Board Attributes and Fair Value Accounting Disclosure in Listed Banks in Nigeria

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	ABSTRACT Fair value disclosure enhances transparency by reducing information asymmetry and providing accurate economic values of assets and liabilities. The current study examines the effect of board attributes on compliance with fair value disclosure from 2022-2024. The population of the study comprised of all banks. However purposive sampling techniques, was use to select companies. The study used panel regression. Compliance with Fair value disclosure used as dependent variable which is measure using unweighted index while board independence, board expertise and audit committee meeting were used as independent variables. Findings revealed that audit committee meeting has positive significant influence with the dependent variable. It was further reveal that board expertise and board independence has no significant effect on the disclosure of fair value disclosure of listed banks in Nigerian. In conclusion, the study finds no significant effect of board expertise and board independence on fair value disclosure compliance. This suggests that compliance in this area is likely driven more by operational mechanisms and external regulatory pressures than by board structure alone. The study recommended that governance codes regulators should continue to emphasize on of audit committee meeting.

1. INTRODUCTION

In the modern corporate world, the implication of IFRS has become necessary in order to guarantee high-quality and internationally recognized financial statements. Investors and other stakeholders can make well-informed decisions about credit, investments and resource allocation worldwide, which give them access to reasonably accurate financial performance data (Ishola, 2017). The main means of sharing financial information among different stakeholders are financial reports. These reports must be of a high caliber and have qualitative features as such faithful portrayal, comparability, consistency, freedom from bias, relevance and verifiability in order to be helpful (Deloitte, 2012; IASB, 2012). Financial statement components are measured using a variety of techniques, such as historical cost, replacement cost, current cost and fair value measurement, in order to get these properties (Deloitte, 2012; Kaplan, 2015). Fair value accounting promotes documenting assets and liabilities at their current market value, whereas historical cost accounting records them at their original transaction cost.

In order to provide uniformity in fair value measurement and disclosure across IFRS standards, fair value measurement went into force in January 2017. Valuing assets and liabilities is useful for a number of reasons, such as insurance, taxation, investment, loan security and financial reporting (Deng et al., 2017; Chidoziem et al., 2020). In order to enable stakeholders to more accurately evaluate the valuation methods employed in financial reporting, the IASB sought to enhance compliance with fair value disclosures. Fair value disclosure enhances transparency by reducing information asymmetry and providing accurate economic values of assets and liabilities. The relevance of fair value measurement is emphasized by its adaptability to dynamic market conditions and its role in ensuring comparability across entities. IFRS 13 become mandatory for full adoption in Nigeria by January 2017, this transition was driven by the limitations of historical cost accounting, such as its failure to recognize unrealized asset appreciation and its lack of comparability at the international level. The Central Bank of Nigeria (CBN) mandated full compliance with fair value disclosure for all banks and financial institutions from January 1, 2017.

Banks play an important role to the Nigerian economy in the business of financial intermediation. This segment of the financial system is expected to mobilize funds by way of borrowings, debt issuance, fund raising from local and foreign investors for lending to small, medium and large-scale enterprises (Ishola 2017). Their activities are expected to deepen the market and complement the financial inclusion drive of the Central Bank of Nigeria (CBN). The Operational Guidelines for banks in Nigeria was revised in 2014 as part of initiatives to establish financial stability and reposition the finance company sub-sector for greater effectiveness in the financial sector landscape (Deng et al., 2017).

Furthermore, corporate governance mechanisms, such as board members and audit committee members, aim to enhance financial transparency, however, their effectiveness may be contingent on the quality of external auditing (Habib & Bhuiyan, 2011). Fair value accounting under IFRS 13 and other regulatory frameworks aims to enhance financial transparency by ensuring that assets and liabilities are reported at their true market value. In practice, many firms struggle to comply fully with fair value disclosure requirements due to weak corporate governance structures, for instance Eco bank faced several well-publicized governance lapses. The lack of alignment between corporate governance practices and compliance with fair value disclosure suggests that additional factors, such as firm-specific characteristics, industry regulations and macroeconomic conditions, may also influence compliance outcomes. The general business problem is that the safeguarding of funds in the banking sectors remains a significant concern due to inadequate corporate governance mechanism related to compliance with fair value disclosure.

