ACTA SCIENTIAE

**ISSN:** 2178-7727

# EFFECT OF AUDIT COMMITTEE ATTRIBUTES ON EARNINGS MANAGEMENT IN LISTED DEPOSIT MONEY BANKS IN NIGERIA

**OKONTA Ifeanyi Kelvin, ONMONYA Lucky Otsoge**
1,2Department of Accounting, Nile University, Abuja Corresponding Author: kelvinokonta@gmail.com

**Abstract**
The integrity of financial reporting remains a fundamental concern in corporate governance because reliable financial information is essential for informed decision-making by all relevant stakeholders. This study examined the effect of audit committee attributes and earnings management among listed deposit money banks in Nigeria from 2013 to 2025. The proxies for audit committee attributes are audit committee independence, financial expertise, and size. While earnings management is proxied by the Loan Loss Provision (LLP). The study adopted an ex-post facto research design, using secondary data from the annual reports and financial statements of 10 listed deposit money banks in Nigeria. The Generalised Least Squares (GLS) method is adopted in testing the hypotheses. The findings revealed that audit committee independence has a significant negative effect on LLP, while audit committee financial expertise and audit committee size show insignificant effects on LLP. The study concludes that audit committee independence has a significant negative effect on loan loss provision among listed deposit money banks in Nigeria. The result suggests that banks with a higher proportion of independent audit committee members are more effective in monitoring management and ensuring prudent financial reporting practices. Specifically, independent audit committees help reduce managerial discretion in determining loan loss provisions, thereby limiting the use of provisions as a tool for earnings management. Overall, the evidence indicates that strengthening audit committee independence can improve the quality of loan loss provisioning decisions, enhance credit risk management, and promote financial stability within the Nigerian banking sector. Consequently, regulators and bank stakeholders should continue to encourage greater independence among audit committee members to improve corporate governance and safeguard the integrity of financial reporting. Based on the conclusion, the study recommends that deposit money banks should increase the proportion of independent members on their audit committees. Independent members are better positioned to provide objective oversight of financial reporting and loan provisioning decisions, thereby reducing managerial discretion and improving the quality of financial disclosures.

**Keywords:** Audit committee financial expertise, Audit committee independence, Audit committee size, loan loss provision.

## 1. Introduction

The integrity of financial reporting remains a fundamental concern in corporate governance because reliable financial information is essential for informed decision-making by investors, regulators, creditors, and other stakeholders. Earnings management, which involves the deliberate manipulation of accounting figures to influence perceptions of organisational performance, undermines the credibility of financial statements and weakens investor confidence (Healy & Wahlen, 1999; Jensen & Meckling, 1976). In the banking sector, the consequences of earnings management are particularly significant because banks occupy a central position in financial intermediation and economic development. Through discretionary accounting practices such as manipulating loan loss provisions, bank managers may distort reported earnings, thereby concealing the institution's actual financial condition and increasing the risk of poor investment and regulatory decisions (Beatty & Liao, 2014).

In Nigeria, concerns regarding earnings management have persisted despite numerous regulatory reforms aimed at strengthening corporate governance. Several Deposit Money Banks (DMBs) have faced regulatory sanctions for violations relating to anti-money laundering compliance, foreign exchange regulations, cybersecurity reporting, and customer protection requirements. Such compliance failures often indicate weaknesses in internal control systems and governance structures that may also facilitate opportunistic financial reporting (Isa & Farouk, 2025). Historical cases, such as the collapse of Oceanic Bank Plc in 2009, further demonstrate how weak governance mechanisms and financial misreporting can threaten the stability of financial institutions and undermine public confidence in the banking system (Sanusi, 2010).

To address these concerns, corporate governance frameworks have increasingly emphasized the role of audit committees in monitoring financial reporting processes and ensuring the quality of financial disclosures. Audit committees serve as an important internal governance mechanism by overseeing accounting practices, reviewing financial statements, liaising with internal and external auditors, and ensuring compliance with regulatory requirements (Mohamed et al., 2025). Prior studies suggest that audit committee characteristics, particularly independence, financial expertise, and size, can enhance oversight effectiveness and reduce the likelihood of earnings manipulation (Fali et al., 2019; Ogunsola, 2024). Effective audit committees are therefore regarded as a critical mechanism for promoting transparency, accountability, and the reliability of financial reporting.

However, empirical evidence on the effectiveness of audit committees in constraining earnings management remains mixed, particularly within emerging economies such as Nigeria. While some studies report that audit committee independence and financial expertise significantly reduce earnings management practices, others find weak or insignificant relationships (Adesemowo et al., 2024; Isa & Farouk, 2025; Mohamed et al., 2025). These inconsistencies suggest that audit committee effectiveness may be influenced by contextual factors beyond committee characteristics alone. Differences in ownership structures, regulatory enforcement, and governance environments may shape the extent to which audit committees can effectively monitor managerial behavior and safeguard reporting quality.

One important factor that may influence audit committee effectiveness is institutional ownership. Institutional investors often possess substantial resources, expertise, and incentives to monitor management and advocate for improved governance practices. Their involvement can complement audit committee oversight by increasing scrutiny of financial reporting and reducing managerial opportunism (Shleifer & Vishny, 1997). Consequently, institutional ownership may strengthen the relationship between audit committee characteristics and earnings management by enhancing monitoring effectiveness and reinforcing accountability mechanisms. Understanding this interaction is particularly important in the Nigerian banking sector, where ownership concentration and governance practices vary considerably across institutions.

Despite growing scholarly interest in corporate governance and earnings management, studies examining the combined influence of audit committee characteristics and institutional ownership remain limited, especially within Nigeria's banking industry. Most existing research focuses either on non-financial firms or on governance mechanisms in isolation, with little attention paid to their interaction effects (Ibe et al., 2025; Ogunsola, 2024). Given the unique regulatory framework, risk profile, and accounting practices of banks, findings from non-financial sectors may not adequately explain governance effectiveness in DMBs. This gap in the literature highlights the need for sectorspecific evidence capable of informing policy and governance reforms.
Against this backdrop, this study investigates the effect of audit committee characteristics on earnings management in listed Deposit Money Banks in Nigeria. The study contributes to a deeper understanding of governance effectiveness in the Nigerian banking sector. The findings are expected to provide valuable insights for regulators, policymakers, investors, and bank stakeholders seeking to strengthen corporate governance practices, improve financial reporting quality, and enhance financial system stability.

**Research Hypotheses**
In line with the objectives of this study, the following null hypotheses are stated:
Ho1: Audit committee independence has no significant effect on earnings management in listed deposit money banks in Nigeria.
Ho2: Audit committee financial expertise has no significant effect on the level of earnings management in listed deposit money banks in Nigeria.
Ho3: Audit committee size has no significant effect on earnings management in listed deposit money banks in Nigeria.

