

THE ROLE OF FEMALE COMMITTEES ON AUDIT QUALITY OF COMPANIES LISTED IN THE THAILAND MARKET

Jasadakorn Nilket¹, Suparak Janjarasjit², and Thanida Uthayapong^{3,*}

Abstract

The role of a board of directors is a key mechanism in corporate governance, influencing both the quality of financial statements and audit quality. Prior studies in many countries, have found that female board members play a crucial role in management, contributing to improved audit quality. However, research on the impact of female board members on audit quality remains limited in the context of an advanced emerging economy such as the Thai market. This study investigated the relationship between female board membership and audit quality among listed companies from the Stock Exchange of Thailand (SET). Specifically, the study examines the role of female membership at two levels, specifically the subcommittee (i.e., audit committee) and main committee (i.e., board of directors) level. Discretionary accruals, as measured by the Modified Jones Model (1995), were employed as a proxy for audit quality, while audit fees and audit firm size were also included as additional measures of audit quality. The findings, however, were inconclusive. One possible explanation is the relatively low percentage of female members compared to their male counterparts. Additionally, companies may appoint female board members primarily to meet regulatory requirements or diversity standards, rather than due to recognition of their practical roles and genuine contributions within the organization.

Keyword: Female Committees, Audit Quality, Corporate Governance, Discretionary Accruals, Thailand

1. INTRODUCTION

In recent years, market quality has received greater attention following numerous financial scandals. Regulators in many countries have introduced and implemented corporate governance functions with detailed requirements such as board characteristics and ethnicity (Nasir et al., 2019). The role of female members in corporate boards has gained increasing global attention from both academics and practitioners, as female directors can enhance the quality of decision-making (Wiersema & Mors, 2023). Specifically, female representation in corporate boards contributes to gender equality as well as offering diversity in cognitive perspectives (Marinova et al., 2016). Evidence from prior research (e.g., Pucheta-Martínez et al., 2018) suggests that companies with a higher proportion of female board members are more

¹ Jasadakorn Nilket is currently working as an Audit Officer (Practitioner Level) at the Office of the State Audit Office of Sakon Nakhon Province, which falls under the State Audit Office of the Kingdom of Thailand. He obtained a bachelor's degree in Accountancy from Khon Kaen University, Thailand. He is currently a master's student in the Department of Accountancy, Faculty of Business Administration and Accountancy, Khon Kaen University, Thailand.

² Suparak Janjarasjit is currently working as a lecturer in the Department of Business Administration and Accountancy, Khon Kaen University, Thailand. She obtained a Ph.D. in Business Administration (concentration in accounting) from Washington State University, Washington, USA.

^{3,*} Thanida Uthayapong (corresponding author) is currently working as a lecturer in the Department of Business Administration and Accountancy, Khon Kaen University, Thailand. She obtained a Ph.D. in Accounting in the area of auditor and audit quality from Massey University, New Zealand. E-mail: thanut@kku.ac.th

likely to exhibit higher financial reporting quality, reduced earnings management, and decreased information asymmetry. Consequently, many countries—such as Norway, Spain, and France—have implemented gender regulations requiring a minimum percentage of female directors on corporate boards (Gull et al., 2018), to promote more inclusive, balanced, and well-informed decision-making processes that enhance company performance. These improvements, in turn, contribute to increased corporate governance efficiency and the advancement of sustainable development.