Prior studies argue that corporate governance mechanisms influence IFRS compliance (Salman et al., 2025; Chia-Wei and Weitzu, 2025; Adeyemi and Kargi 2021; Saksama, et al 2021). However, the role of governance in driving fair value disclosure compliance remains underexplored, particularly within Nigeria's banking sector. While recent literature underscores the significance of strong governance mechanisms in response to corporate scandals (Cardao-Pito, 2024; Galdi, et al 2024), there is a need for empirical research to establish how board attributes affect compliance with fair value disclosures in practice.

2. LITERATURE REVIEW

The theory adopted by the study in order to achieve the objectives of the study. For the purpose of this research, Resource Dependency theory which is considered relevant for corporate governance mechanisms in Nigeria was adopted.

2.1 The Concept of Fair Value

Fair value was first defined in 1982 within the concept of IAS 20 as the amount in which an asset and liability could be exchanged or settled respectively, between knowledgeable and willing parties on a given transaction at a particular period of time (Oyebisi et al., 2018). In support of the use of fair value, International Accounting Standard Board (IASB) in 1998 revised IAS 32 which is based on "Financial Instruments: Presentation and Description"; and IAS 39 which is based on "Financial Instruments: Approval and Evaluation" to adopt fair value as a valuation basis. In a situation whereby the price for an asset or liability cannot be directly observed, it must be estimated using a valuation method. With reference to IFRS 13, to estimate the price of an asset or liability, there are a broad range of techniques available, these include: the market approach cost approach and the income approach. The market approach refers to a valuation method that uses prices and other relevant information from market transactions involving comparable or identical assets and liabilities (Yang 2022).

2.2. Board Expertise

This is the proportion of qualified, educated and experienced of members of board to the total number of the board directors (Ishola 2017). Where the board is comprised of experts, there is always a level of confidence in the financial statement reported (Magoma, et al 2024). To become an expert in a board, a director must possess adequate educational and professional experience in areas of finance, accounting and auditing (Abbott et al., 2024). According to Anichebe (2019), the concept of Board expertise pertains to the aptitude and competencies possessed by members of a board, which empower them to proficiently supervise a firm's financial reporting and accounting procedures. Similarly, Nura and Kurfi (2019) argued that knowledge and experience come with age in that the older the director, the better. In order word, the existence of older directors on the board will result in improved financial reporting quality (Weele 2023). Onourah and Imene (2016) opined that when a board involves experts with diverse academic background, there seems to be high level of confidence in the financial statements as the chances of considerably decreasing fair value disclosure in an organization is certain. Board expertise has no generally accepted definition, different scholars see board expertise differently. According to Martin et al., (2021) board expertise can be seen as an experience director that stayed long on the board. That means the older the director the better the corporate operations, that is to say, that the presence of older directors on the board will lead to better financial reporting quality. Yosra and Znazen, (2020) defined board expertise as the directors who have legal expertise on the main board. The definition looked at the experience from the legal practice.

2.3. Board Independence

According to Eriabie and Izedonmi (2016), board independence means that members of the committee who do not have any association with the management of the firm, and as well as have no influence from any of the majority shareholders, officers and executive directors of the firm on members of the board committee. The independence of board members can be viewed as one of the bases of board effectiveness (Amoush, 2017). An independent board provides effective monitoring of management's affairs and

ensures financial reporting's reliability. This is in line with Islam and Islam (2022) findings, which show that board independence has an impact on compliance with financial as a proxy for financial statement. Board independence refers to the state in which board are free from undue influence or control by the company's management (Rahman & Kabir, 2024). The committees are able to objectively assess management decisions and represent the interests of shareholders without bias towards management interests (Akpan & Nkanga, 2023). Independent board has the freedom to challenge management decisions, ask probing questions and advocate for transparency and accountability. The committee's independence allows them to act as a check and balance against management's power (Omesi & Appah 2021). While others such as Obeitoh et al. (2023) and Altass (2022) measures it as a number of shareholder's representatives within the board.

