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Sequence of Manuscript

I. Title page
II. Abstract (150-250 words)
III. Keywords (3-5)
IV. Introduction
V. Literature Review
VI. Methodology
VII. Results and Discussion
VIII. Conclusion and Recommendations
IX. References (APA 7th Edition)
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ABSTRACT

The study examined the effect of audit committee attributes on corporate fraud of listed manufacturing companies in Nigeria. The study proxies audit committee attributes with frequency of audit committee meetings, audit committee gender diversity and audit committee independence. While corporate fraud is measured with Benish M-Score model. Ex post facto research design was adopted. The population of the study is thirty-eight (38) listed manufacturing companies on the Nigerian Exchange Group as at 2024. The study employed filtering sampling technique to arrive at the sample size of thirty-six (36) listed manufacturing companies. Secondary data were collected from the Annual financial reports and accounts of the companies for the period of eleven (11) years ranging from 2013–2023. The panel regression model was used to analyze the data. The results showed that frequency of audit committee meetings, audit committee gender diversity and audit committee independence have significant negative effect on corporate fraud of listed manufacturing firms in Nigeria. The study concludes that sound audit committee attributes mitigate against corporate fraud among listed manufacturing firms in Nigeria. The study recommends that manufacturing firms should assign a significant percentage of women directors to the audit committee. It is also recommended that manufacturing companies in Nigeria should continue to increase audit committee independence as a means of reducing the level of corporate fraud among listed manufacturing firms in Nigeria.

Keywords: Audit Committee Attributes, Corporate Fraud, Frequency of Meetings, Gender Diversity, Audit Committee Independence.

1.0 Introduction

Corporate fraud poses significant risks to the integrity of financial markets, investor confidence, and the overall economy (Jaswadi et al., 2022). As a result, effective corporate governance mechanisms are crucial in mitigating the occurrence of fraudulent activities (Rehman & Hashim, 2020). The audit committee, as a key component of corporate governance, plays a vital role in overseeing financial reporting and providing assurance on the reliability of financial statements.

The audit committee plays a vital role in corporate governance because they hold the board and the organization accountable in almost every area, from internal and external audits to financial and risk management. As a representative of the board of directors and main part of the corporate governance mechanism, the audit committee is involved in the organization's both internal and external audits, internal control, accounting and financial reporting, regulatory compliance, and risk management. The audit committee performs its function as a coordinator between external, financial audit and the internal audit functions for instance the risk management, company law compliance (CAMA in case of Nigeria), code of conduct, and other legal matters.

Empirical evidences also show that the audit committee meeting frequency plays a significant role in mitigating various issues including the agency problem ultimately influencing corporate fraud, though there are mixed findings on this issue. The main functions during the audit committee meeting are overseeing the firms' financial reports, internal accounting control, the audit process and more recently, its risk management practices. In order to pursue these functions, audit committee is to meet regularly with the external and internal auditors to review the financial statements, audit process and internal controls of the firm. Another important issue to bring in to the audit committee meeting is the quarterly results and year-end financial statements.

Gender diversity within the audit committee refers to the presence of both male and female members on the committee. Alkebsee et al. (2021) suggest that gender diversity can enhance the effectiveness of the audit committee in preventing fraudulent financial reporting. A diverse committee brings a broader range of perspectives, experiences, and skills, which can lead to more robust discussions, better decision-making, and increased scrutiny of financial reporting practices (Miglani & Ahmed, 2019). Consequently, gender diversity may act as a deterrent to fraudulent activities by improving oversight and accountability within listed firms (Chijoke-Mgbame et al., 2020).

Independence is a crucial characteristic of an effective audit committee (Buallay & Al-Ajmi, 2020). Independence ensures that the committee members are not unduly influenced or compromised by management. Independent audit committees are better positioned to provide unbiased assessments of financial reporting practices, challenge management's judgments, and exercise due diligence in detecting and preventing fraudulent activities (Pozzoli et al., 2022). The presence of independent audit committee members reduces the likelihood of collusion between management and auditors, enhancing the committee's effectiveness in mitigating fraudulent financial reporting risks.

