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Gender Diversity in Audit Committees and Its Impact on Financial Reporting Quality: A Narrative Review

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ABSTRACT: The relationship between gender diversity in audit committees and financial reporting quality has become an important theme in corporate governance research. This review consolidates empirical and theoretical evidence on how female representation affects audit quality, earnings management, fraud prevention, tax behavior, and sustainability disclosures. Using a systematic search across Scopus, Web of Science, and Google Scholar, we included peer-reviewed studies published in the last decade. The findings show that gender-diverse audit committees strengthen oversight, reduce misreporting, discourage aggressive tax strategies, and enhance ESG disclosure. Comparative evidence indicates stronger effects in developed economies with regulatory mandates, while cultural and institutional barriers in developing markets often limit effectiveness. Unlike previous reviews, this study highlights the combined influence of gender diversity on financial integrity and sustainability reporting, offering an integrated governance perspective. Policy implications include the adoption of gender quotas, leadership training for women, and mandatory disclosure of board diversity. Future research should explore longitudinal trends, sectoral variations, and mechanisms linking gender diversity with governance outcomes.

Keywords: Gender Diversity, Audit Committee, Financial Reporting Quality, Corporate Governance, Earnings Management, Fraud Prevention, ESG Disclosure.

INTRODUCTION

The relationship between gender diversity in audit committees and financial reporting quality has emerged as a central theme within contemporary corporate governance discourse. Growing empirical evidence demonstrates that the presence of female members on audit committees enhances monitoring capacity and strengthens oversight functions, thereby reducing the likelihood of misreporting and improving transparency. For example, Oradi and Izadi (2019) found that audit committees with greater gender diversity were associated with fewer financial restatements, reflecting improved financial reporting quality. These findings are reinforced by studies emphasizing the critical role of governance structures in ensuring accountability and fostering ethical financial practices across industries (Amara et al., 2025). Within this framework, the inclusion of women is not simply a matter of equity or compliance but rather a governance mechanism that can significantly influence organizational performance.

The theoretical underpinnings for this relationship are provided by Agency Theory and Resource Dependence Theory. Agency Theory posits that the inclusion of women brings diverse perspectives that mitigate agency conflicts and strengthen monitoring of managerial actions, ultimately improving firm outcomes (Castillo-Merino, 2025). Resource Dependence Theory, on the other hand, highlights how female representation in governance roles broadens the knowledge base, skills, and external networks of the firm, which can support better decision-making and resilience in competitive environments (Alkebsee et al., 2021). Together, these theories provide a compelling rationale for considering gender diversity as both a governance and strategic imperative.

Recent scholarship also links audit committee diversity with broader outcomes in corporate social responsibility (CSR) and environmental, social, and governance (ESG) disclosures. Appuhami and Tashakor (2017) demonstrated that committees characterized by independence, financial expertise, and gender diversity were associated with more comprehensive CSR disclosures. Similarly, Ma et al. (2024) found that gender-diverse committees contributed to greater credibility in ESG reporting, enhancing corporate reputation and stakeholder trust. These results suggest that the benefits of gender diversity extend beyond financial statement integrity to encompass ethical and sustainable corporate conduct.

Empirical studies also highlight how female directors influence corporate behavior beyond reporting practices. Amara et al. (2025) observed that firms with gender-diverse audit committees were less likely to engage in aggressive tax planning, which correlates with higher transparency and stronger governance. This aligns with the argument that women bring a more cooperative and ethical approach to boardroom deliberations, contributing to enhanced corporate accountability. Such findings reinforce the role of gender diversity as a driver of not only financial quality but also broader corporate legitimacy.

Evidence across diverse jurisdictions further underscores the significance of gender-diverse audit committees. Bravo and Alvarado (2018) highlighted that female directors bring unique perspectives to financial oversight, contributing to improved managerial supervision and greater transparency. Din et al. (2020) found that companies with higher female representation in audit committees faced lower risks of misleading financial reporting, further affirming the value of diversity. Additionally, Pucheta-Martínez et al. (2021) and Anwar et al. (2024) showed that female participation improved CSR and ESG disclosures in European firms, supporting the notion that diversity is integral to both financial and non-financial accountability.