Within the emerging economies of ASEAN, Thailand is classified as an advanced emerging market, recognized for its stable market structure and openness to investment (FTSE Russell, 2023). The market is also regulated by the Securities and Exchange Commission of Thailand (SEC), which plays a vital role in promoting good corporate governance by overseeing various control functions. The Thai market stands out as a leader in female representation on corporate boards, exhibiting the highest proportion of female board members compared to other countries in the region (International Finance Corporation & Economist Intelligence Unit, 2019). However, challenges remain, particularly in ensuring high-quality financial reporting and mitigating conflicts of interest within boards of directors (Chotitumtara & Ruangprapun, 2021). In response, the SEC has introduced guidelines aimed at strengthening corporate governance, including the promotion of gender diversity within the boards of listed companies. The guidelines recommend that listed companies aim to appoint at least 30% of their board members as women. As of the end of 2024, 242 listed companies—representing approximately 28.13% of all listed companies—had boards composed of at least 30% female directors. This proportion has shown a consistent upward trend since 2021 (The Securities and Exchange Commission, 2025). The Thai Institute of Directors (Thai IOD) has also supported initiatives aimed at enhancing the role of female directors in corporate governance through its Corporate Governance Report of Thai Listed Companies (CGR) project. In 2023, the CGR introduced new evaluation criteria related to female board representation, including having at least two female directors or achieving a minimum of 30% female representation on the board (Thai Institute of Directors, 2023). These guidelines align with the recommendations of the SEC, which emphasize the importance of board diversity.

Despite international evidence on the positive impact of female membership on financial reporting quality and corporate governance, research in this area remains limited in advanced emerging markets such as the Stock Exchange of Thailand. Compared to other developed markets, there is a lack of in-depth empirical research on the relationship between female board membership and audit quality, particularly in contexts where companies frequently face challenges such as conflicts of interest and earnings manipulation. The aim of this study was to investigate the impact of female representation at two levels—within the audit committee and on the board of directors. Female directors, acting as agents entrusted by principals to protect shareholders' interests, may exhibit certain characteristics often noted in the literature—greater risk aversion, lower tolerance for opportunism, and stronger conservatism. Consequently, female representation at both levels may promote higher audit quality. This concept aligns with Social Role Theory (Eagly & Wood, 2012), which posits that women are more likely to occupy caretaking roles both at home and at work. Moreover, principals may believe that their agents genuinely represent their interests (i.e., symbolic representation). The paper is organized as follows: the next section presents the relevant theories, literature review, and hypothesis development, followed by the research methodology, results and discussion, and finally, the conclusion and recommendations.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Agency Theory

Following prior research (e.g., Gresia & Itan, 2022; Miglani & Ahmed, 2019; Saidu & Aifuwa, 2020), this study employed agency theory, established by Jensen and Meckling (1976) to explain the relationship between principals (shareholders) and agents (board of directors). Since shareholders cannot directly manage a company, owners entrust and delegate their authority to the management in order to manage the company. The management should aim to maximize profits for shareholders. However, information asymmetries may arise because the management team acquire more information than the owners; this can lead to agency problems. In such circumstances, conflicts of interest may occur when the benefits of the board of directors are not aligned with those of shareholders. To eliminate agency conflicts and costs, corporate governance and audit functions are implemented (Jensen & Meckling, 1976). Corporate governance can enhance internal control mechanisms, while auditing can promote company transparency (Soehaditama & Nyoman Sawitri, 2024). Such control and monitoring functions are likely to mitigate the risk of misrepresented financial information and enhance shareholder confidence (Ghazali et al., 2024; Yanida & Widyatama, 2019). The enhancement of financial information can reflect the high quality of an audit. Stronger corporate governance and higher audit quality can lead to more reliable financial information, thereby supporting shareholder decision-making and benefiting stakeholders. In the Thai context, agency theory suggests a link between corporate governance and audit quality, contributing to enhanced financial reporting quality (Amanamah, 2024).

2.2 Audit Quality

Audit quality is a multifaceted concept. This study adopts DeAngelo's (1981) definition, which views audit quality as the likelihood that an auditor will both detect and report material misstatements in financial statements—an ability influenced by the auditor's knowledge, experience, and technical skills. Palmrose (1988) defines audit quality in terms of the probability that published financial statements contain material misstatements, emphasizing the consequences of inadequate auditing. Similarly, Beatty (1989) focuses on the accuracy of the information reported by the auditor. Collectively, these studies highlight audit quality as a reflection of the auditor's effectiveness, as evidenced by the quality of financial reporting.

