KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

CORPORATE GOVERNANCE, INTERNAL AUDIT QUALITY AND FINANCIAL REPORTING QUALITY OF FINANCIAL INSTITUTIONS

By

ABIGAIL OSAE

(20862615)

A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUTING AND FINANCE, KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD DEGREE OF MASTER OF SCIENCE IN ACCOUNTING AND FINANCE

NOVEMBER, 2023

DECLARATION

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Kwame Nkrumah University of Science and Technology, Kumasi or any other educational institution, except where due acknowledgement is made in the thesis.

Abigail Osae …………………. ………………….

(PG9405121) Signature Date

Certified by:

Daniel Domeher (PhD) …………………. ………………….

(Supervisor) Signature Date

Certified by:

Prof. Kingsley Opoku Appiah …………………. ………………….

(Head of Department) Signature Date

DEDICATION

I dedicate this thesis first of all to God for His invaluable grace and mercy throughout this program. To all my family, Supervisor and colleagues for their contribution in diverse ways towards the completion of this thesis

ACKNOWLEDGEMENT

First of all, I want to praise and thank God Almighty for His protection, wisdom, and favor during my thesis work, which enabled me to successfully complete my research. The completion of this undertaking could not have been possible without the participation and assistance of so many people whose names may not all be listed. I genuinely appreciate the various ways in which they have contributed. A very special thanks to Dr. Daniel Domeher, my supervisor, whose advice enabled me to finish this thesis.

Last but not least, I want to sincerely thank my family for supporting me while I was putting this thesis together.

ABSTRACT

The main goal of this research was to examine how institutional variables affect banking FRQ. The study's descriptive cross-sectional survey approach informed its statistical analysis. The survey sampled bank managers and accountants. Purposive sampling was used to collect data from 132 individuals. The study assumptions were assessed using SPSS v26. Descriptive statistics and correlation analysis were used to summarise data and find significant relationships. The inquiry hypotheses were tested using multiple regression. The research found a positive correlation between board independence, board job performance, and banking sector financial reporting quality. Both the level of board expertise and the efficiency of internal audit were shown to have little effect on the reliability of financial statements.

TABLE OF CONTENTS

DECLARATION ii
DEDICATION iii
ACKNOWLEDGEMENT iv
ABSTRACT v
TABLE OF CONTENTS vi
LIST OF TABLES ix
LIST OF FIGURES x
CHAPTER ONE 1
INTRODUCTION 1
1.1 Background to the Study 1
1.2 Problem Statement 5
1.3 Aim and objectives. 7
1.4 Research Questions 7
1.5 Significance of the Study 8
1.6 Scope of the study 8
1.7 Summary of Methodology 9
1.8 Organization of the Study 9
CHAPTER TWO 11
LITERATURE REVIEW 11
2.1 Introduction 11
2.2 Conceptual Literature Review 11
2.3 Theoretical Literature Review 25
2.3.1 Agency Theory 25
2.4 Empirical Literature Review 27
2.5 Conceptual Framework 32

2.6 Summary of Chapter 32
CHAPTER THREE 34
METHODOLOGY 34
3.1 Introduction 34
3.2 Research Design 34
3.3 Population of the Study 36
3.4 Sample and Sampling Techniques 36
3.5 Data and Data Collection 37
3.6 Data Analysis 39
3.7 Validity and Reliability of Constructs/Variables 40
3.8 Ethical Consideration 41
3.9 Chapter Summary 41
CHAPTER FOUR 43
DATA ANALYSIS AND PRESENTATION 43
4.1 Introduction 43
4.2 Response Rate 43
4.3 Demographic Characteristics 43
4.4 Exploratory Factor Analysis 44
4.5 Reliability Test 47
4.6 Descriptive and Normality Statistics 47
4.7 Correlation Analysis 48
4.8 Regression Analysis 49
4.9 Discussion of Results 52
CHAPTER FIVE 59
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS FOR FUTURE RESEARCH 59
5.1 Introduction 59

5.2 Summary of Findings 59
5.3 Conclusion 60
5.4 Recommendation 61
5.5 Limitations and Future Research Directions 62
REFERENCES 64

LIST OF TABLES

Table 4. 1 Demographic Information 44
Table 4. 2 Common Method Bias 45
Table 4. 3 KMO and Bartlett's Test 47
Table 4. 4 Reliability Test 47
Table 4. 5 Descriptive Statistics 48
Table 4. 6 Correlation Statistics 49
Table 4. 7 Model Summary 50
Table 4. 8 ANOVA 50
Table 4. 9 Regression Coefficient 52

LIST OF FIGURES

Figure 2. 1 Conceptual Framework 32

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the contemporary corporate landscape, characterised by its dynamic nature, intense competition, and vibrant atmosphere, numerous stakeholders exhibit a vested interest in the progress of companies in various capacities. Consequently, the significance of assessing and tracking diverse financial performance indicators for these companies remains arguably paramount for their stakeholders. Investors, government and other external stakeholders often need to assess an organization's performance. This is done to evaluate the company's success, identify any vulnerabilities, compare current and previous performance, and compare recent performance to industry standards. If a corporation can meet the interests of all of its stakeholders, it may be considered effective and efficient (Bridoux and Vishwanathan, 2018). For example, managers are concerned with their well-being and profit maximization, current and potential shareholders consider performance to be the company's ability to distribute dividends to their investments, commercial partners seek the company's solvency and stability, and the state seeks a company that is efficient in paying taxes and aids in the creation of new jobs. The capacity of organizations to meet the requirements of their stakeholders is inextricably linked to their corporate governance and financial performance (Puangyanee, 2018; Akuffo, 2020; Dimitropoulos, 2022).

Quality financial data reporting is required for efficient financial decisions (Kaawaase, Nairuba, Akankunda, and Bananuka, 2021). As stated by the International Accounting Standards Board in 2020, financial reports should aid users in making informed choices. To make sound decisions based on the contents of a financial report, the data contained therein must be accurate, useful, understandable, comparable, current and verifiable

(Kaawaase, et al. 2021). In light of recent financial scandals (Toms, 2019), investors and the global community have reason to be wary of the reliability of data provided by institutions (Kaawaase, et al. 2021).

Regulatory bodies have dedicated significant time and resources towards the development of robust systems aimed at ensuring the accuracy and dependability of financial data. This emphasis on verification originates from the growing need for reliable financial information (Amissah, Hammond and Djimatey, 2020). such example of such intervention in the field of accounting is the scholarly works published in 2020 and 2021 by Amissah et al. and Kaawaase et al. These publications focus on the IASB and IFRS, specifically examining its adherence to the concept of "high quality." The adoption of the IFRS is becoming more prevalent across countries, either via voluntary or legal means, mostly due to the European Union's implementation (Kaawaase, et al., 2021). The accuracy of a company's financial reporting is crucial for its ability to secure external financing and provide adequate accountability, as shown in a recent research conducted by Lin, Wang, and Pan (2016). Investors, banks, and vendors are just some of the many interested parties who worry about the accuracy of financial reports (Aifuwa, Embele, and Saidu, 2018; Kaawaase, et al. 2021).

