Trakya Üniversitesi Sosyal Bilimler Dergisi 135
Haziran 2023 Cilt 25 Sayı 1 (135-146)
DOI:10.26468/trakyasobed.1222654
Araştırma Makalesi/ Research Article

# THE EFFECT OF FIRM PERFORMANCE ON AUDIT COMMITTEE DILIGENCE

*FİRMA PERFORMANSININ DENETİM KOMİTESİ TİTİZLİĞİNE ETKİSİ*

**İsmail BEKCİ*, Eda KÖSE** , Esra AKSOY*****

*Geliş Tarihi: 23.12.2022 (Received)* *Kabul Tarihi:17.05.2023 (Accepted)*

**ABSTRACT:** The aim of this research study is to determine the effect of firm performance on audit committee diligence. The research concentrates on the relationship between audit committee meeting frequency and firm age. In this regard, the data of 12 banks operating in the financial sector in the BIST over the period 2010-2021 are examined in the research study. The variables such as "the number of years since the establishment of the company", "logarithm of total assets", "debt to assets ratio", "return on equity" and "return on assets" are used as independent variables; whereas "the number of audit committee meetings held during the year" is used as the dependent variable. Panel data analysis is conducted to consider the effect of firm age on audit committee meeting frequency. A regression model, which is established with the obtained data, is analyzed with the help of STATA software. The findings obtained from the analysis indicate that the firm age has a positive and statistically significant effect on the audit committee meeting frequency at the 1% significance level. The other independent variables have no statistically significant effect on the dependent variable. Consequently, this study indicates that the firm's audit committee diligence is closely associated with its market experience and active operating process.

**Key words:** Audit Committee, Firm Experience, Panel Data Analysis

**ÖZ:** Bu araştırmanın amacı, firma performansının denetim komitesi titizliği üzerindeki etkisini saptamaktır. Araştırmada, denetim komitesi toplantı sıklığının firma yaşı ile ilişkisine odaklanılacaktır. Bu doğrultuda, araştırmada 2010-2021 dönemleri arasında BİST'te mali sektörde faaliyet gösteren 12 bankanın verileri incelenmiştir. Çalışmada kullanılan değişkenler, "yıl içinde yapılan denetim komitesinin toplantı sayısı" bağımlı değişken, "şirketin kuruluşundan bu yana geçen yıl sayısı", "toplam varlıkların logaritması", "borcun aktiflere oranı" , "özkaynak karlılığı" ve aktif karlılığı ise bağımsız değişkenlerdir. Firma yaşının, denetim komitesi toplantı sıklığı üzerindeki etkisini ele almak için, panel veri analizi kullanılmıştır. Elde edilen verilerle regresyon modeli kurulmuştur. Kurulan model Satata

*Prof. Department of Business Administration, Süleyman Demirel University, ismailbekci@sdu.edu.tr, ORCID: 0000-0002-9861-737X.
**Ph.D. Res. Assist., Department of Business Administration, Nevşehir Hacı Bektaş Veli University, edakose@nevsehir.edu.tr, ORCID: 0000-0002-9537-3672.
***Res. Assist., Banking and Finance Department, Süleyman Demirel University, esraaksoy@sdu.edu.tr, ORCID: 0000-0003-1395-2337.

programı ile analiz edilmiştir. Analizden elde edilen bulgular, %1 anlamlılık düzeyinde firma yaşının denetim komite toplantı sıklığı üzerinde pozitif ve istatistiksel olarak anlamlı bir etkisinin olduğu yönündedir. Diğer bağımsız değişkenlerin ise bağımlı değişken üzerinde istatistiksel olarak anlamlı bir etkisi bulunamamıştır. Sonuç olarak yapılan bu çalışma, firmaların denetim komitesi titizliğinin, piyasadaki tecrübesi ve aktif faaliyet süreci ile yakından ilişkili olduğunu göstermektedir.
**Anahtar Kelimeler:** Denetim Komitesi, Firma Tecrübesi, Panel Veri Analizi

# 1. INTRODUCTION

Prior to the enactment of the Sarbanes-Oxley Act, many firms operating in the USA encountered major corporate scandals that resulted in billions of USD in losses. Certain firms that encountered major financial losses and corporate scandals can be listed as Nortel, Enron, eToy, and WorldCom. In fact, these listed firms have embezzled large amounts of money by through corporate managers. Many shareholders surrendered to destitution following liquidation and bankruptcy caused by the scandals (Darko et al., 2016). In order to prevent similar incidents, audit committees (ACs) have been established in firms. ACs have been developed as a solution against corporate scandals.

