(5.59)	(30.43)	(36.02)	(19.88)	(8.07)	(100)
ST16	2.88	3.00	2	11	56	44	40	10	161
				(6.83)	(34.78)	(27.33)	(24.84)	(6.21)	(100)
ST17.	2.58	2.00	2	14	71	47	26	3	161
				(8.70)	(44.10)	(29.19)	(16.15)	(1.86)	(100)
ST18.	2.65	2.00	2	14	71	38	33	5	161
				(8.70)	(44.10)	(23.60)	(20.50)	(3.10)	(100)
ST19.	2.51	2.00	2	26	69	27	35	4	161
				(16.15)	(42.86)	(16.77)	(21.74)	(2.48)	(100)
ST20	2.93	3.00	3	13	42	60	35	11	161
				(8.07)	(26.09)	(37.27)	(21.74)	(6.83)	(100)
ST21.	2.76	3.00	2	17	60	38	36	10	161
				(10.56)	(37.27)	(23.60)	(22.36)	(6.21)	(100)
ST22.	3.42	4.00	4	6	22	46	72	15	161
				(3.73)	(13.66)	(28.57)	(44.72)	(9.32)	(100)
ST23.	2.63	3.00	2	17	63	44	36	1	161
				(10.56)	(39.13)	(27.33)	(22.36)	(0.62)	(100)
ST24.	3.32	4.00	4	9	31	36	68	17	161
				(5.59)	(19.25)	(22.36)	(42.24)	(10.56)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 13, regarding perceptions on what the DPR provides publicly, on an annual basis, about sufficient information with regard to the royalty payments made by the oil and gas companies (see Table 6.5). A majority of respondents (52%) disagreed or strongly disagreed with the statement, whilst 26% of them neither agreed nor disagreed and 22% either agreed or strongly agreed. This seems to indicate that there is an issue regarding what the DPR provides in relation to the information of royalty payments, as a majority of respondents (78%) appeared to be in doubt on whether, the DPR provides sufficient information about the royalty payments made by the oil and gas companies on an annual basis. Independent auditors in 2011 stated that DPR was not providing sufficient information on the royalty payments publicly on an annual basis, or if it did provide the information it was not easily accessible publicly (NEITI Audit Report, 2011). Similarly, the

Petroleum Revenue Special Task Force Committee (2012) noted that, the information on the oil revenue received by the DPR was not provided publicly annually which indicates that there is a need for the DPR to improve. An interviewee from the DPR expressed the view that "I know we cannot escape from such assertions, we have our own problems but people should understand that the activities of the oil industry are very complicated. It requires experts in the technical activities in order to generate the data and our officials are doing their possible best but we also need more experts".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 14, regarding perceptions on whether the DPR meets NEITI transparency requirements by, providing publicly, data with regard to the processes of awarding contracts and licenses for oil and gas production. A majority of respondents (53%) disagreed or strongly disagreed with the statement, whilst 31% of them neither agreed nor disagreed and 16% either agreed or strongly agreed. DPR has numerous functions in the activities of the oil and gas industry, but the respondents who disagreed may interpret the statement in a narrow perspective. Possibly, they consider the issues related to the observation made by the Revenue Special Task Force Committee (2012) which indicates that the DPR's activities regarding the awarding contract for oil and gas production were not being made transparent. Similarly, the Fuel Subsidy Probe Committee (2012) suggested that, a lack of proper recording system in the management of contracts and licenses transactions may be a major problem. An interviewee from the DPR expressed the view that "It is quite agreed that DPR has problems, but there is improvement in our activities compared to the previous periods because, activities in the oil and gas industry are now regulated and carried out according to the regulations". Uchenna (2011) observes that the Government of Nigeria has been trying to make the process of awarding contracts and licenses for the oil and gas production completely transparent and comparable to good practice in other countries such as Brazil, Libya, Norway and the UK. Another interviewee from the NEITI secretariat commented that "There is progress in their activities, but I am not saying that they don't have problems. DPR is still having a problem in

the management of its activities such as the process of awarding contracts and licences for the oil production".

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 17, regarding perceptions on what the Central Bank of Nigeria provides to auditors about appropriate information with regard to the oil and gas revenue. A majority of respondents (53%) either agreed or strongly agreed with the statement, whilst 29% of them neither agreed nor disagreed and 18% disagreed or strongly disagreed. CBN provides information on the oil and gas revenue to the independent auditors and NEITI Audit Report (2011) acknowledges that.

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 18, regarding perceptions on what the Federal Inland Revenue Service provides publicly on an annual basis about sufficient information with regard to the revenue payments made by the oil and gas companies. A majority of respondents (53%) either agreed or strongly agreed with the statement, whilst 24% of them neither agreed nor disagreed and 24% disagreed or strongly disagreed. An interviewee from the FIRS expressed the view that "the FIRS provides information of what oil and gas companies paid to the Government in every quarter of the year. The information is available on the internet and is also published in the newspapers in the public interest". By way of contrast, the independent auditors stated that the data provide by the FIRS were not sufficient (NEITI Audit Report, 2011).

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 19, regarding perceptions on whether the FIRS performs its duties effectively with regard to the collection of oil and gas revenue from the oil and gas companies. A majority of respondents (59%) either agreed or strongly agreed with the statement, whilst 17% of them neither agreed nor disagreed and 24% disagreed or strongly disagreed. The FIRS performs its duties according to the guidelines of the establishment Act (2007). It is also making efforts for the collection of the previous oil revenue

balances from the oil and gas companies, as described by the independent auditors (see NEITI audit Report (2009-2011), 2013). An interviewee from the FIRS expressed the view that "I know that we are doing our best. You will agree with me if you refer to the FIRS's record of oil and gas revenue. The revenue generated in the first quarter of this year 2013 exceeds the one generated in the first quarter of the preceding year 2012. We also made efforts for the collection of the current and outstanding oil and gas revenues from the oil and gas companies". Another interviewee from the NEITI secretariat commented that "the oil and gas revenue recipient agencies are making progress in recovering the accumulated outstanding oil and gas revenue, which previous audit reports have identified although other revenues are still under litigation. For example, the FIRS and NDDC received the outstanding revenues from the NNPC and other oil companies which were long overdue".

The MST result also describes that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 21, regarding perceptions on whether the OAGF keeps accurate records of all payments and receipts from the oil and gas revenue. Whilst 48% of respondents either agreed or strongly agreed with the statement, 24% neither agreed nor disagreed and 29% disagreed or strongly disagreed. This indicates that the OAGF is required to improve, as the majority of respondents (53%) appeared to be in doubt about the effective performance of its activities, regarding the maintaining of the accurate records of all payments and receipts from the oil and gas revenue. The respondents who have a doubt may related their views with the observation made by the Fuel Subsidy Probe Report (2012) which indicates that the oil revenue received and payment records of the OAGF were not managed satisfactorily. Further, the report described that the OAGF did not provide proper documentation of the oil and gas revenue transactions related to the payments made for the fuel subsidy scheme (see Fuel Subsidy Probe Report, 2012). An interviewee from the NEITI secretariat expressed the view that "still, some government agencies are not providing enough information of the oil and gas revenue activities to our auditors and the information could not be found elsewhere".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 22, regarding perceptions on whether the Office of the Auditor General for the Federation is proactive in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out. A majority of respondents (54%) disagreed or strongly disagreed with the statement, whilst 29% of them neither agreed nor disagreed and 17% either agreed or strongly agreed. This appears to indicate that there is an issue with regard to the effective performance of the AGF, as a majority of respondents (83%) were in doubt on whether the AGF ensures that remedies are carried out in the oil and gas industry. The situation does not appear to have improved since 2011 when, according to Abutudu and Garba (2011) adequate support has not been provided to agencies such as the AGF to allow them to monitor the financial activities effectively and carry out the remedies as recommended by the audit report.

The MST result also describes that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 23, regarding perceptions on what National Assembly receives on an annual basis about the audit report of the oil and gas industries from the NEITI secretariat. Whilst 50% of respondents either agreed or strongly agreed with the statement, 27% of them neither agreed nor disagreed and 23% disagreed or strongly disagreed. Certainly, the delay in the completion of an audit at the previous periods has affected the submission of the NEITI audit report in a good time. That may be the reason why half of the respondents were in doubt about the submission of the NEITI audit report on an annual basis. An interviewee from the NEITI secretariat expressed the views that "As of now, the NEITI bridges the previous gaps of audit periods by publishing the NEITI audit report of 2011, the 2012 to 2013 NEITI audit report is also in progress". Another interviewee from the oil and gas companies commented that "previously there was a gap but NEITI tries by publishing the 2011 audit report and I think it is conducting another one for 2012 to 2013 now".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 24, regarding perceptions on whether the oversight

functions of the relevant committees of the National Assembly relating to the activities of the Nigerian extractive industries are sufficient to promote revenue transparency practices in the oil and gas industry. A majority of respondents (53%) disagreed or strongly disagreed with the statement, whilst 22% of them neither agreed nor disagreed and 25% either agreed or strongly agreed. This seems to indicate that the oversight function of National Assembly does not promote revenue transparency practices in the oil and gas industry, as the majority of respondents (75%) were in doubt about its effective performance. An interviewee from the CSs expressed the view that "Well, there is collaboration between us but it is not all that strong because, usually the oversight functions of the NASS were not being made transparently for political reasons. You can see that we are making an effort in promoting transparency practices by enlightening the public about their rights and to know the activities that are taking place in the Nigerian oil and gas industry".

The above analysis indicates that there are differences in the opinions of key stakeholders, which indicated their concern about the performance of related government agencies in the management of oil and gas revenue with respect to the transparency practices since 2011. It also indicated a need for the related agencies to improve in the management of oil and gas revenue. For example: a majority of key stakeholders (84%) were in doubt on whether the DPR meets NEITI transparency requirements by providing publicly data, with regard to the processes of awarding contracts and licenses for oil and gas production, whilst 83% of key stakeholders were in doubt on whether the Office of the Auditor General for the Federation is proactive, in ensuring that any remedial actions recommended by the independent auditors in the NEITI audit reports are successfully carried out and 78% were in doubt on whether the DPR provides publicly on an annual basis sufficient information about royalty payments made by the oil and gas companies. This also indicates a need for the Government to ensure that related government agencies have an effective means of communication, for the sharing of information related to their activities among themselves and to other key stakeholders. Such information should also be available to the general public annually.

Table 6.6 presents summary of MW test results of statistically significant differences between respondent groups and by statements 12-24.

Table 6.6: Summary of MW test results with significant differences between respondent groups for statements 12-24.

Number of significant differences between the sample groups																		
	G1	**G2**	**G3**	**G4**	**G5**	**G6**	**G7**	**G8**	**G9**	**G10**	**G11**	**G12**	**G13**	**G14**	**G15**	**G16**	**G17**	**Total**
G1			3	5	2	6	4	4		4	7	11	8	12	7		4	77
G2			1	5	1	5	1	2		2	3	2	3	7	5		3	40
G3	3	1		1		4	3	1		2	4	8	8	9	5		1	50
G4	5	5	1		1	2	2	2	1	3	3	5	4	6	6		1	47
G5	2	1		1		1	2			12	1	3	2	6	2		1	34
G6	6	5	4	2	1		3	2	1	2	2	3	5	3	2		1	42
G7	4	1	3	2	2	3		3		1	2	2	6	4	5		1	39
G8	4	2	1	2		2	3			2	2		4	2	4		1	29
G9				1		1				1			1	2			1	7
G10	4	2	2	3	12	2	1	2	1		2	1	4	3	3		2	44
G11	7	3	4	3	1	2	2	2		2			1	1	1			29
G12	11	2	8	5	3	3	2			1				1	2			38
G13	8	3	8	4	2	5	6	4	1	4	1				1	2	2	51
G14	12	7	9	6	6	3	4	2	2	3	1	1			2	2	1	61
G15	7	5	5	6	2	2	5	4		3	1	2	1	2				45
G16													2	2				4
G17	4	3	1	1	1	1	1	1	1	2			2	1				19

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria, G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous Oil Companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

The above Table 6.6 enables the identification of instances where 2 groups have differed from each other in a considerable number of statements, which for the purpose of this analysis is taken as a minimum of 6 instances (equating to differences between groups being evident in approximately half of the 13 statements). This approach should enable patterns to be identified between the tendencies of groups to express their views in a particular way. In other words, this analysis will be restricted to those differences, in order to find out the role of the groups and understand the reasons for the differences and the relationship between the key stakeholders. There were also 77 instances of statistically significant differences between the NNPC (G1) group and the other groups over the 13 statements; the corresponding figures for the Non-Governmental Organisations (G14) and Civil Society groups (G13) were 61 and 51 respectively. Respondents from the NNPC (G1) and NASS (G10) gave responses that were indicating that the performance of related government agencies promote transparency practices, with respect to the activities of the Nigerian oil and gas industry, whilst those of the CS (G13) and AGF (G7) indicated disagreement. From the above Table 6.6, it can be seen that respondents from NNPC (G1) have a high number of differences between the other groups, in relation to the statements which reflect on the government

agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry. NNPC (G1) has statistically significant different responses from those of the NGO (G14) in 12 statements, Indigenous Oil Companies (G12) in 11, CS (G13) in 8, Foreign Oil Companies (G11) in 7, Host Communities (G15) in 7 and Federal Inland Revenue Service (G6) in 6 of the statements. NNPC receives funding from the Government for its activities. That might be the reason why the responses of NNPC seem to be inclined to indicate support for the activities of the Government. NGOs may be concerned about the issue of transparency practices in the government activities, including the oil and gas industry. The NGOs may consider the issue related to the suggestion made by the Committee of Fuel Subsidy Probe (2012) which indicates that, some of the NNPC's activities related to the oil and gas revenue was not made transparent.

NNPC may have had different responses with the IOCs because of the issues related to the services payments which IOCs made to the NNPC, for providing the storage facilities (tank-farm) for keeping the petroleum products imported into the Nigeria for the domestic use. Fuel Subsidy Probe (2012) noted that sometimes, the IOCs claim payments from the NNPC for the services which were not being made as also opined by the Fuel Subsidy Probe (2012). Similarly, Asobie (2011) observes that there was a controversial issue between the NNPC and IOCs, which indicated that IOCs held NNPC responsible for not settling the unpaid arrears of the signature bonus revenue on the marginal field oil and gas production. Furthermore, the NNPC was not able to provide comprehensive information about the activities of the marginal field oil operation to the independent auditors. The DPR also indicated that it has not been receiving information regarding the oil production on marginal field operation, at the appropriate period of time (Asobie, 2011). The CSs may be concerned with the issues related to the oil and gas revenue managed by the NNPC, which Petroleum Revenue Special Task Force Committee (2012) and Fuel Subsidy Probe Report (2012) described as not being maintained transparent. NNPC also manages the share of the Government investment on the joint venture contracts with the FOCs. The Petroleum Revenue Special Task Force Committee (2012) noted that, the NNPC was not remitting the oil revenue received on contracts to the Government in a good time, which also

creates discrepancies of oil and gas revenue. HCs differ, may be because of the issue of revenue payment to the Niger Delta Development Commission by the NNPC, which seemed to be the major concern of the HCs. Similarly, an interviewee from the NDDC indicated that the revenue payments were not being made at an appropriate time. He expressed the view that "we normally suspend some of our projects due to the delay of revenue payments from the oil and gas companies". Another interviewee from the NEITI secretariat also commented that "the oil and gas revenue recipient agencies are making progress in recovering the accumulated outstanding oil and gas revenue, which previous audit reports have identified although other revenues are still under litigation. For example, the FIRS and NDDC received the outstanding revenues from the NNPC and other oil companies which were long overdue". FIRS differs, may be because the NNPC owes FIRS oil and gas revenue from the accumulated previous PPT, which Petroleum Revenue Special Task Force (2012) described to be due to the late payments and discrepancies of the revenue, which also resulted from the poor assessment of the oil and gas revenue by the responsible authorities. An interviewee from the FIRS expressed the view that "we made efforts for the collection of both current and outstanding oil revenues from the oil and gas companies, but still there are pending issues under litigation for the remaining revenues".

NASS (G10) has different responses from those of the RMAFC (G5) in 12 statements and NGO (G14) in 6 of the statements. RMAFC is mandated by the Constitution of the Federal Republic of Nigeria (1999) to determine the appropriate remuneration for the political office holders of the Federal Republic of Nigeria. The members of the NASS are also the political office holders and Abutudu and Garuba (2011) noted that, the intervention of the political office holders with regard to their remuneration also affects the functions of the RMAFC to perform effectively. RMAFC also establishes a formula for the allocation of the national revenue to the three arms of the Government. The Government sometimes intervene by rejecting the formula, which Abutudu and Garuba (2011) suggested that such interventions are holding back the good performance of the RMAFC. Similarly, the oversight functions of the NASS were also not making a significant contribution to the solution of the RMAFC's problems. An interviewee from the CSs expressed the view that

"Well, there is collaboration between us but it is not all that strong because, usually the oversight functions of the NASS were not being made transparent for political reasons. You can see that we are making efforts in promoting transparency practices and good governance in the activities of the Nigerian oil industry". NGOs may also consider the inability of RMAFC to perform its functions effectively, because of the interventions of the Government and National Assembly. NGOs may also be concerned about the issue of lack of automated database, which will assist the RMAFC to monitor the oil revenue accruals to the Government effectively, which was also described by Abutudu and Garuba (2011).

NGO (G14) has different responses from those of the Central Bank of Nigeria in 9 statements, Directorate of Petroleum Resources in 7 and NEITI in 6 of the statements. CBN manages oil and gas revenue received and also provides information on the revenue received to the auditors for reconciliation with the tax assessments of the FIRS. The independent auditors discovered that there were a lot of discrepancies of the oil and gas revenue in the data supplied by the CBN, in contrast with payments made by the oil and gas companies and without adequate information to support the differences (NEITI Audit Report, 2011). An interviewee from the oil and gas companies commented that "the CBN usually gives us top time because of the discrepancies identified by the independent auditors which were related to the oil and gas revenue mis-classifications. This was normally discovered by the independent auditors when reconciling our records of the oil and gas revenue payments and those of the CBN". DPR is accountable to the Government for its responsibilities which include the assessments of royalties and signature bonuses. The audit review (2011) on the royalty assessments indicted that there was under-assessment of royalty for about 2 billion dollars. Similarly, Asobie (2011) describes the irregularity to be due to the inadequate monitoring of the royalty assessments by the DPR. NGOs may also consider the recurring issue of the oil production measurement, which independent auditors described to be the negligence by the DPR to maintain a constant practice regarding the point at which crude oil production would be measured, for the purpose of the royalty assessments. An interviewee from the DPR expressed the view that "It is quite agreed that DPR has some problems, but there is improvement in our activities compared to

the previous periods because, activities in the oil industry are now regulated and carried out according to the regulations". This seems to indicate an improvement of the DPR's activities regarding to the royalty assessment from the previous period to 2013 when the interview was conducted.

NGOs are different with the NEITI because of the experience which they have in collaboration with the NEITI, which NGOs discovered that NEITI does not have a mandate to implement the remedies identified by its auditors relating to the oil industry's activities (NEITI Act, 2007). Some interviewees also commented on the activities of NEITI as follows: An interviewee from the NEITI secretariat expressed the view that "some problems are still devastating the activities of the NEITI which include; lack of power to enforce remedial actions recommended by the auditors, and political will from the government to adequately support the activities of the NEITI". Another interviewee from the CSs commented that "Actually NEITI is performing its duties according to the Act. I quote "It seems that NEITI is happy to audit and uncover malfeasance perpetrated by the oil and gas companies rather than actions to remedy for the identified lapses". An interviewee from the oil and gas companies also expressed the view that "NEITI performs its duties in monitoring the oil and gas revenue payments to the Government as recommended by its Act. It also promotes transparency and accountability practices in the activities of the Nigerian oil and gas industry, through the reconciliation activities but still there are recurring problems in the activities of the Nigerian oil industry. Similarly, the transparency practices are also not sufficient in some of the oil industry's activities, as in the process of awarding contracts and licenses for the oil production".

IOC (G12) has significant different responses from those of the CBN in 8 of the statements. IOCs pay oil and gas revenue to the CBN, although the Petroleum Revenue Special Task Force Report (2012) indicated that the CBN's data were not the same with the records of the IOCs, due to the issue of oil revenue misclassification. An interviewee from the CSs expressed the views that "I read it in the NEITI audit reports several times. It is surprising that the government did not take a serious action about this issue". CBN (G3) has significant difference in responses with the CS (G13) in 8 of the statements. CSs may consider the issue related to the observation made by the Petroleum

Revenue Special Task Force Committee (2012) which indicates that, the CBN was not able to provide adequate information on the oil revenue received from the oil and gas companies during the assessment.

CS (G13) has significant different responses from those of the office of the Auditor General for the Federation (G7) in 6 of the statements. CSs have experience in the activities of the oil and gas industry and its related agencies such as the AGF, in the process of promoting transparency practices. CSs may be concerned about the role of the AGF in the activities of the oil and gas industry, which include the assessment of oil and gas revenue. The CISLAC (2011) describes that AGF was not proactive in implementing the remedial actions discovered in the process of its annual assessment, as also observed by Abutudu and Garuba (2011).

