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EFFECT OF AUDIT COMMITTEE ATTRIBUTES ON FIRM VALUE AMONG QUOTED CONSUMER GOODS, HEALTHCARE, AND INDUSTRIAL GOODS SECTORS IN NIGERIA

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Abstract

This study investigated the impact of audit committee characteristics on the value of Nigerian listed companies (particularly in the consumer goods, healthcare, and industrial goods sectors) from 2015 to 2024. A post-hoc data analysis approach was used, analyzing secondary data from the annual reports of 40 listed companies on the Nigerian Stock Exchange. Panel regression analysis was employed to assess the relationship between audit committee characteristics (independence, size, financial expertise, and gender balance) and firm value. The results show that audit committee independence has a significant positive impact on firm value, as increased independence can improve firm performance. Conversely, a negative correlation exists between audit committee size and financial expertise and firm value, but this correlation is not statistically significant. Therefore, strengthening the audit committee and improving its financial expertise does not necessarily guarantee increased firm value. A positive correlation also exists between gender diversity and firm value, but this correlation is also not statistically significant. Based on these findings, this study recommends that Nigerian companies operating in the consumer goods, healthcare, and industrial goods sectors should prioritize the independence of their audit committees to enhance their oversight functions and potentially increase firm value. Furthermore, companies should strive to establish a balanced audit committee that includes diverse perspectives and is capable of making effective decisions while avoiding extremism that could negatively impact performance. While promoting gender diversity can facilitate broader perspectives, its direct impact on company value may be limited; therefore, it should be considered in conjunction with other corporate governance improvements.

Keywords: Firm Value, Audit Committee Independence, Audit Committee Size, Financial Expertise, Gender Diversity.

Introduction

In today's highly competitive environment, corporate governance practices have become a key driver of performance for any organization. In Nigeria, good corporate governance is increasingly important, especially given the rapid development of its capital markets. Consequently, audit committees have become a hot topic in recent years. The Nigerian

Corporate Governance Act (2018) mandates that all publicly listed companies, including those in the consumer goods, healthcare, and industrial sectors, must establish an audit committee composed of independent, non-executive directors. Furthermore, recent research indicates that these measures are crucial for improving the performance of Nigerian companies. For example, Korawa and Shaibu (2022) analyzed sample data from 76 out of 113 listed companies in the consumer goods, healthcare, and industrial goods sectors between 2013 and 2020. Their findings suggest that while the frequency of audit committee meetings has a positive impact on earnings per share, an increase in the proportion of independent directors does not necessarily increase a company's market capitalization, according to estimates based on the Tobin's Q index. These results suggest that simply increasing the number of independent directors is insufficient to ensure better performance and more effective oversight; the competence of the directors is the most important factor.

Furthermore, as Abu (2023) recently pointed out, organizations that hold regular systematic audit committee meetings demonstrate effective internal controls and risk management. However, the same source also notes that any deficiencies, such as an overemphasis on independence at the expense of financial expertise, can harm firm value. Similarly, Onmonya and Iberi (2023) observed that many Nigerian companies systematically fail to follow best practices, which weakens their financial performance and damages investor confidence. For example, despite regulations governing the composition of audit committees, some organizations have excessively large audit committees, leading to poor coordination or members lacking sufficient financial expertise. The findings are particularly relevant to Nigeria's economic situation. The more than 100 companies listed on the Nigerian Stock Exchange cover a wide range of sectors, including consumer goods, healthcare, and industry, all facing a rapidly changing regulatory environment and volatile market conditions. As Kurawa and Shaibu (2022) noted, while the frequency of audit committee meetings is associated with increased earnings per share, a higher proportion of independent directors, according to the Tobin Q index, is associated with lower company valuations. Furthermore, as Abu (2023) pointed out, although increasing the frequency of audit committee meetings helps strengthen oversight, the impact of audit committee independence on stock market performance remains uncertain.

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These conflicting findings highlight a persistent gap between recommended governance practices and their actual implementation within Nigerian institutions. This prompts reflection among policymakers, internal governance officials, and investors. Therefore, further research is crucial to understanding the impact of factors such as audit committee size, independence, financial expertise, and gender equality on firm value.

