

Effect of Audit Committee Characteristics on Corporate Social Responsibility Disclosures of Listed Banks in Nigeria

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Abstract

This study investigates the crucial link between Audit Committee (AC) attributes and Corporate Social Responsibility (CSR) disclosure among listed Deposit Money Banks (DMBs) in Nigeria. Using stakeholder and agency theories, we analysed three key AC attributes: size, independence, and meeting frequency. By purposively selecting 12 banks from a total of 14 and extracting data from annual reports from 2012 to 2022, we employed random effect as statistical technique. Our findings reveal that a larger Audit Committee significantly enhances CSR disclosure ($\lambda=0.066$; $p<0.05$), highlighting the importance of AC size in promoting effective

stakeholder engagement and improving corporate transparency in the banking sector. AC independents have favourable and substantial effect on CSR disclosure ($\lambda=0.4627$; $p<0.05$), indicates that the AC independence can hold management accountable for CSR commitments. AC meetings have favourable and substantial effect on CSR Disclosure ($\lambda=0.0376$; $p<0.10$), suggests that regular AC meetings allow the audit committee to quickly respond to emerging issues related to CSR. The study concluded that AC attributes have substantially influence the (CSR) disclosure of DMBs in Nigeria. The study recommended that banks should consider increasing the audit committee size to enhance oversight and governance.

Keywords: Audit, Banks, Corporate Social Responsibility

JEL Classification Codes: G39, G32, O16

1. Introduction

Many corporate organisations are now consistently incorporating the principles of Corporate Social Responsibility (CSR) into its business operations. The significance of CSR for multinational

corporations specifically banking sectors is now universally acknowledged. In the past twenty years, substantial research efforts have been directed towards examining the factors that influence a company's CSR disclosure (Bose et al., 2022; Yuan et al., 2019). Nevertheless, the notion retains its broad range of uses and applications. Some critics argue that CSR contradicts conventional business practices and diminishes the emphasis on wealth generation (Dwekat et al., 2022). In contrast, corporate societal responsibility is regarded as crucial for effective business operations and provides companies with the chance to go beyond limited economic gains and address wider societal issues (Yu et al., 2022). This motivation is firmly grounded in the notion that corporations bear a moral and mandatory duty to contribute to the welfare of society.

CSR refers to the policies and practices that businesses adopt to support the short- and long-term sustainable goals of their stakeholders (Nasih et al., 2023; Matten & Moon, 2020). In the 1990s, Nigeria's banking sector faced severe challenges due to widespread unethical behavior, prompting the Central Bank of Nigeria to dismiss about eight managing directors and executive directors in response to issues like poor governance, 61% nonperforming loans, and \$13.3 billion in toxic assets. This situation underscored the need for a strong ethical framework in the industry. Given the changing nature of business operations, the audit committee have become more important especially in terms of their influence on the legitimacy and quality of CSR disclosures. Audit committees are essential for overseeing and implementing CSR policies as key decision-makers (Bose et al., 2022). They monitor CSR-related risks and ensure appropriate disclosure, thereby supporting the company's board (Al-Shaer & Zaman, 2018). Thus, stakeholders who are members of audit committees of other businesses can exchange and disseminate knowledge, information, and ideas about CSR policies among these interconnected companies. Leveraging supplementary resources obtained through the audit committee can enhance CSR performance, aligning with the principles of resource dependence theory.

The impact of Audit Committee (AC) characteristics on CSR disclosures is not well studied, despite the requirements and standards provided by regulatory frameworks for CSR reporting. Prior research has thoroughly look into the influence of AC features on several facets of corporate governance and financial reporting (Akpan et al., 2022; Madugba et al., 2021). Nevertheless, there is a substantial deficiency

in the existing body of knowledge regarding the precise impact of these factors on the disclosure of CSR by Nigerian Deposit Money Banks.