## 2 Literature Review
This section reviews various definitions provided by scholars regarding corporate governance and financial performance, as well as the proxy employed in this study.

**Audit Committee**
An audit committee consists of non-executive directors within the organization, as articulated by Al-Thuneibut (2006). Given that the majority of audit committees comprise both executive and non-executive members, this definition might be deemed somewhat restrictive, as it exclusively references non-executive directors. Similarly, Arens, Elder, and Besaly (2009) characterize an audit committee as a group chosen from the board of directors responsible for providing oversight functions for the company's internal control system. They also observed that the primary purpose of establishing an audit committee is to improve the quality of financial reporting through enhanced audits and board supervision. The study did not delineate the criteria governing the composition of the committee. The Nigerian Code of Corporate Governance (2018) defines an audit committee as the committee responsible for audits, which public companies are required to constitute under extant laws. The code of corporate governance stipulates the attributes that should be inherent among the committee members. These include roles, composition, size, and meeting frequency.

This study aligns with the Nigerian Code of Corporate Governance (2018) and measures the audit committee using audit committee size, independence, and financial expertise.

### Audit Committee Independence

Audit committee independence refers to the structure and membership of an audit committee, a subgroup of a company's board of directors or governing body. It encompasses the number of members, their qualifications, independence, expertise, and diversity, all aimed at ensuring effective oversight of financial reporting, internal controls, and audit processes. Ugbah et al. (2023) defined audit committee independence as the presence of independent directors on the audit committee who sit on the board. Independent AC members on the board tend to contribute to higher market value, as they have an in-depth understanding of firms' risk profiles and shareholders appreciate genuine risk practices, which translates into rewards for firms with improved market value. Al-Jalahma (2022) defined audit committee independence as the ratio of independent nonexecutive directors on the audit committee to total committee members. Members are independent if their tenure as a board member does not exceed five years, they are not ex-employees of the firm or related to senior management, they are not consultants, lawyers, or financial advisors, and they are not engaged in a reciprocal interlock. According to An (2023), for the audit committee to perform its role as an effective supervisory body, its members must be independent of management or controlling shareholders. Furthermore, the audit committee should be composed of independent outside directors to secure the reliability and management transparency of accounting information by supervising management from an independent standpoint.

In Nigeria, the CAMA Act 1990 (as amended in 2004 and 2020) provides that the statutory audit committee of quoted companies shall be composed of six (6) members, with three (3) shareholders and the other three (3) directors of the company. Under CAMA 2020, the composition of the audit committee of quoted companies has been reduced to five members, comprising three shareholders and two non-executive directors of the company, including at least one member of a recognized professional accounting body in Nigeria.

In this study, audit committee composition is defined as the percentage of non-executive members on the audit committee.

### Audit Committee Financial Expertise

Based on the percentage of audit committee members possessing accounting, supervisory, and financial expertise, Siagian and Siregar (2018) defined financial expertise as the level of financial knowledge measured by the audit committee. Educational background and professional experience in accounting are considered independent determinants of financial and accounting skills. They further noted that work experience as a Chief Financial Officer (CFO), controller, treasurer, account manager, certified public accountant, accountant, or accounting lecturer/professor indicates accounting expertise and can be found in audit committee work experience. However, work experience as an account manager, banker, analyst, investment manager, and fund manager is recognized as a skill set in audit committee job experience that includes financial expertise. Although experience serving as the CEO or a member of the board of directors of a company is recognized as a prerequisite for supervisory expertise in audit committee work experience.

According to Okolie and Ogbaragu (2022), the requirement for at least one audit committee member to have financial expertise was first recognized under Section 359 (3) and (4) of CAMA 2004 (as amended in 2020) and was reiterated in the SEC code of 2011. At least one audit committee member should have sound knowledge of financial and accounting matters. CAMA 2020 aligns with the principles of the Nigerian Code of Corporate Governance 2018, which states that at least one member of the audit committee shall be a financial expert.

This study aligns with the definition of Siagian and Siregar (2018), which buttresses the accounting, financial, and supervisory expertise in auditing as a paramount characteristic of an audited member.

### Audit Committee Size

The size of an audit committee can vary based on factors such as the size and complexity of the organization, industry norms, and regulatory requirements. While there is no universally prescribed size for an audit committee, it is generally recommended that the committee be composed of enough members with diverse backgrounds and expertise to effectively carry out its responsibilities. The Financial Reporting Council UK (2018) defined audit size as the composition of the audit committee, specifically the number of members, which can vary depending on regulatory requirements and the organization's specific needs.

Al-Matari, Al-Swidi, Fadzil, and Al-Matari (2012) defined the size of the audit committee as a characteristic considered significant for the successful discharge of its duties. In a different vein, DeZoort, Hermanson, Archambeault, and Reed (2002) defined audit committee size as the number of members serving on the audit committee, typically independent directors responsible for overseeing financial reporting and internal control processes.
In this study, the audit committee size is defined as the number of members on the audit committee. The CAMA (2020) stipulates that the audit committee should consist of an equal number of directors and shareholder representatives of the company, with a maximum of six members.

### Earnings Management

Earnings management occurs when managers exercise judgment in financial reporting and in structuring transactions to alter financial reports, either to mislead some stakeholders about the firm's underlying economic performance or to influence contractual outcomes that depend on reported accounting numbers (Healy & Wahlen, 1999). In another vein, earnings management is defined as a purposeful intervention in the external financial reporting process, intended to obtain private gain (Schipper, 1989). Earnings management refers to managers' choices of accounting policies or real actions that affect earnings, with the objective of achieving specific reporting outcomes, subject to generally accepted accounting principles (Scott, 2015). Earnings management involves managerial actions that deviate from normal operational practices, undertaken to meet certain earnings thresholds, often referred to as real activities manipulation (Roychowdhury, 2006).

According to the literature, earnings management can be conceptualized as either opportunistic or efficient behavior. While opportunistic earnings management distorts financial information for private gain, efficient earnings management may enhance the informativeness of earnings by signaling future performance. However, empirical evidence, particularly in emerging markets such as Nigeria, largely associates earnings management with agency problems, weak governance mechanisms, and regulatory enforcement gaps.

**Loan Loss Provision**

Ozili and Outa (2024) characterize a loan loss provision as an accounting accrual made by a financial institution to acknowledge expected credit losses inherent within its loan portfolio. This provision embodies management's forward-looking estimate of potential loan defaults and consequently diminishes reported earnings in the period when the risk is assessed, thereby aligning financial statements with the risk profile of credit exposures. Furthermore, the IFRS Foundation (2018) describes loan loss provisions as reserves established by banks from operating income to absorb estimated losses from loans that are likely to become non-performing or uncollectible. These provisions function both as a risk management instrument and as a component of regulatory compliance, ensuring that banks recognize credit losses prior to their realization, thereby safeguarding financial stability and soundness.

