

Effect Of Audit Committee Features on Profitability of Listed Consumer Goods Companies in Nigeria

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Abstract- — *This study examines the Effect of Audit Committee Features on Profitability of Listed Consumer Goods Companies in Nigeria Exchange Group (NGX). Explanatory research design was used, and the population of the study comprised all the 21 listed consumer goods companies in Nigeria for the period 2015-2024. Data for the study was obtained from the annual reports and accounts of the 10 sampled companies. The Multiple regression analysis technique was used in analyzing the data. The findings revealed that Audit Committee Gender Diversity (ACGND) and Audit Committee Meetings Attendance (ACMAT) have a significant negative effect on financial performance as measured by both Return on Assets (ROA) and Tobin's Q (TQ), respectively, while Audit Committee Financial Expertise (ACFEX) and Audit Committee Share Ownership has a significant positive effect on financial performance (measured by ROA and TQ). The study recommends that the management of listed consumer goods companies in Nigeria should keep an optimal number of women in their audit committee as their presence has a significant negative effect on their financial performances as revealed by the regression results in this study. Secondly, the management of consumer goods companies in Nigeria should continue to maintain the number of audit committee members that have acquired financial expertise, this will go a long way in improving their financial performance.*

Index Terms- *Audit Committee, Features, on Profitability, Listed Consumer Goods Companies, Nigeria.*

I. INTRODUCTION

Profitability remains a critical measure of corporate performance, influencing investment decisions and long-term sustainability. It reflects a company's capacity to generate returns relative to its resources and operational efficiency. However, the global financial crisis between 2007-2008 exposed significant shortcomings in corporate governance practices, including inadequate oversight mechanisms that affected profitability. These events underscored

the importance of exploring factors that influence profitability in specific industries, especially consumer goods companies in Nigeria, which play a strategic role in the nation's economy (Chen, 2024). Audit committees are central to enhancing corporate governance, particularly in financial oversight, risk management, and ensure the integrity of financial reports. For instance, Ayman, (2022), highlight the essential role of audit committees in mitigating risks and aligning company practices with regulatory standards. However, recent corporate scandals and governance failures in Nigeria, including those involving Tingo Group in 2023, raise questions about the effectiveness of audit committees in safeguarding organizational profitability (Ngwu, 2021). Features such as audit committee independence, financial expertise, size, and meeting frequency have long been associated with the effectiveness of audit committees in promoting transparency, accountability, and sound financial oversight (Kurawa and Shuaibu, 2022). These features are believed to enhance the committee's monitoring capacity and its ability to safeguard shareholders' interests by mitigating managerial opportunism and improving the quality of financial reporting. While numerous international studies have examined the influence of these characteristics on corporate performance (e.g., Allegrini and Greco, 2019; Manita et al., 2018), empirical evidence on their direct effect on firm profitability, particularly in the context of Nigeria's consumer goods sector, remains limited and inconclusive. Existing literature has examined profitability as a function of operational efficiency, market dynamics, and risk management. Adewale, (2020) argued that profitability ratios such as return on assets (ROA) and return on equity (ROE) are indicative of financial health and investor confidence. Similarly, Junaidu and Ishaku, (2020) emphasize the role of risk management in mitigating financial

uncertainties, thereby stabilizing profitability. Despite these findings, the interplay between audit committee features and profitability has received limited empirical attention, particularly in Nigeria's consumer goods industry. This presents a theoretical gap warranting investigation.

The Nigerian consumer goods sector, encompassing food, beverages, and personal care products, contributes significantly to employment and economic development. Despite its importance, its contribution to the national GDP remains sub-optimal, featured to challenges such as high operating costs, infrastructure deficits, and regulatory inefficiencies (Mustafa, Rashid, Abdullahi, & Al-Shehab, 2020). In this volatile environment, ensuring sustained profitability is crucial, necessitating robust corporate governance mechanisms, including the features of audit committees. From a theoretical perspective, the agency theory emphasized the role of audit committees in mitigating agency conflicts between management and shareholders. Effective audit committees enhance transparency and reduce information asymmetry, thereby fostering profitability (Jensen & Meckling, 1976). However, gaps remain in understanding how specific features of audit committees such as financial expertise and independence moderate this relationship. While prior research has predominantly focused on developed economies, the unique challenges faced by Nigerian firms, such as weak institutional frameworks and macroeconomic instability, necessitate context-specific studies (LinLin, 2024). This gap is significant given the sector's contribution to the Nigerian economy and its exposure to regulatory and operational challenges that make strong corporate governance mechanisms even more critical. Thus, this study seeks to fill this empirical void by examining how key audit committee features affect profitability in listed consumer goods firms in Nigeria. This study aims to bridge these gaps by examining the effect of audit committee features on profitability among listed consumer goods companies in Nigeria. It is particularly pertinent given the sector's critical role in driving non-oil revenue and economic diversification. Hence, the profitability of Nigerian consumer goods companies is crucial for economic growth. However, it is constrained by governance inefficiencies and industry specific

challenges. Linking audit committee features to profitability, will addresses a critical gap in the literature and is of practical significant for strengthening governance practices capable or enhancing growth in the sector.

Statement of the Problem

Audit committees have become integral part of corporate governance, designed to enhance transparency, accountability, and financial integrity in consumer goods listed companies in Nigeria. Their incorporation has been driven by recurring cases of financial fraud, accounting irregularities, and corporate failures globally and in Nigeria (Mike, 2025). Recent scandals such as Ben & Jerry's vs. Unilever (2024), Archer-Daniels-Midland (ADM) (2024), Nestlé (2024), and Steinhoff International (2024) highlight the consequences of weak governance structures (Akinola, Wahab, & Tinuola, 2024). Similarly, in Nigeria, cases like Tingo Group (2023) and Unilever Nigeria's financial restatements (2023) underscore persistent issues of financial mismanagement and poor oversight. These incidents raise critical concerns about the effectiveness of audit committees in safeguarding corporate profitability and stability (Bolton, 2024).

Despite regulatory mandates like the Companies and Allied Matters Act (CAMA) 2020, which strengthened audit committee requirements, Nigerian consumer goods firms continue to face declining profitability, suggesting that audit committees may not be fully effective in mitigating financial risks. Studies (Kurawa & Shuaibu, 2022; Peekate & Okagbulem, 2025) indicate that weak audit committees, relax internal controls, and poor financial oversight contribute to unreliable financial reporting and reduced profitability. However, existing research has primarily examined basic audit committee features (independence, size, financial expertise) while neglecting emerging governance factors such as, Gender diversity, Members' share ownership, Meeting attendance rates and Related-party transaction scrutiny. These gaps leave unanswered questions about how modern governance dynamics influence profitability in Nigeria's consumer goods sector.