HC (G15) has different responses with the NEITI (G4) in 6 of the statements. HCs are the project-centred initiative (income-based) which received funding from the Government for its projects. There are major issues that may influence the views of the HCs to be different which include; the late payments of the oil and gas revenue by the oil and gas companies and the issue of environmental hazards. Late payment of the revenue to HCs leads to the accumulation of outstanding oil revenue payable to the HCs. HCs may consider that the late payment of revenue by the oil and gas companies was related to the ineffective performance of the NEITI, to monitor the oil and gas revenue payments from the oil companies. Similarly, the NEITI Act does not include the issue of environment in the activities of NEITI. An interviewee from the NDDC expressed the view that "NEITI is doing well but there is a need to improve in its activities such as monitoring of oil and gas revenue payments from the oil and gas companies". Similar commentary of the interviewee indicated that "usually the ineffective performance of the related government agencies with regard to the monitoring of oil and gas revenue payments affects our primary responsibilities. For example, we normally suspend some of our projects due to the delay in making the revenue payments by the oil and gas companies". HCs may also be considering the issues of environment which NEITI Act does not include in the NEITI activities. The environmental damages are also cause by the oil and gas production activities, which also

affect communities of the oil and gas producing areas, as in the issue of the Ogoniland Oil Spills (2011).

The above analysis appears to indicate that the divergent views among the groups of respondents emerged as a result of their functional differences and relationships between the key stakeholders. Some respondents appeared to have agreed that the performance of related government agencies promotes transparency practices since 2011, which may be due to their relationship in the activities of the Government such as the NNPC and NASS, without considering the inability of related agencies to provide adequate disclosure of the oil and gas revenue. Others may have disagreed or may be in doubt as a result of evidence which they may have, by evaluating the government agencies' performance such as the CSs and AGF. Similarly, some of them may not have adequate knowledge to analyse the data provide by the government agencies or may not access the information publicly. This indicates a need for consultation among the key stakeholders, including the government officials and the independent groups such as the financial analyst and experts in the areas of management, finance and accounting and those that cannot access the data, to discuss on how to improve the supply of information regarding the activities of related government agencies, in relation to transparency practices in the management of oil and gas revenue.

The following section presents analysis of Section D of the questionnaire.

6.4 Analysis of the statements in section D of the questionnaire, relating to transparency practices in the Nigerian oil and gas industry.

Respondents' responses to the statements in Section D of the questionnaire are discussed in this section. These statements, which relate to the government management of the oil and gas revenue with regard to transparency practices in the Nigerian oil and gas industry, were designed to enable relevant data to be collected for testing hypothesis 3, that: "government agencies' performance in improving effective management of oil and gas revenue in Nigeria has not improved transparency practices in its oil and gas industry". Further, the testing of hypothesis 3 then leads to a

consideration of objective 3, which is: "to critically assess whether or not the Nigerian government maintains effective processes for the management of oil and gas revenue".

The following are the statements of section D from the questionnaire:

28. There has been significant improvement of transparency practices in Nigeria with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles.

29. The government reports annually to the public on how it has spent the oil and gas revenue received.

30. Most of the oil and gas companies make prompt remittances of the oil and gas revenue to the government.

31. The Office of the Accountant General of the Federation provides to auditors appropriate information regarding the revenue received from the oil and gas companies.

32. Oil and gas companies regularly provide the DPR with information about the value of crude oil lifted for the assessment of royalty.

33. The Revenue Mobilisation Allocation and Fiscal Commission obtains information relating to the receipts and payments of oil and gas revenue made by oil and gas companies to the government.

34. The NNPC and the DPR maintain an effective channel of communication with regard to the management of signature bonuses.

35. Oil and gas companies provide to the Federal Inland Revenue Service regular information on their revenue and expenditure for the assessment of petroleum profit tax.

36. Oil and gas companies provide to the DPR regular information on the volume of crude oil produced for the assessment of royalty.

37. Oil and gas companies regularly provide the DPR with information about the value of crude oil lifted for the assessment of royalty.

38. The DPR adequately ensures standard metering facilities for measuring oil production from well heads to terminals.

39. The Federal Inland Revenue Service is proactive in assessing and collecting petroleum profit tax from the oil and gas companies.

40. Federal Inland Revenue Service submits a monthly return on payment of taxes to the Office of Accountant General of the Federation.

Table 6.7 presents MST test result on the government management of oil and gas revenue with regard to transparency practices in the Nigerian oil and gas industry.

Table 6.7: Median Sign Test results for statements 28-40

Statements	No. of Resps.	Actual Median	Predicted Median	Med. Difference	Above Median	Equals to Median	Bellow Median	P-Value
28.	161	2.00	3.00	-1.00*	25	18	118	0.0000
29.	161	4.00	3.00	1.00*	96	35	30	0.0000
30.	161	2.00	3.00	-1.00*	40	37	84	0.0001
31.	161	2.00	3.00	-1.00*	26	50	85	0.0000
32.	161	2.00	3.00	-1.00*	34	46	81	0.0000
33.	161	2.00	3.00	-1.00*	12	41	108	0.0000
34.	161	3.00	3.00	0.00	60	42	59	1.0000
35.	161	2.00	3.00	-1.00*	30	36	95	0.0000
36.	161	2.00	3.00	-1.00*	34	30	97	0.0000
37.	161	2.00	3.00	-1.00*	30	32	99	0.0000
38.	161	4.00	3.00	1.00*	86	34	41	0.0001
39.	161	2.00	3.00	-1.00*	34	30	97	0.0000
40.	161	3.00	3.00	0.00*	16	66	79	0.0000

Note that, the results with significant differences are marked with asterisks * and 5% is the significance level. The level of the measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree =5.

Table 6.7 indicates that there were no significant differences between the actual median and the predicted median of 3 among respondents to statement 34 out of statements 28-40. The probability value for the statement is 1.0000 which is greater than the 0.05 "significance" criterion. From the above Table 6.7, it can also be seen that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 28, regarding perceptions on whether there has been significant improvement of transparency practices in Nigeria, with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles. A majority of respondents (73%) either agreed or strongly agreed with the statement, whilst 11% of them neither agreed nor disagreed and 16% disagreed or strongly disagreed. Really, the implementation of EITI

principles by the Nigerian government brings about progress of transparency practices in the management of oil and gas revenue, the oil industry and Nigeria's economy. The implementation of EITI in Nigeria also led to the establishment of the NEITI Act, which assist to transform the activities of oil and gas industry and also led to the country's compliance. Since then, Nigerians have begun to have the information on some of the activities that are taking place in the oil and gas industry, through the result of the NEITI audit reports (Asobie, 2011). Further, Asobie (2011) indicated that the key stakeholders of the Nigerian oil industry such as; related government agencies and oil companies have also made progress with regard to the transparency practices in their activities. This is related to the observation made by the Transparency International (2012) which indicates that there is a progress of transparency practices in EITI member countries.

Table 6.8 presents descriptive statistics for statements 28-40.

Table 6.8: Descriptive statistics for statements 28-24

Statements	Mean	Median	Mode	Scales					Total
				1	2	3	4	5	
ST28.	2.24	2.00	2	35	83	18	18	7	161
				(21.74)	(51.55)	(11.18)	(11.18)	(4.35)	(100)
ST29.	3.48	4.00	4	11	19	35	73	23	161
				(6.83)	(11.80)	(21.74)	(45.34)	(14.29)	(100)
ST30.	2.61	2.00	2	23	61	37	35	5	161
				(14.29)	(37.89)	(22.98)	(21.74)	(3.10)	(100)
ST31.	2.54	2.00	2	20	65	50	21	5	161
				(12.42)	(40.37)	(31.06)	(13.04)	(3.10)	(100)
ST32	2.59	2.00	2	24	57	46	28	6	161
				(14.91)	(35.40)	(28.57)	(17.39)	(3.73)	(100)
ST33.	2.27	2.00	2	23	85	41	10	2	161
				(14.29)	(52.79)	(25.47)	(6.21)	(1.24)	(100)
ST34.	3.01	3.00	2	12	47	42	46	14	161
				(7.45)	(29.19)	(26.09)	(28.57)	(8.70)	(100)
ST35	2.44	2.00	2	28	67	36	27	3	161
				(17.39)	(41.61)	(22.36)	(16.77)	(1.86)	(100)
ST36.	2.43	2.00	2	35	62	30	27	7	161
				(21.74)	(38.51)	(18.63)	(16.77)	(4.35)	(100)
ST37	2.42	2.00	2	32	67	32	21	9	161
				(19.88)	(41.61)	(19.88)	(13.04)	(5.59)	(100)
ST38.	3.44	4.00	4	16	25	34	43	43	161
				(9.94)	(15.53)	(21.11)	(26.71)	(26.71)	(100)
ST39	2.47	2.00	2	26	71	30	30	4	161
				(16.15)	(44.10)	(18.63)	(18.63)	(2.48)	(100)
ST40.	2.52	3.00	3	18	61	66	12	4	161
				(11.18)	(37.89)	(40.99)	(7.45)	(2.48)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

The MST result shows that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 29, regarding perceptions on whether the Government reports annually to the public on how it has spent the oil and gas revenue received. A majority of respondents (60%) disagreed or strongly disagreed with the statement, whilst 22% of them neither agreed nor disagreed and 19% either agreed or strongly agreed (see Table 6.8). From the responses of key stakeholders, it seems to indicate that most of them were not aware or cannot access the report of the Government on how it spent the oil and gas revenue annually. This also indicates the need for the Government to improve, as a majority of respondents (82%) appeared to be in doubt on whether, the Government reports annually to the public on how the oil and gas revenue received are spent. An interviewee from the CSs expressed the view that "Nigeria has actually gained compliance and there are also activities that indicate the progress of transparency practices in Nigeria. Still, Nigeria is recognised as a country where transparency and accountability practices need to be improved, because of the corrupt practices in the government activities".

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 30, regarding perceptions on whether most of the oil and gas companies make prompt remittances of the oil and gas revenue to the government. A majority of respondents (52%) either agreed or strongly agreed with the statement, whilst 23% of them neither agreed nor disagreed and 25% disagreed or strongly disagreed. Undoubtedly, oil and gas companies are making remittances of the oil and gas revenue to the Government and that is why they are in business, but along the line, the amounts of revenue due to the Government may not actually have been paid accurately. This was observed by the Petroleum Revenue Special Task Force (2012) which indicated that, there were many discrepancies between what the oil companies had been paying the Government and what they were supposed to be paying. In relation to that, Abutudu and Garuba (2011) suggested that the authorities responsible for assessing the oil and gas revenue, such as FIRS and DPR may either lack expertise to accomplish their tasks effectively, or neglect their duties to ascertain the necessary information required for the assessment of

oil revenue. Consequently, this may have permitted OCs to submit their self-assessments of oil and gas revenue for the payments without proper scrutiny. That may be the reason why some respondents did not agree with the statement.

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicated by the MST result in relation to the responses to statements 31, regarding perceptions on what the Office of the Accountant General of the Federation provides to auditors about appropriate information regarding the revenue received from the oil and gas companies. A majority of respondents (52%) either agreed or strongly agreed with the statement, whilst 31% of them neither agreed nor disagreed and 16% disagreed or strongly disagreed. The OAGF provides to auditors information of the oil and gas revenue received, as indicated by some respondents and auditors acknowledged that (NEITI Audit Report, 2011). On the other side, the Fuel Subsidy Probe Committee (2012) indicated that the data provided to it members during the investigation were in short supply.

The MST result shows that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 33, regarding perceptions on what the RMAFC obtains about information relating to the receipts and payments of oil and gas revenue made by oil and gas companies to the Government. A majority of respondents (67%) either agreed or strongly agreed with the statement, whilst 25% of them neither agreed nor disagreed and 7% disagreed. No one strongly disagree which implies that most of the stakeholders believed that RMAFC performs its functions according to the Civil Service Re-organisation (1995) which stipulates that, the RMAFC is responsible for mobilising and allocating the national revenue. Similarly, the Constitution of Nigerian (1999) authorised the RMAFC to allocate the national revenue according to the sharing formula which should be established by the RMAFC, in order to promote transparency practice in the management of the government revenue.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 36, regarding perceptions on what oil and gas companies provide

to the DPR about regular information on the volume of crude oil produced for the assessment of royalty. A majority of respondents (60%) either agreed or strongly agreed with the statement, whilst 19% of them neither agreed nor disagreed and 21% disagreed or strongly disagreed. The oil companies provide information on the volume of crude oil produced to the DPR. On the other side, the NEITI indicated that oil and gas companies provide the volume of crude oil produced for the assessment of royalty, based on the crude oil quantity arrives at the terminals for exports, rather than the actual amount of oil produced from the reservoir. This is as a result of inadequate metering facilities in the oil and gas industry (NEITI Newsletter, 2013). Because of the lack of adequate security in the oil and gas producing areas, oil companies provide the metering equipments only where they could be monitored. The DPR also does not have sufficient metering facilities to be provided at the strategic places of oil and gas production from wellheads to the terminals (NEITI Newsletter, 2013).

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicated by the MST result in relation to the responses to statements 38, regarding perceptions on whether the DPR adequately ensures standard metering facilities for measuring oil production from wellheads to terminals. A majority of respondents (53%) disagreed or strongly disagreed with the statement, whilst 21% of them neither agreed nor disagreed and 25% either agreed or strongly agreed. This appears to indicate that a significant percentage of respondents (74%) seemed to be in doubt about the availability of standard metering facilities for measuring the oil production from wellheads to the terminals. Actually, the metering facilities were not adequately provided by the DPR in the oil and gas industry. Instead, the oil companies provide the metering facilities and because of inadequate security in the oil producing areas, the oil companies restricted to provide the metering facilities only at the terminals where they are save and could be monitored. Recently, the NEITI has sought the support and intervention of the National Assembly to assist in solving the devastating problems in the Nigerian oil and gas industry, which includes the issue of inadequacy of metering facilities (see the NEITI Newsletter, 2013). An interviewee from the NEITI secretariat commented that "The issues of signature bonus and royalty

payments are mainly related to the crude oil measurement and the oil and gas industry does not have enough and efficient metering facilities".

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 40, regarding perceptions on whether the Federal Inland Revenue Service submits a monthly return on payment of taxes to the Office of Accountant General of the Federation. Whilst 49% of respondents either agreed or strongly agreed with the statements, 10% disagreed or strongly disagreed and 41% neither agreed nor disagreed. This appears to indicate that less than half of respondents have confidence that FIRS submits the tax returns to the OAGF on monthly basis, which indicates that, there may be an issue regarding to the management of tax returns between the OAGF and FIRS. That might be the reason why some respondents were in doubt about the statement. In addition, Abutudu and Garuba (2011) suggested that poor documentation of the estimated Petroleum Profit Tax and actual returns may be a major problem, including the use of non-standard format in filing estimated PPT and the final tax returns. The Independent Auditors noted that FIRS submits tax returns later than the required period to the OAGF. The auditors suggested that the practice may impede the management of tax returns and also affects the period for reconciliation of PPT returns with the audited financial statements (NEITI Audit Report, 2011).

The above analysis indicates that key stakeholders were concerned about how the Nigerian government maintained the process of managing oil and gas revenue since 2011. It also indicates the needs for the Government to improve in maintaining an effective process in the management of oil and gas revenue that will provide adequate information of oil and gas revenue activities publicly on an annual basis. The analysis highlights the need for the government agencies to improve their performances in transparency practices in the management of oil and gas revenue. For example: a majority of key stakeholders (82%) were in doubt about whether the Government reports annually to the public on how it has spent the oil and gas revenue received, whilst 74% were in doubt about whether the DPR adequately ensures standard metering facilities, for measuring oil and gas production from wellheads to the terminals and 73% believed that there has been significant improvement of

transparency practices in Nigeria, with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles. The analysis also indicates a need for the Government to encourage transparency practices in its activities and also provide adequate metering facilities in the oil and gas industry for measuring the oil and gas production.

Table 6.9 presents summary of the MW test results of statistically significant differences of perceptions between respondent groups and by statements 28-40.

Table 6.9: Summary of MW test results for significant differences between respondent groups and by statements 28-40.

	Number of significant difference between the sample groups																	
	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	G13	G14	G15	G16	G17	Total
G1		2		2	1	4	1	5		3	1	3	4	6	1		8	41
G2	2		3	1		4	1	1		1	1	2	2	3	2		4	27
G3		3		1		3		3		3	3	2	3	5	1		6	33
G4	2	1	1			2	1	2		1	1	1	1	1	1		4	19
G5	1							1			1			1			2	6
G6	4	4	3	2			5	5	2	3	2	1	2	5	1		6	45
G7	1	1		1		5		2			2	2	3	3	3		6	29
G8	5	1	3	2	1	5	2			4	3	5	4	2	3		3	43
G9						2							2	3	2		4	13
G10	3	1	3	1		3		4			2	1	3	3	3			27
G11	1	1	3	1	1	2	2	3		2			1	3	1		4	25
G12	3	2	2	1		1	2	5	2	1				2			3	24
G13	4	2	3	1		2	3	4	3	3	1			2		1	4	33
G14	6	3	5	1	1	5	3	2	2	3	3	2	2		2	1	1	42
G15	1	2	1	1		1	3	3		3	1			2			4	22
G16													1	1				2
G17	8	4	6	4	2	6	6	3	4		4	3	4	1	4			59

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria, G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous Oil Companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

The above Table 6.9 enables the identification of instances where 2 groups have differed from each other in a significant number of statements, which for the purpose of this analysis is taken as a minimum of 6 instances (equating to differences between groups being evident in approximately half of the 13 statements). This approach should enable patterns to be identified between the tendencies of groups to express their views in a particular way. In other words, this analysis will be restricted to those differences, in order to find out the role of the groups and understand the reasons for the differences and the relationship between the key stakeholders. There were also 59 instances of statistically significant differences between the ACI (G17) group and the other groups over the 13 statements, Federal Inland Revenue Service (G6) with 45

and Office of the Accountant General of the Federation (G8) with 43 of the statements. Respondents from the NNPC (G1), AGF (G7) and NASS (G10) gave responses that were consistent with the Nigerian government being a good practice in maintaining the effective process on the management of oil and gas revenue, whilst those of the NGO (G14) and CS (G13) indicated disagreement (see Appendix VIII). From the above Table 6.9, it can be seen that respondents from NNPC have a high number of differences between the sum of the ranks of other groups, in relation to the statements which reflect on the government management of the oil and gas revenue with regard to the transparency practices in the Nigerian oil and gas industry. NNPC (G1) has statistically significant different responses from those of the ACI (G17) in 8 statements, NGO (G14) in 6 of the statements. NNPC differs because of its commitments to the government activities in the oil and gas industry. It may also support the Government for implementing the EITI in Nigeria which also creates investment opportunities, in the oil and gas industry and increases oil revenue to the Government as noted by Asobie (2011). ACIs also conduct the research in the areas related to the oil and gas accounting and management in Nigeria. This enables them to understand how the government manages oil and gas revenue and informed a decision in relation to the government performance, with respect to the management of oil and gas revenue. ACIs may also have views related to the observation made by the Fuel Subsidy Probe Committee (2012) which indicates that, the oil and gas revenue has been mis-managed by the activities of fuel subsidy scheme. An interviewee from the CSs expressed the view that "Still, Nigeria is recognised as a country where transparency and accountability practices need to be improved, because of the corrupt practices in the government activities". NGOs may support the Government for implementing the EITI in Nigeria which brings about the development of transparency practices and assists the Government to improve in managing the oil and gas revenue, as also described by the Asobie (2011). An independent organisation among the NGOs such as the Transparency in Nigeria, which has more concern about the government transparency practices in its activities may also has a view related to the observation made by the Petroleum Revenue Special Task Force Committee (2012). The committee stated that the decision on the sales of the Nigeria's crude oil was not being

made transparent. That may be the reason why the NGOs had different opinions to those of NNPC.

Central Bank of Nigeria has significant differences in responses between those of the ACI (G17) in 6 of the statements. CBN may support the Government management of oil and gas revenue, as a custodian of the government revenue, although the stakeholders' responses seemed to indicate that the government process in the management of oil and gas revenue was not efficient. This is consistent with the observation made by the independent auditors, which indicated that the CBN was responsible for the oil and gas revenue discrepancies as a result of misclassifying the oil and gas revenue (NEITI Audit Report, 2011). ACIs may be concerned about the NEITI audit reports which are accessible publicly, in the process of research activities and that is why the ACIs are different. An interviewee from the CSs expressed the view that "I quite agree with this because I read it in the NEITI audit reports several times. It is surprising that the government did not take a serious action on this issue". The Federal Inland Revenue Service (G6) has significant differences in responses with those of the ACI (G17) in 6 of the statements. ACIs may have concern about the oil and gas revenue reporting system of the FIRS, which was described as incomplete and may not allow independent organisations to make reconciliation, as opined by the Abutudu and Garuba (2011). This is also consistent with other opinions such as in the AGF Assessment Report (2011) which indicates that FIRS does not provide the required information of the tax revenue received from the oil and gas companies. AGF (G7) has significant different responses between those of the ACI (G17) in 6 of the statements. ACIs may have the view related to the observation made by Abutudu and Garba (2011) which indicated that, the AGF only examine the financial activities of the oil and gas industry, without taking actions relating to the remedies identified.

