IMPACTS OF AUDIT QUALITY AND ENTERPRISES RISK MANAGEMENT ON WEALTH MAXIMIZATION OF SHAREHOLDERS; A STUDY OF MULTINATIONAL MANUFACTURING FIRMS IN NIGERIA

Amos Olafusi TOMOMEWO, Babcock University
David Olugbenga OMIDIJI, Babcock University
Oluwatobi Ayodele ABIOLA, Babcock University
Kevin Chinwe EKPENI, Babcock University
Kainu JUSTINE, Babcock University

ABSTRACT

An empirical examination of the effect of audit quality and enterprise risk management would not have been at a better time than now when the manufacturing companies in Nigeria are experiencing most challenges of production, the unprecedented effect of COVID-19, and unpleasant security challenges and infrastructural deficits in Nigerian business operational landscape. Consequently, the study investigated audit quality and enterprise risk-management on shareholders' wealth maximization of Nigerian listed multinational manufacturing companies. This study adopted ex-post facto research design, qualitative and deductive research approaches. This study population consisted of all the 32 listed multinational manufacturing companies listed in Nigeria as at 31 December, 2021. A purposive sampling technique was adopted in this study, this enabled the researcher select purposively 14 multinational manufacturing companies that have complete data in line with the identified and specified variables of the study. The statistical tools used for the data analysis research were basically the descriptive and inferential statistics. Result of the analysis showed that audit quality and enterprise risk management had significant influence on assets growth of multinational manufacturing companies listed in Nigeria. Also, it was established that audit quality and enterprise risk management had significant effect on economic value added of multinational manufacturing companies listed in Nigeria.

Keywords: Audit Quality, Enterprise Risk Management, Shareholder's wealth maximizatio n, Covid 19.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

INTRODUCTION

Background to the Study

All management strategic decisions mechanism in attracting equity investments from investors, controlling competitive market share, commanding stakeholders' patronage, and sustaining its competitive advantage have all been tailed towards meeting shareholders' wealth maximization. (Bartels, 2019) posited that the shareholders and other investors have expressed concern over the inability of managers to consolidate corporate effectiveness to enhance asset growth and economic value added from the performance of the companies. Understanding and meeting shareholders' wealth maximization is complex and quite challenging phenomenon considering the diverse expectation of the stakeholders. Multinational companies' capability to meet shareholders' wealth maximization expectations has become a global concern and has sparked vast research interest from the perspective of adjusting management strategic decision mechanisms and attracting investment capital from investors, controlling competitive market share of stakeholders' patronage and sustaining its competitive advantage (David & Ahmed, 2020; Egiyi & Okafor, 2022). Evidently, several factors have been identified as the determinants of shareholders wealth maximization. Some of these factors include audit quality and enterprise management.

Audit quality and enterprise risk management consider the monitoring of the auditors and effective management, as well as the advisory roles in relation to the overall risk identification, assessment and management framework, ue appraisal of financial reporting standards and process whether or not they are in conformity with the regulatory framework and standards guidelines, ensure that the operating system of the internal controls is effective as a control measures of financial risks of the company and ensures strong and working processes for the monitoring the corporate compliance with jurisdictional laws and legislations so as not infringe on any of the legal frameworks. More so, audit quality and enterprise risk management increase level of confidence and provide enabling environment for the multinational manufacturing companies to ensure business operational expansion and success, brace up to new realities and effective resource utilization towards improving productivity and economic welfare of the shareholders and wealth maximization (Aguguom & Ajayi, 2020).

An empirical examination of the effect of audit quality and enterprise risk management would not have been at a better time than now when the manufacturing companies in Nigeria are experiencing most challenges of production, the unprecedented effect of COVID-19, and unpleasant security challenges and infrastructural deficits in Nigerian business operational landscape. Consequently, the study investigated audit quality and enterprise risk-management on shareholders' wealth maximization of Nigerian listed multinational manufacturing companies.

Statement of the Problem

Nigeria is considered asone of the largest markets in the world with a population of consumers of about one hundred million consumers (Saifullahi *et al.,* 2021; Shodiya *et al*., 2019). Besides, Nigeria is one of the global leading business locations for multinational

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

manufacturing companies, unfortunately, the country is faced with a myriad of problems and challenges (Tyokoso & Tsegba, 2017). In the years 2018, Nigeria was low rated and ranked 169 out of 189 in the World Banks' rank of ease of doing business in the world. In addition, the extent of foreign direct investment in the country is grossly inadequate, possible because of the corruption systemic challenges.

Assets growth (AGT) and the possibility of acquisition of additional assets when necessary have been another problem the manufacturing companies in Nigeria have to face in a bit to remain in business (Omoregie & Eromosele, 2016). There has been a concern considering the inability of the manufacturing companies to have access to capital and loan facilities (Ogundajo *et al*., 2019; Ohiorenoya et al., 2016). Some baking institutions in Nigeria are not willing to advance loan facilities to address the problem of insufficient funding and the few that are willing to offer loans do are demanding unreasonable interest rates, such extent that the companies will virtually be working for the banks in order to service the loans. The low production from the installed capacity seems inadequate to break even going by the high cost of production, and servicing of loans in the Nigerian system (Shodiya *et al*., 2019).

Economic value-adding for the shareholders fall far below shareholders' expectation since the level of production seem downgraded in the manufacturing sector (Stolowy & Paugam, 2018; Suk *et al*., 2019). This unfortunate scenario in most cases deepens the harsh environment and government regulations having a negative influence on the performance of the manufacturing companies. The Nigerian government and its agencies are critical enablers in providing enabling environment for the manufacturing companies performance in Nigeria (Uremadu & Onuegbu, 2018). For instance, there are high regulatory hoops, unstable economic and political policies in between the ruling political party in power from the previous, lack of continuity and long term plan where the successive government can pick-up from irrespective of the political power at the seat of government.

In addressing these aforementioned problems, this study was concerned with genuine and empirical proposals using the identified explanatory variables of audit quality and enterprise risk management to confront the problems of inability to meet shareholders' wealth maximization set the objective of the multinational manufacturing companies listed in Nigeria. Though some studies had made attempts in this regard, however, the problems seem subsisting and the challenges were still far from being solved. This study applied adequate audit quality and well-identified and mitigated enterprise risk management and made honest attempt in resolving the problem of shareholders' wealth maximization.

Empirically, nemurous studies have been concudted on the subject matter. While some the studies reviewed hare reported positive effect, other revealed negative effects. Some of the study in this section included the studies by (Yamada & Fujita, 2022; Okolie & Ogbaragu, 2022; Bansal & Thenmozhi, 2020; Alhababsah, 2019; El-Ansary, 2019; Olowokudejo & Oladimeji, 2019; Amah & Amauwa, 2019; Awinbugri & Prince, 2019; Orobator & Erimefe, 2019). Some of the studies had failed to state the functional relationship between main and subsidiary variables of the studies. Also, it was discovered that some of these studies failed to measure shareholder's wealth maximization with economic value added and asset growth as well as the relationship between them and enterprise risk management. Some of the studies failed to reflect he subscripts in the specified econometric models. Consequently, the study investigated the possible effect of

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

the dependent variables and their proxies on shareholder wealth maximization in listed manufacturing companies in Nigeria.

Research Objectives

The main objective of this study was to examine the effect of audit quality and enterprise risk management on shareholders' wealth maximization of multinational manufacturing companies listed in Nigeria. The study specific objectives were to:

- **i.** ascertain the influence of audit quality and enterprise risk management on assets growth of listed multinational manufacturing companies in Nigeria;
- **ii.** determine the effect of audit quality and enterprise risk management on economic value added of listed multinational manufacturing companies in Nigeria.