The problem however is that despite the presence of audit committees, there have been several cases of manipulation of financial statements which suggest that the mere presence of an audit committee is not sufficient enough to mitigate the tendencies for financial statement manipulation by management. Consequently, the concern and emphasis in recent times has not just been about the formation of audit committees but on the effectiveness of the audit committees in improving stakeholder's confidence in financial statements especially in light of recent accounting scandals.

Statement Of Problems

From the extant literature, it is credibly noted that different research works have studied the effect of audit committee attributes on corporate fraud. Different scholars have investigated this, their findings have been inconclusive. However, in Nigeria, the study of the audit committee attributes on corporate fraud is limited. The researcher has noted that many studies in Nigeria have not focused on the gender and ethnic structure of the audit committee in Nigerian organizations. Hence, this study aims to find the relationship between the audit committee attributes on corporate fraud, bringing to light the frequency of audit committee meetings, gender diversity of audit committee and audit committee independence of listed manufacturing firms in Nigeria.

Research Questions

This study provides answers to the following research questions;

i. What is the effect of frequency of audit committee meetings on corporate fraud of listed manufacturing firms in Nigeria?
ii. What is the effect of audit committee gender diversity on corporate fraud of listed manufacturing firms in Nigeria?
iii. What is the effect audit committee independence on corporate fraud of listed manufacturing firms in Nigeria?

Objectives Of Study

The major objective of this study is to examine the effect of audit committee attributes on corporate fraud of listed manufacturing firms in Nigeria. The other specific objectives are to;

i. Examine the effect of frequency of audit committee meetings on corporate fraud of listed manufacturing firms in Nigeria.
ii. Investigate the effect of audit committee gender diversity on corporate fraud of listed manufacturing firms in Nigeria.
iii. Ascertain the effect of audit committee independence on corporate fraud of listed manufacturing firms in Nigeria.

Hypotheses

The following null hypotheses are formulated to achieve the specific objectives of this study;

H_{01}: Frequency of audit committee meetings has no significant effect on corporate fraud of listed manufacturing firms in Nigeria.

H_{02}: Audit committee gender diversity has no significant effect on corporate fraud of listed manufacturing firms in Nigeria.

H_{03}: Audit committee independence has no significant effect on corporate fraud of listed

manufacturing firms in Nigeria.
The study covered the periods of 2013-2023, covering a period of eleven (11) years. Audit committee attributes serve as the independent variable and it is measured with frequency of audit committee meetings, audit committee gender diversity and audit committee independence while corporate fraud serves as the dependent variable measured with environmental disclosure index.

Significance Of The Study
The study will be significant to regulatory authorities like Securities and Exchange Commission (SEC), Nigerian Stock Exchange (NSE), and standard setters like Financial Reporting Council of Nigeria (FRCN) to improve their transparency and improve quality of corporate reporting in emerging economy like Nigeria. Investor's confidence can be restored if financial information reveals true and fair view of firm's operations.

2.0 Literature Review

Concept of Audit Committee Attributes
An audit committee is a sub-committee of the board that specializes in, and is responsible for, ensuring the accuracy and reliability of the financial statements provided by management. The audit committee serves as a liaison between the external auditor and the board of directors, and facilitates the monitoring process by reducing information asymmetry between the external auditor and the board.
The Audit Committee is a committee formed by and responsible to the Board of Commissioners in order to help carry out the duties and functions of the Board of Commissioners (Nurliasari & Achmad, 2020). The Audit Committee consists of a minimum of 3 (three) members, namely one Chairman who must be an Independent Commissioner and 2 other members from external parties. The audit committee's task is to carry out a supervisory function in the presentation of reports and in compliance with company regulations to assist the board of commissioners. The greater the number of audit committees, the better the supervision of report presentation will be, so that manipulation in reporting can be avoided. The duties and implementation of the work of the Audit Committee determine several characteristics of the Audit Committee. Audit committee characteristics are closely related to audit committee performance. An audit committee with good character creates efficiency and performance (Cahyo & Sulhani, 2017).

