

Effect of Audit Committee Attributers on Segment Reporting of Listed Non-Financial Firms in Nigeria

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Abstract

This study investigates the effect of audit committee attributes specifically independence, financial expertise, and meeting frequency on the quality of segment reporting among listed non-financial firms in Nigeria. The study adopts an ex post facto research design and utilizes panel data drawn from the annual reports of 82 purposively selected non-financial firms listed on the Nigeria Exchange Group (NGX) over a ten-year period (2014–2023). The System Generalized Method of Moments (GMM) estimation technique was employed to address potential endogeneity and dynamic relationships in the data. The results reveal that audit committee independence and financial expertise are significant positive determinants of segment reporting quality. However, audit committee meeting frequency was found to be statistically insignificant, indicating that meeting quantity alone does not necessarily enhance disclosure quality. These findings underscore the importance of internal governance mechanisms in improving compliance with IFRS 8 and promoting transparency. The study recommends that regulatory bodies such as the Financial Reporting Council (FRC) and the Securities and Exchange Commission (SEC) enforce stricter corporate governance policies, particularly relating to audit committee composition and expertise. Firms are also encouraged to focus on the effectiveness of audit committee activities rather than just the frequency of meetings.

Keywords: Segment Reporting Quality, Audit Committee Independence, Financial Expertise, Audit Committee Meetings,

Introduction

In the evolving landscape of corporate governance and financial reporting, transparency and accountability have become fundamental expectations from stakeholders, especially in emerging economies. One significant aspect of this transparency is segment reporting, which provides detailed financial information about the different business activities or geographical operations within a firm. This form of disaggregated reporting allows investors, regulators, and other stakeholders to assess the performance and risk profile of each segment, thus enhancing the decision-making process (Ashfaq et al., 2024).

To promote such transparency, the adoption of International Financial Reporting Standard (IFRS) 8: Operating Segments mandates firms to disclose segment information based on internal reports reviewed by management. However, in Nigeria, studies have observed weak compliance with IFRS 8, with segment reporting practices varying widely among firms, especially in the non-financial sector (Akpan & Nkanga, 2023; Alabi, 2022). This inconsistency has raised concerns about the effectiveness of governance structures, particularly the role of the audit committee in ensuring high-quality disclosures.

The audit committee serves as a central pillar of corporate governance, with oversight responsibilities covering financial reporting, compliance, internal control, and audit processes. Attributes such as independence, financial expertise, and meeting frequency are believed to influence how effectively the committee executes its oversight function. A well-composed audit committee is expected to demand greater accountability and ensure compliance with reporting standards, thereby improving the quality of segment disclosures (Abdelhak & Hussainey, 2025). Independence of audit committee members enhances objective oversight, reducing the likelihood of biased reporting and ensuring adherence to disclosure regulations like IFRS 8. Independent committees are more likely to challenge management decisions and demand greater accountability in segment disclosures (Amanamah, 2025). Financial expertise within the audit committee ensures that its members possess the competence needed to interpret complex financial data, enforce disclosure quality, and align reporting practices with regulatory expectations (Gaol et al., 2025; Al Maani et al., 2025). Furthermore, the frequency of audit committee meetings is crucial for sustained engagement in financial oversight. Committees that meet more frequently are better positioned to detect disclosure lapses and provide timely intervention in reporting decisions (Hassan & Omar, 2025).

Despite extensive international research emphasizing the importance of audit committee attributes in enhancing disclosure quality, empirical evidence from Nigeria remains scarce, particularly with respect to segment reporting among non-financial firms. Findings from other jurisdictions demonstrate that the determinants of segment reporting vary significantly depending on institutional and regulatory contexts. For instance, Kobbi-Fakhfakh, Shabou, and Pigé (2018) highlighted the role of governance mechanisms in improving segment disclosures within EU firms, while Ashfaq et al. (2024) and Abdelhak and Hussainey (2025) identified audit quality and corporate governance as key influences on segment reporting in South East Asia and Egypt, respectively. These cross-country differences underscore the importance of conducting context-specific investigations, particularly in developing economies like Nigeria, where governance enforcement and institutional frameworks differ markedly from those in developed markets. Furthermore, while several Nigerian studies have explored the impact of corporate attributes such as firm size, profitability, leverage, and industry classification on segment reporting (Akuchi, Egbunike, & Oduche, 2022; Alabi, 2022), very few have focused specifically on the audit committee's role especially the influence of independence, financial expertise, and frequency of meetings. Given that audit committees are central to financial oversight and ensuring regulatory compliance, this gap is particularly noteworthy.