Examining the result of an audit is likely the most straightforward indicator of audit quality. Although the majority of the research presented so far focuses on experimental investigations of audit quality through auditor evaluations, a substantial archive of research exists regarding audit outcomes utilizing various publicly accessible proxies. The most important proxies are audit failures, financial reporting quality, and audit reports (Detzen & Gold, 2021). Prior studies suggest that higher audit quality improves earnings quality by reducing earnings management (DeFond & Zhang, 2014). This study uses discretionary accruals (DAC), which reflect the management's judgment in financial reporting, as a proxy for earnings management and, by extension, audit quality (Lawrence et al., 2011; Sinlapates et al., 2020).

2.3 Corporate Governance, Female Board Characteristics and Audit Quality

Corporate governance in the Thai market is based on the guidelines of the Organization for Economic Co-operation and Development (OECD), which aims to enhance economic

efficiency, promote sustainable growth, and ensure financial stability by providing useful information to shareholders and stakeholders. The board of directors is responsible for preparing and providing efficient information to all relevant users. Accordingly, board members should exhibit attributes that support the company's competitiveness and contribute to long-term shareholder value, with board diversity being a crucial factor (The Stock Exchange of Thailand, 2017).

The OECD has highlighted the value of female board members, noting their potential to enhance decision-making quality, reduce groupthink, and contribute positively to company culture (Hong & Page, 2001). Boards with greater diversity are more likely to earn stakeholder trust (Bear et al., 2010), deliver stronger performance (Phutkhunthot & Lapprasert, 2017), and be perceived as practicing progressive governance (Byoun et al., 2016). As a result, the presence of female board members is increasingly recognized as a key factor in improving the quality of financial reporting (Al-Ibadi & Ajina, 2023; Davis & Garcia-Cestona, 2023).

Audit committees serve as representatives of shareholders, providing independent oversight of both external auditing and management, to support sound corporate governance and accurate financial reporting (El-Deeb et al., 2024). Their responsibilities include reviewing the adequacy and effectiveness of a company's internal control and internal audit systems. Audit committees also play a key role in recommending the appointment and remuneration of external auditors. Furthermore, they may request auditors to conduct additional procedures on significant or complex financial items, coordinating with external auditors and the board of directors to ensure that the company's financial reporting is both accurate and transparent (The Stock Exchange of Thailand, 1999).

An audit committee plays a critical role in enhancing the effectiveness of financial reporting processes. As a subcommittee of the board of directors, an audit committee is responsible for overseeing internal control systems and risk management (The Stock Exchange of Thailand, 2017). The audit committee contributes to improving the quality of internal controls and helps to prevent financial statement fraud (El-Deeb et al., 2024), thereby strengthening the overall quality of financial reporting. In recent years, regulatory bodies such as the SEC have increasingly emphasized the importance of audit committee characteristics—particularly gender diversity—as a means of enhancing corporate governance. The G20/OECD Principles of Corporate Governance (2023) identify gender diversity as a key attribute for effective governance (The Securities and Exchange Commission, 2025). Specifically, audit committees that include both male and female members promote cognitive diversity and reduce conformist thinking, which might otherwise discourage critical questioning (McKinsey & Company, 2023).

The interaction between male and female audit committee members facilitates a broader range of perspectives (Bart & McQueen, 2013). Female members are more likely to raise difficult issues, demonstrate greater conservatism, closely monitor managerial behavior, exhibit lower tolerance for opportunism, and display higher risk aversion (Chen et al., 2016; Roden et al., 2016). Their presence is thus associated with a reduced likelihood of aggressive accounting practices (Al-Absy, 2023; Alves, 2023). Additionally, women tend to show stronger ethical judgment and behavior compared to men (Wei, 2023). As a result, female audit committee members are more likely to report fraudulent financial activities (Nyamumbo, 2024), leading to higher-quality financial statements and increasing the likelihood of hiring higher quality auditors (Oradi & Izadi, 2020).