Under the expected credit loss (ECL) model mandated by IFRS 9, a loan loss provision is defined as the expected credit loss allowance established at initial recognition and subsequently updated at each reporting date to account for changes in credit risk. It encompasses either 12-month expected losses or lifetime expected losses, contingent upon the level and variation of credit risk since the inception of the loan (Kruger, 2018). According to Ozili and Outa (2017), loan loss provisions represent the discretionary judgment exercised by bank managers in estimating the amount of future loan losses, based on historical data, current conditions, and forward-looking forecasts. This discretion has significant implications for research on earnings management, signaling, and capital management. As an expense item on the income statement, loan loss provisions serve to reduce net income and increase the contra-asset allowance for credit losses on the balance sheet, thereby reflecting both the cost of credit risk and the realistic valuation of loan assets. A loan loss provision model elucidates how financial institutions ascertain the extent of provisions allocated to cover anticipated credit losses within their loan portfolios. Empirical loan loss provisioning models typically decompose provisions into two elements: a non-discretionary (expected loss) component, influenced by observable credit risk factors, and a discretionary component, driven by managerial incentives such as earnings management, capital management, or signaling.

**Theoretical Framework**

This study is underpinned by Agency theory and Resource Dependency theory. The Resource dependence theory explains why audit committee financial expertise is often considered one of the most important governance attributes in reducing earnings management among listed banks. Members with accounting, auditing, and financial management backgrounds possess the skills needed to challenge management judgments and detect manipulation of loan loss provisions. On the other hand, agency theory directly explains why earnings management occurs, how information asymmetry creates opportunities for managerial opportunism, why audit committees are established as monitoring mechanisms and how audit committee independence and expertise can reduce earnings manipulation. Therefore, Agency Theory provides a theoretical foundation for examining the relationship between audit committee characteristics and earnings management in Nigerian Banks.

## Empirical Review

Numerous scholarly investigations have examined the relationship between audit committee size and performance. However, these studies focus on various sectors across diverse countries. For example, Taleb et al. (2025) examine the mediating effect of audit quality (AQ), represented by audit fees, on the association between audit committees (ACs) and earnings management (EM). The sample consists of 27 non-financial firms listed on the Palestine Exchange (PEX) between 2014 and 2022. The authors use OLS regression with robust standard errors and the Newey-West estimator to test the study models. In addition, an alternative EM model is used, and the sample is divided based on signed accruals. Finally, 2SLS and lagged values of independent variables are used to address potential endogeneity issues. The findings reveal that AC traits do not play a significant role in reducing EM, except for accounting experience, which is positively associated with EM. On the other hand, AC traits do not play a significant role in driving higher AQ through audit fees, except for the number of meetings, which shows a positive relationship with fees. Finally, the results show that AQ through audit fees does not affect the reduction of EM. Thus, according to Baron and Kenny's mediation test (1986), AQ fails to serve as a mediator in the association between ACs and EM.

Attia et al. (2025) examine the impact of audit committee (AC) attributes (size, independence, and meeting frequency) on earnings manipulation practices (discretionary accruals) in emerging markets. Using panel data from 78 Egyptian-listed companies (2008–2022) and dynamic panel threshold analysis, we identify non-linear, U-shaped relationships between AC attributes and earnings management. Optimal thresholds are found for AC size (3–4 members), independence (3–4 independent directors), and meeting frequency (4–6 annual meetings), beyond which additional oversight may lead to inefficiencies. These findings align with governance theories, emphasizing the importance of balancing AC attributes to enhance financial reporting quality. The study offers significant implications for policymakers and corporate boards in emerging markets. It provides evidence-based guidance on structuring effective ACs, highlighting the need for context-specific governance strategies to minimize earnings manipulation. By identifying optimal thresholds, this research contributes to the literature on corporate governance and offers actionable recommendations for improving financial transparency and accountability in emerging markets.
Ali et al. (2024) examined the relationship between AC characteristics and earnings management (EM) in Egypt. State authority accountability was also included as a moderating variable. From 2014 to 2016, a sample of 402 observations from listed companies across different sectors was analyzed using multiple linear regression. The results revealed a negative correlation between AC meetings and EM across the entire sample. Furthermore, AC independence and AC size showed no significant relationship with EM. No effect of state authority accountability was found on the relationship between AC characteristics and EM. The study's significance lies in its ability to shed light on the effectiveness of corporate governance reforms in Egypt, with specific reference to the role of AC and the potential influence of state authority accountability. Its findings have practical implications for policymakers, businesses, and academics, all of whom can use this research to advance corporate governance practices and contribute to the sustainable growth of the Egyptian economy.
Tawfeeq and Alabdullah (2023) examine business profitability in the non-financial sector of the Muscat Securities Market (MSM) in relation to specific audit committee characteristics. Crosssectional data from the 2022 annual reports of 40 non-financial companies were analyzed.

To test hypotheses and investigate the effects of audit committee characteristics on business profitability, the study used Smart-PLS for data analysis. The findings show that the audit committee's size has a considerable detrimental impact on financial performance. The study focuses on non-financial firms.

Mawardi et al. (2023) analyzed how audit committee characteristics and intellectual capital performance influence intellectual capital disclosure. The study population comprised financial services companies listed on the Indonesia Stock Exchange from 2019 to 2021, and a purposive sample of 91 companies was collected. Panel regression results indicate that the audit committee's financial expertise and intellectual capital performance do not affect intellectual capital disclosure. This study focuses on intellectual capital performance, whereas the current study focuses on financial performance.

Awad and Ghanem (2023) explored the attributes of audit committees and boards of directors and their effects on firm performance, focusing mainly on the board's size and independence and the audit committee's employment, size, independence, financial experience, and frequency of meetings. This paper also discusses resource dependency theory, which posits that nonindependent directors have a positive effect on firm performance. By contrast, agency theory suggests that the more independent the board is, the better the performance. Many accounting scandals and worldwide failures in corporate governance have occurred in the past few decades, affecting stakeholders and taking a heavy toll on national and global economies. After many infamous corporate failures, the United States passed the Sarbanes-Oxley Act (SOX), which heightened the responsibilities of the board of directors in corporations, promoted fairness to both shareholders and stakeholders alike by enforcing listed companies to employ independent, knowledgeable, and proactive audit committees and directors, and ultimately placed the utmost importance on the protection of investors and stakeholders. However, our results found no link between the different characteristics of audit committees and firm performance. The findings above give us insight into how companies' governance operates.