Scope of the Study

The study covered a period of 15 years (2007- 2021). The time frame period of the study was presumed adequate and reasonable as the period saw fluctuations in share prices and stock return of some of the multinationals. During this period, a good number of the multinational companies operating in Nigeria closed down, while some relocated to other countries (Oyedokun, et al., 2019).

LITERATURE REVIEW

Conceptual Issues

Asset Growth

In this study, asset growth is defined as the extent companies have grown its assets both in value and in numbers. (Ojeka et al., 2019) defined assets growth as a percentage change in corporate assets over a given period of time. In addition, (Okere et al., 2019) stated that asset growth entails the annual change in the logarithm of the corporate book value of total corporate assets of a specific time. In measuring asset growth, (Otero et al., 2020) reported that a higher asset growth rate tends to be favourable desired by investors in making investment decisions. However, (Orobator & Erimife, 2019) noted that it could be misleading when investors rely on the asset growth rate indicator as the only parameter to measure the performance of companies without close consideration of other financial and non-financial performance of the companies. For instance, excessive borrowing to acquire corporate assets that are to leading to pending unfavourable litigation could portend possible danger to the sustainability of the corporate body. This study measured the price paid for a share relative to the annual net profit earned by the company per share.

$$\textbf{Assets Growth (ASGT)} = \frac{\text{Total Assets}_{t-1} - \text{Total Assets}_{t-2}}{\text{Total Assets}_{t-3}}$$

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Economic Value Added

In this study, the issue of economic value added is equally one of the measures of the extent of shareholder wealth maximization of the multinational companies operating in Nigeria. This is amount and value management has generated based on various investments made during the accounting period under consideration (Sahiti et al., 2017; Rahman & Saima, 2018). Also, economic value-added is defined as the incremental difference in the corporate rate of return over the companies' cost of capital or cost of investment over a specific period of time (Safitri & Bahri, 2021). In addition, (Santosam, 2020) also defined economic value-added as the value generated from capital investments in a corporate body, signifying good or bad investments. However, the level of economic value-added is the determinant of the manager's good investment decisions abilities and the efficiency of the management in making good investments that have the potential of yielding good returns. (Tarjo et al., 2022) argued that when economic value-added turns to a negative result, this simply implies that the managers are not competent but rather are destroying the value of the capital entrusted to their care

Economic Value Added (EVA) = EVA = NOPAT-(Capital Invested x Weighted Average Cost of Capital

Audit Quality and Enterprise Risk Management

Audit quality and enterprise risk management consider the monitoring of the auditors and effective management, as well as the advisory roles in relation to (i) the overall risk identification, assessment and management framework (ii) Due appraisal of financial reporting standards and process whether or not they are in conformity with the regulatory framework and standards guidelines, (iii) ensure that the operating system of the internal controls is effective as a control measures of financial risks of the company and (iv), ensures strong and working processes for the monitoring the corporate compliance with jurisdictional laws and legislations so as not infringe on any of the legal frameworks.

The performance of companies is to enhance shareholder wealth maximization, since no investor may wish to invest in companies with tales of financial scandals and a history of earnings management, or insider trading activities. The effects of qualified audit reports and the possible consequences reputation of the concerned business, auditors in most cases tend to comprise standards by all means possible to avoid qualification of financial statements (Kakanda et al., 2017; Inegbedion et al., 2020). According to (Khan & Qureshi, 2018), disqualification of financial statements is becoming an old fashion and no longer a trend in the profession as auditors try to avoid legal implications for their firm with the clients. Yet, the auditors now intensify efforts to avoid material misstatements and avoidable errors. However, it becomes unethical when auditors go unprofessionally undesirable in preparing the records which they later audit, compromising ethical standards.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Theoretical Review

Information Asymmetry Theory

The information asymmetry theory was developed by Akerlof, Spence and Stiglitz in the year 1970 as their intellectual disposition gained them the Alfred Nobel of the Sweden prize in Economic Science in the year 2001for their brilliance and analytics of market dynamics with the asymmetric information (Kariuki & Peddy, 2017). Information asymmetry theory is concerned with a typical situation where one party has more and better information than the other party, who is directly or indirectly exploited because of ignorance of adequate information. The information asymmetry theory is concerned with the understanding that there is the absence of complete information of the market situation and the fact that information of the market is in the hands of the sellers rather with the buyers. (Kang et al., 2014) reported that sellers possess more information than the buyers who skew the price of goods to their own advantage because of the privileged information the sellers possessed.

Critics of information asymmetry found flaws in the proposal made by Akerlof who assumes that privileged information is a normal market situation that cannot be avoided. (Ohiorenoya et al., 2016) opined that information asymmetry tends to lead to adverse selection, moral hazards and market inefficiency. The relevance of information asymmetry in this study is considered appropriate from the angle of the nexus between audit quality and shareholders' wealth maximization. Audit services are required to bridge the gap of communication between the managers and the shareholders as a result of information asymmetry subsisting between them. A good understanding of the philosophy of information asymmetry theory is essential as it broadens the understanding of both the shareholders and the other stakeholders of the possible existence of information asymmetry in some corporate organizations.

Empirical Studies

Audit Quality, Enterprise Risk Management and Asset Growth

(Yamada & Fujita, 2022) studied the influence of risk management, audit fees and audit quality on shareholders' wealth maximization, especially in multinational companies listed in Japan. The study secondary data and used financial and other documented reports from eth financial records of the companies selected for the study. The result of the analysis revealed that risk management, audit quality and audit fees had a positive effect on the quality of financial statements as well as the financial performance of the companies in Japan. The study further revealed that the quality audit fees had a positive association with audit quality and the results were in tandem with the expectation of the study. This study, done by Yamada and Fujita (2022) is in tandem with (Safitri & Bahri, 2021) analysis which revealed that audit quality had a positive effect on economic value added and return on equity of the selected and sampled banks in Indonesia. On the other hand, (Ajibola, 2019)'s study which concluded that enterprise risk management had a negative effect the performance of the banks due to high non-performing loans of the banks.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

(Okolie & Ogbaragu, 2022) investigated how audit committees affected the efficiency and productivity of a few Nigerian deposit money institutions. Utilizing secondary data that was taken from the yearly financial statements of the chosen deposit money banks listed in Nigeria for a period of ten years, from the 2011 to 2020 accounting periods, the study used an expo facto research design. The audit committee and audit committee size had a favourable impact on economic value added as a measure of corporate performance of the deposit money banks listed in Nigeria, according to the study's panel data analysis, which was used for data analysis. This study supports the analysis by (Saleh, 2021), which shown utilising panel data. The research by (Otero et al., 2020) which found that enterprise risk management had a negative and minor impact on return on assets and dividend payment of the banks and suggested that liquidity improves dividend payment, is in contrast to this study.

(El-Ansary, 2019) looked at the implications and effects of troubled firms listed in the Middle East and northern Africa as well as enterprise risk companies. The analysis used secondary data taken from the financial accounts of the firms. Based on the financial performance of the firms included for the study, the analysis's findings indicated that enterprise risk management had a favourable impact on dividend payout. This research supports the findings of (Perdana et al., 2021), which found that audit quality and audit fees improved business performance as evaluated by economic value added. However, this study does not align with that of (Parastoo & Mardani, 2020), whose analysis showed that enterprise risk management has a positive impact on business performance.