Prior research (e.g., Choi et al., 2024; Marais, 2024) has found that auditors consider the aggressiveness of financial reporting and the risk of earnings manipulation during audit planning. Aggressive financial reporting is often perceived as indicative of a higher risk of earnings manipulation and ineffective corporate governance (Mesioye & Bakare, 2024). This perception can, in turn, raise concerns about the reliability of financial statements. External

auditors may question whether financial statements accurately reflect a firms' underlying economic activities, leading to increased planned audit effort and higher billing rates (Yomchinda, 2023). Consequently, audit quality—defined as the extent to which external auditors have confidence in the quality of financial statements—may be diminished (DeFond & Zhang, 2014).

According to prior research, gender diversity on audit committees is a critical factor in the financial reporting process. A higher proportion of female members on audit committees is associated with improved quality of financial statements (Thiruvadi & Huang, 2011). As a result, external auditors are more likely to have confidence that management's opportunistic behavior is limited, and that financial statements are materially accurate and compliant with financial reporting standards. Accordingly, in this study, the presence of female audit committee members is thus considered likely to enhance the quality of financial information and improve audit quality in an advanced emerging market, namely Thailand. The first hypothesis is thus formulated as follows:

H1: There is a positive relationship between the proportion of female audit committee members and audit quality.

The role of women on boards of directors has been explored in prior research (e.g., Parker et al., 2017; Wilbanks et al., 2017). These studies suggest that the presence of female board members fosters a more dynamic and constructive environment for group decision-making, particularly in developed countries such as the United States, Australia, and France. Female members of boards of directors tend to be more rigorous in monitoring the effectiveness of audit committees (Alkebsee et al., 2021). In other words, female board members are generally more effective than their male counterparts in fulfilling oversight responsibilities related to audit committee performance. Their presence brings diverse perspectives to complex issues, helping to reduce informational biases in strategic decision-making and problem-solving (Francoeur et al., 2008). Additionally, female board members tend to have greater influence over board decisions (Fondas & Sassalos, 2000). In this regard, gender diversity at the board level may serve as an enabling context, enhancing the effectiveness of female audit committee members. Specifically, when the overall board exhibits higher gender diversity, it may reinforce the voice, legitimacy, and influence of women on the audit committee, thereby strengthening the positive relationship between their presence and audit quality. Thus, gender diversity may not act as a direct cause but rather as a contingent factor moderating and facilitating this relationship. This is because the presence of women on company boards may enhance the link between board diligence (e.g., calling for frequent board meetings, requiring more audit committee activities) and audit quality. Furthermore, gender diversity may strengthen the positive effect of audit committee activity on audit quality. Accordingly, the second hypothesis is formulated as follows:

H2: Gender diversity within the board of directors positively moderates the relationship between the proportion of female audit committee members and audit quality.

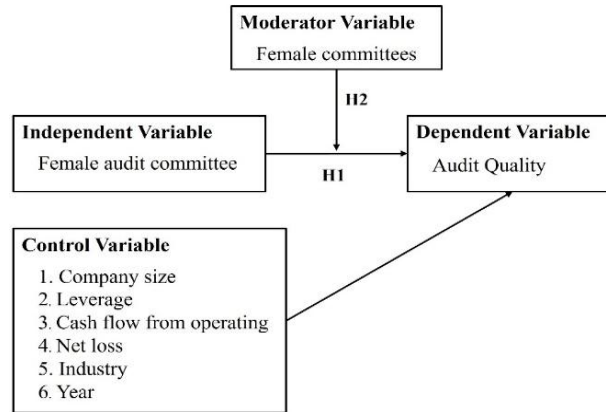
3. RESEARCH METHODOLOGY

3.1 Data and Sample

Data of Thai listed companies were collected across various industries and analyzed accordingly. The utilized sample consisted of 1,554 firm-year observations from companies listed on the SET during the period 2020 to 2022. Financial information for the sample was retrieved from SETSMART, while data on the number of female committee members, audit

firm names, and audit fees, were manually collected from the listed companies' annual reports and annual general meeting documents. Companies in the financial sector and the property fund and REITs segment were excluded from the sample due to their distinct accounting treatments. Additionally, firm-year observations with missing data were removed from the final sample.