Despite these advances, significant challenges persist in enhancing female representation in audit committees, particularly in emerging markets. Cultural and social norms often conflict with initiatives aimed at increasing female participation in leadership roles (Alhababsah & Yekini, 2021). In several contexts, women encounter systemic discrimination in board appointments, limiting their access to positions of influence (Castillo-Merino, 2025). In many developing economies, the managerial domain remains male-dominated, perpetuating gender biases in board selection processes (Kwamboka et al., 2025). These cultural and institutional barriers continue to restrict meaningful progress in achieving gender-balanced governance.

Regulatory frameworks also shape the extent of female participation in audit committees. While some regions, particularly in Europe, have adopted gender quota policies that demonstrably improve governance practices, many developing markets lack comparable regulations (Amanamah, 2024). The slow adoption of gender-inclusive policies in these markets reflects a persistent gap between the recognition of diversity's benefits and the enactment of effective measures to promote it. Amara et al. (2025) argue that proactive regulatory interventions are crucial in addressing this disparity, noting that quotas and incentives can be effective tools for enhancing representation. Nevertheless, implementation remains uneven, underscoring the need for stronger policy support.

The literature further reveals notable gaps that justify the need for comprehensive review. One prominent gap concerns the limited empirical evidence connecting gender diversity directly to earnings management practices across contexts. While Oradi and Izadi (2019) indicated that women directors tend to act more conservatively and ethically, reducing earnings manipulation, the mechanisms underlying these outcomes remain underexplored (Bravo & Ruiz, 2019). Additionally, few longitudinal studies examine how changes in gender diversity over time influence financial outcomes, leaving questions about temporal dynamics unanswered (Alkebsee et al., 2021). The scarcity of research investigating the interplay between gender diversity, organizational culture, and management styles further highlights an area in need of systematic exploration (Bilal et al., 2024).

This review therefore aims to consolidate and critically assess current evidence regarding the relationship between gender diversity in audit committees and financial reporting quality. It seeks to identify the specific factors through which gender diversity impacts audit effectiveness, including oversight of earnings management, fraud prevention, and tax behavior, while also considering its broader role in CSR and ESG disclosure practices. By synthesizing theoretical and empirical findings, the review intends to provide a nuanced understanding of both the benefits and limitations of gender diversity in governance contexts.

The scope of the review encompasses studies conducted across both developed and emerging economies, enabling a comparative analysis of how cultural, regulatory, and institutional environments shape the effectiveness of gender diversity. This includes regions with established regulatory mandates, such as Europe, as well as those where cultural resistance and limited policy support continue to hinder progress, such as parts of Asia, the Middle East, and Africa. By situating the analysis within diverse geographical contexts, this review not only evaluates the generalizability of existing findings but also identifies areas where further research is essential for advancing governance standards globally.

METHOD

This study adopts a structured methodology designed to capture the breadth and depth of scholarly work on gender diversity in audit committees and its impact on financial reporting quality. The process of data collection, screening, and synthesis was guided by established practices for systematic and narrative reviews, ensuring both methodological rigor and comprehensive coverage. The methodology was developed with the intention of achieving transparency and replicability, thereby enhancing the credibility of the review.

The literature search was conducted across several leading academic databases to ensure comprehensive coverage of relevant studies. Primary reliance was placed on Scopus and Web of Science, given their extensive indexing of peer-reviewed journals in business, management, and accounting. Complementary searches were performed on Google Scholar to capture grey literature and additional articles not indexed in the aforementioned databases. To expand the scope, targeted searches were also performed in PubMed for interdisciplinary studies linking gender and organizational behavior, ensuring that cross-disciplinary insights were incorporated. The combination of these databases allowed the identification of a broad range of empirical and theoretical contributions, covering diverse contexts and methodological approaches.