The primary duty of ACs consists of counseling on the replacement and appointment of an external auditor, monitoring managers, and reviewing the firm’s internal control system (DeZoort et al., 2002). Knowledgeable ACs help increase the firm’s performance, so the effectiveness of ACs would also improve firm performance (Zabri et al., 2016). Besides, ACs can improve the quality of financial reporting and reduce audit risk, thus enhancing the quality of proceeds (Abernathy et al., 2015). Therefore, ACs play an important role in the management, oversight and monitoring of the firm to uphold the owners’ interests (Kallamu and Saat, 2015). An effective AC concentrates on upgrading the competitivity and performance of the firm in ever-changing economic conditions (Herdjiono and Sari, 2017).

According to the findings obtained in the first research study conducted on AC diligence in the literature, it was determined that the first AC meeting in companies would have been sufficient to meet at least twice annually to approve the plans of the external auditors and schedule the next one to reconsider the outcomes (Menon and Williams, 1994). in their research study, Abbott et al. (2000) detected that an inverse association existed between fraud and independent board members. Nowadays, the number of AC meetings needs to be increased in order to support corporate governance performance and prevent errors or fraud. The Accounting Reporting Council (2012) emphasized that at least three meetings per year scheduled by board members and internal auditors is perceived as an indication of good communication. However, the active AC performs an important task in promoting transparency in the securities market, which enhances the book value of the firm and upholds the shareholders’ interests even better (DeZoort et al., 2002). In fact, the AC is accountable for offering independent supervision as a mechanism to diminish firm-specific conflicts.

The importance of the AC for firms emerges in allocating oversight and audit roles within organizations. There is a wide variety of literature results investigating the role, characteristics, and effectiveness of ACs (Carcello et al., 2002; DeZoort et al., 2002; Abbott et al., 2004; Al-Musali et al., 2019; Al-Okaily and Naueihed, 2019). The primary goal of this research study involves providing information that supports the association between firm age and AC diligence, given that previous research studies on AC diligence yielded no conclusive evidence in the literature. In the next part of the research study, information regarding the conceptual framework is introduced, and in the next part, the sample, data, and findings of the research are presented. In the last part, the evaluation of the research findings and suggestions pertinent to future research are made.

## 2. LITERATURE REVIEW

The agency theory suggests that once conflict exist between shareholders and managers and opportunistic behaviors are involved in the process, managers would begin to act either in favor of their own interests or against of the shareholders (Dellaportas et al., 2012). In the presence of this situation, assuming that firms lack the monitoring instruments and efficacious marketing regulations, the managers tend to deviate from upholding the interests of shareholders (Al-Matari et al., 2012). Therefore, in such a case, the AC's effectiveness in the firm would mitigate the existing conflict (Al-Matari, 2013) and play an active role in positively affecting firm performance (Ainuddin & Abdullah, 2001).

Geroski (1995) found that firm age had a positive impact on firm performance, and there had been extensive research over the years regarding experience in the business world. Gregory et al. (2005) asserted that firms that have been operational for for a long time had better facilities to earn revenues compared to younger companies. Umoren and Asogwa (2013) stated that well-organized and experienced firms had better reporting systems and could provide accurate and factual information. Abdullah et al. (2017) found that internet financial reporting wass greatly influenced by firm age. Nevertheless, Bhatt & Bhattacharya (2016) and Planiappan (2017) concluded that there was a positive relationship between firm performance and firm age. However, the development approach of firms that have been operating for many years, key elements regarding regular norms limit the transformation of entrepreneurial activities and actions into affirmative consequences (Ward and Mendoze, 1996). Pursuant to the agency theory, firms with excessive agency costs reduce them by enhancing their operational and financial activities through ACs (Aljaaidi and Bagais, 2021).

