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Managerial Ownership and Audit Committee Expertise on Market Value of Listed Consumer Goods Firms in Nigeria

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Abstract
Studies have shown that the market value of consumer goods firms has not been optimal and a subject of controversy among scholar. This study therefore examined the individual effects of managerial ownership and audit committee expertise on firm performance on the market value of consumer goods firms in Nigeria. To achieve these objectives, longitudinal panel research design was employed. Deploying a purposive sampling technique, the study utilized twelve (12) listed consumer goods firms that had consistently published their audited annual financial reports from 2009 to 2023 out of a total population of twenty-one (21). Data were collected from the Nigeria Exchange group (NGX) fact book and the financial reports of the sampled firms. Data analysis was done using panel multiple regression technique with the help of e-view 12 statistical tools. The study found that audit committee financial expertise has a significant influence on market value with the probability value less than 5% level of significance, whereas managerial ownership does not have a statistically significant effect on market value of listed consumer goods firms in Nigeria thereby leading to the non-rejection of the null hypothesis. Given the significant influence of audit committee financial expertise on market value, we conclude that the financial expertise of the audit committee is indispensable in assuring the confidence of the investing public in the consumer goods sector in Nigeria. It is recommended that listed consumer goods firms in Nigeria should prioritize the composition and capabilities of their audit committees. Firms should aim to appoint members with diverse financial backgrounds, including expertise in accounting and finance to interpret financial reports and comply with regulations.
Keywords: Managerial Ownership, Audit Committee Expertise, Market Value, Price to Book Value and Firm Size.

1. INTRODUCTION

Market value, in the context of listed consumer goods firms in Nigeria, refers to the total worth of a company's outstanding shares as determined by the stock market. It is a reflection of investor perceptions regarding the company's future earnings potential, growth prospects, risk profile, and overall performance. In this era of globalization, the concept of market value plays an indispensable role by providing a concrete mechanism which prevents ambiguity in determining the worth of an asset in the market place. It represents an investor's assessment of its success level base on the management of its resources reflected in the firm's stock price (Indriawati *et al*., 2021). Besides, a company's market value is a real reflection of how existing and potential investors perceive its trading opportunities, and for corporate organizations to survive, the interest of investors and other stakeholders regarding market value enhancement through efficient management of resources must be guided properly (Erhinyoja & Marcella, 2019). Market value is influenced by various factors, including financial performance, industry trends, macroeconomic conditions, and corporate governance practices (Ogbuagu, 2020).

Managerial ownership, representing the proportion of shares held by company executives (Saidu & Gidado, 2018), and audit committee expertise, reflecting the competence and independence of the committee overseeing financial reporting, are both vital components of effective corporate governance. The relationship between managerial ownership and audit committee expertise on the market value of listed consumer goods firms in Nigeria is a critical area of study within corporate governance research. Understanding how these factors interact and influence market value is essential for investors, regulators, and policymakers. Nugraha *et al.* (2021) posit that the presence of managerial ownership, wherein managers concurrently hold positions as shareholders, confers managerial control over the organization, enabling them to shape the company's strategic direction and policy decisions. The inclusion of managers as co-owners of the business is expected to result in a decrease in conflicts between managers and owners.

The rationale behind this study stems from the significance of corporate governance mechanisms in ensuring transparency, accountability, and ultimately, firm performance. In Nigeria, where consumer goods firms play a substantial role in the economy, examining the effect of managerial ownership and audit committee expertise on market value can provide valuable insights into the effectiveness of governance practices within this sector. Moreover, Nigeria's evolving regulatory landscape and the increasing emphasis on corporate governance reforms make this research timely and relevant. Practically, the implications of this study on market value are significant. By analyzing the relationship between managerial ownership and audit committee expertise, researchers can uncover how these governance mechanisms affect investor perceptions and firm valuation within the consumer goods industry (Etale & Yalah, 2022). Understanding the drivers of market value enables firms to implement governance practices that enhance shareholder wealth and sustainability while also informing regulators and policymakers about potential areas for intervention or improvement.