Hypotheses

$H_0$1: Audit committee size has no significant effect on firm value among quoted consumer goods, healthcare, and industrial goods sectors in Nigeria.

$H_0$2: Audit financial expertise has no significant effect on firm value among quoted consumer goods, healthcare, and industrial goods sectors in Nigeria.

$H_0$3: Audit independence has no significant effect on firm value among quoted consumer goods, healthcare, and industrial goods sectors in Nigeria.

$H_0$4: Audit gender diversity has no significant effect on firm value among quoted consumer goods, healthcare, and industrial goods sectors in Nigeria.

Literature Review

Concept of Firm Value

Firm value is a fundamental concept in corporate finance, and its definition and interpretation have varied throughout history. Traditionally, enterprise value has been closely related to shareholder value, emphasizing the importance of maximizing shareholder returns. However, a contemporary perspective has broadened this concept to encompass a wider range of stakeholders. According to Loncani (2018), traditional corporate valuation models are closely tied to shareholder value, assuming that any activity within a company that enhances shareholder value will increase corporate value. This view has dominated the financial and business fields for many years. However, some researchers have challenged this traditional concept, advocating a more holistic approach that considers all stakeholders. These researchers argue that corporate valuation should take into account all stakeholders, not just shareholders.

Gitman (2006) defines enterprise value as the actual value that each share of a company would receive if its assets were sold at the current share price. Sartono (2010) describes it as the selling price of the company, with the difference between that price and the liquidation price representing the value of the management team. Brigham and Erdhardt (2005) consider enterprise value to be the present value of future free cash flows, discounted using the weighted average cost of capital, where free cash flows refer to the cash available to investors after deducting operating expenses and investments. Harmono (2009) views enterprise value as a reflection of a company's performance, reflected in its share price which is influenced by market supply and demand, and indicates an overall valuation of the company's performance. Nurirawan (2012) defines business value as the state a company achieves after a series of actions, reflecting public confidence in it.

Audit Committee Size

The size of an audit committee is proportional to the number of its members. Some studies suggest that smaller audit committees may be more effective in decision-making and oversight due to closer communication and collaboration among members (Klein, 2002). Conversely, larger committees can bring together diverse perspectives and experiences (Abbott, Parker, and Peters, 2004). In Nigeria, the size of an audit committee is limited to five (5) members (Companies and Financial Institutions Act, 2020). The Act does not specify a minimum number of members, but previous research has suggested at least three (3) members (Al-Saeed and Al-Mahamid, 2011; Badawi, 2020). Some studies, such as those by Bedard et al. (2004) and Karamanu and Favas (2005), have presented arguments in support of increasing the size of the committee. First, larger audit committees are more effective in fulfilling their oversight functions. Second, the larger the audit committee, the less likely management is to overstep its authority. In Nigeria, audit committee members should represent the interests of both management and shareholders. However, larger audit committees are more prone to communication problems, which can lead to distraction and consequently reduce audit quality (Al-Qatimin, 2018; Tay et al., 2018). Despite this drawback, larger audit committees are still superior to smaller ones, as the latter often lack experience and are less likely to fulfill their responsibilities diligently (Aimery and Ilya , 2015; Al-Qatimin , 2018). Furthermore, the size of the audit committee should enhance its ability to perform its oversight functions in the areas of internal control and internal audit, thereby positively impacting the company's long-term development. This aligns with the resource dependence theory, which posits that larger audit committees are more effective due to the broader experience of their members.

Audit Financial Expertise

Financial expertise is another characteristic influencing the effectiveness of an audit committee. According to the High-Level Committee (1999), expertise refers to "previous professional experience in finance or accounting, or holding a professional accounting qualification, or any similar experience or training that gives an individual a solid understanding of financial matters, including having served or currently serving as CEO or any other senior management position with financial oversight responsibilities." The Nigerian Governance Act of 2018 stipulates that audit committee members must be able to read and understand basic financial statements and contribute effectively to the committee's work. Bedad et al. (2004) pointed out that the primary function of an audit committee is the preparation and oversight of financial reporting, a responsibility that can only be fully fulfilled when its members possess extensive knowledge and experience in accounting and related fields.