While some the studies reviewed hare reported positive effect, other revealed negative effects. Some of the study in this section included the studies by (Yamada & Fujita, 2022; Okolie & Ogbaragu, 2022; Bansal & Thenmozhi, 2020; Alhababsah, 2019; El-Ansary, 2019; Olowokudejo & Oladimeji, 2019; Amah & Amauwa, 2019; Awinbugri & Prince, 2019; Orobator & Erimefe, 2019). Some of the studies had failed to state the functional relationship between main and subsidiary variables a of the studies carried out. Some of the studies failed to reflect he subscripts in the specified econometric models. In filling the gaps, this study formulated hypothesis one of the study.

Audit Quality, Enterprise Risk Management and Economic Value Added

(Agana et al., 2022) studied the impact of audit quality on the financial performance of the deposit money banks in Nigeria. The study employed an expo facto research design, using secondary data sourced from the financial statements of the banks. Audit size, audit fees and audit reporting format were employed as measures of audit quality. Based on the panel data analysis conducted covering a period of 16 years, 2004 to 2019 accounting periods. The analysis revealed that audit size and audit fees had a negative effect on the performance of the deposit money. The study further showed that audit fees exerted a negative and insignificant effect on financial performance measured by return on equity. This study conforms to the study done by Otero *et al*. 2020), which revealed that enterprise risk management had a negative and insignificant effect on return on assets and dividend payment of the banks, suggesting that liquidity enhances dividend payment. On the other hand, the study done by (Agana et al.,2022)

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

conforms with the study done with (Abdullah & Said, 2019)'s which showed that audit quality and audit committee had a positive effect on stock returns and return on assets of the companies.

(Oluwatamilore et al., 2021) investigated the effect of the audit committee, and board attributes on the corporate performance of the selected deposit money banks listed in Nigeria. The study employed secondary data, using data sourced from the annual reported financial statements of the banks for a period of 5 years covering from 2013 to 2017 using the deposit money banks listed on the floor of the Nigerian Exchange Group. The study using the ordinary least squared method, the study interpreting random effect revealed that audit committee and board size had a positive effect on Tobin's Q and assets growth of the deposit money banks selected for the study. (Oluwatamilore et al., 2021)'s study conforms to (Abdullah & Said, 2019)'s which showed that audit quality and audit committee had a positive effect on stock returns and return on assets of the companies. On the contrary, (Ahmed et al., 2015)'s analysis revealed that audit quality had a negative effect on the return on assets and stock returns of the companies tested in the study.

(Olayinka, 2019) examined the effect of audit quality, and audit committee on the corporate financial performance of commercial banks publically quoted in Nigeria. The data sued for the study were extracted from the financial statements of the banks selected for the study for a period covering 5 years from 2011 to 2015 accounting periods. The result of the regression analysis revealed that audit size and audit committee had a negative and insignificant effect on firm performance of the publically quoted banks in Nigeria. This study is in conformity with the study done by (Alqutamin, 2018) which revealed that audit quality had a negative and insignificant effect on the performance of the banks. On the contrary, the study is not in conformity with the study done by (Perdana et al., 2020) which revealed that audit quality and audit fees had a positive effect on firm performance measured using economic value added.

From the viewpoint of the post-consolidation era, (Owojori et al., 2011) looked at the potential impact of risk management on banks listed in Nigeria. Regression analysis was used for the investigation. The analysis's findings suggested that rink management and bank performance were positively correlated. Banks should apply the post-consolidation rules and regulations, the report advised. This research supports the findings of Perdana, Sovi, Zainal, and Martua's study from 2021, which found that audit quality and audit fees improved business performance as evaluated by economic value added. However, this study does not align with that of (Parastoo & Mardani, 2020), whose investigation found that enterprise risk management had a detrimental impact on dividend payments.

In course of the review of empirical studies in this section, the study discover some gaps in the literature. Some of the studies reviewed include the studies by (Agana et al., 2022; Perdana et al., 2021; Yudiarito et al., 2021; Shodiya et al., 2021; Bartels, 2019; Abdullaal & Said, 2019; Chaleedda et al., 2019; Perez-Cornajo et al., 2019). In the process, this study found that some of these studies failed to measure shareholder's wealth maximization with economic value added as well as the relationship between enterprise risk management and economic value added were not clearly stated in the studies. In filling the gaps, this study formulated hypothesis two of this present study.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

METHODOLOGY

This study adopted *ex-post facto* research design and this research design used was deemed suitable for this study because it facilitated collection of considerable amount of data effectively and quickly from secondary sources. The population consisted of all the 32 listed multinational manufacturing companies listed in Nigeria as at 31 December, 2021. According to Fact book of the Nigerian Exchange Group (NEG) as of December 2021, in justification of the population, the study stated that there were total of 32 listed multinational manufacturing companies were listed and traded on the floor of the Nigerian Exchange Group as of (31st December, 2021). However, the study used a purposive sampling technique to select 14 multinational manufacturing companies that have complete data in line with the identified and specified variables of the study

This study gathered and utilized information from secondary data of the chosen firms. The public financial statements of the 14 manufacturing enterprises owned by international corporations will be used to derive this secondary data. The statistical tools used for the data analysis research were basically the descriptive and inferential statistics. The descriptive was that descriptive was considered because it was convenient to measure the central tendency and measure of dispersion that described the mean, median, minimum, maximum and standard deviation of the data set. **I**nferential hand statistics on the other enabled the researcher carry out regression analysis of the identified and specified data, using panel data regression approach as it conveniently combined both the time series and cross-sectional effect of the data.

In this study, three types of variables were used, namely: the predictor/explanatory variables, and the criterion variables. The criterion (the dependent variable) was shareholders' wealth maximizations, and measured by return on equity (ROE), stock return (SRTS), assets growth (ASGT), and economic value added (EVA) and dividend yield (DVYD). In addition, the predictor variable in this study was audit quality and enterprise risk management, with the following dimension as surrogates: audit independence (ADINDP), audit firm size (ADFS), audit committee composition (ADCCM), risk monitoring, compliance and reporting (RMCR), and risk appetite and tolerance (RAT) and the moderating model, firm size (FS).

Model 1

$$ASGT_{it} = \alpha_0 + \beta_1 ADINDP_{it} + \beta_2 ADFS_{it} + \beta_3 ADCCM_{it} + \beta_4 RMCR_{it} + \beta_5 RAT_{it} + \mu_{it}$$

Model 2

$$EVA_{it} = \alpha_0 + \beta_1 ADINDP_{it} + \beta_2 ADFS_{it} + \beta_3 ADCCM_{it} + \beta_4 RMCR_{it} + \beta_5 RAT_{it} + \mu_{it}$$

Where:

ASGT = Assets growth; EVA = Economic Value Added; ADINDP = Audit Independence; ADFS = Audit Firm Size; ADCCM = Audit Committee Composition; RMCR = Risk Monitoring, Compliance and Reporting; RAT = Risk Appetite and Tolerance

Variable Description and *A priori* Expectation
Variable Measurement and *A priori* Expectation

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

S/N	DEPENDENT VARIABLE	DESCRIPTION	A-PRIORI EXPEC.
1	Asset Growth	Total Assets t-1 – Total Assets t-2	
		Total Assets t-3	
2	Economic Value Added	NOPAT-(Capital Invested x Weighted	
		Average Cost of Capital	
	INDEPENDENT VARIABLE		
1	Audit Independence	Ratio of non-executive directors in Audit Committee to total members	Positive
2	Audit Firm Size	Dummy Variable, 1 if audited by Big 4 otherwise 0	Positive
3	Audit Committee Composition	Proportion of the audit committee members among the board members	Positive
4	Risk Monitoring, Compliance & Reporting	Checklist	Positive
5	Risk appetite and Tolerance	Checklist	Positive