However, despite the importance of managerial ownership and audit committee expertise, there remain gaps in the literature that this study seeks to address. Existing research often focuses on developed markets, neglecting the unique context of emerging economies like Nigeria. Additionally, while studies have examined the individual effects of managerial ownership and audit committee characteristics on firm performance, there is a lack of comprehensive analysis of their combined effect on market value, especially within the consumer goods sector of Nigeria. Yero *et al.,* (2021) investigated and found that managerial ownership has a nonlinear effect on free cash flow, while Sitanggang *et al.,* (2020) posit that managerial ownership does not have a significant effect on earnings management. Oyedoku, *et al* (2019) held that audit characteristics have on significant effect on financial reporting quality of quoted consumer goods firms in Nigeria while Arumona *et al* (2021) found that audit committee financial expertise have significant effect on the financial performance of listed consumer goods in Nigeria. Bridging these gaps is essential for developing a more nuanced understanding of corporate governance dynamics and their implications for firm value in Nigerian consumer goods firms.

The basic hypothesis underlying this study are stated thus;

Ho_1: Managerial ownership has no significant effect on the price-to-book value of listed consumer goods firms in Nigeria

Ho_2: Audit committee expertise has no significant effect on the price-to-book value of listed consumer goods firms in Nigeria.

2. LITERATURE REVIEW

Managerial ownership refers to the proportion of a company's shares held by its top executives, including CEOs, CFOs, and other key managers. It reflects the extent to which these individuals have a financial stake in the firm beyond their salaries and bonuses (David *et al.*, 2022). Managerial ownership is a crucial aspect of corporate governance as it aligns the interests of managers with those of shareholders, aiming to mitigate agency problems and promote value creation. Corporate governance mechanisms are designed with the objective of reducing agency costs that arise due to the separation of ownership and control (Fama & Jensen, 1983; Jensen & Meckling, 1976). Certain organizations utilize performance-based incentive contracts as a means to align the interests of owners and managers. Conversely, other organizations rely on the markets for managerial expertise and corporate control to prevent managers from engaging in self-serving manipulation of investments Nugraha *et al.* (2021) posit that the presence of managerial ownership, wherein managers concurrently hold positions as shareholders, confers managerial control over the organization, enabling them to shape the company's strategic direction and policy decisions. The inclusion of managers as co-owners of the business is expected to result in a decrease in conflicts between managers and owners.

A company’s audit committee is part of the corporate governance mechanism instituted to safeguard the interest of the shareholders. The primary purpose of a company’s audit committee is to provide oversight of the financial reporting process, the audit process, the company’s system of internal controls and compliance with laws and regulations. Audit Committee Expertise refers to the collective knowledge, skills, qualifications, and experience possessed by the members of an audit committee, which enables them to effectively fulfill their oversight responsibilities related to financial reporting and audit processes within an organization (Usman & Usman, 2022). The expertise of audit committee members is critical for ensuring the integrity and reliability of financial information, safeguarding against financial mismanagement, and enhancing overall corporate governance. Audit committee members should possess a strong understanding of financial statements, accounting principles, and financial reporting requirements.

Market value, in a financial context, refers to the current worth or price of an asset, security, or investment in the open market. It is the result of the interaction between buyers and sellers in a market where assets are traded (Ogbuagu, 2020). Market value is the cost of purchasing a security on an exchange. It is affected by several factors including volatility in the market, current economic conditions, and popularity of the company. Analysts find it appropriate to use discounted cash flow that is based on the time value of money to estimate the intrinsic value of shares rather than the price per dividend of share prices. Market value is the value of an asset/security as determined by the forces of demand for and supply of the assets. It is the perceived or observed value of an asset on the market. It is also known as the current value. It is the mutually accepted worth (cost or price depending on the individual) of the asset after negotiation.

The price-to-book value (P/B ratio) is a commonly employed financial measure used to evaluate the stock valuation of a firm in proportion to its book value per share (Alero, 2019). The book value of a corporation, which represents its net asset value, is determined by subtracting the total liabilities from the total assets. The P/B ratio, calculated by dividing the market price per share by the book value per share, helps to assess if a stock is undervalued or overvalued. Although the P/B ratio is beneficial in industries that have substantial physical assets, like manufacturing or utilities (Nwidobie, 2016), it may not be as effective in sectors where intangible assets are more prominent.