Notwithstanding the growing emphasis on corporate governance mechanisms as drivers of improved firm performance, empirical evidence on how specific audit committee features influence profitability remains mixed and inconclusive, particularly in the context of Nigerian consumer goods firms. For instance, recent research on Nigerian industrial goods firms indicates that audit committee gender diversity may negatively influence profitability, where increased female representation did not significantly enhance profitability as measured by return on assets (ROA), suggesting that gender diversity on audit committees may not always translate into superior oversight or performance outcomes in the Nigerian setting (Adamu & Ugwudioha, 2025). Furthermore, while audit committee financial expertise has been shown to significantly affect profitability, some studies find that its presence improves oversight and performance outcomes, but this effect varies across sectors and may even exhibit inconsistent signs depending on specific governance dynamics (Adamu & Ugwudioha, 2025). Regarding audit committee meeting attendance, evidence from both Nigerian and broader emerging markets reveals that more frequent meetings do not unambiguously enhance profitability; in some contexts increased meetings are associated with improved operational efficiency but have an insignificant or even adverse effect on key profitability metrics, pointing to potential issues of diminishing returns to time spent without commensurate quality of oversight (Aigienohwa & Irowa-Omoregie, 2025). Finally, the role of audit committee share ownership remains under-researched in emerging markets like Nigeria, though international studies suggest that when audit committee members hold shares, this alignment may either strengthen incentives to improve firm performance or, conversely, establish self-interest that undermines profitability, thus highlighting conflicting theoretical expectations and a need for sector-specific inquiry (Jamiu, Rashid, & Johari, 2024). Collectively, these conflicting findings underscore a critical gap in current literature, particularly a lack of recent, context-specific evidence on how these audit committee features influence profitability in listed consumer goods companies in Nigeria, thereby justifying the need for this study.

Methodologically, prior studies have relied heavily on cross-sectional data, limiting their ability to track long-term governance trends. Additionally, most research uses either accounting-based (ROA) or market-based (Tobin's Q) profitability measures, but few combine both, leading to fragmented conclusions (Kamaludin et al., 2023).

This study employs a longitudinal design, covering a 10-year period (2015-2024), to provide a comprehensive evaluation of audit committee features and their effect on profitability. By incorporating both Tobin's Q and ROA as metrics, the study addresses the methodological gap and provides a robust analysis of profitability trends in Nigerian listed consumer goods companies.

Research Questions

The following research questions are posed by the study in light of the identified problem statement:

What is the effect of Audit Committee Gender Diversity (ACGND) on profitability of listed consumer goods companies in Nigeria?

What is the effect of Audit Committee Financial Expertise (ACFEX) on profitability of listed consumer goods companies in Nigeria?

What is the effect of Audit Committee Meeting Attendance (ACMAT) on profitability of listed consumer goods companies in Nigeria?

What is the effect of Audit Committee Share Ownership (ACSTO) on profitability of listed consumer goods companies in Nigeria?

Aim and Objectives of the Study

The main objective of this study is to assess the effect of audit committee features on profitability of listed consumer goods companies in Nigeria. The specific objectives are to:

assess the effect of Audit Committee Gender Diversity (ACGND) on profitability of listed consumer goods companies in Nigeria.

examine the effect of Audit Committee Financial Expertise (ACFEX) on profitability of listed consumer goods companies in Nigeria.

evaluate the effect of Meeting Attendance Committee Meeting Attendance (ACMAT) on profitability of listed consumer goods companies in Nigeria.

examine the effect of Audit Committee Share Ownership (ACSTO) on profitability of listed consumer goods companies in Nigeria.

II. LITERATURE REVIEW

Concept of Profitability

The evaluation of a company's activities and strategies in terms of money is known as financial performance. It evaluates a company's total financial health over a given period of time and can be used to compare businesses in the same industry or to examine several industries or sectors as a whole (Kurawa & Shuaibu, 2022). Similarly, profitability is the company's ability to generate earnings relative to its revenue, assets, or equity. It is a key financial metric that determines the financial health, sustainability, and growth potential of a business (Ahmad, Amran, & Yahya, 2020). A company's internal and external activities can be evaluated for efficacy and efficiency using profitability as a criterion. In the current business climate, a company's profitability which is essential for promoting growth often reflects its level of success. The financial statements of the company can be used to assess its success.

Measures of Profitability

Literature established that financial metrics are the measures used to evaluate a company's ability to generate earnings relative to its revenue, assets, or equity. In consumer goods companies in Nigeria, these measures are critical for assessing profitability, ensuring sustainable growth, and attracting investors (Akinola, Wahab, & Tinuola, 2024). They help stakeholders, including management, investors, regulators, and auditors, understand how effectively a company converts sales into profit and utilizes its resources. Profitability measures can be categorized into market-based and accounting-based metrics (Jibril & Maikano, 2022).

Market-Based Profitability Measures

Market-based measures assess firm performance through the side of capital market valuation. Tobin's Q (Tobin, 1969) remains the formative theoretical construct, representing the ratio of a firm's market value to its asset replacement cost. Modern extensions by Albuquerque et al. (2019) (Albuquerque, 2019) demonstrate its enhanced sensitivity to governance quality in emerging markets. Similarly, Fama and Jensen (1983) (Fama & Jensen, 1983) efficient market hypothesis underpins the use of stock returns as a performance indicator, with recent evidence showing particular relevance in assessing governance mechanisms' market effect.

Accounting-Based Profitability Measures

Accounting measures derive from financial statement analysis, with ROA (Brealey & Myers, 2003) and ROE (Brigham & Ehrhardt, 2013) constituting fundamental metrics. Contemporary research (Dimitropoulos & Asteriou, 2020) establishes these as robust indicators of operational efficiency, particularly in assessing governance oversight effectiveness. The earnings quality framework (Okoye & Ezejiofor, 2021) further strengthens the theoretical connection between governance characteristics and accounting-based performance measures.

Concept of Audit Committee Features

The audit committee is a key operational committee within a company's board of directors, responsible for overseeing financial reporting and disclosure (KPMG, 2021). It serves as a critical component of corporate governance, ensuring the integrity and transparency of financial statements. The audit committee is tasked with supervising the financial reporting process, selecting independent auditors, and reviewing both internal and external audit results (Jibril & Maikano, 2022). The audit committee functions as an oversight body within the board of directors, with its members drawn from the board and a chairperson appointed from among them (Dimitropoulos & Asteriou, 2020). On a global scale, audit committees play a vital role in supporting the board in fulfilling its corporate governance duties. This includes monitoring financial reporting, evaluating the internal control system, assessing risk management frameworks, and overseeing both

internal and external audit functions (Muhsin, 2025). More broadly, the audit committee serves as a governance mechanism that addresses both financial and non-financial challenges within an organization. It is responsible for reviewing and managing reporting systems, ensuring compliance with regulatory standards, and enhancing accountability and transparency in corporate financial management (Donohue, 2023). The audit committee is a key operational committee within a company's board of directors, responsible for overseeing financial reporting and disclosure. According to Fakhari and Pitenoei, (2018), the audit committee is a crucial corporate governance tool intended to protect the interests of different accounting information users. An audit committee is a permanent committee created to advance corporate accountability by working with management and internal auditors to improve and fortify an organization's financial reporting procedures and guarantee that business operations are carried out in compliance with generally recognized legal and ethical standards (Ayinde, 2022). According to the 2007 Malaysian Code on Corporate Governance, audit committees are the main watchdogs over the corporate reporting procedure (Ghazali, Mohd , & Ghafar, 2021). In order to improve their financial reporting, all listed companies on the Nigeria Exchange Group (NEG) are required to set up an audit committee in accordance with Section 359 (3 & 4) of the Companies and Allied Matters Act (CAMA), 2020 (Shamsuddeen, 2021). The audit committee's main duties include monitoring internal control procedures, ensuring strong corporate governance, and supervising the group's financial reporting, disclosure, regulatory compliance, and risk management. The audit committee meets on a regular basis to examine yearly financial statements, quarterly results, and audit reports that include observations about internal controls, risk management, and related party activities (Alzoubi, 2019). Accordingly, the audit committee (AC) is viewed as a monitoring mechanism that lowers agency costs by reducing information asymmetry (Bedard & Gendron, 2010). The audit committee is a tool for monitoring and improving corporate disclosure procedures, including voluntary disclosures, claim (Akhtaruddin & Haron, 2010) and (Barako, HanCock, & Izan, 2006). The qualities of

the committee members have a significant effect on the efficacy of audit committees (Akhtaruddin & Haron, 2010) and (Dhaliwal, Naiker, & Navissi, 2010) (Dhaliwal, Naiker, & Navissi, 2010). For the audit committee to successfully carry out its duties, the right mix of expertise and experience is therefore necessary. As a result, a hypothesis has been developed to investigate how the profitability of Nigerian consumer goods companies that are listed is affected by the audit committee's features, including gender diversity, financial knowledge, attendance at meetings, and share ownership.