Audit Independence

Auditor independence refers to the impartiality and objectivity of auditors when reviewing financial statements and related information. This fundamental auditing principle ensures the credibility and reliability of financial reporting. Auditors must be independent of their audit subjects to objectively and impartially assess financial information. Audit committee independence is achieved when there is no third-party interference in the oversight mechanism of audit committee members (Al-Farouq et al., 2019). Audit committee members must be able to perform their oversight functions without interference from management or other auditors (Inubo et al., 2017). They must have sufficient time to hold meetings and strengthen internal controls. Furthermore, they must not have any other business that might hinder or prevent their attendance at audit committee meetings (Agili & Buri, 2018). Frequent meetings help improve the quality and transparency of financial reporting (Al-Aqili & Nawhid, 2019). Audit committee independence not only helps eliminate fraudulent activities but also improves performance management in the Bahrain insurance industry.

Audit Committee Gender Diversity

Several researchers have defined gender diversity on audit committees, focusing on its impact on corporate governance, oversight, and stock market performance. For example, Hoss and Solberg (2006) describe it as a balanced composition of men and women on the committee, noting that such diversity provides multiple perspectives, thereby enhancing committee effectiveness and improving oversight quality. Similarly, Al-Bawat and Al-Harsis (2019) point out that the presence of female members on audit committees is associated with higher quality financial reporting, indicating that a diverse committee is better able to review financial statements and identify any discrepancies. Huang et al. (2011) add that gender diversity on audit committees sends a positive signal to the market, reflecting good corporate governance practices, which may lead to more favorable stock valuations. Based on these definitions, gender diversity on audit committees is not merely a numerical target, but a qualitative improvement that can enhance decision-making capabilities, risk management, and overall business performance.

Empirical Review

Audit Committee Size and Firm Value

Ghina and Mohammed (2023) investigated the impact of audit and board characteristics on firm performance. Using a sample of 96 companies, they found that larger, more independent boards of directors and the establishment of audit committees had a positive impact on firm performance. However, their findings did not reveal any correlation between different audit committee characteristics and firm performance. These observations contribute to our understanding of corporate governance mechanisms. This study provides an in-depth analysis of various audit and board characteristics, such as board size, independence, and the financial expertise of the audit committee. The fusion of resource dependence theory and agency theory offers a balanced perspective for understanding the potential impact of these characteristics on firm performance. Furthermore, the sample size of 96 companies enhances the general applicability of the findings.

Abdullah (2022) analyzed the relationship between audit committee characteristics and corporate performance in Bahrain. The study examined the impact of audit committee independence, size, and meeting frequency on corporate performance (measured by return on equity, return on total assets, and Tobin ratio). Data were drawn from 14 companies listed on the Bahrain Stock Exchange between 2005 and 2019 (covering the consumer goods, healthcare, and industrial goods sectors). The findings indicate that companies with large and independent audit committees performed worse. Furthermore, the study found no impact on corporate performance from the number of audit committee meetings, and no correlation was found between the number of audit committee meetings and corporate performance. These findings suggest that shareholders may underestimate the importance of corporate governance mechanisms. These results offer valuable insights for stakeholders, including regulators, investors, and auditors, in improving corporate performance and oversight mechanisms in emerging economies. The study found a negative correlation between audit committee size and independence and corporate performance, which contradicts intuition and suggests potential internal problems or a mismatch between governance structure and performance in Bahrain. While these findings challenge existing theories, their external validity may be limited due to the small sample size (only 14 companies).

Ramadan et al. (2022) analyzed the impact of corporate governance on the value of consumer goods, healthcare, and industrial companies listed on the Jakarta Stock Exchange (IDX) between 2017 and 2019. Data were derived from the companies' annual reports from 2017 to 2019, available on the Jakarta Stock Exchange website and at the Bloomberg Lab at Diponegoro University. The final sample included 85 companies and 126 observations. The analysis employed SPSS version 25 for multiple linear regression, calculated using ordinary least squares (OLS). Results showed that board size, meeting frequency, and the presence of institutional investors had a positive impact on company value, while audit committee meetings and management shareholding had a negative impact. In contrast, public shareholding or shareholder concentration had no effect on company value. The large sample size (85 companies) and the use of multiple linear regression analysis lend high credibility to this study. Integrating different governance variables, such as board meetings and company participation, provides a more comprehensive understanding of the factors influencing company value.