Firm size refers to the magnitude or scale of a business entity, representing the extent of its operations, assets, and overall market presence (Oniyama *et al.*, 2020). Firm size refers to the size of the business unit. It can also be perceived as the volume of operation carried out by a single firm (Falope *et al*, 2019). Firm size is most important to its achievement as a result of the economies of scale phenomenon. Contemporary business organizations aim to improve their intensity to have a competitive advantage above their rivals by decreasing costs associated with production and enlarging market share. Larger enterprises can manufacture products at substantial costs than lesser firms.

Empirical Review

Olowookere *et al.*, (2023) studied the influence of managerial ownership structure and profitability on the capital structure of quoted consumer goods firms in Nigeria for a period of (10 years) ranging from 2011 to 2020. 15 out of the 20 consumer goods firms listed on the Nigeria Exchange group (NGX) were selected for this study using purposive sampling techniques. The data utilized for this study were obtained from secondary sources from the website of NGX and the selected firm's annual financial report. The study utilized random effect model regression, descriptive statistics, and correlation analysis to analyze the data gathered for this study. The findings showed that managerial ownership structure has a negative significant connection with debt-equity ratio whereas profitability has a positive and significant relationship with debt-equity ratio The study concludes that managerial ownership structure and profitability can influence the capital structure of firms. Therefore, this study recommends regulatory bodies should encourage firms in the consumer goods sector to declare their managerial ownership ratio to attract investors into the sector. The firm management is also advised to take advantage of their firms' profitability and growth opportunities. The time frame of 10 years (2011-2020) used in the study may be considered somewhat limiting, as it may not fully capture the dynamic changes in the capital structure of quoted consumer goods firms in Nigeria, particularly in the face of evolving market conditions, economic shocks, and regulatory changes that may have occurred beyond the study period, thus warranting a more extensive or contemporary time frame for a more comprehensive understanding.

Abubakar and Ahmed (2023) investigated the moderating effect of audit committee expertise on fraud risk factors and earnings quality of listed Nigerian Consumer Goods Firms for the period of eleven (11) years spanning from 2010-2020. The listed consumer goods firms are twenty (20) in number from the Nigeria Exchange Group out of which seventeen (17) were employed for the study. This study is necessitated due to the persistent rise in the level of fraud scandals reported in the industry which have led to apprehensions about the legitimacy of most firms' earning qualities. The study employed the use of the Feasible Generalized Least Squares regression model using Stata to analyze the study. The data were obtained from the secondary source through the audited financial reports and accounts of the listed firms. The findings of the study revealed that independent directors (IND) have a significant impact on the earnings quality of the listed firms while audit committee expertise significantly moderates the relationship between fraud risk factors and earnings quality of the listed consumer goods firms in Nigeria. Therefore, the study recommended that the management of the listed firms devise ways of increasing the proportion of independent directors on the board to increase earnings quality reporting. This study's methodology is a limitation, as it relies solely on Feasible Generalized Least Squares regression, which may not have sufficiently accounted for confounding variables and endogeneity issues. This methodological constraint creates an opportunity for the present study to employ multiple regression analysis, a more robust and comprehensive approach, to re-examine the relationships.

Arumona *et al.,* (2021) investigated the effect of audit committee financial expertise on the audit quality of consumer goods companies listed on the Nigeria exchange group for the period of thirteen (13) years from 2008 to 2020. This study empirically reviewed several articles of previous related research and also reviewed several theories out of which resource dependence theory is adopted for this study. The study adopted an ex-post facto research design and data was analyzed using panel regression techniques. Secondary data were sourced from the annual reports of consumer goods companies. The independent variable is audit committee financial expertise while the dependent variable is audit quality proxied by audit report lag. The estimated statistical result shows that the Audit committee's financial expertise has a positive and significant effect on the Audit report lag, The study, therefore, recommended that companies especially consumer goods companies should have more audit committee members with financial expertise to ensure the timeliness of the annual financial encourage investors and other users of the financial report to rely on the published report. The study's conclusion that audit committee financial expertise positively affects audit quality is overly simplistic and may be influenced by uncontrolled variables. Thus, open gaps for further study on the subject matter.