2.4 Audit Committee Meetings

Holding a number of meetings of the audit committee during a given year provides the opportunity to consult and debate the accounting and auditing process within a firm. Based on Article 57 of the SEC Code of Governance Code 2018, "the audit committee shall convene periodically, provided that at least four meetings are held during the Company's financial year." As a result, it may hold the meeting half yearly, quarterly or at four other times during a year. With regard to logistics, as audit committee size increases, the number of meetings will most likely decrease due to the difficulty of Audit Committee member communication (Karim et al., 2020). In terms of monitoring, however, more frequent meetings should lead to greater time available for discussion and decision making and ultimately improved audit quality (Asiriuwa et al., 2018). The frequency of audit committee meeting is also one of the most extensively examined the activities of the management to ensure the reliability of financial reporting (Abagu & Pius, 2021). The frequency of meetings indicates an active audit committee that devotes time to rectifying any immediate issues and offers a better review and oversight environment, which, in turn, may assist in detecting financial statements errors (Emeh & Appah, 2013). The number of audit committee meetings is a matrix of audit committee effectiveness because the various users of financial reports perceive fewer meetings as an indicator of less commitment and insufficient time to oversee the financial reporting process (Appah & Tebepah, 2020). Audit committee has been shown to be associated with the quality of financial reporting (Al-Daoud, et al 2015). Audit committee commitment has been measured as the number of committee meetings that took place during the financial period (Alaswad & Stanišić, 2016), with the anticipation that the more frequently the committee meets, the more probably it carries out its duties and responsibilities.

2.5 Empirical Review

Sadiq and Bako (2025) examined the relationship between corporate governance and compliance with financial instruments disclosure in Nigeria's listed deposit money banks. The study uses a population of 14 listed banks, applying a census sampling technique over a period of 11 years (2012-2022). Descriptive statistics, Spearman correlation and a random-effects regression model were employed to analyze the relationship between the variables. The results of the regression analysis reveal that board financial expertise is positively related to compliance. Agency theory and stakeholder theory were used to establish the relationship between the dependent and independent variables. The study concludes that companies can improve their compliance by increasing board expertise. Companies should expand the financial expertise of their board by appointing more members with financial expertise.

Madi, et al., (2024) investigated the influence of audit committee attributes on corporate voluntary disclosure of 146 Malaysian listed firms identified as the top market capitalizations. The study period of ten years (2013-2022). The study employed content analysis of disclosure and using the 86 voluntary disclosure item checklists. Agency theory was established to show the relationship between the variables. Multiple regression analysis establishes for data analysis. The study reveals that frequency of meetings is not significantly associated with corporate voluntary disclosure. The limitation of this research is that it only examined the effect of audit committee attribute on voluntary disclosure which is just a sub division of corporate disclosure.

Almulhim (2023) investigated the effect of board characteristics on information asymmetry as well as examining whether the disclosure environment moderates the association between board structure and the information asymmetry of listed firms in the UK. Primarily focus on six characteristics of board composition and their impact on the bid–ask spread. The study used the ordinary least squares (OLS) model to examine these associations. Agency theory was employed to establish a relationship between the variables. The study used system GMM and lag estimation models to test for endogeneity problems. The study using a sample of 5950 observations representing the non-financial firms listed on the Alternative Investment Market (AIM) for 10 years from 2010 to 2019, the study found a negative and significant relationship between board size, board independence and female directors and information asymmetry. However, board busyness and CEO duality are positively related to information asymmetry.

Njokuji and Chukwu (2022) investigate the effect of audit committee characteristics on segment disclosures of banks in Nigeria. The study used secondary data obtained from the annual reports of deposit money banks listed on the Nigerian Stock Exchange for the period of three years (2018 to 2020). The population is the thirteen deposit money banks listed on the first-tier market of the Nigerian Stock Exchange as at 31st December, 2020, the sample consists of eleven deposit money banks. Four null hypotheses were formulated and analyzed using multivariate analysis. Agency theory and stakeholder theory were used to establish the relationship between the dependent and independent variables. The results showed that meeting frequency has a significant negative effect on segment disclosures. The study recommends banks to monitor closely board meetings.

Islam and Islam (2022) empirically explored how independence of board and directors' ownership influence fair value disclosure of quoted companies in Dhaka. The study use 247 population out of which 175 were selected as sample size for a period of five years (2016-2020), Agency theory was establish ta link between the variables. Statistical findings revealed that directors' ownership positively and significantly affects fair value disclosure, while board independence was reported to negatively and significantly affect fair value disclosure. The study also observed that directors' ownership positively moderates the influence of independence of directors on fair value disclosure of the sampled companies.

Usman et al., (2021) investigate audit committee characteristics and fair value disclosure of listed deposit money banks in Nigeria. The study used data obtained for a period of five years (2013 to 2017). The population of the study consists of all the fourteen (14) listed deposit money banks in the Nigerian stock exchange market as of 31st December 2018. Eleven (11) banks were selected as a sample from the population. The study analyzed data extracted from the annual report of the eleven selected banks using multiple regression with the aid of STATA14 software. In analyzing the data, the study employed panel data analysis. The random-effect model was used to evaluate the effect of the independent variables on fair value disclosure as indicated by the Hausman test. Agency theory was established in other to show the relationship between the variables. The study found that audit committee meeting shows a positive insignificant related to Fair Value Disclosure.

