

## MODERATING EFFECT OF AUDIT QUALITY ON THE RELATIONSHIP BETWEEN BOARD ATTRIBUTES AND PERFORMANCE OF CONSUMER GOODS FIRMS IN NIGERIA

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### Abstract

*Today's firm establishments and applications of board attributes and audit quality are critical to its survival. Previous studies have found mixed results when it comes to board attributes and firm performance. The main objective of this study is to examine the moderating effect of audit quality on the relationship between board attributes and performance of consumer goods companies in Nigeria for the period of 2010-2024. An ex-post facto method was adopted, as the study entails the use of annual reports and accounts of listed consumer goods company in Nigeria. Filter sampling technique was used through applying criteria, for a company to be part of the sample, the application of the criteria resulted to the selection of 15 consumer goods companies as the sample size of the study. The STATA version 14 was adopted to test the hypotheses developed in this study. The result shows that proxies of independent variable; board independence, board gender diversity, and board meetings have no significant effect on the performance of consumer goods firms. It was also found that audit quality has strong effect on the performance and moderates the relationship between corporate governance (i.e., board independent, board gender diversity and board meetings) and performance of consumer goods firms. Therefore, it is recommended that consumer goods firm managers should emphasis audit quality in their operation process as it effect their performance and strengthen/weaken the relationship between firm performance and corporate governance (i.e. board characteristics).*

**Keywords:** Performance, board independence, board gender diversity, board meetings, audit quality

### 1.1 Introduction

The performance of organization's finances is extremely important. It significantly influences the growth of company and the value it provides to shareholders (Oshim & Igwe, 2024). Management's effectiveness and efficiency can be seen in an organization's financial performance (Atugeba & Acquah-Sam, 2024). Therefore, the Company and Allied Matters Act (CAMA, 2004) mandates the

preparation of essential financial statements to assist users in making informed decisions. The concepts of board attributes and company performance continue to attract significant interest because corporate scandals still occur, undermining the trustworthiness of many investors and consequently affecting the country's economy (Bako, 2024; Al-ahdal & Hashim, 2022). During major corporate scandals, such as Enron and WorldCom, it was widely

believed that weak corporate governance systems were the primary cause, and there was a need for substantial improvements to regain investors' confidence (Bako, 2024). The significant reform in corporate governance was the strengthening of audit committee's characteristics, board characteristics and ownership characteristics, which acted as a protective barrier against managerial misconduct by the board of directors and shareholders (Al-ahdal & Hashim, 2022).

In recent years, corporate governance has received increased attention because of high profile scandals involving abuse of corporate power and, in some cases, alleged criminal activity by corporate officers for example Cadbury Nigeria Plc, whose management engaged in accounting fraud to manipulate financial reports, and a series of banks such as Intercontinental Bank Plc, Oceanic Bank Plc, Bank PHB, Spring Bank, and Skye Bank, which experienced failures linked to gross financial misconduct, insider abuse, and poor management decisions (Bappah *et al.*, 2024). Corporate governance is of paramount importance to a company and is almost as important as its primary business plan. When executed effectively, it can prevent corporate scandals, fraud, civil and criminal liability of the company. It also enhances the confidence of investors. Corporate governance is one of the factors that determine the health of an organization and its ability to survive economic shocks. The health of the organisation depends on the underlying soundness of its components and the connections between them (Ranti, 2020).

Moreover, empirical evidence of the impact of board attributes on company performance has produced inconsistent results (Bako, 2024; Javeed *et al.* 2021). For instance, Islam *et al.*, (2024); Bui and Krajcsak, (2024); Ermalina *et al.*, (2023); Ibrahim *et al.*, (2023); Sarwar *et al.*, (2022); Huynh *et al.*, (2023) etc. show that there is positive significant relationship between board attributes on company performance. While, Fortyfour *et al.*, (2024); Ibrahim *et al.*, (2024); Bako (2024); Adamu *et al.*, (2023); Mansour *et al.*, (2022); Adegboye *et al.* (2019); Singh and Tabassum, (2018); Padachi *et al.* (2017) etc. indicate that there is negative significant relationship between board attributes on company performance, while, Al-ahdal and Hashim (2022); Qeshta *et al.* (2021) reported insignificant relationship between corporate governance on company performance.

