

Audit Committee Characteristics and Firm Performance Measured by Return on Assets: A Study on Listed Food, Beverage, and Tobacco Companies in Sri Lanka

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One of the essential components of the corporate governance framework that aids in regulating and overseeing management in the company is the audit committee. The purpose of the research is to investigate the impact of audit committee on the firm's performance. This study used a quantitative method to analyse how listed Sri Lanka food, beverage and tobacco companies fared in terms of their audit committee performance. Thirty publicly listed food, beverage and tobacco companies in Sri Lanka made up a sample from 2017 to 2021. In this study, data were gathered from secondary sources, and multiple regression analysis was used to investigate the hypotheses. According to the finding, audit committee characteristics like audit committee size and audit committee meetings have a significant impact on return on assets. Also, specific audit committee traits in Sri Lanka are important for a company's performance in terms of Return on Assets especially with regards to food, beverage, and tobacco industries. The results will be useful to regulators in other countries who are looking for ways to increase the effectiveness of audit committees, overall firm governance, and investor trust in the firms.

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