Furthermore, there have been complaints that the AC's membership is biased in favour of management, reducing the committee's perceived independence. Since the quality of their work was compromised, AC's independence has been called into doubt. When it comes to the Cadbury Nigeria PLC accounting irregularities, the Nigerian Securities and Exchange Commission (SEC) report clearly demonstrated that the AC of the business was found guilty of utter dereliction of duty by the report (Bala, 2019). As a result of the deficiency of the AC oversight and monitoring function. The role of AC in enhancing corporate governance has gained attention in recent years, particularly in the context of CSR among banks. In Nigeria, the banking sector has faced significant challenges related to transparency, accountability, and ethical conduct, leading to concerns about the effectiveness of audit committees in implementing CSR initiatives. Despite the increasing emphasis on CSR as a means to foster sustainable development, there is limited understanding of how specific attributes of audit committees—such as size, independence, and meeting frequency—in influencing the CSR efforts of Nigerian banks is not well understood. A significant concern is that management largely selects these committees, which undermines their independence and effectiveness.

Several studies, such as Ajape et al. (2023); Ohwo & Audu (2023); and Olagunju et al. (2023) have linked audit committee (AC) attributes with environmental disclosure. Some of these studies focused on earnings management but did not encompass all three variables used in this research. Additionally, several other studies, including Akpan et al. (2022); Dwekat et al. (2022); Emmanuel et al. (2025); Karim et al. (2024); Meutia et al. (2023); Velte (2023) were conducted outside Nigeria and have different scopes. Consequently, the findings from these studies may not be directly applicable within the Nigerian context, highlighting a significant gap that this study aims to address. Against this background, this research examines the impact of AC characteristics on CSR disclosure in the banking sector in Nigeria. The specific objectives are to:

- i. assess the influence of audit committee size on CSR of listed DMBs in Nigeria.

- ii. examine the influence of audit committee independence on CSR listed DMBs in Nigeria; and
- iii. investigate effect of audit committee meeting on CSR of listed DMBs in Nigeria.

This study deepens understanding of the factors that promote CSR transparency and accountability, benefiting stakeholders and improving corporate governance in Nigeria.

2. Literature Review

2.1 Corporate Social Responsibility Disclosure (CSRD)

The concept of CSR emerged in the 1950s (Ofoegbu et al., 2016) and has undergone a transformative evolution, especially during the pivotal research phase of the 1970s (Friedman, 1970). Scholars have vigorously worked to define CSR Disclosure, which is fundamentally about effectively communicating an organization's social and environmental influence. This encompasses a broad spectrum, including operational practices, employee engagement, customer relations, and the community's perception of the business. The primary objective of CSR disclosure is to promote transparency regarding a company's social initiatives. Remarkably, there has been a substantial increase in disclosures about social responsibility by major organizations over the past two decades (Gray et al., 1995).

This growth reflects an awakening in the corporate world, where activities related to policy development, human resource management, community involvement, and product innovation have taken center stage. By addressing information asymmetry, CSR disclosure empowers stakeholders—both internal and external—by providing critical insights into corporate actions. This disclosure mitigates the gap in information availability, which often favours management over stakeholders, who traditionally have less access (Martinez-Ferrero et al., 2017). In essence, CSR disclosure is not just a regulatory necessity; it's an opportunity for companies to build trust, enhance credibility, and foster a stronger connection with their stakeholders.

To effectively bridge the information gap, managers strive to provide a wealth of data. This encompasses not only financial specifics but also vital social insights and other relevant details about business operations, including advancements in waste management, employee safety initiatives, environmental impact mitigation, and adherence to environmental regulations. In developing countries, the

predominant emphasis on profit generation often hampers the advancement of CSR initiatives. Organizations grappling with environmental challenges increasingly recognize the necessity of transparent information sharing to sustain their operations and meet their objectives (Buallay & Al-Ajmi, 2019). Developed nations have taken bold steps forward by enacting legislation and issuing white papers to mandate CSR activities, effectively moving past the debates regarding its importance (Akwasi, 2021). Countries like the USA, various European nations, and the UK have long woven CSR into their societal fabric, highlighting its crucial role in fostering improvements.

In Nigeria's banking sector, there is a notable shift towards recognizing the significance of publicly reporting social and environmental impacts, leading to enhanced CSR disclosures. However, challenges such as inconsistent practices, weak regulatory frameworks, and low awareness among stakeholders continue to hinder the full effectiveness of CSR initiatives. It is essential to address these issues to unlock the true potential of CSR and drive meaningful change within the industry.