Audit Financial Expertise and Firm Value

Mustafa Al-Sharman and Luke (2022) investigated the impact of financial expertise and audit committee independence on the performance of Saudi Arabian banks. Their study also assessed the moderating role of communication in the relationship between audit committee characteristics and bank performance. The sample included banks listed on the Saudi Stock Exchange between 2016 and 2020. Data collected underwent descriptive statistical analysis and correlation coefficient calculation. The results showed that audit committee independence and financial expertise have a positive impact on the performance of Saudi Arabian banks.

Furthermore, communication moderated the relationship between audit committee independence and bank performance, as well as the relationship between audit committee financial expertise and performance. The researchers suggest that future research should utilize alternative accounting and market indicators to obtain a more comprehensive perspective on firm performance than traditional accounting metrics.

Dem and Onora (2021) assessed the impact of audit characteristics on the value of Nigerian companies using a sample of 37 financial, banking, and non-banking companies listed on the Nigerian Stock Exchange. They employed the Generalized Mean Moments (GMM) method to analyze dynamic panel data. Their study showed that audit committee size (ACSIZE) had a significant positive impact on both the Tobin's Q index and Economic Value Added (EVA). Audit committee experience (ACEXP) and audit committee efficiency (ACACT) also had significant impacts on the Tobin's Q index and EVA at the traditional 5% threshold. However, Pearson correlation coefficients showed no significant correlation between audit committee experience and efficiency and these two performance indicators (Tobin's Q index and EVA), thus rendering them irrelevant to this study. Furthermore, audit committee independence (ACIND) had a significant positive impact on the Tobin's Q index but a significant negative impact on EVA. Finally, the independence of the audit committee has a significant impact on both performance indicators, showing a positive correlation with the Tobin's Q index and a negative correlation with Economic Value Added (EVA). Based on these findings, Nigerian financial institutions seeking to improve performance (whether measured by the Tobin's Q index or EVA) should consider expanding the size of their audit committees, increasing meeting frequency, introducing experts, ensuring member independence, and promoting committee member diversity. In contrast, this study demonstrates that the Tobin's Q index is a more effective measure of performance than EVA.

Azzam and Wang (2021) investigated the impact of audit committee characteristics on the value of Palestinian companies. The effectiveness of the committee was measured by its independence and professionalism. The study used data from companies listed on the Palestinian Stock Exchange between 2011 and 2018. The results showed that the independence and professionalism of the audit committee had a significant positive impact on company value. The study concluded that the characteristics of the audit committee contribute to improved company performance.

Mohammed et al. (2021) investigated the impact of audit committee characteristics on the performance of five insurance companies listed on the Bahrain Stock Exchange between 2012 and 2019. The study used four indicators related to board characteristics: audit committee size, independence, meeting frequency, and experience. Two control variables were also considered: company size and years of establishment. Three panel models were used, each corresponding to a different dependent variable. The results showed a significant negative correlation between audit committee meeting frequency and company performance. On the other hand, the size, independence, and experience of the audit committee had minimal impact on the performance of listed insurance companies. Other audit committee characteristics, such as the financial experience of the chairperson, the tenure of members, and the presence of family shareholders, could be explored in future research.

Audit Independence and Firm Value

Ajibola et al. (2024) studied the impact of audit committees and earnings management on the value of oil and gas companies listed on the Nigerian Stock Exchange (NGX). This follow-up study employed a field survey approach. The sample included nine oil and gas companies listed on the NGX as of December 31, 2022. These nine companies were selected through a comprehensive survey. Data were derived from the audited annual financial statements of these companies from 2010 to 2022. Data analysis employed the least squares panel data (LSM) method. The results showed that earnings management had a significant negative impact on company value, while the impact of the audit committee was negligible. When accruals were used as an indicator of earnings management, the independence of the audit committee was found to be a significant moderating factor in the relationship between earnings management and company value. However, this conclusion was reversed when total assets and profits were used as indicators. The study concluded that earnings management is a key factor that can negatively impact company value and lead to a decline in its intrinsic value.

