



Effect of Audit Committee Tenure and Share Ownership on Market Value of listed Deposit Money Banks in Nigeria

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Abstract

This study is aimed at examining the effect of audit committee tenure and share ownership on value of listed Deposit Money Banks (DMBs) in Nigeria. Secondary data was obtained from audited annual reports and accounts of the 13 sample listed DMBs in the Nigeria for 12years (2011 to 2022).. The data was analyzed using multiple regression to determine the variation in value due to variation in audit committee attributes. Descriptive statistics was used to provide summary statistics for the variables and afterwards, correlation analysis was carried out using Pearson Correlation technique for the Correlation between the dependent and independent variables. The findings of the study revealed that AC tenure have a negative insignificant effect on value while AC share ownership have significant negative effect on value The research concludes that AC share ownership have significant effect on market performance measured by Tobin's q, while audit committee tenure have no effect on value of listed DMBs in Nigeria. Thus, the study recommends that DMBs should ensure strict compliance of listed DMBs with corporate code of governance regulations. The study also suggested that future studies should consider more variables

Keywords: Audit Committee, Tenure, Share Ownership and Market Value

JEL Classification:

Contribution to/Originality Knowledge

1.0 Introduction

Traditionally, business entities have been profit-oriented, but in the ever-changing competitive business landscape, the purpose of a business entity should be value-oriented. Value is expressed in the form of a firm's market share price, which can be used for financing and investment decisions; it can indicate business direction; it can demonstrate management efficiency; and it can indicate shareholder prosperity. Market value of firm serves as a tool for investors and other interested parties to measure the current and future firm's ability to achieve shareholder value maximization. Jensen (1976) argued that, one of the goals of every business entity is to maximize shareholder value, which is reflected in the firm's market share price. However, because of the principal – agent conflict of interest that may arise, value may decline rather than rise. Generally speaking, a firm's market share price gives investors insight into the company's potential and risks. The value of a firm could mean the amount an investor is willing and able to pay in exchange for the assets and liabilities of a particular corporate entity. Oyedakun *et al.* (2020) asserted that assets owned by a business enterprise are represented by



its market value, which is considered most vital factor that describes shareholders prosperity and company management's responsibility.

Audit committee tenure refers to the period of time member spend on the committee. The relationship between the tenure of an audit committee and the firm's value is combined and can be based on many factors. Audit committee tenure is beneficial to AC members because it provides stability and gives AC members opportunity to gain knowledge and experience. On the other hand, AC long tenure can raise concerns about conflicts of interest. Whereas Ac share ownership has do to with the number of shareholdings, the share ownership of an audit committee in a firm can align the objectives of the firm with the interests of shareholders which leads to the success of the firm and may strengthen the oversight function of the committee. However, excessive share ownership can raise concerns about objectivity and the independence of the committee. Establishing optimal holdings is essential for good corporate governance. Firms should regularly evaluate and disclose these practices to ensure transparency and shareholder confidence. The impact on firm value varies depending on the specific situation and corporate practices. (Armstrong, *et al.*, 2021; Dakhallh, *et al.*, 2020; Fali *et al.*, 2019 and Bhattacharya, & Marisetty 2015).

In fact, conflict-of-interest mitigation mechanisms are frequently required due to the legal separation between the owners and their wealth. Maintaining accountability, openness, and moral behavior requires doing this. Since AC serves as a liaison between the internal and external auditors and ensures strict adherence to statutory regulations and professional replacement, it has a role to play in reviewing the firm's financial processes, audit system, internal control, and financial risk management.

Frequent changes and amendment in CCG of DMBS as well as consistent merger and acquisition is an indication of weak control mechanism which could result to financial frauds, scandals, and illegal acts where executives and external auditors were accused of being involved directly or indirectly, which has detrimental effect against shareholders and also killed the investors' interest in the firm where the fraud had occurred (Omotoye, *et al.*, 2021). One of the objectives of control mechanism is to improve shareholders value through establishment of committees to review firm financial system, checkmate the management decision, as well as to ensure adherence to rules that govern various firm activities.