The above analysis appears to indicate that the divergent opinions among the groups of respondents emerged as a result of their functional differences and relationships. Some key stakeholders appeared to have agreed that the Nigerian Government maintains an effective process for the management of oil and gas revenue since 2011, because of their commitment to the Government such as the NNPC. Others may have disagreed or may be in doubt on the basis

of their assessments on the Government and its agencies' performance, regarding the management of oil and gas revenue or by carrying out a research such as the ACIs. This also indicates a need for a conference or workshop which will include the key stakeholders, government officials and independent groups such as the financial analyst and experts in the public finance, accounting and management, in order to acquire the skills on how to manage the oil and gas revenue efficiently.

The following section presents the analysis of Section E of the questionnaire.

6.5 Analysis of the statements in section E of the questionnaire, regarding to transparency practices in the Nigerian oil and gas industry

Respondents' responses to the statements in Section E of the questionnaire are discussed in this section. These statements, which relate to the influence of foreign and indigenous oil companies with regard to transparency practices in the Nigerian oil and gas industry, were designed to enable relevant data to be obtained for testing hypothesis 4, that: "Government management of the oil and gas revenue is sub-optimal with regard to the achievement of national goals and objectives". Further, the testing of hypothesis 4 then leads to a consideration of objective 4, which is: "to critically analyse the effectiveness of performance of oil and gas companies in relation to transparency practices in the Nigerian oil and gas industry."

The following are the statements of section E from the questionnaire:

43. Oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved.

44. Oil companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold.

45. DPR regularly assesses the royalty payments due by the oil and gas companies.

Table 6.10 presents MST test result on the influence of foreign and indigenous oil companies with regard to transparency practices in the Nigerian oil and gas industry.

Table 6.10: Median Sign Test result for statements 43-45

Statements	No. of Resps.	Actual Median	Predicted Median	Med. Difference	Above Median	Equal to Median	Below Median	P-Value
43.	161	3.00	3.00	0.00*	32	50	79	0.0000
44.	161	2.00	3.00	-1.00*	28	46	87	0.0000
45.	161	2.00	3.00	-1.00*	32	48	81	0.0000

Note that, the results with significant differences are marked with asterisks * and 5% is the significance level. The level of measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree =5.

From the above Table 6.10, it can be seen that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 43, regarding perceptions on what oil and gas companies provide regularly about the assessment of royalty payments to the DPR in respect of production achieved. Whilst 49% of respondents either agreed or strongly agreed with the statement, 31% of them neither agreed nor disagreed and 20% disagreed or strongly disagreed. This appears to indicate that less than half of respondents support that the oil companies' provide the assessment of royalty payments regularly to the DPR which indicates that there may be an issue regarding to the assessment of royalty payments. The independent auditors also observed that in the process of computing royalty by the oil companies, rules and guidelines seemed to be violated which resulted to the revenue discrepancies (NEITI Audit Report, 2011). Further, the report highlighted that the oil production was only measured at the terminal points. As such, the oil and gas production achieved could not be ascertained accurately therefore, the assessment of royalty might also not be correct. An interviewee from the NEITI expressed the view that "The issue of signature bonus and royalty payments are mainly related to the crude oil measurement and the oil and gas industry does not have enough and efficient metering facilities".

Table 6.11 presents descriptive statistics test result on responses and by the statement.

Table 6.11: Descriptive statistics for statements 43-45

Statements	Mean	Median	Mode	Scales					Total
				1	2	3	4	5	
ST43.	2.63	3.00	2	15	64	50	29	3	161
				(9.32)	(39.75)	(31.06)	(18.01)	(1.86)	(100)
ST44.	2.52	2.00	2	19	68	46	26	2	161
				(11.80)	(42.24)	(28.57)	(16.15)	(1.24)	(100)
ST45.	2.58	2.00	2	20	61	48	30	2	161
				(12.42)	(37.89)	(29.81)	(18.63)	(1.24)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 44, regarding perceptions on what oil companies provide regularly about the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold. A majority of respondents (54%) either agreed or strongly agreed with the statement, whilst 29% of them neither agreed nor disagreed and 17% disagreed or strongly disagreed. It is true that oil companies provide the assessment of the PPT to the FIRS, but the accuracy of the assessments is questionable. This is because the computations were being made with some loop-holes, due to the inaccuracy of data provided for the calculation of PPT. The price used for the assessment was also not appropriate, because oil and gas companies apply Realisable Price (RP) instead of the Official Selling Price (OSP) as also noted by the NEITI Audit Report (2011). In addition to that, rules were violated for the computation of capital allowance in an attempt to reduce the tax liabilities and overstating several costs in the tax assessment which also affects the revenue generation to the Government. In this circumstance, it will be difficult to assess the exact PPT payments in relation to the crude oil sold as also noted by the Abutudu and Garuba (2011).

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 45, regarding perceptions on what DPR regularly assesses about the royalty payments due by the oil and gas companies. Respondents of (50%) either agreed or strongly agreed with the statement, whilst 30% of them neither agreed nor disagreed and 20% disagreed or strongly disagreed. This indicates that half of the respondents were not certain

about the statement, which is also similar to the observation made by Abutudu and Garuba (2011) which describes that the DPR has not been regularly assessing the royalty payments. Instead, it relies on the "self-assessment" of royalties by the oil and gas companies which was also not accurate. Actually, the royalty payment due to the Government could be ascertained when the quantity of oil produced is accurately calculated, using the standard measuring facilities and computed with the appropriate price of the commodity, using the correct guidelines. Abutudu and Garuba (2011) opined that, in a situation whereby the volume of crude oil produced could not be accurately determined, the capital allowances were also abused and guidelines are violated, the oil and gas revenue due will never be ascertained accurately. An interviewee from the DPR commented that "I know we cannot escape from such assertions, we have our own problems but people should understand that the activities of the oil industry are very complicated. It requires experts for the technical activities in order to generate the data and our officials are doing their possible best, but we also need more experts".

The above analysis indicates that key stakeholders were concerned about the influence of Foreign and Indigenous oil and gas companies, in relation to the transparency practices since 2011. It also indicates a need for the Government to improve in the management of royalty and PPT assessments with respect to the transparency practices, in order to acheive the national goals and objectives. For example: a majority of key stakeholders (54%) believed that the oil and gas companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold, whilst 51% were in doubt on whether the oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved and 50% were in doubt on whether the DPR regularly assesses the royalty payments due by the oil and gas companies. The analysis also highlights the need for educating most of the key stakeholders regarding the activities of the oil and gas industry, with respect to the management of oil revenue in relation to transparency practices, to help them become familiar with the terminologies and techniques used for the analysis and interpretation of reports provide by the Government and its agencies.

Table 6.12 presents summary of MW test results of statistically significant differences between respondent groups and by statements 43-45.

Table 6.12: Summary of MW test result with significant differences between respondent groups for statements 43-45.

	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	G13	G14	G15	G16	G17	Total
	Number of significant difference between the sample groups																	
G1		1				1	1			1		1	1	2	1		1	10
G2	1		1	2		2	2	2		1	1		2	2			3	19
G3		1				1							1	1	1		1	6
G4		2				1								1	1			5
G5														1	1			2
G6	1	2	1	1				1			1			1	1			9
G7	1	2									2		1	1	1			8
G8		2				1						1	1	1	1			7
G9																		0
G10	1	1												3	1			6
G11		1				1	2						1	3	1		1	10
G12	1							1						1	1			4
G13	1	2	1				1	1			1							7
G14	2	2	1	1	1	1	1	1		3	3	1						17
G15	1		1	1	1	1	1	1		1	1	1						10
G16																		0
G17	1	3	1								1							6

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria, G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous Oil Companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

The above Table 6.12 enables the identification of instances where 2 groups have differed from each other in a substantial number of statements, which for the purpose of this analysis is taken as 3 instances (equating to differences between groups being evident in a total of the 3 statements). This approach should enable patterns to be identified between the tendencies of groups to express their views in a particular way. In other words, this analysis will be restricted to those differences, in order to find out the role of the groups and understand the reasons for the differences and the relationship between the key stakeholders. There were also 19 instances of statistically significant differences between the DPR (G2) group and the other groups over the 3 statements, NGO (G14) with 17, NNPC (G1), FOC (G11) and HC (G15) with 10 of the statements. Respondents from the NASS (G10) and NNPC (G1) gave responses that were consistent with the oil and gas companies being in a good practice with regard to transparency practices in the Nigerian oil and gas industry, whilst those of the CS (G13) and NGO (G14) were not.

From the above Table 6.12, it can be seen that respondents from DPR (G2) has a high number of differences between the sum of the ranks of other groups, in relation to the statements which reflect on the Foreign and

Indigenous oil and gas companies with regard to the transparency practices in the Nigerian oil and gas industry. DPR (G2) has statistically significant different responses from those of the ACI (G17) in 3 of the statements. DPR regulates the activities of the oil and gas industry and it receives funding from the Government. That may be the reason why DPR supports the activities of the Government in the oil and gas industry. ACIs may have had different views from the DPR because of their experience in the oil and gas production activities, in the process of conducting the research on petroleum accounting and engineering, which may assist them to know whether the assessment of royalty payments were being made on the accurate measurement of the oil production achieved by the oil companies. Similarly, the MST result of the analysis indicated that more than half of the respondents were in doubt on whether the assessments of royalty payments were made accurately by the oil companies. NEITI Newsletter (2013) also indicates that there was a need to provide adequate metering facilities in the Nigerian oil and gas industry, in order to assist to measure the accurate oil production for the assessment of royalty and PPT. An interviewee from the NEITI secretariat expressed the view that "The issue of signature bonus and royalty payments are mainly related to the crude oil measurement and the oil and gas industry does not have enough and efficient metering facilities".

NASS (G10) also has significant different responses with the NGO (G14) in 3 of the statements. NASS may have had different views because of the political reasons as indicated by the interview participant. An interviewee from the CSs expressed the view that "Well, there is collaboration between us but it is not all that strong because, usually the oversight functions of the NASS were not being made transparently for political reasons. You can see that we are making efforts in promoting transparency practices and good governance in the activities of the Nigerian oil and gas industry". There were also significant differences in responses between the FOC (G11) and those of the NGO (G14) in 3 of the statements. NGOs have the experience of the oil and gas industry because of their participation in the NEITI process. NGOs may have concern about the disclosure of oil and gas revenue payment to the Government by oil companies, which was not adequately being made publicly on an annual basis. Similarly, such information was not accessible publicly as indicated by the

Petroleum Revenue Special Task Force (2011). An interviewee from the CSs expressed the view that "The oil companies are not adequately disclosing oil and gas revenue payment made to the government publicly on an annual basis. The auditors were also complaining about the insufficient data on the oil revenue payments supplied by the oil companies at the audit period".

The above analysis indicates a need for the Government management of oil and gas revenue to improve, especially in the management of royalty and PPT payments. The analysis also indicates the need for a workshop which will include the key stakeholders and government officials from the managerial, technical, operational and other relevant departments of the appropriate government authorities, in order to acquire the skills on how to improve in the management of royalty, PPT and other oil and gas revenue assessments.

The following section presents analysis of Section F of the questionnaire.

6.6 Analysis of the statements in section F of the questionnaire, regarding to transparency practices in the Nigerian oil and gas industry

Respondents' responses to the statements in Section F of the questionnaire are discussed in this section. These statements, which relate to the influence of Nigerian and International civil society groups on the promotion of greater transparency practices in the Nigerian oil and gas industry, were designed to enable relevant data to be obtained for testing hypothesis 5, that: "Key stakeholders perceive that the state of transparency practices in the Nigerian oil and gas industry is sub-optimal with regard to the achievement of national goals and objectives". Further, the testing of hypothesis 5 then leads to a consideration of objective 5, which is: "to recommend ways to improve transparency and accountability practices in the management of oil and gas revenue in Nigeria".

The following are the statements of section F from the questionnaire:

47. The cooperation between the National Assembly and Nigerian civil society groups enhance the available information relating to the activities of the oil and gas industry.

48. The Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports.

49. The participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue.

50. The advocacy of international civil society organisations promotes revenue transparency practices in the extractive industries.

Table 6.13 presents MST results on influence of the Nigerian and International civil society groups on the promotion of greater transparency practices in the Nigerian oil and gas industry.

Table 6.13: **Median Sign Test result for statements 47-50**

Statements	No. of Resps.	Actual Median	Predicted Median	Med. Difference	Above Median	Equals to Median	Bellow Median	P-Value
47.	161	3.00	3.00	0.00*	45	50	66	0.0577
48.	161	3.00	3.00	0.00*	71	46	44	0.0153
49.	161	2.00	3.00	-1.00*	9	18	134	0.0000
50.	161	2.00	3.00	-1.00*	14	25	122	0.0000

Note that, the results with significant differences are marked with asterisks * and 5% is the significance level. The level of measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4 and Strongly Disagree =5.

From the above Table 6.13, it can be seen that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 47, regarding perceptions on whether the cooperation between the National Assembly and Nigerian civil society groups enhance the available information relating to the activities of the oil and gas industry. Whilst 41% of respondents either agreed or strongly agreed with the statement, 31% of them neither agreed nor disagreed and 28% disagreed or strongly disagreed (see Table 6.13). The importance of cooperation between the NASS and CSs in Nigeria is to communicate the information of the oil and gas industry's activities, in order to improve transparency practices in the management of oil and gas industry and its revenue. In contrast, the respondents' responses indicated that there is a need for the national assembly and civil society groups to improve in their cooperation, as the majority of respondents (59%) were in doubt on whether the cooperation between the National Assembly and Nigerian civil society groups, enhance the available information relating to the activities of the Nigerian oil and gas

industry. Similarly, the interviewees expressed the views that the cooperation between NASS and CSs exists but it seems to be that the relationship was not very strong. This had also been explained by the interviewee from CSs who said that "Well, there is collaboration between us but it is not all that strong because, usually the oversight functions of the NASS were not being made transparently for political reasons".

The Civil Society Legislative and Advocacy of Nigeria is making efforts in communicating important information about the oil industry's activities, to the NASS and other civil society groups, as well as the national media for broadcasting and to enhance the available information, relating to the activities of the oil and gas industry (CISLAC, 2011). Similarly, the CISLAC promotes transparency practices through publications such as; textbooks, magazines, and pamphlets which contain the information about the activities of the NEITI, oil and gas industry and its related government agencies. For example, the CISLAC of Nigeria made an important assessment regarding to the activities of NEITI in the form of a book, with a view to identify the differences between the NEITI's obligation and its performance (CISLAC, 2010 and 2005). That also contributes in bringing more awareness and enhances availability of information regarding to the activities of Nigeria's oil and gas industry.

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 48, regarding perceptions on whether the Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports. Whilst 44% of respondents disagreed or strongly disagreed with the statements, 29% neither agreed nor disagreed and 27% either agreed or strongly agreed. This appears to indicate that there is an issue regarding to the participation of Nigerian civil society groups in the activities of oil and gas industry, as majority of respondents (73%) were in doubt on whether they are proactive in implementing remedial actions recommended by the NEITI audit reports. Uchenna (2011) and Abutudu and Garuba (2011) noted that the CSs do not have the power to implement remedial actions recommended by the NEITI audit reports. They also lack independence in the process of carrying out their responsibilities, as

also indicated by the CISLAC (2011). In an attempt to intervene for the issues of remedies identified in the Nigerian oil and gas industry, the NEITI made efforts by consulting the NASS to assist in implementing the remedial actions recommended by the independent auditors (see NEITI Letter to NASS, 2013).

Table 6.14 presents the descriptive statistics test result on response and by the statement.

Table 6.14: Descriptive statistics for statements 47-50

Statements	Mean	Median	Mode	Scales					Total
				1	2	3	4	5	
ST47.	2.85	3.00	2	11	55	50	36	9	161
				(6.83)	(34.16)	(31.06)	(22.36)	(5.59)	(100)
ST48.	3.13	3.00	4	10	34	46	67	4	161
				(6.21)	(21.12)	(28.57)	(41.61)	(2.48)	(100)
ST49.	2.06	2.00	2	28	106	18	7	2	161
				(17.39)	(65.84)	(11.18)	(4.35)	(1.24)	(100)
ST50.	2.14	2.00	2	34	88	25	10	4	161
				(21.12)	(54.66)	(15.53)	(6.21)	(2.48)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

The MST result also indicates that the actual median differs in a statistically significant manner from the predicted median of 3 in relation to the responses to statement 49, regarding perceptions on whether the participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue. A majority of respondents (83%) either agreed or strongly agreed with the statement, whilst 11% neither agreed nor disagreed and 6% disagreed. No one strongly disagreed which seems to indicate that most of the key stakeholders were appreciated by the participation of the Nigerian civil society groups in the activities of NEITI. Certainly, their collaboration assists in the promotion of the NEITI process and the activities of oil and gas industry to the other key stakeholders and the general public. However, the CISLAC described that the participation of CSs in the activities of NEITI does not represent their interest, because of the government intervention in the process of selecting members of the civil societies to the NSWG of the NEITI (CISLAC, 2011). That may be the reason why some respondents did not agree.

The actual median also differs in a statistically significant manner from the predicted median of 3 as indicates by the MST result in relation to the responses to statements 50, regarding perceptions on what the advocacy of International civil society organisations promotes about revenue transparency practices in the extractive industries. A majority of respondents (76%) either agreed or strongly agreed with the statement, whilst 16% of them neither agreed nor disagreed and 9% disagreed. No one strongly disagreed which indicates a credit to the international civil society groups. The international civil society groups are making efforts in promoting revenue transparency practices in the oil and gas industries. For Example, the Publish What You Pay (PWYP) organises international programmes that will promote awareness of the EITI process, and encourages transparency practices in the management of extractive industries' revenue, in different countries around the world (EITI Newsletter, 2012). Although, sometimes the advocacy programme may be affected due to the following challenges; lack of sufficient funds and intervention from the Governments especially in some developing countries, as well as the incapacity of the CSs to enforce the remedial actions of the problems identified by the auditors, in relation to the activities of extractive industries.

The above analysis indicates that key stakeholders were concerned about the influence of Nigerian and international civil society groups, on the promotion of greater transparency practices in the Nigerian oil and gas industry, since 2011. It also highlights a need for the Government to allow CSs and NGOs to be proactive in implementing remedial actions in the oil and gas industry. For example: a majority of key stakeholders (83%) believed that the participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue, whilst 76% believed that the advocacy of International civil society groups promote revenue transparency practices in the extractive industries and 73% were in doubt on whether the Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports.

Table 6.15 presents summary of MW test results of statistically significant differences between respondent groups and by statements 47-50.

Table 6.15: Summary of MW test results with significant differences between respondent groups for statements 47-50.

	Number of significant difference between the sample groups
	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	G13	G14	G15	G16	G17	Total
G1						2	2	1			2	1						8
G2						1	1	1			1	1						5
G3						1	1	2			1	1	1					7
G4						2		2			1	1			1			7
G5						2	1	1			2	2						8
G6	2	1	1	2	2		1	2	2				2	2		1		18
G7	2	1	1		1	1					1	1	3	1				12
G8	1	1	2	2	1	2				1	1		4	1				16
G9						2					1	1						4
G10							1				1	1	1					4
G11	2	1	1	1	2		1	1	1	1			1	1				13
G12	1	1	1	1	2		1		1	1			3	1				13
G13			1			2	3	4		1	1	3			2			17
G14						2	1	1			1	1						6
G15				1									2					3
G16						1												1
G17																		0

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria, G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous Oil Companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

The above Table 6.15 enables the identification of instances where 2 groups have differed from each other in a significant number of statements, which for the purpose of this analysis is taken as 3 instances (equating to differences between groups being evident in approximately to the total of the 4 statements). This approach should enable patterns to be identified between the tendencies of groups to express their views in a particular way. In other words, this analysis will be restricted to those differences, in order to find out the role of the groups and understand the reasons for the differences and the relationship between the key stakeholders. There were also 18 instances of statistically significant differences between the FIRS (G6) group and the other groups over the 4 statements, CS (G13) with 17 and OAGF (G8) with 16 of the statements. Respondents from the NASS (G10) and CS (G13) gave responses that support the influence of the Nigerian and International civil society groups, on the promotion of greater transparency practices in the Nigerian oil and gas industry, whilst those of the AGF (G7) were not.

From the above Table 6.15, it can be seen that respondents from OAGF (G8) have a high number of differences between the sum of the ranks of other groups, in relation to the statements which reflect on the influence of Nigerian and International civil society groups on the promotion of greater transparency practices in the Nigerian oil and gas industry. OAGF (G8) has significant differences in responses with the CS (G13) in 4 of the statements. OAGF

manages the revenue received and payments made by the Government. The CSs may consider the issues related to the revenue mis-management, as in the fuel subsidy Report (2012) which indicates that, oil and gas revenue was appropriated in the process of payments of the fuel subsidy. An interviewee from the CS expressed the view that "Some are doing relatively well, but in most instances you find out that there are problems in the activities of the related government agencies. Because, several issues were happening regarding the oil and gas revenue mis-management due to the lack of adequate transparency practices in the management of oil revenue, as in the issue of the recent fuel subsidy in 2012 which involves the NNPC, OAGF and independent marketers". AGF (G7) has significant differences in responses between those of the CS (G13) in 3 of the statements. CSs may differ from AGF because, the statements in this section are mostly applicable to them and therefore, they may want to promote their images. In spite of the fact that, there were other issues affecting their activities such as; lack of funds and independence in some developing countries. Similarly, CSs do not have the capacity to enforce remedial actions of the remedies identified by the auditors, in the oil and gas industry as suggested by CISLAC (2011). IOC (G12) also has significant different with the CS (G13) in 3 of the statements. CSs differ possibly, because they are concerned about their inability to access the information of the oil and gas revenue payments to the Government by the oil and gas companies, as also noted by the Petroleum Revenue Special Task Force Committee (2012).