Fraudulent record-keeping of financial transactions is widespread worldwide (Karpoff, 2021). According to the Global Economic Crime and Fraud Survey, 49 percent of companies' financial reporting is subpar (Mundy, 2018). Misreporting incidents among financial organizations are frequent in Uganda. Among other, commercial and state institutions, the Central Bank of Uganda has recorded fraudulent operations since 1999. It was found that the financial reporting of Crane Bank and Imperial Bank was insufficient in that they reflected non-performing loan values that were significantly lower than their real values (Bank of Uganda, 2017; Uganda, 2015; Kaawaase et al.

2016). These fraudulent financial reporting techniques are widespread in Ghana. Among other scams revealed by the media and academics, the Regional Sports Authority made payments of more than GH37,000 without any supporting paperwork, according to the Auditor-report General's on the Accounts on Public Boards, Corporations and Other Statutory Institutions (Kpodonu, 2020). Questions arise on the techniques financial institutions should employ to encourage the quality of financial reporting in light of all these circumstances.

The existing literature has many pieces of evidence that substantiate the claims about the effectiveness of corporate governance systems (Mnif and Znazen, 2020; Coffie and Bedi, 2019). The use of International Financial Reporting Standards (IFRS) has been shown to enhance comparability among consumers of accounting information (Mbawuni, 2018). Moreover, it ensures the distribution of precise and timely financial statement data (Prekazi, 2022), and, ideally, facilitates the more effective utilisation of capital (Owusu, 2022). The adoption of IFRS has been extensive but with some research indicating a potential decrease in the trustworthiness of financial reporting (Mensah, 2021; Elmghaamez, Attah-Boakye, Adams, and Agyemang, 2022). They say that discrepancies in the depth of execution and other fundamental political and economic variables are to blame for the wide range of financial reporting quality (Amissah et al. 2020). Institutions are argued to play a pivotal role in determining financial reporting results in the existing literature (Roychowdhury, Shroff, and Verdi, 2019). As a result, others argue that the adoption of standardized accounting practices would not bring about convergence in the quality of financial reporting across nations (El-Helaly, Ntim, and Soliman, 2020; Amissah et al., 2021). As a result, the advantages of standardized accounting practices are diminished because there is no worldwide body charged with ensuring their adoption and implementation (Agyei-Boapeah, 2020). This suggests that

the quality gaps between IFRS and preexisting national accounting standards (GAAP) and the efficacy of regulatory oversight will determine the impact of IFRS implementation on the reporting quality of a country (Amissah et al. 2020; El-Helaly, Ntim, and Soliman, 2020; Amissah et al, 2021; Roychowdhury, Shroff, and Verdi, 2019).

The enforcement mechanism for financial reporting quality has to be strengthened because higher accounting standards do not always improve financial reporting. Comprehensive corporate governance frameworks and high-quality internal audits provide accurate financial reporting (Reid et al., 2019; Shahzad, et al., 2019; Nalukenge, 2018, Kaawaase, 2021).

Financial report quality is improved by good business governance (Nalukenge et al. 2018). Effective internal audit systems improve financial reporting, which boosts corporate governance's influence on IFRS (Shahzad et al. 2019). Experience and performance in board responsibilities are strongly correlated with financial reporting quality (Nalukenge et al. 2018). Alzoubi (2018) found that auditor duration, size, specialisation, and independence minimise earnings management and enhance financial reporting.

This study shows that company governance and internal audit quality have little research on financial statement accuracy. Previous studies either didn't address banks' influence or didn't cover all three elements investigated here. Kaawaase et al. (2021) used qualitative financial statement criteria to assess financial reporting quality. This study will expand on Kaawaase et al. (2021) by analysing financial reporting quality determinants using quantitative methods and theories.

1.2 Problem Statement

The International Accounting Standards Board (IASB), Financial Accounting Standards Board (FASB), Australia Accounting Standard Board (AASB), and Accounting Standard Board in the United Kingdom (ASB) [UK] define high-quality financial reporting as accurate and fair financial statements that accurately reflect an entity's true financial position and economic performance. Reid et al. (2019), Nalukenge et al. (2018), Shahzad et al. (2019), Agyei-Boapeah (2020), Roychowdhury (2019), and Elmghaamez et al. (2022) have studied financial reporting quality.

According to Herath and Albarqi (2017), the convergence and harmonisation of accounting standards and the subsequent evolution in disclosure requirements after multiple economic crises have narrowed the financial reporting process. The growth in accounting crises globally at the turn of the century shows that financial reporting has quality issues (Camfferman & Wielhouwer, 2019). High-quality financial reporting helps clients make educated investment decisions and improves market efficiency (Shahzad et al., 2019). The world needs widely accessible methods to assess financial reporting dependability and trustworthiness. Investors who use financial reports for decision-making may benefit from improved financial reporting standards. Financial reporting quality involves numerical data and other pertinent information that may be utilised to make business choices, according to Herath and Albarqi (2017).

The literature supports the arguments that IFRS enhances comparability for accounting information consumers (Mbawuni, 2018), creates highly accurate, timely, and transparent financial statement information (Prekazi, 2022), and improves capital allocation (Owusu, 2022). Researchers say firm governance, internal audits, and financial report accuracy are the most crucial factors.

The degree to which these three components impact financial reporting quality was not thoroughly investigated in this study. Other researches say IFRS lowers reporting quality (Mensah, 2021; Elmghaamez, AttahBoakye, Adams, and Agyemang 2022). Although financial reporting has been shown to benefit numerous areas of a firm. They attribute financial reporting requirements to implementation disagreements and other systemic political and economic factors (Amissah et al. 2020). According to the research, institutions are crucial to financial reporting performance (Roychowdhury, Shroff, and Verdi, 2019).

This study finds little information on how company governance and internal audit quality affect financial statement accuracy. Few research have examined this phenomenon in light of financial institutions or the three factors mentioned. Kaawaase et al. (2021) measured financial reporting quality qualitatively. This study shows that company governance and internal audit quality have little research on financial statement accuracy. None of the prior studies examined this phenomena with banks or all three factors. Kaawaase et al. (2021) used qualitative financial statements to assess financial reporting quality. Kaawaase et al. (2021) use stakeholder theory but ignores institutional theory, although the two theories operate together. This result emphasises the importance of institutional concerns in this study. Based on Kaawaase et al. (2021) and the apparent lack of modern theoretical frameworks in this area, this study examines how corporate governance frameworks and internal audit quality affect financial reporting accountability.

The research examined how company governance frameworks and internal audit quality affect financial reporting responsibility.