Components of Audit Committee Features

The purpose of the audit committee is to monitor and improve business accounting procedures, such as financial statement disclosure. Audit committee gender diversity, meeting attendance, financial knowledge, cultural background, share ownership, related party transactions, meeting size, and independence are some of its essential elements or components as a monitoring mechanism (Bala, Noor, & Shagari, 2018).

Concept of Audit Committee Financial Expertise

One essential quality of the audit committee is financial knowledge (Kibiya, Che-Ahmad, & Amran, 2016). It describes the capacity to read and comprehend financial records and reports, along with any notes that may be attached (Kurawa & Shuaibu, 2022). According to the Nigerian Code of Corporate Governance (NCCG, 2018), every member of the audit committee must be financially literate, and at least one member must be connected to an accounting professional association that has been approved by the National Assembly or another approved entity. According to Kamaludin, Sundarasan, and Izani, (2023), audit committee members with financial expertise and abilities are more likely than those with less financial knowledge to understand auditors' perspectives, identify risks more successfully, and analyze financial statements. Members of audit committees can better understand an organization's financial and operational reports when they possess financial experience (Appah & Tebepah, 2020). For an audit committee to properly oversee a company's financial controls and reporting, a high degree of financial competence is necessary (Song & Windram, 2015). A wide range of duties,

including overseeing the entire corporate reporting process, are part of the audit committee's role in guaranteeing management accountability. To improve compliance with regulatory standards and obtain a comprehensive grasp of financial reporting, the audit committee must have accounting expertise. Given that listed firms frequently function as conglomerates with intricate group structures, which results in technically complicated financial reporting material, it is especially important to comprehend both the financial and non-financial parts of corporate reports.

Concept of Audit Committee Gender Diversity

Gender diversity on the audit committee is defined by Suleiman, Halliru, and Badayi (2021) as the proportion of female directors relative to the total number of audit committee members. Likewise, gender diversity refers to the quantity or representation of women in the audit committee (Ahmed & Ahmed, 2022). It is important to have women on the audit committee because, when performing their duties, they frequently exhibit different ethical conduct and viewpoints than their male counterparts (Omotoye, Adeyemo, Okeme, Omotoye, & Andrew, 2021). The firm's reporting culture and profitability may be effected by the proportion of women on the audit committee (Oziegbe & Ofe, 2020). The percentage of women on the audit committee relative to the total number of members is referred to as gender diversity in the context of this study.

Concept of Audit Committee Meetings Attendance

The number of audit committee members present at each meeting is referred to as meeting attendance. According to Section 359(4), public businesses' audit committees must include six members in order to analyze and validate the company's report prior to its presentation. They must meet frequently in order to accomplish their goals, and all members are expected to show up (Akpan & Nsentip, 2020). Active attendance at meetings is essential to achieving the audit committee's objectives because it keeps committee members up to date on organizational developments (Ahmad, Amran, & Yahya, 2020) Furthermore, Mboobo and Umoren, (2016) pointed out that even if the audit committee holds a lot of

sessions, the success of its goals may be jeopardized if not all of its members show up.

Concept of Audit Committee Share Ownership

The quantity of shares owned by non-executive directors who serve as the board's representatives on the audit committee is known as share ownership. The percentage of shares held by the audit committee members who represent the board is known as audit committee share ownership, according to (Kibiya, Che-Ahmad, & Amran, 2016). Board members who possess a larger percentage of the company's shares are more likely to supervise the financial reporting process and increase the efficiency of the business (Jibril & Maikano, 2022). According to the Agency Theory, the principal can lessen the potential conflict between the interests of the principle and the agent by providing incentives to the latter (Jensen & Meckling, 1976) (Jensen & Meckling, 1976) . Furthermore, by being rewarded and having their activities observed, the agent aligns their acts with the interests of the principal (Bonazzi & Islam, 2007). Larger stock ownership among audit committee members can lower the possibility of managers and management conspiring to inflate executive salary or manipulate income for personal benefit, which would eventually be detrimental to their interests (Al-Matari et al., 2012). As a result, scholars have investigated other governance structures that are more in line with firm value. The audit committee's stock ownership is one such technique (Bolton, 2024). According to Bolton (2024), audit committee members who own stock in the company should likewise benefit the company's shareholders if board representatives' ownership benefits shareholders and audit committees successfully protect their interests.

Theoretical Review

This study reviews the effect of audit committee features on profitability from different perspectives. The agency theory, stewardship theory, and resource dependence theory are theories that have been recognized by this study in order to get insight and a better understanding of audit committee features and profitability.

Agency Theory

The Agency theory was postulated by Jensen and Meckling 1976. The theory posited that an agency relationship is a contract between the manager and investor. The theory studied the relationship between the principal and the agent. The divergence of the objective of managers and shareholders leads to agency costs. Effective monitoring can bring down this agency cost, thereby improving firm performance. Agency theory suggests that the aforementioned task is facilitated by a board whose composition reflects a greater proportion of outside independent directors, since composition could represent a more effective way of monitoring and controlling managerial actions (Bryan, Liu, & Tiras, 2004). According to the theory, the primary role of AC is to make sure that management is acting in the best interests of the shareholders. This perspective emphasizes the independence of AC, AC financial expertise, and AC share ownership. It suggests that AC should consist of entirely independent directors, as they are independent from management and thus provide adequate monitoring to protect shareholders from the opportunistic behavior of managers, including earnings manipulation (Fama & Jensen, 1983). Emphasizing the AC expertise agency theory requires AC to reduce agency costs by overseeing the financial reporting process. Thus, it is the duty of the AC to perform the task diligently with the skills, knowledge, and expertise that they have acquired to produce quality financial reports and researchers recommend that accounting experts are the most efficient financial experts in improving the AC's oversight role (Carcello, Hollingsworth, Klein, and Neal, 2006; Krishnan and Visvanathan, 2008). Regarding stock ownership, the agency perspective suggests that ownership by AC members may reduce their independence (Habbash, M., Sindezingue, C., & Salama, A., 2013).