2.1.1 Audit Committee Characteristics

The Audit Committee (AC), a subcommittee of the board of directors, ensures financial reports are reliable and fulfill legal obligations (Akwasi, 2021). Scholars like Buallay and Al-Ajmi (2019) and Ghaleb et al. (2021) emphasize that effective ACs consist of qualified members who protect stakeholders' interests through strong oversight, ensuring accurate financial reporting, effective CSR disclosure, and robust internal controls. Therefore, this study decomposed AC characteristics into size, independence, and meetings in relation to CSR Disclosure with regard to DMBs in Nigeria.

2.1.2 AC Size and CSR Disclosure

A diverse and expansive AC can greatly enhance the understanding of social and environmental impacts in business, leading to improved governance and the promotion of Corporate Social Responsibility (CSR) initiatives (Dwekat et al., 2021). With more time and resources available, a larger committee can effectively supervise CSR projects and validate statements, resulting in stronger accountability and comprehensive reporting (Wedari & Shafadila, 2022; Velte, 2023). By integrating proactive CSR disclosure into the organizational strategy, the committee can drive meaningful change (Handayati et al., 2022).

Nonetheless, managing a moderate committee can be challenging due to conflicting interests among members, which may impede coordination and standardization of CSR disclosures (Appuhami & Tashakor, 2017; Song, 2022). Thus, effective management and communication are vital to navigate these complexities and ensure impactful CSR practices.

2.1.3 AC Independent and CSR Disclosure

Independent directors are essential for fostering unbiased decision-making within the audit committee, which ultimately enhances the integrity and accountability of CSR reporting. They are less influenced by internal or management interests, which helps eliminate conflicts of interest associated with daily operations (Pucheta-Martínez et al., 2021). As shareholder representatives, independent directors are vital, especially as external stakeholders increasingly focus on CSR. Therefore, enhancing the number of independent directors on the AC is essential for improving CSR transparency and disclosure (Fallah & Mojarrad, 2019). Many governance standards and regulatory frameworks advocate for this structure in key committees.

2.1.4 AC Meetings and CSR Disclosure

Regular AC meetings are vital for promoting in-depth discussions on business operations and CSR oversight. By enhancing the frequency of monitoring, members can take a proactive role in overseeing the CSR disclosure process, resulting in more thorough and impactful reporting (Appuhami & Tashakor, 2017; Musallam, 2018). Frequent meetings keep the committee updated on CSR issues, enabling swift responses to change in the corporate environment and ensuring disclosures align with stakeholder expectations. They also enhance communication among committee members with relevant units while identifying CSR opportunities and risks (Jizi et al., 2014). This ensures CSR initiatives, difficulties, and progress are communicated smoothly. Open communication promotes collaboration and accurate CSR disclosure (Song, 2022). Overly frequent meetings may distract the committee from strategic issues to operational ones. While CSR disclosure requires careful strategic analysis, excessive meetings can cloud the overall strategic implications of CSR initiatives (Uyar et al., 2023; Velte, 2023).

Thus, this study is anchored on stakeholder and agency theory. Stakeholder that is propounded by Freeman (1983). Recent years have seen a growing application of stakeholder theory to the fields of corporate ethics, business strategy, and public policy. According to Freeman (1983), stakeholders are individuals or groups that can affect and be affected by the accomplishment of an organization's goals. Additionally, it has been suggested that the term might eventually become broader to include some forms of non-human life. This definition forms the basis of the stakeholder theory. There is a reciprocal connection between the company and its stakeholders. According to the stakeholder theory, a wider concern for stakeholders eventually serves the interests of shareholders, criticising the failure of shareholder wealth maximisation to help society. Agency theory highlights the connection between principals (shareholders) and agents (management). Strong audit committee attributes effectively mitigate agency problems by urging management to prioritize stakeholder interests, including vital social and environmental considerations. This focus fosters greater accountability and transparency in corporate governance.