1.3 Aim and objectives.

The overall aim of this study is to examine the effect of institutional factors on financial reporting quality. Below are the specific objectives of this study;

- To investigate the effect of board expertise on the financial reporting quality of financial institutions in Ghana
- To investigate the effect of board independence on the financial reporting quality of financial institutions in Ghana
- To investigate the effect of board role performance on the financial reporting quality of financial institutions in Ghana
- To investigate the effect of quality internal audit on financial reporting quality of financial institutions in Ghana

1.4 Research Questions

The following research questions are necessary to solve the research problem described above:

- What is the effect of board expertise on the financial reporting quality of financial institutions in Ghana
- What is the effect of board independence on the financial reporting quality of financial institutions in Ghana
- What is the effect of board role performance the financial reporting quality of financial institutions in Ghana
- What is the effect of quality internal audit on financial reporting quality of financial institutions in Ghana

1.5 Significance of the Study

The importance of this research lies in the scarcity of information about the impact of institutional factors on the quality of financial reporting. The expected outcomes of this research are expected to provide a valuable contribution to the current scholarly understanding of the subject area. The aforementioned results will provide a foundation for empirical studies conducted by scholars and company administrators who possess an interest in investigating the correlation between institutional features and the quality of financial reporting. The study's results may be used by business regulators to analyse the correlation between institutional elements and financial reporting quality. This correlation can be taken into account when assessing the robustness of publicly listed firms and offering well-informed guidance to such companies. This approach has the potential to reduce the rate of company failure and enhance their likelihood of long-term viability. This study might also benefit other companies looking to make sound financial choices. The report will provide a solid basis for finance executives to develop funding plans. This is because the study's findings will aid them in planning and regulating functions, allowing them to satisfy organizations' financial demands. It will assist shareholders in comprehending the significance of corporate governance and capital structure and how institutional factors affect financial reporting quality. This study adds to the present literature on the effect of institutional factors on financial reporting quality by providing a foundation for academicians and those conducting related research to develop their research projects/theses, thus enriching the existing literature.

1.6 Scope of the study

The primary objective of this research was to examine the impact of institutional elements on the dependability of financial statements. The research mostly focused on

Ghanaian banks and other financial institutions. The research included the collection of primary data from financial institutions in Ghana. The determination of a study's value is contingent upon the accuracy, reliability, and quality of the data source only.

1.7 Summary of Methodology

This study aims to evaluate financial institutions in Ghana by using a quantitative research approach with a descriptive and explanatory research design. The main goal is to determine how company governance and internal audit quality affect financial reporting. Participants are bankers listed on the Ghana stock market. The measures in this study will only come from published studies. The main data collection method is questionnaires. To simplify bank selection, non-probability sampling will be employed. Study dependent variable: financial reporting quality. To examine the link between the independent variables (corporate governance, institutional pressure, and quality internal audit) and financial reporting quality, a multiple regression analysis will be conducted. The statistical software package SPSS will be used to manage and evaluate the data that has been gathered. According to Kaur, Stoltzfus, and Yellapu (2018), descriptive statistics serve the purpose of organising data in a systematic manner by establishing the relationships between variables within a given sample or population. In the context of doing research, it is essential to first calculate descriptive statistics prior to proceeding with inferential statistical comparisons.

1.8 Organization of the Study

The study is organised as follows. The background, issue statement, goals, hypotheses, relevance, and scope of the study are covered in the first chapter. The second section of this research analyses corporate governance structures and how internal audit quality affects financial reporting responsibility via a thorough literature review. This paper discusses its research method in the third chapter. The fourth chapter of this research

offers analytical and empirical data. The last chapter, Chapter 5, presents the findings and recommendations.

KNUST
NYANSAPɔ Wɔ SANE NO BADWENMA

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The present chapter provides a summary of the research that has been undertaken on the subject. The chapter is divided into five pieces, starting with an introduction paragraph and continuing with the theoretical framework which introduces the agency theory as the foundation for the study. Following this review of the theoretical literature, there follows a study of empirical research that draws similarities between numerous pertinent results. In the last section, a chapter summary is presented, and the conceptual framework is employed to graphically portray the associations between the study's variables.

2.2 Conceptual Literature Review

2.2.1 Corporate Governance

The concept of corporate governance has been variably defined by academics and organisations such as the Organization for Economic Cooperation and Development (OECD). In addition, depending on the study, researchers and academics apply distinct organisational governance concepts, instruments, and guidelines (Luo, Ordonez-Matamoros and Kuhlmann, 2019; Wilbanks, Hermanson and Sharma, 2017). Consequently, several definitions have been used to quantify corporate governance. For instance, Larcker and Tayan (2011) define corporate governance as a structure of checks and balances put in place by a company to limit the ability of its management to behave in ways that benefit themselves at the expense of the company's stakeholders and shareholders.

Corporate governance is a company's set of rules, policies, and procedures for balancing the interests of its stakeholders, senior management, executives, workers, and

communities (Gopinath 2021). However, corporate governance was defined by Selmier (2016) as a set of rules put in place by the company's board of directors to ensure the company operates openly and equitably to the public. Several fundamental principles of corporate governance were identified that stand on their own regardless of the corporate governance framework used by the organisation.

The board of directors, the management team, and the shareholders are all given an equal voice in corporate governance. By dividing authority, shareholders may be certain that management is acting in their best interests (Huu Nguyen, Thuy Doan and Ha Nguyen, 2020). Managers should act at all times in the best interest of the shareholders and the firm, rather than in their self-interest. Concerns about corporate governance often centre on how to effectively moderate communication between the board of directors, management, and shareholders. There are specific and abstract ideas involved in corporate governance (Ortega, 2021; Tabassum and Singh, 2020). Narrow notions of corporate governance define the interconnections among stakeholders, the board of directors, management, auditors, and others (Kabwe, Mwanaumo, and Chalu, 2020). However, the overarching idea is how the firm keeps its honesty and transparency, which is crucial for the effective allocation of capital, the confidence of the market, and the growth of the companies (Callahan & Soileau, 2017). Allocating a company's resources effectively and efficiently requires thinking both narrowly and broadly (Kabwe, Mwanaumo and Chalu, 2020).

Although most definitions of corporate governance include consideration of strategies for reducing manager-investor conflicts of interest (Kahan and Rock, 2017; Salem, Ayadi, and Hussainey, 2019), a consensus on this term has been elusive. Defining corporate governance is challenging due to the wide variety of governance mechanisms it encompasses (i.e., directors, shareholders, creditors, employees, auditors, anti-

takeover procedures, and other stakeholders). Therefore, a restricted definition is problematic since it restricts attention and perception of the importance of governance systems.

In Cadbury (1992), the term "corporate governance" was used to describe the framework for managing and guiding businesses. Corporations are governed by their boards of directors. There is a set system of checks and balances in place with shareholders playing a key role. The board's duties include coming up with long-term plans, appointing executives to carry them out, overseeing operations, and communicating with stockholders. Everything the board does must comply with the law and be approved by the shareholders at the annual meeting. Boards of directors are defined as the agents of a company, tasked with guiding and controlling operations and disseminating reliable financial data to the company's owners. The board of directors assumes a critical role in advocating for the interests of shareholders by exercising diligent supervision over management procedures and safeguarding their invested cash. Moreover, the board is often seen as the most influential and efficient corporate governance framework for overseeing managerial activities with the objective of enhancing the firm's value (Patnaik and Suar, 2020; Rashid Khan, Khidmat, Hares, Muhammad and Saleem, 2020). Shareholders' finances and profits are actuated in a way that benefits all of them equally if a strong board is in place.

The Role of Boards in Corporate Governance

According to Turnbull (2019), the board of directors plays a vital role in an organization's internal system of corporate governance since it is responsible for ensuring the company's long-term existence and overseeing management. The board of directors has significant influence within the realm of corporate governance. The primary focus of the board should be to prioritise the satisfaction of the interests of all

stakeholders inside the organisation, rather than only catering to the preferences of the executives (Lin, Chang, Huang and Wang, 2021; Moscariello, Pizzo, Govorun and Kostyuk, 2019). Like Baysinger and Butler (2019), Pucheta-Martnez and Gallego-Alvarez (2020), and Lund and Pollman (2021), several academics have argued that the board's principal function is to maximise shareholder value by evaluating, rewarding, and monitoring management and voting on significant decisions.