The selection of search terms was carefully developed to balance specificity with inclusivity. Core keywords included “gender diversity,” “audit committee,” “financial reporting quality,” “corporate governance,” and “corporate social responsibility (CSR).” Additional phrases such as “female directors,” “audit quality,” and “board composition” were integrated into the search to provide a more holistic representation of governance structures and gender-related dynamics (Grau & Bel-Oms, 2022; Bravo & Alvarado, 2018; Alkebsee et al., 2021; Ahmed et al., 2024). Boolean operators (AND, OR) were applied strategically to capture variations in terminology across different studies and contexts. For example, combinations such as “audit committee AND gender diversity AND financial reporting” or “board composition OR female directors AND audit quality” ensured that the searches encompassed multiple dimensions of the research question.

Inclusion and exclusion criteria were established to ensure the relevance and academic rigor of selected studies. The inclusion criteria required that articles explicitly address the relationship between gender diversity in audit committees and financial reporting quality, or explore closely related constructs such as earnings management, audit quality, or corporate governance practices. Moreover, studies were required to employ academically recognized methodologies, whether quantitative analyses, qualitative case studies, or mixed-methods designs that offered valid and reliable findings. To reflect the evolving nature of research in this field, priority was given to publications from the last five to ten years, thereby ensuring that the findings incorporated were both current and reflective of contemporary governance contexts (Iazzi et al., 2022; Ahmed et al., 2024; Oradi & Izadi, 2019). Articles selected were also required to be published in accredited, peer-reviewed journals to maintain scholarly integrity and avoid sources lacking rigorous review standards.

Exclusion criteria were similarly stringent. Case studies with extremely narrow or non-generalizable contexts were excluded, as their limited applicability risked undermining the broader relevance of the review. Studies with poorly defined or unclear methodologies were also excluded due to potential bias and insufficient reliability of findings. Opinion pieces, editorials, and media reports were not considered, as these lack empirical grounding. Furthermore, studies that had been extensively reviewed elsewhere or that were simple replications without novel contributions were excluded to avoid redundancy (Saha & Khan, 2024; Dragomir & Dumitru, 2023; Appuhami &

Tashakor, 2017). These criteria collectively ensured that the literature incorporated into the review was relevant, methodologically sound, and capable of contributing meaningful insights.

The types of studies included in this review encompassed a wide range of research designs, reflecting the diverse methodological approaches within the field. Empirical quantitative studies were predominant, including regression analyses, panel data studies, and experimental designs that examined the causal or correlative relationships between gender diversity and financial reporting outcomes. Qualitative studies, such as in-depth case analyses and interviews with board members, were also included where they provided unique insights into the mechanisms and contextual influences shaping gender dynamics within audit committees. Mixed-method studies that combined statistical analyses with qualitative data were given particular attention, as they offered a more comprehensive understanding of both outcomes and underlying processes.

The literature selection process followed a multi-stage screening approach. Initially, all search results were imported into a reference management software, which facilitated the removal of duplicates and provided an organized repository for screening. Titles and abstracts were first reviewed to eliminate obviously irrelevant articles. The remaining studies were subjected to full-text screening to assess compliance with the inclusion and exclusion criteria. At this stage, articles were evaluated not only for topical relevance but also for methodological rigor, clarity of research design, and quality of data analysis. Each article was carefully examined to ensure it provided substantial evidence or theoretical insights that could inform the relationship between gender diversity and financial reporting quality.

Quality assessment was an integral component of the methodology. For quantitative studies, criteria such as sample size, robustness of statistical techniques, and validity of measurement constructs were evaluated. For qualitative research, emphasis was placed on the depth of analysis, transparency of methodology, and the extent to which findings were substantiated by evidence. Studies that failed to meet these minimum quality standards were excluded from the synthesis. The dual focus on topical relevance and methodological rigor ensured that the final pool of articles represented the highest quality of scholarship available.