Studies in Nigeria include Ogunleye et al. (2025), which analyzed the correlation between ownership structure and financial performance among publicly listed information and communication technology companies in Nigeria. This research used an ex-post facto design, drawing on data from the annual reports of information and communication technology firms listed on the Nigeria Exchange Group (NGX) from 2014 to 2023. The study population comprised eight listed firms in the information and communication technology sector. Data from the firms' annual reports were collected and analyzed using fixed-effects panel regression, as determined by the Hausman test. The findings indicated significant positive effects of managerial, institutional, and foreign ownership structures on firm financial performance. These findings align with established agency theory and prior empirical research in corporate governance and ownership structure. The study concluded that increased managerial ownership aligns the interests of managers and shareholders, resulting in improved financial performance for the firm. Institutional investors, with their expertise, monitoring capabilities, and long-term investment perspectives, can contribute to enhanced performance. Effective management of foreign ownership can enhance oversight and reduce agency costs. The study suggests that publicly listed ICT firms should promote a managerial and institutional foreign ownership structure to enhance financial performance.

Odey (2025) examined the relationship between ownership structure and financial performance among listed pharmaceutical companies in Nigeria. An ex post facto design was adopted. Two hypotheses were formulated and tested at the 0.05 level of significance. The study employed secondary data, and a sample of 5 pharmaceutical companies listed on the NGX was used. The data gathered were analyzed using ordinary least squares regression in SPSS version 26. Findings revealed that foreign ownership (FOROWN) and institutional ownership (INSTOWN) were negatively correlated and did not have a significant relationship with the return on assets of quoted pharmaceutical companies in Nigeria. It was recommended that the management of pharmaceutical companies adopt policies that would favor an appropriate increase in share capital size. This will help improve the propensity to improve the ownership structure, the best-known form of raising capital for firms.

Bishwas and Hossain (2025) investigate the effects of ownership concentration on the corporate financial performance of publicly traded non-financial corporations from an emerging market perspective. The current investigation uses system GMM to analyze the correlation between ownership concentration and firm performance. The study uses a sample of 741 observations from 84 publicly listed companies, covering a nine-year data set from January 2013 to December 2021. Overall, the test results document a statistically significant negative relationship between ownership concentration and firm performance. Similarly, alternative measures of concentration, such as the percentage of shares held by the top two, three, and five entities, negatively impact firm performance. The study's results have substantial implications for regulatory bodies in the market, as they assist in protecting the welfare of investors and encouraging the expansion of investors' investment portfolios.

Ibe et al. (2025) investigate the effect of board independence on earnings management in listed deposit money banks in Nigeria, moderated by audit committee expertise. The study's population comprises 14 listed deposit money banks in Nigeria as of 31st December 2023, with a sample of 10 banks selected through a purposive sampling technique. A quantitative research approach was employed, using secondary data from the annual reports and accounts of the selected banks over a 10-year period from 2014 to 2023. Data were analyzed using the Moderated Multiple Regression (MMR) model in STATA version 12. The study reveals that board independence has a positive and statistically significant effect on earnings management, but audit committee expertise significantly moderates this relationship, exerting a negative effect. The study underscores the critical role of independent directors in mitigating earnings management in Nigeria's banking sector. Based on the findings, the study recommends that regulatory bodies and bank management prioritize the appointment of experienced and professionally qualified audit committee members and strengthen corporate governance frameworks to enforce board independence and audit committee expertise, thereby enhancing financial reporting quality and stakeholder confidence in the Nigerian banking sector.

Nnaji-Ihedinmah et al. (2025) focus on the impact of block family ownership and institutional block ownership structures on the performance of listed firms in Nigeria. The three hypotheses for the study sought to establish whether block family ownership, block ownership, and institutional block ownership have any impact on the performance of the selected firms. The sample consists of 76 non-financial multinational companies listed on the Nigerian Exchange Group (NGX) between 2011 and 2020. The data for the study were obtained from the financial statements of the selected firms. Panel fixed (FE) and random effect (RE) regressions were used to analyze the relationship between ownership structure and financial performance, measured by gross profit margin (GPM). The results of the study show a significant impact of all the examined ownership structure variations (block family ownership structure, block ownership, and institutional block ownership structure) on the performance of non-financial companies in the emerging market (at p-value < 0.05). This finding is consistent with existing empirical studies and highlights the key role of family ownership and institutional ownership in shaping the performance of non-financial firms in Nigeria. This study makes two important contributions by advancing the debate on the relationship between ownership structure and business performance in emerging markets and by providing a tangible resource for policymakers to promote prudent ownership governance to enhance business performance and sustainability in emerging markets.

Sunday et al. (2025) define ownership concentration as the shareholding stake held by shareholders with controlling interest in a firm. This study examines the moderating effect of board size on the ownership structure and financial performance of quoted consumer goods manufacturing firms in Nigeria. The population comprised all 21 quoted consumer goods manufacturing firms in Nigeria, and a filtering technique was used to arrive at a sample of seventeen (17) firms. The hypotheses were tested using a robust fixed-effects regression model after conducting diagnostic tests. The results show that share ownership concentration has a significant negative effect on the return on assets of quoted consumer goods manufacturing firms in Nigeria. Further results from the second model indicate that board size significantly moderates the relationship between share ownership concentration and return on assets of quoted consumer goods manufacturing firms in Nigeria. The study recommends that the board of directors of consumer goods firms should minimize the level of share ownership concentration in their firms to a maximum of 60% to encourage dilution of ownership and enhance the financial performance of their firms in Nigeria.

Adesemowo et al. (2024) examined the effects of audit committee effectiveness and income smoothing in listed deposit money banks in Nigeria. The ex-post facto research design was used to gather information from the audited annual reports of distinct banks. The research population comprised nineteen (19) Deposit Money Banks quoted on the Nigerian Exchange as at December 2021. This study used purposive sampling techniques. The sample size consisted of five (5) banks (4 with international authorization and 1 with national authorization) over a period of five years (2017 – 2021). The results of this study suggest that income smoothing by management can only be curbed when audit committee members are financially educated and possess the essential knowledge and abilities to examine and comprehend the financial statements presented by management. The study concludes that audit committee effectiveness has a significant effect on income smoothing in deposit money banks in Nigeria. The study recommends that the minimum number of members on audit committees who have financial competence be increased. The policymakers should also mandate that the chairperson of the audit committee be someone with extensive experience in financial analysis or a certified public accountant, rather than just one member.