ACs maintain their functions through fixed activity levels (Al Farooque et al., 2019; Sultana et al., 2015). The AC meeting frequency increases the effectiveness of the committees' tasks (Bedard et al., 2004), and subsequently, firm performance would be unintentionally positively affected (DeZoort et al., 2002; Al Farooque et al., 2019). Similarly, Kamaludin et al. (2020) examined the effects of AC diligence on firm performance of the firms operating in Saudi Arabia. Accordingly, an inverse relationship was detected between firm performance and AC diligence, and AC diligence caused negative firm performance especially in family businesses. Aljaaidi and Bagais (2021) examined the effect of firms' experience on AC diligence in the Saudi Stock Exchange and found that firm experience had a positive impact on AC activity. However, ACs can detect and prevent opportunistic behavior and maintain the integrity of reported earnings (Bedard et al., 2004). Another effect is that AC diligence relates to internal control and reporting issues, and frequent audit meetings minimize opportunities for internal control and reporting issues (Archambeault and DeZoort, 2001; Abbott et al., 2004; DeFond and Francis, 2005; Zhang et al., 2007; Naiker & Sharma, 2009). Allegrini and Greci (2013) and Li et al. (2012) found in their research studies that AC members who held at least 4 meetings annually were significantly associated with the level of voluntary and intellectual capital disclosure.

## 3. RESEARCH METHOD AND DATASET

The aim of this study is to investigate the effect of firm performance on AC diligence. In the research study, the data of 12 banks operating in the financial sector in the BIST over the period 2010-2021 are examined. In the study, "the number of AC meetings held during the year" is used as the dependent variable. The independent variables include "the number of years since the establishment of the firm", "logarithm of total assets", "debt to assets ratio", "return on equity" and "return on assets". The data are obtained from XX. Panel data method is employed for the data analysis. A panel dataset is a cross-sectional time-series dataset providing repeated measurements of a certain number of variables over such observed units as individuals, households, and firms (Eom et al., 2008: 572). The obtained data in this study are prepared for panel dataset. A regression model iss established using the data. The established model is analyzed via STATA software. Information on the variables of the analysis and the descriptive codes used on behalf of the variables in the analysis are presented in Table 1.

**Table 1**: Variables and Their Codes

| | CODES |
|---|---|
| **Dependent Variables** | |
| **The number of AC meetings held annually** | AC |
| **Independent Variables** | |
| **The number of years since the establishment of the firm** | FEX |
| **Logarithm of total assets** | LAS |
| **Leverage ratio (%)** | LEV |
| **Return on Equity (%)** | ROE |
| **Return on Assets (%)** | ROA |

The model established for the analysis is as follows.

The Model:

$$AC_{it} = \alpha_{it} + \beta_1 FEX_{it} + \beta_2 LAS_{it} + \beta_3 LEV_{it} + \beta_4 ROE_{it} + \beta_5 ROA_{it} + \varepsilon_{it} \quad (1)$$

The null and alternative hypotheses of the model are as shown below.

$H_0$ = Firm performances have no effect on audit quality.

$H_1$ = Firm performances have effects on audit quality.

### 3.1.Analysis and Findings of the Research

To perform the analysis, it is mandatory to decide which estimators would be used in the established model. Certain tests are recommended to this end this. Making a decision according to the results of these recommended tests is crucial for the reliability of the analysis (Tatoğlu, 2020: 176). In panel data analyses, some tests are performed to determine whether or not the classical model is valid, meaning, the existence of unit and/or time effects in model preferences. The F test, Breuch-Pagan LM test and Likelihood Ratio Test (LR) are among the recommended tests.

F test, Breusch-Pagan’s LM (1980) Test, and Likelihood Ratio Test (LR) are analyzed to determine the model preference. The results of the analyses are given in Table 2.