Krismiaji and Surifah (2020) investigated the effect of corporate governance and the level of compliance with mandatory disclosure of the International Financial Reporting Standards on the quality of accounting information produced by Indonesian companies. The research uses a sample of 490 companies that were studied for five years after full implementation of IFRS, namely from 2013 to 2017. The quality of information is proxy by using value relevance of accounting information which is measured by the Ohlson Price Model. The level of compliance of the IFRS disclosures is measured using the disclosure index (DIND) and CG is proxy by board independence (BIND), board size (BSIZE), audit committee independence (ACIND), audit committee size (ACSIZE). The study finds that disclosure index and board size have a positive effect on the value relevance of accounting information.

Haitham (2020) investigated the impact of board characteristics on the relationship between the asymmetry of information and the fair value disclosure of the share in Jordanian commercial banks. The study period of 5 years (2015-2019) with sample size of 13 commercial banks listed on the Jordan Stock Exchange. The study relies on time series analysis while panal data software was used to analyses the data. Agency theory was used to establish a relationship between the dependent and independent variables. The study recommends that independence board members should be increased because of their positive impact on the relationship between information asymmetry and fair value. The study found that to a larger extent, board independent influence the level of corporate disclosure.

Dana, et al. (2020) examined the impact of ownership structure and board composition on the level of voluntary disclosure by non-financial firms listed in the Amman Stock Exchange (ASE). The study uses panel hand-collected data from 443 annual reports for 5-year period (2012 –2016) and employs an OLS-regression to test the study predictions. Agency Theory, Legitimacy Theory and Signaling Theory were employed to establish a relationship between the variables. Compatible with the study predictions and most prior related studies' findings, both higher managerial ownership and the CEO-duality produce low levels of voluntary disclosure, while foreign ownership is positively associated with the level of voluntary disclosure. The study findings also indicate that larger firms deemed to provide higher levels of voluntary disclosures than smaller firms. Besides, companies audited by big4 firms disclose more voluntary information than those audited by others. The study suggested that policymakers and regulators may encourage, emphasize and enforce, if necessary, the regulation that enhances the quality of financial disclosures including the separation between the Chairman of the board of directors and CEO roles to improve the level of control and supervision and enhance the transparency of financial reporting by Jordanian firms.

Alnabsha, et al. (2018) investigated the effect of corporate board attributes, ownership structure and firm-level characteristics on corporate mandatory and voluntary disclosures made in the annual reports of twenty–eight (28) firms selected from across the banks, manufacturing and service industry in Libya between the years 2006-2010. Agency and Stakeholder theories were employed to establish a relationship between the dependent and independent variables. The study developed a disclosure index to provide a comprehensive picture of corporate reporting in the Libyan context and applied the multivariate regression techniques to estimate the effect of corporate board and ownership structures on the disclosure index. The study found that board independence influence the level of corporate disclosure. However, the type of ownership structure adopted by the company, institutional shareholding inclusive does not have a non-linear effect on the level of corporate disclosure but firm age, liquidity, listing status, industry type and auditor type are other variables that are also positively associated with the level of corporate disclosure.

Mehul and Varadraj (2014) examined the impact of corporate governance and ownership structure on financial disclosures made by the Indian firms. Using cross sectional data of 325 listed firms for the financial year 2009-2010, the study compute financial disclosure score (using 171 checklist points) based on disclosure requirements of accounting standards. The study found average disclosure score of 73%, maximum and minimum being 100% and 46% respectively. The finding support agency theory in terms of monitoring role of board since board size is found to be significant however it does not find any influence of board independence on the disclosures. The study also supports resource dependency theory in terms of outside directorship which might provide

exposure to different corporate environment, brings diverse perspectives and knowledge to the directors and this in turn leads to improved disclosures.

Khaled, et al. (2014) examined the potential moderators to the relationship between board, audit committee characteristics and voluntary disclosure. 1041 final firm-year observations for a period of eight years 2010–2017. Legitimacy perspective theory was employed to establish a relationship between the variables. The study examines whether the results are affected by the differences in the construction of disclosure index, the type of voluntary disclosure, the method of disclosure, the definitions of variables relating to corporate governance, the level of investor protection and country geographic location. The study found that whilst board size, board independence and audit committee have a significant positive effect on voluntary disclosure, CEO duality has a significant negative effect.