The above analysis indicates that the influence of Nigerian and International civil society groups promote transparency practices in the Nigerian oil and gas industry since 2011. It also highlights a need for the Government of Nigeria to provide adequate support to the activities of civil society groups and allow CSs and NGOs to be proactive in implementing remedial actions in the oil and gas industry. They should also be give opportunity to act independently as practice in other developed countries.

Table 6.16 presents total summary of MW test results of statistically significant differences between respondent groups and by statements 1-50.

Table 6.16: Total summary of MW test results with significant differences between respondent groups for statements 1-50

	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	G13	G14	G15	G16	G17	Total
Number of significant differences between the groups																		
G1		4	3	11	4	16	11	12		11	13	22	17	27	15		16	182
G2	4		7	10	1	14	6	6		4	8	7	8	16	8		10	109
G3	3	7		4		12	5	6		5	11	16	14	21	11		11	126
G4	11	10	4		2	9	6	7	1	7	10	11	10	12	13		8	121
G5	4	1		2		3	3	2		12	4	7	2	10	4		4	58
G6	16	14	12	9	3		10	13	6	5	5	6	10	14	6	1	8	138
G7	11	6	5	6	3	10		5		1	8	6	14	13	10		8	106
G8	12	6	6	7	2	13	5			8	9	7	14	9	12		4	114
G9				1		6				1	1	4	4	4			5	26
G10	11	4	5	7	12	5	1	8	1		6	4	10	13	9		3	99
G11	13	8	11	10	4	5	8	9	1	6		2	4	10	3		6	100
G12	22	7	16	11	7	6	6	7	4	4	2		6	7	4		4	113
G13	17	8	14	10	2	10	14	14	4	10	4	6		4	5	3	8	133
G14	27	16	21	12	10	14	13	9	4	13	10	7	4		6	4	5	175
G15	15	8	11	13	4	6	10	12		9	3	4	5	6			5	111
G16						1							3	4				8
G17	16	10	11	8	4	8	8	4	5	3	6	4	8	5	5			105

Note: G1= Nigerian National Petroleum Corporation, G2= Directorate of Petroleum Resources, G3= Central Bank of Nigeria, G4= Nigerian Extractive Industries Transparency Initiative, G5= Revenue Mobilisation Allocation and Fiscal Commission, G6= Federal Inland Revenue Service, G7= Auditor General for the Federation, G8= Office of the Accountant General of the Federation, G9= Petroleum Technology Development Fund, G10= National Assembly, G11= Foreign Oil Companies, G12= Indigenous Oil Companies, G13= Civil Society groups, G14= Non-Government Organisations, G15= Host Communities, G16= Public Accounting Firms and G17= Academic Institutions.

Table 6.16 enables the identification of instances where 2 groups have differed from each other in a substantial number of statements, which for the purpose of this analysis is taken as 3 high numbers of instances of the statements. From the above Table 6.16, it can be seen that there were 182 instances of statistically significant differences between the NNPC (G1) group and the other groups over the 50 statements, NGO (G14) with 175 and FIRS (G6) with 138 of the statements. Respondents from NNPC (G1) and NASS (G3) gave responses that were consistent with the Government being good practices, with respect to the activities of the Nigerian oil and gas industry, whilst those of the CS (G13) and NGO (G14) indicated disagreement (see Appendix IX). Respondents from NNPC have a high number of differences between the sum of the ranks of the other groups, in relation to the statements from the questionnaire which reflect on transparency practices in the management of oil and gas revenue. NNPC (G1) has statistically significant different responses from those of the NGO (G14) in 27 statements and IOC (G12) in 22 of the statements. NNPC is committed to the activities of oil and gas industry on behalf of the government and it receives funding from the Government, that may be the reason why the responses of NNPC seems to indicate the activities of the Government in a good light. NGOs may also consider the issues related to the oil and gas revenue mis-management, as in the Fuel Subsidy Probe Report (2012) which involved NNPC and other government officials. There may

be other issues which NGOs may also have concern about such as; lack of government will to support the activities of NGOs, inability of the NGOs to enforce remedies in the oil industry and sometimes lack of adequate funding from the Government. IOCs may have had different responses with the NNPC, possibly because of the issue of payments for the services provided by the IOCs to the NNPC, in providing the tank-farm for storage of the petroleum product imported into the Nigeria. Similarly, the settlement of demurrage charges for the crude oil exports may be another issue between the oil companies and NNPC, as noted by Fuel Subsidy Probe Committee 2012.

CBN (G3) also has significant different responses with the NGO (G14) in 21 of the statements. CBN manages oil and gas revenue for the Government and also receives funding from the Government, which may be the reason why the responses of CBN appeared to indicate support to the activities of the Government. NGOs may also relate their views to the observation made by the independent auditors in the NEITI Audit reports (2011) which described that, the oil and gas revenue records were not maintained appropriately by the CBN, because of the oil and gas revenue discrepancies which results from revenue misclassification.

The above total summary of the analysis indicates concern of key stakeholders on transparency practices in the activities of Nigerian oil and gas industry since 2011. It also highlights the need for a general discussion or workshop, in order to acquire the knowledge on how to improve transparency practices in the management of oil and gas revenue. The workshop should involve all the key stakeholders, including the managerial and operational staff of the relevant authorities and the officials of the Federal Government, in order to acquire the skills and discuss on how to improve the management of the oil and gas industry's activities for the development of Nigerian economy.

6.7 Summary of the analyses

This section summarises the findings in relation to statistical analysis and interpretation of the MST and MW test results. Notably from the analyses and discussion, the results indicate that there were statistically significant differences in responses between and among the respondent groups,

regarding the perceptions of key stakeholders in relation to statements from the questionnaire. The findings of the analysis and discussion indicated that key stakeholders were concerned about the transparency practices in the Nigerian oil and gas industry since 2011. It also indicates the need for the Government to improve in the management of oil and gas revenue. In Section 6.2, the findings show that there is a need for the Government to address the issues that will enhance greater transparency practices in the Nigerian oil and gas industry, as majority of key stakeholders (94%) were in doubt on whether NGOs are informed by the Government about how oil and gas revenue is spent, whilst 87% were in doubt on whether NGOs are routinely consulted about decision making on the use of oil and gas revenue in Nigeria and 77% believed that NEITI encourages government transparency practices in the application of oil and gas revenue received. In Section 6.3, the findings also indicated that the performances of related government agencies, in relation to the oil and gas revenue management need to improve, as majority of key stakeholders (84%) were in doubt on whether the DPR meets NEITI transparency requirements by providing publicly data, with regard to the processes of awarding contracts and licenses for oil and gas production, whilst 83% of key stakeholders were also in doubt on whether the Office of the Auditor General for the Federation is proactive, in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out and 78% were in doubt on whether the DPR provides publicly on an annual basis sufficient information about royalty payments made by the oil and gas companies.

In Section 6.4, the findings indicated that the Nigerian government needs to improve in the process of oil and gas revenue management, a majority of key stakeholders (82%) were in doubt on whether the Government reports annually to the public on how it has spent the oil and gas revenue received, whilst 74% were in doubt on whether the DPR adequately ensures standard metering facilities, for measuring oil production from well heads to the terminals and (73%) believed that there has been significant improvement of transparency practices in Nigeria, with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles. In Section 6.5, the findings indicated that the performance of oil and gas

companies in relation to transparency practices in the Nigerian oil and gas industry needs to improve, a majority of key stakeholders (54%) believed that the oil companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold, whilst 51% were in doubt on whether the oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved and 50% were in doubt on whether the DPR regularly assesses the royalty payments due by the oil and gas companies. In Section 6.6, the findings indicated that the influence of Nigerian and international civil society groups on the promotion of greater transparency practices in the Nigerian oil and gas industry needs to improve, a majority of key stakeholders (83%) believed that the participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue, whilst 76% believed that the advocacy of International civil society groups promote revenue transparency practices in the extractive industries and 73% were in doubt on whether the Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports.

The findings of the analysis and discussion of the MW test results appeared to indicate that the inter-play of opinions among the groups of respondents emerged as a result of their functional differences and relationships between the key stakeholders. Some groups were supporting the activities of the Government, possibly because they receive funding from the Government such as the government agencies. Others may be different such as independent organisations, because they were not consulted about the information of the oil and gas revenue by the government and may not access such information publicly, or they may have evidence of the government performance regarding the management of oil and gas revenue, as a result of the assessment being made. That also indicates the need for a conference or group discussion, which include all the key stakeholders of the oil and gas industry, the government officials and those that are not accessing the information of the oil and gas revenue, in order to acquire the skills and discuss on how to improve transparency practices in the management of oil

and gas revenue. The following chapter seven discusses the analysis of interview findings.

CHAPTER SEVEN

Analysis of Interview Findings

7.1 Introduction

The previous chapter six discusses data analysis and interpretations of results from the questionnaire. This chapter presents an analysis of the interview findings from the research participants. Follow-up interviews were conducted by telephone among the respondents of the seven groups. Each group was represented by a participant selected because of the expertise and availability. The chapter is divided into three sections. Section 7.2 discusses the interview analysis, and finally, Section 7.3 presents summary of the interview findings.

7.2 Interview analysis

Section 4.5 indicates that this study conducts the follow-up interviews in order to gain further insights from experts to assist interpret the result and corroborate the findings from the questionnaire. In that respect, some statements (themes) were identified by this study that needs further explanation from the participants, selected for the interviews because of their expertise. The themes were provided to the participants in order to be prepared before the time for the interview:

a) Impact of obtaining the EITI compliance in Nigeria to transparency practices in its oil and gas industry.

b) Perception on effective performance of activities of the related government agencies in relation to transparency practices in the Nigerian oil and gas industry. For example; Nigerian National Petroleum Corporation (NNPC), Directorate of Petroleum Resources (DPR), Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN) and Office of Accountant General of the Federation (AGF) transparency.

c) Concern over the government procedures of annual disclosure and reconciliation of oil and gas revenue generate from the Nigerian oil industry.

d) Perception on the cooperation between the National Assembly and civil society groups with regard to the availability of information relating to the activities of Nigerian oil and gas industry.

e) Concern over the activities of NEITI in relation to transparency practices in the Nigerian oil and gas industry.

7.2.1 Impact of the EITI compliance in Nigeria to transparency practices in its oil and gas industry

Evidence indicates that, Nigeria benefits from the advantage of the EITI principles and compliance. That also includes an increase of oil and gas revenue and information regarding to the activities of oil and gas industry, as suggested by the Transparency international (2012) and Nicholas Shaxson (2009). Despite the benefits, literature as in the Revenue Watch Institute (2011) indicates that, Nigeria provides partial information about the oil and gas revenue (see Figure 2.1). The responses of participants with regard to the statements in the questionnaire described that, there is a need for the Government to improve the transparency practice in the management of oil and gas revenue. Additionally, the comments made by the interviewees in relation to this issue result in different opinions among the group of participants. Some respondents had the opinions that there is a need to improve transparency practices in the management of oil and gas revenue, because the government procedures for disclosing the oil and gas revenue received were not efficient. Others responded that, transparency has improved because of the availability of information related to the activities of the Nigerian oil and gas industry, in contrast with the period before compliance. Their views were as follows:

> *"Indeed, there are issues in relation to transparency practices in the activities of Nigerian oil and gas industry, but how many years now the country achieved compliance from 2011? We have a long way to go. My argument here is that there is a progress of transparency and accountability practices in Nigeria, compared to the previous period before the compliance. Most of the information about the activities of the Nigerian oil and gas industry were published in the NEITI audit reports and other sources such as NNPC website" (P1).*

"You see, it will take time before a country like Nigeria which is under developed could attain a position of the developed ones, but I believe there is a progress of transparency practices in our activities" (P2).

"Before Nigeria attains compliance, all the data relating to the oil and gas revenue generated from the oil and gas industry were provided for reconciliation in the process of validation exercise. That information is also available in the NEITI audit reports. You can see how compliance contributes in making the data publicly available, regarding to the activities of our oil and gas industry. From my own views, there is availability of information and that is what transparency requires. Nigeria is also generating more revenue from the oil and gas industry. Our main problem in Nigeria is oil and gas revenue mis-management, which is very familiar" (P3).

"Nobody denies saying that there are no problems in the activities of the oil industry and, that is the case everywhere in the extractive industries but transparency practice increases in Nigerian after compliance. Records are being updated all the times for the purpose of audit. You can also see that there are a lot of activities in this country, where the government gets the money to do all these projects? The money is coming from the oil as you know that the main source of Nigeria's revenue is oil" (P5).

The differences in the opinions result on the role of participants and how they perceived the current state of transparency practice, in the Nigerian oil and gas industry. The report of Transparency International (2012) confirms the views of participants who had agreed that transparency practices increased; at the same times contradict with the opinion of other participants. Those who had disagreed and opined that, a lack of political will by the government contributes to the setback of transparency practices in Nigeria (P4 and P6), and other respondents lamented on the corrupt attitude by the government officials (P7).

The above arguments highlighted a basis why key stakeholders perceived transparency practices in the Nigerian oil and gas industry as insufficient.

7.2.2 Concern on effective performance of activities of the related government agencies in relation to transparency practices in the Nigerian oil and gas industry

Literature indicates that there was a need to improve transparency and accountability practices regarding to the performance of related government agencies' activities in the management of oil revenue, as also described by the NEITI Audit Report (2011) and CISLAC (2011). Similarly, the findings of the questionnaire reaffirmed the assertion by literature as in Section 6.3, which indicated a need to improve in the performances of related government agencies, in relation to the oil and gas revenue management. The interview participants commented that, there were problems like in any other organisations everywhere. They also explained that there is a progress of activities in the related government agencies, compared to the previous period before compliance in 2011. Other participants described that the problems in the related agencies were obvious, especially in the management of oil and gas revenue. Some of the participants commented as follows:

> *"Well, you know a lot of things are happening in the activities of the oil industry. You might hear about the issue of fuel subsidy scheme and NNPC is always to be held responsible for one thing or the other, but why only NNPC? Maybe, because it plays many roles in the oil and gas activities but NNPC cannot do things without instructions" (P1).*

> *"It is quite agreed that DPR has some problems but there is improvement in our activities compared to the previous periods, as activities in the oil industry are now regulated and carried out according to the regulations" (P2).*

> *"Generally, related government agencies have some problems but what I noticed in our recent audit report of the 2011 was encouraging, with respect to transparency practices in their activities. It also indicates that the oil and gas revenue recipient agencies are making progress in recovering the accumulated outstanding oil revenue, which previous audit reports have identified although other revenues are still under litigation. For example, the FIRS and NDDC received the*

outstanding revenues from the NNPC and other oil companies which were long overdue. And still, some government agencies are not providing enough information of the oil revenue activities to our auditors and the information could not be found elsewhere" (P3).

Other participants lamented on the activities of NNPC and OAGF, which indicated a need for the improvement in their performances. The participants also referred to the issue of fuel subsidy in 2012, which indicates that:

"several issues were happening regarding the oil and gas revenue mismanagement due to the lack of adequate transparency practices in the management of oil revenue, as in the issue of the recent fuel subsidy in 2012 which involves the NNPC, OAGF and independent marketers" (P7).

Additionally, the delay for payments of revenue to the NDDC, affects the progress of the HCs' projects. A similar explanation was also made by another respondent who indicates that, sometimes the delay of payments was caused by ineffective monitoring of revenue payments from the oil and gas companies by the responsible government agencies. He states that:

"Usually the ineffective performance of the related government agencies' activities affects our primary responsibilities" (P6).

In response to the CBN problem of revenue misclassification, the participants have generally responded the same regarding to the poor management of the oil and gas revenue, because the problem seems to be familiar. The participants' comments were almost similar to the opinion of the following participants:

"the CBN usually gives us top time because of the discrepancies identified by the NEITI auditors which were related to the oil and gas revenue misclassifications. These were normally discovered by the independent auditors when reconciling our records of the oil and gas revenue payments and those of the CBN" (P4).

"I quite agree with this because I read it in the NEITI audit reports several times. It is surprising that the government did not take a

serious action on this issue. This means that the information of oil revenue receives provided by the CBN may be wrong" (7).

The participants' explanations were consistent with the literature and findings from the questionnaire, which described the need to improve in managing the oil and gas revenue and providing sufficient information of such revenue to the auditors by the CBN.

There were also significant differences in the opinions of participants in relation to the views regarding to the claims being made to the DPR and FIRS, for not performing effectively. The interviewees' comments indicated a general agreement that the agencies have some problems, at the same times, describing that there are progress in their performances. Some participants responded as follows:

> *"I know we cannot escape from such assertions, we have our own problems but people should understand that the activities of the oil industry are very complicated. It requires expertise in the technical activities in order to generate the data and our officials are doing their possible best, but we also need more expertise" (P2).*

> *"There is a progress in their activities, but I am not saying that they do not have problems. DPR is still having problems in the management of its activities such as the process of awarding contracts and licences for the oil production, may be is because of the politics. The issue of signature bonus and royalty payments are mainly related to the crude oil measurement and the oil and gas industry does not have enough and efficient metering facilities.*

> *The FIRS also has its own problems, especially in the assessment of the oil and gas revenue because our auditors mostly find out discrepancies of the oil revenue payments for the PPT. I think all these issues could be found in our audit reports. There is a need for the Government to urgently address these issues, because we do not have the power to implement them directly and nobody knows when the actions will be taken. NEITI is also planning to collaborate with the National Assembly for the issues of metering facilities to see if it can*

solve the problems, as the oil industry is the mainstay of our economy"
(P3).

"Well, the DPR and FIRS are trying regarding the collection of oil and gas revenue. The recurring problem is the issue of procedures for obtaining the licences for the contract activities in the oil industry, usually there is politics in the activities" (P4).

"I know that we are doing our best. You will agree with me if you refer to the FIRS's record of oil revenue. The revenue generated in the first quarter of this year 2013 exceeds the one for the first quarter of the preceding year 2012. We also made efforts for the collection of the current and outstanding oil and gas revenues from the oil and gas companies, but still there are pending issues under litigation for the remaining revenues" (P5).

Another participant laments to the government's inability to support the activities of oil and gas industry and its related government agencies, for their effective performances, as he states that:

"From my own point of view, there is a lack of political will from the government to coordinate the activities of DPR and FIRS in such a way that they can perform efficiently and effectively. The government should also provide a strong support to the agencies responsible for supervising the activities of the agencies related to the oil industry. The CSs enlighten the public in relation to the activities of the oil industry and its related government agencies, as required by the EITI and NEITI Act. So that the public will be more aware about their activities" (P7).

Considering the above explanations from the interviewees, the findings from the questionnaire are restated by the comments of the interviewees.

7.2.3 Concern over the government process of annual disclosure and reconciliation of oil and gas revenue generate from the Nigerian oil industry.

In line with the previous findings from the questionnaire as in Section 6.2 which indicated that transparency practices have improved in the activities of Nigeria's oil and gas industry. Some participants in the interviews expressed the views that there was transparency of information, regarding to the activities of the Nigerian oil and gas industry. The participants referred to the information provided by the government agencies such as the NNPC and CBN on their websites. Others responded that the government process of oil and gas revenue disclosure was not adequately efficient, as most of the legitimate stakeholders were not involved in the decision making on how to use the oil revenue generate from the oil and gas industry. Similarly, the information on the websites will not be sufficient to allow independent organisations to make the reconciliation. The participants commented as follows:

> "Actually, the government agencies provide the information on oil revenue and it is accessible at the websites such as; NEITI, NNPC and CBN. You will see that everything is there. I mean all the necessary information and figures of oil and gas revenue transactions on monthly/quarterly and yearly basis" (P1).

> "There is information on oil revenue available at the NNPC, CBN and FIRS websites. The NEITI audit report also provides the result of an assessment of the activities in the oil and gas industry" (P4).

> "What I know is that FIRS provides the information of what oil and gas companies paid to the Government in every quarter of the year. The information is available on the internet and is also published in the newspapers in the public interest. As I told you before, the oil revenue paid to the Government by the oil and gas companies in the first quarter of this year 2013, exceeds the revenue received in the first quarter of the preceding year 2012" (P5).

> "That is very true; nobody knows what the government actually is generating as oil revenue and how it spends them at a particular

period of time. The legitimate stakeholders are also not carried along in the decision making on how oil and gas revenue is generated and spend. You can see there is no transparency and accountability in the management of oil revenue by the government" (P7).