Frequency Of Audit Committee Meetings
Audit committee meeting frequency is concern with the number of meetings held by the committee during the year. Frequency of Audit committee meetings mean the number of times audit committee members meet. It allows for better interaction between audit committee members and auditors. An audit committee that meets more frequently with internal auditors is better informed about issues relating to accounting and auditing (Aderemi et al., 2016).
It is argued that the more frequent the audit committee meets, the more active it is and capable to contribute to financial reporting quality. Empirically, Vefeas (2005) showed that audit committees which meet more frequently are associated with not only lower discretionary accruals but there is also a likelihood of reporting smaller earnings increase by the firms.

Audit Committee Gender Diversity
Gender diversity within the audit committee refers to the presence of both male and female members on the committee. The issue of gender diversity within the audit committee requires investigation (Miglani, & Ahmed, 2019). The representation of both male and female members in the committee may have an impact on the committee's effectiveness in identifying and preventing fraudulent financial reporting.

The extent to which gender diversity influences the committee's ability to provide critical oversight, ask challenging questions, and offer diverse perspectives remains unclear in the Kenyan context. Secondly, the independence of the audit committee is a crucial determinant of its effectiveness in addressing fraudulent financial reporting. Independent committee members are expected to maintain objectivity, exercise professional skepticism, and act in the best interests of the firm and its stakeholders (Miglani & Ahmed, 2019).

Audit Committee Independence
The independence of audit committee has to do with the committee neutrality from those whose influences might put to jeopardy its assignment. The independence of the audit committee has been widely researched in a variety of prior studies. It has been widely argued as being one of the key characteristics associated with the effectiveness of the audit committee. The notion of being an independent director according to the Listing Requirement of Nigeria Exchange Group is referred to as the directors who are free from any relationship and independent from the company's management or having no shares in the company and having no relationship with any major shareholders, officers and executive directors. A number of studies have documented evidence on the association between audit committee independence and earnings quality.

Xie et al. (2003) mentioned that the more independent audit committee is argued to provide better governance compared to less independent audit committee. Similarly, Klein (2002) found a significant negative relationship between the percentage of number of Independent Director over the total number of directors in the audit committee and earnings management practice.

Corporate Fraud

Fraud is an act that is committed by a party or an individual to get benefits, avoid obligation, or causing financial or non-financial loss to another party (Ruin, 2009). Fraud is the act of gaining an undue advantage in an organization by individuals or a group of people. The internal or external individuals in the organization can commit fraud by usually preparing a fake financial statement to make individuals invest in the entity (Xu et al., 2018). The Statement on Auditing Standards explicated fraud as an intentional act to cause a material misstatement in the financial reports, either by falsification of accounting records, misappropriation of company assets such as theft or fraudulent expenditure amongst others.

Yu (2013) defined corporate securities fraud as a firm's or its manager's misconduct behavior, which causes material value loss to shareholders or stakeholders (e.g., creditors, customers and suppliers) and which may trigger regulatory and/or legal enforcements.

2.1 Empirical Review

Frequency Of Audit Committee Meetings And Corporate Fraud

Kusumosari and Rahardjo (2023) examined the effect of audit committee effectiveness on financial statement fraud. Explanatory research design was adopted by the study. The research population property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) during 2020–2022. The sampling method used is a purposive sampling with a total sample of 141 annual reports. The data collection method used content analysis on annual report. It used logistic regression analysis assisted by EViews13 software. The results showed that the effectiveness of the audit committee, proxied by financial expertise, accounting expertise, and the number of audit committee meetings had negative and significant effect on financial statement fraud.

Ilogho et al. (2022) examined audit committee in-qualities, gender and ethnic diversity on corporate fraud in Nigeria. This study aimed at investigating the influence of qualities like the audit committee size, frequency of the audit committee meetings, gender and ethnic diversity on the mitigation and control of corporate fraud. The study used the Beneish m-score model to measure corporate fraud in organizations. This study analyzed 30 non-financial firms recorded on the Nigerian Stock Exchange within the years on 2013-2017 using the regression analysis method. The total sample size of the study used was all listed firms on the Nigerian Stock Exchange, which consisted of 170 firms. The total population of the study is 119 firms. The study found a positive and insignificant relationship between the audit committee size and corporate fraud mitigation. The study also found that the audit committee meetings, gender and ethnic diversity did not correlate with corporate fraud mitigation. The study found that on average, firms met the statutory requirement for the size of the audit committee size and meetings, which is six (6) and four (4) respectively.