Othman, et al. (2014) examined the influence of audit committee characteristics on voluntary ethics disclosures of the top ninety-four (94) companies listed on Bursa Malaysia. The study employed content analysis of company's annual report and multiple linear regressions to look at the relationships between voluntary ethics disclosure and audit committee characteristics, the study employed stakeholder theory and agency theory to establish the relationship between the variables. The result from the study revealed that audit committee meeting is associated with the voluntary ethics disclosure, whilst independence was inconsistent.

Based on the above review the following null hypotheses were formulated

H_1: Board Expertise does not have significant effect on compliance with fair value disclosure in the listed banks companies in Nigeria.

H_2: Board Independence does not have significant effect on compliance with fair value disclosure in the listed banks companies in Nigeria.

H_3: Audit Committee Meetings does not have significant effect on compliance with fair value disclosure in the listed banks companies in Nigeria.

2.6. Resource Dependency Theory

Resource dependency theory is a theoretical framework in organizational studies that explores the dynamics of organizational behavior in relation to external resources. Resource Dependency Theory suggest that organizations depend on external resources such as capital, information's, technology and human resource to function effectively. The theory emphasizes that organizations must manage their dependencies on external entities such as suppliers, customers, government agencies and regulatory bodies to ensure their survival and success (Haitham, 2020).

Resource Dependency Theory provides a valuable framework for understanding the complex dynamics between organizational behavior and external resource dependencies. In line with this study, Resource Dependency Theory offers insights into how these banks rely on various external resource to operate effectively and make strategic decision. Banks sector are subject to a multitude of external dependencies, including regulatory frameworks, market conditions and stakeholder relationships. Resource Dependency Theory emphasizes that organizations must navigate these external factors to manage their operations efficiently. For instance, regulatory requirements dictate of financial statement report while market conditions influence revenue streams and investment opportunities.

Strategic decision making is another key aspect of resource dependency theory, organization strategically manage their external dependencies to secure access to critical resource and mitigate risks. Board may impact the strategic decision making process regarding financial report as expertise contribute to innovative approaches and effective risk management practices (Islam & Islam, 2022).

Resource Dependence Theory (RDT) posits that organizations depend on external resources for survival and success, and that boards of directors play a key role in securing these resources. Under RDT, board members are viewed not only as monitors (as in agency theory) but also as providers of critical resources such as expertise, legitimacy, strategic advice, and access to external networks that help the organization manage uncertainty and complexity. Fair value disclosure requirements, particularly under IFRS 13 or similar standards are technically complex and require firms to disclose detailed valuation techniques, inputs, assumptions and risk factors. Compliance with such standards demands specialized knowledge, access to valuation tools and understanding of both regulatory expectations and market-based valuation methods.

Incorporating insights from resource dependency theory into this study can deepen understanding of how board expertise influence banks sectors reliance on external resource for financial statement disclosure. By recognizing the influence between external dependencies, competitive dynamics, inter-organizing relationships and strategic decision making processes, valuable recommendations for optimizing fair value disclosure, strengthening governance practices and enhancing organizational performance in banking section can provided.

3. METHODOLOGY

This study employs a quantitative approach, adopting the positivist paradigm to test the hypotheses. A correlational research design is used to determine the relationship between board attributes and compliance with fair value disclosure. The population of the study consists of all 19 banks on Nigerian Exchange Group for a period of three (3) years from 2022 to 2024. The sampling was drawn based on the availability of information needed to carried out the analysis.

This study employs a panel data approach, Panel data is appropriate for this research as it enables the analysis of both inter-bank differences and intra-bank changes in fair value disclosure compliance over time. Moreover, it allows for controlling unobserved heterogeneity across banks, thereby improving the accuracy and reliability of the regression estimates. Purposive sampling was used to select banks that met specific inclusion criteria relevant to the study. These criteria included: (1) public listing status, (2) availability of annual reports for the study period, (3) the company must not be suspended within the year of research.