Academic Scholars have reported that when a relationship between a dependent and independent variable is inconsistent in the literature, the indirect effects of a moderator variable may explain this discrepancy. Moreover, Hyarat *et al.*, (2023); Puni and Anlesiny (2020) and Mubeen and Hussain (2020) conclude that the relationship between several board attributes and firm performance could not necessarily be direct, which indirectly influences it. Consequently, there may be moderators and mediators in their relationship, which future studies should aim to ascertain. Likewise, Bako (2024); Bhatia and Gulati (2021) recommended extending the moderator analysis to investigate the relationship between board attributes and

financial performance. In other words, it assumes that there is a third variable (moderator variable) that may influence such relationships. As such, previous literature (i.e. Atugeba & Acquah-Sam, 2024; Agara & Stainbank, 2023; Ebimobwei, 2023; Mansour et al., 2022) tried to moderate the relationship but none to the best of the researchers knowledge used audit quality despite its significant impact on firm performance.

Therefore, this study introduces audit quality as a moderating variable hoping to strengthen the influence of board attributes on company performance. This is because high-quality audits provide greater assurance to investors and stakeholders regarding the accuracy and reliability of financial information, thus positively impacting a company's reputation and potentially attracting more investors (Masmoudi, 2021). This has been overlooked in previous studies. Thus, this study examines the moderating effect of audit quality on the relationship between board attributes and financial performance of listed consumer goods firms in Nigeria.

## 1.2 Hypotheses of the study

The following hypotheses guide this study:

H<sub>01</sub>: There is no significant effect of board independence on financial performance of consumer goods firms in Nigeria.

H<sub>02</sub>: There is no significant effect of board gender diversity on financial performance of consumer goods firms in Nigeria.

H<sub>03</sub>: There is no significant effect of board meetings on financial performance of consumer goods firms in Nigeria.

H<sub>04</sub>: There is no significant effect of audit quality on financial performance of consumer goods firms in Nigeria.

H<sub>05</sub>: There is a moderating effect of audit quality on the relationship between board independence and financial performance of consumer goods firms in Nigeria.

H<sub>06</sub>: There is a moderating effect of audit quality on the relationship between board gender diversity and financial performance of consumer goods firms in Nigeria.

H<sub>07</sub>: There is a moderating effect of audit quality on the relationship between board meetings and financial performance of consumer goods firms in Nigeria.

## 2.0 Literature Review

### 2.1 Concept of Financial Performance

A company's financial performance serves as a benchmark for its financial well-being and reflects the effectiveness of its executive leadership. Strong financial performance indicates efficient resource allocation, contributing to the overall health of the national economy (Ibrahim & Bello, 2019). Financial performance can be evaluated through metrics such as profitability and capital utilization (Omondi, 2013). Tailab (2014) suggests that a company's success is assessed across three dimensions: efficiency, profitability, and market value added. However, there is an ongoing debate about the best approach to measuring financial performance and the key factors that influence it (Liargovas & Skandalis, 2010). Financial metrics can be broadly categorized into accounting-based measures and market-based measures. Analogous to a large number of studies in corporate finance and strategic management, the remainder of this study focuses on

market-based indicator (i.e. Tobin's Q) of firm performance in empirical research. The use of a market-based indicator over other measures aims at mitigating potential time lags between an event and the realization on performance metric and ensuring the highest level of comparability across firms.

## 2.2 Board Characteristics

The board of directors, refers to as the board or the highest governing body of a corporation, is crucial to effective corporate governance. In order to allay worries about information asymmetry, the board is in charge of protecting the interests of various stakeholders through information sharing and the elimination of opportunistic behavior in organizations (Aifuwa & Embele, 2019; Isa & Muhammad, 2015). One of the internal corporate governance systems that describes the characteristics of the board is board characteristics (Aifuwa & Embele, 2019). Some characteristics of the board consist of size, independence, meetings, diversity (in terms of age, gender, nationality, competency, educational background, and functional background), and committee structure (Saidu & Aifuwa, 2020).

The traits and qualities of a company's board of directors are referred to as board attributes. Board independence, board meetings, and board gender diversity were all examined in this study. These three characteristics address various facets of good governance: board independence, board meetings, and board gender diversity. Thus, it contributes to the improvement of audit quality. Independent directors provide objective oversight, financial experts bring specialized expertise, and gender diversity

creates a diversity of ideas and critical thinking. Companies can strengthen their corporate governance practices, raise the robustness of financial reporting, and increase investor trust in the credibility of their audited financial statements by embracing these characteristics.