Hasnan et al. (2022) conducted a study on audit committee characteristics that lead to the occurrence of financial restatements in Malaysian public listed companies (PLCs). The audit committee characteristics were measured using size, independence, frequency of meetings, audit tenure, gender, expertise, age, ethnicity, legal qualifications, and political connections. The data in this study were extracted from the annual reports of 100 firms that had restated their financial statement between 2006 and 2015, and a total of 200 non-restatement firms were matched and observed as control firms. Using univariate and multivariate statistical analysis, the results evince that there is a significant association between audit committee size and frequency of meetings as well as ethnicity and political connections of the audit committee members and the occurrence of financial restatements in Malaysian PLCs. The results showed that larger and more rigorous audit committees can strengthen the monitoring role and consequently reduce the occurrence of financial restatements.

Audit Committee Gender Diversity And Corporate Fraud

Mardessi (2022) investigated the relationship between the characteristics of audit committees (such as audit committee independence, financial expertise, meeting frequency, gender diversity, and ethnic composition) and the likelihood of fraudulent financial reporting. 116 companies, both fraudulent and legitimate, that were listed on Bursa Malaysia between the years 2005 and 2010 make up the sample. According to the findings of the study, a lack of independence on the part of audit committees is positively associated with fraudulent financial reporting. The committee's exposure to the risk of financial fraud increases inversely with the proportion of independent or outside directors that it contains, and vice versa. The findings also demonstrated that a high level of knowledge among members of the audit committee has an inverse relationship with the incidence of corporate fraud. On the other hand, the findings on the frequency of audit committee meetings, gender, and ethnicity all show that there was no relationship between these characteristics and corporate fraud.

Dewi and Anisykurlillah (2021) investigated how the fraud pentagon affected false financial statements with the audit committee serving as a moderating variable. Companies in the property, real estate, and construction industries that were listed on the Indonesia Stock Exchange between the years 2016 and 2018 made up the study's population. Purposive sampling was utilized as the method for collecting data, and the results were 52 companies and 156 units of analysis. Logistic regression analysis utilizing IBM SPSS Version 26 was used to make sense of the collected data. According to the findings, the expansion of the company had a beneficial effect on the number of fake financial statements. During this time, fraudulent financial statements were not affected by the quality of external auditors, the efficacy of oversight, the years of experience held by directors, or the presence of a dual CEO. The influence of firm development, the efficiency of monitoring, and the experience of directors on misleading financial statements was greatly reduced by the audit committee. On the other hand, the effect of the quality of the external auditors and the CEO duality on misleading financial statements was not moderated by the audit committee. According to the findings of this study, the number of fake financial statements will increase as the growth of the organization does as well. The presence of an audit committee reduces the impact of factors such as the efficiency of monitoring and the years of experience held by directors on the likelihood of misleading financial statements.

Bala and Shaari (2019) examined the influence of audit committee attributes on cosmetic accounting and how this relationship is moderated by the audit price. The study used pooled logistic regressions to analyze 624 firm-year observations of listed companies in Nigeria from 2008 to 2016. The results showed that audit committee financial accounting expertise, audit committee legal expertise and female audit committee membership were negatively related to cosmetic accounting. The negative relationship is highly pronounced when a firm incurs higher audit fees. Results for the robustness checks were similar, even with changes to the measurements of dependent and independent variables and alternative estimation.

Audit Committee Independence And Corporate Fraud

Bii and Kinuthia (2024) explored the effects of audit committee characteristics on fraudulent financial reporting of listed firms in Kenya. Specifically, the study assessed the effect of Audit Committee; gender, financial expertise, size and independence on fraudulent financial reporting. The study was anchored on the Fraud Pentagon theory. Explanatory research design and longitudinal research design was employed in this study where secondary panel data was obtained through content analysis from audited financial statements spanning from 2012 to 2021. The study targeted listed firms in Kenya during the study period and only firms that met the inclusion and exclusion criteria were retained. After applying the inclusion/exclusion criteria only 40 firms formed the study population. Data was analyzed using descriptive and inferential statistics with the significance of each independent variable being tested at 95% confidence level. The findings showed that Gender and Financial expertise, Size, and Independence had negative and significant effect on fraudulent financial reporting on firms in Kenya.