RESULT AND DISCUSSION

Table 1
DESCRIPTIVE STATISTICS

Variables	MEAN	STD. DEV	MIN	MAX
ASGT	19.96	54.93	-40.74	590.08
EVA	0.0225	0.1399	-0.82	0.7
ADCC	5.75	0.81	4	9
ADINDP	51.32	17.88	16.67	100
ADFS	0.78	0.42	0	1
RMCR	0.06	0.24	0	1
RAT	0.43	0.49	0	1
FS	7.58	0.83	5.36	9.38

***Source**: Author's Work (2023).asset growth (ASGT), economic value added (EVA), audit committee composition (ADCC), audit committee independence (ADINDP), audit firm size (ADFS), risk monitoring, compliance and reporting (RMCR), and risk appetite and tolerance (RAT) while the controlling variable, firm size (FS)*

Economic Value Added (EVA):

The mean EVA value of 0.0225 suggests that the companies in the observation set are generating a positive economic value added. The standard deviation of 0.1399 is quite high, indicating a significant degree of variability in the EVA values. The negative minimum value of -0.82 shows that some companies have failed to create value, while the maximum value of 0.7 suggests that some companies have created significant value for their shareholders. In other

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

words, the minimum and maximum values of -0.82 and 0.7, respectively, show that there is a wide range of EVA values in the data set. While the mean EVA value is positive, the high standard deviation suggests that there is significant variability in the data, which may indicate differences in the company's efficiency in generating economic value added.

Asset growth (ASGT):

The mean asset growth value of 19.96 suggests that the companies in the observation set are growing their assets. The standard deviation of 54.93 is quite high, indicating significant variability in the asset growth values. The negative minimum value of -40.74 suggests that some companies have experienced a decline in their total assets, while the maximum value of 590.08 indicates that some companies have experienced significant asset growth., Then again, the minimum value of -40.74 and maximum value of 590.08 suggest that there is a wide range of asset growth values in the data set. Overall, the ASGT statistics suggest that the companies in the observation set are growing their assets, with significant variability in the data.

Audit Committee Composition (ADCC):

The mean value of ADCC is 5.75, with a standard deviation of 0.81. The minimum value of ADCC is 4, and the maximum value is 9. This variable measures the number of independent directors on the audit committee of a company. The standard deviation of 0.81 is relatively low, indicating that the distribution of ADCC values is not widely spread. The maximum value of 9 suggests that some companies have a fully independent audit committee.

Audit committee independence (ADINDP):

Moving on to the variable ADINDP, the estimated mean is 51.32, with a relatively large standard deviation of 17.88. The minimum value is 16.67, and the maximum value is 100. This indicates that the sample exhibits a wide range of values for audit committee independence, with some observations showing low levels of audit committee independence while others exhibiting high levels. The relatively large standard deviation of 17.88 further confirms this variability in audit committee independence among the observations.

Audit Firm Size (ADFS):

For the variable ADFS, the estimated mean is 0.78, with a standard deviation of 0.42. The minimum and maximum values are 0 and 1, respectively. This suggests that, on average, the audit firms in the sample are relatively small in size, with a mean value below the midpoint of the scale (ranging from 0 to 1). The standard deviation of 0.42 indicates some variability in the size of the audit firms among the observations, but this variation is not excessive.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Risk Monitoring, Compliance and Reporting (RMCR):

Moving on to the variable RMCR, the estimated mean is 0.06, with a standard deviation of 0.24. The minimum and maximum values are 0 and 1, respectively. This suggests that, on average, the risk monitoring, compliance, and reporting practices in the sample are relatively low, with a mean value close to 0. The standard deviation of 0.24 indicates some variability in these practices among the observations, but this variation is not excessively high.

Risk Appetite and Tolerance (RAT):

For the variable RAT, the estimated mean is 0.43, with a standard deviation of 0.49. The minimum and maximum values are 0 and 1, respectively. This indicates that, on average, the risk appetite and tolerance in the sample are moderate, with a mean value slightly above the midpoint of the scale (ranging from 0 to 1). The standard deviation of 0.49 indicates some variability in risk appetite and tolerance among the observations, with some exhibiting low levels (as evidenced by the minimum value of 0) and others exhibiting high levels (as evidenced by the maximum value of 1).

Firm Size (FS):

Finally, for the controlling variable FS, the estimated mean is 7.58, with a standard deviation of 0.83. The minimum value is 5.36, and the maximum value is 9.38. This suggests that the majority of the firms in the sample are medium-sized, while the standard deviation suggests that there is some variation in the size of the firms.

Regression Analysis and Test of Hypotheses

Hypothesis One

This output represents the results of a random effect panel regression model that investigates the relationship between asset growth (ASGT) as the dependent variable, and several proxies of audit quality and enterprise risk management. The independent variables are audit committee independence (ADINDP), audit firm size (ADFS), audit committee composition (ADCC), risk monitoring, compliance, and reporting (RMCR), and risk appetite and tolerance (RAT). The purpose of this analysis is to determine the extent to which these proxies affect asset growth and to establish their statistical significance.

Objective One**:** ascertain the influence of audit quality and enterprise risk management on asset growth of listed multinational manufacturing companies in Nigeria;

Research question One**:** How do audit quality and enterprise risk management influence on asset growth of listed multinational manufacturing companies listed in Nigeria?

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Research Hypothesis One: $H_0$1: Audit quality and enterprise risk management have no significant influence on asset growth of multinational manufacturing companies listed in Nigeria

Regression and Post-Estimation Results for Hypothesis One

Table 2
REGRESSION AND POST-ESTIMATION RESULTS FOR HYPOTHESIS ONE

Variables	Coeff	Std. Err	T-Stat	Prob
Constant	29.0119	63.1837	0.46	0.653
ADINDP	0.2234	0.063	3.54	0.003
ADFS	-2.2116	19.271	-0.11	0.91
ADCC	-3.1529	8.6051	-0.37	0.72
RMCR	5.4086	5.0748	1.07	0.305
RAT	-2.3723	4.8949	-0.48	0.635
Adj R2	0.0925			
F-Stat/Wald Stat (Prob)	F(5, 201) = 34.98 (0.0000)			
Hausman Test	chi2(5) = 2.00 (0.8498)			
Testparm Test/LM Test	F(14, 174) = 3.31 (0.0343)			
Heteroskedasticity Test	chi2(5) = 0.10 (0.7490)			
Autocorrelation Test	F(1, 13) = 52.229 (0.000)			
Cross sectional Dependence	0.410 (0.6821)			
Dependent Variable: ASGT				

Source: *Author's Work (2023)*
Note: all the analysis was tested at 5% significance level

Post-Estimation Results for model one

As in Table 2, the result of the Hausman test with the *p-value* of 0.8498, being above the chosen 5 percent level of significance suggested that random effect is the applicable estimator according to its null hypothesis which states that there is presence of unsystematic difference in the model coefficients. The result of the confirmation test (Testparm) carried out, having *p-value* of 0.0343 also provide support for the outcome of the Hausman test which confirmed that the random effect estimation technique is the best estimating technique for Model 3, therefore, we chose a random effect estimator. The result of the heteroskedasticity test (p = 0.7490) and autocorrelation test (p = 0.000) and Cross-sectional Dependence test (p = 0.6821) depicted that the model only suffer from autocorrelation issue. Consequently, the analysis was carried out using the random effect regression estimator with Drisc/Kraay standard error.