## 2.3 Concept of Audit Quality

It is on record that several efforts have been made to conceptualize "audit quality" in the past, however, none has achieved recognition and acceptance on a universal basis (International Auditing and Assurance Standards Board, 2014). The starting point in defining audit quality that is cited by most audit researchers is that of DeAngelo (1981) who defines audit quality as the market-assessed joint probability that an auditor will (i) discover a breach in the client's accounting system and (ii) be able to report the breach. The explanation highlights two key points of audit quality: the expertise of the auditor firm affecting the chance of finding errors, and the independence and objectivity of the auditor influencing the response to errors found. Audit quality in this situation is seen as a combination of both the auditor's skills and their ability to remain impartial.

## 2.4 Moderating Effect of Audit Quality

This study explored the moderating effect of audit quality on the relationship between board attributes and financial performance. External auditors are recognized as the primary entities responsible for overseeing financial reporting and ensuring accurate firm performance (Al-ahdal & Hashim, 2022). However, existing evidence on the impact of

corporate governance yields mixed results and suggests that corporate governance may not always protect shareholders' interests or improve firm value (Bako, 2024). Conversely, limited research on the influence of audit quality on firm performance suggests a positive association (i.e. Nguyen & Nguyen, 2024; Hyarat et al., 2023; Al-ahdal & Hashim, 2022; Al-Mamun et al., 2014; Rahman & Ali, 2006). Consequently, Al-ahdal and Hashim (2022) proposed that external auditors who perform their duties professionally and appropriately have the potential to enhance firm performance. Moreover, Bako (2024); Al-Ansi, (2022); Masmoudi, (2021); Santosa et al., (2021) used audit quality as the moderating variable and concluded that it would be a good moderating variable on the relationship between different independent variables and firms' performance.

## **2.5 Theoretical Review**

The agency theory is used to underpin this study.

### **2.5.1 Agency Theory**

This theory was initially proposed by Alchian and Demsetz (1972) and subsequently expanded by Jensen and Meckling (1976). Agency theory is centered on the relationship between principals (owners) and agents (managers) within an organization, examining how conflicts of

interest may arise between these two parties and how tools like contracts, incentives, and monitoring can be utilized to align their interests. In the context of corporate governance, agency theory provides insights into the difficulties associated with delegating decision-making authority and how to address potential agency problems. This theory is applicable to this study as accountants, at times, collaborate with management to inflate or deflate financial statements, rather than presenting a true and fair view of their stewardship.

Secondly, no doubt, the agency theory is underlying auditor engagement by firms. The shareholders, as resource owners, are principals whose interests need to be protected by directors, who are agents responsible for the day-to-day management of the firm. The shareholders then engage auditors to lend credibility to the stewardship report prepared by the agents (directors). Consequently, the auditor is expected to apply due diligence and skill in discharging his/her duties by examining financial statements prepared by management and giving an opinion as to whether in all material respect, such report is free from material misstatements. By so doing, quality audit engagements must reduce information asymmetry and give credibility to financial information.