Note that, the appropriate disclosure of oil revenue should comprise the entire mandatory and voluntary items in disaggregated form, and company by company. That will allow the independent organisation to do reconciliation between the government receipts and payments of the oil and gas companies. The oil revenue reports published by the related government agencies on their websites are the historical data, which provides the previous information of oil and gas transactions in aggregated form. That was why the oil revenue reporting system of Nigerian was classified as partial revenue transparency, as in figure 2.1 (Revenue Watch Institute, 2011). Another interviewee opined that:

> *"The appropriate Government disclosure should contain both mandatory and voluntary items in disaggregated form, and company by company. Added that it should be disseminated to the legitimate stakeholders at the appropriate time and make it easily accessible to the general public" (P3).*

In response to the participants' views on whether they are certain about the accuracy of the figure supplied by the related government agencies such as the CBN, if for example the CBN's accounting recording system was not maintained appropriately. The participants almost commented the same by making the statements related to the opinion of the following interviewee, which states that: *At least the oil and gas revenue information is available publicly on the websites" (P1).* Another respondent expressed the view that:

> *"That is another issue, the figures may not be accurate considering the problem of oil and gas revenue discrepancies which the CBN did not resolve up to now" (P7).*

The explanations made to the question asked on whether participants could be able to assess whether the government receipts are the same as the payments made by the oil companies, from the data provided at the NNPC and

CBN websites. Generally, their comments were almost the same by indicating that, this is very difficult to assess but it is the responsibility of the auditors and other independent organisations to reconcile the revenue and provide the result to the public. One of the participants explains that:

> "Oh! That might be another thing; only the auditors can specify that because they are responsible for verifying the oil revenue, but usually there are some discrepancies and auditors are reporting it properly" (P1).

These explanations of the interviewees support the initial research findings as in Section 6.2 with respect to statement 1, which indicated that there is a need to improve in the government process of disclosure of oil and gas revenue.

7.2.4 Concern over the process of annual disclosure of oil and gas revenue by the oil companies.

According to the questionnaire findings in the previous Section 6.2 with respect to statement 3, it indicates a need for the oil and gas companies in Nigeria to improve, in disclosing oil revenue payments to the Government on an annual basis. In line with the participants' explanation, it indicates that the majority of them perceived the process of disclosure of oil revenue to the Government by the oil and gas companies as inefficient. Some participants commented as follows:

> "Really, oil companies supply information about oil revenue payments to the related government agencies responsible to receive a notification of such payment, they also provide a data to our auditors at the audit period. Apart from that, it is very hard to access the information of oil revenue payment to the Government by the oil and gas companies" (P3).

> "Well, oil companies send a notice of oil revenue payments made to the government to the relevant authorities. The oil companies also provide the data of all the oil and gas revenue payments to the auditors or on special request to the Government" (P4).

"The oil companies are not adequately disclosing oil and gas revenue payment made to the Government publicly on an annual basis, and auditors were also complaining about the insufficient data supplied by the oil companies at the audit period" (P7).

The above explanations reaffirm the questionnaire findings as explained above and also portray the current state of oil and gas companies' disclosure of oil revenue in Nigeria.

7.2.5 Concern on cooperation between the National Assembly and civil society groups with regard to the availability of information relating to the activities of Nigerian oil and gas industry

In Nigeria, the cooperation exists between the NASS and CSs for the sharing of information related to transparency practices in the activities of Nigerian oil and gas industry. The relationship between the two organisations is expected to be for the benefit of the general public, as they are representing the interest of Nigerians. Literature indicates that the collaboration between the NASS and CSs, in relation to transparency practices in the Nigerian oil and gas industry's activities seems to be not strong (CISLAC, 2010) as also indicated by the questionnaire findings. Similarly, the interviewees' comments had also acknowledged the previous opinions which indicate that:

"Actually, there is a relationship between the NASS and civil society groups. They also share information relating to the activities of the oil industry, but usually the civil society groups are not satisfied with the oversight functions of the NASS with respect to the activities of the oil and gas industry" (P3).

"Well, there is collaboration between us but it is not all that strong because, usually the oversight functions of the NASS were not being made transparently for political reasons" (P7).

The respondents' comments about the engagement of CS in the decision making process on how the Government uses oil revenue received? Generally, participants responded by indicating that the CSs are not involved in the

decision making process on how the Government uses oil and gas revenue received. Some participants' comments were as follows:

> *"Well, the CSs are not fully engaged in the decision making process on how the Government uses oil and gas revenue received in Nigeria. That also did not comply with recommendations made by the EITI, regarding the process of transparency practices in the activities of extractive industries." (P3).*

> *"Actually, we are not yet involved in the decision making process on how the Government spends the oil revenue received. This is our target, but CSs are not strong and could not act independently in Nigeria. In other EITI member countries, the CSs are fully participating in all the activities of extractive industries. They are also involved in the decision making process on how the Government uses oil and gas revenue received, as recommended by the EITI. The issue of oil and gas revenue in Nigeria is very complicated. The government is taking most of the decisions in "secrecy" without involving the legitimate stakeholders" (P7).*

7.2.6 Concern over the activities of NEITI in relation to transparency practices in the Nigerian oil and gas industry

NEITI exists since 2007. It performs the duties which include monitoring of the oil and gas revenue payments to the Government and reconciliation of oil and gas revenue between the related agencies and oil companies, in order to ensure transparency and accountability practices in the management of oil and gas revenue. Evidence as in Transparency International (2012) indicates that transparency practice is improving in the EITI member countries. Similarly, the questionnaire findings as in Section 6.2 in response to statement 8 which indicates that, a majority of key stakeholders (69%) believe that the NEITI Act (2007) led to improvements in transparency practices in the Nigerian oil and gas industry. This study also seeks explanation from the experts through the follow-up interviews regarding the previous findings. The result indicates that, most of the participants have agreed that NEITI performs its duties effectively. It also brings about progress of transparency practices in the Nigerian oil and

gas industry. Some participants explained that NEITI has some limitations, as they commented as follows:

> *"Actually, the establishment of NEITI brings about the progress of transparency and accountability practices in Nigerian oil and gas industry. It also led to Nigeria's compliance in 2011. Despite these developments, there are still other issues related to the activities of NEITI which include; lack of power to enforce remedial actions recommended by the auditors, and political will by the Government to adequately support the activities of the NEITI"* (P3).

> *"It is true that NEITI performs its duties, but still there are recurring problems with the activities of the Nigerian oil industry that are yet to be addressed. Such as the issue of the process of awarding contracts and licences for the oil production and lack of sufficient information for the bidding process"* (P4).

> *"NEITI performs its duties as required by its Act. It also promotes transparency and accountability practices in the activities of the Nigerian oil industry, through the reconciliation activities. Its activities also assist to maintain our policy, which increases the oil revenue take to the Government"* (P5).

Another participant explains that actually NEITI is performing it duties according to its Act. He quotes from a book entitled "Domestication of EITI in Nigeria (2010)", which assesses the performance of NEITI:

> *"It seems that NEITI is happy to audit and uncover malfeasance perpetrated by oil companies rather than actions to remedy identified lapses"* (P7).

In response to whether the reconciliation of oil and gas industry's activities are carried out annually, generally the participants agreed that there are intervals between the reporting period and completing date, as described by the respondents:

"As of now, the NEITI bridges the previous gaps of audit periods by publishing the 2011 audit report and the audit of 2012-2013 is in progress." (P3).

"I don't think so, usually there are intervals between the reporting period and completing date. I believe in a near future, NEITI will do better by carrying out the audit without a gap. Now, it is able to cover up to the period of 2011" (P7).

The above explanations described the confounded problems hindering the progress of transparency and accountability practices in the Nigerian oil and gas industry. The result of the interviews had also reaffirmed the previous findings of the literature and questionnaire in the previous chapter six. The following section presents summary of the interview findings.

7.3 Summary of the interview findings

This chapter discusses the summary of findings from the interview analysis. The interviews were conducted from the United Kingdom by telephone among the participants in Nigeria from the seven groups selected to participate in the interview. The questions were selected from different areas of this research that needed explanation from the experts, to assist interpret the result of findings from the questionnaire in the previous chapter six. Interview participants were asked twelve questions and responded positively. The explanation required from the first question (7.2.1) drew the attention of participants to inter-play among their opinions, but reaffirmed that the information has increased regarding to the oil and gas industry's activities. In the second question (7.2.2), there were also argumentative explanations made by participants, and finally admitted to the earlier result of findings which indicated a need to improve in the performances of related government agencies, in relation to the oil and gas revenue management.

The participants' comments regarding to the process of government and oil companies' disclosures of the oil and gas revenue, as in the third and fourth questions (7.2.3) and (7.2.4) which indicated that, the respondents agreed that the Government and oil companies should improve the processes of disclosures of oil and gas revenue. Because it appeared that, only the related

government agencies provide the information about their activities on the websites, which were also not sufficient and will not allow making reconciliation. The participants also reaffirmed the need to improve in the cooperation between the NASS and CS, in order to enhance the availability of information of the oil and gas industry's activities as in the fifth question (7.2.5) which was also suggested by the previous findings. Similarly, the participants also demonstrated that there is a need to improve in the transparency practices as in the sixth question (7.2.6) which indicated that NEITI lack ability to enforce remedial actions recommended by the auditors. However, some participants indicates that NEITI Act led to improvements in transparency practices in the Nigerian oil and gas industry, which is also consistent with the observation made by Transparency International (2012). The findings of this chapter also corroborate the literature and previous findings from the questionnaire in chapter six. The following chapter contains the summary and general conclusion of this study.

CHAPTER EIGHT

Summary and Conclusion

8.1 Introduction

This chapter contains the summary of previous seven chapters of this study. The aim and objectives of this study were also reconsidered. It brings about recommendation and highlights the contribution and limitations of the study. It also discusses the need for further study, and finally the general conclusion.

8.2 Summary of the research findings

Although Nigeria achieved EITI compliance status in 2011, the views of expert stakeholders are that transparency and accountability in Nigeria has not increased significantly in relation to the activities of the Nigerian oil and gas industry and management of its revenue. This study chose accountability as a theoretical framework to underpin the research by using transparency of information to hold private and public office holders to account for their responsibilities with respect to the oil and gas industry. In line with the theory of accountability, this study critically assessed the functions of related government agencies and oil and gas companies, with a view to report on their effective performance regarding transparency and accountability practices in the Nigeria's oil industry (see Gray et al., 1996). Additionally, this study used the theory's principles to identify appropriate groups of key stakeholders in the Nigerian oil and gas industry. This study identified seventeen sample groups among key stakeholders (Nigerian National Petroleum Corporation, Directorate of Petroleum Resources, Central Bank of Nigeria, Nigerian Extractive Industries Transparency Initiatives, Revenue Mobilisation Allocation and Fiscal Commission, First Inland Revenue Service, The office of the Auditor General for the Federation, Office of the Accountant General of the Federation, Petroleum Technology Development Fund, National Assembly, Civil Societies, Non-Governmental Organisations, Foreign Oil Companies, Indigenous Oil Companies, Host Communities, Public Accounting Firms, and Academic Institutions) in accordance with the accountability theory (Gray et al., 1996). This study selected the sample groups from the population

sample on a probability basis using a stratified method, which guided the study to select the appropriate sample groups. The sample covers one hundred and eighty five participants, from which one hundred and sixty one responded to the questionnaire, which is equivalent to eighty seven percent of the total participants.

This study applied a mixed method approach to undertake the research. It generated responses from key stakeholders using a perception questionnaire, and conducted the follow-up in-depth interviews to gain further insights from experts to assist interpretation of the result of findings from the questionnaire. The stakeholders were able to express their opinions on whether good practice as recommended by EITI and NEITI was being carried out in Nigeria's oil and gas industry. The relevant data were obtained and hypotheses were tested. This study finds that there are still material issues that remain to be addressed in the activities of Nigerian oil and gas industry, and its related government agencies. The questionnaire findings were corroborated by the results of the follow - up interviews. The research findings addressed the research question which also led to achievement of the objectives of this study.

8.3 Findings

The findings indicated that there were statistically significant differences in the responses between and among the stakeholders' perceptions, regarding to transparency practices in the Nigerian oil and gas industry after the country's compliance. It also indicated the need to improve in transparency and accountability practices in the Nigerian oil and gas industry's activities. In support of the stakeholders' perceptions as in the literature and findings from the questionnaire, the participants' comments from the interviews in Chapter seven reaffirmed the previous findings from the questionnaire in Chapter six. Evidence also from the NEITI Audit Report (2011), NASS Fuel Subsidy Probe (2012) and Petroleum Revenue Special Task Force Report (2012) also proved the inadequacy of transparency practices in the management of oil and gas revenue. Given the foregoing evidence, the research question was addressed and the main aim of this research has been achieved. The following objectives were also considered in this study:

Objective One:

Objective 1 has been achieved by interpreting the results of the analysis from the statements of Section B in the questionnaire, which were designed to enable the stakeholders to express their opinions on whether good practice as recommended by EITI and NEITI was being carried out in Nigerian oil and gas industry. The statements also relate on some of the material issues that will enhance greater transparency practices in the Nigerian oil and gas industry. The statements were developed so that relevant data would be obtained for testing hypothesis 1, that: With respect to oil and gas revenue, the Nigerian Government does not disclose in a transparent manner its reconciliation of what it says it has received and what oil companies say they have paid. The results were also interpreted by reflecting to the research objective 1: to critically evaluate on whether there has been improvement of transparency practices in the Nigerian oil and gas industry after obtaining EITI compliance in 2011.

After interpretation and discussion of the MST results in Section 6.2 of the analysis, this study finds out that there is a need for the Government to improve in the activities of oil and gas revenue transparency practices. It also indicates the concern of key stakeholders about the process on how the Government provides the information of its activities, with respect to the management of oil and gas revenue since 2011. The findings show that, a majority of key stakeholders (94%) were in doubt on whether NGOs are informed by the Government about how oil and gas revenue is spent, whilst 87% were in doubt on whether Non-Governmental Organisations (NGOs) are routinely consulted about decision making on the use of oil and gas revenue in Nigeria and 77% believed that NEITI encourages government transparency practices in the application of oil and gas revenue received. Similarly, the analysis of the MW results showed that there were differences in responses between the groups of respondents, which emerged as a result of their functional differences and relationships. Some groups appeared to indicate support for the activities of the Government, because they receive funding from the Government such as the government agencies. Others were different such as independent organisations, as majority of them were not consulted on

how the Government uses oil and gas revenue received and they cannot access the information publicly. Therefore, this objective has been met.

Objective Two:

The responses to Section C which had questions on the government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry, enabled an analysis to be undertaken and a view to be taken on objective 2. The statements were related to the government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry. They also enabled testing of hypothesis 2 (there is insufficient disclosure of oil and gas revenue in the Nigerian oil and gas industry). The results were interpreted by reflecting on the research objective 2: to critically examine the effectiveness of performance of related government agencies (Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN), Directorate of Petroleum Resources (DPR), Nigerian National Petroleum Corporation (NNPC) and Revenue Mobilisation Allocation and Fiscal Commission (RMAFC)) in relation to oil and gas revenue management of the Nigerian oil and gas industry.

After interpretation and discussion of the MST results in Section 6.3 of the analysis, this study finds that there are differences in the opinions of key stakeholders, which also indicated their concerned about the performance of related government agencies in the management of oil and gas revenue with respect to the transparency practices since 2011. It also indicated a need for the related agencies to improve in the management of oil and gas revenue. The findings show that, a majority of key stakeholders (84%) were in doubt on whether the DPR meets NEITI transparency requirements by providing publicly data, with regard to the processes of awarding contracts and licenses for oil and gas production, whilst 83% of key stakeholders were also in doubt on whether the Office of the Auditor General for the Federation is proactive, in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out and 78% were in doubt on whether the DPR provides publicly on an annual basis sufficient information about royalty payments made by the oil and gas companies. Additionally, the analysis of the MW result indicated that some responses of the government agencies such as

the NNPC and RMAFC appeared to indicate that the performance of related government agencies promotes transparency practices. They failed to consider that related government agencies were not providing sufficient disclosure of oil and gas revenue, which also affect transparency practices in their activities. Others may have disagreed or may be in doubt as a result of evidence which they may have by evaluating the government agencies' performance such as the NGOs and NASS, or they may not access the information publicly. This objective has thus been achieved.

Objective Three:

Objective 3 was tested in a similar way to the previous two objectives by analysing statements from Section D of the questionnaire. These statements related to the government management of the oil and gas revenue with regard to the transparency practices in the Nigerian oil and gas industry. This also helped a view to be formed on the validity of hypothesis 3 (government agencies' performance in improving effective management of oil and gas revenue in Nigeria has not improved transparency practices in its oil and gas industry). The results were interpreted by reflecting on the research objective 3: to critically assess whether or not the Nigerian government maintains effective processes for the management of oil and gas revenue. After interpretations and discussion of the MST results in Section 6.4 of the analysis, this study finds that key stakeholders were concerned about the Government management of oil and gas revenue since 2011. It also indicates a need for the Nigerian government to improve in the process of oil and gas revenue management, as well as the related agencies. The findings also indicate that, a majority of key stakeholders (82%) were in doubt on whether the Government reports annually to the public on how it has spent the oil and gas revenue received, whilst 74% were in doubt on whether the DPR adequately ensures standard metering facilities, for measuring oil production from wellheads to the terminals and (73%) believed that there has been significant improvement of transparency practices in Nigeria, with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles. Similarly, the analysis of the MW result highlighted that the views of respondents as in NNPC appeared to indicate an agreement that the Nigerian Government maintains an effective process in the management of oil

and gas revenue, possibly because of their commitment to the Government. Others may have disagreed or may be in doubt as a result of evidence which they may have by evaluating the government and its agencies' performance or by carrying out a research such as the ACIs, regarding to the management of oil and gas revenue. This objective has successfully been achieved.

Objective Four:

Analysis was based on responses to statements from Section E of the questionnaire. In the light of this reflection it was possible to discuss hypothesis 4 (Government management of the oil and gas revenue is sub-optimal with regard to the achievement of national goals and objectives). The results were interpreted by reflecting on the research objective 4: to critically analyse the effectiveness of performance of oil and gas companies in relation to transparency practices in the Nigerian oil and gas industry. The inter-play between the various stakeholders in the Nigerian oil and gas industry will inform the government on how best to use oil revenue for the good of society and the country.

After interpretations and discussion of the MST results in Section 6.5 of the analysis, this study finds that key stakeholders were concerned about the influence of oil and gas companies with respect to the transparency practices since 2011. It also indicates a need for the Government and its agencies to improve, in the management of oil and gas revenue especially in the management of royalty and PPT payments. The findings also indicated that a majority of key stakeholders (54%) believed that the oil companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold, whilst 51% were in doubt on whether the oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved and 50% were in doubt on whether the DPR regularly assesses the royalty payments due by the oil and gas companies. Similarly, the analysis of the MW indicates that there is a need for the oil and gas companies to improve in the assessment of oil and gas revenue payments, with respect to transparency practices. The Government should also improve, especially in the assessment of royalty and PPT payments. Therefore this objective has been achieved.

Objective Five:

Reviews of objective 5 and hypothesis 5 (Key stakeholders perceive that the state of transparency practices in the Nigerian oil and gas industry is sub-optimal with regard to the achievement of national goals and objectives) were undertaken from responses given to Section F of the questionnaire, which relates to the influence of Nigerian and International civil society groups on the promotion of greater transparancy practices in the Nigerian oil and gas industry. The statements were also developed so that relevant data would be obtained for testing hypothesis 5, that: Key stakeholders perceive that the state of transparency practices in the Nigerian oil and gas industry is sub-optimal with regard to the achievement of national goals and objectives. The results were also interpreted by reflecting on the research objective 5: to recommend ways to improve transparency and accountability practices in the management of oil and gas revenue in Nigeria.

After interpretations and discussion of the MST results in Section 6.6 of the analysis, this study finds that key stakeholders were concerned about the influence of Nigerian and International civil society groups on the promotion of greater transparency practices in the Nigerian oil and gas industry since 2011. It also highlights a need for the Government to allow CSs to be proactive in implementing remedial actions in the oil and gas industry. The findings also indicate that, a majority of key stakeholders (83%) believed that the participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue, whilst 76% believed that the advocacy of International civil society groups promote revenue transparency practices in the extractive industries and 73% were in doubt on whether the Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports. Additionally, the analysis of the MW indicates that the actions of Nigerian and International civil society groups promote transparency practices in the Nigerian oil and gas industry. It also highlights the need for the Government of Nigeria to give adequate support to the activities of the civil society groups and allow them to act independently, as practiced in other countries. This objective was achieved.

The above findings indicate a need for a national conference or consultation among the key stakeholders, which will include the Government officials and the independent groups such as the financial analyst and experts in the fields of finance, account and management of the oil and gas revenue, for the discussion on how the Government and its related agencies should improve in the management of oil and gas revenue. From the above findings it can be seen that the research aim objectives were successfully achieved.

The summary of findings also indicates that, the study has answered the research question and demonstrated how the main aim and objectives have been achieved successfully. This study also identifies material issues that need to be addressed, in order to improve transparency and accountability practices in the Nigerian oil and gas industry. This will also serve as a contribution to knowledge in this area of study. This study also discovers that the following issues should be addressed very well for the improvement of transparency and accountability practices in the Nigerian oil and gas industry:

- Maintenance of efficient records to enable the public to have accurate knowledge of how much crude oil has been produced, what was lifted out for export through the terminals, and how much arrived at domestic refineries for a period of time.

- Effective monitoring of assessment of royalty and PPT payments for the Oil Companies instead of reliance on the self-assessment of royalties provided by the Oil Companies, and the government should provide standard measuring facilities and guidelines for the measurement of oil and gas production.

- Review of the NEITI Act, 2007 to provide the necessary mechanism to prosecute offenders in the extractive industries.

- Adequate implementation of corrections, with regard to financial anomalies identified by the independent auditors in the NEITI Audit reports of the oil and gas industry.

▪ The government should provide adequate support to the agencies responsible to enforce the law for the management of oil and gas revenue.