Regression Equation Results for model one

$$ASGT_{it} = \alpha_0 + \beta_1 ADINDP_{it} + \beta_2 ADFS_{it} + \beta_3 ADCC_{it} + \beta_4 RMCR_{it} + \beta_5 RAT_{it} + \mu_{it}$$

$$ASGT_{it} = 29.0119 + 0.2234 ADINDP_{it} - 2.2116 ADFS_{it} - 3.1529 ADCC_{it} + 5.4086 RMCR_{it} - 2.3723 RAT_{it}$$

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

The model reported an adjusted R square of 0.0925 and wald-chi2 of 34.98 (sig. = 0.000), indicating that the model has a statistically significant fit. These suggest that the model is useful in predicting asset growth. However, the low adjusted R square value indicates that the model is not very effective in explaining the variation in asset growth,

Overall, the results of this analysis indicate that audit committee independence has a positive impact on asset growth, which suggests that firms with more independent audits experience higher asset growth rates. In contrast, the other variables in the model (ADFS, ADCC, RMCR, and RAT) do not have a statistically significant relationship with asset growth. It is important to note that while risk monitoring, compliance, and reporting have a positive effect on asset growth, this effect is not statistically significant.

Discussion of Findings

In this objective 1, in model 1, the study examined the effect of audit quality, enterprise risk management on asset growth of listed multinational manufacturing companies in Nigeria. From the regression analysis carried out, the study found mixed results. While audit fees audit committee composition and risk appetite and tolerance exhibited negative insignificant, risk monitoring, compliance and reporting exerted positive but insignificant, only audit committee independence exerted positive significant. Nevertheless, the joint statistics using the entire explanatory variable showed a positive significant effect. This implied that in this objective, audit quality and enterprise risk management had a positive significant effect on asset growth of the multinational manufacturing companies listed in Nigeria. This result is consistent with results obtained in some previous studied by (Berry et al., 2018); (Rahaman & Saima, 2018); Abdullah & Said, 2019); (Teoh et al., 2020); (Yamada & Fujita, 2022); (Zungu et al., 2018); (Udoka & Orok, 2017); (Sahiti et al., 2017); (Soliman & Adam, 2017); (Zayol et al., 2020); (Pandya, 2017); (Muthuyeloo, 2017); (Oyerogbe et al., 2016); who had documented significance effects. However, on the contrary, the result was found to be inconsistent with some other previous studies (Olayinka, 2019); (Erin et al., 2017); (Kolapo et al., 2012); (Parastoo & Mardani, 2020); (Hernaus et al., 2016); (Alam & Akhter, 2017); (Ajayi & Nwaobia, 2020); (Balagobei & Selvaratnam, 2018); (Rasheed et al., 2019).

Hypothesis Two

The purpose of this analysis in this subsection is to investigate the relationship between economic values added (EVA) and explanatory variables: audit quality and enterprise risk management proxies. The model is a random effect panel regression model that aims to control for unobserved heterogeneity across different firms. The variables used as proxies for audit quality and enterprise risk management are audit committee independence (ADINDP), audit firm size (ADFS), audit committee composition (ADCC), risk monitoring, compliance and reporting (RMCR), and risk appetite and tolerance (RAT). The objective is to examine the relationship between these variables and EVA and to determine whether they are statistically significant predictors of EVA.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Objective Two: determine the effect of audit quality and enterprise risk management on economic value added of listed multinational manufacturing companies in Nigeria;

Research question Two: To what extent do audit quality and enterprise risk management affect economic value added of multinational manufacturing companies listed in Nigeria?

***Research Hypothesis Two: $H_0$2*:** Audit quality and enterprise risk management have no significant effect on economic value added of multinational manufacturing companies listed in Nigeria

Table 3
REGRESSION AND POST-ESTIMATION RESULTS FOR HYPOTHESIS TWO

Variables	Coeff	Std. Err	T-Stat	Prob
Constant	-0.1336	0.1054	-1.27	0.205
ADINDP	0.0008	0.0005	1.72	0.085
ADFS	0.1045	0.0426	2.45	0.014
ADCC	0.0078	0.0162	0.48	0.631
RMCR	0.1041	0.0364	2.86	0.004
RAT	-0.0482	0.0315	-1.53	0.125
Adj R2	0.2595			
F-Stat/Wald Stat (Prob)	F(5, 201) = 43.02 (0.0000)			
Hausman Test	chi2(5) = 1.48 (0.9159)			
Testparm Test/LM Test	F(14, 174) = 13.61 (0.0001)			
Heteroskedasticity Test	chi2(5) = 18.14 (0.000)			
Autocorrelation Test	F(1, 13) = 1.023 (0.3303)			
Cross sectional Dependence	3.353 (0.0008)			
Dependent Variable: EVA				

Source: *Author's Work (2023)*
Note: all the analysis was tested at 5% significance level

Post-Estimation Results for model two

According to the results in Table 4.3, the Hausman test with the *p-value* of 0.9159, being above the chosen 5 percent level of significance suggested random effect as the valid estimator according to its null hypothesis which states that there is presence of unsystematic difference in the model coefficients. The Testparm tests carried out, having *p-value* of 0.000 also provide support for the outcome of the Hausman test which confirmed that the random effect estimation technique is the best estimating technique for Model 2, therefore, we chose random effect estimator. The result of the heteroskedasticity test (p = 0.000) and autocorrelation test (p = 0.3303) and Cross sectional Dependence test (p = 0.0008) illustrated that the model only suffer heteroskedasticity and Cross sectional Dependence issues. As a result, the analysis was carried out using the random effect regression estimator with Drisc/Kraay standard error.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Regression Equation Results for model two

$$EVA_{it} = \alpha_0 + \beta_1 ADINDP_{it} + \beta_2 ADFS_{it} + \beta_3 ADCC_{it} + \beta_4 RMCR_{it} + \beta_5 RAT_{it} + \mu_{it}$$

$$EVA_{it} = -0.1336 + 0.0008 ADINDP_{it} + 0.1045 ADFS_{it} + 0.0078 ADCC_{it} + 0.1041 RMCR_{it} - 0.0482 RAT_{it}$$

In Table 3, the adjusted R-squared value of 0.2595 indicates that the model explains only a modest amount of the variation in economic value added. This suggests that there may be other unobserved factors that are influencing EVA that are not captured in the model. Nevertheless, the wald-chi2 statistic of 43.02 (sig. = 0.000) indicates that the model as a whole is statistically significant, suggesting that the variables included in the model are jointly important in explaining EVA.

The results showed that audit firm size (ADFS) and risk monitoring, compliance and reporting (RMCR) are both statistically significant at the 5% level, The positive coefficient estimates indicates that larger audit firms are associated with higher EVA, while the positive coefficient estimate for RMCR suggests that stronger risk monitoring, compliance, and reporting practices are associated with higher EVA. In contrast, audit committee independence (ADINDP), audit committee composition (ADCC), and risk appetite and tolerance (RAT) do not appear to have statistically significant relationships with EVA, as their p-values are greater than 0.05. The coefficient estimate for ADINDP is positive; suggesting a positive relationship between EVA and audit committee independence, but its p-value is not statistically significant at the 5% level. Similarly, the coefficient estimate for RAT is negative; indicating a negative relationship between EVA and risk appetite and tolerance, but it is not statistically significant at the 5% level. The coefficient estimate for ADCC is positive; indicating a positive relationship between EVA and audit committee composition, but its p-value is not statistically significant at any conventional level.