Mousavi et al. (2022) assessed the effect of corporate governance mechanisms, including board members' and audit committee members' characteristics, particularly their independence, expertise in terms of finance and industry and efforts on the level of fraud and money laundering (ML) in financial statements of the listed firm on the Tehran Stock Exchange. The procedure of the study is descriptive correlation based on published information from firms listed on the Tehran Stock Exchange from 2014 to 2020, using a sample of 154 firms with 1071 observations. The method used for hypothesis testing is linear regression using panel data. The Benish model is used measure the level of fraud in financial statements, and for ML, the auditors' opinion is used. The results show that board characteristics, including independence, financial expertise, industry expertise and board effort, as well as audit committee features, such as independence, financial expertise, industry expertise and audit committee effort, have a significant and negative impact on the fraudulent financial reporting and ML.

Okoh et al. (2021) investigated the relationship between audit committee attributes (audit committee size, audit committee independence, audit committee frequency of meetings, audit committee financial expertise and audit committee gender diversity and financial statement fraud in companies listed on the Nigerian Stock Exchange (NSE). This study employed the longitudinal research design over the period of six (6) years (2015 through 2020). The data of the study were generated from secondary sources obtained from the annual reports of the selected companies and the NSE fact book. The data were analyzed using binary probit regression model, because of the dichotomous nature of the dependent variable. The findings from the study revealed that audit committee attributes play

relatively different and important roles in the prevention and reduction of the likelihood of financial statement fraud in the selected listed companies in Nigeria. Audit committee size was found to positively and significantly affect the likelihood of financial statement fraud, while audit committee independence and audit committee gender diversity were found to have positive and insignificant relationship with the likelihood of financial statement fraud. Audit committee frequency of meetings and audit committee financial expertise were found to have negative and significant effects on the likelihood of financial statement fraud, suggesting unit increase in these variables leads to a reduction in the likelihood of financial statement fraud which is consistent with the expectation.

Owens-Jackson et al. (2009) investigated audit committee composition and the extent of the underlying nature of the firm (e.g., firm size, growth) and the contracting environment (e.g., managerial ownership, leverage) of the firm on the likelihood of fraud. In particular, the study found that the likelihood of fraudulent financial reporting is negatively related to audit committee independence, number of audit committee meetings and managerial ownership and positively related to firm size and firm growth opportunities. Second, we separately examine firms with totally independent audit committees and fraudulent financial reporting. By separately examining firms with totally independent audit committees, the study found that the likelihood of fraudulent financial reporting given a totally independent audit committee is inversely related to the level of managerial ownership and the number of audit committee meetings.

2.2 Theoretical Framework

Agency Theory

Theoretical support for the formation of audit committees can be found in agency theory. Agency theory was postulated by Jensen and Meckling in 1976. According to agency theory, shareholders and debt holders act as principals who seek to obtain maximum utility from management acting as their agent (Kalbers & Fogarty, 1998). Assuming economic self-interest, there is the potential for opportunistic actions by the agent, which are to the detriment of the principal. Due to the separation between ownership and management, the shareholders are unable to directly observe the actions of management (Jensen & Meckling 1976). Therefore, a system of corporate governance controls is established on the shareholders' behalf to discourage managers from pursuing objectives that do not maximize shareholder wealth. These controls are aimed at either aligning managers' and shareholders' incentives or limiting the opportunistic activities of managers (Dellaportas et al. 2005).

Audit committees are one example of such a corporate governance control. These committees are an important part of the decision control system for the internal monitoring by boards of directors (Kalbers & Fogarty, 1998). Bradbury (1990) argued that audit committees will be voluntarily employed to improve the quality of information flows between principal and agent where there are high agency costs. Audit committees have been widely recommended an important means of improving the quality of corporate financial reporting practices.