2.6 Conceptual Framework

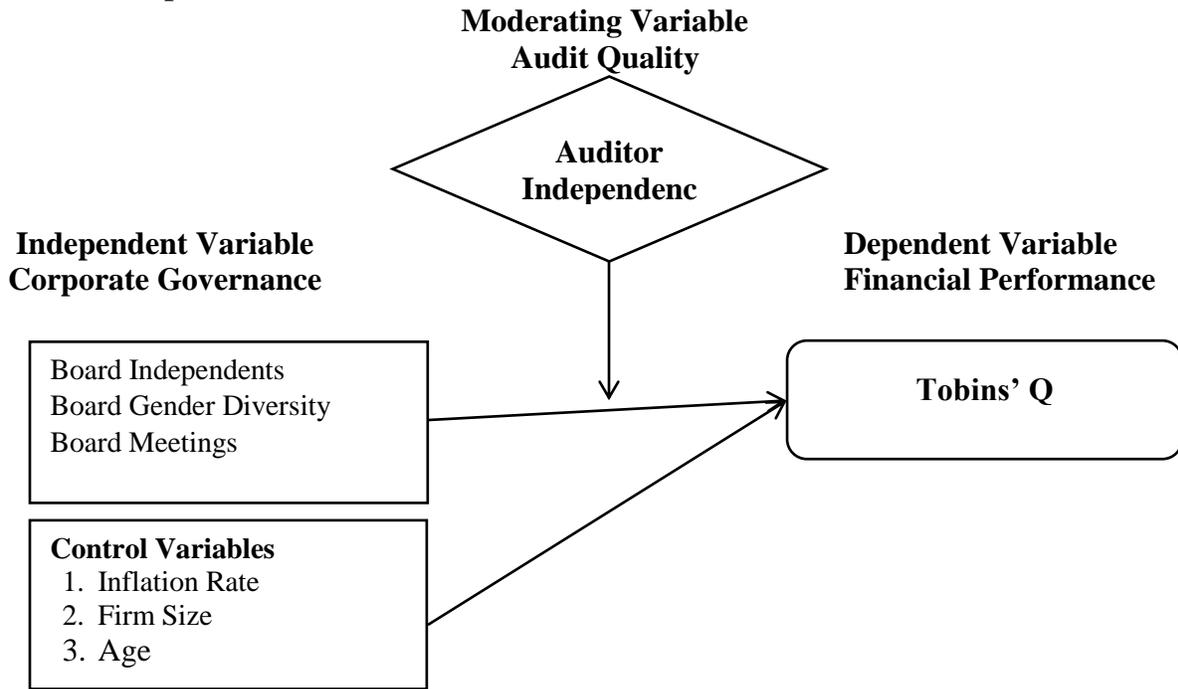


Figure 2.1: Conceptual Framework

3.0 Methodology

This study adopted correlation research design. The population of the study consists of all the 21 consumer goods firms listed on the Nigerian Stock Exchange as at year 2024. The study adopted census method to select the sample size by applying filtering criteria. Based on the criteria, 15 firms were selected as the sample size of the study. The study used secondary data which was extracted from the annual reports of consumer goods firms listed on the Nigerian Stock Exchange for the period of seven

years from 2010 to 2024. The dependent variables are Tobins Q (TQ) used as a proxy of performance and the independent variable is board attributes (BA) measured by BI, BGD and BM, while the moderating variable is audit quality measured by auditor independence (AI). For the purpose of presentation and discussion of the result of data generated in the course of these research, descriptive statistics, correlation and regression techniques of data analysis were used in STATA version 14<sup>th</sup> statistical tools of analysis.

**4.0 Discussion of Results**

**4.1 Descriptive Statistics**

**Table 4.1: Descriptive Statistics Result**

Variable	Obs.	Mean	Std. Dev.	Min	Max
TQ	210	.220	.231	.013	.975
BI	210	.652	.141	.273	.929
BGD	210	1.871	.981	1.00	6.00
BM	210	4.557	.958	4.00	11
AI	210	.114	.241	.016	0.987
FS	210	7.802	.693	6.178	8.934
AGE	210	34.214	14.677	1.00	59
INR	210	.149	.063	.08	.325

Source: Stata 14 output 2010-2024.

\*Note: Observation (data point) was arrived at after multiplying 14 companies x 15 years.

In Table 4.1, the mean, minimum, maximum and standard deviation of the study is presented. From the Table, it can be deduced that during the period under study, the performance (TQ) of listed consumer goods firms in Nigeria increased gradually to a maximum of 97.5 percent from a minimum of 1.3 percent with an average of 22 percent. Meaning that the performance of listed consumer goods firms improved within the period of the study. BI of listed consumer goods firms in Nigeria has

average of 65.2 percent, with a maximum of 92.9 percent and minimum of 27.3 percent. BGD of consumer goods firms has average of 2 female directors, with a maximum of 6 female directors and a minimum of 1 female director. BM of consumer goods firms has average of 5 meetings, with a maximum of 11 meetings and a minimum of 4 meetings. Audit quality, measured by auditor independence (ai), has a mean of 0.114 and a standard deviation of 0.241, with values ranging from 0.006 to 2.112.

**4.2 Diagnostics Testing**

**A. Multicollinearity Test**

**Table 4.2: Multicollinearity Result**

Variable	VIF	1/VIF
BGD	1.71	0.584
BI	1.13	0.884
BM	1.21	0.826
FS	1.83	0.547
AGE	1.41	0.709
INR	1.27	0.785
AI	1.51	0.664
Mean VIF	1.44	

Source: Stata 14 output 2010-2024.