The board of directors refers to a collective body of individuals who are appointed or elected by shareholders with the purpose of overseeing and managing the operational activities of a corporation (Mishra and Jhunjhunwala, 2013). The individuals in question assume responsibility for overseeing the overall trajectory of the company. The primary responsibilities of the board of directors include the administration of the business, the provision of strategic direction, and the evaluation of the company's progress in alignment with the objectives set out by shareholders. A board member's job is difficult. It is necessary for directors to possess a variety of characteristics to successfully manage the firm.

Board Expertise

A director's governance expertise is measured by how well they understand and can articulate the differences between management and direction, as well as how well they understand the board's role within the legal context in which they operate (Alzoubi, 2014). Reilly (2003) argues that directors need to have a firm grasp on three crucial areas: governance, strategic company direction, and finances. Boards must have the authority to challenge management, participate in formulating company strategy, oversee risk management, offer input into the CEO succession plan, and ensure that financial and operational goals are established and met, according to scholars like Klaner et al. (2021). Directors, in their dual roles as advisers to the CEO and sounding

board, play a crucial part in expanding a company's worth (Ozbek and Boyd, 2020). It is important to note that both internal and outside directors may make a difference in a company's FRQ by giving them access to resources like money, the expertise of corporate governance, and knowledge of the business itself.

Acquiring expertise that is unique to a firm can be done through serving on its board of directors and gaining experience in the company's operations and the executive leadership of its directors. The outside directors' experience as board members of the company gives them the opportunity to improve their understanding of the company and the people who work there, and as a result, they are able to acquire greater governance abilities. (Al-Matari, Mgammal, Alosaimi, Alruwaili and Al-Bogami, 2022).

According to agency theory, directors who are experts in their fields are preferable since they can better oversee and supervise the work of management. Director expertise has been shown to have a favourable and substantial effect on monitoring in prior research by Mori (2014) and Garca-Sánchez et al. (2017). An organization's financial decisions can be closely monitored by members with financial expertise, who can then respond as necessary (Garca-meca and Garca-Sánchez, Martnez-Ferrero,2017). Boards require members who are equipped to handle the specifics of the organisation. Board members' critical thinking abilities are bolstered by the training they get, making it easier for them to carry out their many responsibilities including strategic formulation, advising, the provision of key resources, monitoring, and control.

Board Independence

Directors that are independent are not tied to or employed by the firm in any way. They have no vested interest in the firm in which they serve on the board. As a result, their

judgement is unconstrained (Niinikoski, 2018). Non-executive board members are directors who are not executive staff members. The proportion of independent directors to executive directors has long been used as a proxy for the board's credibility as an impartial arbiter of corporate policy. While "outside director" has traditionally meant someone from outside the company, this term has been contested (Pfeffer, 1972).

Before the 1960s, most directors on American boards came from within the company. Nonetheless, companies' more reliable knowledge since then has shifted board composition away from insiders and toward outsiders (Bhagat and Black, 2002). The question of whether or not directors should be insiders (i.e., employees or affiliates of the business) or outsiders has been thoroughly researched. Director qualifications are a contentious issue in the academic community, with several researchers taking opposing positions. On the one hand, internal directors have a deeper understanding of the business and, if they grab the chance to replace ineffective executives, would have a clearer view of the operations of the top brass. Conversely, independent directors can function as impartial arbiters to ensure that internal rivalries drive decisions that maximise shareholder value.

Today's boards are often more autonomous, as corporations strive for enhanced corporate governance systems, more responsibility, and greater transparency. From the standpoint of the organisation, independent non-executive directors eliminate agency conflicts (Kamardin, Bakar and Ishak, 2017; Brennan, Kirwan and Redmond, 2016; Guping, Safdar Sial, Wan, Badulescu, Badulescu and Vianna Brugni, 2020). The involvement of outside independent non-executive directors may improve the overall efficacy and performance of a board (Kouaib, Mhiri and Jarboui, 2020). According to resource dependence theory, independent directors play a pivotal role in bridging the gap between the organisation and its external resources in order for the business to

achieve its many objectives (Sherer, Suddaby and Rozsa de Coquet, 2019; Jamil, Ghazali and Nelson, 2020).

Non-executive directors are a useful monitoring tool for the board, and they are more likely to protect shareholder interests than internal executive directors (Volonte, 2015). According to Alshirah, Rahman, and Mustapa (2020), independent directors may greatly benefit the companies they oversee so long as they have access to relevant data. An insufficient number of independent directors on boards might result in biased monitoring of management's actions and poor decision-making (Mensah, 2020). Another criticism levelled about independent board members is that they are less successful because of the lack of resources available to them. Given that management is often reticent to disclose crucial business information with independent directors, the latter has less information to monitor and has greater difficulty in doing so.

Board Role Performance

The board's duties may be categorised into three broad areas: control, service, and strategy (Pearce and Zahra, 1989; Maassen, 2002; Babic et al., 2011). These duties are derived from a variety of ideas, such as agency, stewardship, resource dependence, and resource-based theory.

The board's capacity to monitor management and represent shareholder interests is central to the control role, which is grounded on agency theory (Cooray, Gunarathne, & Senaratne, 2020). The board of directors is an effective tool for shareholder representation in managerial oversight. The control function has been operationalized and validated across several investigations to effectively span numerous attributes. For instance, CEO selection and remuneration, monitoring CEO and business performance, increasing shareholder wealth, and minimising agency expenses are all tasks that Zahra

and Pearce (1989) define as part of this role. When it comes to boards' control functions in Uganda, Nkundabanyanga and Ahiauzu (2012) established a process for creating performance criteria and assessing management against those objectives. Bananuka et al. (2019) assert that within the financial services industry, the board of directors assumes many key functions. These include the oversight of the Chief senior Officer (CEO), the facilitation of transparent communication channels to prevent the concealment of fraudulent activities, and the significant involvement in the recruitment process for senior positions. The fundamental objective of the control function should be to mitigate agency problems and safeguard shareholder value, as shown by the aforementioned considerations.

The resource dependence hypothesis provides the theoretical foundation for service roles by arguing that an organization's continued existence is predicated on its continued access to external resources (Mlay, Temu and Mataba, 2022). In this approach, directors are liable for acquiring means to connect the organisation with outside parties and other stakeholders and for overseeing the organization's external dependencies. Members of the board are tasked with securing funding to build relationships with external parties and manage the organization's dependence on those parties. Board members' financial contributions reduce dependence and control risks, bolstering the firm's ability to cross boundaries and establish its credibility (Bryant and Davis, 2012). Some examples of what board members may do to fulfil resource provision roles include making use of their expertise to establish relationships with external parties. The inquiries also delved into the process by which boards offer instructions, professional guidance, and counselling to leaders in financial concerns, legal issues and public involvement.

The board members' strategic duties involve their capacity to significantly contribute to the management's strategy development, leadership, and guidance essential to the mission and goals of the organisation for its long-term survival (Talaulicar and Judge, 2017). The resource dependency hypothesis is the basis for the assumed strategic roles. According to this view, boards of directors are essential because they serve as a conduit via which an organisation may interact with the world beyond its walls (Pfeffer and Salancik, 2003). Strategic roles are the backbone of the governance system because they provide a framework for assessing the organisation in terms of its current state, its desired future state, and the steps necessary to get there (Jones et al., 2017).