In addition, most prior Nigerian studies have either concentrated on conglomerates or utilized mixed samples combining financial and non-financial firms (Akuchi et al., 2022; Alabi, 2022). However, non-financial firms due to their diverse operations and geographical spread more likely to present complex segmental data, thus offering richer insights into segment reporting practices. Unfortunately, the specific determinants of segment disclosures within this category of firms remain underexplored in existing literature.

This study, therefore, aims to fill this gap by providing empirical evidence on how audit committee characteristics independence, financial expertise, and meeting frequency affect segment reporting in Nigerian non-financial firms. It contributes to the growing body of governance literature from the perspective of an emerging market with unique institutional challenges and regulatory dynamics.

Literature Review

Segment Reporting

Segment reporting refers to the disclosure of financial and non-financial information regarding the distinct components of a company such as product lines, geographic locations, or business divisions that contribute individually to the firm's overall financial performance. The purpose of segment reporting is to provide stakeholders with more detailed insights into a firm's operations, enabling better assessment of its risk-return profile and overall management effectiveness (Ashfaq et al 2024). The adoption of International Financial Reporting Standard (IFRS) 8 Operating Segments, which replaced IAS 14, marked a shift from a risk-and-returns approach to a management-based approach, requiring firms to report segment information based on how it is internally reviewed by management.

Audit Committee Independence

Audit committee independence refers to the degree to which committee members are free from management influence and relationships that could impair their objectivity and judgment. An independent audit committee is regarded as a cornerstone of effective corporate governance, as it is expected to provide unbiased oversight of financial reporting, internal control, and compliance with accounting standards such as IFRS 8. Independence enhances the committee's ability to challenge management decisions, insist on transparent disclosures, and protect shareholders' interests (Gaol, Subiyantoro, & Assih, 2025).

In the context of segment reporting, audit committee independence is particularly important. Independent members are more likely to demand disaggregated financial information that reflects the true performance of different business segments, in accordance with IFRS 8. As segment reporting often exposes intra-firm dynamics and strategic positioning, management may have incentives to limit disclosure. A more independent audit committee can resist such tendencies and enforce compliance (Abdelhak & Hussainey, 2025).

Audit Committee Expertise

Audit committee expertise refers to the presence of members with relevant financial, accounting, or auditing knowledge and experience that enable them to effectively oversee a firm's financial reporting process. According to best practice guidelines and regulatory frameworks, audit committees should include members who possess financial literacy and expertise to critically evaluate financial disclosures, detect irregularities, and ensure compliance with accounting standards such as IFRS 8.

The expertise of audit committee members is crucial for enhancing the quality of corporate disclosures, including segment reporting, which often requires a nuanced understanding of internal management reports and complex financial data. Financially knowledgeable members are better equipped to interpret segment-level performance, question inconsistencies in management disclosures, and advocate for transparency (Gaol, Subiyantoro, & Assih, 2025).

Audit Committee Meeting

Audit committee meeting frequency refers to how often the audit committee convenes within a financial reporting period (usually annually) to review and monitor the firm's financial processes, reporting practices, and compliance with regulatory standards. Frequent meetings are a key indicator of audit committee diligence, engagement, and oversight effectiveness.

Regular meetings provide the committee with sufficient opportunities to assess the adequacy and accuracy of financial disclosures, interact with internal and external auditors, and address any issues related to internal controls and regulatory compliance. In the context of segment reporting, more frequent meetings may facilitate deeper scrutiny of the firm's operating segments and internal reporting processes, enhancing the quality and completeness of segment disclosures under IFRS 8 (Ashfaq et al., 2024).

Empirical Studies

Several empirical studies have examined the influence of audit committee characteristics on financial reporting quality (FRQ) across different jurisdictions. Alhumoudi (2024), using panel data regression analysis on listed firms in Saudi Arabia, found that audit committee independence and financial expertise significantly improve FRQ. Similarly, Al-Aamri, Al-Musallami, Ahmed, and Qazi (2021), in a study of companies in Oman, reported that audit committee size and financial expertise positively influenced financial reporting outcomes, although meeting frequency had a weaker effect.

In Jordan, Makhoulf (2024) utilized content analysis and regression to assess the role of audit committees in managing financial reporting impression management. The study found that both independence and expertise of audit committee members reduced biased narrative disclosures and improved report reliability. Kabiru and Usman (2021) conducted a panel data analysis of deposit money banks in Nigeria from 2011 to 2020 and established that audit committee independence, size, and frequency of meetings significantly affected the quality of financial reporting. This supports earlier findings that internal governance attributes enhance transparency and accountability in financial disclosures.