The discretion of management may impact the firm's value. For example: It was alleged that Oceanic Bank Nigeria Plc had fabricated its gross earnings to indicate a net profit rather than a net loss; as a result, the wealth of shareholders suffered losses (Akpan & Nsentip, 2020). As a result, evaluating management's capacity to select among valuation techniques is necessary. Large-scale transactions and assets owned by DMBs also act as a loophole that management uses to skew earnings, falsify accounting records, and commit other misstatements that could lower shareholder value. According to Owolabi and Dada (2018), certain banks manipulate their financial reports in a way that hurts their shareholders' profits and deters potential investors.

Similar to this, future performance, expectations, returns, cash flow, asset value, and customer loyalty can all have an impact on a company's value. This is due to the fact that investors base their investment decisions on the market value of the share (Djashan & Agustinus, 2020). As a result of the decline in market capitalization that lowers a company's value, Diamond Bank Plc was delisted from the Nigerian exchange group market. According to Mbobbo and Umeron (2016), investors typically lose money when a company's value is impacted. This study aims to use the audit committee to correct such a situation, because AC been a board subcommittee tasked with discussing company policies with top management and reviewing management decisions, provide independent recommendations which could address such issues, with the goal of maximizing shareholders value.

The main objective of this study is to examine the effect of audit committee attributes on value of listed Deposit Money Banks in Nigeria. The remaining section of this study is as follows: section two presents reviewed on the related concepts and existing literatures, section three methodology employed, section four data presentation and analysis and section five presents conclusion and recommendations in line with the study findings

2.0 Literature review

2.1 Conceptual Review

This subsection discusses all the conceptual issues of the study, which includes the concept of audit committee attributes, value of firm and other sub-heading

2.1.1 Concept of Audit Committee Tenure

In the context of this study, the Concept of Audit Committee Tenure refers to the duration of time that a member serves on the audit committee. According to CBN (2014), non-executive directors in the audit committee of DMBs are allowed a maximum of three tenures, each lasting three years. On the other hand, executive directors serve for a period of three years, as per the provisions of CAMA (2004 as amended). NCCG (2018) specifies that the tenure for non-executive directors is three years, with a limit of three tenures.

2.1.2 Concept of Audit Committee Share Ownership

The concept of share ownership by the audit committee refers to the percentage of shares held by the members of the committee who represent the board (Kibiya, et -al 2016). In other words, it pertains to the number of shares owned by the directors who serve on the audit committee. According to Bolton (2014), if the audit committee is effectively supervised for the shareholders, the share ownership by the board of director's representatives in the committee can prove advantageous for the firm's shareholders.

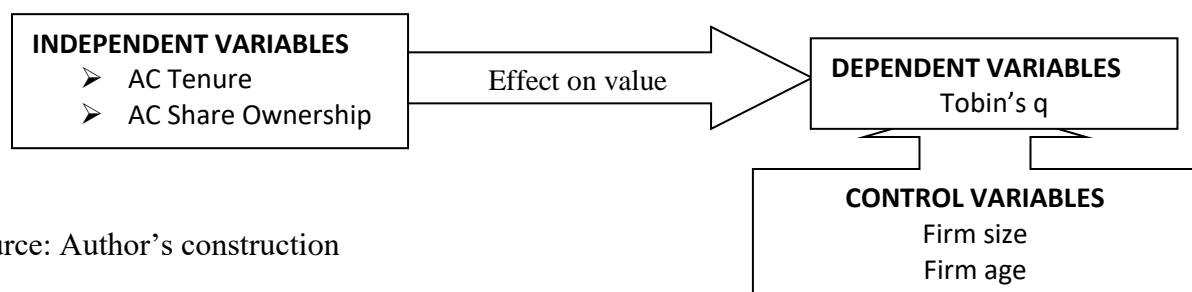
2.1.3 Concept of firm Value

The value of a firm refers to the monetary amount that someone is willing to offer in exchange for the ownership of the company. It represents the overall market value of the firm,

considering not only the equity value but also all the ownership interests and assets derived from both debt and equity. According to Ishaku *et al.* (2020), the value of a firm encompasses its entire market worth. Lonkani (2018) defines firm value as any activity that has the potential to increase the wealth of shareholders. In essence, the value of a firm can be seen as the cost of acquiring a company or the theoretical price of a target company. This financial concept goes beyond market capitalization by considering various factors such as total debt, equity value, cash and cash equivalents, preferred stocks, and non-controlling interest.