Figure 1 Conceptual Framework



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3.2 Empirical Model

Following the study of Afure Akpotor et al. (2019) and Gresia and Itan (2022), this study adopted a cross-sectional regression model to investigate the relationship between the proportion of female committee members and audit quality. The model used to test the first hypothesis can be presented as:

$$DAC_{i,t} = \beta_0 + \beta_1 FACSIZ_{i,t} + \beta_2 SIZE_{i,t} + \beta_3 LEV_{i,t} + \beta_4 CFO_{i,t} + \beta_5 LOSS_{i,t} + INDUSTRY_D + YEAR_D + error_{i,t} \quad (1)$$

This study followed prior research (e.g., Lawrence et al., 2011; Sinlapates et al., 2020) by employing the Modified Jones Model (1995) to measure DAC, which served as the dependent variable. The proportion of female audit committee members (FACSIZ), the main independent variable, was calculated as the number of female members on the audit committee divided by the total number of audit committee members. Other variables shown in equation 1 were used as control variables. Prior research (e.g., Becker et al., 1998) has

found that larger companies are more likely to exhibit higher DAC due to the complexity and volume of their transactions. To account for this, company size (SIZE) was included as a control variable in this study. Similar to Ali et al. (2015), SIZE was measured by the natural logarithm of total assets. Highly leveraged companies are likely to have strong incentives to manage earnings to avoid violating debt covenants, thus leverage (LEV) was controlled. LEV was calculated by dividing the total debts by total assets (Srijunpetch & Phakdee, 2019). Following Sinlapates et al. (2020), cash flow from operating activities (CFO) was controlled as listed companies with higher cash flows from operating activities are likely to have better financial performance. CFO was measured by the balance of cash flow from operating activities divided by total assets. Furthermore, companies reporting a net loss are more likely to engage in earnings management (Miglani & Ahmed, 2019). Accordingly, LOSS was included as a binary control variable. In addition, INDUSTRY and YEAR fixed effects were incorporated to control for industry-specific risk differences and time-invariant confounding factors.

Following prior research (e.g., Al-Najjar & Salama, 2022; Eliwa et al., 2023), the model testing the second hypothesis was developed as follows:

$$\begin{aligned} DAC_{i,t} = & \beta_0 + \beta_1 FACSIZ E_{i,t} + \beta_2 FBSIZ E_{i,t} + \beta_3 FACSIZ E_{i,t} * FBSIZ E_{i,t} \\ & + \beta_4 SIZ E_{i,t} + \beta_5 LEV_{i,t} + \beta_6 CFO_{i,t} + \beta_7 LOSS_{i,t} + INDUSTRY_D \\ & + YEAR_D + error_{i,t} \end{aligned} \quad (2)$$

The proportion of female directors, denoted as FBSIZE, was calculated by dividing the number of female members on the board of directors by the total number of board members, excluding those serving on the audit committee. The remaining variables were defined as previously discussed in Equation 1.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics Analysis

Table 1 summarizes the descriptive statistics of the study variables. The dependent variable was winsorized at the 1% level to mitigate the impact of outliers. DAC ranged from -0.272 to 0.320, with a mean of -0.001 and a standard deviation of 0.092. The average FACSIZ E was 20.03%, with some companies having no female audit committee members and others having all-female committees. Similarly, the average FBSIZ E was 21.31%. The majority of both audit committee and board members were male. Company size ranged from 18.869 to 28.859, with a mean of 22.730 and a standard deviation of 1.562. LEV ranged from 0.004 to 2.063, while CFO ranged from -0.435 to 0.618, with a mean of 0.065. Regarding LOSS, most companies reported operating profits.