2.2 Empirical Review

Akpan et al. (2022) explored that impact of AC gender diversity on the connection between CSR and earnings management (EM) in Nigerian consumer goods companies. The authors employed Ordinary Least Square analysis to revealed that gender diversity substantially moderates earnings management, social donation disclosure, and customer complaints disclosure. However, the scope of the study is too narrow by focused only on AC Gender.

Jubril et al. (2022) assessed that nexus between AC characteristics and environmental disclosure in Nigerian industrial and natural resource firms from 2015 – 2018 using Ordinary Least Square. The study found a significant link between AC size AC meeting frequency and environmental disclosure. Hence, the study covered only four years, (2015 - 2018). Extending the data to ten years would provide more robust results. The study suggests implementing mandatory policies requiring listed firms to disclose relevant environmental data.

Dwekat et al. (2022) conducted an insightful study investigating the role of audit committees in bolstering the credibility of Corporate Social Responsibility (CSR) disclosures among

European companies listed on the STOXX 600 between 2012 and 2018. Utilizing logit regression model, the researchers discovered a compelling positive relationship between audit committee financial expertise, independence, and meeting frequency, and the successful adoption of CSR practices. Nevertheless, it is important to note that the findings of this study may not be directly applicable to the Nigerian banking sector, highlighting the need for further research in that context.

Olagunju et al. (2023) examined the connection between AC attributes and corporate environmental disclosure in Nigerian listed NFFs between 2011 and 2020. The authors employed fixed effect of Feasible Generalised Least Square (FGLS) regression. The study found AC independent and AC gender diversity positively influenced environmental disclosure among Nigerian listed NFFs, while AC size and AC meetings had no effect. Thus, their study did not address CSR in the banking sector.

Ohwo and Audu (2023) analysed the effect of AC characteristics on sustainability reporting in Nigerian deposit money banks from 2013 – 2022 using Ordinary Least Square. Findings reveal a positive impact of AC size and AC independence on sustainability reporting. They suggest that increasing AC size to enhance disclosure practices. However, the study did not include CSR as a dependent variable.

Ajape et al. (2023) conducted a comprehensive study on the relationship between audit committee (AC) characteristics and CSR disclosure practices among listed deposit money banks (DMBs) in Nigeria, covering the period from 2016 to 2020. Employing robust methodologies, including descriptive statistics and Ordinary Least Square for data analyses, the researchers uncovered a critical finding: the attributes of audit committees do not significantly influence CSR disclosure practices within these institutions. This raises important questions about the effectiveness of current governance structures in promoting transparency and accountability. Additionally, the five-year timeframe of the study may be too restrictive, suggesting that the insights gained may not be applicable to broader contexts or reflective of longer-term trends in corporate responsibility.

Meutia et al. (2023) hypothesized the effect of AC characteristics on sustainability reporting in Indonesian banks from 2015 – 2019. Ordinary Least Square (OLS) was employed to analyse the data. The authors' result revealed that audit committee size

positively affects sustainability disclosure. The variables considered were not adequate.

Karim et al. (2024) investigated the impact of audit committee (AC) characteristics on sustainable firms' performance in Bangladeshi commercial banks from 2011 to 2023 using Ordinary Least Square. Their findings reveal that larger audit committees are linked to higher market valuations, while independent members enhance return on assets (ROA) and Tobin's Q. Notably, the study omitted CSR as a dependent variable, indicating a gap for future research.

Similarly, Emmanuel et al. (2025) explored the connection between AC characteristics and corporate social disclosure (CSD) among East African listed firms from 2012 to 2022 through correlation and Ordinary Least Square analyses. They found that robust audit committee attributes significantly improve CSR efforts, with gender diversity enriching perspectives and financial expertise ensuring reliable reporting. Additionally, the frequency and size of AC meetings enhance oversight and decision-making. However, the Nigerian banking sector was not included in this study

Several studies, such as Ajape et al. (2023); Ohwo and Audu (2023), and Olagunju et al. (2023), have linked audit committee (AC) attributes with environmental disclosure. Some of these studies focused on earnings management but did not encompass all three variables used in this research. Additionally, several other studies, including Akpan et al. (2022); Dwekat et al. (2022); Emmanuel et al. (2025); Karim et al. (2024); and Meutia et al. (2023) were conducted outside Nigeria and have different scopes. Consequently, the findings from these studies may not be directly applicable within the Nigerian context, highlighting a significant gap that this study aims to address.