Ogunsola (2024) investigated the impact of audit committee characteristics on earnings management among listed deposit money banks in Nigeria. The study adopted an ex-post facto research design, with the population comprising twenty-four (24) deposit money banks listed on the Nigerian Exchange Group as of December 31, 2022. However, nine banks were selected for the study based on data availability. Data from audited annual reports of the sampled banks spanning from 2015 to 2022 were used for analysis. The data underwent preliminary tests before being analyzed using a robust fixed-effects regression model. Empirical findings revealed that audit committee independence (ACIA) and audit committee financial expertise (ACFA) have substantial positive and negative impacts on earnings management (EMA), respectively, while the impact of audit committee size (ACSA) was observed to be positive and insignificant. It is concluded that audit committee size (ACSA) and audit committee independence (ACIA) are not likely to reduce earnings management practice (EMA), whereas possession of adequate financial expertise by members of the audit committee will possibly reduce cases of aggressive earnings management. Hence, it is advised to prioritize financial expertise when selecting members for audit committees, as this is expected to help mitigate and decrease earnings management practice. Victor et al. (2024) examined the effects of concentrated and dispersed ownership on the Return on Assets of commercial banks in Nigeria. The study adopted an explanatory, quantitative approach. Data were collected from a sample of 13 listed commercial banks covering the period from 2018 to 2022. The data were analyzed using panel random-effects regression. The findings revealed that a concentrated ownership structure has a significant negative effect on return on assets, while a dispersed ownership structure has a positive and significant effect on return on assets. There was no strong evidence of a causal relationship between ownership structure and financial performance. It was concluded that commercial banks in Nigeria with dispersed ownership structures perform better than those with concentrated ownership structures. Recommendations include encouraging more banks to adopt less concentrated ownership and implementing additional regulations and policies from the Central Bank of Nigeria (CBN) to limit the negative effects of toxic ownership concentration.

Muhammad et al. (2023) assess the moderating effect of institutional ownership structure on the relationship between asset quality and the financial performance of listed deposit money banks in Nigeria for the period 2010-2021. The study population comprises fifteen (13) listed deposit money banks in Nigeria. Asset quality, the independent variable, is proxied by the loan growth rate, and financial performance is proxied by return on assets, while institutional ownership structure serves as the moderating variable. Data were collected from secondary sources through the banks' annual reports for the period under study and were analyzed using multiple panel regression techniques. The findings reveal that institutional ownership structure has a positive and significant effect on financial performance, while non-performing loans have a significant negative relationship with financial performance. The study concludes that the interaction between managerial ownership structure and financial performance is positive and significantly influences financial performance. This means that managerial ownership structure can influence the financial performance of banks. It is recommended, among others, that institutional shareholders shouldn't be part of the credit committee that issues loans to customers. Furthermore, the banks should effectively review and implement a management risk framework in order to reduce the proportion of non-performing loans attributed to listed deposit money banks in Nigeria.

## 3 Methodology

The study adopts an ex-post facto research design. In this study, secondary data sources were used to collect information on the audit committee and earnings management in listed deposit money banks in Nigeria. The proxies for audit committee mechanism are audit committee independence, financial expertise, size while the dependent variable is earnings management measured as loan loss provision. The population consist of all listed banks in the Nigerian Exchange Group (NGX) as at December 2025. The total number of banks listed in NGX as at December 2025 was 14. Sampling refers to a method of selecting an equal representation from a given population. This study adopts a census sampling technique. Two criteria were used to select the sampled banks are: they must be listed on the stock exchange between 2013 and 2025 and they should have complete data from the annual reports.

### Model Specification and Variable Measurement

This section presents the panel regression model that captures effect of audit committee in the mitigation of earnings management in listed deposit money banks in Nigeria:

$$\mathbf{LLP_{it} = \alpha + \beta_1 ACI_{it} + \beta_2 ACFE_{it} + \beta_3 ACS_{it} + \varepsilon_{it}}$$

Where:
LLP – Loan loss provision
ACI – Audit committee independence
ACFE – Audit committee financial expertise
ACS – Audit committee size β1
β3 – Beta coefficient
α – constant ε – error
terms it – identifier
and time

**Table 1: Variables and Measurement**

| Variable | Measurement | Source |
|---|---|---|
| LLP | $LLP_{it} = \beta_0 + \beta_1 NPL_{it} + \beta_2 \Delta NPL_{it} + \beta_3 LOAN_{it} + \beta_4 EBTP_{it} + \varepsilon_{it}$ | Iyoha and Igbinovia (2023) |
| ACI | Measured as the ratio of non- executive directors on the audit committee | Iyoha and Igbinovia (2023) |
| ACFE | Measured as the number of audit committee members with finance or accounting expertise | Suryana and Sedana (2021) |
| ACS | Measured as the total number of audit committee members | Shafqat and Ayub (2022) |

Source: Author’s compilation (2026)

## 4 Data Analysis and Presentation Descriptive Statistics

The descriptive statistics provide insights into the characteristics of the variables used in the study of listed banks in Nigeria. The statistics include the mean, standard deviation, minimum, and maximum values, which describe the central tendency of the data. The analysis is presented in Table 2.

**Table 2: Descriptive Statistics**

| Variable | Mean | Std. Dev. | Min | Max |
|---|---|---|---|---|
| LLP | 24.58576 | 86.37193 | -.19 | 635.622 |

| | | | | |
|---|---|---|---|---|
| ACI | 1.739837 | .9652775 | 0 | 4 |
| ACFE | 2.487805 | 1.554295 | 0 | 8 |
| ACS | 5.78867 | 1.02814 | 3 | 9 |

Source: Stata output (2026)

The average Loan Loss Provision (LLP) among listed banks is 24.59, indicating that banks set aside substantial provisions to cover potential loan defaults. The standard deviation of 86.37 is considerably higher than the mean, suggesting substantial variation in provisioning practices across banks and over time. The minimum value of -0.186 indicates that some banks reported reversals or write-backs of previous provisions, while the maximum value of 635.622 reflects periods of exceptionally high credit risk and loan impairment. This wide dispersion suggests heterogeneous risk profiles among Nigerian banks.

Audit Committee Independence (ACI) has a mean value of 1.73, implying that, on average, audit committees contain approximately two independent members. The standard deviation of 0.965 indicates moderate variation across banks. The minimum value of 0 suggests that some observations had no independent audit committee members, whereas the maximum value of 4 indicates that certain banks maintained highly independent audit committees. This variation reflects differences in corporate governance structures among listed banks.
The mean value of Audit Committee Financial Expertise (ACFE) is 2.48, indicating that audit committees generally have about two to three members possessing accounting or financial expertise. The standard deviation of 1.55 suggests noticeable differences across banks in the composition of financially knowledgeable committee members. The minimum value of 0 reveals that some audit committees lacked members with financial expertise, while the maximum value of 8 demonstrates that some banks have highly skilled audit committees capable of effectively overseeing financial reporting and risk management.

Audit Committee Size (ACS) records a mean of 5.78, indicating that most audit committees consist of approximately six members. The standard deviation of 1.02 suggests relatively low variability, implying that committee size is fairly consistent across banks. The minimum and maximum values of 3 and 9, respectively, show that while committee sizes vary, most banks operate within the limits prescribed by corporate governance regulations.

## Correlation matrix

The correlation matrix measures the degree and direction of linear association between the study variables. Correlation coefficients range from -1 to +1, where values close to +1 indicate a strong positive relationship, values close to -1 indicate a strong negative relationship, and values near 0 suggest little or no linear relationship. The result of the test is presented in Table 2.