The following Section presents recommendation of the study.

8.4 Recommendations

EITI has achieved much within 12 years of being launched. It is also trying to provide useful information to the public and help inform debate about how best to manage natural wealth, but it may not be the answer to all natural resource governance challenges. Therefore, there is a need for EITI to address the evolving challenges of transparency practices in the EITI member countries. However, the EITI might be doing very well in the near future, which will also be in favour of its member countries with genuine political will for the reform of their transparency practices. EITI will be successful in the nation where civil society groups are strong, act independently and knowledgeable about the activities of extractive industry.[31] For example, EITI should help to ensure strong protection and participation of civil society groups in the EITI member countries, allow total implementation of new complementary financial reporting requirements,[32] and widening the scope of the initiative to include the issues of expenditures such as, contracts and licensing transparency.

On the other side, the NEITI Act emphasised prompt payment of rentals and fees including other charges to maximise revenue receipts to the Government, but fell short of making adequate provisions on how Government should be accountable for such revenue received. Similarly, NEITI should be given a mandate for a legal framework to extend its activities to sub-national levels. There is also a need to review the NEITI Act (2007) in order to meet the evolving challenges, which include the issue of environmental cost and protection, in order to protect the livelihood of immediate host communities. This study considers the environment as the greatest victim of oil and gas

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31. The civil society groups should be well trained and educated in various activities of the extractive industry, they should also be responsible to monitor the implementation of the remedial actions recommended by the NEITI audit report.
32. This should be made by enforcing total compliance of the Stock Exchange listing rules and International Accounting Standards (IAS) requirements.

activities, and there is no way of dealing with transparency practices in extractive industries without making adequate provision to protect the environment. This study also discovered that the transparency initiative does not capture the issue of environmental cost and protection. An example is the recent report on environmental remediation by the United Nations (UN) in Ogoniland of the Niger Delta region in Nigeria, as noted by the CISLAC (2011). There has been recognition for some time that there are established linkages between the environmental issues and development processes. As such, NEITI processes should be required to include an intervention process relating to issues associated with human activities that endanger the environment. The NEITI should also provide a standard for the relationship between extractive industries operators and the environment.

In a related development, nationalisation or commercialisation of the Nigerian oil and gas industry is important. For more than five decades Nigeria's oil and gas operates on joint venture contracts between the Nigerian government through NNPC and multi-national oil companies. Yet, the benefit to the county's socio-economic growth, security and political development is insignificant, compared to the period of discovery of fuel, since 1956 and the amount of revenue the commodity generates. That was also observed by Abutudu and Garuba (2011). Consequently, there is the need for taking the following measures into accounts for the better performance of Nigeria's oil and gas industry:

- This study recommends that the Nigerian Government should adopt the policy of the United States Dodd-Frank Act (2010), in relation to the financial reporting system for the extractive industries, which would make disclosure of extractive resources' revenue compulsory in Nigeria.

- This study recommends that the Nigerian Government should implement effectively the remedies recommended by the independent auditors in the NEITI audit reports, and that it publishes in an accessible, transparent and timely manner to the public an account of all oil revenue and payments together with a report from independent auditors on the accuracy of the disclosures.

- This study also recommends that related government agencies should upgrade their accounting recording systems relating to oil and gas revenue and that these systems be subjected to scrutiny by independent auditors.

- There is also a need for the Government to allow the participation of NEITI and CSs in decision-making processes on how to use oil and gas revenue, in order to meet EITI and NEITI Act requirements, regarding to transparency practices in the management of oil and gas revenue.

- The CSs should be given a chance to act independently in Nigeria and allow them to elect their representative on the NEITI National Stakeholders Working Group (NSWG).

- The Government should give the same attention to the downstream sector as NEITI currently does to the upstream revenue as this would significantly increase revenue.

- The DPR should provide facilities such as: modern equipment for the measurement of oil and gas production at strategic stages in the oil industry; develop standard guidelines for the measurement of crude oil and ensure strict compliance with the approved guidelines; and ensure the setting of appropriate prices in the process of making their assessments. These actions should be subjected to independent audit.

- The DPR should ensure that royalty payments are made accurately and on a timely basis; again subject to independent audit scrutiny.

- There is the need for the FIRS to establish a unit to be in charge of the issue of tax returns and that this is done separately from the PITD; this will help ensure the effective performance of its management.

- There is also need for applying a standard format for filing estimated PPT and final tax returns.

- There is the need for automation of data collection (database) among the related government revenue recipient agencies, for the accuracy

and timely reporting of the accrued revenue receipts and payments made from the oil and gas revenue.

- It is also essential that, the Government should revise the incentive agreement of "incorporation" status of the oil and gas industries operating in the country. This will allow OCs to disclose their revenue payments to the government and be listed in the Stock Exchange and Security Market in the country.

- Effective modern communication systems should be made available to the related government agencies for their effective performance.

- If possible, the government should review the system of trading its crude oil from a "term basis" to a "cost, insurance and freight basis", and by so doing, the industry will generate more revenue that could be used to enhance production capacity and improve the socio-economic, security, and political development.

For widening the scope of understanding of the NEITI requirements, this study recommends the translation and publication of the NEITI Act and NEITI Handbook into the three main Nigerian languages (Hausa, Igbo and Yoruba). These should then be made publicly available in the academic institutions, public libraries and made easily accessible on the internet and by other communication systems. Interestingly, the NEITI secretariat has started organising seminars, conferences, and induction programmes for federal legislators in collaboration with the CSs and NGO's, but this study suggests that these programmes should be extended to the academic institutions for the benefit of the academic community in general and young Nigerian graduates in particular. This study also recommends the establishment of a national workshop in collaboration with international organisations or academic institutions, which have expertise in providing training related to the management of oil and gas revenue, as this will assist the development of capacity of Nigerian officials to take responsibility for the management of oil and gas revenue.

The following section presents contribution and limitations of this study.

8.5 Contribution of the study

The contribution of this study to the literature is significant. There is a limited number of studies that have examined transparency practices in the Nigerian context (example: Abutudu and Garuba, 2011; Uchenna, 2011; Shaxson, 2009; and Peel, 2005). The studies did not reflect on the improvement of transparency and accountability practices in the Nigerian oil and gas industry after the country's compliance. This study thus contributes to the literature on transparency practices in the Nigerian oil and gas industry by building on the related existing literature. This study critically assesses the improvement of transparency and accountability practices in the oil and gas industry in Nigeria from 2011, which results due to the widely acknowledging Nigeria to have transparency problems in relation to the management of oil and gas revenue. This study contributes by finding out the material issues that need to be addressed, regarding to transparency practices in the Nigerian oil and gas industry, after attaining the compliance.

Another contribution of this study is the achievement of its aim and objectives, as described in Section 8.3 above. It also highlights the material issues that need to be addressed in order to promote greater transparency practices in the management of oil revenue and Nigerian oil and gas industry. These include:

- Contract and licence transparency and effective management of signature bonus transaction.

- Provision of adequate and standard metering and measuring facilities in the upstream and midstream sectors.

- Provision of effective communication systems for managing financial and physical transactions.

- Ensuring effective performance of related government agencies regarding the management of oil and gas revenue.

- The need for the establishment of a unit to be in charge of the issue of tax returns separately from the Petroleum International Tax Department

in the Federal Inland Revenue Service, thus increasing the effectiveness of performance of its management.

- Ensuring sufficient oversight functions to oil and gas industry by the NASS and other responsible agencies.

This study provides an insight and understanding of transparency practices in the Nigerian oil and gas industry. This will be of interest to stakeholders and policy makers, and help improve the performance of the oil and gas industry, and add to the body of literature.

8.6 Limitations of the study

The study focuses on Nigeria and its findings may not be applicable to other developing countries with oil resources. It also restricts analysis to the examination of the improvement of transparency practices in the Nigerian oil and gas industry since 2011. This period of limitation is a result of Nigeria achieving EITI compliance status in 2011.

The selection of stakeholders from the government institutions such as the Niger Delta Development Commission and Ministry of Niger Delta Affairs to represent the Host Communities may possibly be a limitation of this research because their opinions might be influenced by a cultural institutional factor relating to secrecy of information about government activities. The enactment of the Freedom of Information Act (FOI, 2011) has lessened the impact of this limitation.

8.7 Further Research

For comparison purposes, this study recommends future research be undertaken in the Nigerian context, applying "Stakeholder theory".

8.8 General conclusion

The main aim of this study was to investigate whether Nigeria gaining EITI compliance status in 2011 has improved transparency practices in the oil and gas industry. An accountability theoretical framework of the oil and gas industry was applied to underpin this study. This study reviewed literature and

other relevant documents related to the EITI and NEITI. In the process of carrying out this research, a mixed methods approach was applied. This study used a perception questionnaire to generate responses from key stakeholders, and interviewed seven participants among the sample groups. The result of the interviews were analysed qualitatively, in order to corroborate the findings from the questionnaire. That helped provide insight and aided interpretation and understanding of the statistical analysis conducted.

This study noticed that there was an inter-play of the opinions between and among the key stakeholders, indicating significant differences of perceptions on transparency and accountability practices in the Nigerian oil and gas industry. This is a result of their functional differences and relationships in the activities of Nigerian oil and gas industry. Table 6.16 describes such divergence in opinions between respondent groups regarding their responses to statements from the questionnaire. For example, the respondents from NNPC have a high number of differences in views from the other groups, in relation to the overall statements from the questionnaire which reflect on transparency practices in the management of oil and gas revenue. NNPC has statistically significant different responses from those of the NGO in 27 of the 50 statements. NNPC gave responses that were consistent with the Government being transparent, with respect to the activities of the Nigerian oil and gas industry, whilst those of the Non-Governmental Organisations indicated disagreement. These findings will inform the Government on where to improve and on how best to use oil and gas revenue for the good of Nigerian society and the country. The findings will also contribute to knowledge and literature on the Nigerian oil and gas industry.

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Appendix I: Questionnaire and Interview Schedule

Aberdeen Business School
Robert Gordon University
United Kingdom

Questionnaire to assist with Improving Transparency Practices in the Nigerian Oil and Gas Industry.

I am very interested in receiving your expert opinion on the statements provided and you should answer based on your experience

Your responses and identity will be kept strictly anonymous and absolutely confidential.

The questionnaire contains six sections (A - F)

Section A

Personal details

Please tick the appropriate box provided.

1. Nationality.
   () Nigerian
   () Non-Nigerian

2. Please describe your place of work
   () Nigeria Extractive Industries Transparency Initiative (NEITI)
   () Petroleum Technology Development Fund (PTDF)
   () Nigerian National Petroleum Corporation (NNPC)
   () Indigenous Oil Company
   () Foreign Oil Company
   () Industry Regulator (DPR)
   () National Assembly of Nigeria (Legislature)
   () Ministry of Niger Delta
   () Niger Delta Development Commission (NDDC)
   () Civil Society
   () Non-Governmental Organisation (NGO)
   () Financial Analyst
   () Academic Institution
   () Federal Inland Revenue Service (FIRS)
   () Revenue Mobilization, Allocation and Fiscal Commission (RMAFC)
   () Central Bank of Nigeria (CBN)
   () Office of the Accountant General of the Federation (OAGF)
   () Office of the Auditor General for the Federation (AGF)
   () Public Accounting Firm (PAF)

() Other (Please specify) ---

Section B

Although Nigeria has been deemed to comply with the NEITI Act (2007) requirements, there are still material issues to be addressed regarding the transparency practices of its oil and gas industry. This section presents statements that are designed to reflect on some of the material issues that will enhance greater transparency practices in the Nigerian oil and gas industry.

	Please indicate the level of your agreement or disagreement by ticking the appropriate box. (Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, Strongly Disagree = 5).					
S/N	**Statement**	1	2	3	4	5
1.	The government discloses publicly the oil and gas revenue it receives annually from oil and gas companies.	()	()	()	()	()
2.	The DPR provides on a timely periodic basis the volume of crude oil the country produces.	()	()	()	()	()
3.	Oil and gas companies disclose publicly the oil revenue payments made to the government annually.	()	()	()	()	()
4.	NEITI encourages government transparency practices in the application of oil and gas revenue received.	()	()	()	()	()
5.	NEITI adequately monitors the oil and gas revenue payments to the government by oil companies as recorded by oil companies.	()	()	()	()	()
6.	NEITI adequately monitors the oil and gas revenue receipted by the government as recorded by the government.	()	()	()	()	()
7.	NEITI provides publicly on an annual basis the result of the audit of the oil and gas industry's performance.	()	()	()	()	()
8.	The NEITI Act (2007) has led to improvements in transparency practices in the Nigerian oil and gas industry.	()	()	()	()	()
9.	NEITI submits an annual audit report of the oil and gas industries' performance to the Office of the Auditor General for the Federation.	()	()	()	()	()
10.	Non-Governmental Organisations (NGOs) are routinely consulted about decision making on the use of oil and gas revenue in Nigeria.	()	()	()	()	()

11.	NGOs are informed by the government about how oil and gas revenue is spent.	()	()	()	()	()

If you have any comments with regard to this section please, write them in the space provided ---
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Section C

The statements presented in this section reflect on the government agencies' performance in influencing greater transparency practices in the Nigerian oil and gas industry.

Please, specify the level of your agreement or disagreement by ticking the appropriate box. (Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, Strongly Disagree = 5).						
S/N	**Statement**	1	2	3	4	5
12.	The Revenue Mobilization, Allocation and Fiscal Commission influences transparency practices in the allocation of oil and gas revenue.	()	()	()	()	()
13.	The DPR provides publicly, on an annual basis, sufficient information with regard to the royalty payments made by oil and gas companies.	()	()	()	()	()
14.	The DPR meets NEITI transparency requirements by, providing publicly, data with regard to the processes of awarding contracts and licences for oil and gas production.	()	()	()	()	()
15.	The DPR provides to auditors appropriate information with regard to the processes of awarding licenses for the export of crude oil.	()	()	()	()	()
16.	The NNPC and Petroleum Product Pricing Regulatory Authority provides to auditors appropriate information with regard to the processes of awarding licenses for the import of refined oil products.	()	()	()	()	()
17.	The Central Bank of Nigeria provides to auditors appropriate information with regard to oil and gas revenue.	()	()	()	()	()
18.	The Federal Inland Revenue Service provides publicly on annual basis sufficient information with regard to the revenue	()	()	()	()	()

	payments made by oil and gas companies.					
19.	The Federal Inland Revenue Service performs its duties effectively with regard to the collection of oil and gas revenue from oil and gas companies.	()	()	()	()	()
20.	The Office of the Accountant General of the Federation participates actively in the management of the oil and gas revenue.	()	()	()	()	()
21.	The Office of the Accountant General of the Federation keeps accurate records of all payments and receipts from the oil and gas revenue.	()	()	()	()	()
22.	The Office of the Auditor General for the Federation is proactive in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out.	()	()	()	()	()
23.	The National Assembly receives on annual basis the audit report of the oil and gas industries from the NEITI secretariat.	()	()	()	()	()
24.	The oversight functions of the relevant committees of the National Assembly relating to the activities of the Nigerian extractive industries are sufficient to promote revenue transparency practices in the oil and gas industry.	()	()	()	()	()
25.	The relevant committees of the National Assembly relating to the activities of the Nigerian extractive industries take appropriate action on a regular basis to ensure implementation of any remedies recommended by the NEITI audit reports.	()	()	()	()	()
26.	The Budget Office of the Federation provides guidance for efficient utilisation of oil and gas revenue.	()	()	()	()	()
27.	The oversight functions of the Fiscal Responsibility Commission with regard to oil and gas revenue improve transparency practices in the Nigerian oil and gas industry.	()	()	()	()	()

If you have any comments with regard to this section please, write them in the space provided ---
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Section D

This section presents statements that are designed to reflect on the government management of the oil and gas revenue with regard to the transparency practices in the Nigerian oil and gas industry.

	Please, indicate the level of your agreement or disagreement by ticking the appropriate box. (Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, Strongly Disagree = 5).					
S/N	**Statement**	1	2	3	4	5
28	There has been significant improvement of transparency practices in Nigeria with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles.	()	()	()	()	()
29	The government reports annually to the public on how it has spent the oil and gas revenue received.	()	()	()	()	()
30	Most of the oil and gas companies make prompt remittances of the oil and gas revenue to the government.	()	()	()	()	()
31	The Office of the Accountant General of the Federation provides to auditors appropriate information regarding the revenue received from the oil and gas companies.	()	()	()	()	()
32	The Office of the Accountant General of the Federation provides to auditors appropriate information regarding the payments made from the oil and gas revenue received.	()	()	()	()	()
33	The Revenue Mobilization Allocation and Fiscal Commission obtains information relating to the receipts and payments of oil and gas revenue made by oil and gas companies to the government.	()	()	()	()	()
34	The NNPC and the DPR maintain an effective channel of communication with regard to the management of signature bonuses.	()	()	()	()	()
35	Oil and gas companies provide to the Federal Inland Revenue Service regular information on their revenue and expenditure for the assessment of petroleum profit tax.	()	()	()	()	()
36	Oil and gas companies provide to the DPR regular information on the volume of crude oil produced for the assessment of royalty.	()	()	()	()	()
37	Oil and gas companies regularly provide the DPR with information about the value of	()	()	()	()	()

			1	2	3	4	5
	crude oil lifted for the assessment of royalty.						
38	The DPR adequately ensures standard metering facilities for measuring oil production from well heads to terminals.		()	()	()	()	()
39	The Federal Inland Revenue Service is proactive in assessing and collecting petroleum profit tax from the oil and gas companies.		()	()	()	()	()
40	Federal Inland Revenue Service submits a monthly return on payment of taxes to the Office of Accountant General of the Federation.		()	()	()	()	()
41	NNPC submits a monthly return on crude oil sales to the Office of the Accountant General of the Federation.		()	()	()	()	()
42	DPR submits a monthly return on licences fees, signature bonuses and other charges to the Office of Accountant General of the Federation.		()	()	()	()	()

If you have any comments with regard to this section please, write them in the space provided ---
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Section E

This section contains statements designed to reflect on the influence of Oil Companies with regard to transparency practices in the Nigerian oil and gas industry.

Please, indicate the level of your agreement or disagreement by ticking the appropriate box.					
(Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, Strongly Disagree = 5).					
S/N	**Statement**	1	2	3	4	5
43.	Oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved.	()	()	()	()	()
44.	Oil companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold.	()	()	()	()	()
45.	DPR regularly assesses the royalty payments due by the oil and gas companies.	()	()	()	()	()

| 46. | The Federal Inland Revenue Service regularly assesses the payment of petroleum profit tax due by the oil and gas companies. | () | () | () | () | () |

If you have any comments with regard to this section please, write them in the space provided --
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Section F

The following section presents statements that reflect on the influence of International and Nigerian civil society groups on the promotion of greater transparency practice in the Nigerian oil and gas industry.

Please, indicate the level of your agreement or disagreement by ticking the appropriate box. (Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree = 4, Strongly Disagree = 5).						
S/N	**Statement**	1	2	3	4	5
47.	The cooperation between the National Assembly and Nigerian civil society groups enhance the available information relating to the activities of the oil and gas industry.	()	()	()	()	()
48.	The Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports.	()	()	()	()	()
49.	The participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue.	()	()	()	()	()
50.	The advocacy of international civil society organisations promotes revenue transparency practices in the extractive industries.	()	()	()	()	()

If you have any comments with regard to this section please, write them in the space provided --
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Thanks for your contribution

Follow-up interviews schedule

1. Nigeria has been deemed to comply with the EITI principles and NEITI Act requirements, since 2011. Literature indicates that, still the current state of transparency and accountability practices in Nigeria's oil and gas industry does not improve significantly to the perception of most of the stakeholders.

(1) What are your comments on this statement?

2. Evidence indicates that the performance of related government agencies in relation to transparency practices in the Nigerian oil and gas industry was not effective. For example; Nigerian National Petroleum Corporation (NNPC), Directorate of Petroleum Resources (DPR), Federal Inland Revenue Service (FIRS), Central Bank of Nigeria (CBN) and Office of Accountant General of the Federation (OAGF) transparency.

(1) Do you agree with this statement?

(2) Do you agree that CBN has a problem of revenue misclassification?

(3) The DPR and FIRS were also blamed for not performing effectively. What can you say about this?

3. The study discovers that the government process of annual disclosure and reconciliation of oil revenue generate from the Nigerian oil and gas industry was not effective.

(1) What is your comment on this statement?

(2) How are you sure about accuracy of the figure? Since the CBN's oil revenue management system is not maintained appropriately.

(3) Do the government receipts agreed with the payments made by the oil companies?

4. The study finds that the process of annual disclosure of oil and gas revenue payments to the government by the oil companies was not effective.

(1) What is your comment on this statement?

5. There is cooperation between the National Assembly and civil society groups that also assists to provide the available information relating to the activities of Nigerian oil and gas industry.

(1) Do you agree with this statement?

(2) What is your view about the engagement of CS in the decision making process on how government uses oil revenue received?

6. NEITI exists since 2007. It performs the functions which include the reconciliation between the activities of related government revenue recipient agencies and oil companies. To ensure transparency and accountability practices in the management of oil and gas revenue.

(1) What is your comment in relation to this statement?

(2) Does the audit of oil industry being conducted annually as required by the EITI?