Yero *et al.,* (2021) investigated whether free cash flow has a significant positive effect on agency costs; whether managerial ownership has a nonlinear effect on free cash flow; and whether the moderating effect of managerial ownership on the association of free cash flow and agency costs is nonlinear (not the same at different levels. The study estimates the panel regression using data from 2009 to 2015 to test three main hypotheses. The study measured free cash flow using the cash flow approach and adopted the inverse of asset utilization to proxy for agency costs. The findings revealed that while free cash flow linearly and negatively affects agency costs, managerial ownership has a nonlinear effect on free cash flow and the effect of free cash flow on agency costs. In line with the findings, this study concludes that managerial ownership is not a strait jacket remedy for tackling problems associated with agency costs that result from having excess free cash flow. Therefore, the study recommended that firms should adopt a holistic approach to corporate governance, incorporating various mechanisms beyond managerial ownership to effectively mitigate agency costs. This study by Yero et al. (2021) is marred by methodological limitations, including the use of a narrow time frame (2009-2015), a small sample size, and the adoption of simplistic proxy measures for complex constructs like agency costs, which undermines the validity and applicability of its findings and recommendations.

Sitanggang *et al.*, (2020) *e*xamined the effect of managerial ownership, audit quality, and audit committee on earnings management. The research was conducted at manufacturing companies in the consumer goods sector which were listed on the Indonesia Stock Exchange in 2014-2018. The sampling technique used purposive sampling technique and obtained 10 companies that became samples. Hypothesis testing is done by using multiple regression analysis. The results of this study indicate that: first, managerial ownership does not have a significant effect on earnings management. The study recommended that each company maintain or improve the quality of managerial ownership regulations, audit quality, and audit committees in their management system to improve the quality of earnings management. The study's focus on Indonesia may limit its applicability to other countries, particularly those with different economic, political, and cultural contexts. Indonesia's unique characteristics, such as its large population, diverse culture, and developing economy, may influence the results in ways that are not representative of other countries like Nigeria.

Ogaluzor and Omesi (2019) investigated the relationship between share ownership structure and the financial performance of listed consumer goods companies in Nigeria, using a cross-section of secondary data for the 2016 fiscal year, which were obtained from the published annual reports of the firms. Share ownership structure was viewed from the dimensions of ownership concentration and managerial share ownership, while financial performance was measured with return on assets. Firm size was used to control for heterogeneity in firm-specific characteristics. A Generalized Least Square (GLS) regression technique was used, given the cross-sectional nature of the data to mitigate the interference of heteroscedasticity in the results. In the final analysis, results obtained confirmed a significant negative relationship between ownership concentration and financial performance thereby upholding the entrenchment effect hypothesis. On the other hand, though a positive relationship was confirmed regarding the relationship between managerial share ownership and financial performance, the results obtained fell short of statistical significance at the conventional level. In line with the findings of the study, it was recommended that the current policy inclination towards share ownership diffusion by the regulatory authority in Nigeria should be entrenched since it appears to enhance businesses' efforts at maximizing their financial performance. This study is limited by its reliance on a single-year cross-sectional data (2016) and a small sample size of listed consumer goods companies in Nigeria, which may not capture the dynamics of share ownership structure and financial performance over time and may not be generalizable to other industries or countries.

Resource Dependency Theory (RDT), which underpin this work, was first introduced by Pfeffer and Salancik in the 1970s, asserts that organizations rely on external resources to exist and prosper. As per the Resource Dependence Theory (RDT), organizations aim to decrease uncertainty and enhance their control over crucial resources by establishing connections with external entities like suppliers, customers, and regulators. Resource Dependency Theory offers useful insights into how organizations address their reliance on external resources, such as financial capital, human capital, and knowledge, in the context of managerial ownership and audit committee expertise. Managers may choose to increase their ownership in a company as a strategic decision to match their interests with shareholders. This helps to decrease the company's reliance on external monitoring and control methods. Managers who have substantial ownership holdings in a company have more independence and authority in making choices for the firm. This reduces their need to depend on external investors and authorities.