Corporate Governance Framework in Ghana

The Companies Code 1963 (Act 179), Securities Industry Law 1993 (PNDCL 333), as revised by the Securities Industry (Amendment) Act, 2000 (Act 590), and Ghana Stock Exchange Listing Regulations, 1990 (L.I. 1509) underpin effective corporate governance in Ghana. GSE listing criteria demand information about the company's board of directors, senior management, wages, key shareholders, voting rights, and financial and operational results to safeguard investors. The GSE must also distribute annual reports by a certain date. The Code and GSE listing criteria necessitate audit committees for listed companies. The Code covers director appointment, removal, and retirement.

Statutory law, subsidiary legislation, and regulatory directives provide Ghana's corporate governance framework for publicly listed companies. The Bank of Ghana (BoG) has improved banking sector corporate governance norms. The Bank of Ghana (BoG) issues instructions and notifications on bank governance and control systems. Ghana lacks a single corporate governance code, unlike the US and UK, according to Agbo (2017). Like Ghana's financial reporting standards, a business's stakeholders'

relationship rules may be scattered among many regulatory instruments. Ghana's business sector lacks standardised corporate governance requirements compared to financial reporting rules.

Internal Audit Quality

Quality in internal auditing is not widely agreed upon. De Angelo (1981) is the most popular and closest definition to the actual meaning. According to De Angelo (1981), internal audit quality refers to the evaluation made by the market on the probability of an auditor detecting, documenting, and disclosing a significant misstatement or irregularity inside the accounting system of the client business.

Watkins et al (2004) categorised several definitions of audit quality into four categories. According to DeAngelo (1981), the concept of audit quality pertains to the probability of a significant mistake being present in a financial report and the subsequent chance of an auditor identifying and reporting such an error. Furthermore, as posited by Lee et al. (1999), audit quality refers to the probability that auditors would refrain from giving an impartial assessment of any given financial statement that contains a significant error. According to the third definition, an audit's quality may be determined by analysing the reliability of the data that was analysed. The fourth definition is that the quality of an audit is based on how well it eliminates errors and biases in financial records (Watkins et al., 2004). The effectiveness of an internal audit depends on several factors, not the least of which is how well it adheres to IIA standards, plans, executes, and communicates its findings.

The Institute of Internal Auditors (IIA, 2011) defines internal auditing as neutral and non-partisan since it improves operational efficiency and effectiveness in established enterprises. The separation of institution ownership from departments led to the necessity for internal

and external audits. The Chartered Institute of Internal Auditors (2017) states that this separation requires audits to evaluate and report on financial statement quality and dependability. Alzoubi (2019) found a strong association between internal audit (IA) services and financial reporting quality. This link is significant for institutions' market competitiveness.

Internal audit quality is defined as the market's expectation that an auditor would detect and disclose a substantial deficiency in the client's accounting system (Okaro et al., 2015; Adeyemi and Fagbemi, 2010). This presupposes that the auditor has the necessary technical knowledge to see these issues and the independence to insist that they be fixed or exposed to the public. However, it seems that the quality of auditing performed by internal auditors increases when such auditors are both competent and impartial. According to Citron and Taffler (1992), a technically competent and objective audit procedure yields a quality audit report. Several writers, including Knapp (1991), Flint (1988), and Moizer (1997), agree that the quality of an internal audit may be defined in two ways: by the auditor's ability to find problems (their "competence") and by the auditor's willingness to disclose those problems (their "independence"). Because of the implications for audit methodology and report reliability, making this distinction is crucial for assessing the quality of an internal audit.

Multiple studies have found that audit quality is related to both the actual and perceived levels of independence and competency of the auditors (Nguyen and Kend, 2021; Ogoun and Perelayefa, 2020; Umar, Erlina and Fauziah, 2019).

Independence of Auditor

Considered a primary factor in the success of the internal auditing process (Alzeban and Gwilliams, 2014). If an internal auditor is not impartial, doubts about the veracity

of their findings, suggestions, and recommendations for action might arise. It follows that the auditor's impartiality is crucial to the success of the internal auditing process. The credibility of auditing reports depends on it as well. Lacking both actual and perceived independence, auditors' findings would not inspire trust from investors or creditors. Two primary factors—the auditor's objectivity and the organization's structure—contribute to the auditor's independence. A truly independent audit is one in which the auditors are able to do their duties without any bias or prejudice.

Auditor's Competency

Competence is defined by Arens et al. (2012) as the set of skills and knowledge necessary to carry out one's job duties effectively. Internal auditing "competency" is specific knowledge that improves the field. Internal audits and professionalism are covered (Mahzan and Hassan, 2015). The standard practise is to attribute the auditor's competence to their ability to discover irregularities. The IIA is a leading internal auditing standard setter. It emphasises internal auditors' knowledge, abilities, experience, and professional credentials to improve work performance (Bello, Ayoib, and Zalina, 2017).

Financial Reporting Quality

Financial Reporting Quality (FRQ) is a subject often discussed in academic literature, either directly or more frequently indirectly via conceptions of information quality. The determination of a single, widely agreed definition has been deemed challenging (Aifuwa and Embele, 2019; Budai, Denich and Hadju, 2021). According to views expressed by Agienohuwa and Ilaboya (2018), the idea of FRQ has been the subject of complicated, perplexing, and conflicting arguments on standard-setting for financial reporting and accounting throughout the world. Ekpo and Mbobo (2016) point out that

scholars, practitioners and authorities are either not on the same page regarding a clear definition of what defines FRQ or remain mute on the topic.

Several researchers have defined financial reporting quality. Herath and Albarqi (2017) define financial reporting quality as a business's financial statements providing credible information about its economic performance and financial situation. Elbannan (2011) defines Financial Reporting Quality as a company's financial statements' real economic health and performance throughout the review period. How well a company's reported results match its operations and finances determines its Financial Reporting Quality (FRQ) (Robinson and Munter, 2004).

The International Accounting Standards Board (2008) defines quality financial reporting as basic and developing qualitative traits. Through this categorization, qualitative qualities have been operationalized in earlier studies. Relevance and accuracy are key qualitative features of financial reporting data. However, its understandability, comparability, verifiability, and timeliness distinguish it. After defining the basic qualitative attributes of financial reports, extra qualitative characteristics may improve decision-making. They can't tell whether financial reports are good (IASB, 2008).

Relevance

According to the International Accounting Standards Board (2008), relevance has the potential to affect the decisions users make while acting as capital providers. Predictive and confirmatory values are common ways to measure relevance (McDaniel et al., 2002; Van Beest et al. 2009). Predictive value is a company's cash flow potential. If capital providers can utilise economic data to foresee events, it has predictive value

(IASB, 2008). Predictive value is often regarded as a crucial measure of relevance in terms of practicality for making decisions.

Faithful Representation

The reliability of the offered information is another sign of high quality. For a representation to be considered faithful, it must meet certain criteria, including being impartial, comprehensive, devoid of major flaws, and easily verifiable (Kim, 2011). Because of the inherent subjectivity of accounting records, it is challenging to quantify this factor. Numerous estimates imply some but not substantial, flaws in the reporting. When these estimates are supported by faithful arguments, both the likelihood of significant mistakes and the accuracy of the portrayal are improved.