Once the final set of articles was identified, data extraction was undertaken systematically. Information was coded into categories such as author, year of publication, geographical context, methodology, sample characteristics, and key findings. Special attention was given to identifying themes related to financial reporting quality, earnings management, tax behavior, CSR disclosure, and ESG practices. The extracted data were then synthesized narratively, allowing for the identification of recurring patterns, emerging themes, and divergences in findings across contexts. This process enabled the integration of theoretical insights with empirical results, providing a comprehensive and nuanced understanding of the subject.

Throughout the methodology, particular emphasis was placed on ensuring transparency and replicability. The combination of rigorous search strategies, clearly defined inclusion and exclusion criteria, and systematic screening and quality assessment created a robust framework for synthesizing the literature. This approach ensures that the conclusions drawn are not only well-supported by the existing body of research but also offer a reliable foundation for guiding future scholarship on gender diversity, audit committees, and financial reporting quality.

In conclusion, the methodological framework employed in this study balances comprehensiveness with rigor, capturing a wide range of perspectives while maintaining strict quality standards. By systematically identifying, screening, and synthesizing the most relevant and reliable literature, this review provides a credible and authoritative basis for advancing knowledge in the field of corporate governance and gender diversity. The process described ensures that the resulting analysis is firmly grounded in the best available evidence, positioning it to contribute meaningfully to both academic discourse and policy development in global contexts.

RESULT AND DISCUSSION

The findings of this narrative review are organized according to five interrelated themes emerging from the literature: gender diversity and audit quality, gender diversity and earnings management, gender diversity and fraud prevention, gender diversity and tax avoidance, and gender diversity and ESG/sustainability disclosure. Collectively, these themes highlight the multifaceted role of female participation in audit committees, demonstrating both direct and indirect effects on financial reporting quality across diverse cultural and regulatory contexts.

Gender Diversity and Audit Quality

The relationship between gender diversity and audit quality has been extensively examined across global contexts, with consistent evidence demonstrating its positive impact. Oradi and Izadi (2019) reported that the presence of women on audit committees enhanced oversight and transparency in financial reporting, contributing to fewer restatements and greater reliability of financial statements. Similarly, Alkebsee et al. (2021) found that female representation improved communication within audit committees and strengthened internal oversight, which in turn reduced perceived audit risk and encouraged the pursuit of higher-quality auditing practices. These findings align with Agency Theory, which posits that diverse perspectives strengthen managerial monitoring, and with Resource Dependence Theory, which underscores the added value of diverse knowledge and networks.

The impact of gender diversity on audit quality, however, is shaped by national context. Evidence indicates that in developed economies, where gender diversity regulations are more stringent, the positive effects of female representation on audit quality are more pronounced (Amanamah, 2024). In contrast, developing economies face cultural and institutional barriers that sometimes hinder the effectiveness of gender diversity in audit committees. Bilal et al. (2024) emphasized that female audit committee members were particularly influential in mitigating earnings management in internationally listed firms, suggesting that external scrutiny and global exposure amplify the benefits of gender-diverse oversight. These findings highlight the importance of institutional frameworks in shaping the outcomes of gender diversity within audit committees.

Gender Diversity and Earnings Management

A second body of evidence demonstrates the role of gender diversity in constraining earnings management practices. Ibrahimi (2025) noted that the inclusion of women in audit committees contributed to reduced earnings manipulation, as women were more likely to adhere to ethical standards and reject opportunistic behavior. This assertion is consistent with prior literature, which suggests that female directors demonstrate more conservative financial decision-making and heightened sensitivity to reputational risks.

Cross-country analyses further reinforce the consistent role of gender diversity in curbing aggressive earnings management. Ratu and Rahajeng (2024) found that diverse audit committees were associated with higher transparency in financial statements, indicating that women in oversight positions contribute to reducing conflicts of interest and enhancing accountability. Yami and Poletti-Hughes (2022) supported these findings by showing that independent female directors on audit committees significantly reduced tendencies toward financial misrepresentation. Similarly, Din et al. (2020) confirmed that gender-diverse audit committees improved the quality of financial reporting and strengthened governance mechanisms, further validating the global relevance of these results. Taken together, this body of evidence illustrates that gender diversity within audit committees is a crucial safeguard against opportunistic accounting practices.