3. Methodology

The study employs an ex-post facto research design and focuses on all listed DMBs. Out of the 14 banks in the population, 11 were selected using purposive sampling. Panel data were gotten from the annual reports of chosen banks between 2012 and 2022. The analysis utilized descriptive statistics, correlation and panel data analyses. In this paper, CSR disclosure served as the dependent variable. A scoring system based on Ibrahim et al. (2024) was utilized, assigning a value of '1' for disclosed items and '0' for non-disclosed items. This approach enabled the analysis of CSR disclosure across

the selected banks. The CSR disclosure was categorized into eight groups, as detailed in the accompanying table.

Table 1: CSR Disclosure Index Checklist

Items	Social
1	Diversity and equality of opportunity
2	Labour-industry relations
3	Workplace health and safety
4	Education and training
5	Human rights
6	Engagement with the community
7	Accountability for the product
8	Giving to charity

Source: Adopted from Ibrahim et al. (2024).

The formula for calculating the un-weighted reporting scores using the CSR is expressed as:

$$CSRDI = \sum_{i=1}^8 d_{1/d} \dots\dots\dots(1)$$

Where:

CSRDI is CSR disclosure index

di = 1 if item ‘di’ is reported or 0 if item ‘di’ is not reported

d = max. number of items for each (i.e. 8).

Table 2: Measurement of Variables

Variable Name	Acronym	Measurement	Theory	Supporting scholar
Dependent Variable				
CSR Disclosure	CSR	is measured by disclosure index	Stakeholder’s theory	Ibrahim et al.,2024
Independent Variables				
AC Size	ACSZ	Total number of ACs in the board	Agency Theory Legitimacy theory	(Wedari & Shafadila, 2022).
AC Independence	ACIND	Non-ExecAudit Committee Size Audit Committee Size	Agency Theory	Fallah & Mojarrad, 2019
AC meetings	ACM	Frequency of AC meeting	Agency Theory	Fallah & Mojarrad, 2019
Control Variables				
Firm Size	FSize	The natural log of total assets		Uyar et al. (2021)
Firm Age	Fage	The number of years		Uyar et al.

Profitability (ROA)	PROF	after listing of the firm The ratio of earnings before interest and tax (EBIT) to total assets	(2021) Handayati et al., 2022
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Source: Authors Compilation, 2025

3.1 Model Specification

The equation of the regression analysis for CSR disclosure is adapted from Emmanuel et al. (2025).

$$CSD = f(ACGD, ACFE, ACFM, ACSZ) \dots\dots\dots(2)$$

$$CSD_{it} = \beta_0 + \beta_1ACGD_{it} + \beta_2ACFE_{it} + \lambda_3ACFM_{it} + \lambda_4ACSZ_{it} + \varepsilon_{it} \dots(3)$$

Where CSD is Corporate Sustainability Disclosures, ACGD = Audit Committee Gender, ACFE = Audit Committee Financial Expertise, ACFM = Audit Committee Frequency of Meetings, while ACSZ = Audit Committee Size.

The model for this study is modified from the work of Emmanuel et al. (2025). However, the theoretical framework underpinning the model is based on both agency and stakeholder theories. Agency theory asserts that strong accountability attributes can reduce agency problems, ensuring management prioritizes the interests of all stakeholders, including social and environmental factors. Meanwhile, stakeholder theory emphasizes the need to address the diverse expectations of all stakeholders, beyond just shareholders. By combining these perspectives, this framework gives valuable insights into the connection between AC attributes and CR.

$$CSR = f(ACSZ, ACIND, ACM, FSIZE, FAGE, ROA) \dots\dots\dots(3)$$

$$CRS_{it} = \lambda_0 + \lambda_1ACSZ_{it} + \lambda_2ACIND_{it} + \lambda_3ACM_{it} + \lambda_4FSIZE_{it} + \lambda_5FAGE_{it} + \lambda_6ROA_{it} + \varepsilon_{it} \dots\dots\dots(4)$$

Where:

CSR_{it} = Corporate social responsibility.