To examine the effect of board attribute on compliance with fair value disclosures, the study adopts multiple regression analysis. The models will be specified as follows:

$$CFVD_{it}=\alpha_0+\text{Ƅ}_1BI_{it}+\text{Ƅ}_2BE_{it}+\text{Ƅ}_3ACM_{it}+\text{Ƅ}_4FS_{it}+\text{Ƅ}_5PROF_{it}+\text{Ƅ}_6LQT_{it}+\varepsilon it\ldots\ldots\ldots\ldots\ldots\ldots\ldots(1)$$

Where:

$CFVD_{it}$ = Compliance with fair value disclosures of company i at time t

BI_{it} = The ratio of non-executive directors to the number of directors on the board per company i at time t

BE_{it} = Proportion of directors with accounting financial expert for company i at time t

ACM_{it} = Number of audit committee meeting per year for company i at time t

FS_{it} = Total asset for company i at time t

$PROF_{it}$ = Earnings per share for company i at time t

LQT_{it} = Ration of current assets over current liabilities for company i at time t

Following Bagudo, et al. (2017); Abe et al., (2020); Yang (2022); Ananta et al., (2019) and Oyebisi et al., (2018), the studies constructed the dependent variable using a checklist of 106 items. The study used a dichotomous procedure in which firm is awarded 1 if an item is included in the checklist as being disclosed in the annual report of the sampled firms and 0 if otherwise. The study then computed the index by using the ratio of the actual score to the maximum obtainable score. The study also follows prior studies to measure the independent and control variables of the study as presented in Table 1

Table 1: Independent and control variable measurement

	Independent Variables	Sources
BI	The ratio of non-executive directors to the number of directors on the board	Bagudo (2016): Chen & Jaggi, (2000); Haitham (2020); Islam & Islam (2022); Dana et al., (2020)
BE	Board expertise, the proportion of directors with accounting financial experts to total number of the board.	Dana et al., (2020); Almulhim (2023); DeFond, et al., (2005); Krishnan & Visvanathan, (2008); Xie, et al., (2003)
ACM	This is the total number of meetings held by audit committee members per year.	Othman et al., (2014); Abbott, et al. (2004); Xie et al., (2003); Bedard, et al., (2004)
	Control Variables	
FS	Natural logarithm of total asset	Kapla (2015); Kabwe et al (2020)
PROF	Return on Asset, a proxy for profitability, measured as the ratio of earnings before interest and tax to total asset.	Saurabh & Twinkle (2017);
LQT	Current ratio is the ratio of current assets over current liabilities.	Ahmad, et al., (2016); Aza (2018)

Source: Developed by Author 2025

RESULTS AND DISCUSSION

Descriptive Statistics

The descriptive statistics in Table 2 displays the mean, standard deviation, maximum and minimum values for the explanatory and explained variables.

Table 2. Descriptive Statistics

Var.	Obs	Mean	Std. dev.	Min	Max
cfvd	57	0.694	0.102	0.5	0.9
be	57	0.545	0.115	0.33	0.78
bi	57	0.607	0.154	0.33	0.88
acm	57	4.140	0.875	2.0	6.0
fs	57	11.707	1.04	9.61	12.93
prof	57	0.0196	0.025	-0.09	0.07
lqt	57	1.737	1.012	0.5	5.19

Source: Author computation using Stata18 Output, 2025

Researchers use descriptive statistics to effectively summarize and organize data in order to improve understanding of the data (Isho & Liyin, 2015). The descriptive statistic table displays the mean, standard deviation, maximum and minimum values for the explanatory and explained variables. The summary of descriptive statistics is shown in Table 2.

Table 2 shows the descriptive statistics of dependent and independent variables of this study. For example, the compliance with fair value disclosure (CFVD) is a ratio where its value falls from 0 and 1. Its value could be expressed in percentage (%). Moreover, looking at the mean of CFVD (0.694) presented in Table 2, it indicates that the mean of CFVD is 69.4%. It represents the fact that the average CFVD over the period under consideration was deemed to be high. Furthermore, the highest compliance level is 90%, while the lowest average disclosure quality is 50%, showing a narrow range of compliance with fair value disclosure across the sampled firms. This discovery may be due to the studying a diverse group of businesses of various sizes. Moreover, the standard deviation of 0.102 is far from the average, it suggests that there is large variation within the sampled firms.

This variation justifies the investigation into whether board characteristics (board expertise and independence) influence compliance levels. Since compliance is not uniform, factors such as governance structure may help explain the differences.

The average number of board expertise across the listed banks is 0.545, while deviation value of 0.115 indicates that there is a very low deviation of the data from the mean. The minimum and maximum board expertise of the listed banks firms in Nigeria for the period covered were 0.33 and 0.78 respectively. The minimum value of 0.33 implies that some firms had 30% members with financial expertise as members of the Board. The maximum value indicates that firms with 0.78 or 78% Board accounting expertise from the listed banks have all of its directors' members having Accounting professional qualification. This variation is useful for examining whether higher levels of board expertise lead to better compliance with fair value disclosures. However, if the regression shows no significant relationship it could suggest that expertise alone isn't sufficient or that it doesn't directly influence technical compliance behaviors.