3.0 Methodology

The study made use of Ex post facto research design. The population of this study is the thirty-eight (38) listed manufacturing companies on the Nigerian Exchange Group as at 2024. This study set criteria that for any of the manufacturing firms to be included in the study, the manufacturing firm must have been listed prior to the year 2013, it was found that Bua Cement Plc was listed in the year 2020 and Notore Chemical Industry Plc was listed in the year 2018. Therefore, using filtering sampling technique, the study arrived at a sample size of thirty-six (36). This study utilized secondary data which were collected from the Annual financial reports and accounts of the listed manufacturing companies in Nigeria for the period of eleven (11) years ranging from 2013 – 2023. Panel multiple regression technique was used to analyze the data.

The functional form of the model is expressed as;
FRA = f (FAC, AGD, ACI).
Where:
FRA = Corporate Fraud
FAC = Frequency of Audit Committee Meetings
AGD = Audit Committee Gender Diversity
ACI = Audit Committee Independence
Specified in econometric form, it is thus stated as;

$$FRA_{it} = \beta_0+\beta_1 FAC_{it}+ \beta_2 AGD_{it} + \beta_3 ACI_{it} + \varepsilon_{it}$$

Where;
β_0 = Constant or Intercept
$\beta_1 - \beta_3$ = Coefficient of the regressors
ε = Error term
I = cross section dimension of the variables
t = Time dimension of the variables

In this particular study, corporate fraud is employed as the dependent variable. In light of this, the Benish M-Score model is used to measure corporate fraud. The Benish M-Score served as the basis for determining how likely it was that false information had been included in financial statements. Benish model is a statistical or mathematical model that uses eight financial measurements from corporate accounting data, weighted by a coefficient, to compute the high probability of whether the company's reported earnings have been manipulated.

Benish M-Score = -4.84 + 0.92*DSRI + 0.528*GMI + 0.404*AQI + 0.892*SGI + 0.115*DEPI – 0.172*SGAI + 4.679*TATA – 0.327*LVGI.

Where DSIR = Days Sales in Receivables Index; GMI= Gross Margin Index (GMI), AQI= Asset Quality Index, SGI= Sales Growth Index, DEPI = Depreciation Index, SGAI= Sales General and Administrative Expenses Index, TATA = Total Accruals to Total Assets, LVGI= Leverage Index. The Benish Model variables are derived from the income statement and balance sheet accounts. Using the Benish Model, forensic accountants determine the M-score of a business. Based on their M-scores, companies are categorized. -2.22 is the limit value of the M-score. A company is unlikely to be a manipulator if the calculated manipulation score is lower than the threshold value. And, vice versa, M-

Score was used to detect corporate fraud in this study if the calculated manipulation score exceeds the limit value, indicating that an enterprise is likely to engage in corporate fraud. If M Score is greater than -2.22 (a positive or less negative value than this), the company is said to commit corporate fraud; if M Score is less than -2.22 (a negative value greater than this), the company is said not to commit corporate fraud.

Variables Measurement

Table 1: Variables Measurement

Variable	Acronym	Measurement
Dependent Variable		
Corporate Fraud	FRA	Benish M-Score (Bii & Kinuthia, 2024).
Independent Variables		
Frequency of Audit Committee Meetings	FAC	The number of Times the audit committee members meet in a year (Okih et al., 2021).
Audit Committee Gender Diversity	AGD	Female members of audit committee divided by the total board members s of audit committee (Bii & Kinuthia, 2024).
Audit Committee Independence	ACI	Independent board members of the audit committee divided by the total board members of the audit committee (Bii & Kinuthia, 2024).

Source: Table Computed by the Researcher, 2024.

4.0 Data Analysis and Results

Table 2: Descriptive Statistics

	FRA	FAC	AGD	ACI
Mean	-2.16773	3.7300	0.227870	0.522219
Maximum	28.4950	7	0.250000	0.880000
Minimum	-16.3400	3	0.150000	0.120000
Std. Dev.	0.11377	0.86619	0.066186	0.138052
Skewness	-0.05292	0.31380	0.368922	-0.246595
Kurtosis	2.11452	3.046100	3.551942	3.274759
Observations	**396**	**396**	**396**	**396**

Source: Eview Output, 2024.