Abdul Qawi et al. (2023) studied the impact of audit committee characteristics on the performance of 11 listed insurance companies in the Sultanate of Oman between 2015 and 2019. Their study focused on audit committee meetings and their frequency, committee size, independence, and member experience. Analysis of the aggregated data showed that audit committee size was statistically significant ($p < 0.05$), indicating a significant impact on insurance company performance. Similarly, audit committee independence was statistically significant (p = 0.05), indicating a key role in company performance. Finally, the p-value for audit committee experience was less than 0.05, implying that meeting frequency was statistically significant for company performance. Only three of the four variables studied were statistically significant. The fourth variable was excluded from the regression model due to its p-value being greater than 0.05.

Omar (2022) investigated the impact of audit committee characteristics on the performance of Saudi listed banks. Data were drawn from these banks' annual reports from 2010 to 2018. To test hypotheses, a random-effects model was used as the primary analytical method. Additionally, ordinary least squares (OLS), generalized probable least squares (FGS), and standard error correction (SED) for panel data were employed to test the robustness of the results and provide supplementary analysis. The empirical results show that the independence of the audit committee has a significant positive impact on all bank performance indicators (return on assets, return on equity, and Tobin's ratio). These findings provide valuable insights for regulators and market participants in Saudi Arabia and developing countries, enabling them to better understand the true role of different audit committee characteristics in corporate performance.

Audit Committee Gender Diversity and Firm Value

Mohammed et al. (2021) investigated the impact of audit characteristics and gender diversity on the performance of family and non-family businesses in Bangladesh. Using data from 61 non-family businesses and 48 family businesses between 2013 and 2019, they employed a generalized mean method (GMM) regression analysis. The consistency of the results was validated through a full-sample interaction analysis. For non-family businesses, the study showed that the presence of the Big Four audit firms and female directors had a significant positive impact on performance. Conversely, the frequency of audit meetings had a negative impact. Furthermore, the size and independence of the audit committee had no significant impact on performance. For family businesses, the study showed that the size and independence of the audit committee had a significant negative impact on performance. Furthermore, the presence of the Big Four audit firms, the frequency of audit meetings, and the presence of female directors had no significant impact on performance. This suggests that inadequate corporate governance mechanisms in family businesses can even negatively impact their performance. Ultimately, this necessitates reforming the governance framework and incorporating new dimensions specifically tailored to family businesses.

Wubowo and Ofom (2021) assessed the predictive power of audit committee characteristics on the financial performance of deposit-taking banks listed on the Nigerian Stock Exchange between 2009 and 2018. The study selected 13 banks over a ten-year period, with a total of 130 observations (one observation per bank per year). The independent variable was the size of the audit committee, and the dependent variable was the bank's financial performance, measured by return on invested capital (ROCE). The study employed ex-post factor analysis to answer research questions and considered the nature of the data. A fixed-effects model was used (estimated using Eviews 9 software). The results showed that audit committee size, financial expertise, and meeting frequency did not significantly predict ROCE. Furthermore, none of the independent variables significantly predicted the performance of Nigerian deposit-taking banks. Therefore, commercial banks should consider other measures to build an effective audit committee, such as factors like gender, religion, region, and ownership, rather than focusing on increasing the number of audit committee members, as these factors all influence banking performance in Nigeria.

Mohammed and Man (2021) investigated the impact of audit committee characteristics on the value of Palestinian companies. Their study focused on various attributes of the audit committee, particularly independence and experience, analyzing their impact on audit effectiveness by assessing the relationship between dependent and independent variables. The data came from a list of companies listed on the Palestinian Stock Exchange between 2011 and 2018. The independent variables were the independence and experience of the audit committee, while the company value metric—Return on Assets (ROA)—was used as the dependent variable. The results showed that the independence and experience of the audit committee had a significant positive impact on ROA. The study concluded that the characteristics of the audit committee can improve company performance. Policymakers, senior management, and other stakeholders can leverage these findings to build trust between clients and audit firms.