$ACSZ_{it}$ = Audit Committee Size;

$ACIND_{it}$ = Audit Committee Independent;

ACM_{it} = Audit Committee Meetings;

$FSIZE_{it}$ = Firm size

$FAGE_{it}$ = Firm Age;

ROA_{it} = Return on assets

λ_0 intercept

ε_{it} = Error term

$\lambda_1 \dots \lambda_6$ = Regression Coefficients for model

and the *a priori* expectation $\lambda_1, \lambda_2, \lambda_3, \lambda_4, \lambda_5, \lambda_6 > 0$

4. Results and Discussion

Table 3: Summary of Descriptive Statistics

	CRS	ACSZ	ACIND	ACM	FSIZE	FAGE	ROA
Mean	0.1164	5.3712	0.4724	5.3560	27.9797	26.5833	1.6253
Median	0.0000	5.000	0.5000	5.0000	27.9551	23.000	1.3544
Maximum	0.7500	6.000	0.6000	6.0000	29.7920	51.000	5.6166
Minimum	0.0000	4.0000	0.3333	4.0000	25.628	5.0000	-9.5318
Std. Dev.	0.1942	0.5004	0.0943	0.7004	0.9382	14.5492	1.7006
Skewness	1.7062	0.3489	0.0311	-0.6156	-0.1436	0.3088	-2.2690
Kurtosis	5.0744	1.5804	1.7036	2.2152	2.3494	1.6326	18.0389
Jarque-Bera	87.715	13.7628	9.264	11.725	2.7812	12.3809	1357.205
Probability	0.0000	0.0010	0.0097	0.0028	0.2489	0.0020	0.0000
Sum	15.375	709.000	62.366	707.000	3693.327	3509.000	214.5477
Sum Sq. Dev.	4.9435	32.810	1.1655	64.2652	115.3154	27730.08	378.882
Observations	132	132	132	132	132	132	132

Source: Authors Computation, 2025

Table 3 presents descriptive statistics revealing that the mean value for CSR disclosures among banks is 0.116, with a standard deviation of 0.194. This indicates that, on average, banks disclose approximately 12% of their CSR practices. The variability in this data may reflect differing levels of commitment and transparency regarding CSR among these institutions. In terms of AC characteristics, the average size is 5.371, suggesting that committees typically consist of about 5 members, with a standard deviation of 0.500 indicating some variability in size. AC independence averages at 0.4724, which reflects a fair proportion of independent members critical for effective oversight. The frequency of AC meetings has a mean score of 5.3560, suggesting that committees generally convene around 5 times a year.

However, the standard deviation of 0.704 indicates some variation in meeting frequency. Regarding firm size, the mean is 27.9797 with a standard deviation of 0.9382, indicating that most banks are relatively large, with asset values clustered around this mean. The average firm age is 26.6 years, implying that these banks have been in existence for over 26 years and 6 months on average. Finally, the mean profitability score (roa) stands at 1.6253

Table 4: Matrix of Correlations Analysis

	CRS	ACSZ	ACIND	ACM	FSIZE	FAGE	ROA
CRS	1.0000						
ACSZ	0.0751*	1.0000					
ACIND	0.1795**	0.2670**	1.0000				
ACM	0.1837**	0.0532	-0.0007	1.0000			
FSIZE	-0.2537**	-0.1377	0.0626	-0.0794	1.0000		
AGE	0.1516*	-0.1033	0.1135	0.0244	0.1055	1.0000	
ROA	0.0914*	-0.1657**	-0.0799	-0.0076	0.0218	0.0661	1.0000

** $p < 0.05$, * $p < 0.1$

Source: Authors Computation, 2025

The study employed Pearson correlation analysis to examine the nature and strength of the connections between the variables. As presented in Table 4, (CSR) disclosures show a positive association AC size at 0.0751, AC independence at 0.1795, and the frequency of AC meetings at 0.1837. Additionally, CSR correlates positively with firm age and return on assets (ROA) at 0.1516 and 0.0914, respectively. In contrast, firm size reveals a negative correlation with CSR at -0.2537. All correlations were statistically significant, with p-values less than 0.05 and p-values less than 0.10 for respective associations.