2.2 Conceptual Framework

The main aim of this research is to analyze the effect of audit committee attributes on the value of listed Deposit Money Banks (DMBs) in Nigeria. Therefore, the research conceptualizes that the value of a firm is influenced by its audit committee. In this context, the dependent variable of the study is the value of the firm, measured by Tobin's q , while the independent variables are the attributes of the audit committee, including its size, financial expertise, meeting attendance, tenure, and share ownership. The framework illustrates the relationship between these variables in Figure I.



Source: Author's construction

2.3 Empirical Review

An examination of the dependent and independent variables in this section involved conducting a literature review. The literature review focused on the concept of the value of the firm, which serves as the dependent variable, while audit committee attributes been the independent variable. Various studies from different sectors were reviewed to explore the relationship between the value of the firm and audit committee attributes.

2.3.1 Empirical Review on Audit Committee Tenure and Firm Value

Audit committee tenure and its effect on firm value have been extensively studied. Previous research has indicated that the length of time served on an audit committee is a crucial attribute that can enhance the value of firms and facilitate the effective discharge of oversight functions by committee members. For example, Bhattacharya and Marisetty (2015) discovered a positive correlation between firm value and audit committee tenure up to a certain point. However, beyond this threshold, the relationship between tenure and firm value becomes inverse. Yermack (2013) suggested that a prolonged tenure on the audit committee could lead to lower CEO pay, thereby reducing agency costs and ultimately enhancing firm value. This implies

that committee members with longer tenures are likely to have a deeper understanding of their primary responsibilities, resulting in improved firm value.

On the other hand, some studies have found contradictory associations. Klein *et al.* (2011) argued that long audit committee tenure may actually weaken the effectiveness of the committee, consequently diminishing the value of the firm. Armstrong *et al.* (2021) further highlighted that extended tenures of audit committee members increase the likelihood of corporate scandals. Therefore, it is recommended that long-serving members should not be allowed to remain on the committee for an extended period of time.

In summary, while there is evidence supporting the positive impact of audit committee tenure on firm value, it is important to consider the potential drawbacks associated with prolonged tenures. Striking a balance between experience and fresh perspectives within the audit committee is crucial for maximizing the value of the firm.

2.3.2 Empirical Review on Audit Committee Share Ownership and Firm Value

Previous research has suggested that the shareholdings of audit committee directors can enhance the effectiveness of monitoring functions and the overall value of firms. For example, Chen *et al.* (2008) found that a higher level of share ownership by audit committee members can improve their monitoring capabilities, leading to an increase in firm value. However, other studies have contradicted this notion, indicating that the number of shares owned by audit committee members does not influence their decision-making regarding firm value (Dakhallh *et al.*, 2020). Similarly, Fali *et al.* (2019) argued that while it is beneficial for audit committee members to hold a reasonable number of shares, it should be noted that share ownership alone may not have a direct impact on firm value. Additionally, Palaniappa (2017) confirmed that a decrease in the promoter's holding can enhance the value of listed manufacturing firms on the Bombay Stock Exchange during the studied period.

Base on the available literature it can be deduced that there less academic attention that focused on these attributes specifically in Nigeria context despite their effect on improving value.

3.0 Research Methodology

In order to explain and forecast the relationship between the variables, this study uses a correlational research design, which relates two or more variables, The study tests that were performed for this study include Multicollinearity, heteroscedasticity, Fixed and random effects test, Hausman specification test for fixed and random, and Breusch and Pagan Lagrangian multiplier test.