**Table 2:** Estimation Model Determination Analysis Results

| **Tests** | **Statistic** | **Prob. Value** | **Results** |
|---|---|---|---|
| **F two-ways** | 12.22 | 0.0000 | There are Unit and Time Effects |
| **F unit** | 22.84 | 0.0000 | There is Unit Effect |
| **F time** | 1.03 | 0.4256 | No Time Effect |
| **LM unit** | 226.33 | 0.0000 | There is Unit Effect |
| **LM time** | 0.00 | 1.0000 | No Time Effect |
| **LR two-ways** | 97.65 | 0.0000 | There are Unit and Time Effects |
| **LR unit** | 97.52 | 0.0000 | There is Unit Effect |
| **LR time** | 0.00 | 1.0000 | No Time Effect |

In order to select the correct estimation model in the analysis, the results of the F, LR, and LM tests shown in Table 2 are considered. According to the test results, it is concluded that it is not appropriate to estimate the model with the pooled least squares.

Hausman (1978) test is performed to determine which of the fixed effects/random effects estimators of the model would be suitable to be used. The $H_0$ and $H_1$ hypotheses of the Hausman (1978) test are shown below.

$H_0$: There is no correlation between error term components and independent variables.

$H_1$: A correlation exists between the error term components and the independent variables.

**Table 3:** Hausman Test Statistics

| | |
|---|---|
| **Chi-Square** | **10.59** |
| **P-value** | 0.0316 |

The probability values of test statistic in Table 3 are lower than 0.05. Thus, in the model established at the 95% confidence level, the null hypothesis of the Hausman test is rejected. According to the Hausman test result, the model would be estimated by using the fixed effects model (FEM).

In the analysis, estimation would be made using a one-way (unit effect) FEM. In case the FEM has autocorrelation, heteroscedasticity, autocorrelation and multicollinearity problems, regression estimations may yield results different than their actual values. Therefore, it is crucial to perform certain tests prior to estimating the model in terms of the reliability of the analysis results. Assumption violation and multicollinearity tests, which are included in the basic assumption tests, should be performed. As assumption violation tests that disrupt the effectiveness in practice; heteroskedasticity, autocorrelation and correlation tests are performed.

In the analysis, the Modified Wald Test, one of the recommended heteroscedasticity assumption tests, is conducted for the models estimated by the FEM. Heteroscedasticity is decribed as the situation in which the assumption of constant variance becomes invalid. In other words, it is the case in which the variances of the error terms assume different values for all sections. Nonetheless, it also means that their covariances are not equal to zero (Topaloğlu, 2018: 28). The modified Wald test of heteroscedacity (Greene, 2000) is used to test this model with heteroscedasticity by units (Yerdelen Tatoğlu, 2020: 236).

The null hypothesis of the Modified Wald Test of Heteroscedasticity by Units is as shown below.

$H_0$: "There is no heteroscedasticity problem among the units".

$H_1$: "There is a heteroscedasticity problem among the units".

**Table 4:** Modified Wald Test

| | |
|---|---|
| **Chi-square (12)** | **7234.16** |
| **Probability** | 0.0000 |

The $H_0$ hypothesis with 12 degrees of freedom, the $X^2$ test statistic and the probability value is shown in Table 4. According to the test result, the $H_0$ hypothesis is rejected. In this case, it is determined that heteroscedasticity by units exists in the model.

The assumption of autocorrelation describes the significant relationship between the successive time values of the error term in these established panel data models. The fact that the unit values are not independent from each other would cause a systematic relationship in the analysis, which leads to inconsistencies in the analysis (Topaloğlu, 2018: 28).

The recommended tests for testing the autocorrelation assumption in the FEM include Baltagi-Wu's Locally Best Invariant (LBI) test and Bhargava et al.'s Durbin-Watson (D-W) test. The $H_0$ and $H_1$ hypotheses of the tests are as shown below.

$H_0$: There is no autocorrelation.

$H_1$: There is autocorrelation.

Baltagi-Wu's LBI Test and Bhargava et al.'s D-W Test statistics are presented in Table 5.