Board independence has a minimum value of 0.33 and a maximum value of 0.88. This implies that the lowest number of board members with independence in the banks firms within the study period was 33%, while the maximum number of board members was 88%. Moreover, this can be said to be below the requirement of the Code of Corporate Governance 2018, which provides for 3 board members maximum. Board independence is often seen as a key governance factor that enhances transparency. This variation allows for testing whether independence affects compliance. If the relationship is insignificant, it could suggest that compliance with disclosure standards is influenced more by operational or regulatory factors than by the board's composition.

The minimum and maximum numbers of audit committee meetings recorded for the period under consideration for the sampled firms are two (2) and six (6) respectively. This implies that the lowest number of audit committee meetings of the banks within the study period was two and the maximum number of audit committee meetings was seven. Moreover, this can be said to be in line with the requirements of the Code of Corporate Governance 2018, which requires that each of the audit committees shall meet at least once every quarter. However, on the average, the number of audit committee meetings was about four (4). This means that most of the banks had about four audit committee meetings during period under consideration. Moreover, the standard deviation recorded a value of 0.875, which implies that there is wide variation in the number of audit committee meetings of the sampled firms. Frequency of audit committee meetings can reflect the board's diligence in overseeing financial reporting. It could act as a control variable to see whether more frequent meetings are associated with better compliance, although its effectiveness would depend on the quality not just quantity of the meetings.

With respect to firm size, the size of the firm has minimum asset value of ₦9.618 Million while the maximum value own by firms in term of size is ₦12.935 Million. From the mean of the size of the firm, it indicates that listed banks have an average value of asset of ₦11.707 Million. The higher standard deviation with the value of ₦1.0 Million as compared with the mean shows that there is much variation in total assets of the sampled firms. Larger banks might be expected to have better resources and systems for compliance. Including firm size as a control variable helps isolate the effect of board characteristics from size-related compliance advantages.

The minimum and maximum percentage of profitability recorded for the period under consideration for the sampled firms are -0.09 kobo and 0.07 kobo respectively. This implies that the lowest ratio of profitability of the banks within the study period was -0.09 and the maximum ratio is 0.07. However, on the average, the ratio of profitability is 0.019 and the standard deviation recorded a ratio of 0.025, which implies that there is low variation in the ratio of profitability of the sampled firms. Profitability can influence compliance if more profitable banks are more willing to invest in better reporting systems. It also reflects firm health, which may impact governance focus and external pressure to comply with standards.

Finally, the minimum and maximum percentage of liquidity recorded for the period under consideration for the banks are 0.5% and 51% respectively. This implies that the lowest ratio of liquidity of the banks within the study period was 0.5 and the maximum ratio is 5.19. However, on the average, the ratio of liquidity is 1.737 and the standard deviation recorded a ratio of 1.012, which implies that there is low variation in the ratio of liquidity of the sampled firms. Liquidity may influence compliance behavior. Banks with more liquidity may have less incentive to manipulate or under-disclose fair value risks, while those with tight liquidity may face more pressure to obscure fair value losses.

The correlation matrix on Table 3 shows the nature of the relationship between the dependent and independent variables (board independence, board expertise and audit committee meetings) of the study as well as the relationship among the independent variables. The summary of the association among the variables of the study is presented in Table 3 below.

Table 3: Correlation Matrix

	cfvd	be	bi	acmtng	fsize	profroa	lqdty
cfvd	1.0000						
be	-0.2642	1.0000					
bi	0.0695	0.0764	1.0000				
acmtng	-0.1485	0.2025	0.1160	1.0000			
fsize	0.6985	-0.2024	0.0958	-0.1478	1.0000		
profroa	0.0995	-0.0212	-0.1875	-0.1273	0.1213	1.0000	
lqdty	-0.0962	0.0601	-0.0867	-0.0817	0.0174	0.2445	1.0000

Source: Author computation using Stata18 Output, 2025

It should be noted that the value of correlation coefficient ranges from 1.0 to -1.0. The coefficient 1.0 on the matrix (diagonal) indicates that a variable has a perfect, strong and positive linear relationship with itself, while -1.0 indicates the presence of a perfect, strong, and negative correlation. However, correlation coefficient value that lies between 1.0 and -1.0 depicts a moderate relationship and a weak relationship. In other words, $r>0$ depicts a positive relationship, $r<0$ shows a negative relationship, while $r=0$ indicates no relationship at all. The rule of thumb for correlation matrix is: 1% - 10% is very weak relationship, 11% - 29% is weak relationship, 30% - 60% is moderate relationship and 61% and above is strong relationship.