Stewardship Theory

Stewardship Theory has its roots in psychology and sociology and is defined by Davis, Schoorman & Donaldson (1997) as "A steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward's utility functions are maximized". In this perspective, stewards are company executives and managers who work for the shareholders and protect and make

profits for them. Unlike the Agency Theory, the Stewardship Theory does not stress the perspective of individualism, but rather the role of top management, as stewards, playing the role of integrating their goals with those of the organization. The stewardship perspective suggests that stewards are satisfied and motivated only when organizational success is attained (Donaldson & Davis, 1991)

Resource Dependence Theory

The Resource Dependency Theory (also known as RDT) of Pfeffer and Salancik (1978) explain the effects of audit committee features and the profitability of listed consumer goods firms in Nigeria Stock Exchange. RDT has become one of the most influential theories in organizational theory and strategic management; it characterizes the corporation as an open system, dependence on contingencies in external environment Pfeffer and Salancik (1978). To understand the behavior of an organization you must understand the context of the behavior that is, the ecology of the organization as argued by Pfeffer and Salancik, (1978). Furthermore, RDT recognizes the influence of external factors on organizational behavior and, although constrained by their context, managers can act to reduce environmental uncertainty and dependence. Central to these actions is the concept of power which is control over vital resources (Ulrich and Barney 1984). In addition to the above, Pfeffer (1987) provides the basic argument of resource dependence theory and inter-organizational relations as the fundamental units for understanding inter-corporate relations and society are organization.

Underpinning Theory

Most corporate governance studies exploited agency frameworks as the theoretical base to view the nexus between audit committee features and firm performance. In particular, the agency theory focused on the board of directors' monitoring capacity to reduce the possible conflicts of interest between shareholders and managers (Jensen & Meckling, 1976). According to this perspective, managers, who are the custodians of firm resources, are incentivized to pursue their personal goals at the expense of maximizing the shareholders' wealth. In this way, corporate boards are set up to monitor managers' self-interest behavior (Fama & Jensen, 1983). Within

the agency theory framework, several studies pointed out the audit committee’s role in protecting shareholders’ goals. The audit committee is primarily constituted to strengthen firms’ financial reporting systems, thereby monitoring the actions of top managers (Ayman, 2022). Also, it is established that an audit committee with a substantial number of independent directors and a higher proportion of financial experts enhances profitability (Ayman, 2022; Buallay & Al-Ajmi, 2019). In sum, the agency theory served as a framework to unveil the board of directors’ role in minimizing agency conflicts between managers and shareholders. Therefore, this study is anchor based on agency theory.

Conceptual Framework of the Study

The conceptual model aims to evaluate the effect of audit committee features on profitability (Return on Assets and Tobin’s Q) of listed consumer goods companies in Nigeria, controlling for firm size, growth, and leverage. This model is inspired by prior research Kurawa and Shuaibu, (2022) and uses multivariate regression to assess these relationships.

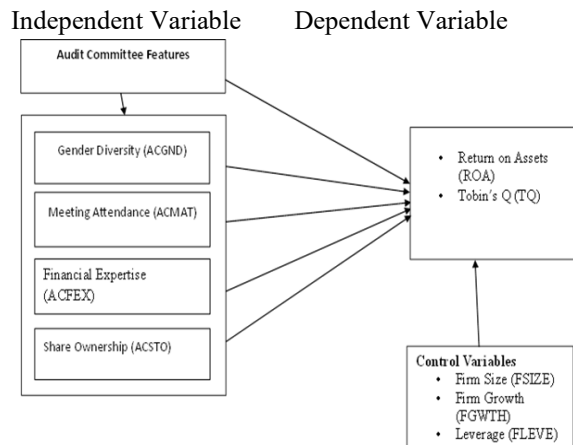


Figure 1: Researcher 2024.

III. METHODOLOGY

Research Design

This study adopts an explanatory research design in order to examine the cause-and-effect relationship between audit committee features and profitability of listed consumer goods companies in Nigeria. The explanatory design is considered appropriate because it enables the testing of hypotheses and the determination of the extent to which audit committee

characteristics such as gender diversity, financial expertise, meeting attendance, and share ownership influence corporate profitability. The study relies on a quantitative research approach, using secondary data extracted from the published annual reports and financial statements of the sampled firms.

Population of the Study

The population of this study comprised all twenty-one (21) consumer goods companies listed on the Nigerian Exchange Group (NGX) as at 31 December, 2024.

Sample Size and Sampling Technique

Ten (10) Nigerian consumer products companies were included in the study's sample size. These businesses were chosen according to two standards that the study developed. A company has to be listed on the Nigerian Exchange Group (NGX) as of December 31, 2011, the year the Securities and Exchange Commission (SEC) updated the Code of Corporate Governance, in order to meet the first requirement. As a result, BUA Foods Plc was excluded from the list, which was listed on the NGX on January 5, 2022. The second condition, a company's fiscal year must end on December 31. The claims made by San and Heng, (2011) and Kakanda, Salim, & Chandren, (2016) maintained that differences in accounting periods and practices for annual accounts can impairs the accuracy of data analysis. Therefore, companies included in the sample chosen using the same fiscal year-end to ensure a valid result. Table 3.2 lists the companies that formed the sample of the study

Sources and Methods of Data Collection

This study mainly uses secondary data. The source of the data derived from the published audited annual reports and accounts of the sampled listed consumer goods companies for the period 2015 to 2024.

Techniques of Data Analysis

To achieve the objectives of this study, a combination of statistical techniques employed, including descriptive statistics, Pearson correlation, multiple regression analysis, and Variance Inflation Factor (VIF) diagnostics. These techniques are selected based on their methodological fit with the research questions and data structure, as well as their proven

application in related empirical studies. The nature of the dataset comprising both cross-sectional and time-series observations further justifies the adoption of panel data econometric models.

Multiple Regressions

The core analytical technique in this study was the multiple regression analysis using panel data. This method is particularly suited to the study's dataset, which spans multiple firms over a number of years. Multiple regression allows for the simultaneous examination of the effects of several independent variables such as audit committee size, independence, and frequency of meetings on a dependent variable (return on assets), while controlling for other firm-specific variables (size and age).

Model Specification

In line with the objectives of this study to examine the effect of audit committee features on the profitability of listed consumer goods companies in Nigeria panel data multiple regression models were employed. The panel structure of the dataset, which involves both cross-sectional (multiple firms) and time-series (multiple years) observations, allows for the use of econometric models that control for heterogeneity across firms and over time. Panel data techniques are more efficient than cross-sectional or time-series methods alone, as they provide more variability, reduce collinearity among variables, and allow for more degrees of freedom, which enhances the accuracy of econometric estimates (Hsiao, 2014; Wooldridge, 2019). To estimate the model, three common panel regression estimators considered: Pooled Ordinary Least Squares (POLS), Fixed Effects (FE), and Random Effects (RE). The appropriate model selected based on Hausman specification test (to choose between FE and RE) and Breusch-Pagan Lagrange Multiplier (LM) test (to determine whether RE is superior to POLS). This approach is consistent with prior empirical studies such as Hafsi and Turgut (2013), Harjoto et al. (2014), and Mohammad (2020), who used panel regression to investigate board governance mechanisms and financial outcomes:

The model to be estimated is specified below:

$$ROA_{it} = \beta_0 + \beta_1 ACGND_{it} + \beta_2 ACFEX_{it} + \beta_3 ACMAT_{it} + \beta_4 ACSTO_{it} + \beta_5 FSIZE_{it} + \beta_6 FGWTH_{it} + \beta_7 FLEVE_{it} + \epsilon_{it} \dots \dots \dots I$$

$$TQ_{it} = \beta_0 + \beta_1 ACGND_{it} + \beta_2 ACFEX_{it} + \beta_3 ACMAT_{it} + \beta_4 ACSTO_{it} + \beta_5 FSIZE_{it} + \beta_6 FGWTH_{it} + \beta_7 FLEVE_{it} + \epsilon_{it} \dots \dots \dots II$$

Where:

- ROA= Return on Assets
- TQ= Tobin's Q
- ACGND = Audit Committee Gender Diversity
- ACFEX = Audit Committee Financial Expertise
- ACMAT= Audit Committee Meetings Attendance
- ACSTO= Audit Committee Share Ownership
- FSIZE= Firm size
- FGWTH= Firm Growth
- FLEVE= Leverage
- β_0 = Intercept
- $\beta_1 - \beta_7$ =Coefficients
- ϵ = error term

This model adapts and modifies previous works (Suleiman et al., 2020; Kurawa & Shuaibu, 2022), but is tailored to suit the focus of this study by incorporating only audit committee features relevant to profitability as informed by recent governance-performance literature. To ensure the robustness of the regression results, Variance Inflation Factor (VIF) has also be computed to detect the presence of multicollinearity among the independent variables. As noted by Gujarati and Porter (2009), VIF values above 10 suggest high multicollinearity and may compromise the stability of coefficient estimates.