3.1 Source of Data

This study used secondary data obtained from the annual reports and accounts of the thirteen (13) sampled listed DMBs, as well as the Nigeria stock exchange websites. The data relates to audit committee tenure, and share ownership for this study was handpicked from the annual reports and accounts of the sample DMBs. In addition book value of shares, outstanding shares,



Profit after tax, dividend per share, total assets and total debts was obtained from the firm's annual audited reports and accounts of DMBs for the period 2011 – 2022. Moreover, Market price per share, Dividend per share, and year of listen was obtained from the websites of Nigerian exchange group to analyze the effect of independent variables on dependent variables of the study.

3.2 Population of the Study

The population for this study consisted of sixteen (16) listed Deposit Money Banks on the Nigeria stock exchange group as of December 31, 2022. The sampling technique employed was census sampling, following the administration of three point filters. Firstly, a firm had to be listed on the Nigerian stock exchange group prior to the study base year. Secondly, a firm must not have been delisted during the study period. Lastly, a firm must have published its audited annual report and account for the entire study period. Thirteen (13) listed DMBs were selected based on the applied filters. The data for this study was obtained from the annual report and account of the selected listed DMBs, which was then analyzed using multiple regression analysis

Table 1: Population, Sample Size and Sampling Techniques of the Study

S/N	Name of bank	Year of listing	Sample
1	Access Bank Plc	1998	✓
2	Ecobank Plc	1989	✓
3	Fidelity Bank Plc	1999	✓
4	First Bank of Nigeria Plc	1971	✓
5	First City Monument Bank Plc	2004	✓
6	Guaranty Trust Bank Plc	1996	✓
7	Jaiz Bank Plc	2017	X
8	Key Stone Bank Limited	2011	X
9	Polaris Bank Limited	2018	X
10	Stanbic IBTC Bank Plc	2005	✓
11	Sterling Bank Plc	1992	✓
12	Union Bank of Nigeria Plc	1971	✓
13	United Bank For Africa Plc	1971	✓
14	Unity Bank Plc	2005	✓
15	Wema Bank Plc	1990	✓
16	Zenith Bank Plc	2004	✓

Source: Authors' Computation based on NSE Dataset

3.3 Variables and Measurement

Table 2: Variables of Study and their Measurement

Variables	Acronym	Type of variable	Measurement	Author
Firm value	Tobin's q	Dependent variable	Market value of share to Book value of share	Ishaku, <i>et al</i> (2020)
Audit committee Tenure	ACTEN	Independent Variable	Proportion of members with more than three (3) years as a committee member	Cheung (2019); Fali <i>et al.</i> (2019)
Audit committee share ownership	ACSO	Independent Variable	Measure as Percentage Of Share held by Non – executive directors in Audit committee to firm total shares	Fali <i>et al</i> (2019); Daklallh, <i>et al</i> (2020)
Firm size	FSZ	Control Variable	Natural logarithm of firm total asset	Qeshta, <i>et al</i> (2021); Zubair, (2020)
Firm age	FAGE	Control Variable	Number of years a firm from Listen date to the end of 2022	Qeshta, <i>et al</i> (2021) Ishaku, <i>et al</i> (2020)

Source: Authors' Compilation from literature

3.4 Model specification

For the purpose of this study the following linear regression equations are used

$$Y = \alpha + \beta_1 + \beta_2 + \beta_3 + \beta_4 + \mu$$

$$\text{Tobin's } q = \alpha + \beta_1 \text{ACTEN} + \beta_2 \text{ACSOW} + \beta_3 \text{FSE} + \beta_4 \text{AGE} + \mu$$

Where:

Tobin's q= Market value of share to Book value of share

ACTEN = audit committee tenure

ACSO = audit committee share ownership

FSE = firm size

FAGE = Firm age

α = the constant

β = the coefficient

μ = Random error term

3.5 Estimation Technique

This study performed OLS regression, fixed effect and random effects test to analyse the data of this study. An improve test of Hausman specification test and Breusch and Pagan Lagrangian multiplier test was conducted which guide the selection of this estimate (OLS) as explained under 4.4 post estimation test

4.0 Data analysis and discussion of results

This section deal with the analysis and interpretations of generated results of the study as follows:

4.1 Descriptive Statistics of the Study Variables.

Summary statistics for the study variables are presented in the descriptive statistics table. This table includes the mean, standard deviation, minimum, and maximum values for both the dependent and explanatory variables. By examining the summary statistics, one can gain a better understanding of the nature of the results obtained.