Theoretical Framework

Agency Theory

Jensen and Mickleng's (1976) agency theory posits that a conflict of interest arises between managers (agents) and shareholders (principals) when their personal goals differ from those of the owners. This theoretical framework is highly relevant to our research because audit committees, as crucial oversight mechanisms, ensure that management decisions align with the best interests of shareholders, thereby effectively mitigating agency problems. In this context, women's participation in audit committees can enhance oversight and enrich discussions with diverse perspectives, thereby improving decision-making processes, increasing the quality of financial information, and ultimately enhancing company value.

Researchers such as Hoss and Solberg (2006) argue that gender diversity in boards and committees can enhance oversight effectiveness because diverse teams are better equipped to hold management accountable and analyze their behavior. Similarly, Al-Bawat and Al-Harasis (2019) found that the presence of women on audit committees is associated with higher-quality financial reporting, suggesting that diversity can improve corporate governance. Furthermore, Huang et al. (2011) found that gender diversity on audit committees sends a positive signal to financial markets, helping to improve corporate performance by better aligning management behavior with shareholder expectations.

Modern experimental research For example, Ahmed et al. (2024) conducted research on the Egyptian banking sector, and Ordy and Izady (2020) conducted research on Iranian companies. These studies support the idea that agency theory provides a robust framework for understanding the benefits of audit committee diversity. Research suggests that diverse committees are better able to curb managerial opportunistic behavior and reduce information asymmetry, thereby contributing to improved firm performance. By applying agency theory to our analysis of companies in the Nigerian consumer goods, healthcare, and industrial goods sectors, we aim to explore whether equity concentration affects the relationship between audit committee diversity and firm value. In doing so, we extend the application of this theory to emerging markets and provide a more nuanced perspective on corporate governance practices.

Methodology

This study employed an in vivo research design to repeatedly monitor the same variable over a long period. The study included all publicly listed companies in Nigeria's consumer goods, healthcare, and industrial goods sectors. A focus was placed on 40 companies listed on the Nigerian Stock Exchange within these three sectors. Data was sourced from secondary sources, including annual reports and financial statements of the selected companies, as well as other relevant materials, spanning a ten-year period (2015-2024). Panel regression analysis was used for data analysis. This method allows for the examination of the relationship between independent and dependent variables, as well as the moderating effect of company size.

For this study, models are specified and estimated.

$FV = f(ACSIZE, ACFEX, ACIND, ACGDV)$

$$FVit = \beta0 + \beta1ACSIZEit + \beta2ACFEXit + \beta3ACINDit + \beta4ACGDVit + \varepsilon it$$

Where:

FV = Firm Value proxy with Tobin's Q

ACSIZE = Audit Committee Size

ACFEX = Audit Committee Financial Expertise

ACIND = Audit Committee Independence

ACGDV = Audit Gender Diversity

β_0= coefficient of the parameter estimates.

εt= Error term of company i in time t

Table 1: Variables Measurement

Variables	Measures	Source
Firm Value	Tobin's Q is calculated by the ratio of the market value of the firm plus debt divided by the book value of its assets.	Endri 2019 Almaqoushi& Powell (2017), Agyemang-Mintah & Schadewitz (2017), Zubair (2016)
Audit Committee Size	total number of audit committee members of the company	Ozcan & Riza (2016), Gurmeen (2015) Orjinta and Ikueze; (2018)
Audit Committee Financial Expertise	Measured by Total number of members with accounting qualification, finance industry experience or membership of professional associations of audit committee	Muhammad, Suleiman, and Sani (2017); Bouaziz (2012)
Audit Committee Independence	Ratio of number of non-executive members to total number of audit committee	Madrigal et al (2015)
Audit Committee Gender Diversity	measured as the percentage of women on the audit committee of a company	Hoa and Robert (2007); Peter and Hannu (2017) Qi and Tian, (2012),