**Table 5:** Baltagi-Wu's LBI and Bhargava et al.'s D-W Test Statistics

| | **Statistics** |
|---|---|
| **Bhargava et al.'s D-W** | 0.703546 |
| **Baltagi-Wu's LBI** | 1.052000 |

For cases in which these test statistics results are lower than 2, it is seen that autocorrelation exists in the established model. In this case, there is no autocorrelation, and the $H_0$ hypothesis is rejected. The existence of autocorrelation is determined in the model established by accepting the $H_1$ hypothesis.

The proposed Pesaran CD (2004) test is performed to detect the existence of autocorrelation in the FEM. The $H_0$ and $H_1$ hypotheses of the Pesaran CD Test are as shown below.

$H_0$: "There is no autocorrelation".

$H_1$: "There is autocorrelation".

**Table 6:** Pesaran CD (2004) Correlation Test

| | |
|---|---|
| **Chi-Square** | **0.999** |
| **P-value** | 0.3179 |

The results of the Pesaran CD Test (2004) statistics are presented in Table 6. Upon considering the obtained results, the $H_0$ hypothesis, which implies that "there is no autocorrelation", is rejected and the $H_1$ hypothesis is accepted. In this case, no autocorrelation exists in the established model.

In the established model, Variance Inflation Factor (VIF) values are considered to investigate the multicollinearity problem. The Multicollinearity VIF values are given in Table 7.

**Table: 7** Multicollinearity VIF Values

| **Variables** | **VIF** | **1/VIF** |
|---|---|---|
| **ROE** | 1.39 | 0.718545 |
| **FEX** | 1.31 | 0.763706 |
| **ROA** | 1.13 | 0.881988 |
| **LAS** | 1.10 | 0.911656 |
| **LEV** | 1.02 | 0.983437 |
| **Average VIF** | 1.19 | |

For cases in which the obtained VIF values are lower than 5, it is known that no multicollinearity problem exists amo the variables. In Table 7, no multicollinearity problem exists among the variables in the model, where the VIF values are lower than 5 in the test results.

According to the basic assumption test results obtained for the established model; the results of the two tests lead to the violation of the assumption. Estimations based on resistant standard errors should be made to obtain more reliable results. Thus, more reliable estimation results would be obtained for the model. The results of the estimation statistics based on resistant errors are presented in Table 8.

**Table 8:** Estimation Statistics Based on Resistant Standard Errors

| Variables | Coefficient | p-values |
|---|---|---|
| **FEX** | 0.4724611 | 0.009 * |
| **LAS** | -6.47e-12 | 0.157 |
| **LEV** | -1.619865 | 0.138 |
| **ROE** | -0.0753259 | 0.555 |
| **ROA** | 1.084511 | 0.393 |
| **Cons.** | -6.921974 | 0.305 |
| **$R^2$ = 0.0544** | | |

*Note: * indicates significance at a 1% significance level*.

Upon examining the findings obtained from the analysis, it is determined that the firm age has a positive and statistically significant effect on the AC meeting frequency at the 1% significance level. Once firm experience increases by one percent, the firm's AC quality would increase by 0.47 percent. Other independent variables, such as "logarithm of total assets", "debt to assets ratio" and "return on equity", have no statistically significant effect of on the dependent variable.

## 4.CONCLUSION AND EVALUATION

The AC is a phenomenon that contributes to the profitability, reliability and sustainability of the firms by assuming duties on behalf of the corporate management of the firms. At the same time, transparency and public disclosure, which include the top-priority corporate governance principles of firms, are among the main duties of the ACs. The only way to generate an effective corporate governance structure in firm is the approval of a good AC. In this study, upon emphasizing the importance of the AC for firms, the extent to which AC relates to the sustainability of the firms are investigated.

Upon considering the obtained findings of the study, a significant and positive relationship is found between the sustainability of the companies and the AC. Therefore, the firm experience is directly associated with the active operating periods in the market and the AC diligence of these firms. The sustainability of the firms and their ability to compete with their long-term competitors in the market may be associated with the the AC diligrnce and quality.