Table 3: Descriptive Statistics of the study Variables

Variables	Observation	Mean	Std, Dev.	Min.	Max
Tobin's q	156	1932308	20.89631	1	95.9
ACTEN	156	2.916667	0.8868817	2	6
ACSOWN	156	24.21097	63.63446	0	342.3882
SIZE	156	10.21517	1.090551	8.1575	11.9992
AGE	156	24.5	13.09494	6	51

Source: Authors' Computation using STATA 12.

The descriptive statistics in table 3 above provided in the study reveal that there were 156 observations based on data collected from thirteen (13) selected DMBs over a span of Twelve (12) years. The dependent variable, Tobin's q, exhibits a maximum value of 95.9 and a minimum value of 1, with an average value of 19.32308. This indicates that, on average, the market performance of the listed DMBs in Nigeria during the study period was 19.32, with the highest market performance recorded at 95.9 and the lowest Tobin's q ratio at 1.

The ACTEN metric represents the number of AC (Audit Committee) members who have served for more than three years. According to the descriptive statistic table, the ACTEN metric ranges from a minimum of 2 to a maximum of 6, with a mean of 2.9 and a standard deviation of 0.88. This means that, on average, each audit committee consists of approximately 3 members who have served for more than 3 years. Additionally, more than 88% of the members

remain in the audit committee for an extended period. The minimum number of members who stay in the audit committee for more than three years is 2, while the maximum is 6.

On the other hand, the ACSOW metric indicates that the maximum value is 342.3882, while the minimum value is 0 in terms of shareholding units. The average shareholding is 24.21097, with a standard deviation of 63. This implies that audit committee members own approximately 63% of the share capital of DMBs (Designated Market Bodies). The minimum shareholding is 0, while the maximum shareholding is 4,002,291,385.

The data presented in the table indicates that the average size of DMBs examined was N103,277,755, ranging from a minimum of N72,508,000 to a maximum of N134,719,755. The average age of the DMBs is 24.5 years, with the youngest being 6 years old and the oldest being 51 years old. This suggests that there is a time difference of 6 years between the base year of the study and the most recent date recorded for one of the DMBs (2011 - 2005 = 6), and a time difference of 51 years between the oldest recorded date and the current year of the study (2022 - 1971 = 51). The overall findings indicate that there are no outliers in the variables for all the models, as the mean falls within the range of the minimum and maximum values.

4.2 Correlation Results

The correlation matrix displays the correlation among all variables in the regression model. It shows the relationship between each independent variable and the dependent variable, as well as the relationship among all the independent variables. The correlation results also indicate the absence of multicollinearity, as stated by A-qatamin (2018) and Al-matari (2012, 2014). According to their findings, any correlation result below 0.80 indicates the absence of multicollinearity. Additionally, the Variance Inflation Factor (V.I.F.) confirms the absence of multicollinearity in the results.

Table 4: Correlation Matrix between Audit Committee Attributes and Value (Tobin's q)

	tobin's	Acten	Acrow	Size	Age	V.I.F
tobin's	1.0000					
Acten	-0.0989	1.0000				
acrow	-0.2612	-0.1567	1.0000			
size	-0.2071	0.0398	0.1816	1.0000		
age	-0.0689	0.0031	-0.1804	-0.0873	1.0000	

Source: Authors' Computation using STATA 12.

The relationship between Audit Committee Tenure (ACTEN) and the value of the firm (Tobin's) is characterized by a negative and very weak correlation coefficient of -0.0989. This

suggests that a longer tenure of Audit Committee members has a negative impact on the firm's value. However, there is a positive correlation between ACTEN and other variables, namely SIZE and AGE, with correlation coefficients of 0.0398 and 0.0031 respectively. On the other hand, there is a negative correlation between ACTEN and ACSOW, with a correlation coefficient of -0.1567. The correlation coefficient on the main diagonal is 1.0, indicating a perfect positive linear relationship with itself. The Variance Inflation Factor (VIF) of 1.26 suggests the absence of collinearity. These results are consistent with the findings of Setianey, et al. (2017), Othman, et al. (2014), and Liu and Sun (2010). However, they contradict the findings of McLaughlin, et al. (2021) and Fali, et al. (2019).