This table above shows the descriptive statistics of the variables used in the study as presented in table 1, it describes and explains the variables' mean, minimum, maximum, standard deviation, skewness and kurtosis. The mean value of the Beneish model (M score) used in measuring corporate fraud (M_SCORE) is -2.26. The Beneish score model states that if the M score of a company is less than -2.22, such a company is said to be non-fraudulent. However, if the M-score is more than -2.22, such a company can be said to be fraudulent. The mean M-score for the 36 selected companies is -2.16, less than -2.22. Hence, on average, the manufacturing sector in Nigeria could be said to be non-fraudulent.

The frequency of audit committee meetings showed a mean value of 3.73. This variable was measured by the times an audit committee meets annually. The statutory number of times an audit committee is expected to meet in a year is four times. The mean value of this analysis showed that, on average, the audit committees amongst the 36 manufacturing firms met about four times a year, which aligns with the set statutory times required of any public company.

The gender composition of the audit committee showed a mean value of 0.22, approximately 0.20. This variable was measured as a proportion of women in the audit committee to the total committee members. This means that most companies analyzed possessed an audit committee of about 20% gender diversity, comprising only about 20% female members. The audit committee is also composed of 52% non-executive directors. The standard deviation of all the variables is less the mean numbers, it indicates that the data are not widely dispersed from the mean.

Correlation Analysis
Table 3: Correlation Analysis

Correlation Probability	FRA	FAC	AGD	ACI
FRA	1.000000			

FAC	0.371561	1.000000		
	0.0000	-----		
AGD	0.193204	0.062091	1.000000	
	0.0004	0.2550	-----	
ACI	-0.028587	-0.215347	-0.091453	1.000000
	0.6005	0.0001	0.0932	-----

Source: EViews Output, 2021.

The table above shows that frequency of audit committee meetings and audit committee gender diversity has positive significant relationship with corporate fraud of listed manufacturing firms in Nigeria. Meanwhile, audit committee independence has insignificant relationship with corporate fraud of listed manufacturing firms in Nigeria. The table also presents the correlation matrix of the independents variables. It is observed that the variables correlate fairly well (between -0.028 and 0.371). There is no correlation coefficient greater than 0.8, hence there is no problem of multicollinearity of data (Wallace & Naser, 2005).

Variance Inflation Factor
Table 4: Variance Inflation Factor

Variable	VIF	1/VIF
C	NA	0.006077
FAC	1.107829	0.002132
AGD	1.018346	0.007256
ACI	1.065804	0.001745
MeanVIF	1.063993	

Source: EViews Output, 2021.

The tolerance values and the variance inflation factor are two good measures of assessing multicollinearity between the independent variables in a study. The result shows that variance inflation factor was consistently smaller than ten (10) indicating complete absence of multicollinearity. Also, the tolerance values were consistently smaller than 1.00, therefore extend the fact that there is complete absence of multicollinearity between the independent variables (Tobachmel & Fidell, 1996).

Random Effect Model Regression Results

Table 5: Random Effect Regression Results

Variable	Coefficient	Standard Error	t-statistics	Prob
C	-0.396685	0.127865	-3.102369	0.0091
FAC	-0.183546	0.046790	-3.922765	0.0011
AGD	-0.200852	0.080905	-2.482583	0.0335
ACI	-0.110425	0.034084	-3.239789	0.0049
R^2	0.447			
Adj. R^2	0.337			
F-Statistics	14.458			
Prob(F-Statistics)	0.000			
Hausman Prob. Value	0.2370			
P-Value of Lagrange Multiplier Tests for Random Effects	0.000			
Jarque-Bera Normality Test P - Value	0.094			
Serial Correlation LM Test Observed Square	0.1943			
Heteroskedasticity Test Observed R. Square	0.0996			

Source: EViews Output, 2024.

Dependent variable: Corporate Fraud (FRA).