The results of the multicollinearity test in Table 4.2 provide evidence on whether the explanatory variables in the regression model are excessively correlated. The Variance Inflation Factor (VIF) values for the study range between 1.13 to 1.83, with a mean VIF of 1.44. The established

threshold for this study is a VIF greater than 10 or a tolerance below 0.1, which would indicate serious multicollinearity (Vittinghoff, 2005). Since none of the reported VIF values approach this threshold, the evidence confirms that multicollinearity is not a concern in the dataset.

**B. Heteroscedasticity Tests**

**Table 4.3: Heteroscedasticity Test Result**

Variables	
Chi <sup>2</sup>	36.81
Prob>Chi <sup>2</sup>	0.001

*Source: Stata 14 output 2010-2024.*

*\*Note: Breusch-Pagan / Cook-Weisberg test for Heteroscedasticity*

The Breusch–Pagan/Cook–Weisberg test results presented in Table 4.5 indicate a chi-square statistic of 36.81 with a corresponding probability value of 0.001. The test reveals that the dataset suffers from heteroscedasticity, as shown by the chi-square statistic of 36.81 and the p-value of

0.001. This indicates that residual variances are not constant, which could compromise the accuracy of hypothesis testing if left unaddressed. Therefore, this study used robust regression analysis to correct for this problem, safeguarding the reliability of empirical findings.

**C. Normality Test**

**Table 4.4: Cameron & Trivedi’s Decomposition IM-test**

IM	Test for Normality	
Skewness	Chi2: 80.24	P = 0.0000
Kurtosis	Chi2: 5.39	P = 0.0203
IM test	Ho: Normality	

*Source: Computed using Stata 14, 2024*

From the table 4.4 above, the p-values for Skewness and Kurtosis of the residuals was 0.0000 and 0.0203 respectively. It therefore follows that the p-values are less than 0.05 at 5% level of significance. Thus, the null hypothesis that

the residuals of the TQ model for the study is normally distributed and therefore accepted this supported the Shapiro-Wilk test which indicated that p-value is greater than 0.05.

**D. Hausman Specification Test**

**Table 4.5: Hausman Specification Test Result**

Variables	
Chi <sup>2</sup>	15.27
Prob>Chi <sup>2</sup>	0.009

Source: Stata 14 output 2010-2024.

The study found that the null hypothesis of the test cannot be accepted at any conventional level of significance (Chi-sq = 15.27; p-value = 0.009) therefore, the study adopted the FE approach to control for the time –invariant unobserved characteristics across the listed sample

consumer goods companies. Laiho (2011) argued that the fixed effects model is arguably the best alternative, as it allows the researcher to control for any unobserved characteristics that are likely otherwise influence the results.

**4.3 Correlation Analysis**

**Table 4.6: Pearson Correlation**

	TQ	BI	BGD	BM	AI	FS	AGE	INR
TQ	1.0000							
BI	-0.1423**	1.0000						
BGD	0.1330**	0.1187	1.0000					
BM	0.1286**	0.0614	0.3919*	1.0000				
AI	-0.1019**	-0.2631**	-0.2671**	-0.1171**	1.0000			
FS	-0.1299*	0.2655	0.3983	0.1660*	-0.5188	1.0000		
AGE	0.1685**	-0.1919*	0.2884*	0.2011*	0.1496*	-0.2557	1.0000	
INR	-0.1244**	0.0475	0.3645	0.2318*	0.0832*	0.1805	0.2150	1.0000

Source: Stata 14 output 2010-2024.

Table 4.6 shows that Board independence (bi) is weakly and negatively related to Tobin’s Q (r = -0.1423), implying that a higher share of independent directors is not associated with higher market valuation in this sample. Board gender diversity (bgd) shows a weak positive association with Tobin’s Q (r = 0.1330), which is consistent with mixed findings in the literature: diversity often improves monitoring quality, stakeholder engagement, and innovation, but its valuation effect varies across markets and time (Issa & Zaid,

2021). Board meetings (bm) correlate weakly and positively with Tobin’s Q (r = 0.1286), indicating that more frequent meetings may be associated with marginally stronger market valuation. Auditor independence (ai), proxied by audit fee to revenue, exhibits a weak negative correlation with Tobin’s Q (r = -0.1019). Higher fee intensity can signal greater risk, complexity, or contentious reporting environments, which investors may discount, even though strong audit inputs can improve assurance quality.