From a behavioral perspective, Fuller, Joe, and Luippold (2021) used an experimental approach in the U.S. and concluded that active audit committee oversight influences managerial disclosure choices, reducing bias and enhancing the perceived credibility of financial reports. Saraswati (2024) conducted a regression analysis on Sri-Kehati listed firms in Indonesia and found that the presence of audit committees and larger firm size were positively associated with FRQ, while leverage had no significant effect.

In Kenya, Njagi (2024) employed a mixed-method approach, combining surveys and document reviews of deposit-taking SACCOs, and observed that the frequency of audit committee meetings and the independence of members significantly enhanced FRQ. Similarly, Chinonyerem and Ibukunoluwa (2024) found through regression analysis in Nigeria that audit committee accounting expertise was positively related to the efficiency and credibility of financial disclosures.

Basyir et al. (2025), in a conference paper on Indonesian banks, concluded that audit committee characteristics, along with voluntary disclosures, positively affect audit quality, which in turn improves the overall financial reporting process. Siregar and Harahap (2024) further found that accounting expertise among board and audit committee members reduced the complexity of financial reports and enhanced clarity. Supporting the relevance of these findings in the Nigerian context, Yahaya (2024), in a panel regression analysis of consumer goods firms between 2013 and 2022, confirmed that audit committee independence, financial expertise, and meeting frequency all had significant and positive effects on financial reporting quality.

Theoretical Framework

Agency Theory

Agency Theory, originally developed by Jensen and Meckling (1976), explains the relationship between principals (shareholders) and agents (managers), wherein agents may not always act in the best interests of the principals. This divergence of interests creates an agency problem, especially in financial reporting, where managers may engage in earnings manipulation or withhold important information from stakeholders.

Segment reporting, which requires firms to disclose detailed information about different business units, can expose areas of underperformance or management inefficiencies. As such, managers may have incentives to minimize segment disclosures, especially when such information could negatively influence investor perception. An effective audit committee particularly one that is independent, financially knowledgeable, and frequently engaged can serve as an internal monitoring mechanism to reduce these agency costs. By enhancing oversight, audit committees help ensure compliance with IFRS 8 and promote transparent segment disclosures (Abdelhak & Hussainey, 2025; Yahaya, 2024).

Resource Dependence Theory

Resource Dependence Theory (Pfeffer & Salancik, 1978) complements Agency Theory by emphasizing the role of board and committee members as providers of critical resources, such as expertise, experience, and external networks. Within the audit committee, members with financial and accounting expertise bring valuable knowledge that can enhance the quality of oversight over complex disclosures like segment reporting.

According to this theory, expertise and meeting diligence are not just control mechanisms but also resource capabilities that improve the organization's adaptability to external reporting requirements. For instance, a highly competent audit committee is better positioned to understand the implications of IFRS 8 and ensure that disclosures are both accurate and relevant. The frequency of meetings further strengthens this role by providing opportunities for timely review and action.

In this study, Agency Theory supports the view that audit committee independence functions to safeguard stakeholder interests by mitigating opportunistic behaviors in segment disclosure. Meanwhile, Resource Dependence Theory underpins the importance of financial expertise and meeting frequency as value-adding attributes that enhance committee effectiveness. Together, these theories offer a robust lens through which to evaluate how audit committee attributes influence segment reporting quality among listed non-financial firms in Nigeria.

Both theories have been widely applied in studies linking governance mechanisms to financial reporting quality (Alhumoudi, 2024; Kabiru & Usman, 2021; Makhoul, 2024). However, their application in the specific context of segment reporting in developing economies remains limited. Given the growing complexity of firm operations and increased emphasis on disaggregated disclosures, applying both Agency and Resource Dependence Theories provides a comprehensive framework for assessing the effectiveness of audit committee attributes in enhancing segment transparency.

Methodology

This study employed an ex post facto research design. The ex post facto design is appropriate because the study relied on historical data extracted from published annual reports, and no variables were manipulated by the researcher. Instead, naturally occurring data were analyzed to

identify relationships among variables. The population of the study comprises all 104 non-financial firms listed on the Nigeria Exchange Group (NGX) as of 2024.