The regression line shows that FRA = -0.396685 - 0.183546FAC - 0.200852AGD - 0.011425ACI indicates that Corporate Fraud (FRA) will reduce by 0.183546 units for every 1 unit increase in Frequency of audit Committee Meetings (FAC), decrease by 0.200852 units for every 1 unit increase in Audit Committee Gender Diversity (AGD), decrease by 0.110425 units for every 1 unit increase in Audit Committee Independence (ACI). The F-Statistic of 14.458 and its corresponding P-value of 0.000 indicates that the model is fit. The Coefficient of Determination (R^2) of 0.447 indicates that about 45% of variation in Corporate Fraud can be explained by Frequency of audit Committee Meetings (FAC), Audit Committee Gender Diversity (AGD), and Audit Committee Independence (ACI) or the ability of the regression line to predict Corporate Fraud is about 45%. The remaining 55% are attributed to other independent variables that are not captured in the regression.

The Breusch Pegan-Godfrey Test of Heteroskedasticity indicates observed R squared of 0.0996, indicates that the data are homoscedasticity. Thus, the observed R squared of 0.0996 which is greater than 0.05 makes the study to accept the null hypothesis that the residuals are not heteroskedasticity but homoskedasticity and is desirable. The Hausman Specification Test indicates that Random Effect Model is most appropriate to Fixed Effect Model given the Hausman P-value of 0.2370 which is more than the critical value of 0.05. Therefore, Random Effect is most desirable. The Lagrange Multiplier Tests for Random Effects also showed a p-value of 0.000 which is less than 0.05 which makes this study to retain Random Effect Regression and discard the use of pool regression. The Breush--Godfrey serial correlation LM test for serial correlation results showed observed R-squared of 0.1943, which is in excess of 0.05, which lead us to reject the presence of serial correlation in the residual.

Discussion of Findings

In the panel regression result, the result indicated that frequency of audit committee meetings has significant negative effect on corporate fraud of listed manufacturing companies in Nigeria. The *P-value* of frequency of audit committee meetings is 0.0011, this value is less than 0.05 significance level. This indicates the higher the number of times audit committee meet, the more they are able to reduce corporate fraud. This follows the view that an audit committee that frequently meets would generally have more information about the settings and conditions of an organisation. An audit committee which meets at least four times a year significantly decreases the probability of corporate fraud. The frequency of audit committee meetings enhances the quality and adequacy of the committee. The finding is in tandem with the findings in the previous works of Kusumosari and Rahardjo, (2023); Hasnan (2022). Also, the finding is contrary to the study of Ilogho et al. (2022).

Based on the panel regression result, audit committee gender diversity has significant negative effect on corporate fraud of listed manufacturing companies in Nigeria. The *p-value* of audit committee gender diversity is 0.0335, this value is less than 0.05 significance level. This indicates the higher the number of women in the audit committee, the lower the corporate fraud. This follows the view that women pay more attention to details. The finding is in tandem with the findings in the previous works of Bala and Shaari (2019). Also, the finding is contrary to the study of Mardessi (2022).

In the case of audit committee independence, it was found that audit committee independence has significant negative effect on corporate fraud. The *p-value* of audit committee independence is 0.0049, this value is less than 0.05 significance level. This indicates that the higher the level of audit committee independence, the lower the level of corporate fraud. This finding supported the claim that the role of audit committee in monitoring companies' accounting policies cannot be separated from the independence of its members. Independent audit committee works more effective, autonomous and free from any vested interests in reviewing companies' accounting policies. The finding is in line with the findings in the previous works of Bii and Kinuthia (2024); Mousavi et al. (2022). This finding is contrary to the study of Okoh et al. (2021).

5.0 Conclusion And Recommendations

From the findings of the study the study concludes that audit committee characteristics were found to be important monitoring and control device for deterring manager's opportunistic behavior. Audit committee characteristics especially frequency of audit committee meetings, audit committee gender diversity and audit committee independence were found to be effective in restraining corporate fraud of listed manufacturing firms in Nigeria. It concludes that sound audit committee attributes mitigate against corporate fraud among listed manufacturing firms in Nigeria.

The study recommends that audit committee should endeavor to meet frequently to enhance their activity and monitoring roles. The study recommends that manufacturing firms should assign a significant percentage of women directors to the audit committee. It is also recommended that manufacturing companies in Nigeria should continue to increase audit committee independence as a means of reducing the level of corporate fraud among listed manufacturing firms in Nigeria.

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