Appendix II: Request letter for completion of questionnaire

Dear Sir/Madam,

Request for completion of Questionnaire

I am a research scholar at Robert Gordon University Aberdeen, United Kingdom, where I am conducting research on what impact, if any, the NEITI Act (2007) requirements have had on the Nigerian extractive industries' transparency practices. The study also seeks to make an attempt to reflect on some of the material issues regarding revenue transparency practices in the Nigerian oil and gas industry. This research will be of interest and help to policy makers, the oil and gas industry and to other stakeholders in the Nigerian oil and gas sector.

You have been selected to participate in this research because of your expertise, and influence on the transparency practices in the Nigerian oil and gas industry. I very much value your contribution to this study and assure you that your contribution will be treated in confidence. It will be used as anonymous statistical data for the purpose of this research only.

Attached is a questionnaire which should not take long to complete. I will be most grateful if you can complete this questionnaire. I can be contacted at any time to come for the collection of the completed questionnaire on mobile number: 08098459617 or email address: b.b.gafai@rgu.ac.uk

Thank you for your kind consideration

Yours faithfully

Bashir Bature Gafai
Research Scholar
Oil and Gas Accounting
Aberdeen Business School
Robert Gordon University
Aberdeen, United Kingdom

Appendix III: Introduction Letter

![Petroleum Technology Development Fund logo]

PETROLEUM TECHNOLOGY DEVELOPMENT FUND

Plot 672, Port-Harcourt Crescent Off Gimbiya Street, Off Ahmadu Bello Way, Garki (Area 11) Abuja.
P.O. Box 9899 Garki (Area 10) Abuja. Tel: 09-3142216-7, (Fax) 09-3142219
www.ptdf.gov.ng

11th November 2011   PTDF/TR/PHDBBG244/63

The Executive Secretary
Nigerian Extractive Industries Transparency Initiative (NEITI)
Murjanatu House
Zambezi Street
Maitama
Abuja

Dear Sir,

LETTER OF INTRODUCTION – BASHIR BATURE GAFAI

Mr. Bashir Bature Gafai is a PhD student at Robert Gordon University, Aberdeen, United Kingdom under the sponsorship of the Petroleum Technology Development Fund with effect from September 2009.

2. The scholar is undertaking a research in Oil and Gas Accounting with the topic 'Nigerian Extractive Industry Transparency Initiative.'

3. He is currently at the level of data gathering and he has identified your organization as one of the key stakeholders, whose functions influence transparency and accountability in the Nigerian Oil and Gas Industry. Consequently, he wishes to visit your organization in order to distribute questionnaires.

4. You are therefore, kindly requested to render all necessary assistance to him in this regard.

5. Please accept the assurances of the Fund's highest regards.

A.G. Aminu
AGM (Education & Training)
For: Executive Secretary

Appendix IV: Questionnaire Responses

Statements	1	2	3	4	5	Total
B1	15	41	31	54	20	**161**
B2	24	41	24	55	17	**161**
B3	12	26	36	65	22	**161**
B4	38	86	24	13	0	**161**
B5	23	64	34	40	0	**161**
B6	17	67	34	34	9	**161**
B7	24	66	38	23	10	**161**
B8	46	65	34	13	3	**161**
B9	17	52	54	31	7	**161**
B10	5	16	35	82	23	**161**
B11	2	8	39	75	37	**161**
C12	15	58	52	32	4	**161**
C13	7	29	42	57	26	**161**
C14	8	18	50	61	24	**161**
C15	9	49	58	32	13	**161**
C16	11	56	44	40	10	**161**
C17	14	71	47	26	3	**161**
C18	14	71	38	33	5	**161**
C19	26	69	27	35	4	**161**
C20	13	42	60	35	11	**161**
C21	17	60	38	36	10	**161**
C22	6	22	46	72	15	**161**
C23	17	63	44	36	1	**161**
C24	9	31	36	68	17	**161**
C25	3	26	35	73	24	**161**
C26	10	66	56	20	9	**161**
C27	14	69	42	31	5	**161**
C28	35	83	18	18	7	**161**
D29	11	19	35	73	23	**161**
D30	23	61	37	35	5	**161**
D31	20	65	50	21	5	**161**
D32	24	57	46	28	6	**161**
D33	23	85	41	10	2	**161**
D34	12	47	42	46	14	**161**
D35	28	67	36	27	3	**161**
D36	35	62	30	27	7	**161**
D37	32	67	32	21	9	**161**
D38	16	25	34	43	43	**161**
D39	26	71	30	30	4	**161**
D40	18	61	66	12	4	**161**
D41	21	52	61	22	5	**161**
D42	18	47	70	23	3	**161**
E43	15	64	50	29	3	**161**
E44	19	68	46	26	2	**161**
E45	20	61	48	30	2	**161**
E46	23	61	46	27	4	**161**
F47	11	55	50	36	9	**161**
F48	10	34	46	67	4	**161**
F49	28	106	18	7	2	**161**
F50	34	88	25	10	4	**161**

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, and 5= Strongly Disagree.

Appendix V: Median Sign Test Result

Statements	No. of Resps.	Actual Median	Predicted Median	Median Difference	Above Median	Equals to Median	Bellow Median	Prob. Value
ST1	161	3.00	3.00	0.00	74	31	56	0.1360
ST2	161	3.00	3.00	0.00	72	24	65	0.6082
ST3	161	4.00	3.00	1.00*	87	36	38	0.0000
ST4	161	2.00	3.00	-1.00*	13	24	124	0.0000
ST5	161	2.00	3.00	-1.00*	40	34	87	0.0000
ST6	161	2.00	3.00	-1.00*	43	34	84	0.0004
ST7	161	2.00	3.00	-1.00*	33	38	90	0.0000
ST8	161	2.00	3.00	-1.00*	16	34	111	0.0000
ST9	161	3.00	3.00	0.00*	38	54	69	0.0037
ST10	161	4.00	3.00	1.00*	105	35	21	0.0000
ST11	161	4.00	3.00	1.00*	112	39	10	0.0000
ST12	161	3.00	3.00	0.00*	36	52	73	0.0006
ST13	161	4.00	3.00	1.00*	83	42	36	0.0000
ST14	161	4.00	3.00	1.00*	85	50	26	0.0000
ST15	161	3.00	3.00	0.00	45	58	58	0.2370
ST16	161	3.00	3.00	0.00	50	44	67	0.1391
ST17	161	2.00	3.00	-1.00*	29	47	85	0.0000
ST18	161	2.00	3.00	-1.00*	38	38	85	0.0000
ST19	161	2.00	3.00	-1.00*	39	27	95	0.0000
ST20	161	3.00	3.00	0.00	46	60	55	0.4260
ST21	161	3.00	3.00	0.00*	46	38	77	0.0068
ST22	161	4.00	3.00	1.00*	87	46	28	0.0000
ST23	161	3.00	3.00	0.00*	37	44	80	0.0001
ST24	161	4.00	3.00	1.00*	85	36	40	0.0001
ST25	161	4.00	3.00	1.00*	97	35	29	0.0000
ST26	161	3.00	3.00	0.00*	29	56	76	0.0000
ST27	161	2.00	3.00	-1.00*	36	42	83	0.0000
ST28	161	2.00	3.00	-1.00*	25	18	118	0.0000
ST29	161	4.00	3.00	1.00*	96	35	30	0.0000
ST30	161	2.00	3.00	-1.00*	40	37	84	0.0001
ST31	161	2.00	3.00	-1.00*	26	50	85	0.0000
ST32	161	2.00	3.00	-1.00*	34	46	81	0.0000
ST33	161	2.00	3.00	-1.00*	12	41	108	0.0000
ST34	161	3.00	3.00	0.00	60	42	59	1.0000
ST35	161	2.00	3.00	-1.00*	30	36	95	0.0000
ST36	161	2.00	3.00	-1.00*	34	30	97	0.0000
ST37	161	2.00	3.00	-1.00*	30	32	99	0.0000
ST38	161	4.00	3.00	1.00*	86	34	41	0.0001
ST39	161	2.00	3.00	-1.00*	34	30	97	0.0000
ST40	161	3.00	3.00	0.00*	16	66	79	0.0000
ST41	161	3.00	3.00	0.00*	27	61	73	0.0000
ST42	161	3.00	3.00	0.00*	26	70	65	0.0001
ST43	161	3.00	3.00	0.00*	32	50	79	0.0000
ST44	161	2.00	3.00	-1.00*	28	46	87	0.0000
ST45	161	2.00	3.00	-1.00*	32	48	81	0.0000
ST46	161	2.00	3.00	-1.00*	31	46	84	0.0000
ST47	161	3.00	3.00	0.00*	45	50	66	0.0577
ST48	161	3.00	3.00	0.00*	71	46	44	0.0153
ST49	161	2.00	3.00	-1.00*	9	18	134	0.0000
ST50	161	2.00	3.00	-1.00*	14	25	122	0.0000

Note that, the Median Sign test results with significant differences are marked with asterisks * and 5% is a significant level. The level of measurement is 5 point Likert scale: Strongly Agree =1, Agree =2, Neutral =3, Disagree =4, and Strongly Disagree =5.

Mann-Whitney Test result between groups and by statement

Statements	Group 1		Group 2		Decision Statistics		
	NNPC		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
1.	14	2	10	4	-2	131	0.0031
	DPR		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
2.	7	2	10	4	-2	39	0.0218
	NASS		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
2.	20	2	12	4	-1	273.5	0.0293
	NNPC		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
2.	14	2	10	4	-2	112	0.0003
	NNPC		NEITI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
3.	14	3	8	4	-1	117	0.003
	NNPC		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
3.	14	3	15	4	-1	148.5	0.0078
	CS		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
4..	15	2	7	3	-1	138	0.0165
	NNPC		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
5.	14	2	10	4	-1	136	0.0242
	NEITI		HC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
5.	8	1	10	4	-2	44.5	0.0059
	CBN		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
5.	9	2	10	4	-2	50.5	0.0015
	NEITI		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
6.	8	2	10	4	-2	39	0.0012
	DPR		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
7.	7	2	12	4	-1	46	0.047
	DPR		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
8.	7	2	15	1	1	113.5	0.022
	NNPC		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
9.	14	3	12	4	-1	120	0.0004
	OAGF		HC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
9.	6	3	10	2	1	75	0.0108
	NGO		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
10.	12	4	7	2	2	151	0.0099
	NEITI		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
11.	8	3	15	4	-1	52.5	0.0055
	RMAFC		NASS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
12.	5	1	20	3	-1.5	23.5	0.0053
	DPR		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
13.	7	2	15	4	-2	43	0.0091
	DPR		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
14.	7	1	10	4	-2	35	0.0073
			NEITI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
15.	7	2	8	4	-2	35	0.0177
	NNPC		NEITI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
16.	14	2	8	4	-2	113	0.0012
	CBN		IOC				
17.	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value

Statements	Group 1		Group 2		Decision Statistics		
	9	2	10	4	-2	52.5	0.0025
	CBN		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
18.	9	2	10	3	-2	58.5	0.0114
	FIRS		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
19.	9	1	10	4	-2	49.5	0.0011
	CS		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
20.	15	4	10	3	1	229.5	0.0593
	NNPC		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
21.	14	2	10	3	-1	122	0.0021
	NNPC		AGF				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
22.	14	3	15	4	-1	161	0.0343
	RMAFC		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
23.	5	2	12	4	-2	24	0.0307
	NNPC		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
24.	14	3	10	4	-1	138	0.0326
	NNPC		NASS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
28.	14	2	20	2	-1	182.5	0.03
	NEITI		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
28.	8	2	7	4	-2	37.5	0.0026
	AGF		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
29.	15	3	7	4	-1	135.5	0.0101
	FIRS		AGF				P-Value
	N	Med.	N	Med.	Med. Diff.	W-Stat.	
30.	9	2	15	3	-1	52	0.0216
	NNPC		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
31.	14	2	12	3	-1	142.5	0.018
	DPR		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
31.	7	2	7	3	-2	35.5	0.035
	NNPC		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
33.	14	2	12	3	-1	148	0.0372
	NNPC		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
34.	14	2	10	4	-2	123.5	0.0028
	NNPC		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
34.	14	2	15	4	-2	138	0.0018
	NNPC		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
36.	14	2	7	4	-2	113.5	0.0028
	NNPC		NEITI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
38.	14	2	8	4	-1	131	0.0441
	FIRS		ACI				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
40.	9	1	7	3	-2	51	0.0081
	DPR		CS				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
43.	7	2	15	3	-1	46	0.0165
	FIRS		NGO				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
44.	9	2	12	3	-1	68.5	0.033
	DPR		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
45.	7	1	10	2	-1	38.5	0.0192
	CS		IOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
47.	15	3	10	4	-1	136	0.0012
	CS		FOC				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
48.	15	2	10	4	-1	152	0.0184
	CBN		CS				
49.	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value

Statements	Group 1		Group 2		Decision Statistics		
	9	2	15	2	1	145.5	0.0526
	NNPC		AGF				
	N	Med.	N	Med.	Med. Diff.	W-Stat.	P-Value
50.	14	2	15	2	-1	160	0.0307

Appendix VII: Descriptive statistics on responses and by statement

Statements	Mean	Median	Mode	Scales					Total
				SA = 1	A = 2	N = 3	DA = 4	SD = 5	
ST1	3.14	3.00	4	15	41	31	54	20	161
				(9.32)	(25.47)	(19.25)	(33.54)	(12.42)	(100)
ST2	3.00	3.00	4	24	41	24	55	17	161
				(14.90)	(25.47)	(14.91)	(34.16)	(10.56)	(100)
ST3	3.36	4.00	4	12	26	36	65	22	161
				(7.45)	(16.15)	(22.36)	(40.37)	(13.67)	(100)
ST4	2.07	2.00	2	38	86	24	13	0	161
				(23.60)	(53.42)	(14.91)	(8.07)	(0.0)	(100)
ST5	2.56	2.00	2	23	64	34	40	0	161
				(14.29)	(39.75)	(21.12)	(24.84)	(0.0)	(100)
ST6	2.69	2.00	2	17	67	34	34	9	161
				(10.56)	(41.61)	(21.12)	(21.12)	(5.59)	(100)
ST7	2.55	2.00	2	24	66	38	23	10	161
				(14.91)	(40.99)	(23.60)	(14.29)	(6.21)	(100)
ST8	2.14	2.00	2	46	65	34	13	3	161
				(28.57)	(40.37)	(21.12)	(8.07)	(1.86)	(100)
ST9	2.74	3.00	3	17	52	54	31	7	161
				(10.56)	(32.30)	(33.54)	(19.25)	(4.35)	(100)
ST10	3.63	4.00	4	5	16	35	82	23	161
				(3.10)	(9.94)	(21.74)	(50.93)	(14.29)	(100)
ST11	3.85	4.00	4	2	8	39	75	37	161
				(1.24)	(4.97)	(24.22)	(46.58)	(22.98)	(100)
ST12	2.70	3.00	2	15	58	52	32	4	161
				(9.32)	(36.02)	(32.3)	(19.88)	(2.48)	(100)
ST13	3.40	4.00	4	7	29	42	57	26	161
				(4.35)	(18.01)	(26.09)	(35.40)	(16.15)	(100)
ST14	3.46	4.00	4	8	18	50	61	24	161
				(4.97)	(11.18)	(31.06)	(37.88)	(14.91)	(100)
ST15	2.94	3.00	3	9	49	58	32	13	161
				(5.59)	(30.43)	(36.02)	(19.88)	(8.07)	(100)
ST16	2.88	3.00	2	11	56	44	40	10	161
				(6.83)	(34.78)	(27.33)	(24.84)	(6.21)	(100)
ST17	2.58	2.00	2	14	71	47	26	3	161
				(8.70)	(44.10)	(29.19)	(16.15)	(1.86)	(100)
ST18	2.65	2.00	2	14	71	38	33	5	161
				(8.70)	(44.10)	(23.60)	(20.50)	(3.10)	(100)
ST19	2.51	2.00	2	26	69	27	35	4	161
				(16.15)	(42.86)	(16.77)	(21.74)	(2.48)	(100)
ST20	2.93	3.00	3	13	42	60	35	11	161
				(8.07)	(26.09)	(37.27)	(21.74)	(6.83)	(100)
ST21	2.76	3.00	2	17	60	38	36	10	161
				(10.56)	(37.27)	(23.60)	(22.36)	(6.21)	(100)
ST22	3.42	4.00	4	6	22	46	72	15	161
				(3.73)	(13.66)	(28.57)	(44.72)	(9.32)	(100)
ST23	2.63	3.00	2	17	63	44	36	1	161
				(10.56)	(39.13)	(27.33)	(22.36)	(0.62)	(100)
ST24	3.32	4.00	4	9	31	36	68	17	161
				(5.59)	(19.25)	(22.36)	(42.24)	(10.56)	(100)
ST25	3.55	4.00	4	3	26	35	73	24	161
				(1.86)	(16.15)	(21.74)	(45.34)	(14.91)	(100)
ST26	2.70	3.00	2	10	66	56	20	9	161
				(6.21)	(40.99)	(34.78)	(12.42)	(5.59)	(100)

Statements	Mean	Median	Mode	Scales					Total
				SA = 1	A = 2	N = 3	DA = 4	SD = 5	
ST27	2.65	2.00	2	14	69	42	31	5	161
				(8.70)	(42.86)	(26.09)	(19.25)	(3.10)	(100)
ST28	2.24	2.00	2	35	83	18	18	7	161
				(21.74)	(51.55)	(11.18)	(11.18)	(4.35)	(100)
ST29	3.48	4.00	4	11	19	35	73	23	161
				(6.83)	(11.80)	(21.74)	(45.34)	(14.29)	(100)
ST30	2.61	2.00	2	23	61	37	35	5	161
				(14.29)	(37.89)	(22.98)	(21.74)	(3.10)	(100)
ST31	2.54	2.00	2	20	65	50	21	5	161
				(12.42)	(40.37)	(31.06)	(13.04)	(3.10)	(100)
ST32	2.59	2.00	2	24	57	46	28	6	161
				(14.91)	(35.40)	(28.57)	(17.39)	(3.73)	(100)
ST33	2.27	2.00	2	23	85	41	10	2	161
				(14.29)	(52.79)	(25.47)	(6.21)	(1.24)	(100)
ST34	3.01	3.00	2	12	47	42	46	14	161
				(7.45)	(29.19)	(26.09)	(28.57)	(8.70)	(100)
ST35	2.44	2.00	2	28	67	36	27	3	161
				(17.39)	(41.61)	(22.36)	(16.77)	(1.86)	(100)
ST36	2.43	2.00	2	35	62	30	27	7	161
				(21.74)	(38.51)	(18.63)	(16.77)	(4.35)	(100)
ST37	2.42	2.00	2	32	67	32	21	9	161
				(19.88)	(41.61)	(19.88)	(13.04)	(5.59)	(100)
ST38	3.44	4.00	4	16	25	34	43	43	161
				(9.94)	(15.53)	(21.11)	(26.71)	(26.71)	(100)
ST39	2.47	2.00	2	26	71	30	30	4	161
				(16.15)	(44.10)	(18.63)	(18.63)	(2.48)	(100)
ST40	2.52	3.00	3	18	61	66	12	4	161
				(11.18)	(37.89)	(40.99)	(7.45)	(2.48)	(100)
ST41	2.61	3.00	3	21	52	61	22	5	161
				(13.04)	(32.30)	(37.89)	(13.66)	(3.11)	(100)
ST42	2.66	3.00	3	18	47	70	23	3	161
				(11.18)	(29.19)	(43.48)	(14.29)	(1.86)	(100)
ST43	2.63	3.00	2	15	64	50	29	3	161
				(9.32)	(39.75)	(31.06)	(18.01)	(1.86)	(100)
ST44	2.52	2.00	2	19	68	46	26	2	161
				(11.80)	(42.24)	(28.57)	(16.15)	(1.24)	(100)
ST45	2.58	2.00	2	20	61	48	30	2	161
				(12.42)	(37.89)	(29.81)	(18.63)	(1.24)	(100)
ST46	2.55	2.00	2	23	61	46	27	4	161
				(14.29)	(37.89)	(28.57)	(16.77)	(2.48)	(100)
ST47	2.85	3.00	2	11	55	50	36	9	161
				(6.83)	(34.16)	(31.06)	(22.36)	(5.59)	(100)
ST48	3.13	3.00	4	10	34	46	67	4	161
				(6.21)	(21.12)	(28.57)	(41.61)	(2.48)	(100)
ST49	2.06	2.00	2	28	106	18	7	2	161
				(17.39)	(65.84)	(11.18)	(4.35)	(1.24)	(100)
ST50	2.14	2.00	2	34	88	25	10	4	161
				(21.12)	(54.66)	(15.53)	(6.21)	(2.48)	(100)

The level of measurement is 5 point Likert scale: 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree.