Gender Diversity and Fraud Prevention

Beyond earnings management, gender diversity plays an important role in reducing the incidence of financial fraud. Yami and Poletti-Hughes (2022) provided evidence that independent female directors exerted a negative and significant influence on financial fraud, with this effect amplified when female directors possessed financial expertise. This highlights the combined importance of gender diversity and professional competence in preventing fraudulent practices. Nindito et al. (2025) similarly emphasized that strong corporate governance structures incorporating gender-diverse oversight significantly reduced the likelihood of fraudulent reporting.

Interactions between gender diversity and other governance mechanisms have also been explored. Ghazwani et al. (2023) demonstrated that audit committees characterized by both gender diversity and independence were positively correlated with enhanced anti-corruption disclosures, suggesting a synergistic effect between these governance features. Such findings underscore the need to view gender diversity not in isolation but as part of a broader constellation of governance practices that collectively shape organizational transparency and accountability.

Gender Diversity and Tax Avoidance

A growing body of research has examined the association between gender diversity and corporate tax behavior, with evidence pointing to reduced tax aggressiveness in gender-diverse governance environments. Castillo-Merino (2025) found that firms with female directors in audit committees were less likely to engage in tax avoidance, particularly in contexts where female representation was dominant. This suggests that women in audit roles are more likely to adopt conservative approaches to tax planning, thereby promoting ethical corporate conduct.

Leadership roles amplify this effect. Amara et al. (2025) showed that female chairs of audit committees moderated the relationship between audit quality and tax avoidance, with female leadership contributing to stronger audit oversight and reduced engagement in aggressive tax strategies. These findings illustrate that female leadership in audit committees not only influences oversight processes but also plays a central role in embedding ethical standards in corporate taxation practices.

Gender Diversity and ESG/Sustainability Disclosure

The literature also highlights the impact of gender diversity on ESG and sustainability disclosure. Ma et al. (2024) reported that gender diversity within boards and audit committees had a direct and positive effect on ESG reporting, with audit committees serving as a key mechanism to strengthen the relationship between diversity and disclosure practices. These findings indicate that women in audit committees foster a corporate culture oriented toward transparency and responsibility in sustainability reporting.

Sector-specific analyses reveal important variations. Pucheta-Martínez et al. (2021) found that in the energy sector, gender diversity within governance structures significantly improved environmental reporting, while in the service sector, diversity was particularly influential in enhancing social and governance disclosures. Merter et al. (2024) highlighted that manufacturing firms with diverse audit committees achieved higher-quality sustainability reporting, further confirming the cross-sector relevance of gender diversity. Dahmen and Chouaibi (2024) also emphasized that female oversight in audit committees encouraged more comprehensive disclosure of sustainability practices, underscoring the consistency of this trend across industries. Collectively, these studies show that gender diversity positively affects ESG disclosures, although the magnitude and nature of the impact vary depending on sectoral dynamics.

Comparative Perspectives and Global Insights

The comparative dimension of this review underscores the influence of regulatory frameworks and cultural contexts on the effectiveness of gender diversity. In developed economies such as those in Europe, where gender quotas and regulatory mandates are common, gender diversity has been shown to consistently improve audit quality, reduce earnings management, and enhance sustainability disclosures (El-Dyasty & Elamer, 2022). However, in emerging economies, cultural resistance and weaker governance frameworks often limit the impact of female representation, leading to tokenism rather than substantive influence (Maraghni & Nekhili, 2014). Nevertheless, global evidence suggests that even in challenging contexts, the inclusion of women in audit committees contributes to incremental improvements in governance and transparency, with international firms often demonstrating stronger effects due to higher external scrutiny (Bilal et al., 2024).