Similarly, the expertise of the audit committee is crucial in managing resource dependencies that are associated with information and knowledge. An effective audit committee improves the firm's capacity to obtain and analyze pertinent data, hence decreasing uncertainty and dependence on external sources for decision-making. By utilizing the knowledge and skills of audit committee members, companies can enhance their internal monitoring and control systems, thus decreasing their need for external supervision. Furthermore, RDT provides a detailed comprehension of the strategic decisions taken by companies in reaction to uncertainties in the environment and limitations in resources. The study aims to examine the influence of managerial ownership and audit committee expertise on resource management techniques in Nigeria's consumer products industry. By doing so, it seeks to uncover the mechanisms that firms employ to negotiate the intricate market dynamics and regulatory environments.

3. METHODOLOGY

A correlational panel research design was employed in this study to gather information about the pre-existing nature of the phenomenon under study and to provide the necessary support to provide and describe the nature of the relationships between variables of the study. The total population for this study consists of all the twenty-one (21) consumer goods firms in Nigeria listed in the Nigerian Exchange Group as of 31st December 2023. To arrive at the sample size, the purposive sampling technique was employed. The criterion used is the filter approach where a firm must be in full operation before the year 2009 and remain in operation during the study period (2009 to 2023) and selections were also made based on the consumer goods firm found in Nigeria Exchange Group stratification of the listed companies. In order to ensure the representativeness of the selected sample, cluster sampling was combined in the random selection. This is to reduce any problems associated with validity and reliability. A total of twelve (12) consumer goods firms were selected from the population from the Nigeria Exchange fact book and the duly audited financial statements of the individual firms. The study covers a period of 15 years ranging from 2009-2023. The secondary data collected for the dependent and independent variables were analyzed using descriptive statistics, correlation analysis, panel regression, and post-regression diagnostic test on variables using the statistical package E-view version 12. The model employed by Olowookere *et al.*, (2023) was modified and adapted for the study, as indicated below.

Original Model

$\boldsymbol{DERit} = \delta_0 + \delta_1 MAOW_{it} + \delta_2 PROF_{it} + \delta_3 FAGE_{it} + \delta_4 REVG + \mu_{it}$………………... (i)

Adapted Model

$\boldsymbol{PBV} = \boldsymbol{\beta_0} + \boldsymbol{\beta_1}\mathrm{MAOW} + \boldsymbol{\beta_2}\mathrm{AUFE} + \boldsymbol{\beta_3}\mathrm{FSZ} + \boldsymbol{\epsilon_{it}}$ --- (ii)

Where;

PBV = Price to Book Value

MAOW = Managerial Ownership

AUFE= Audit Committee Financial Expertise.

FSZ= Firm Size

ϵ_{it} = Stochastic Error Component

RESULT AND DISCUSSION

Descriptive Statistics

To gain an overview of the data included in the study, an initial analysis of the data was conducted using descriptive statistics. This provides us with a comprehensive understanding of the patterns present in the data utilized for the study. the presence of outliers will be revealed in the sampled data. The summary data are displayed in Table 2.

Table 1. Showing the Result of Descriptive Analysis

	PBV	MAOW	ACFE	FSZ
Mean	0.284183	34.02333	0.517032	7.484405
Median	0.241500	36.00000	0.500000	7.466115
Maximum	1.550000	41.86000	0.833333	8.987000
Minimum	0.006000	15.15841	0.142857	5.493000
Std. Dev.	0.179074	6.709606	0.170378	0.732204
Skewness	2.794914	-1.506636	-0.249294	-0.168086
Kurtosis	18.27406	4.394854	2.343001	2.715846
Jarque-Bera	1984.072	82.69069	5.101780	1.453167
Probability	0.000000	0.000000	0.078012	0.483558
Sum	51.15300	6124.200	93.06573	1347.193
Sum Sq. Dev.	5.740059	8058.369	5.196114	95.96606
Observations	**180**	**180**	**180**	**180**

Source: E-View 12 Output (2024)

The table provides descriptive statistics for four variables: PBV (Price to Book Value), MAOW (Managerial Ownership), AUFE (Audit Committee Financial Expertise), and FSZ (Firm Size). The mean values indicate the average level for each variable across the dataset. Standard deviation measures the spread of data around the mean, suggesting how much individual observations deviate from the average. Kurtosis describes the shape of the distribution; higher values imply a more peaked distribution, while lower values suggest a flatter distribution. Jarque-Bera test and its associated probability assess the normality of the data distribution; higher values and lower probabilities indicate a departure from normality. In this dataset, PBV and MAOW exhibit significant deviation from normality, evident from their high kurtosis values, high Jarque-Bera test statistics, and low associated probabilities. While AUFE and FSZ show less pronounced departures from normality, they still exhibit some deviation, particularly AUFE, which has a moderately high Jarque-Bera statistic. Overall, the data do not appear to be well-distributed, with PBV and MAOW showing substantial departures from normality.