In conclusion, this study asserts that firms' AC diligence is closely related to their experience in the market. In order for firms to maintain their sustainability in the market, they should attach importance to the quality of the AC. At the same time, the profitability and good performance of firms depend solely on their sustainability. Therefore, it is determined that the good performance and continuity of the firms would also indirectly depend on the quality of the AC.

It is expected that this study would contribute to the studies to be conducted in this field. At the same time, it is recommended to investigate the effect of firms on the AC using different variables by paving the way for future studies. Moreover, although the effects of the AC on firm performance have been examined in the literature, the opposite effect (the effect of firm performance on AC quality) is investigated in this study. In this context, this study enables the explication of the studies conducted in this field from a wider and different perspective.

## REFERENCES

Abbott, L. J., Park, Y. & Parker, S. (2000). The effects of audit committee activity and independence on corporate fraud. Managerial Finance. 26(11), 55-67.

Abbott, L. J., Parker, S. & Peter, G. F. (2004). Audit committee characteristics and restatements. Auditing: A Journal of Practice and Theory. 23(1), 69-87.

Abdullah, M. D. F., Ardiansah, M. N. & Hamidah, N. (2017). The effect of company size, company age, public ownership and audit quality on internet financial reporting. Sriwijaya International Journal of Dynamic Economics and Business. 1(2), 153-166.

Abernathy, J. L., Beyer, B., Masli, A. & Stefaniak, C. M. (2015). How the source of audit committee accounting expertise influences financial reporting timeliness. Current Issues in Auditing. 9(1), 1-9. https://doi.org/10.2308/ciia-51030

Ainuddin, R. & N. Abdullah. (2001). Board characteristics and corporate governance of public listed companies in Malaysia: Working paper, Universiti Kebangsaan Malaysia, Bangi.

Al Farooque, O., Buachoom, W. & Sun, L. (2019). Board, audit committee, ownership and financial performance-emerging trends from Thailand. Pacific Accounting Review. 32(1), 54-81. https://doi.org/10.1108/PAR10-2018-0079

Aljaaidi, K. S. & Bagais, O. A. (2021). The effect of company performance on audit committee diligence: The case of manufacturing companies in Saudi Arabia. Accounting. 7, 391-394.

Allegrini, M. & Greco, G. (2013). Corporate boards, audit committees and voluntary disclosure: Evidence from Italian listed companies. Journal of Management and Governance. 17(1), 187–216.

Al-Matari, Y. A., Al-Swidi, A. K., Fadzil, F. H. B., Fadzil, H. & Al-Matari, E. M. (2012). Board of directors, audit committee characteristics and the performance of Saudi Arabia listed companies. International Review of Management and Marketing. 2(4), 241.

Al-Matari, Y. A. A. T. (2013). Board of directors, audit committee characteristics and the performance of public listed companies in Saudi Arabia, Universiti Utara Malaysia.

Al-Musali, M. A., Qeshta, M. H., Al-Attafi, M. A. & Al-Ebel, A. M. (2019). Ownership structure and audit committee effectiveness: evidence from top GCC capitalized firms. International Journal of Islamic and Middle Eastern Finance and Management. 12(3), 407-425. https://doi.org/10.1108/IMEFM-03-2018-0102

Al-Okaily, J. & Naueihed, S. (2019). Audit committee effectiveness and family firms: impact on performance. Management Decision. 58(6), 1021-1034.

Archambeault, D. & DeZoort, F. T. (2001). Auditor opinion shopping and the audit committee: an analysis of suspicious auditor Switches. International Journal of Auditing. 5, 33-52.

Bédard, J., Chtourou, S. M. & Courteau, L. (2004). The Effect of Audit Committee Expertise, Independence, and Activity of Aggressive Earnings Management. Auditing: A Journal of Practice and Theory. 23(2), 13-35.

Bhatt, R. R. & Bhattacharya, S. (2017). Family firms, board structure and firm performance: evidence from top Indian firms. International Journal of Law and Management. 59(5), 699-717.