IV. DISCUSSION AND FINDINGS

Descriptive Statistics Result

Descriptive statistics usually give a description of samples of subjects in terms of variation or combination of variables. Hence, Table 4.1 presents the descriptive statistics involving the mean, minimum, maximum, standard deviation, Skewness and kurtosis of the variables in this study.

Table Error! No text of specified style in document..I Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min.	Max.	Skewness	Kurtosis
ROA	100	0.232	0.057	-	0.360	-0.393	2.762
TQ	100	0.391	0.11	0.117	0.627	-0.358	2.734

		1					
ACGN	100	0.306	0.03	0.239	0.368	-0.260	2.286
D			1				
ACFEX	100	0.765	0.08	0.556	0.934	-0.498	3.364
			1				
ACMA	100	4.200	1.05	1.000	9.000	1.414	6.668
T			4				
ACSTO	100	0.148	0.17	0.000	0.660	1.270	3.686
			4				
FSIZE	100	22.59	2.89	17.13	26.57	-0.473	1.955
		9	5	1	9		
FGWT	100	0.098	0.02	0.034	0.173	0.357	2.912
H			9				
FLEVE	100	0.566	0.09	0.325	0.756	-0.231	2.399
			8				

Note: ROA= return on asset, TQ = Tobin's Q, ACGND = audit committee gender diversity, ACFEX = audit committee financial expertise, ACMAT = audit committee meetings attendance, ACSTO = audit committee shares ownership, FSIZE = firm size, FGWTH = firm growth, FLEVE = firm leverage.

From the descriptive statistics analysis presented in Table 4.1, the mean value for return on asset (ROA) is 0.232 (23.2%), a minimum value of -0.092 (9.2%) and a maximum value of 0.36 (36%), this implies that on the average sampled firms made profit of 23.2% in relation to their assets, and this shows an average performance of the sampled consumer goods companies within the period of the study, while the standard deviation stood at 0.057 (lower than the mean of 0.232), indicating a narrow variation between the listed consumer companies in Nigeria in terms of return on assets. In consideration to Tobin's Q (TQ), the average value is 0.391(39.10%) among the listed consumer goods companies in Nigeria during the period under study. The TQ has a minimum value of 0.117 (11.7%), a maximum value of 0.627 (62.7%), and a standard deviation of 0.111 (lower than the mean value of 0.117), indicating that there is narrow variation between the sampled firms in this study with regards to TQ. Moreover, the mean value for audit committee gender diversity (ACGND) is 0.306, indicating that 30.6% of the audit committee members of the board of listed consumer goods companies in Nigeria are female. In addition, ACGND has a minimum value of 0.239 (23.9%), and

a maximum score of 0.368 (36.8%), while the standard deviation is 0.305 which implies that there is no wide dispersion of the data from the mean because the standard deviation is less than the mean value. Considering audit committee financial expertise, (ACFEX), the mean value is 0.765, the minimum value is 0.556, the maximum value is 0.934, and the standard deviation stands at 0.081. The mean figure of 0.765 implies that on the average, 76.5% of the audit committee members of listed consumer goods companies in Nigeria have financial expertise. Moreover, the standard deviation of 0.081, which is less than the mean value of 0.765, indicates that the data deviated from the mean value from both sides by 8.1% which implies that there is no wide dispersion of the data from the mean because the standard deviation is less than the mean value with regards to ACFEX. Regarding audit committee meetings attendance (ACMAT), the descriptive results from Table 4.1 shows that the average value for ACMAT is 4.2 times. The mean figure implies that on the average, the attendance to meetings by audit committee members of listed consumer goods companies during the study period is 4 times during the period under review by this study, the minimum and the maximum meetings attendances are 1 and 9 times respectively, while the standard deviation is 1.054. Again, the standard deviation of 1.054 which is less than the mean value of 4.2 indicates that there is a narrow variation between the sampled firms in this study regarding audit committee meetings attendance. The next independent variable is audit committee shares ownership (ACSTO), The mean value is 0.148 (14.8% of the shares), indicating that on average, the shares owned by the members of the audit committee are about 15% of the shares in the sampled consumer goods companies. The minimum is 0.00, maximum is 0.66, and the standard deviation stands at 0.174, indicating that there is a wider variation between the sampled firms under study regarding the stockownership of audit committee members. Regarding the control variables, the descriptive statistics show that firm size (FSIZE) has a mean value of 22.599, a minimum of 17.131, a maximum of 26.579, and a standard deviation of 2.895. For firm growth (FGWTH), the average is 0.098 (9.8%), the minimum is 0.034 (3.4%), maximum of 0.173 (17.3%), and a standard deviation of 0.029. Considering leverage (FLEVE), the mean

value is 0.566, the minimum value is 0.325, and maximum value is 0.756, while standard deviation is 0.098.

Another important thing to consider is the statistics for Skewness and Kurtosis for the purpose of testing the normality of the data distribution. According to West, et al., (1995), skewness and kurtosis values should be less than two (2) and less than seven (7), respectively. Therefore, all the variables in this study are normally distributed since the values of skewness ranges from -0.498 to 1.414, while kurtosis value ranges from 1.955 to 6.668, as shown in Table 4.1

Correlation Analysis

Correlation analysis is used to describe the strength and direction of the linear relationship between two variables (Pallant, 2018). In this study, Pearson correlation analysis was carried out to determine the extent and direction of the relationship between the study variables, as provided in Table 4.2. The strength of the relationship among variables is usually ascertained by the correlation co-efficient donated (r) of the variable.

Table Error! No text of specified style in document..2 Results of Pearson Correlation

Variables	ROA	TQ	ACGND	ACFEX	ACMAT	ACSTO	FSIZE	FGWTH	FLEVE
ROA	1								
TQ	0.994**	1							
ACGND	-0.3436*	-0.058	1						
ACFEX	-0.164	0.166*	0.773***	1					
ACMAT	-0.248**	-0.249**	0.104	0.104	1				
ACSTO	0.350***	0.327***	-0.159		-0.131	1			
FSIZE	0.134	0.140	0.050	0.044	0.146	0.160	1		
FGWTH	0.010	0.116	0.038	0.094	-0.088	-0.028	-0.082	1	
FLEVE	-0.347***	0.368***	-0.051	-0.201**	0.151	-0.078	0.146	0.122	1

Notes: ROA = return on asset, TQ= Tobin's Q, ACGND= audit committee gender diversity, ACFEX = audit committee financial expertise, ACMAT = audit committee meeting attendance, ACSTO = audit committee stock ownership, FSIZE = firm size, FGWTH = firm growth, FLEV = firm leverage. *** Correlation is significant at the 0.01 level. ** Correlation is significant at the 0.05 level. * Correlation is significant at the 0.1 level.