Table 5: Multicollinearity, Heteroscedasticity and Serial Correlation Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.3256	1320.033	NA
ACSZ	0.0011	133.990	1.1445
ACIND	0.0309	29.0845	1.1066
ACM	0.0005	60.6463	1.0120
FSIZE	0.0002	930.238	1.0368
FAGE	1.21E-06	4.5052	1.0323
ROA	9.03E-05	2.0176	1.0506
Heteroskedasticity Test	2.393	(0.054)	
Serial Correlation LM	2.955	(0.0558)	
Wald Test	12.14214	(0.0163)	

Source: Authors Computation, 2025

In addition to correlation matrix, this study used variance inflation factor to investigate presence of multicollinearity among the predictor variables. Table 5. revealed that none of the predictor variables reported above threshold of VIF value of 10. These results buttress correlation matrix results that there are no multicollinearity problem in the set of data. Also, result of serial correlation of p- value 0.0558 indicated no existence of auto serial correlation in the data which is significant at 5%. However, there was absence of heteroscedasticity in the study with corresponding value of p- value 0.054. Wald Test X^2 revealed the $p < 0.05$, which indicated all variables were parts of influential factors of CSR.

Table 6: Estimated Panel Regression Results of Model

Variables	Pooled Effect (1)	Random Effect (2)	Fixed Effect (3)
C	1.8570*** (3.2541)	1.74709** (2.3706)	1.1988 (0.7399)
ACSZ	0.0523 (1.5528)	0.0660** (2.0228)	0.0711** (2.1256)
ACIND	0.4445** (2.5276)	0.4627** (2.6892)	0.4689** (2.6796)
ACM	0.04190* (1.8503)	0.0376* (1.6966)	0.0349 (1.5413)
FSIZE	-0.0553*** (-3.2325)	0.0477** (1.9870)	-0.0257 (-0.395)
FAGE	0.0024** (2.2271)	0.0026 (1.4296)	0.0016 (0.1752)
ROA	0.0053** (1.9638)	0.0028** (2.1776)	0.0048 (0.3653)
R ²	0.176558	0.1262	0.3282
F-stat	4.4669(0.0003)	3.0106(0.0087)	3.2766(0.0001)
Durbin-Wat	1.57	1.78	1.900
Hausman Test		3.4437(0.7514)	

*** p<0.01, ** p<0.05, * p<0.10 ; t-stat- in parenthesis

Source: Authors Compilation (2025)

The study's findings, which are displayed in Table 6 indicates that the random effect (2) was the most preferred estimation method, as indicated by the P-value of the Hausman Test of 0.7514. The R^2 of 12.6 % of the total variation of CSR is explained by the explanatory variables and the remainder of 87.4 % is not explained which is accounted for by the random error term. Durbin Watson value of 1.9 indicates there is no auto correlation and that all predictor's variables were taken as a part of factors that determined the CSR. As displayed in Table 6, the result revealed that AC size has a favourable and substantial effect on CSR Disclosure ($\lambda=0.066$; $p<0.05$). This suggests a larger size of audit committee may also facilitate better engagement with various stakeholders, including employees, customers, and the community. This involvement can help banks tailor their CSR efforts to better address the needs and expectations of those stakeholders.

In addition, the results revealed that AC independents have favourable and substantial effect on CSR disclosure ($\lambda= 0.4627$; $p<0.05$). This implies that the audit committee independence can hold management accountable for CSR commitments. This can drive better adherence to sustainability practices and social initiatives, aligning the bank's operations with stakeholder expectations. The result also revealed that AC meetings have favourable and substantial effect on CSR Disclosure ($\lambda= 0.0376$; <0.10). This suggests regular AC meetings allow the audit committee to quickly respond to emerging issues related to CSR. This agile approach can help banks adapt their strategies in response to changes in stakeholder expectations, regulatory standards, or societal needs.