Appendix VIII: Responses for the groups and by statements

STS	Responses for the groups and by statements																
01-Nov.	**NNPC**	**DPR**	**CBN**	**NEITI**	**RMAFC**	**FIRS**	**AGF**	**OAGF**	**PTDF**	**NASS**	**FOC**	**IOC**	**CS**	**NGO**	**HC**	**PAF**	**ACI**
SA+A	83	40	54	38	29	34	80	27	11	87	45	28	76	39	39	16	29
N	45	14	29	24	11	28	23	24	10	53	21	27	13	15	18	4	24
D+SD	26	23	16	26	15	37	62	15	1	80	44	55	76	78	53	2	24
12 – 24																	
SA+A	120	54	61	38	33	37	72	20	16	103	44	31	57	29	44	19	27
N	42	26	39	27	10	26	43	39	5	90	26	39	49	49	23	7	42
D+SD	20	11	17	39	22	54	80	19	5	67	60	60	89	78	63	0	22
28 – 40																	
SA+A	135	61	79	55	33	77	119	27	16	122	72	60	81	37	72	17	10
N	26	17	24	28	13	17	21	29	7	89	32	35	45	45	21	7	41
D+SD	21	13	14	21	19	23	55	22	3	49	26	35	69	74	37	2	40
43 - 45																	
SA+A	30	21	17	12	8	11	22	9	4	31	22	13	17	6	14	3	7
N	7	0	6	12	2	14	12	9	2	21	2	14	11	15	4	3	10
D+SD	5	0	4	0	5	2	11	0	0	8	6	3	17	15	12	0	4
47 - 50																	
SA+A	34	16	22	20	11	18	30	6	5	47	20	16	45	34	20	6	16
N	17	10	10	8	7	4	12	9	3	13	7	12	10	6	5	2	4
D+SD	5	2	4	4	2	14	18	9	0	20	13	12	5	8	15	0	8

Note: **:** NNPC= Nigerian National Petroleum Corporation, DPR= Directorate of Petroleum Resources, CBN= Central Bank of Nigeria, NEITI= Nigerian Extractive Industries Transparency Initiative, RMAFC= Revenue Mobilisation Allocation and Fiscal Commission, FIRS= Federal Inland Revenue Service, AGF= Auditor General for the Federation, OAGF= Office of the Accountant General of the Federation, PTDF= Petroleum Technology Development Fund, NASS= National Assembly, FOC= Foreign Oil Companies, IOC= Indigenous oil companies, CS= Civil Society groups, NGO= Non-Government Organisations, HC= Host Communities, PAF= Public Accounting Firms and ACI= Academic Institutions. SA+A= Strongly agree+Agree, N= Neutral, D+SD= Disagree+Strongly Disagree.

Appendix IX: Total summary of responses for the groups and by statements 1-50

STS	Total summary of responses for the groups and by statements																
1-11	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
SA+A	83	40	54	38	29	34	80	27	11	87	45	28	76	39	39	16	29
12-24																	
SA+A	120	54	61	38	33	37	72	20	16	103	44	31	57	29	44	19	27
28-40																	
SA+A	135	61	79	55	33	77	119	27	16	122	72	60	81	37	72	17	10
43-45																	
SA+A	30	21	17	12	8	11	22	9	4	31	22	13	17	6	14	3	7
47-50																	
SA+A	34	16	22	20	11	18	30	6	5	47	20	16	45	34	20	6	16
Total	**402**	**192**	**233**	**163**	**114**	**177**	**323**	**89**	**52**	**390**	**203**	**148**	**276**	**145**	**189**	**61**	**89**
1-11																	
D+SD	26	23	16	26	15	37	62	15	1	80	44	55	76	78	53	2	24
12-24																	
D+SD	20	11	17	39	22	54	80	19	5	67	60	60	89	78	63	0	22
28-40																	
D+SD	21	13	14	21	19	23	55	22	3	49	26	35	69	74	37	2	40
43-45																	
D+SD	5	0	4	0	5	2	11	0	0	8	6	3	17	15	12	0	4
47-50																	
D+SD	5	2	4	4	2	14	18	9	0	20	13	12	5	8	15	0	8
Total	**77**	**49**	**55**	**90**	**63**	**130**	**226**	**65**	**9**	**224**	**149**	**165**	**256**	**253**	**180**	**4**	**98**

Note that: NNPC= Nigerian National Petroleum Corporation, DPR= Directorate of Petroleum Resources, CBN= Central Bank of Nigeria, NEITI= Nigerian Extractive Industries Transparency Initiative, RMAFC= Revenue Mobilisation Allocation and Fiscal Commission, FIRS= Federal Inland Revenue Service, AGF= Auditor General for the Federation, OAGF= Office of the Accountant General of the Federation, PTDF= Petroleum Technology Development Fund, NASS= National Assembly, FOC= Foreign Oil Companies, IOC= Indigenous oil companies, CS= Civil Society groups, NGO= Non-Government Organisations, HC= Host Communities, PAF= Public Accounting Firms and ACI= Academic Institutions. SA+A= Strongly agree+Agree and D+SD= Disagree+Strongly Disagree.

Appendix X: Summary of MW results of significant differences of perceptions between respondent groups and by statements.

Statement 1
The government discloses publicly the oil and gas revenue it receives annually from oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC								*		*	*	*		*	*		
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS	*	*	*										*				
AGF																	
OAGF																	
PTDF												*					
NASS												*					
FOC		*															
IOC		*	*	*													
CS												*					
NGO		*	*														
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 2
The DPR provides on a timely periodic basis the volume of crude oil the country produces.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*	*	*	*			*	*	*	*	*	*		*
DPR																	
CBN																	
NEITI		*															
RMAFC																	
FIRS		*	*				*	*	*			*					
AGF											*			*			
OAGF											*						
PTDF																	
NASS											*			*			
FOC		*	*									*					
IOC																	
CS																	
NGO		*	*									*					
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 3
Oil and gas companies disclose publicly the oil revenue payments made to the government annually.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*		*	*			*			*	*	*		
DPR																	
CBN														*			
NEITI			*														
RMAFC																	
FIRS			*					*				*					
AGF			*														
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS																	
NGO																	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 4

NEITI encourages government transparency practices in the application of oil and gas revenue received.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*								*			*		*
DPR																	
CBN															*		
NEITI							*	*		*	*			*	*		
RMAFC															*		
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC			*	*	*												
CS													*		*		*
NGO																	
HC				*							*						
PAF																	
ACI		*		*	*												

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 5

NEITI adequately monitors the oil and gas revenue payments to the government by oil companies as recorded by oil companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC												*					
DPR			*	*													
CBN											*				*		*
NEITI						*	*			*		*	*	*			
RMAFC																	
FIRS																	
AGF															*		
OAGF												*			*		
PTDF																	
NASS																	
FOC				*													
IOC			*			*	*										
CS																	
NGO																	
HC			*			*											
PAF																	
ACI			*														

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 6

NEITI adequately monitors the oil and gas revenue receipted by the government as recorded by the government.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC												*					
DPR															*		
CBN																	
NEITI						*	*			*	*	*	*	*	*		*
RMAFC																	
FIRS																	
AGF																	
OAGF															*		
PTDF																	
NASS																	
FOC																	
IOC		*	*		*	*		*									
CS																	
NGO																	
HC			*		*												
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 7

NEITI provides publicly on an annual basis the result of the audit of the oil and gas industry's performance.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC							*							*			
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF												*					*
OAGF																	
PTDF																	
NASS														*			
FOC																	
IOC																	
CS														*			
NGO		*	*	*	*	*	*	*			*				*	*	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 8

The NEITI Act (2007) has led to improvements in transparency practices in the Nigerian oil and gas industry.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC								*				*					*
DPR													*				
CBN																	
NEITI												*					
RMAFC																	
FIRS																	
AGF													*				
OAGF			*		*					*	*			*	*		
PTDF																	
NASS														*			
FOC												*					
IOC																	
CS		*					*					*					*
NGO																	
HC																	
PAF																	
ACI														*			

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 9

NEITI submits an annual audit report of the oil and gas industries' performance to the Office of the Auditor General for the Federation.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*										*	*		
DPR																	
CBN																	
NEITI		*	*		*						*				*		
RMAFC																	
FIRS																	
AGF																	
OAGF											*				*		
PTDF																	
NASS														*	*		
FOC																	
IOC															*		
CS														*	*		
NGO		*	*		*	*	*	*			*	*			*		*
HC				*													*
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 10

Non-Governmental Organisations (NGOs) are routinely consulted about decision making on the use of oil and gas revenue in Nigeria.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC													*	*			
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS																	
NGO																	
HC																	
PAF																	
ACI		*	*			*		*		*	*	*	*	*			

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 11

NGOs are informed by the government about how oil and gas revenue is spent.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC		*									*		*	*	*		
DPR			*	*			*										
CBN												*	*	*	*		
NEITI												*	*	*	*		
RMAFC																	
FIRS														*			
AGF																	
OAGF																	
PTDF																	
NASS													*	*			
FOC			*	*													
IOC																	
CS						*	*										
NGO							*										
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 12

The Revenue Mobilization, Allocation and Fiscal Commission influences transparency practices in the allocation of oil and gas revenue.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC						*				*		*		*	*		*
DPR																	
CBN																	
NEITI					*	*						*			*		
RMAFC						*	*			*	*	*	*	*	*		*
FIRS			*														
AGF																	
OAGF															*		
PTDF																	
NASS																	
FOC																	
IOC			*														
CS																	
NGO																	
HC			*														
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 13

The DPR provides publicly, on an annual basis, sufficient information with regard to the royalty payments made by oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*		*				*	*	*	*	*	*		
DPR			*			*				*	*	*	*	*	*		
CBN				*									*		*		
NEITI								*									
RMAFC																	
FIRS								*									
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS							*	*		*							
NGO																	
HC							*	*		*							
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 14

The DPR meets NEITI transparency requirements by providing publicly data with regard to the processes of awarding contracts and licences for oil and gas production.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*	*	*				*	*	*	*	*	*		*
DPR			*	*	*	*	*			*	*	*	*	*	*		*
CBN																	
NEITI																	
RMAFC																	
FIRS						*											
AGF											*	*	*	*	*		
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS			*					*								*	
NGO			*														
HC																	
PAF																*	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 15

The DPR provides to auditors appropriate information with regard to the processes of awarding licenses for the export of crude oil.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC			*	*	*	*	*	*		*	*	*	*	*	*		*
DPR			*			*		*							*		*
CBN																	
NEITI													*	*			
RMAFC																	
FIRS			*						*		*	*	*	*			
AGF																	
OAGF																	
PTDF																	
NASS			*					*									*
FOC																	
IOC																	
CS																	
NGO																	
HC													*				
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 16

The NNPC and Petroleum Product Pricing Regulatory Authority provides to auditors appropriate information with regard to the processes of awarding licenses for the import of refined oil products.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC			*	*		*		*									
DPR			*			*		*									
CBN																	
NEITI										*	*				*		
RMAFC																	
FIRS													*				
AGF								*									
OAGF										*			*	*	*		
PTDF																	*
NASS												*					
FOC	*																
IOC																	
CS				*													
NGO	*																
HC																	
PAF																	
ACI	*	*								*							

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 17

The Central Bank of Nigeria provides to auditors appropriate information with regard to oil and gas revenue.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC			*					*				*		*			
DPR														*			
CBN		*			*		*	*		*	*	*	*		*		*
NEITI												*		*			
RMAFC																	
FIRS																	
AGF																	
OAGF					*												
PTDF															*		
NASS														*			
FOC					*												
IOC					*										*		
CS																	
NGO		*			*										*		
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 18

The Federal Inland Revenue Service provides publicly on annual basis sufficient information with regard to the revenue payments made by oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC							*					*					
DPR																	
CBN											*	*		*			
NEITI							*							*			
RMAFC											*	*					
FIRS																	
AGF			*		*								*				
OAGF																	
PTDF																	
NASS				*													
FOC																	
IOC			*			*									*		
CS																	
NGO				*													
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 19

The Federal Inland Revenue Service performs its duties effectively with regard to the collection of oil and gas revenue from oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC						*						*	*	*	*		
DPR												*	*	*	*		
CBN												*	*	*	*		
NEITI						*						*	*		*		
RMAFC														*	*		
FIRS		*					*	*		*	*		*	*	*		
AGF																	
OAGF																	
PTDF																	
NASS													*	*	*		
FOC																	
IOC				*													
CS																	
NGO			*														
HC												*					
PAF																	
ACI				*													

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 20

The Office of the Accountant General of the Federation participates actively in the management of the oil and gas revenue.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC												*	*	*	*		
DPR													*		*		
CBN												*	*	*	*		
NEITI														*	*		
RMAFC														*			
FIRS																	
AGF														*	*		
OAGF	*																
PTDF										*				*			
NASS																	
FOC																	
IOC																	
CS				*	*	*	*			*	*						
NGO		*															
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 21

The Office of the Accountant General of the Federation keeps accurate records of all payments and receipts from the oil and gas revenue.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC											*	*	*	*	*		
DPR														*			
CBN													*	*	*	*	
NEITI												*	*	*	*		
RMAFC																	
FIRS																	
AGF								*		*	*		*	*	*		
OAGF																	
PTDF																	
NASS											*	*		*			
FOC			*														
IOC		*					*										
CS																	
NGO																	
HC		*					*										
PAF																	
ACI							*										

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 22

The Office of the Auditor General for the Federation is proactive in ensuring that any remedial actions recommended by the NEITI audit reports are successfully carried out.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC				*			*					*	*				
DPR																	
CBN			*				*					*	*				
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF											*		*				
PTDF													*				
NASS																	
FOC	*	*	*														
IOC																	
CS											*					*	*
NGO	*	*	*					*									
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 23

The National Assembly receives on annual basis the audit report of the oil and gas industries from the NEITI.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC							*							*			
DPR			*											*			
CBN														*			
NEITI							*				*						*
RMAFC														*			
FIRS							*									*	
AGF								*					*	*			
OAGF											*			*			*
PTDF																	
NASS														*			
FOC																	
IOC																	
CS														*			*
NGO		*			*						*	*		*		*	*
HC				*													
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 24

The oversight functions of the relevant committees of the National Assembly relating to the activities of the Nigerian extractive industries are sufficient to promote revenue transparency practices in the oil and gas industry.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC	*		*														
IOC	*		*														
CS	*		*														
NGO																	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 28

There has been significant improvement of transparency practices in Nigeria with regard to the management of oil and gas revenue from 2003 when the country signed up to the EITI principles.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC								*		*							
DPR																	
CBN										*							
NEITI																	
RMAFC																	
FIRS							*			*							
AGF																	
OAGF			*	*	*	*	*			*	*	*	*				
PTDF																	
NASS											*			*			
FOC																	
IOC																	
CS																	
NGO						*					*						
HC							*										
PAF																	
ACI	*		*	*	*	*	*		*	*	*	*	*	*	*		

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 29

The government reports annually to the public on how it has spent the oil and gas revenue received.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC						*				*		*	*				
DPR			*														
CBN								*			*	*	*	*	*		
NEITI												*	*				
RMAFC																	
FIRS			*	*			*	*	*								
AGF												*	*				
OAGF													*				
PTDF																	
NASS																	
FOC																	
IOC								*									
CS								*									
NGO																	
HC																	
PAF																	
ACI	*		*	*			*	*	*								

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 30

Most of the oil and gas companies make prompt remittances of the oil and gas revenue to the government.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC		*		*	*		*	*		*			*	*			
DPR						*											
CBN																	
NEITI																	
RMAFC																	
FIRS							*	*					*	*			
AGF											*						
OAGF																	
PTDF																	
NASS														*			
FOC																	
IOC								*									
CS																	
NGO											*	*	*				
HC								*									
PAF																	
ACI	*					*				*	*	*			*		

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 31

The Office of the Accountant General of the Federation provides to auditors appropriate information regarding the revenue received from the oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC								*						*			
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS							*							*			
AGF																	
OAGF											*	*	*	*			
PTDF																	
NASS							*										
FOC																	
IOC																	
CS														*			
NGO		*	*	*											*		
HC																	
PAF																	
ACI	*	*	*	*		*		*					*				

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 33

The Revenue Mobilization Allocation and Fiscal Commission obtains information relating to the receipts and payments of oil and gas revenue made by oil and gas companies to the government.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS																	
NGO	*				*	*	*										
HC																	
PAF																	
ACI	*	*	*		*	*	*	*	*		*		*		*		

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 34

The NNPC and the DPR maintain an effective channel of communication with regard to the management of signature bonuses.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC													*	*			
DPR													*	*			
CBN				*						*	*		*	*			
NEITI																	
RMAFC																	
FIRS	*	*	*						*								
AGF													*				
OAGF													*				
PTDF													*	*			
NASS													*				
FOC																	
IOC	*	*	*				*	*	*	*							
CS																	
NGO																	
HC	*	*	*	*			*	*	*	*							
PAF																	
ACI	*	*	*				*		*	*							

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 36

Oil and gas companies provide to the DPR regular information on the volume of crude oil produced for the assessment of royalty.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC								*						*			
DPR																	
CBN																	
NEITI								*									
RMAFC																	
FIRS								*									
AGF								*							*		
OAGF											*	*	*		*		
PTDF																	
NASS															*		
FOC			*	*	*										*		
IOC																	
CS												*					
NGO												*	*				
HC																	
PAF																	
ACI	*		*	*		*	*			*	*	*	*		*		

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 38

The DPR adequately ensures standard metering facilities for measuring oil production from well heads to terminals.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC		*		*		*		*			*	*	*	*			
DPR			*	*		*	*	*		*	*	*	*	*	*		
CBN				*				*			*		*	*			
NEITI						*				*							
RMAFC																	
FIRS						*				*							
AGF											*		*	*	*		
OAGF										*							
PTDF													*	*			
NASS											*		*	*	*		
FOC																	
IOC																	
CS																*	
NGO																*	
HC																	
PAF																	
ACI	*	*				*											

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 40

Federal Inland Revenue Service submits a monthly return on payment of taxes to the Office of Accountant General of the Federation.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC						*											
DPR			*			*											
CBN														*			
NEITI				*													
RMAFC																	
FIRS						*				*	*	*	*	*	*		*
AGF																	
OAGF														*			
PTDF																	
NASS																	
FOC																	
IOC																	
CS																	
NGO															*		
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 43

Oil and gas companies provide regularly the assessment of royalty payments to the DPR in respect of production achieved.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR								*					*	*			*
CBN																	
NEITI		*															
RMAFC																	
FIRS		*															
AGF		*															
OAGF																	
PTDF																	
NASS																	
FOC						*	*										*
IOC																	
CS												*					
NGO											*	*	*				
HC																	
PAF																	
ACI		*															

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 44

Oil companies provide regularly the assessment of petroleum profit tax payments to the Federal Inland Revenue Service in respect of crude oil sold.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC							*							*			
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS														*			
FOC							*										
IOC																	
CS																	
NGO						*						*					
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 45

DPR regularly assesses the royalty payments due by the oil and gas companies.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC		*								*		*	*		*		
DPR			*	*			*	*		*	*	*	*				
CBN													*		*		
NEITI															*		
RMAFC															*		
FIRS	*	*	*					*							*		
AGF													*	*			
OAGF												*	*	*			
PTDF																	
NASS														*	*		
FOC															*		
IOC																	
CS																	
NGO	*	*	*	*	*						*						
HC							*	*					*				
PAF																	
ACI	*	*	*														

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 47

The cooperation between the National Assembly and Nigerian civil society groups enhance the available information relating to the activities of the oil and gas industry.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR																	
CBN						*		*			*	*					
NEITI						*		*			*	*					
RMAFC												*					
FIRS	*			*			*		*					*	*		
AGF											*	*					
OAGF													*	*			
PTDF											*	*					
NASS																	
FOC	*			*													
IOC	*																
CS											*	*			*		
NGO											*	*					
HC				*													
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 48

The Nigerian civil society groups are proactive in implementing remedial actions recommended by the NEITI audit reports.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR						*	*	*			*	*					
CBN																	
NEITI						*											
RMAFC						*	*	*			*	*					
FIRS	*								*				*	*		*	
AGF	*													*			
OAGF																	
PTDF																	
NASS											*	*	*				
FOC	*																
IOC																	
CS							*	*									
NGO																	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

Statement 49

The participation of Nigerian civil society groups in the activities of NEITI promotes awareness of decision making processes on the oil and gas revenue.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
NNPC																	
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF																	
OAGF																	
PTDF																	
NASS																	
FOC																	
IOC																	
CS			*				*	*		*		*					
NGO																	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.

	NNPC	DPR	CBN	NEITI	RMAFC	FIRS	AGF	OAGF	PTDF	NASS	FOC	IOC	CS	NGO	HC	PAF	ACI
Statement 50 The advocacy of international civil society organisations promotes revenue transparency practices in the extractive industries.																	
NNPC																	
DPR																	
CBN																	
NEITI																	
RMAFC																	
FIRS																	
AGF	*		*										*				
OAGF	*		*	*		*				*	*		*				
PTDF																	
NASS																	
FOC																	
IOC																	
CS												*			*		
NGO																	
HC																	
PAF																	
ACI																	

Note: NNPC = Nigerian National Petroleum Corporation, DPR = Directorate of Petroleum Resources, CBN = Central Bank of Nigeria, NEITI = Nigerian Extractive Industries Transparency Initiative, RMAFC = Revenue Mobilization Allocation and Fiscal Commission, FIRS = Federal Inland Revenue Service, AGF = Auditor General for the Federation, OAGF = Office of the Accountant General of the Federation, PTDF = Petroleum Technology Development Fund, NASS = National Assembly, FOC = Foreign Oil Companies, IOC = Independent and Local Oil Companies, CS = Civil Society groups, NGO = Non-Government Organisations, HC = Host Communities, PAF = Public Accounting Firms and ACI = Academic Institutions. The significant differences of the statistical test results are marked with asterisks * and 5% is a significant level.