During the study period, the correlation coefficient between ACSOW and the value of DMBs was found to be -0.2612. This indicates a negative and weak correlation between ACSOW and the value of DMBs. Furthermore, it suggests that the shareholding of AC members has a negative effect on the value of the sample listed DMBs. Additionally, ACSOW showed a negative correlation with ACTEN and AGE, with correlation coefficients of -0.1567 and -0.1804 respectively. On the other hand, a positive association was observed between ACSOW and Size, with a correlation coefficient of 0.1816. The correlation coefficient on the main diagonal was 1.0, indicating a perfect positive linear relationship with itself. This suggests that ACSOW is strongly correlated with itself. Furthermore, the ACSOW test of VIF (Variance Inflation Factor) yielded a value of 1.11, indicating the absence of collinearity. These findings contradict the results of Kibiya et al. (2016) and Al-Matari et al. (2012), but align with the findings of Kujubi et al. (2021), who also found a negative association between ACSOW and value.

4.3 Regression Results

This section presents results of the analysis conducted on the data collected from the audited annual reports and accounts of Nigerian Deposit money Banks. Diagnostic checks and tests of hypotheses are presented in the following sub-sections.

Table 5. Regression Results of the Effect of Audit Committee Attributes on DMBs' Value

Variables	Coefficient	Std error	T	P>/t/
Constant	9.7442	4.4704	2.18	0.031**
ACTEN	-0.4424	0.3873	-1.14	0.255
ACSOW	-0.1516	0.0326	-4.64	0.000***
SIZE	-1.5038	1.9250	-0.78	0.436
AGE	-0.0024	0.1612	-0.02	0.988
R-square	0.3765			
Adj R-squared	0.3388			
F-statistics	9.97			
Prob>F	0.0000			
Significance at 1% (***), and 5% (**)				

Source: Authors' Computation using STATA 12.

The OLS result for the dependent and explanatory variables is presented in Table 5 above. The F-statistics probability is 9.97, with a P-value of 0.0000, indicating that the model is suitable for the study. This value is significant enough to reject the null hypothesis at both the 1% and 5% levels. The R² value of 0.3765 suggests that approximately 38% of the variation in the dependent variable (Value) is jointly explained by the changes in the explanatory variables ACMTEN and ACSOW. The remaining 62% is explained by other factors not captured in the model.

Test of Hypothesis one

Audit committee tenure has no significant effect on value (Tobin's q) of listed Deposit Money Banks in Nigeria.

The findings of the study indicate that the tenure of the audit committee does not have a significant effect on the value of listed Deposit Money Banks in Nigeria, as measured by Tobin's q. This conclusion is supported by the results from table 5, which show that the coefficient value of -0.4424, t-value of -1.14, and p-value of 0.255 for ACTEN (audit committee tenure) are not statistically significant. Therefore, the null hypothesis, which states that ACTEN has no significant effect on the value of listed DMBs, cannot be rejected. Additionally, the study suggests that increasing or decreasing the number of tenureship of audit committee members would not impact the value of the firm. These findings are consistent with the research conducted by McLaughlin, et al. (2020) and Fali, et al. (2019).

Test of Hypothesis two

Audit committee share ownership has no significant effect on value (Tobin's q) of listed Deposit Money Banks in Nigeria.

The effect of audit committee share ownership on the value (Tobin's q) of listed Deposit Money Banks in Nigeria was examined. The results from the regression analysis in table 5 indicated that ACSOW has a significant negative effect on value at a 1% significant level. This is supported by the coefficient value of -0.1516, a t-value of -4.64, and a p-value of 0.000. As a result, the null hypothesis, which suggests that ACSOW has no significant effect on the value of listed DMBs, is rejected. The findings suggest that an increase in the number of shares held by audit committee members leads to a decrease in the firm's value. Interestingly, this findings is in line with Fali *et-al* (2019) and Dakhall et al. (2020).