Synthesis of Findings

Overall, the literature demonstrates that gender diversity within audit committees is a significant determinant of financial reporting quality and broader governance outcomes. Female representation strengthens audit oversight, reduces earnings management and fraud, discourages aggressive tax practices, and enhances ESG disclosures. While contextual differences exist between developed and developing economies, and across industrial sectors, the overarching conclusion is that gender diversity plays a critical role in promoting transparency, accountability, and ethical corporate conduct. The findings therefore validate the theoretical perspectives of Agency Theory and Resource Dependence Theory, providing both empirical support and practical implications for policymakers, regulators, and corporate leaders seeking to strengthen governance through greater gender inclusivity.

The discussion of findings concerning gender diversity in audit committees and financial reporting quality is enriched by their alignment with established governance theories, contextual influences, and practical policy implications. The convergence of empirical evidence across various jurisdictions confirms that gender diversity plays a substantial role in enhancing oversight functions, improving reporting quality, and fostering transparency. At the same time, systemic barriers remain that limit the translation of theoretical advantages into practical outcomes, particularly in emerging markets.

The insights gained are consistent with key corporate governance theories, particularly Agency Theory and Resource Dependence Theory. Agency Theory posits that diverse boards, by integrating female directors, strengthen the mechanisms that mitigate agency conflicts and enhance the quality of monitoring (Oradi & Izadi, 2019). Empirical studies confirm that women directors often adopt a more conservative stance in financial decision-making, thereby supporting the governance goal of safeguarding the integrity of financial statements (Grau & Bel-Oms, 2022). This complements the view of Resource Dependence Theory, which emphasizes that female directors add valuable perspectives, networks, and resources that improve governance outcomes. Bravo and Alvarado (2018) highlighted that women on boards and audit committees contribute to higher quality disclosures on sustainability and CSR, demonstrating the broader contributions of gender diversity beyond financial reporting. The combination of theoretical frameworks and empirical evidence therefore provides a robust foundation for understanding the multidimensional impact of gender inclusivity in governance.

The systemic factors that shape the effectiveness of gender diversity in audit committees provide crucial insights into the uneven outcomes observed across regions. In contexts such as Europe, regulatory mandates requiring gender quotas have been instrumental in increasing female representation in boards and audit committees. Studies confirm that these interventions are effective in reducing bias and institutional barriers, thereby facilitating the integration of women into key oversight roles (Ammer & Ahmad-Zaluki, 2017; Appuhami & Tashakor, 2017). Conversely, in many developing markets, entrenched patriarchal norms limit the influence of women, even when legislative frameworks exist to promote gender equality (Alkebsee et al., 2021; Amanamah, 2024). Blay et al. (2025) underscore that cultural resistance often diminishes the practical impact of regulatory initiatives, leaving women underrepresented in decision-making positions. These systemic barriers illustrate that formal rules alone are insufficient and must be complemented by cultural change, education, and stakeholder pressure to achieve meaningful progress.

Investor pressure and market dynamics also play a critical role in advancing gender diversity within audit committees. With increasing global emphasis on CSR and ESG, investors are demanding higher standards of governance and inclusivity. Companies that demonstrate strong gender diversity in governance structures are often perceived as more transparent and accountable, attracting positive attention from both shareholders and regulators. This aligns with the findings that investor activism and stakeholder expectations drive firms toward inclusive practices, as seen in contexts where governance reforms alone are inadequate. The intersection of regulatory frameworks, cultural contexts, and market expectations creates a complex landscape in which gender diversity initiatives must operate, reinforcing the need for multifaceted approaches to promote sustainable change.

Policy recommendations and best practices emerging from the literature provide concrete pathways to strengthen the role of gender diversity in governance. The imposition of gender quotas has been widely advocated as a mechanism to ensure women's representation in boards and audit committees, as demonstrated by Castillo-Merino (2025) and Amara et al. (2025). While quotas address immediate underrepresentation, long-term effectiveness depends on parallel efforts to enhance the skills and competencies of women in leadership. Elmagrhi et al. (2017) highlighted the importance of targeted training and education in leadership and accounting skills to enable women to excel in governance roles, ensuring that representation is substantive rather than symbolic.