Understandability

For any audience, including investors and lenders, information must first be easily grasped before it can be put to any practical use. According to the IASB Conceptual Framework, information is best understood when it is organised, characterised, and presented in a straightforward manner (IASB, 2018). Financial Accounting Standards Board's Statement of Financial Accounting Concepts (SFAC) No.2 states it similarly, arguing that information is useless if it is not intelligible to its intended audience. The mission of the IASB is to provide uniform standards for financial reporting that are of high quality, easily understood, legally enforceable, and widely accepted. These standards are founded on principles that are in the public interest and have been clearly expressed.

Comparability

The International Accounting Standards Board (2008) defines comparability as the level of detail that allows consumers to distinguish between two or more economic

events. As a result, occurrences that are similar should be presented in the same way while those that are different should be given their special treatment. Six factors are used to evaluate comparability, and they all measure whether or not the same accounting rules and procedures were used. These include, although are not limited to, 1) written records elucidating the outcomes resulting from alterations in accounting principles; 2) written records elucidating the ramifications arising from modifications in accounting estimates and judgements. Two factors that are important in evaluating the financial reporting quality of a corporation are: 1) the amount to which the company adjusts data from earlier accounting periods to account for changes in accounting policy or revisions in accounting estimates, and 2) the degree to which the company offers a comparison of results from various periods. According to the study conducted by Van Beest et al. in 2009,

Timeliness

Information should be easily accessible to decision-makers before it loses its relevance is what we mean when we talk about timeliness (IASB, 2008). It is possible that the capability to influence the choice might be improved by the early provision of important information. The absence of certain knowledge may result in various choices being made

2.3 Theoretical Literature Review

2.3.1 Agency Theory

The concept of agency theory brings attention to the potential challenges that might arise within agency relationships among principals, such as shareholders, and their agents. The agency theory encompasses two primary concerns. Firstly, it examines situations when conflicts arise between the wishes or objectives of the principle and agent, and the principal lacks the ability to effectively monitor the actions of the agent.

Secondly, it explores scenarios where the principal and agent exhibit varying levels of risk aversion (Eisenhardt, 1989). Due to varying risk aversions, the principal and agent may be motivated to perform distinct behaviours (Cofie, 2018).

Jensen and Meckling are generally acknowledged as the pioneers of the agency theory (1976). According to Jensen and Meckling (1976), this theory holds that principals are unable to ensure that their interests are being represented by agents since the agents have access to more information than they do. So, it looks at agreements in which one party (the principal) hires another (the agent) to take some activity (with discretionary authority) on the principal's behalf (Borch, 2022). As such, an agency relationship is formed when a corporation provides another individual with the authority to act in the company's best interests.

Adams (1994) suggests that further exploration of the subject of internal auditing may be facilitated by the use of Agency theory. Internal audits, similar to financial reporting and external audits, play a crucial role in ensuring the effective and cost-efficient functioning of contracts between owners and managers, as suggested by agency theory. The literature proposes that the use of agency theory may provide insights into the underlying reasons driving internal auditing, specifically in relation to issues such as the scale and scope of the internal auditing function (Vitolla, Raimo, and Rubino, 2020; Raimo, Vitolla, Marrone, and Rubino, 2021). Agency theory posits that internal auditing serves as a valuable mechanism for aligning the interests of managers and owners, particularly in the context of cost containment strategies. The findings of an internal audit exhibit resemblances to those of an external audit or financial report.

Agency theory states that the board of directors and audit committee's supervision roles reduce agent-principal conflicts. Ramón-Llorens, Garca-Meca, and Pucheta-Martnez

(2019) say boards connect investors and executives. Agency theory states that the board of directors and audit committee may reduce agency expenses by aligning controlling shareholders' interests with the firm's. Good corporate governance protects investments, treats workers properly, and boosts profits. A competent corporate governance structure may help reduce principal-agent dilemma agency expenses. In support of this assertion, Core et al. (1999) argue that companies that fail to invest in corporate governance have higher levels of agency costs as a result of managers' motivations that are misaligned with those of the firm.

This study uses agency theory to overcome financial reporting information asymmetries. The idea emphasises the need for internal audit and corporate governance in ensuring financial reporting quality in Ghanaian financial institutions. Thus, the agency evaluates corporate governance, financial reporting quality, and financial reporting quality in financial organisations.

2.4 Empirical Literature Review

2.4.1 Effect of Board Expertise on the Financial Reporting Quality

Aifuwa and Embele (2019) examined how board qualifications influenced publicly listed manufacturing company financial report dependability. The study used mixed-methods, quantitative research based on positivism and deduction. Description and inference about the population were made using descriptive and inferential statistics. Researchers assessed linear model assumptions using a conventional method. At 5% significance, board expertise correlated positively with financial reporting quality.

2.4.2 Effect of Board Independence on the Financial Reporting Quality of Financial Institutions

According to Ajibulu, Yahaya, and Agbi (2021), the board of directors' size, independence, meetings, tenure, gender, and experience affect financial report trustworthiness. A correlational study examined how board quality affected financial reporting at 12 publicly traded deposit money institutions. This research shows that the board greatly impacts financial report trustworthiness. The specific results in this case show that the board's ineffectiveness does not affect financial report dependability. Ogbonnaya (2020) examines how board independence affects Nigerian pharmaceutical companies' financial reporting. Ten pharmaceutical firms will participate. Pharmaceutical company annual reports were mined for time series data from 2006 to 2019. To determine the board's impartiality, we assessed the ratio of independent to executive board members and evaluated financial reporting accuracy using an accrual model. Regression was used to analyse data. The data show that pharmaceutical firms' financial disclosures are heavily influenced by their boards' autonomy.

Kantudu and Samaila (2015) examined Nigerian publicly traded oil marketing companies' financial reporting. The chosen oil marketing firms' audited annual reports and accounts provided data from 2000 to 2011. Stata 12.0 performed multiple regression analysis. The research found that power separation, independent directors, management shareholdings, and an independent audit committee affected the financial reporting quality of Nigerian oil marketing companies.

Effect of Board Role Performance on the Financial Reporting Quality of Financial Institutions

Nalukenge (2020) examines the present board roles being played by MFIs in Uganda and looks at the connection between board role performance and MFIs' adherence to IFRS disclosure standards. The study employed a mixed-methods approach. Partial Least Squares were used to examine the connection between board performance and IFRS criteria. To determine the actual board duties, a Factory Analysis and interviews were done. The results indicate that among the three traditional board responsibilities—strategic oversight, service, and control—control is the one that is most frequently carried out. Also, the outcomes indicate that the effectiveness of the board in its position is a strong predictor of meeting the IFRS disclosure standards. Microfinance institution (MFI) size and affiliation with the Association of Microfinance Institutions of Uganda (AMIU) were important regulating factors. Compliance with IFRS disclosure requirements is not substantially related to other control variables (liquidity, leverage, and profitability).

Tumwebaze et al.'s (2022) study has three main goals: the first is to determine whether or not there is a connection between board performance and sustainability reporting practises. The second is to determine whether or not there is a connection between board performance and the three dimensions of sustainability reporting practises. The third is to determine whether or not there is a connection between board performance and stakeholder engagement, an essential part of sustainability. The purpose of this research is to establish connections, making it a correlational study. Within a year, we were able to collect enough information to draw some conclusions. Forty-eight Ugandan financial services companies submitted usable surveys. In addition, the findings suggest that board role success is strongly linked to sustainable reporting procedures. There is a

stronger correlation between board performance and reporting on social sustainability than there is with reporting on environmental and economic sustainability. As far as board responsibilities go, sustainability reporting is more closely linked to the service position than to the control and strategic roles.