The values of the correlation coefficients range from -1 to 1. The sign of the correlation coefficient indicates the direction of the relationship (positive or negative) the absolute values of the correlation coefficient indicate strength, with larger values indicating stronger relationships. The correlation coefficients on the main diagonal are 1.000 for all the variables, which indicate the perfect positive linear relationship that each variable has with itself. Considering return on assets (ROA), the Pearson correlation result from Table 4.2 shows that audit

committee gender diversity (ACGND) has a negative relationship with ROA with a coefficient value of -0.344, which indicates a medium and negative relationship. Also audit committee financial expertise (ACFEX) has a negative relationship with ROA with a coefficient value of -0.160. This means there is a weak and negative relationship between the variables. On the other hand, audit committee meetings attendance (ACMAT) has a negative relationship with ROA with a coefficient value of -0.248, indicating weak and negative relationship between the variables. Contrarily, audit committee share ownership (ACSTO) has a positive relationship with ROA with a correlation coefficient of 0.350, meaning that there is moderate and positive relationship between the variables. For the control variables, firm size (FSIZE) and firm growth (FGWTH) have a positive relationship with ROA having correlation coefficients of 0.134 and 0.010 for FSIZE and FGWTH, respectively. However, firm leverage (FLEV), has a negative relationship with ROA with a

correlation coefficient of -0.347. In regard to Tobin's Q (TQ), the Pearson correlation result from Table 4.2 demonstrates that audit committee gender diversity (ACGND) has a negative relationship with TQ, with a correlation coefficient value of -0.058. Showing a weak and negative relationship with TQ. However, audit committee financial expertise (ACFEX) have a positive relationship with TQ with a correlation coefficient value of 0.166, implying a moderate and positive relationship with TQ. Whereas, audit committee meetings attendance (ACMAT) has a negative relationship with TQ, with a correlation coefficient value of -0.249, showing a weak and negative relationship with TQ. On the other hand, audit committee shares ownership (ACSTO) has a positive relationship with TQ, with correlation coefficients of 0.327. Meaning there is a moderate and positive relationship with TQ. For the control variables, firm leverage (FLEV) has a negative association with TQ with a correlation coefficient of -0.368. However, firm size (FSIZE) and firm growth (FGWTH) have a positive relationship with TQ having correlation coefficients of 0.140 and 0.116 for FSIZE and FGWTH, respectively. Moreover, none of the correlation coefficient of the independent variables is above 0.80; as such, the data is free from multicollinearity (Gujarati, 2012).

Multicollinearity Check

According to Pallant (2005) and Tabachnick and Fidell (2007), multicollinearity is said to be present when independent variables are highly correlated, for example, the coefficient (r) is 0.9 and above. Based on the correlation matrix in Table 4.2, multicollinearity does not exist between the independent variables in this study because none of the correlation values amongst the independent variables is higher than 0.8. However, another important and dependable way of assessing multicollinearity is by examining the Variance Inflation Factor (VIF) and Tolerance (Hair et al., 2014). The thresholds for tolerance and VIF are values of more than 0.1 and less than 10, respectively. In this study, the values of tolerance and the variance inflation factor of the variables are presented in Table 4.4, and the outcome shows that multicollinearity does not exist because apparently tolerance is between 0.36 and 0.94, reasonably greater than the threshold of 0.1 (Hair et al., 2014;

Pallant, 2005). In the case of VIF, it ranges between 1.06 and 2.76, considerably less than the threshold of 10 (Hair et al., 2014; Pallant, 2005). Therefore, this indicates that multicollinearity does not exist in this study.

Table Error! No text of specified style in document..3 Multicollinearity Test Based on VIF and Tolerance Values

Variables	VIF	1/VIF
ACFEX	2.76	0.36
ACGND	2.59	0.39
FLEV	1.18	0.85
FSIZE	1.10	0.91
ACSTO	1.09	0.91
ACMAT	1.09	0.92
FGWTH	1.06	0.94
Mean VIF	1.55	

Heteroskedasticity Test

In order to detect heteroskedasticity in this study, the Breusch-Pagan/Cook-Weisberg test is used, which gives the chi-square value and its probability at the 5% significance level. Consequently, the results from Table 4.6 indicate that both the models for ROA and TQ have p-values of 0.2851 and 0.2883, respectively, which are insignificant at the 0.05 level, and thus, the models failed to reject the null hypothesis as there are no issues of heteroskedasticity.

Table Error! No text of specified style in document..4 Hausman Test for Fixed and Random Effect Models

DVs	Chi2 (1)	Prob > Chi2	Null (Ho)
ROA	1.14	0.2851	Accepted
TQ	1.13	0.2883	Accepted

Note: Ho (null): Homoskedasticity

Hausman Test for Fixed and Random Effects

This test was conducted to choose between a fixed effect and a random effect which is the model appropriate for the study. The decision is that, if it reveals a statistically significant value < 0.05 (5%), a fixed effect is appropriate (less than 5%), otherwise, a non-statistically significant value > 0.05(5%) random effect is appropriate (that is, greater than 5%).

Table Error! No text of specified style in document..5 Hausman Test Result

Variables	Chibar2 (01)	Prob > Null hypothesis
ROA	7.25	0.403
TQ	6.09	0.529

The Hausman test in table 4.7 above reveals p-values of 0.403 and 0.529 for models 1 and 2, respectively. This means that the random effect is more efficient as the p-value of the model (1 and 2) in the study is not significant that is greater than 5%.

Lagrange Multiplier (LM) Test

The Breusch-Pagan Lagrange Multiplier (LM) test is usually conducted in order to make a choice between the Random Effects (RE) regression and the pooled Ordinary Least Square (OLS) regression. As a rule of thumb, if the LM test produces an insignificant p-value ($p > 0.05$), then the null (H_0) hypothesis will not be rejected, hence, random effects regression is not suitable. But where the LM test generates a significant p-value ($p < 0.05$), then the null hypothesis will be rejected, indicating that the random effect model is more appropriate than the pooled OLS. Therefore, based on the Breusch-Pagan LM test performed in this study, the results obtained for both the ROA and TQ models show that the pooled OLS is more appropriate against the random effects model because the p-values obtained are greater than 0.05. Therefore, the OLS regression results for both ROA and TQ models are desirable for inferences in this study. The results of the Breusch-Pagan LM test are delineated in Table 4.8. thus:

Table Error! No text of specified style in document..6 Breusch-Pagan LM Test

Variables Test:	Chibar2 (01)	Prob > Null hypothesis
ROA	0	0.01
TQ	0	0.00

Test for Model Specification

The model specification is usually conducted to determine whether or not, the regression model is linear and functionally formulated. For the purpose of the model specification test in this study, a link test was performed for the model for both ROA and TQ. However, the link test utilized here is based on the idea developed by (Tukey, 1949), which was described further in the work of (Ama, 2014). Therefore, based on the results of the link tests for model specification presented in Table 4.9, the null hypotheses which assume that the models are correctly specified were not rejected because all the p-values of $_hatsq$ for both the ROA and TQ models are not significant ($p > 0.05$); hence, the regression models are said to be correctly specified.