**Table 3: Correlation Matrix**

| Variable | LLP | ACI | ACFE | ACS |
|---|---|---|---|---|
| LLP | 1.0000 | | | |
| ACI | -0.1531 | 1.0000 | | |
| ACFE | -0.0072 | 0.1694 | 1.0000 | |
| ACS | -0.0546 | 0.1324 | 0.3402 | 1.0000 |

Source: Stata output (2026)

The correlation coefficient between LLP and ACI is -0.1531, indicating a weak negative relationship. This suggests that banks with more independent audit committees tend to report slightly lower loan loss provisions. The result implies that independent audit committees may enhance monitoring and reduce managerial discretion in provisioning decisions.

The correlation between LLP and ACFE is -0.0072, which is almost zero. This indicates that audit committee financial expertise has virtually no direct linear relationship with loan loss provisions among the sampled banks.

The correlation coefficient between ACS and LLP is -0.0535, showing a weak negative association. This suggests that larger audit committees may be associated with slightly lower loan loss provisions, although the relationship is very weak.

The correlation matrix indicates that all governance variables and their interaction terms exhibit weak negative relationships with loan loss provisions, suggesting that stronger corporate governance mechanisms may contribute to reduced discretionary provisioning among listed Nigerian banks. Furthermore, the correlations among the core independent variables (ACI, ACFE, ACS) are generally low, indicating the absence of severe multicollinearity among the primary explanatory variables.

**Multicollinearity Test**

Multicollinearity occurs when two or more independent variables in a regression model are highly correlated, making it difficult to isolate the individual effect of each explanatory variable on the dependent variable. To assess multicollinearity, the study employed the Variance Inflation Factor (VIF) and its reciprocal, Tolerance (1/VIF). The commonly accepted thresholds are: VIF < 10: No serious multicollinearity problem.

**Table 4: Multicollinearity test**

| Variable | VIF | 1/VIF |
|---|---|---|
| ACFE | 1.03 | 0.969383 |
| ACS | 1.03 | 0.972798 |

| | | |
|---|---|---|
| ACI | 1.02 | 0.981104 |
| Mean VIF | 1.03 | |

Source: Stata output (2026)

The Variance Inflation Factor (VIF) test was conducted to assess the presence of multicollinearity among the explanatory variables. The results revealed that all variables recorded VIF values below the critical threshold of 10, with values ranging from 1.02 to 1.03. Furthermore, the mean VIF of 1.03 indicates that multicollinearity is not a significant concern in the model. Therefore, the study concludes that the explanatory variables are sufficiently independent and suitable for regression analysis, as the absence of severe multicollinearity enhances the reliability and interpretability of the estimated coefficients.

**Regression Result**

Prior to testing the hypotheses, the data was subjected to some procedures to arrive a more appropriate model. The results are presented below:

Table 5: Hausman Test and Breusch, Pagan Lagrangian test and cross-sectional test

| Models | Chi2 | Prob>chi2 |
|---|---|---|
| Hausman | 0.27 | 0.9658 |
| Langrangian | 33.79 | 0.0000 |
| CD test | 3.876 | 0.0001 |

Source: Stata output (2026)

The Hausman test is a statistical test used mainly in econometrics to decide between two different estimators: The fixed effects (FE) estimator and the random effects (RE) estimator. It tests whether the unique errors (unobserved individual effects) are correlated with the regressors in a panel data model. If the RE assumption holds (i.e., unobserved individual effects are uncorrelated with the regressors), then both FE and RE are consistent, but RE is more efficient. If the RE assumption fails, then RE is inconsistent, while FE is still consistent. The hypothesis is stated as.

$H_0$: Random effects is appropriate (no correlation between individual effects and regressors). $H_1$: Fixed effects is appropriate (correlation exists).

Based on the result in Table 5, the P-value is statistically significant at 5% (P = 0.9658), implying that the null hypothesis is more appropriate. Hence, the random effect estimator is preferred. Furthermore, Breusch and Pagan Lagrangian multiplier test for random effect and pooled regression was estimated and based on the result, random regression is more appropriate (P = 0.000). The Pesaran Cross-Sectional Dependence Test produced a CD statistic of 3.876 with a probability value of 0.0001. Since the p-value is less than 0.05, the null hypothesis of crosssectional independence is rejected. This indicates the presence of cross-sectional dependence among the sampled Deposit Money Banks, suggesting that shocks affecting one bank may also influence other banks. However, because of the presence of multicollinearity in the model, a more robust technique, Generalised Least Squares (GLS), which accounts for the problem of heteroskedasticity and collinearity, is carried out.

**Table 6: Generalized Least Square model**

| LLP | Coef. | Std. Dev. | Z | p>\|z\| |
|---|---|---|---|---|
| ACI | -19.7445 | 9.634676 | -2.05 | 0.040 |
| ACFE | -.3329238 | 7.261547 | -0.05 | 0.963 |
| ACS | -3.384627 | 9.559893 | -0.35 | 0.723 |

Source: Stata output (2026)

The study adopted the GLS estimation because the panel data exhibited violations of the classical linear regression assumptions, particularly heteroskedasticity and serial correlation. GLS corrects for these problems by incorporating the variance-covariance structure of the error terms into the estimation process, thereby producing more efficient and reliable parameter estimates than OLS. Furthermore, GLS is appropriate for panel data because it accounts for individual-specific effects and improves the precision of statistical inference.

**Test of Hypotheses**

The regression results presented are based on GLS, which are appropriate for panel data models where issues such as heteroskedasticity and contemporaneous correlation across panels may exist. The dependent variable in the broader model is LLP, and the explanatory variables include audit committee characteristics (ACI, ACFE, ACS).

H01: Audit committee independence has no significant effect on earnings management in listed deposit money banks in Nigeria.

The coefficient of ACI is -19.7445, indicating that audit committee independence exerts a significant negative effect on loan loss provision. Hence, the null hypothesis is rejected. Specifically, a 1-unit increase in audit committee independence is estimated to decrease loan loss provision by approximately 19.74 units. The findings imply that higher audit committee independence significantly reduces loan loss provisions. This suggests that independent audit committees strengthen oversight and reduce managerial discretion in provisioning decisions, thereby improving financial reporting quality. The p-value of 0.040 is less than the 5% significance level, indicating that the effect is statistically significant.

H02: Audit committee financial expertise has no significant effect on the level of earnings management in listed deposit money banks in Nigeria.

The coefficient of ACFE is -.3329238, suggesting a negative but insignificant relationship between audit committee financial expertise and loan loss provision. However, the p-value of 0.963 exceeds the 5% significance threshold, indicating that the effect is statistically insignificant. Hence, acceptance of the null hypothesis. The finding implies that financial expertise on audit committees does not significantly influence loan loss provisioning among listed banks. This may suggest that expertise alone is insufficient without strong enforcement or independence.