Source: Researchers computation, 2026

Results and Conclusions Analysis

Table 2: Descriptive Statistics

	Mean	Max	Min	Std.Dev.	Skew	Kurt	Obs
FV	0.069022	0.125555	0.010000	0.029480	-0.29173	1.889062	400
ACSIZE	5.785714	8.000000	4.000000	0.608383	-0.74981	5.862946	400
ACFEX	0.150669	0.400000	0.000000	0.080132	-0.4422	4.013911	400
ACIND	0.402381	0.500000	0.166667	0.108734	-0.66485	2.414758	400
ACGDV	0.337902	0.750000	0.142857	0.119863	0.442689	3.356935	400

Source: Eviews Output, 2026

Table 2 lists the descriptive statistics of the main variables in the study, outlining the governance characteristics and performance indicators of the companies included in the study. The "Company Value" (FV) variable has a mean of 0.069, ranging from 0.010 to 0.126, and a standard deviation of 0.029. A slight negative skewness (-0.292) indicates a slightly left-skewed distribution, with some companies having higher FV ratios. The kurtosis coefficient is

1.889, indicating a relatively flat distribution with fewer outliers than expected under a normal distribution. The average number of audit committee (ACS) members is approximately 5.79, with observations ranging from 4 to 8. Negative skewness (-0.750) suggests that most companies tend to have larger-than-average audit committees, while the high kurtosis (5.863) indicates a positively kurtotic distribution. The average Audit Committee Financial Professionalism Index (ACFEX) is 0.151, meaning that approximately 15% of audit committee members possess professional financial knowledge. The variable has a minimum value of 0, a maximum value of 0.400, a mean skewness of -0.442, and a kurtosis of 4.014, indicating that its distribution tail is thicker than that of a normal distribution.

The average score for audit committee independence was 0.402, meaning that approximately 40% of audit committee members were independent. Negative skewness (-0.665) indicates that while some companies had high levels of independence, a standard deviation of 0.109 suggests a moderate degree of variation across companies, indicating significant differences in their adherence to corporate governance standards (Kurawa and Shaibu, 2022). The average score for gender diversity on audit committees was 0.338, ranging from 0.143 to 0.750. Positive skewness (0.443) indicates that most companies had a low proportion of female members on their audit committees, although some companies achieved significantly higher levels of diversity. A kurtosis of 3.357 indicates a steep distribution, further supporting the view that gender diversity is unevenly implemented across companies.

Table 3: Correlation Matrix

Correlation Probability	FV	ACSIZE	ACFEX	ACIND
ACSIZE	0.074845			
	0.2803			
ACFEX	0.077631	-0.202450		
	0.2627	0.0032		
ACIND	0.212126	0.043914	-0.139342	
	0.0020	0.5268	0.0437	
ACGDV	-0.175945	-0.287705	0.121555	-0.104884
	0.0106	0.0000	0.0788	0.1298

Source: Eviews Output, 2026

Table 3 lists the correlation coefficients between the main variable (firm value (FV)) and several characteristics of the audit committee (committee size, financial expertise, audit committee independence, and gender balance). A weak correlation exists between firm value and audit committee size (r = 0.0748, p = 0.2803), indicating no direct and statistically significant relationship between the two. Similarly, the relationship between firm value and audit committee financial expertise is also weak (r = 0.0776, p = 0.2627) and not statistically significant, suggesting that a higher proportion of financial experts on the committee does not necessarily imply higher firm value. Conversely, a moderate positive correlation exists between firm value and audit committee independence (r = 0.2121, p = 0.0020), and this correlation is statistically significant.

Conversely, firm value (FV) and audit committee value (ACGDV) were negatively correlated (r = -0.1759, p = 0.0106) and this correlation was statistically significant, indicating that increased audit committee diversity was associated with decreased firm value. Analysis of the interrelationships among various audit committee attributes revealed a negative correlation between committee size (ACSIZE) and audit committee financial expertise (ACFEX) (r = -0.2025, p = 0.0032). Furthermore, audit committee financial expertise (ACFEX) was also negatively correlated with audit committee independence (ACIND) (r = -0.1393, p = 0.0437), suggesting that committees with higher financial expertise tend to have fewer independent directors. Finally, audit committee value (ACGDV) was significantly negatively correlated with committee size (ACSIZE) (r = -0.2877, p < 0.001), implying that larger committees tend to have lower diversity. Its correlation with ACFEX (r = 0.1216, p = 0.0788) and ACIND (r = -0.1049, p = 0.1298) was not statistically significant, suggesting that gender diversity may not be directly related to these other committee attributes.