Table Error! No text of specified style in document..7 Link Test for Model Specification

ROA Model	Coef.	Std. Err.	T	P> t	[95% Conf. Interval]
$_hat$	1.586	1.545	1.03	0.307	-1.481 4.653
$_hatsq$	-	3.307	-0.38	0.704	-7.822 5.305
$_cons$	-0.067	0.178	-0.37	0.709	-0.420 0.287
TBQ Model					
$_hat$	1.006	1.307	0.77	0.444	-1.589 3.600
$_hatsq$	-0.007	1.668	-0.00	0.997	-3.318 3.304
$_cons$	-0.001	0.251	-0.00	0.997	-0.500 0.498

The decision on model specification using link testing is based on the value of $_hatsq$ as initialized by Tukey (1949) and promoted by Pregibon (1980). Where the value of $_hatsq$ is significant ($p > 0.05$), the model is not correctly specified, otherwise, it is correctly specified. Based on the results of the link test in Table 4.8, the regression models for ROA and TQ are said to be correctly specified because they have p-values greater than 0.05 ($p > 0.05$), hence, no additional independent variables are required for the two models in this study.

Regression Results

For the purpose of this study, pooled OLS regression is utilized for both models 1 and 2 because the model

selection tests favoured the use of pooled OLS regression as presented earlier. The regression results are presented in 4.10 as follows:

Table Error! No text of specified style in document.8 Result of Pooled OLS Regression for Model I and Model II

Variable	Coeff.	T	p>t	Coeff.	T	p>t
ACGND	-0.6058	-2.42	0.018**	-1.2462	-2.58	0.012**
ACFEX	0.2872	2.93	0.004***	0.5641	2.58	0.004***
ACMAT	-0.0104	-2.20	0.030**	-0.0202	-2.22	0.029**
ACSTO	0.094	3.30	0.001***	0.1649	2.99	0.004***
FSIZE	0.0003	1.86	0.065*	0.0069	2.08	0.042**
FGWTH	0.2147	1.29	0.200	0.4976	1.55	0.125
FLEV	-0.1557	3.21	0.002***	-0.3362	-3.30	0.001***
Obs.		100			100	
R2		0.358			0.370	
Adj. R ²		10.309			0.322	
F (7, 92)		7.32			7.72	
Prob > F		0.000***			0.000***	

Source: STATA 14 output

Note: ***, **, and * represent significant at 1%, 5%, and 10% levels respectively.

The pooled OLS regression results for ROA model, as presented in Table 4.10, shows that the ROA model has an R² value of 0.3576. This indicates that all the explanatory variables in the model accounted for 35.76% of the variations in the dependent variable (ROA). Moreover, the model as a whole is also found

to be significant ($F(7, 92) = 7.32; p < 0.000$), indicating the goodness of fit and validity of the model. With regards to Tobin's Q (TQ), the regression results for the TQ model as presented in Table 4.10 above displays that the model (TQ) has an R² value of 0.3701. This indicates that all the explanatory variables in the model accounted for 37.01% of the variations in the dependent variable (TQ). Furthermore, the model as a whole is also found to be significant ($F(7, 92) = 7.72; p < 0.000$), indicating a goodness of fit and validity of the model utilized for Tobin's Q. Moreover, the result from Table 4.10 shows that audit committee gender diversity (ACGND) has a negative and significant effect on the profitability of listed consumer goods companies in Nigeria, measured by return on assets (ROA) and Tobin's Q (TQ). This implies that the higher the proportion of women in the audit committee, the lower the profitability of listed consumer goods companies. The likely reason for recording such findings could be the inclusion of a high number of female directors on the audit committee because of the believe that their ethical values in terms of honesty, transparency, feminine experience, and expertise could enhance wealth maximization and in turn enhances firm profitability. Therefore, reducing the number of females in their audit committee to the optimal number as their presence has a negative and significant effect on the companies would go a long way in enhancing the profitability. The result is also inconsistent with the findings of Omotoye et al, (2021), Oscar, (2020), Jamiu, (2024) and Alqatamin, (2019) who found that audit committee gender diversity has a positive and significant effect on profitability of firms, but the result is consistent with that of Ehab et al, (2021) who also documented a negative and significant effect of audit committee gender diversity on firms' performance. In addition, the result of pooled OLS regression from Table 4.10 shows that audit committee financial expertise (ACFEX) has a positive and significant positive effect on the profitability of listed consumer goods companies in Nigeria, measured by return on asset (ROA) and tobin's Q (TQ). This suggests that the higher the presence of members of the audit committee with financial expertise, the higher the profitability of listed consumer goods companies. The likely reason for documenting such findings is that companies with

such expertise on their audit committee are better positioned to mitigate risks, reduce the likelihood of misstatements or fraudulent activities in financial reporting and which can enhance profitability. This can also enhance the perceived quality of financial statement and can boost performance. This finding is consistent with Kasthry and Anandasayanan (2020) and Omotoye et al (2021) who documented that audit committee financial expertise has a positive and significant effect on profitability and disagree with the findings of Henry and Ofurum (2021), Emeka-Nwekeji and Osevwe-Okoroyibo (2021), and Alqatamin, (2018) who finds that audit committee financial expertise has an insignificant effect on profitability. Also, the result from Table 4.10 shows that audit committee meetings attendance (ACMAT) has a negative and significant effect on the profitability of listed consumer goods companies measured by return on asset (ROA) and tobin's Q (TQ). This signifies that the proportion of the members of audit committee in attendance of meetings does not effect on the profitability of listed consumer goods companies. The likely reason for documenting such findings could be because of poor number of audit committee members in attendance or discussions are made outside the agenda of the meetings which makes the committee members not to have focus and concentration on important and relevant issues that may improve the profitability of the companies. Therefore, the audit committee members as a matter of need should ensure they are punctual during meetings and discussions are objective in line with organizational goal-driven and not self-interest- driving, firm may benefit from the diverse skill and experience on the part of the AC members and will leads to more commitment and monitoring on the part of the of the committee, thereby decreasing the possibility of an organization to incur losses through non adherence to accounting principles and unnecessary waste of funds by management and thereby this can enhances profitability positively. This result is consistent with Ashari and Krismiaji, (2019) who found that audit committee meetings attendance has a negative and significant effect on company's performance. However, the finding is not line with that of Andreas and Michail (2019), Musa et al. (2017), Ormin (2015), who documented that the audit committee meetings attendance has a positive and significant

effect on the profitability. Lastly, Table 4.10 discloses that audit committee shares ownership (ACSTO) has a positive and significant effect on the profitability of listed consumer goods companies in Nigeria measured by both return on assets (ROA) and Tobin's Q (TQ). This suggests that the higher the percentage shares holding by the members of audit committee, the higher the profitability of listed consumer goods companies. The likely reason for documenting such findings could be as a result of the companies allow the possession of shares ownership by committee members in the framework of the audit committee has the probability of diminishing the issue connected with the collusion of management with managers to manipulate income to their benefit or inflate executive pay which, in turn, hampered their personal interest and will eventually enhance profitability. Shares ownership can also play a vital role in aligning the interest of board though it should not be much which will enhance their interest to work hard to guard their stake and with those of the owners (shareholders) and at the same enhance profitability. The finding is line with that of Bolton (2024) and Jamiu, (2024) who found that audit committee shares ownership has a positive and significant effect on the profitability. However, disagrees with the findings of Mustafa et al, (2020), who found that audit committee shares ownership has a negative and significant effect on the firm's performance. With regards to the control variables in this study, the regression result in Table 4.10 portrays that firm size (FSIZE) and firm growth (FGWTH) have a positive effect on the profitability measured by both return on assets (ROA) and Tobin's Q (TQ). On the other hand, firm Leverage (FLEV) has a negative and significant effect on the profitability measured by both return on assets (ROA) and Tobin's Q (TQ) of listed consumer goods companies in Nigeria.