Table.1: Population of the Study

Agriculture	5
Conglomerates	6
Construction/Real Estate	9
Consumer Goods	21
Healthcare	7
Information and Communication Technology (ICT)	8
Industrial Goods	13
Natural Resources	4
Oil and Gas	8
Services	22
All Non-Financial Firms	104

The study adopted a purposive sampling technique to select firms that meet specific inclusion criteria relevant to the research objectives. Purposive sampling allows for the selection of firms based on their ability to provide the required data. The selection was guided by the following criteria:

- i. Firms must be publicly listed on the Nigeria Exchange Group (NGX) to ensure they are subject to regulatory oversight by the Financial Reporting Council (FRC) and the Securities and Exchange Commission (SEC).
- ii. Firms must have publicly available annual reports that include segment disclosures in compliance with IFRS 8, covering the ten-year period from 2014 to 2023.

Based on these criteria, a total of 82 non-financial firms were selected for the final sample.

The study utilized secondary data sources for data collection, specifically panel data, to examine the relationship between corporate governance mechanisms and segment reporting among listed non-financial firms in Nigeria. Data were collected from the annual reports of the selected firms, covering a ten-year period from 2014 to 2023.

The study employed the System Generalized Method of Moments (System GMM) as the technique of data analysis. The System GMM is particularly well-suited for dynamic panel data models, where the dependent variable is influenced by both past values and current explanatory variables.

Model Specification

Based on the research objectives and theoretical framework, the following dynamic panel regression model was specified:

$$SRQ_{it} = \alpha_0 + \alpha_1 SRQ_{it-1} + \beta_1 ACI_{it} + \beta_2 ACEX_{it} + \beta_3 ACMET_{it} + \gamma_1 FS_{it} + \gamma_2 LEV_{it} + \mu_i + \varepsilon_{it}$$

Table 2: Definitions and Measurements of Variables

Variable	Acronym	Description	Measurement
Segment Reporting Quality	SRQ	Quality of segment disclosures provided by the firm in accordance with IFRS 8.	Disclosure index based on IFRS 8 requirements; score (0–1) using content analysis.
Lagged Segment Reporting Quality	SRQit-1	One-year lag of SRQ to capture reporting behavior over time.	Value of SRQ from the previous year.
Audit Committee Independence	ACI	Proportion of independent non-executive directors on the audit committee.	Number of independent members ÷ total audit committee members.
Audit Committee Expertise	ACEX	Proportion of audit committee members with financial/accounting expertise.	Number of members with professional qualifications (e.g., ACA, ACCA, CFA) ÷ total members.
Audit Committee Meeting Frequency	ACMET	Number of times the audit committee met in a year.	Total number of audit committee meetings held in a year.
Firm Size	FS	Size of the firm used as a control variable.	Natural logarithm of total assets (Ln Total Assets).
Leverage	LEV	Firm's financial leverage.	Total liabilities ÷ total assets.

Result and Discussions

Table 3: Descriptive Statistics

Variable	Mean	Standard Deviation	Minimum	Maximum
SRQ	0.742	0.143	0.35	0.98
ACI	0.625	0.122	0.33	0.85
ACEX	0.552	0.167	0.12	0.89
ACMET	4.73	1.34	2	8
FS	15.82	1.05	13.74	17.91
LEV	0.482	0.203	0.19	0.88

Source: Stata Output 2025

The descriptive statistics in Table 3 provide an overview of the characteristics of the variables examined in the study. The mean score for Segment Reporting Quality (SRQ) is 0.742, suggesting that, on average, listed non-financial firms in Nigeria disclosed approximately 74.2% of the IFRS 8 segment reporting requirements. The standard deviation of 0.143 indicates a moderate level of variability in segment disclosure quality among the sampled firms. The minimum and maximum

values, 0.35 and 0.98 respectively, highlight that while some firms provided minimal disclosures, others disclosed nearly all required segment information.

Audit Committee Independence (ACI) has a mean of 0.625, implying that about 62.5% of audit committee members are independent non-executive directors. This reflects a generally fair level of adherence to corporate governance best practices, though variability exists, as indicated by values ranging from 0.33 to 0.85. Similarly, Audit Committee Expertise (ACEX) records a mean of 0.552, indicating that just over half of the audit committee members across the firms possess financial or accounting expertise. The relatively high standard deviation of 0.167 suggests notable differences across firms in terms of technical financial competence on the committee.

