



BABCOCK
UNIVERSITY

ILISHAN-REMO, OGUN STATE, NIGERIA

COLLEGE OF POSTGRADUATE STUDIES

2022/2023 PhD Thesis Abstract

Department of Accounting

RFN: Amos Olafusi TOMOMEWO

RD: Accounting

RS: Management Sciences

RE: tomomewoamos@gmail.com

RP: 08032414330

RT: Audit Quality, Enterprise Risk Management and Shareholders' Wealth Maximization of Listed Multinational Manufacturing Companies in Nigeria

MS: Prof. Ishola R. AKINTOYE

ME: ir.akintoye@gmail.com

SP: 08072090181

CS: Dr. Samuel A. OLAOYE

CE: olaoyes@babcock.edu.ng

CP: 08028966983

AB: Maximizing shareholders' wealth is a fundamental objective of firms including multinational manufacturing companies. However, studies indicate decline in the wealth maximization of multinational manufacturing companies, associated with poor audit quality and inadequate risk management. Studies exist on the effect of audit quality on performance as well as enterprise risk management, but few have examined the effect of the combined variables on shareholders' wealth maximization of multinational manufacturing companies. Therefore, the study examined the effect of audit quality and enterprise risk management on shareholders' wealth maximization (AQERM) (return on equity, economic value added, stock return, asset growth, dividend yield) of multinational manufacturing firms in Nigeria.

The study employed *ex-post facto* research design. The population comprised 32 multinational manufacturing companies listed on the Nigerian Exchange as at 31st December 2021. Fourteen firms with relevant data were purposively selected. Validated data, covering a period of 15 years were extracted from published annual reports and sustainability reports of the sampled firms. Reliability of the data was premised on the auditors' and regulatory agencies certification of the source documents. Descriptive and inferential multiple regression statistics were used to analyse the data at 5% level of significance.

Findings revealed that AQERM did not significantly affect shareholders' wealth maximization ($Adj.R^2 = 0.04$, $W(5, 210) = 1.34$, $p > 0.05$). However, firm size significantly controlled the effect of AQERM on shareholders' wealth maximization ($Adj.R^2 = 0.04$, $W(6, 209) = 2.88$, $p <$

0.05). Also, AQERM had significant effect on return on equity ($Adj.R^2 = 0.09$, $W(5, 201) = 5.20$, $p < 0.05$), on asset growth ($Adj.R^2 = 0.09$, $W(5, 210) = 34.98$, $p < 0.05$), economic value added ($Adj.R^2 = 0.026$, $W(5, 210) = 43.02$, $p < 0.05$) and effect on dividend yield ($Adj.R^2 = 0.03$, $W(5, 210) = 20.91$, $p < 0.05$). AQERM however, exerted an insignificant effect on stock returns ($Adj.R^2 = 0.50$, $W(5, 201) = 1.20$, $p > 0.05$).

The study concluded that audit quality and enterprise risk management enhanced shareholders' wealth maximization of multinational manufacturing companies listed in Nigeria. The study recommended that management of multinational manufacturing companies and other relevant policy makers should encourage multinational manufacturing companies in Nigeria to ensure quality audit and integrate enterprise risk management practices in their operation to ensure wealth maximization.

Keywords: Asset growth, Audit quality, Dividend yield, Economic value added, Enterprise risk management, Shareholders' wealth maximization

Word Count: 380

Abbreviations: *RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract*

Suggested Citation: Tomomewo, A.O., Akintoye, I.R. & Olaoye, S.A. 2023. Audit Quality, Enterprise Risk Management and Shareholders' Wealth Maximization of Listed Multinational Manufacturing Companies in Nigeria. PhD Thesis Abstract, College of Postgraduate Studies, Babcock University. [https://doi.org/10.61867/pcub.1\(5\).079](https://doi.org/10.61867/pcub.1(5).079)