Table Error! No text of specified style in document..9 Summary of Overall Results of Hypotheses Testing

Hypotheses No	Hypothesis Statement	Decision

Ho1	Gender diversity of audit committee members (ACGND) has no significant effect on the return on assets (ROA) of listed consumer goods companies in Nigeria.	Rejected
Ho2	Gender diversity of audit committee members (ACGND) has no significant effect on the Tobin' Q (TQ) of listed consumer goods companies in Nigeria.	Rejected
Ho3	Financial expertise of Audit committee members (ACFEX) has no significant effect on the return on assets (ROA) of listed consumer goods companies in Nigeria.	Rejected
Ho4	Financial expertise of Audit committee members (ACFEX) has no significant effect on the Tobin's Q (TQ) of listed consumer goods companies in Nigeria.	Rejected
Ho5	Meetings attendance of Audit committee members (ACMAT) has no significant effect on the return on assets (ROA) of listed consumer goods companies in Nigeria.	Rejected
Ho6	Meetings attendance of Audit committee members (ACMAT) has no significant effect on the Tobin's Q (TQ) of listed consumer goods companies in Nigeria.	Rejected
Ho7	Share ownership of Audit committee members (ACSTO) has no significant effect on the return on assets (ROA) of listed consumer goods companies in Nigeria.	Rejected
Ho8	Share ownership of Audit committee members (ACSTO) has no significant effect on the Tobin's Q (TQ) of listed consumer goods companies in Nigeria.	Rejected

Discussion of Findings

This study examined the effect of audit committee features and profitability of listed consumer goods companies in Nigeria. The data generated were subjected to both descriptive and inferential statistics. The descriptive statistic revealed the individual characteristics of the variables used in this study

while the inferential statistics tested the hypotheses using multiple regressions analyses. The test of hypothesis one was to ascertain whether audit committee gender diversity has no significant effect on profitability (measured by ROA and TQ) of listed consumer goods companies in Nigeria. The findings revealed that has a significant effect on ROA and TQ of listed consumer goods companies in Nigeria with significant levels of 0.018 and 0.012 ($p < 0.05$) respectively. Therefore, the study failed to reject the null hypothesis. This result is similar to the work of Ehab et al, (2021), whose findings reveal that women participation in the audit committee does not improve profitability. The test of hypothesis two was to ascertain whether audit committee financial expertise has no significant effect on profitability (measured by ROA and TQ) of listed consumer goods companies in Nigeria. The findings revealed that has a significant effect on ROA and TQ of listed consumer goods companies in Nigeria with significant levels of 0.004 and 0.004 ($p < 0.05$), respectively. Therefore, the study failed to reject the null hypothesis. This result is consistent with the work of Omotoye et al, (2021) and Kasthry and Anandasayanan (2020), whose documented findings that financial expertise of the audit committee members improve profitability of the sampled firms. The test of hypothesis three was to ascertain whether audit committee meetings attendance has no significant effect on profitability (measured by ROA and TQ) of listed consumer goods companies in Nigeria. The findings revealed that has a significant effect on ROA and TQ of listed consumer goods companies in Nigeria with significant levels of 0.030 and 0.029 ($p < 0.05$) respectively. Therefore, the study failed to reject the null hypothesis. This result is tandem to the work of Ashari and Krismiaji, (2022), whose findings reveal that meetings attendance of the audit committee members has an effect on the profitability of firms. The test of hypothesis four was to ascertain whether audit committee share ownership has no significant effect on the profitability (measured by ROA and TQ) of listed consumer goods companies in Nigeria. The findings revealed that it has a significant effect on the ROA and TQ of listed consumer goods companies in Nigeria, with significant levels of 0.001 and 0.004, ($p < 0.05$) respectively. Therefore, the study failed to reject the null hypothesis. This result is similar to the work of Bolton (2012), who found that

audit committee share ownership improve profitability.

V. CONCLUSION AND RECOMMENDATIONS

Conclusion

Based on the summary of findings, this study concludes that audit committee features exert a statistically significant influence on the profitability of listed consumer goods companies in Nigeria. Specifically, audit committee gender diversity was found to have a significant effect on firm profitability, as measured by return on assets and Tobin's Q, indicating that the composition of the audit committee plays a critical role in financial performance outcomes. The study further concludes that audit committee financial expertise significantly enhances profitability, underscoring the importance of competent and knowledgeable committee members in strengthening financial oversight and decision-making. In addition, audit committee meeting attendance was observed to significantly affect profitability, suggesting that the effectiveness and focus of audit committee deliberations are crucial to firm performance. Finally, audit committee share ownership was found to have a significant effect on profitability, implying that equity participation by audit committee members aligns their interests with those of the firm and promotes value-enhancing governance practices. Overall, these conclusions affirm the relevance of audit committee characteristics as key corporate governance mechanisms influencing the financial performance of consumer goods firms in Nigeria.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

- i. Listed consumer goods companies in Nigeria should focus on optimizing the effectiveness of audit committee diversity by ensuring that members possess
- ii. matching skills, experiences, and perspectives that enhance oversight and strategic decision-making. Rather than focusing solely on numerical representation, companies should emphasize the functional contribution of diverse members to audit quality and financial oversight.

- iii. Companies should ensure that audit committees include members with strong financial and accounting expertise. This will enhance the committee's capacity to effectively oversee financial reporting processes, internal controls, and risk management, thereby improving the quality of financial information and potentially strengthening firm performance.
- iv. Management should enhance the effectiveness of audit committee meetings by ensuring adequate meeting frequency, quality deliberation, and structured agendas that focus on key financial reporting and governance issues. Effective participation and informed discussions can improve oversight functions and support better financial outcomes.
- v. Companies may consider governance mechanisms that align the interests of audit committee members with those of shareholders, including appropriate ownership structures that promote accountability and long-term value creation. Such mechanisms should be implemented in accordance with established corporate governance guidelines and regulatory frameworks.
- vi. Regulatory bodies and professional institutions involved in corporate governance in Nigeria may consider strengthening existing governance codes and guidelines to further enhance the effectiveness of audit committees in listed companies. This may include clearer recommendations regarding expertise, diversity, and governance practices within audit committees.

Suggestions for Further Studies

Despite the contributions of this study to the corporate governance literature, several limitations should be acknowledged.

First, the study focused on selected audit committee characteristics namely gender diversity, financial expertise, meeting attendance, and share ownership while other potentially relevant governance attributes were not examined. Consequently, the findings may not fully capture the broader dimensions of audit committee effectiveness.

Second, the study utilized two measures of firm profitability, namely Return on Assets (ROA) and Tobin's Q. Although these indicators provide both

accounting-based and market-based perspectives of firm performance, other performance measures could offer additional insights into corporate outcomes.

Third, the scope of the study was limited to listed consumer goods companies in Nigeria. As such, the findings may not be fully generalizable to other sectors or institutional contexts where governance structures and operational dynamics may differ.

Finally, although the study adopted a longitudinal approach, it relied on secondary data obtained from publicly available financial reports, which may limit the ability to capture qualitative aspects of audit committee effectiveness.

Author's statements - Disclosures

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Conflict of Interest- This manuscript is not under consideration for publication elsewhere and has not been previously disseminated. There are no conflicts of interest to disclose.

Data Availability- This study used secondary data, which was extracted from the audited annual reports and financial statements of selected listed consumer goods firms in Nigeria.

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