The Audit Committee Meeting Frequency (ACMET) averages 4.73 meetings per year, aligning with global recommendations for quarterly audit committee meetings. However, some firms held as few as two meetings, while others convened up to eight times annually, pointing to disparities in committee activeness. Regarding firm-specific controls, Firm Size (FS), measured as the natural logarithm of total assets, has a mean of 15.82 with a standard deviation of 1.05, indicating the presence of moderately sized firms with relatively comparable asset bases. Lastly, Leverage (LEV) shows a mean of 0.482, suggesting that, on average, about 48.2% of the firms' assets are financed through liabilities. The leverage ratio ranges from 0.19 to 0.88, indicating differences in financial structure and risk exposure across the firms.

Table 3 Correlation Matrix

Variable	SRQ	ACI	ACEX	ACMET	FS	LEV
SRQ	1					
ACI	0.317	1				
ACEX	0.289	0.345	1			
ACMET	0.212	0.276	0.304	1		
FS	0.267	0.112	0.241	0.205	1	
LEV	-0.198	-0.105	-0.118	-0.09	0.384	1

Source: Stata Output 2025

The correlation matrix in Table 4 provides insight into the relationships between segment reporting quality (SRQ) and the key explanatory variables related to audit committee attributes and firm characteristics. The results show that SRQ is positively correlated with all audit committee attributes: audit committee independence (ACI), audit committee expertise (ACEX), and audit committee meeting frequency (ACMET), with correlation coefficients of 0.317, 0.289, and 0.212 respectively. These positive relationships suggest that firms with more independent audit committees, higher financial expertise, and more frequent meetings tend to exhibit higher segment reporting quality. Furthermore, SRQ also has a positive correlation with firm size (FS) ($r = 0.267$), indicating that larger firms are more likely to provide comprehensive segment disclosures, possibly due to increased scrutiny and stakeholder expectations. Conversely, SRQ is negatively correlated with leverage (LEV) ($r = -0.198$), implying that more highly leveraged firms may be less inclined to disclose detailed segment information, perhaps to avoid highlighting financial vulnerabilities. Among the audit committee attributes themselves, there are moderate positive correlations: ACI and ACEX ($r = 0.345$), ACEX and ACMET ($r = 0.304$), and ACI and ACMET ($r = 0.276$),

suggesting some complementarity among these governance features. Notably, all correlation coefficients are below 0.8, indicating the absence of multicollinearity concerns, which is important for the robustness of subsequent regression analysis.

Variable	Coefficient	Std. Error	z-Statistic	p-Value
SRQ (L1)	0.0526	0.0856	0.61	0.539
SRQ (L2)	0.2979	0.1057	2.82	0.005
ACI	0.1007	0.0408	2.47	0.014
ACEX	0.1789	0.051	3.51	0.001
ACMET	-0.0183	0.6569	-0.03	0.978
FS	0.023	0.0105	2.2	0.028
LEV	0.0395	0.1395	0.28	0.777
Constant (_cons)	4.6159	2.1366	2.16	0.031
Wald chi2(18)	= 72.99			
Prob > chi2	= 0.0000			

Source: Stata Output 2025

The results of the System GMM estimation provide important insights into the relationship between audit committee attributes and segment reporting quality (SRQ) among listed non-financial firms in Nigeria. The lagged value of SRQ at $t-1$ (L1) is statistically insignificant ($\beta = 0.0526$, $p = 0.539$), indicating that prior year's segment reporting quality has no immediate impact on current disclosures. However, the second lag (L2) is positive and significant ($\beta = 0.2979$, $p = 0.005$), suggesting that improvements in segment disclosure practices may take more than one period to manifest, supporting the presence of dynamic persistence in reporting behavior.

Audit committee independence (ACI) has a positive and statistically significant effect on segment reporting quality ($\beta = 0.1007$, $p = 0.014$). This finding implies that a more independent audit committee enhances oversight and transparency, leading to better compliance with IFRS 8 disclosure requirements. Likewise, audit committee expertise (ACEX) is also positively and strongly associated with SRQ ($\beta = 0.1789$, $p = 0.001$), suggesting that members with financial and accounting expertise play a crucial role in improving the quality of segment disclosures.

On the contrary, audit committee meeting frequency (ACMET) is not statistically significant ($\beta = -0.0183$, $p = 0.978$), indicating that mere frequency of meetings does not necessarily translate to improved segment reporting. This may point to the importance of meeting quality or effectiveness rather than quantity.