#### 4.4 Regression Analysis

**Table 4.7: Model Regression Results (Fixed Effect)**

Variable	Coefficient	Std. error	t-statistic	prob.t
(Constant)	6.7017	2.1880	3.06	0.003
BI	-.3727	.9271	-0.40	0.688
BGD	-.2439	.1383	-1.76	0.080
BM	-.0281	.1238	-0.23	0.821
AI	2.8424	1.2311	2.31	0.022
FS	.5921	.1991	2.98	0.003
AGE	-.1459	.0356	-4.03	0.000
INR	5.3676	1.4123	3.80	0.000
BI*AI	-3.6572	1.4775	-2.48	0.014
BGD*AI	2.0962	0.9810	2.14	0.034
BM*AI	-1.1086	.5239	-2.12	0.036
R Square	0.2441			
F-statistic	16.00			
Prob. (F)	0.001			

*Source: Stata 14 output 2010-2024. Note: Dependent Variable: TQ*

The regression analysis provides insights into how board attributes, audit quality, firm-specific attributes, and macroeconomic factors influence firm performance measured by Tobin's Q. The fixed-effect model was used following the Hausman test result ( $\text{Chi}^2 = 15.27$ ,  $\text{Prob} > \text{Chi}^2 = 0.009$ ), which justified that fixed effects were more consistent than random effects in explaining the variation across firms. The model's intercept (6.7017,  $p = 0.003$ ) indicates the baseline level of Tobin's Q when all predictors are held

constant, showing that consumer goods firms in Nigeria possess inherent market valuation independent of governance or audit-related drivers, a finding similar to Udosen and Akpan (2024), who emphasized structural factors in shaping investors' confidence. The observed  $R^2$  of 0.244 can be converted to Cohen's local effect size as  $f^2 = 0.244 / (1 - 0.244) \approx 0.322$ , which falls between Cohen's conventional benchmarks for a medium and large effect and therefore denotes a moderate-to-large effect (Cohen, 1988; Selya et al., 2012).

**4.5 Test of Hypotheses**

**Table 4.14: Hypothesis Decision Table**

S/N	Hypothesis	Statement of Hypothesis	Decision
1	H <sub>01</sub>	There is no significant effect of board independence on financial performance of consumer goods firms in Nigeria.	Accepted
2	H <sub>02</sub>	There is no significant effect of board gender diversity on financial performance of consumer goods firms in Nigeria.	Accepted
3	H <sub>03</sub>	There is no significant effect of board meetings on financial performance of consumer goods firms in Nigeria.	Accepted
4	H <sub>04</sub>	There is no significant effect of audit quality on financial performance of consumer goods firms in Nigeria.	Rejected
5	H <sub>05</sub>	There is no moderating effect of audit quality on the relationship between board independence and financial performance.	Rejected
6	H <sub>06</sub>	There is no moderating effect of audit quality on the relationship between board gender diversity and financial performance.	Rejected
7	H <sub>07</sub>	There is no moderating effect of audit quality on the relationship between board meetings and financial performance.	Rejected

*Survey, 2025*

**4.6 Discussion of Findings**

The first hypothesis (H<sub>01</sub>) examined the effect of board independence on financial performance and was not statistically significant, suggesting that the mere presence of independent directors does not automatically enhance Tobin’s Q for firms within this sector. This finding aligns with the observations of Usman et al. (2024), who reported that board independence positively influences audit quality but does not directly translate into firm performance. Similarly, Ayeni-Agbaje et al. (2024) highlighted that the effectiveness of boards is contingent upon their active engagement and the complementary mechanisms in place, rather than independence alone. The implication is that firms cannot rely solely on independent representation; additional governance processes and oversight mechanisms must

be integrated to achieve financial improvements.

Hypothesis two (H<sub>02</sub>) assessed the influence of board gender diversity on performance and also revealed an insignificant effect. This contrasts with Mahfoudh et al. (2024), who found that higher gender diversity enhances firm performance in contexts with above-average board diversity. In the Nigerian consumer goods sector, the lack of significant effect may be due to insufficient empowerment of female directors, as noted by Ibrahim et al. (2024), where gender diversity moderated audit committee characteristics rather than directly influencing performance. The result implies that gender representation, while socially and ethically important, requires supportive structures, such as effective

committees and decision-making influence, to impact financial outcomes.

Hypothesis three ( $H_{03}$ ) explored the effect of board meeting frequency, which also proved insignificant. This aligns partially with Anas et al. (2024), who observed that board meeting frequency alone does not guarantee improved performance; instead, the quality and strategic focus of meetings are more consequential. In practice, this suggests that firms should emphasize the substance of board deliberations rather than merely meeting counts to influence performance positively.