From table 4.2, Firm size has strong relationship in compliance with fair value disclosure with correlation coefficient of 0.698, larger banks tend to have higher compliance with fair value disclosure. Likely because they have more resources, better systems and are more visible to regulators and investors. Board expertise has a weak negative relationship with compliance with fair value disclosure with correlation coefficient of -0.264, Surprisingly, more board expertise is slightly linked to lower compliance. This might suggest that expertise alone does not ensure better disclosure. Board independence has very weak relationship in compliance with fair value disclosure with correlation coefficient of 0.069, board independence has almost no correlation with compliance, suggests independence doesn't play a significant role in disclosure behavior in this sample. Profitability has weak relationship in compliance with fair value disclosure with correlation coefficient of 0.099. Audit committee meetings has negative and very weak relationship with compliance with fair value disclosure with correlation coefficient of -0.148, More audit committee meetings are slightly linked to lower compliance unexpected and possibly due to quality over quantity of meetings.

The regression result on the relationship between the dependent variable (Compliance with fair value disclosure) and independent variables (Board independence, board expertise and audit committee meetings) is presented in this section. The research uses the CFVD model to present the model's results. This research then examines the association between the dependent variable and each independent variable using the models.

Table 4. Regression results

R^2 = 0.3924

be	.0436523	.0595801	0.73	0.464	-.0731226	.1604272
bi	-.0351256	.0763894	-0.46	0.646	-.184846	.1145948
acmtng	.0220176	.0108864	2.02	0.043	.0006805	.0433546
fsize	.0776518	.0159743	4.86	0.000	.0463427	.1089609
profroa	.3107262	.3708797	0.84	0.402	-.4161847	1.037637
lqdty	-.0111184	.0090183	-1.23	0.218	-.0287939	.0065572
_cons	-.29477	.1998432	-1.48	0.140	-.6864555	.0969154

Prob Chi^2 = 0.000

Obs = 57

Vif = 1.09

Source: Author computation using Stata18 Output, 2025

The R^2 is used to test the cumulative effect of monitoring mechanisms on CFVD, while the F-Statistic was used to ascertain the fitness and the predictability of the independent variables on the dependent variable in the study models.

Table 4 displays the Random effect regression result for the dependent variable, CFVD, as well as the independent variables, board independence, board expertise and audit committee meetings. The model yields an R^2 value of 0.3924 indicating that approximately 39.2% of the variation in fair value disclosure compliance among banks is explained by the independent variables in the model. This represents a moderate level of explanatory power, which is considered acceptable in governance and financial reporting studies.

Table 4 shows that board independence has a negative coefficient of -0.035 and a p-value of 0.646. therefore, the study accepts hypothesis one that board expertise does not have significant effect on fair value accounting disclosure. The result is in line with the findings of Almaqtari et al. (2021), Kabwe et al. (2020) and Juhmani (2017).

Regarding the results of board expertise shows a p-value of 0.436, and a coefficient of 0.0464, which is statistically insignificant. This suggests that board expertise has no significant effect on the compliance with fair value accounting disclosure of the listed banks in Nigeria. The result of this study is in line with the prior studies of Tawiah and Boolaky (2019), Sellami and Fendri (2017) and Saurabh and Twinkle (2017).

The last variable of interest is audit committee meeting. The result indicates that the variable has a coefficient of 0.022 and a p-value of 0.043. This suggests that audit committee meeting has a positive significant effect on fair value accounting disclosure. This means that more audit committee meetings will lead to an increase of fair value accounting disclosure among the sampled firms. The result of this study is in line with the studies of Krismiaji and Surifah (2019), Agyei-Mensah, (2017), Juhmani (2017). But dissimilar to those of Almaqtari et al. (2021), Kabwe et al. (2020) Dana et al. (2020).

5. CONCLUSIONS AND RECOMMENDATION

The study examined the board attributes and fair value accounting disclosure in listed banks in Nigeria. Three variables were used in the study which include independence, board expertise and audit committee meeting. Out of these variables, only audit committee meeting was found to be statistically significant. Hence, this finding has an implication on the corporate governance mechanisms in the banking industry. Consequently, the study recommends that the policy makers particularly and CBN and FRC should continue to strengthening the audit committee meeting as vital issues like compliance with fair value accounting disclosures are deliberated.

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