Effect of Quality Internal Audit on Financial Reporting Quality

Sepasi, Dianati Deilami, and Manzari Tavakoli (2018) look at how the quality of an organization's internal audit, board of directors, and financial reporting are all connected. The official website of the Tehran Stock Exchange provided research data showing that 223 companies have an internal audit department. The results indicated that reliable financial reporting is a direct result of thorough quality internal auditing.

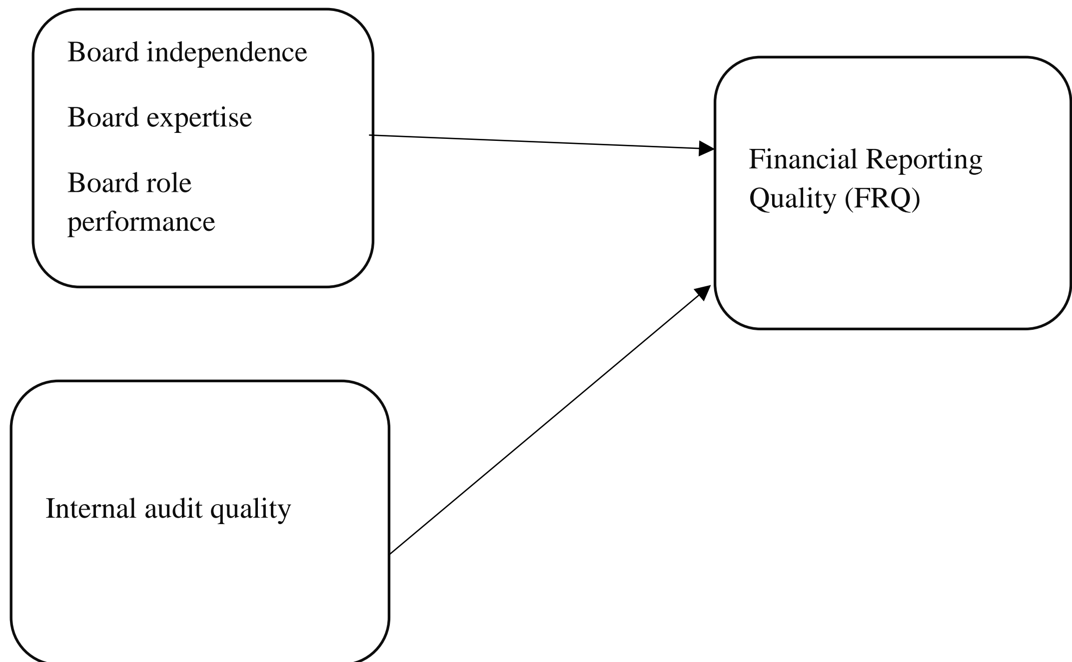
DeSimone (2017) examines (1) the impact of having an Internal Audit Function on the quality of financial reporting in government agencies and (2) the impact of using quality assurance programmes for the Internal Audit Function on that quality. The purpose of this study is to examine the relationship between internal audit functions (IAFs) and the incidence of audit reportable situations and restatements in municipal financial statements in the United States. Data from U.S. cities with populations over 100,000 show a positive and statistically significant correlation between the presence of an IAF the use of IAF external quality programmes and the reporting of problems related to internal control in financial statement audits. (Significant deficiencies). Restatements were also shown to have a negative correlation with an IAF. It follows that IAFs may help promote correct financial accounting and reporting by easing the disclosure of auditable events.

Gros, Koch, and Wallek (2017) use survey data to evaluate the effectiveness of Germany's Internal Audit Function (IAF). They use multiple regression studies to look

at the connection between IAF quality factors and their own measure for IAF quality scores, as well as financial reporting quality and audit efficacy. The findings indicate that, under a two-tier organisation, the quality of financial reporting and the effectiveness of audits may both benefit from the introduction of an effective Internal Audit Function (IAF).

Rahmatika (2014) investigates the connection between the reliability of government financial reporting and the effectiveness of internal auditing departments. For this research, 70 workers were polled from eks Karesidenan Pekalongan, Indonesia, over 7 distinct districts. The questionnaire served as the primary source of information. The samples are chosen via a technique known as proportionate stratified random sampling. Structural equation modelling (Partial Least Square) and other methods were used to assess the data. (1) There are no statistically significant differences between the seven analysed local governments in terms of the efficiency of internal audits, the quality of financial reporting, and good government governance, as determined by the Kruskal Wallis test. To what extent financial reports may be trusted is largely dependent on how well the internal auditing function is performing. Accurate financial reports and a competent internal auditing department are major factors in a government's ability to govern well.

2.5 Conceptual Framework



Source: Author's construct (2022)

Figure 2. 1 Conceptual Framework

The conceptual framework elucidates the interrelationship between the variables under investigation. Corporate governance, internal audit quality, and the accuracy of financial statements are all topics of investigation. Many factors, such as board independence, board knowledge, and board function performance, were taken into account while evaluating the corporate governance variable. The study looked at how company governance and internal quality affected the accuracy of financial statements.

2.6 Summary of Chapter

An extensive review of the literature on corporate governance, internal audit quality, and financial reporting quality is presented in this chapter. The theoretical underpinnings of the study are based on agency theory. From an analysis of the prior

works by scholars, it became apparent that there is a dearth of literature that critically examined the three variables together in a study with the exception of Kawaase et al. (2021). This research builds on the work of Kawaase et al. (2021), however, instead of testing its conclusions against stakeholder theory, it employs a new theory.

KNUST

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The major goal of this study is to examine how institutional factors affect financial reporting accuracy. Data collection, variable definition and measurement, data collecting instruments, data processing, validity and reliability testing, and ethical issues are all covered in this chapter.

3.2 Research Design

3.2.1 Philosophical Underpinning

The positivist research paradigm was adopted. Positivism was used as the guiding theoretical framework because it places greater emphasis on the need to consider objective data and facts, rather than the researcher's subjective interpretations or biases (Scotland, 2012; Saunders et al.,2015). According to Kumatongo and Muzata (2021), the aforementioned statement facilitates the pursuit of scientific investigation, which consequently requires the utilisation of mathematical equations, computations, extrapolations, and expressions to derive conclusions. Additionally, it involves the development and examination of hypotheses, the establishment of operational definitions, and the application of logical deduction, as highlighted by Iofrida et al. (2018). Therefore, this study adopted the positivist paradigm to investigate how institutional factors affect financial reporting quality.

3.2.2 The Study Approach

In this investigation, researchers favoured a purely quantitative strategy. This is due to the fact that quantitative approaches were used to make inferences about the links between the variables of interest. The hypothesis that there is a link between institutional variables and financial reporting quality was tested using statistical

methods. This research provides preliminary evidence that mathematical models may be used to provide insight into the interplay between independent and dependent variables. According to Queiros, Faria, and Almeida (2017), the goal of quantitative research is to develop and test hypotheses, theories, and models based on numerical data.