Discussion of Findings

In this objective 2, in model 2, the study investigated the effect of audit quality, enterprise risk management on economic value added of listed multinational manufacturing companies in Nigeria. Consequent to the regression analysis carried out, the study found mixed results of individual explanatory variables in the model. Whereas audit independent and audit committee composition had positive insignificance effects, risk appetite and tolerance had negative insignificance, but audit fees and risk monitoring, compliance and reporting exerted positive significant effects. But the joint statistics using the entire explanatory variable showed a positive significant effect. The model therefore concluded that audit quality and enterprise risk management had a positive significant effect on economic value added of the multinational manufacturing companies listed in Nigeria. This result is consistent with results obtained in some previous studied by (Owolabi et al., 2020); Yamada & Fujita, 2022; Okolie & Ogbaragu, 2022; Bansal & Thenmozhi, 2020; Alhababsah, 2019; El-Ansary, 2019; Olowokudejo & Oladimeji, 2019; Amah & Amauwa, 2019; Awinbugri & Prince, 2019; Orobator & Erimefe, 2019). Others included the studies by (Adegbola et al., 2021); (Iwedi et al., 2020); (Bensaada & Noria, 2019); (Eya et al., 2020); (Alaeddin et al., 2021); (Onafalujo & Eke, 2012); (Rahmanet et al., 2019); (Otero et al., 2020) who had documented significance effect. However, on the contrary, the result

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

was found to be inconsistent with some other previous studies (Parastoo & Mardani, 2020); (Olayinka, 2019); (Hernaus et al., 2016); (Alam & Akhter, 2017); (Ajayi & Nwaobia, 2020); (Balagobei & Selvaratnam, 2018); (Husaini & Saiful, 2017).

CONCLUSION

This study examined possible problem and challenges of shareholders wealth maximization of multinational manufacturing companies listed in Nigeria from the audit quality and enterprise risk management perspective. In addition, the study established the effects of the each of the explanatory variables of audit committee independence, audit firm size, audit committee composition, risk monitoring, compliance and reporting and risk appetite and tolerance on each of the performance indicators of return on equity, stock returns, asset growth, economic value added, and dividend yield. In this study, Nigeria was selected as the geographical location of the study as the multinational manufacturing were all listed on the Nigerian Exchange Group while a time period of 15 years covering (2007-2021) was explored. The unit of analysis was the sampled 14 multinational manufacturing companies listed in Nigeria. the formulated hypotheses were tested and the result showed that using joint statistics regression analysis of the entire explanatory variable in each model. From the analysis carried out, it was concluded that audit quality and enterprise risk management had significant influence on assets growth of multinational manufacturing companies listed in Nigeria. Also, it was established that audit quality and enterprise risk management had significant effect on economic value added of multinational manufacturing companies listed in Nigeria.

RECOMMENDATIONS

Based on the results obtained from the study, the following recommendations were made arising from the result from each of the objectives of the study:

- The managers of the selected multinational manufacturing companies should engage competent managers and then revisit their audit quality and enterprise risk management for a possible lapse for immediate strengthening.
- The government should render quality services that will ensure strong effective infrastructures to assist the performance of the multinational companies and ensure strong institutions as well as safety and security requirement are fully in place and complied with by the multinational manufacturing companies in Nigeria. Evidently, the result in objective two, revealed that risk appetite negatively affected economic value added and audit committee composition had an insignificant effect, suggesting weak corporate governance practice. Strong institutions and regulations will enforce compliance to safety in all facets of the manufacturing value chin system which would translate to effective wealth maximization for the shareholders as well as the stakeholders.
- Nigerian policymakers should revisit the existing enterprise risk management laws and policies as these laws and compliances affect the multinational manufacturing companies listed and operating in Nigeria. It does appear that these multinational manufacturing companies level of performance are not enough in ensuring adequate value creation for the shareholders.
- Shareholders should consider the loyalty of the board and the managerial competence of the management as the future and going concern of the companies are quite uncertain if the primary aim of shareholder wealth maximization is at risk.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

REFERENCES

Abdullah, A & Ismail, K.N. (2015). Hedging activities information and risk management committee effectiveness: Malaysian evidence. *Australian, Journal of Basic and Applied Sciences, 9*(37), 211-219.

Abdullah, W. N., & Said, R. (2019). Audit and risk committee in financial crime prevention. *Journal of Financial Crime, 26*(1), 223–234.

Adegbola, O. O., Eluyela, D. F., Nwanji., Faye, S., Howell, K. E., & Tolu-Bolaji, T. (2021). Enterprise Risk Management and firm performance: A case of listed manufacturing firms in Nigeria. *Research in World Economy, 12*(1), 31-4

Agana, J. O., Obasi, A. I., Ojonta, B., Beke, C, C., & Nweze, K. (2022).Effect of audit quality on the corporate financial performance of deposit money banks in Nigeria. *Global Journal of Auditing and Finance, 4*(1), 1-22.

Aguguom, T. & Ajayi A. (2020). Cash flow optimality and investment returns: Investors expectations in listed manufacturing firms in Nigeria. *Asian Journal of Economics, Business and Accounting. 16*(4), 39-50

Ahmed, A., Bahamman, S. M., & Ibrahim, M. (2015). Assessment of non-financial measures of performance dep
osit money banks in Nigeria. *Journal of Accounting and Taxation,* 7(8), 131-136.

Ahmed, H. A., Abdullahi, B. A., Mohamed, I. M., & Umar, A.M. (2018). The effect of risk management committee attributes and board financial knowledge on the financial performance of listed banks in Nigeria. *American International Journal of Business Management, 1*(5), 7-13.

Ajayi and Nwaobia (2020);

Ajibola, J. O. (2019). Enterprise risk management and bank performance. *Academic Journal of Current Research, 6*(3), 1-20.

Alaeddin, O., Thabet, A. S., Anees, R. T., & Albashiti, B. (2021). The effect of enterprise risk management (ERM) on organizational performance: Empirical investigation from the diversified industry of United Arab Emirates. *Advances in Mathematics: Scientific Journal 10*(3), 1735-1748

Alam, M. R., & Akhter, F. (2017). Impact of corporate governance on performance of commercial banks in Bangladesh. *The Cost and Management, 45*(4), 2-9.

Alhababsah, S. (2019). Ownership structure and audit quality: An empirical analysis considering ownership types in Jordan. *Journal of International Accounting, Auditing and Taxation, 35*(5), 71-84

Alqatamin, R. M. (2018). Audit committee effectiveness and company performance. *Accounting and Finance Research, 7*(2), 48-60

Amah, K. O., & Amauwa, B. (2019).Impact of intellectual capital on financial reporting quality of selected banks in Nigeria. *European Journal of Business and Management*, 11(16), 66-

Amore, A., & Bennedsen, H. (2016). Enterprise risk budgeting: Bringing risk management into the financial planning process. *Journal of Applied Finance, 19*(1/2), 2009, 178-190

Awinbugri, A. E., & Prince, G (2019). The impact of audit committees' meetings and audit fees on the financial performance of Listed Banks in Ghana. *International Journal of Research and Innovation in Social Science, 3*(5), 341-346.

Balagobie, R. I. & Selvaratnam, P (2018). Dividend payment behaviour and its determinants: the Nigerian evidence. *African Development Review, 28*(1), 53-63.