H03: Audit committee size has no significant effect on earnings management in listed deposit money banks in Nigeria.
The coefficient of ACS is -3.384627, indicating a negative relationship between audit committee size and loan loss provision. However, the p-value of 0.723 is greater than 0.05, showing that the effect is statistically insignificant. The study fails to reject the null hypothesis. The size of the audit committee does not significantly affect loan loss provisioning. This implies that simply increasing committee membership does not improve monitoring effectiveness.

**Post Estimation Test**
They are requirements that must be met in order to perform regression analysis. To prevent spurious regression, this is crucial. Heteroscedasticity tests is essential to fulfil the regression criteria. The results of the findings are listed below.

**Table 7: Heteroscedasticity Test**

| Model | $Chi^2$ | Prob > $chi^2$ |
|---|---|---|
| LLP | 75.09 | 0.0000 |

Source: Stata output (2026)

Regression analysis relies on the statistical premise that all observations' error terms have a homoscedastic variance. Conversely, mistakes with varied variance are referred to as heteroscedastic. The Breusch-Pagan/Cook-Weisberg test was used to determine whether the estimations' residuals were heteroskedastic. According to the null hypothesis, heteroskedasticity does not exist. According to Table 4.7, the models exhibit heteroskedasticity. Both fixed and random effects were estimated as a result of the null hypothesis being rejected since it was determined to be significant at 5%.

## 5 Conclusion and Recommendations
The study examined the effect of audit committee characteristics on earnings management in listed deposit money banks in Nigeria from 2013 to 2025. Based on the empirical analysis, the following major findings were obtained:

The study concludes that audit committee independence has a significant negative effect on loan loss provision among listed deposit money banks in Nigeria. The result suggests that banks with a higher proportion of independent audit committee members are more effective in monitoring management and ensuring prudent financial reporting practices. Specifically, independent audit committees help reduce managerial discretion in determining loan loss provisions, thereby limiting the use of provisions as a tool for earnings management. Overall, the evidence indicates that strengthening audit committee independence can improve the quality of loan loss provisioning decisions, enhance credit risk management, and promote financial stability within the Nigerian banking sector. Consequently, regulators and bank stakeholders should continue to encourage greater independence of audit committee members as a means of improving corporate governance and safeguarding the integrity of financial reporting.

The study concludes that audit committee financial expertise has no statistically significant effect on loan loss provisions of listed deposit money banks in Nigeria. This implies that the presence of financially skilled members on audit committees does not materially influence how banks recognize, estimate, or report loan loss provisions. The result suggests that loan loss provisioning practices in Nigerian banks are likely driven more by external regulatory frameworks (such as IFRS 9 expected credit loss requirements and Central Bank of Nigeria prudential guidelines), managerial judgment, and prevailing macroeconomic credit conditions, rather than by internal governance mechanisms such as audit committee financial expertise.

Similarly, the negative but insignificant effect of audit committee size suggests that simply increasing the number of committee members does not enhance oversight effectiveness. Larger committees may even experience coordination challenges, diffusion of responsibility, and slower decision-making processes, which can weaken their ability to critically assess loan loss provisioning assumptions. However, because the effect is not statistically significant, it indicates that size neither improves nor meaningfully worsens LLP outcomes.

Based on the findings in this study, the following recommendation are put forward:
i. Deposit money banks should increase the proportion of independent members on their audit committees. Independent members are better positioned to provide objective oversight of financial reporting and loan provisioning decisions, thereby reducing managerial discretion and improving the quality of financial disclosures. ii. Banks should move beyond merely appointing financially literate members to ensuring that audit committees are actively involved in the review of credit risk models, impairment assumptions, and loan classification processes. This will improve the practical impact of financial expertise on loan-loss provisioning decisions.
iii. Although financial expertise exists within audit committees, banks should ensure that such expertise is effectively utilized. This can be achieved by involving audit committee members more directly in IFRS 9 expected credit loss modelling and provisioning assumptions.

**References**

Abbott, L. J., Parker, S., & Peters, G. F. (2004). Audit committee characteristics and restatements. Auditing: A Journal of Practice & Theory, 23(1), 69–87.
Abdelzaher, A. & Abdelzaher, D. (2019), Women on boards and firm performance in Egypt: post the Arab spring, The Journal of Developing Areas, 53(1), 225-241.
Abdullah H. & Valentine B. (2009). Fundamental and ethics theories of corporate governance, Middle Eastern Finance and Economics Journal, Vol. 9, 88-96, Retrieved from www.eurojournals.com/MEFE.htm
Adegbite, E. (2015). Good corporate governance in Nigeria: Antecedents, propositions and peculiarities. International Business Review, 24(2), 319–330.
Adesemowo, M. M., Festus, A. F. & Mojisola, P. S. (2024). The effect of the audit committee and income smoothing practices in listed deposit money banks in Nigeria, Advanced Journal of Finance and Accounting, 2(3), pages 76-84, https://doi.org/10.31248/AJFA2024.024
Ahmad, N., Rashid, A. & Gow, J. (2018). Corporate board gender diversity and corporate social responsibility reporting in Malaysia, Gender, Technology and Development, 1-23, doi: 10.1080/09718524.2018.1496671.
Al-Jalahma, A. (2022). Impact of audit committee characteristics on firm performance: Evidence from Bahrain. Problems and Perspectives in Management, 20(1), 247-261. doi:10.21511/ppm.20(1).2022.21