Correlation Analysis

Table 3 presents correlation coefficients between the dependent variable (PBV) and the independent variables (MAOW, AUFE, FSZ), as well as among the independent variables themselves. In line with Kujarati, (2008), high correlations are expected between the dependent and independent variables, while low correlations are expected among independent variables. Excessive correlation (above 0.80) between independent variables may necessitate corrective measures.

Table 2: Showing the Result of Correlation Analysis

Correlation Probability	PBV	MAOW	ACFE	FSZ
PBV	1.000000 -----			
MAOW	-0.020628 0.7834	1.000000 -----		
ACFE	0.053615 0.4747	0.270765 0.0002	1.000000 -----	

FSZ	0.188330	-0.153776	-0.174572	1.000000
	0.0113	0.0393	0.0191	-----

Source: E -View 12 Output (2024

The correlation table presents the Pearson correlation coefficients between the dependent variable (PBV) and the independent variables (MAOW, AUFE, FSZ), as well as among the independent variables themselves. The correlation between PBV (Price-to-Book Value) and MAOW (Managerial Ownership) exhibits a negligible negative association, suggesting a minimum linear connection between PBV and managerial ownership. Similarly, the correlation between PBV (Price-to-Book Value) and AUFE (Audit Committee Financial competence) is very faintly positive, indicating a minimal linear connection between PBV and the level of financial competence inside the audit committee. Nevertheless, there exists a feeble positive correlation between PBV (price-to-book value) and FSZ (firm size), indicating a tiny linear association between PBV and the size of the firm, where larger enterprises may exhibit marginally higher price-to-book values. Among the independent variables, there are minor correlations seen between MAOW and AUFE, MAOW and FSZ, and AUFE and FSZ. These correlations suggest slight linear links, but overall, the variables demonstrate independence. These correlations provide valuable information about possible connections within the dataset. However, it is important to consider that other non-linear elements and interactions may also have a substantial effect on determining company value and governance dynamics.

Hausman Test

The Hausman test is a test for model specification in panel data analysis and this test is employed to choose between fixed effects model and the random effects model. Due to the panel nature of the data set utilized in this study, the test basically checked if the error terms were correlated with the regressors. Thus, the decision rule for the Hausman specification test is stated thus; at 5% Level of significance:

Decision Rule:

Reject H_0 if the Prob > F is less than 0.05. Otherwise, do not reject H_0.

Hypothesis

H_0: Random effect is most appropriate for the Panel Regression analysis

H_1: Fixed effect is not appropriate for the Panel Regression analysis

Table 6: Hausman Test

Test Summary	Chi -Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.493622	3	0.9203

Source: E-View 12 Output (2024)

The Hausman test result displayed in the table above does not give enough evidence to reject the null hypothesis at a significance level of 5%. This is evident from the fact that the probability value (0.9203) of the test is higher than the crucial value of 0.05. Thus, the study concludes that the variation in coefficients is not consistent and therefore, the random effect model is the most suitable model for the study. Hence, it is advisable to conduct the Langranger multiplier test as the next step. This test will determine if it is appropriate to use the random effect or pooled effect model.

Test of Research Hypotheses

Table 8: Random Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.168945	0.179197	-0.942789	0.3471
MAOW	0.001453	0.002406	0.603837	0.5467
ACFE	0.110123	0.080349	2.379806	0.0184
FSZ	0.046330	0.019468	1.370567	0.1723
	Effects Specification			
			S.D.	Rho
Cross-section random			0.105883	0.3214
Idiosyncratic random			0.153847	0.6786
	Weighted Statistics			
R-squared	0.541512	Mean dependent var		0.099821
Adjusted R-squared	0.515174	S.D. dependent var		0.154708
S.E. of regression	0.152748	Sum squared resid		4.106411
F-statistic	2.540869	Durbin-Watson stat		1.864510
Prob(F-statistic)	0.001991			