Bansal, S., & Thenmozhi, M. (2020). Does concentrated founder ownership affect related party transactions? Evidence from an emerging economy. *Research in International Business and Finance, 53*(6), 1-21

Bartels, C. (2019). Top incomes in Germany 1871-2014. *Journal of Economic History, 79*(3), 669-707.

Ben Ali, C., Boubaker, S., & Magnan, M. (2020). Auditors and the principal-principal agency conflict in family controlled firms. *A Journal of Practical Theory*, 39, 31–55.

Bensaada, I., & Noria, T. (2019). An enterprise risk management system for SMEs: Innovative design paradigm and risk representation model. *Small Enterprise Research, 26*(4), 179–206.

Berry, S., Thomas, R., & Jianren, X. (2018). Enterprise Risk Management and the Cost of Capital. *Journal of Risk and Insurance, 85*(3), 159–201.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Bohnert, A., Nadine, G., Hoyt, R. E., & Lechner. P. (2019). The drivers and value of enterprise risk management: Evidence from ERM ratings. *European Journal of Finance, 25*(2), 234–55.

Burca, V., Mates¸, D., & Bunget, O. C. (2018). Empirical research on identifying main drivers leading to integrated reporting framework implementation. The case of European region. *Romanian Economic Journal, 21*(70), 52–72.

Chaleedda, M. A. I., Tunku, S. T. A., & Anas, N. M. G. (2019). The effects of corporate financing decisions on firm value in Bursa Malaysia. *International Journal of Economics and Finance, 11*(3), 127-135.

Chou, G., & Buchdadi, A. (2017). Auditing cases that made a difference: McKesson and Robbins. *Journal of Business Case Studies, 5*(4), 01-16.

David, M. C., & Ahmed, M. M. (2020). COVID-19 Pandemics and economic recession; implication for institutional shareholding and allied matters. *International journal of Sustainable Development, 1(7*), 1-21.

Egiyi, M. A., & Okafor, V. I. (2022). An empirical examination of the effect of shareholder value on firm performance in Nigeria. *Global Journal of Auditing and Finance, 4*(1), 23-33.

El-Ansary, O. (2019). Predicting financial distress for listed Middle East and Northern Africa firms. *International Journal of Accounting and Financial Reporting, 9*(2), 51-75.

Erin, O., Emoarehi, E., Jonah, A., & Ame, J. (2017). Enterprise risk management and financial performance: Evidence from emerging market. *International Journal of Management, Accounting and Economy, 4*(9), 937-952.

Etale L. M., & Ujuju L. E. (2018). Effect of dividend policy on shareholders' wealth In Nigeria (1987 - 2016). *International Journal of Management Technology, 5*(4), 12-23.

Hernaus, T., Skerlavaj, M., & Dimovski, V. (2016). Relationship between organizational learning and organizational performance: The case of Croatia.

Husaini, & Saiful. (2017). Enterprise risk management, corporate governance and firm value: Empirical evidence from Indonesian public listed companies. *International Journal of Advances in Management and Economics, 6*(6), 16-23.

Inegbedion, H. E., Adeyemi, S. O., Akintimehin, O., & Eluyela, D. (2020). Teachers' time utilisation and students' enrolment in school certificate examination: implication for school leadership. *Heliyon, 6*(9).

Iwedi, M., Oriakpono, E. A., Barisua, P. A., & Sulaiman, A. Z. (2020). Enterprise risk management practice and shareholders value: evidence from selected quoted firms in Nigeria. *Green Finance, 2*(2), 197–211.

Kakanda, M.M., Salim, B., & Chandren, S.A. (2017). Risk management committee characteristics and market performance: Empirical evidence from listed financial service firms in Nigeria. *Proceedings of 94th IASTEM International Conference, Kuala Lumpur, Malaysia. 2*(3), 12-34.

Kang, M., Lee, H. Y., Lee, M. G., & Park, J. C. (2014). The association between related party transactions and controlownership wedge: Evidence from Korea. *Pacific Basin Finance Journal, 29*(7), 272-296.

Kariuki, P., & Peddy, P. (2017), Operationalizing an effective mentoring and evaluation system for local government: Consideration for the best practice. *African Evaluation Journal, 5*(2), 1-16.

Khan, A. & Qureshi, N. Z. (2018) does dividend policy affect shareholders' wealth?. *International Journal of Current Engineering and Scientific Research, 5*(2), 1-20.

Kolapo, T., Ayeni, R., & Oke, M. (2012). Credit risk and commercial banks performance in Nigeria: A panel model approach. *Australian Journal of Business and Management Research,* 2(2), 31-38.

Muthuyeloo, M. (2017). The benefit of enterprise risk management (ERM) on firm performance. *Indonesian Management and Accounting Research, 17*(2), 172-188.

Ogundajo G. O., Enyi, P. E., & Oyedokun G. E. (2019). Shareholders' return and value of manufacturing firms listedon the Nigerian Exchange Group. *African Journal of Business Management, 13*(10), 318-326.

Ohiorenoya EA, Iwedi M, & Igbanibo DS (2016). Sectorial analysis of the risk-return characteristic of quoted stocks in the Nigerian Exchange Group. *Account Finance Manage Journal 3(*1), 25–35.

Ojeka, S. A., Adegboye, A., Adegboye, K., Oluwaseyi, A., Mosinmileoluwa, A., & Iyoha, F. (2019). Chief financial officer roles and enterprise risk management: An empirical based study. *Heliyon, 5(1),* 1–10.

Okere, W., Eluyela, D. F., Lawal, A. I., Ibidunni, O., Eseyin, O., Popoola, O., & Awe, T. (2019). Foreign expatriates on board and financial performance: a study of listed deposit money banks in Nigeria. *The Journal of Social Science Research, 5*(2), 418-423.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Okolie, A. O., Ogbaragu, J. S. (2022) Audit committee effectiveness and corporate financial performance of quoted deposit money banks in Nigeria. *International Journal of Economics and Management, 9*(3), 24-34.

Olayinka O. M. (2019). Audit Committee and Firms Performance in Nigeria: case study of selected Nigerian banks. *International Journal of Scientific and Research Publications, 9*(9) (2019) 88-94.

Olowokudejo, F. F., & Oladimeji, M. S. (2019). Enterprise risk management and corporate performance in Nigerian non-financial quoted companies U*NILAG Journal of Humanities, 7(2), 32-48.*

Oluwatamilore O, Kingsley A.A, Tumininu O, Faith O, Andrew L. (2021). Audit committee attribute, board attribute and market performance of listed deposit money banks in Nigeria. *Banks and Bank System, 16*(1), 168-181.

Omoregie A.E., & Eromosele, P.E. (2016). Dividend policy and shareholders‟ wealth:evidence from some listed banks in Nigeria. *International Journal of Marketing & Financial, 5(3), 342-356.*

Onafalujo, A., & Eke, P. (2012). Influence of enterprise risk management on competitive advantage in the Nigerian manufacturing sector. *International Journal of Management Science, 3*(3), 95-101.

Orobator, B. O., & Erimife, J. (2019). Enterprise risk management and firm financial performance in the Nigeria insurance sector. *ESUT Journal of Accountancy, Department of Accountancy, 10*(1), 13-24.

Otero G. L., Santomil, P. D., & Herrera, A. T. (2020). The effect of enterprise risk management on the risk and the performance of Spanish listed companies. *European Research on Management and Business Economics, 26*: 111-120.

Owojori, A., Akintoye, I., & Adidu, F. (2011). The challenge of risk management in Nigerian banks in the post consolidation era. *Journal of Accounting and Taxation, 3*(2), 23-31.