Table 1 Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Dev.
DAC	1,554	-0.272	0.320	-0.001	0.092
FACSIZ E	1,554	0.000	100.000	20.028	23.792
FBSIZ E	1,554	0.000	100.000	21.309	18.600
SIZ E	1,554	18.869	28.859	22.730	1.562
LEV	1,554	0.004	2.063	0.438	0.243
CFO	1,554	-0.435	0.618	0.065	0.097
LOSS	1,554	0.000	1.000	0.247	0.431

Pearson and Spearman correlation analysis was executed to examine the relationships between the independent variables and the dependent variable. None of the correlation coefficients exceeded 0.8, indicating that all variables are mutually independent. To verify the independence of variables and prevent multicollinearity, Tolerance and Variance Inflation Factor (VIF) values were examined. All independent variables showed Tolerance values above 0.10 and VIF values below 10, indicating no multicollinearity issues (Hair et al., 2010). Endogeneity testing was also executed, using the Hausman test. The result was not significant ($p = 0.1432$), suggesting that explanatory variables were not correlated with the error term. Hence, omitted variables may not be an issue in this study.

4.2 Multiple Regression Analysis

Table 2 presents the results of the multiple regression analysis. The control variables (i.e., LEV, CFO, LOSS) were found to be significantly related to audit quality. Consistent with prior research (e.g., Miglani & Ahmed, 2019; Sinlapates et al., 2020; Srijunpetch & Phakdee, 2019), audit quality was found to increase as firm leverage, cash flow from operating activities, and financial performance increase. However, company size was not found to be significantly related to audit quality (Coeff. = -0.009, $p = 0.625$), suggesting that complexity and volume of transactions do not lead to higher DAC.

A negative association between FACSIZE and DAC was observed; however, this relationship was not statistically significant (Coeff. = -0.013, $p = 0.437$). This result suggests that the presence of female audit committees does not significantly influence audit quality for companies listed on the SET. Thus, Hypothesis 1 (H1) was rejected. When FBSIZE was included in the model as a moderator, a positive association between the interaction term (FACSIZE* FBSIZE) and DAC was observed at a significant level (Coeff. = 0.061, $p = 0.039$). This result suggests that the proportion of female board members can enhance the relationship between female audit committees and audit quality, supporting H2. The findings suggest that the presence of female audit committee members alone may not enhance audit quality. However, collaboration between female members of the audit committee and the board of directors may help to mitigate earnings management, as measured by DAC, thereby improving both financial reporting quality and audit quality. The findings are consistent with previous studies (Bédard & Gendron, 2010; Carcello et al., 2011; Cohen et al., 2002), which indicate that the effectiveness of audit committees is strengthened by collaboration and support from female board members.

Table 2 Multiple Regression Analysis

	FACSIZE (H1)			FACSIZE*FBSIZE (H2)		
	Coeff.	p-value		Coeff.	p-value	
Constant	0.116	<0.001	**	0.113	<0.001	**
FACSIZE	-0.013	0.437		-0.055	0.035	*
FBSIZE				-0.016	0.446	
FACSIZE*FBSIZE				0.061	0.039	*
FBSIZE	-0.009	0.625		-0.005	0.800	
LEV	-0.190	<0.001	**	-0.195	<0.001	**
CFO	-0.748	<0.001	**	-0.750	<0.001	**
LOSS	-0.415	<0.001	**	-0.415	<0.001	**
R-squared	0.598			0.599		
Adj. R-squared	0.595			0.595		
F-statistics	176.269			153.355		

N	1,554	1,554
Industry dummy	Yes	Yes
Year dummy	Yes	Yes

Note: * and ** denote statistical significance at the 0.05 and 0.01 levels, respectively.