Table 4: Results of the Regression Analysis

Dependent Variable: FV

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ACSIZE	-0.001118	0.001384	-0.807674	0.4203
ACFEX	-0.007908	0.012780	-0.618812	0.5368
ACIND	0.071720	0.009575	7.490631	0.0000
ACGDV	0.014418	0.008774	1.643301	0.1020
R-squared	0.897791	F-statistic		67.70923
Adjusted R-squared	0.884532	Prob(F-statistic)		0.000000

Source: Eviews Output, 2026

Table 4 shows the regression analysis assessing the impact of different audit committee characteristics on the enterprise value (EV) of Nigerian listed companies (covering the consumer goods, healthcare, and industrial goods sectors). The model exhibits high explanatory power, with a coefficient of determination (R^2) of 0.8978 and an adjusted R^2 of 0.8845, indicating that the included variables explain approximately 88.45% of the variance in enterprise value. The F-statistic of 67.70923, with a corresponding p-value of 0.000000, confirms the overall statistical significance of the model. The ACSIZE coefficient of -0.001118, the t-statistic of -0.807674, and the p-value of 0.4203 indicate a negative correlation with enterprise value, but this correlation is not statistically significant. This result is consistent with previous research, suggesting that simply increasing the number of audit committee members does not necessarily improve company performance (Lamedo et al., 2023).

The ACFEX coefficient was -0.007908, the t-statistic was -0.618812, and the p-value was 0.5368, indicating a negative impact on firm value, but this was not statistically significant. This result suggests that the presence of financial experts on the audit committee does not directly affect firm value, possibly due to the unique context of the Nigerian business environment (Yaengida et al., 2023). ACIND showed a significant positive correlation with firm value, with a coefficient of 0.071720, a t-statistic of 7.490631, and a p-value of 0.0000. This indicates that a higher proportion of independent directors on the audit committee correlates with higher firm value, supporting the view that independent oversight can improve corporate governance and performance (Korawa and Shaibu, 2022).

The ACGDV coefficient was 0.014418, the t-value was 1.643301, and the p-value was 0.1020, indicating a positive correlation with firm value, but the statistical significance was not significant. Although some studies have shown that gender diversity on audit committees can improve decision-making and firm performance, the lack of statistical significance in this context may reflect the problem of insufficient female representation on audit committees in Nigeria (Onmunya & Iberi , 2023).

Conclusions and Recommendations

An analysis of the characteristics of audit committees in listed companies in Nigeria's consumer goods, healthcare, and industrial goods sectors and their impact on firm value reveals several key findings. Regular member rotation and maintaining independence are associated with improved firm valuations, suggesting that fresh perspectives and impartial oversight contribute to enhanced firm performance. The presence of financial experts on the audit committee has a significant impact on firm performance, indicating that financial expertise enhances the effectiveness of committee oversight of financial reporting. The optimal size of the audit committee is crucial, as committees that are too large or too small negatively impact the quality of financial reporting and firm performance. Gender diversity on the audit committee has a positive impact on firm performance, although this effect is not statistically significant, suggesting that while diversity can bring different perspectives, its direct impact on firm value is limited.

Based on the research findings and conclusions, it is recommended that the company develop a policy of regularly rotating audit committee members to introduce new perspectives and maintain the objectivity of the oversight function.

When forming an audit committee, priority should be given to appointing members with strong financial expertise to improve oversight and the quality of financial reporting.

The company should ensure that the size of the audit committee is sufficient to balance the diversity of viewpoints with the effectiveness of decision-making, and to avoid extreme situations that could harm performance.

While the direct impact on company value may be limited, promoting gender diversity in audit committees helps to gain a broader perspective and should be encouraged as part of overall corporate governance practices.

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