4.4 Post Estimation Test

The tests that were performed for this study include Multicollinearity, heteroscedasticity, Fixed and random effects test, Hausman specification test for fixed and random, and Breusch and Pagan Lagrangian multiplier test. The details of these tests are elaborated upon below.

Multicollinearity

A test for multicollinearity was conducted to determine if there is a linear relationship among the explanatory variables. The collinearity diagnostics of the variables were assessed using the VIF test, which indicated the absence of collinearity. According to the rule of thumb, evidence of collinearity exists if the mean VIF is greater than 5. However, some researchers argue that even a VIF of not more than 10 suggests the non-existence of collinearity (Gujarati, 2013; Gujarati & Porter, 2009; Gujarati & Sangeetha, 2007; Gujarati, 2004).

Heteroscedasticity

The heteroscedasticity test outcome indicates that there is no heteroscedasticity present in the model. This is evident from the probability chi square value of 0.8621, which signifies the absence of heteroscedasticity and the presence of homoscedasticity in the model. The homoskedastic model assumes that the error term's variance remains constant for all independent variable values.

Hausman specification test

The Hausman specification test was conducted to determine the most suitable result for the research model between the fixed effect and random effect regression models. Both fixed effect and random effect regression analyses were performed. The findings indicated that the probability chi-square is not significant at any level of significance (0.9431), suggesting the random effect result. However, before interpreting the random effect, the Breusch and Pagan Lagrangian multiplier test was conducted to choose between the random effect and OLS due to their insignificant difference.

Breusch and Pagan Lagrangian Multiplier Test

The Breusch and Pagan Lagrangian Multiplier Test is utilized to assist in choosing between random effect and OLS regression outcomes when there is minimal disparity between the two. The LM test outcome reveals a χ^2 value of 0.2382, indicating that the OLS regression result is the most suitable fit for the study and is thus presented accordingly.

5.0 Conclusion

Based on the primary objective of this study, it deduced that the duration of service for audit committee members does not have any correlation with the market performance of listed Deposit Money Banks (DMBs) in Nigeria. This indicates that a longer tenure for audit committee members does not impact the value of the sampled listed DMBs.

The ownership of shares by AC members has a negative impact on the value of listed DMBs in Nigeria and does not contribute to the market performance measured by Tobin's q . specifically, for every one unit increase in share held by AC members; there is a decrease in value by a coefficient of -0.15. This research suggests that including members with a significant volume of share ownership in the audit committee does not enhance value.

Recommendations

The Nigerian board of listed Deposit money Banks (DMBs) should prohibit the re-election of shareholders with significant shareholding into the audit committee for an extended duration, it is crucial for the board to uphold the composition requirements for the audit committee. This approach will facilitate improved decision-making processes, ultimately enhancing the value of listed DMBs.

Limitation of the study

This study has many limitations which give future researcher's opportunities for more studies. Thus limitation identify here indicate possible areas for future studies

1. The study on the value of listed DMBs in Nigeria focused on the effect of audit committee tenure and share ownership. However, it is important to note that the findings of this study are limited to the banks that were examined.
2. By adopting a correlational research design, this study relied solely on secondary sources of data.
3. In measuring market performance, this study only considered Tobin's q as a measure, neglecting other market measures that could have been included

Suggestion for further study

Base on the limitations established this study offered the following opportunities for future research:

- i. In order to further explore the significance of audit committees, future research should consider conducting a multi-sector study
- ii. To gain a comprehensive understanding of how audit committee attributes influence the value of firms, future researchers should consider utilizing both secondary and primary sources of data.
- iii. To expand our knowledge on the impact of audit committees on firm value, future researchers should explore other attributes of the audit committee and test their effects.
- iv. To deepen our understanding of the relationship between audit committee attributes and market performance, future studies should consider incorporating alternative measures of market performance.

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