On the side of control variable, findings revealed that firm size is substantial y related to on CSR disclosure ($\lambda= 0.0477$; $p<0.05$). This implies that larger firms typically have more resources they can allocate toward CSR initiatives. The results further revealed that Company's age had positive and not substantial connection with CSR Disclosure ($\lambda= 0.0026$; $p>0.05$). This suggests that the age of a bank does not necessarily determine its commitment to CSR. In addition, the result revealed that profitability has a favourable and substantial effect on CSR ($\lambda= 0.0028$; $p< 0.05$). This suggests higher proffavourable and substantial effectancial means to invest in CSR programs. This allows them to undertake meaningful projects that contribute to community development, environmental sustainability, and social welfare.

Therefore, the result is supporting the earlier studies that found a positive connection between audit committee frequency of meeting and CSD. The regular engagement of audit committees in reviewing and discussing sustainability initiatives ensures that any issues are promptly addressed, and best practices are implemented. This active oversight helps firms maintain robust CSR disclosure. This is consistent with stakeholder theory which upholds that audit committees need to incorporate stakeholder perspectives into their oversight functions, promoting accountability and transparency regarding social and environmental responsibilities.

4.1 Discussion of Findings

The finding indicates that AC size positively and substantially influence CSR Disclosure. This implies that banks with larger size of audit committee may also facilitate better engagement with various stakeholders. This supported by Dwekat et al. (2021); Jubril et al. (2022); Emmanuel et al. (2025) revealed that optimal committee size improve oversight and decision-making. Larger audit committees, with their diverse skills and perspectives, significantly enhance the effective oversight and evaluation of a firm's CSR practices. By bringing together individuals from various backgrounds, these committees address CRS challenges with a deeper understanding, leading to more informed decision-making and stronger governance. This is supported by agency theory which upholds that strong audit committee attributes can help mitigate agency problems by ensuring that management acts in the best interests of stakeholders.

The results showed that AC independents positively and substantially impact on CSR disclosure. By implication, AC independence can hold management accountable for CSR commitments. This result is in agreement with Olagunju et al. (2023); Dwekat et al. (2022) and Madugba et al. (2021); Khan et al. (2021) showed that AC independence was positively linked with the adoption of CSR. Engagement of independent committee will better be positioned to identify potential risks associated with CSR activities, such as reputational risks or compliance with legal standards. This proactive approach to risk management can protect the bank's interests and enhance its public image.

The AC meetings have favourable and substantial effect on CSR Disclosure. This implies that regular engagement of audit committees in reviewing and discussing sustainability initiatives

ensures that any issues are promptly address ed, and best practices are implemented. This active oversight helps firms maintain robust CSR disclosure. Therefore, the result is supporting the earlier study of Emmanuel et al. (2025) that found a positive connection between audit committee frequency of meeting and CSD. This is consistent with stakeholder theory which upholds that audit committees need to incorporate stakeholder perspectives into their oversight functions, promoting accountability and transparency regarding social and environmental responsibilities.

5. Conclusion and Recommendations

The study concluded that a larger audit committee may provide more diverse perspectives and expertise, which can lead to more effective oversight of CSR initiatives. This could enhance the quality and scope of CSR activities undertaken by the bank. Independent audit committees provide impartial oversight, leading to more effective promotion of CSR initiatives. Frequent audit committee meetings may facilitate more thorough discussions and oversight of CSR initiatives, leading to better decision-making and implementation. This study contributes to the expansion of the previous research by demonstrating that the AC qualities were responsible for an improvement in the CSR disclosures made by the focal company and the companies that are affiliated with it.

The study recommended that:

- i. Banks should consider increasing the audit committee size to enhance oversight and governance since larger committee can bring diverse perspectives and expertise, which can lead to more robust CSR strategies.
- ii. Bank should ensure that a majority of audit committee members are independent directors for unbiased oversight
- iii. Bank should use AC meetings to regularly review, and update CSR policies and practices based on current trends and stakeholder feedback.

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