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Women on Audit Committees in the UAE 2024

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Introduction

Women's representation in the boardroom has received much prominence in the literature in the last few years (Brahma et al., 2021; Harakeh et al., 2019; Kirsch, 2018). As shown in **Figure 1**, the number of published papers on gender diversity-related themes has substantially increased since 2006, when the first country to do so, Norway, established quotas for increasing women on boards. In the six years between 2006 and 2012 the number of papers trebled, and in the ten years since, they have multiplied five times. This demonstrable indication of increased scholarship in the field highlights the importance of accurate data availability for board-level gender research.

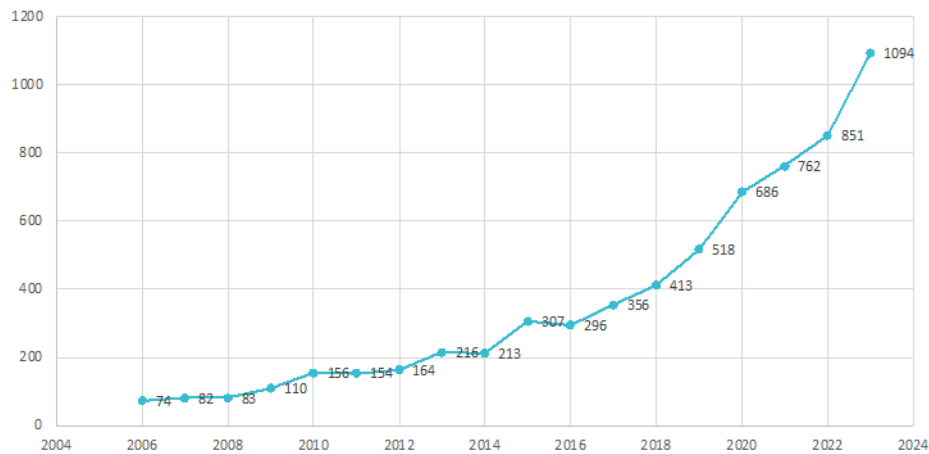


Figure 1 - Articles in Gender Equality 2006 - 2023 (Source: Scopus)

This proliferation of scholarship has, in our view, meant that the debate has moved on considerably, and we suggest that attention now should be focused not just on the proportion of women on boards, but on their presence (or absence) on key committees of the board.

Positions of influence

{Seierstad, Cathrine, 2011} notes that regulations aimed at increasing women's representation on boards, such as the quotas introduced in Norway in 2006, aim to enhance women's influence on decision-making and management. However, the author also cautions that representation alone does not necessarily lead to

¹ This research was made possible thanks to the financial support of Grant Thornton in the UAE

influence. Understanding the representation of women in executive positions and influential board roles (such as chairing the board and its committees) is crucial for assessing the impact of gender diversity on corporate governance and other company aspects.

Board gender composition in the GCC and the UAE

In our publication earlier this year of [The GCC Gender Board Index Report](#) (McGregor, 2024) we reported that 5.2% of board positions in the GCC countries were held by women. Within the GCC, the country that seen the greatest acceleration in female representation is the United Arab Emirates, which at the census date for the report² was 10.8%, double the GCC average. This can be attributed to the supportive environment for women in the UAE, led by the government who established the [Gender Balance Council](#) in 2015, and reinforced by the Securities and Commodities Authority (SCA) who issued a directive in March 2021 that all listed companies should have at least one woman on the board. More recently, in September 2024, the UAE Ministry for the Economy has mandated³ that private companies should allocate at least one seat for women on their boards of directors after the completion of the current board's term.

This legislative agenda is supported by the literature which emphasizes that diverse boards bring wider perspectives and are less susceptible to groupthink. Female directors offer fresh, independent viewpoints in their monitoring and advisory roles (Farooq et al., 2023). The presence of women on boards enhances corporate governance mechanisms and improves aspects of corporate reporting, such as transparency and disclosure (Ginesti et al., 2018).

Studies demonstrate that women directors contribute unique characteristics to boards, including distinct ethical frameworks and a greater philanthropic focus, resulting in increased transparency and disclosure, especially in sustainability-related matters ((Frias-Aceituno et al., 2013). Adams and Ferreira's work on women in boardrooms demonstrates that female directors typically exhibit greater independence and diligence in oversight roles, leading to enhanced corporate governance (Adams & Ferreira, 2009). This finding is particularly relevant in the context of audit committees, where such qualities are essential for effective financial oversight.

The importance of audit committees

The audit committee is considered the most senior committee of any board due to its critical role in overseeing financial reporting, internal controls, and compliance, ensuring the integrity of a company's financial statements (DeZoort et al., 2002). Positioned as a safeguard for shareholders, the audit committee helps to mitigate risks by ensuring adherence to regulations and preventing financial misconduct (Spira, 1998).

² The GCC Gender Board Index Report census date was publicly available information as of January 2024

³ Ministerial Resolution 137 of 2024

Academic literature highlights the committee's function in enhancing transparency and accountability, as its responsibilities are foundational to sound corporate governance {Carcello, J. V., 2006}. Its seniority reflects the board's commitment to financial accuracy and ethical oversight. The presence of women on audit committees is thus an indicator of their influence, and so we set out to review the gender representation on the audit committees of listed companies in the UAE.

Methodology

We extracted, analysed and reviewed information from the annual reports of the 166 companies listed on the Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM) for their financial year that ended in 2023. Companies who listed for the first time in 2024 and those without accessible corporate governance reports were excluded from this review, leaving 148 companies in the sample.

Key Findings

Across all 148 companies we identified 66 female members of audit committees, which, because some women held multiple posts, were made up of 60 women. While this is a positive development, we were even more encouraged to learn that, at the census date, 22 audit committees from the 148 companies reviewed were chaired by women. These 22 committee chairs, because of some women holding more than one chair, are made up of 19 women.

Conclusion

Our data demonstrated significant participation of women in audit committees, and the presence of 22 female audit committee chairs is a very encouraging finding. That 13.3% of listed companies in the UAE have women chairing their audit committees, exceeding the overall UAE female board representation percentage reported in the GCC Board Gender Index Report of 10.2%, indicates that women are making particularly strong inroads in this crucial aspect of corporate governance. This progress suggests a positive trajectory toward more inclusive and diverse corporate leadership in the UAE.

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