Source: E- View 12 Output (2024)

The regression table offers insights into the correlation between the dependent variable (PBV) and the independent variables (MAOW, AUFE, FSZ). The constant term in the regression equation represents the intercept, which indicates the predicted value of PBV when all independent variables are set to zero. Among the individual variables, AUFE is notable for its statistical significance, as indicated by a coefficient of 0.1101 and a low associated probability (0.0184), showing a considerable influence on PBV. In contrast, the coefficients and probabilities suggest that MAOW and FSZ do not have a statistically significant effect on PBV. The R-squared value of 0.5415 indicates that the model accounts for about 54.15% of the variability in PBV. The low probability associated with the F-statistic signifies the overall importance of the regression model. The Durbin-Watson value of 1.8645 indicates that there is no significant autocorrelation present in the residuals. In general, although AUFE is found to be a strong indicator of PBV, an additional examination is necessary to fully comprehend the implications of the model and its coefficients.

Discussion of Findings

The regression analysis reveals interesting insights into the relationship between the dependent variable, PBV, and the independent variables, MAOW, AUFE, and FSZ. Notably, the statistical significance of audit committee financial expertise suggests that it plays a significant role in influencing market value. This finding aligns with existing literature, which often emphasizes the importance of strong corporate governance mechanisms, such as the expertise of audit committees, in determining firm valuation metrics like market value. Research has consistently shown that firms with experienced and knowledgeable audit committees tend to exhibit better financial reporting quality and lower information asymmetry, which can enhance investor confidence and ultimately lead to higher firm valuations. This study is in alignment with the study of (Salawu *et al.*, 2017) and Abubakar and Ahmed, (2023) Conversely, the non-significant effect of managerial ownership and firm size on market value may be somewhat surprising but can be explained by considering the complexities of corporate governance and firm valuation. While managerial ownership is often regarded as a key indicator of aligning managerial interests with those of shareholders, its direct effect on firm valuation may be less straightforward. Some studies (Yero *et al.,* 2020 and Olowookere *et al.*, 2023) suggest that while moderate levels of managerial ownership can align incentives and improve firm performance, excessively high levels may lead to entrenchment and agency conflicts, which could potentially depress firm valuations. Thus, the non-significant coefficient for managerial ownership may reflect this nuanced relationship. Thus, this study disagrees with the study of Margana and Wiagustini (2019) and Sitanggang *et al.,* (2020). Similarly, the non-significant effect of firm size (FSZ) on market value contradicts conventional wisdom, which often associates larger firms with higher valuations due to their perceived stability, market power, and access to resources. However, research findings on the relationship between firm size and firm valuation are mixed. While some studies find a positive association between firm size and valuation metrics, others argue that firm size may have diminishing marginal returns in terms of value creation, especially in industries characterized by high competition and low barriers to entry environment.

5. CONCLUSION AND RECOMMENDATION

The study demonstrates that audit committee financial expertise has a significant influence on market value, whereas managerial ownership and firm size do not have statistically significant effects. The results indicate that effective corporate governance procedures, specifically through well-informed audit committees, significantly contribute to boosting investor trust and the overall value of companies operating in the Nigerian consumer goods industry. Nevertheless, the lack of considerable effect from managerial ownership and business size highlights the intricate nature of corporate governance dynamics and firm valuation in this particular situation. We can deduce from the findings that the ownership structure of firms in the consumer goods sector has no substantial influence on the perception of the investing public necessitating changes in the share price of their stock.

Based on the study's findings, the following recommendations are proposed to enhance the efficient market value of listed consumer goods firms on the Nigeria Exchange Group;

i. Given the significant influence of audit committee financial expertise on market value, it is recommended that listed consumer goods firms in Nigeria prioritize the composition and capabilities of their audit committees. Firms should aim to appoint members with diverse financial backgrounds, including expertise in accounting, finance, and regulatory compliance.

ii. Additionally, continuous training and development programs should be implemented to ensure audit committee members stay abreast of emerging industry trends, regulatory changes, and best practices in corporate governance. Strengthening the expertise of audit committees can improve financial oversight, transparency, and accountability, thereby enhancing investor confidence and market valuation.

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