Al-Matari, Y. A., Al-Swidi, A. K., Fadzil, F. H. & Al-Matari, E. M. (2012). Board of directors, audit committee characteristics and performance of Saudi Arabia listed companies, International Review of Management and Marketing, 2(4), 241-251.
Allowance for Loan and Lease Losses (ALLL). Encyclopaedia of Accounting and Finance.
An, Y. (2023). Does quality of audit committee enhance audit quality? International Journal of Professional Business Review, 8(2), 01-16. Doi: https://doi.org/10.26668/businessreview/2023.v8i2.1385
Arens, A.A., Elder, R.J., & Beasley, M.S. (2009). Auditing and assurance services: An integrated approach, 13th Edition, New Jersey: Prentice Hall.
Ashari, S. & Krismiaji, K. (2019). Audit committee characteristics and financial performance: Indonesian evidence. Equity, 22(2), 139-152. doi.org/10.34209/equ. v22i2.1326
Awad, G., & Ghanem, M. G. (2023). Board of Directors, Audit Committee and Firms' Performance. Dutch Journal of Finance and Management, 6(1), 20594. https://doi.org/10.55267/djfm/13463
Bushee, B. J. (1998). The influence of institutional investors on myopic R&D investment behavior. The Accounting Review, 73(3), 305–333.
Cornett, M. M., Marcus, A. J., & Tehranian, H. (2008). Corporate governance and pay-forperformance: The impact of earnings management. Journal of Financial Economics, 87(2), 357– 373.
Fabian, O., & Ngozi, J. G. (n.d.). Ownership structure and financial performance of quoted nonfinancial firms in Nigeria: An independent and joint effect analysis. IIARD International Journal of Banking and Finance Research E. www.iiardjournals.org
Fali, I. M., Aminu, A., Ekufre Macauley, U., & Yahaya, O. A. (2019). Audit committee and earnings management of listed deposit money banks in Nigeria. Research Journal of Finance and Accounting, 10(16). IISTE
Farouk, M. A., & Hassan, S. U. (2014). Impact of audit quality and financial performance of quoted cement firms in Nigeria. International Journal of Accounting and Taxation, 2(2), 1–22.
Financial Reporting Council, UK (2018). The UK Corporate Governance Code, 2018. Available at https://www.frc.org.uk/getattachment/c5886ba8-0231-484d-a4e1-5f293c5a6f6d/2018-UK-Corporate-Governance-Code-FINAL.pdf
Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach. Pitmans, Boston.
Genc, A., & Angelo, P. (2020). Ownership concentration and effects over firm performance: Evidence from Italy. European Scientific Journal, 8(22), 1857–7881.
Gordon, S. R., & Edward, L. (2016). Does institutional ownership affect the cost of bank borrowing? Schulich School of Business, York University, 4700 Keele Street, Toronto, Ontario, Canada.
Hamadi, M., & Heinen, A. (2019). Ownership structure and firm performance: Evidence from a non-parametric panel. Luxembourg School of Finance, Albert Borschette, L-1246 Luxembourg. Healy, P. M., & Wahlen, J. M. (1999). A review of the earnings management literature and its implications for standard setting. Accounting Horizons, 13(4), 365–383.
Huthaifa. K, Ashraf. B & Mohamed.M. B (2019) Role of Capital Structure and Institutional Ownership to Improve the Financial Performance: Evidence from Jordan: Journal of Business & Economic Policy, 6, (3), 65-72.
Ibe, A., Okpanachi, J., Friday, A., Okechukwu, O. (2025). Board Independence and Earnings Management of Listed Deposit Money Banks in Nigeria Moderated by Audit Committee Expertise, International Journal Of Research And Innovation In Social Science, 9(4), 5755-5768. DOI: https://dx.doi.org/10.47772/IJRISS.2025.90400410
Iheyen, C. (2021). Audit committee attributes and the value of firm: evidence from listed insurance companies in Nigeria, Journal of Contemporary Issues in Accounting, 2(1), 21-35. Available at https://journals.unizik.edu.ng/jocia
Imad, Z. R. (2021). The impact of institutional investors on firms' accounting flexibility: Evidence from Jordan. International Journal of Economics and Finance, 4(6), 23-34

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

Klein, A. (2002). Audit committee, board of director characteristics, and earnings management. Journal of Accounting and Economics, 33(3), 375–400.

Mawardi, W., Harjum, M. & Mulyo, H. (2023). The Role of Audit Committee Characteristics and I.C. Performance on I.C. Disclosure: Evidence from the Indonesian banking sector. Economies 11(7), 1-17. https://doi.org/10.3390/ economies11010007

Mohamed, A. I. & Bii, P. K. (2018). Role of audit committee financial expertise on financial performance of banking and insurance firms in Nairobi securities exchange, International Journal of Academics & Research, 1(1), 302-305

Muhammad, J., Ango, Y. I., Dabo, Z. & Ansow, H. A. (2023). Moderating Effect of Institutional Ownership Structure on the relationship between Assets Quality and Financial Performance of Listed Deposit Money Banks in Nigeria, African Banking and Finance Review Journal, 5(5), 63-74

Nnaji-Ihedinmah, N. C., Cyril-Nwuche, O. F., & (2025). Ownership structure and financial performance: An emerging market study. Corporate Ownership & Control, 22(1), 169–178. https://doi.org/10.22495/cocv22i1art14

Odey, J. O. (2025). Ownership structure and financial performance of listed pharmaceutical firms in Nigeria, Journal of Accounting and Financial Management, 11(4), 235-244. DOI: 10.56201/jafm.vol.11.no4.2025.pg235.244

Ogunsola, A. (2024). Audit committee characteristics and earnings management among listed deposit money banks in Nigeria. Malete Journal of Accounting and Finance, 4(2), 135–147. https://majaf.com.ng/index.php/majaf/article/view/156

Okolie, A. O. & Ogbaragu, J. S. (2022). Audit committee effectiveness and corporate financial performance of quoted deposit money banks in Nigeria, International Journal of Economics and Management Studies, 9(3), 24-34. https://doi.org/10.14445/23939125/IJEMS-V9I3P104 Osevwe-Okoroyibo, E. E. & Emeka-Nwokeji, N. A. (2021). Examining effect of audit committee attributes on firm performance: evidence from listed food and beverages firms in Nigeria, European Journal of Accounting, Auditing and Finance Research, 9(8), 26-43. https://doi.org/10.37745/ejaafr.2013

Ozili, P. K., & Outa, E. R. (2017). Bank loan loss provisions research: A review. Borsa Istanbul Review.

Roychowdhury, S. (2006). Earnings management through real activities manipulation. Journal of Accounting and Economics, 42(3), 335–370.

Schipper, K. (1989). Commentary on earnings management. Accounting Horizons, 3(4), 91-102.

Scott, W. R. (2015). Financial accounting theory (7th ed.). Pearson Education.

Taleb A, Abdelkarim N, Saad R, Daraghma Z (2025;), Audit committees and earnings management: the mediating effect of audit quality. Corporate Governance, https://doi.org/10.1108/CG-03-2025-0163

Tawfeeq, T. & Alabdullah, Y. (2023). The role of audit committees in Omani business context: do they affect the performance of non-financial companies, Journal of Humanities, Social Sciences and Business, 2(4), 643-659

Ugbah, A. A., Amahi, F.U. & Offor, N. T. (2023). Audit committee composition and tax planning in Nigeria, Asian Journal of Economics, Business and Accounting, 23(21), 62-70. DOI: 10.9734/AJEBA/2023/v23i211116

Xie, B., Davidson, W. N., & DaDalt, P. J. (2003). Earnings management and corporate governance. The Accounting Review, 78(3), 795–817.

Yahaya, O. A. (2022). Female directors' influence on financial performance: Does audit committee play a role? Advances in Accounting, 58(C), 248-258. https://doi.org/10.1016/j.adiac.2020.100456.

Yulius K. Susanto, T. P., & Handojo, I. (2021). Institutional and managerial ownership on earnings management. Academy of Accounting and Financial Studies Journal, 25(6), (1-7)