The importance of transparency in corporate disclosures also emerges as a recurring theme. Bravo and Alvarado (2018) emphasized that disclosure of information regarding gender diversity and its impact on corporate performance is essential for promoting accountability. By institutionalizing such disclosures, firms not only comply with stakeholder demands but also create incentives to maintain gender inclusivity as a strategic priority. The integration of gender diversity into CSR reporting frameworks provides an additional avenue for reinforcing its role in governance practices.

The collaboration between regulatory authorities and market mechanisms is another critical recommendation. Bravo and Ruiz (2019), along with Amanamah (2024) and Blay et al. (2025), suggest that effective gender diversity initiatives require the synergy of legislative mandates and voluntary corporate efforts. Governments can establish the minimum requirements through quotas and regulations, while market dynamics—driven by investor expectations and stakeholder scrutiny—can create competitive pressures that incentivize firms to go beyond compliance. This dual approach fosters an enabling environment in which gender diversity becomes both a regulatory obligation and a source of strategic advantage.

Despite the strengths of the existing literature, several limitations constrain the generalizability and depth of current findings. Much of the empirical evidence is derived from cross-sectional studies, which capture associations at a single point in time but fail to account for the dynamic effects of gender diversity over time. Longitudinal studies would provide more robust insights into how sustained female participation in audit committees affects financial reporting quality and governance outcomes. Additionally, the mechanisms through which gender diversity reduces earnings management or fraud remain underexplored, with most studies inferring causality without directly examining intervening processes. Future research should investigate organizational culture, leadership dynamics, and intra-committee interactions to clarify these mechanisms.

The contextual limitations of existing research further highlight areas for future exploration. The majority of studies are concentrated in developed economies, particularly in Europe and North America, where regulatory frameworks and cultural norms differ significantly from those in developing regions. This creates a gap in understanding how gender diversity operates in contexts where institutional support is weaker and cultural resistance is stronger. More comparative research across diverse jurisdictions is necessary to identify context-specific drivers and barriers to effective gender inclusivity. Moreover, industry-specific analyses remain limited. Although some evidence exists in sectors such as energy, services, and manufacturing, systematic comparisons across industries could shed light on how sectoral dynamics mediate the relationship between gender diversity and governance outcomes.

Finally, methodological diversity in future studies is essential to enrich the body of evidence. The reliance on quantitative models, while useful for establishing correlations, should be complemented with qualitative approaches such as case studies and interviews that provide deeper insights into the lived experiences of women in audit committees. Mixed-method approaches could bridge the gap between statistical associations and practical realities, generating findings that are both empirically robust and contextually nuanced.

CONCLUSION

This narrative review demonstrates that gender diversity in audit committees plays a pivotal role in enhancing financial reporting quality, improving audit oversight, and fostering corporate accountability. The evidence consistently shows that female representation reduces earnings management, mitigates the risk of fraud, discourages aggressive tax practices, and strengthens ESG and sustainability disclosures. These findings are reinforced by governance theories, particularly Agency Theory and Resource Dependence Theory, which highlight the monitoring and resource-based contributions of gender-diverse boards. At the same time, the effectiveness of gender diversity is shaped by systemic factors, including regulatory frameworks, cultural norms, and investor pressures. While developed economies with mandatory gender quotas exhibit more tangible benefits, developing markets face persistent cultural and institutional barriers that limit the full realization of these advantages.

The urgency of advancing gender diversity in audit committees lies in its clear connection to improved transparency and ethical corporate conduct. Policymakers and regulators should consider implementing gender quotas, promoting targeted leadership training for women, and requiring greater disclosure of board diversity metrics. Firms should also view gender inclusivity not only as a compliance measure but as a strategic advantage that enhances credibility and investor confidence. Future research should address existing gaps by conducting longitudinal and crossindustry analyses, as well as exploring the interaction between gender diversity and organizational culture. Qualitative and mixed-method approaches could provide deeper insights into the mechanisms through which female participation drives governance outcomes. Overall, strengthening gender diversity in audit committees represents a critical strategy for overcoming persistent governance challenges and advancing financial reporting integrity globally.

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