4.3 Sensitivity Analysis

To further explore the impact of female members on audit quality, alternative proxies for audit quality – audit fees (FA) and audit firm size (BIG4) - were examined. As shown in Table 3, a positive and significant association was found between FACSIZ and AF (Coeff. = 0.049, $p = 0.006$). Consistent with prior research (e.g., Hartaty & Dianawati, 2024; Miglani & Ahmed, 2019; Mnif Sellami & Cherif, 2020), high audit fees were found to reflect high audit quality. Therefore, H1 was supported. However, the interaction between FACSIZ and FBSIZ was not found to be significantly associated with AF (Coeff. = -0.010, $p = 0.749$), rejecting H2.

Table 3 Multiple Regression with Audit Fees (AF) as a Measure of Audit Quality

Dependent variable: audit fees (FA)						
	FACSIZ (H1)			FACSIZ*FBSIZ (H2)		
	Coeff.	p-value		Coeff.	p-value	
Constant	6.658	<0.001	**	6.590	<0.001	**
FACSIZ	0.049	0.006	**	0.056	0.051	
FBSIZ				0.027	0.256	
FACSIZ*FBSIZ				-0.010	0.749	
FSIZ	0.644	<0.001	**	0.647	<0.001	**
LEV	0.127	<0.001	**	0.128	<0.001	**
CFO	0.035	0.067		0.036	0.064	
LOSS	0.061	0.002	**	0.060	0.002	**
R-squared	0.510			0.511		
Adj. R-squared	0.506			0.506		
F-statistics	123.506			107.110		
N	1,554			1,554		
Industry dummy	Yes			Yes		
Year dummy	Yes			Yes		

Note: ** indicates statistical significance at the 0.01 level.

Following prior research (e.g., Afure Akpotor et al., 2019; Gresia & Itan, 2022; Mustafa & Che-Ahmad, 2017), BIG4 was used as a proxy for audit quality. The results shown in Table 4 indicate that FACSIZ had no significant relationship with BIG4 (Coeff. = 0.001, $p = 0.648$). In addition, FBSIZ was not found to significantly moderate the relationship between FACSIZ and BIG4 (Coeff. = 0.000, $p = 0.324$). Therefore, both H1 and H2 were rejected.

The findings from the sensitivity analysis were mixed. When audit fees were used as a proxy for audit quality, the presence of female audit committee members appeared to enhance audit quality. In contrast, when audit firm size was used as the proxy, the presence of female audit committee members did not appear to promote audit quality. The inconsistent results may be due to the low proportion of female audit committee members or the measurement of audit quality used (Rajgopal et al., 2021).

Table 4 Multiple Regression with Audit Firm Size (BIG4) as a Measure of Audit Quality

Dependent variable: Audit firm size (BIG4)						
	FACSIZE (H1)			FACSIZE*FBSIZE (H2)		
	Coeff.	p-value		Coeff.	p-value	
Constant	-15.357	<0.001	**	-15.151	<0.001	**
FACSIZE	0.001	0.648		-0.002	0.648	
FBSIZE				-0.006	0.123	
FACSIZE*FBSIZE				0.000	0.324	
FSIZE	0.752	<0.001	**	0.749	<0.001	**
LEV	0.384	0.175		0.359	0.208	
CFO	1.568	0.019	*	1.535	0.022	*
LOSS	-0.365	0.014	*	-0.351	0.018	*
Cox & Snell R ²	0.217			0.219		
Nagelkerke R ²	0.300			0.302		
N	1,554			1,554		
Industry dummy	Yes			Yes		
Year dummy	Yes			Yes		

Note: * and ** denote statistical significance at the 0.05 and 0.01 levels, respectively.

5. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

In response to the growing global emphasis on gender diversity in corporate governance, this study investigated the impact of female representation on audit quality. Specifically, the study examined the presence of women on audit committees and boards of directors. The analysis covered firms listed on the SET during the period 2020–2022, yielding a total of 1,554 firm-year observations. The findings were inconclusive, as discrepancies between the main analysis and the sensitivity tests indicated that the presence of female audit committee members may not significantly influence audit quality.

The presence of women on boards of directors did not appear to enhance the relationship between female audit committee members and audit quality. These findings were inconsistent with prior research. A potential explanation is that the limited representation of women on audit committees and boards of directors may not be sufficient to consistently enhance audit quality. The low proportion of female audit committee and board members, averaging only 20.03% and 21.31%, respectively is less likely to encourage greater audit quality. In addition, appointing women to audit committees and boards of directors may serve more as a response to regulatory requirements than as an acknowledgment of their potential or substantive contributions to the organization. The presence of female board members may play as a symbolic function such as fulfilling regulatory or institutional requirements—rather than being a reflection of genuine integration and active participation in organizational governance (Huse et al., 2009).

In addition, the definition of audit quality can be multifaceted. Rajgopal and colleagues (2021) posit that audit quality proxies are specific to the research setting. For example, audit fees may be a suitable proxy for auditor independence related studies (Rajgopal et al., 2021), while discretionary accruals may reflect auditor conservatism and the

auditor-client relationship (Myers et al., 2003). Meanwhile, audit firm size may be used to measure client characteristics and client size (Lawrence et al., 2011).

5.2 Theoretical Contributions

The findings reveal that the effectiveness of corporate governance and auditing functions to eliminate agency conflicts and costs may vary depending on characteristics of board composition. Given the male-dominated composition, female members may face difficulties in expressing their views and gaining acknowledgment from their peers. These difficulties may block a broad range of ideas exchanged between male and female committee members, causing female perceived caretaking roles to be less effective than Social Role Theory suggests. Hence, the roles of female members of boards of directors, in relation to corporate governance and audit functions, may not be as effective in eliminating agency conflicts and costs as asserted by prior research. The nature of the Thai capital market may be another factor affecting the effectiveness of corporate governance functions. Implementing corporate governance functions may require a combination of various mechanisms.

5.3 Practical Contributions

The findings reveal that requiring the presence of female members on boards of directors may not necessarily lead to higher-quality financial information. Regulators could consider developing guidelines to encourage more active participation and substantive participation of female directors via training and mentoring programs, in order to prevent their appointment solely for the purpose of meeting formal requirements. Furthermore, regulators may consider initiating campaigns to reduce male dominance on boards of directors.

5.4 Limitations and Recommendations

This study is subject to certain limitations that merit consideration. First, data collected and analyzed in this study was taken prior to 2023 in which the CGR required Thai listed companies to have a minimum of one female member serving on their board of directors (Thai Institute of Directors, 2019). Since 2023, the CGR has increased the requirement for female members to constitute at least 30% of board members to promote board diversity, strengthen control and monitoring functions, and ultimately improve financial reporting and audit quality (Thai Institute of Directors, 2023). Future research could examine the role of female board members in audit quality under the new regulations. Second, the study focused solely on companies listed in the Thai market. Therefore, the findings may not be generalizable or comparable to other capital markets with different characteristics. Future research could conduct a meta-analysis using samples that represent various capital markets. In addition, future research may consider mixed methods to explore the role of female directors more holistically. Third, this study examined board diversity from a gender perspective. Future research may investigate board diversity from other perspectives, such as age, ethnicity, professional experience, and educational background. Fourth, the number of females serving on the board was used as an independent variable. Future research may explore other gender perspectives including the indirect impact of female members on corporate culture, such as measuring peers' perceptions of female presence and the roles of females in driving male-dominated board decision making. Lastly, there may be variables, such as audit delay or audit-opinion type, that serve as proxies for audit quality. Therefore, the interpretation of the findings may be limited. Future research could incorporate additional

variables that more comprehensively capture auditors' behavior to enhance interpretation of the findings.

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