Carcello, J. V., Hermanson, D. R. & Neal, T. L. (2002). Disclosures in audit committee charters and reports. Accounting Horizons. 291–304.

Darko, J., Aribi, Z.A. & Uzonwanne, G.C. (2016). Corporate governance: the impact of director and board structure, ownership structure and corporate control on the performance of listed companies on the Ghana stock exchange. Corporate Governance.

Dellaportas, S., Leung, P., Cooper, B. J., Rochmah Ika, S. & Mohd Ghazali, N. A. (2012). Audit committee effectiveness and timeliness of reporting: Indonesian evidence. Managerial Auditing Journalç 27(4), 403-424. https://doi.org/10.1108/02686901211217996

DeZoort, F. T., Hermanson, D. R., Archambeault, D. S. & Reed, S. A. (2002). Audit committee effectiveness: A synthesis of the empirical audit committee literature. Journal of Accounting Literature. 21, 38–75.

Eom, T.H., Lee, S.H. & Xu, H. (2008). Introduction to Panel Data Analysis: Concepts and Practices, in Handbook of Research Methods in Public Administration (G.J. Miller, & K. Yang, Eds.) (2nd ed.). CRC Press. https://doi.org/10.1201/9781420013276

Geroski, P. A. (1995). Market structure, corporate performance, and innovative activity. OUP Catalogue.

Gregory, B. T., Rutherford, M. W., Oswald, S. & Gardiner, L. (2005). An empirical investigation of the growth cycle theory of small firm financing. Journal of Small Business Management. 43(4), 382-392.

Herdjiono, I. & Sari, I. M. (2017). The effect of corporate governance on the performance of a company. some empirical findings from Indonesia. Journal of Management and Business Administration. 25(1), 33-52.

Kallamu, B. S. & N. Saat, A. M. (2015). Audit committee attributes and firm performance: evidence from Malaysian finance companies. Asian Review of Accounting. 23(3), 206-231. https://doi.org/10.1108/ARA-11-2013-0076

Kamaludin, K., Ibrahim, I. & Sundarasen, S. (2020). Moderating effects of family business on audit committee diligence and firm performance: a middle eastern perspective. International Journal of Economics and Management. 14(2), 173-188.

Li, J., Mangena, M. & Pike, R. (2012). The effect of audit committee characteristics on intellectual capital disclosure. The British Accounting Review. 44, 98-110

Menon, K. & Williams, J. O. (1994). The use of audit committees for monitoring. Journal of Accounting and Public Policy. 13(2), 121-139.

Naiker, V. & Sharma, D.S. (2009). Former audit partners on the audit committee and ınternal control deficiencies. The Accounting Review. 84(2), 559-587.

Palaniappan, G. (2017). Determinants of corporate financial performance relating to board characteristics of corporate governance in Indian manufacturing industry. European Journal of Management and Business Economics. 26(1).

Sultana, N., Singh, H. & Van der Zahn, J. L. W. (2015). Audit committee characteristics and audit report lag. International Journal of Auditing. 19, 72–87.

Umoren, A. O. & Asogwa, I. E. (2013). Internet financial reporting and company characteristics: a case of quoted companies in Nigeria. Research Journal of Finance and Accounting. 4(12), 72-80.

Topaloğlu, E. E., (2018). Bankalarda finansal kırılganlığı etkileyen faktörlerin panel veri analizi ile belirlenmesi. Eskişehir Osmangazi Üniversitesi İİBF Dergisi, 13(1), 15-38.

Yerdelen Tatoğlu, F. Y. (2020). Panel veri ekonometrisi, 5. Baskı. Beta Yayınevi.

Zabri, S. M., Ahmad, K. & Wah, K. K. (2016). Corporate Governance Practices and Firm Performance: Evidence from Top 100 Public Listed Companies in Malaysia. Procedia Economics and Finance. 35, 287-296. https://doi.org/10.1016/S2212-5671(16)00036-8

Zhang,Y., Zhou, J. & Zhou, N. (2007). Audit committee quality, auditor independence, and internal control weaknesses. Journal of Accounting and Public Policy. 26(3), 300-327.