Owolabi, F., Adetula, D. T., & Taleatu, A. (2020). Balanced score card and performance evaluation in small and medium enterprises (SMEs) in Nigeria. *Innovation Management and Education Excellence Vision 2020: Regional Development to Global Economic Growth, 1*(1), 4554-4561.

Oyedokun, G. E., Tomomewo, A. O. & Owolabi, S. A. (2019). Cost control and profitability of selected manufacturing companies in Nigeria. *Journal of Accounting and Strategic Finance 2* (1), 14-33.

Oyerogba, E. O., Ogungbade, O., & Esiemogie, I. D. (2016). The relationship between the risk management practices and financial performance of the Nigerian listed banks. *Accounting and Management Information Systems,* 15(3), 565-587.

Pandya, B. (2016). Impact of Financial leverage on market value added: Empirical evidence from India. *Journal of Entrepreneurship, Business and Economics, 4*(2), 40-58.

Pandya, B. (2017). Association of financial leverage with cost of capital and shareholder value: An empirical study of BSE Sensex companies. *NMIMS Journal of Economics and Public Policy*, *2*(1), 17-28.

Parastoo, S., & Mardani, A. (2020). The influence of enterprise risk management on firm performance with the moderating effect of intellectual capital dimensions. *European Management Journal*, *23*(7), 534-549.

Perdana, W. S., Sovi, I. R., Zainal, Z. S., & Martua, E. T. (2021). The moderating role of audit quality and firm size in the effect of corporate governance on related party transactions: Evidence from Indonesia. *Investment Management and Financial Innovations, 18*(4), 166-176.

Perez-Cornejo, C., Esther, Q., & Juan, B. D. (2019). How to manage corporate reputation? The effect of enterprise risk management systems and audit committees on corporate reputation. *European Management Journal, 37*(6), 505–515.

Rahman, M. M., & Saima, F. N. (2018). Efficiency of board composition on firm performance: Empirical evidence from listed manufacturing firms of Bangladesh. *Journal of Asian Finance, Economics and Business, 5*(2), 53-61.

Rahman, M., Meah, M. R., & Chaudhory, N.U. (2019). The impact of audit characteristics on firm performance: An empirical study from an emerging economy. *Journal of Asian Finance, Economics and Business, 6*(1), 60-69

Ramlee, R., & Ahmad, N. (2015). Panel data analysis on the effect of establishing the enterprise risk management on firms' performances. Proceedings of 4th European Business Research Conference 9-10 April, Imperial College, London, UK.

Rasheed, A., Mallikarjunappa, T., & Thomachan, K. T. (2019). Promoter ownership, related party transactions and firm performance: a study among selected companies in India. *FIIB Business Review, 8*(3), 205-217.

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21

Safitri, A., & Bahri, S. (2021). The effect of leverage, audit quality, and earnings management on the integrity of financial statements in Indonesia. *International Journal of Educational Research & Social Sciences, 6*(2), 1-8.

Sahiti, A., Arben, S., & Muhamet, A. (2017). Enterprise risk management in Kosovo; banking sector. *Baltic Journal of Real Estate, Economics and Construction Management, 5*(1), 38-50.

Saifullahi, A. M., Kurfi, A. K., & Ramalan, J. (2021). Dividend policy and shareholders wealth; a case of Nigerian deposit money banks. *International Journal of Research and Innovation in Social Science*, 5(4), 290-296.

Saleh, N. M. (2021). Controlling shareholder ownership structure and conflict-related party transactions. *Asian Journal of Accounting and Governance, 15*(6), 1-13.

Santosa, P. W. (2020). The moderating role of firm size on financial charactersitics and Islamic firm value at Indonesian equity market. Business: *Theory and Practice, 21*(1), 391-401.

Shima, N., Mahmood, Z., Happy, A., & Akbar, A. (2013). Enterprise risk management and performance in Malaysia. *Interdisciplinary Journal of Contemporary Research in Business, 5*(1), 670-707.

Shodiya, O. A., Sanyaolu, W. A., Ojenike, J. O., & Ogunmefun, G. T. (2019). Shareholder wealth maximization and investment decisions of Nigerian food and beverage companies. *Acta Univ. Sapientiae, Economics and Business, 7*(2019), 47–63.

Soliman, A., & Adam, M. (2017). Enterprise risk management and firm performance: An integrated model for banking sector in Ghana. *Banks and Bank System, 12*(2), 116–123.

Stolowy, H., & Paugam, L. (2018). The expansion of the non-financial reporting: An exploratory study. *Accounting and Business Research, 48*(5), 525–548.

Suk, K. S., Haryanto, M., & Purba, J. T. (2019). Cash holdings of business group-firms in Indonesia. *DLSU Business and Economics Review, 29*(1), 40-57.

Tarjo, T., Henryan, V. V., Alexander, A., Rita Y., & Siti, M. (2022). The effect of enterprise risk management on prevention and detection fraud in Indonesia's local government, *Cogent Economics & Finance*, 10:1, 2101222,

Teoh, A.P., Lee, K.Y., & Muthuveloo, R. (2020). The impact of enterprise risk management, strategic agility, and quality of internal audit function on firm performance. *International Review of Management and Marketing, 7*(1), 222-229.

Tyokoso, G., & Tsegba, J. (2017) investigated the effect of audit quality on earnings management of listed oil marketing companies in Nigeria for the period from 2004-2013. Perceived auditor quality and the earnings response. *The Accounting Review, 68*(8), 346-366.

Udoka, C. O., & Orok, A. B. (2017). Assessment of the enterprise risk management in the Nigerian banking industry. *Asian Journal of Economics and Empirical Research, 4*(2), 68 – 74.

Uremadu, S. O., & Onuegbu O. (2018). The impact of capital structure on corporate performance in Nigeria: a quantitative study of consumer goods sector. *Current Investigations in Agriculture and Current Research, 5*(4), 697-705.

Wahyuni, S., Handayani, E., & Pujiharto (2022). Earnings management: an analysis of corporate strategy, financial performance, and audit quality. Asian Economic and Financial Review, 12(8), 593-603

Yamada, A.,Fujita, K. (2022). Impact of parent companies and multiple large shareholders on audit fees in stakeholder-oriented corporate governance. *Sustainability, 14*(6), 5534.

Yudianto, I., Mulyani, S., Fahmi, M., & Srihadi, W. (2021). The influence of enterprise risk management implementation and internal audit quality on universities' performance in Indonesia. *Journal of Southwest Jiaotong University, 56*(2), 149–164.

Zayol ,P. I., Adzembe, I., & Akaa, S.T. (2017) Determinants of earnings management of listed oil and gas firms in Nigeria. *International Journal of Recent Research in Commerce Economics and Management, 4*(2), 73-80.

Zungu, S., Sibanda, M., & Rajaram, R. (2018). The effect of the enterprise risk management on firm value: Evidence from the South African mining Companies.

Received: 29-May-2023, Manuscript No. IJE-23-13743; **Editor assigned:** 02-June-2023, Pre QC No. IJE-23-13743 (PQ); **Reviewed:** 16-June-2023, QC No. IJE-23-13743; **Revised:** 22-June-2023, Manuscript No. IJE-23-13743(R)**; Published:** 31-June-2023

Citation Information: Tomomewo, AO., OMIDIJI, DO., Abiola, OA., Ekpeni, KC., K., (2023). Impacts Of Audit Quality And Enterprises Risk Management On Wealth Maximization Of Shareholders; A Study Of Multinational Manufacturing Firms In Nigeria. *International Journal of Entrepreneurship,* 27(S5),1-21