Among the control variables, firm size (FS) is positively significant ($\beta = 0.0230$, $p = 0.028$), showing that larger firms are more likely to provide detailed and high-quality segment information, possibly due to greater scrutiny from stakeholders. However, leverage (LEV) is not significant ($\beta = 0.0395$, $p = 0.777$), implying that a firm's capital structure does not significantly affect its segment reporting behavior in this context. Similarly, the regulation dummy (reg) is also statistically insignificant ($\beta = -0.4309$, $p = 0.670$), suggesting no discernible effect of regulatory changes during the period on segment disclosure practices.

The overall model is statistically significant as indicated by the Wald χ^2 of 72.99 ($p < 0.001$). The Arellano-Bond test for AR(1) is significant ($p = 0.000$), which is expected in differenced GMM

estimations, while the AR(2) test is not significant ($p = 0.212$), confirming the absence of second-order serial correlation a key requirement for the validity of GMM estimates.

Discussion of Findings

The findings of this study provide empirical support for the proposition that certain audit committee characteristics significantly influence the quality of segment reporting among listed non-financial firms in Nigeria. The dynamic panel regression results indicate that audit committee independence has a positive and statistically significant effect on segment disclosure quality. This suggests that the presence of independent non-executive directors on the audit committee enhances the credibility and oversight function of the committee, which in turn improves compliance with IFRS 8 segment reporting requirements. This finding aligns with prior studies such as Abdelhak and Hussainey (2025) and Amanamah (2025), who emphasized the role of independent directors in strengthening disclosure transparency in developing economies.

In a similar vein, audit committee expertise was found to be positively and significantly associated with segment reporting quality. This supports the assertion that financial literacy and technical competence among audit committee members enable them to better understand complex disclosure standards and challenge management where necessary. This finding is consistent with prior empirical evidence from Kabiru and Usman (2021), Siregar and Harahap (2024), and Chinonyerem and Ibukunoluwa (2024), which highlight the critical role of accounting expertise in enhancing financial reporting outcomes.

Conversely, audit committee meeting frequency did not have a statistically significant effect on segment reporting. Although frequent meetings are typically viewed as a proxy for diligence, the lack of a significant relationship suggests that meeting quantity alone does not guarantee better disclosure practices. This result implies that the effectiveness of meetings, in terms of agenda quality, member engagement, and decision-making, may be more important than frequency. This finding resonates with Makhlouf (2024), who cautioned that procedural formality without substance may fail to yield meaningful governance improvements.

Among the control variables, firm size emerged as a significant determinant of segment reporting quality. Larger firms tend to disclose more segment information, possibly due to greater regulatory scrutiny, stakeholder expectations, and resource availability to comply with IFRS 8. This supports the findings of Kobbi-Fakhfakh et al. (2018) and Ashfaq et al. (2024), who observed a positive relationship between firm size and disclosure practices. On the other hand, leverage was not statistically significant, suggesting that financial structure alone does not determine segment reporting behavior within the Nigerian context, contrary to expectations in some developed markets.

Conclusion and Recommendations

This study examined the impact of audit committee attributes—specifically independence, financial expertise, and meeting frequency—on the quality of segment reporting among listed non-financial firms in Nigeria, using a dynamic panel data approach via the System GMM estimator. The findings reveal that audit committee independence and financial expertise are significant drivers of improved segment disclosure in line with IFRS 8. These governance attributes enhance the effectiveness of the audit committee in overseeing financial reporting processes and promoting transparency.

However, the frequency of audit committee meetings did not show a statistically significant effect on segment reporting quality, suggesting that meeting frequency alone is not sufficient to influence

disclosure practices unless complemented by substantive deliberation and effective monitoring. Firm size was found to positively influence segment disclosure, reflecting the tendency of larger firms to comply more with regulatory standards due to greater public and stakeholder scrutiny. Leverage, on the other hand, was not significantly associated with segment disclosure practices. These findings underscore the importance of strengthening internal governance mechanisms, particularly through the constitution of competent and independent audit committees, as a pathway to enhancing transparency and the quality of corporate disclosures in Nigeria's non-financial sector.

Recommendations

1. Regulatory bodies such as the Financial Reporting Council (FRC) and the Securities and Exchange Commission (SEC) should enforce policies that ensure a greater proportion of independent directors on audit committees. Firms should also be encouraged to appoint directors who are truly independent of management influence.
2. Companies should prioritize the appointment of individuals with strong accounting or financial backgrounds to their audit committees. This will enhance the committee's ability to understand and enforce complex reporting requirements such as those under IFRS 8.
3. Boards should evaluate not only how often audit committees meet, but also the effectiveness of those meetings. Agendas should be strategically focused on critical reporting issues, and committee members should be provided with adequate resources and training.

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