In contrast, hypothesis four ( $H_{04}$ ) demonstrated a significant positive effect of audit quality on financial performance. This confirms the critical role of auditors in safeguarding financial reporting integrity, as evidenced by Ashu (2024), who noted that audit fees and tenure influence firm market value, and by Usman et al. (2024), who emphasized the impact of auditor expertise on quality. The finding underlines that rigorous audit practices strengthen investor confidence, reduce information asymmetry, and ultimately enhance Tobin's Q. It reinforces the idea that audit quality is a cornerstone for translating governance practices into measurable financial gains.

$H_{05}$  showed that audit quality modifies the effect of board independence on performance, indicating that independent directors require robust auditing mechanisms to positively influence firm outcomes, corroborating findings by Ibrahim et al. (2024) and Brimah et al. (2024).  $H_{06}$  revealed that audit quality strengthens the

relationship between board gender diversity and performance, suggesting that female directors' contributions are more effective when supported by high-quality auditing practices, consistent with Mahfoudh et al. (2024) and Usman et al. (2024).  $H_{07}$  indicated that audit quality moderates the impact of board meeting frequency, implying that regular meetings alone are insufficient; their effectiveness in improving performance depends on the oversight and validation provided by auditors, a point reflected in the studies by Anas et al. (2024) and Putra (2024). These moderating effects collectively highlight that audit quality serves as a critical mechanism through which governance structures translate into financial outcomes, emphasizing that internal monitoring and verification processes enhance the effectiveness of boards.

## 5.0 Conclusion

In conclusion, literature shows an inconsistency on the relationship between board attributes and firm performance and also it could be noted that based on the literature there is ample evidence that suggests that audit quality has a positive impact on organizational performance. The findings collectively demonstrate that board attributes alone, represented by board independence, gender diversity, and meeting frequency, may not directly drive financial performance in the Nigerian consumer goods sector. Instead, the interaction with audit quality significantly determines the strength and direction of these relationships. This aligns with theoretical underpinnings from agency theory, which emphasizes the need for monitoring mechanisms to align managers' actions with shareholder

interests, and supports resource dependency and stewardship perspectives by demonstrating that governance structures require complementary processes, such as auditing, to optimize resource utilization and firm performance.

### 5.1 Conclusion and Recommendations

This study recommended that:

1. Since it was confirmed that board independent has no significant effect on financial performance of consumer goods firms, it therefore, recommended that board independence alone may not drive firm value unless paired with other mechanisms such as effective audit oversight.
2. As the results showed that gender diversity has no effect on firm performance, it recommended that gender policies may not yield immediate performance improvements unless reinforced with empowerment and skill-based appointments.
3. The result also prove that there is insignificant relationship between board meetings and firm financial performance. It therefore, recommended that meeting frequency does not guarantee improved performance, reflecting the possibility of routine meetings that lack strategic contribution.
4. It is prove that higher levels of auditor independence substantially enhance firm value, reflecting investors' trust in unbiased financial reporting. Therefore, it is

recommended that the management of consumer goods firms should consider improving their auditors' independents.

5. As it shows that auditor independence weakens the already insignificant effect of board independence on performance. It recommended that the management of consumer goods firms should improve the auditors' independence as independent boards alone may not enhance performance unless their oversight is effectively aligned with auditor scrutiny.
6. As the result shows that audit quality moderate the relationship between board gender diversity and firm financial performance. It recommended that the management of consumer goods firms should make sure their auditors are independence as independent auditors help legitimize and strengthen board diversity initiatives by ensuring credible disclosures. Also, the impact of gender diversity on firm performance improves when paired with high audit quality.
7. As the study prove that audit quality moderate the relationship between board meetings and firm performance. It is recommended that the management of consumer goods firms should improve the auditors' independence as meetings alone may not improve performance unless complemented by rigorous audit oversight.

## 5.2 Limitations and Directions for Future Research

The study has the some limitations and recommendations for further research. The study limited the applicability of the investigation to consumer goods sector in Nigeria. Therefore, it proposes future study

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may examine other variables besides the one use in this study to moderate the relationship between board attributes and financial performance literature. Also further research be done on non-listed firms and compare their results with those of this study and the study period so as to make the panel to be larger.

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