3.2.3 The Research Type

By using an explanatory technique, the researcher obtained cross-sectional data pertaining to the study variables in their present state, providing a thorough depiction of the phenomena and their characteristics. Thus, the researcher would be able to submit just the data that corresponds to what was observed (Kumatongo, et al., 2021). An explanatory study was used to look at potential relationships between variables, and the results revealed that institutional characteristics had an influence on financial reporting quality.

3.2.4 The Research Strategy

The present study used a survey research methodology to collect data for the purpose of testing the hypotheses proposed in this investigation. This is because the survey research strategy enables researchers to study the entire population, or a sufficiently large sample, at once. In addition, it facilitates the collection of massive amounts of data in a short length of time. Furthermore, the researcher adopted the survey research strategy, because fosters the examination of a representative subset of the population which is observed at one time. This approach guarantees a reduced occurrence of recurrent errors in data-collecting equipment in comparison to longitudinal investigations, which are hindered by the unavailability of samples used in prior observations owing to the inherent design of such research.

3.3 Population of the Study

Since the study's overarching goal is to investigate how institutional factors affect the financial reporting quality of listed banks in Ghana, the researcher conceptually and methodologically restricted the pool of participants to those employees of listed banks in Ghana who best represent the study's population of interest and were amenable to participating (Casteel and Bridier, 2021). The study sought to focus on institutional factors that affect financial reporting quality hence not all employees of the bank were recruited for this study. Only employees who were knowledgeable or in a position to report on financial reporting quality and institutional factors in respective banks were considered in this study. Hence, preference was given to employees who were bank managers, and accountants particularly recruited for this study. Only branches of listed banks in the Greater Accra Region were recruited for this study.

3.4 Sample and Sampling Techniques

3.4.1 Sampling Technique

Sampling is the procedure through which a statistically representative subset of a larger population is selected (Majid, 2018). According to Kamangar and Islami (2013), researchers have the option to choose from a variety of procedures and methods in order to get a statistically valid sample from the population of interest. According to Majid (2018), many factors such as the research subject, predicted effectiveness, critical level, and demographic characteristics play a significant influence in identifying the appropriate sampling technique to be applied in a study.

The study used the purposive sampling technique to select a sample for the study since it allows the use of only individuals who were relevant to this study thereby reducing the level of information asymmetry arising from the researcher to include all individuals who may not be knowledgeable about the study (Etikan and Bala, 2017; Alvi, 2016).

This sampling technique also allows the sampling of specific participants needed to attain some level of precision (Gregoire and Affleck, 2018) and ensures that the sample is representative of the population (Alvi, 2016).

3.4.2 Sample Size

The individuals chosen to be included in the sample are meant to be representative of the entire population (Gravetter and Wallnau, 2017) in this study which is banks in Ghana. According to Majid (2018), the sample size needs to be large enough to ensure that the results cannot be attributed to random chance alone. The G*Power (version 3) software, a popular tool for calculating sample size and power, was used to arrive at the calculated sample size (Cunningham and McCrum-Gardner, 2007). The software G*POWER was used to do a power analysis for a repeated-measures study with one group and two primary constructs. With an alpha of 0.05, a power of 0.90, and a modest effect size (f = 0.17), the results showed that a sample size of 180 was adequate. Since 180 participants were used, rather than the minimum necessary 100, we can say with confidence that these findings are valid.

3.5 Data and Data Collection

This study relied on primary data since only it could give first-hand accounts of the problems being investigated. Primary data were trustworthy and better at addressing the research challenges at hand since they were collected specially for the study (Mohajan, 2017). The questionnaire was the major tool for data collection and was responsible for the bulk of the information utilised in this study. In order to optimise efficiency and efficacy in the study, the researcher will administer the instrument on an individual basis. This step was taken so that the participants could get a thorough breakdown and explanation of their answers.

3.5.1 Variables Description and Measurement (Data and Variables)

The items used in this study were adapted from the study of Kaawaase, Nairuba, Akankunda, and Bananuka (2021).

Listed banks on the Ghana Stock Exchange were used to quantify the concept of financial reporting quality using constructs adopted from earlier studies by Kaawaase, Nairuba, Akankunda, and Bananuka (2021). These constructs were shown to be relevant and trustworthy for gauging financial reporting quality. Each concept's components were grounded in a 5-point Likert scale, with "strongly agree" (5), "agree" (4), "not sure" (3), "disagree" (2), and "strongly disagree" (1) serving as possible responses.

Board role performance, board independence, and board competence are regarded as institutional elements. Kaawaase, Nairuba, Akankunda, and Bananuka (2021) cite previous studies that used these same constructs, demonstrating their validity and reliability. Using a 5-point Likert scale, the questionnaire's questions for each topic were scored as follows: strongly agree (5), agree (4), not sure (3), disagree (2), or severely disagree (3) (1).

3.5.2 Data Collection Instruments

Data collecting refers to the procedure of amassing relevant evidence to back up or disprove a study's findings (Mayer, 2015). The data collection process entails the steps used to amass information from which inferences can be made (Blumberg, Cooper, and Schindler, 2014). Questionnaires are the primary method of data collection (Polit and Beck, 2017). The researcher used semi-structured questionnaires to collect data from the sampled persons because of the confidentiality of surveys, which encourages respondents to be open and honest (Kaplan, 2015). The use of questionnaires allows for

a large number of participants to be sampled and allows for data to be collected in a completely anonymous fashion and the interviewer could make an effort to be objective (Sadan, 2017). Respondents were surveyed using a semi-structured questionnaire that incorporated items drawn from other related studies.

The questionnaire was designed to have three sections. The first section called Section 1 was used to gather information on the demographics of the respondents, such information included age, gender, educational level, income level, occupation, and household size. The second section was used to collect data on financial reporting quality. Information on institutional factors was collected in the third section of the questionnaire.

3.6 Data Analysis

Descriptive and inferential statistical methods were used to assess the collected data. Metrics like mean and standard deviation were among the results of the descriptive analysis. We used inferential statistics (correlation and multiple linear regression analyses) to look at how board independence, board expertise, board role performance, and internal audit quality all affected the quality of financial reporting. Multiple linear regression models were used to examine the impact of independent variables on dependent ones, and the analysis was performed in SPSS. To examine the relationship between the quantitative dependent variable and the two or more independent variables, this study used multiple linear regression, which is a regression model that employs a straight line (Alexopoulos, 2010). Since there are four predictors (board independence, board expertise, board job performance, and internal audit quality) and one outcome (financial reporting quality), a multiple regression analysis is ideally suited to this study.

3.6.1 Model Specification

The multiple linear regression analysis models stated below were used to test the effect of triple constraints on project performance.

$$FRQ = \beta_0 + \beta_1 BE + \beta_2 BI + \beta_3 BRP + \beta_3 IAQ + \mu_{it}$$

Where FRQ is the financial reporting quality; BE is the Board Expertise; BI is the Bozrd Independence; BRP is the Board Role

Performance; $IAQ\ is\ the\ Internal\ Audit\ Quality,\ \mu_{it}$ represents the error term and β_i are coefficient of the regressors and β_0 is autonomous or constant.

3.7 Validity and Reliability of Constructs/Variables

The amount to which an instrument evaluates its intended focus is related to its validity, as stated by Pampel, Andrighetto, and Steinmo (2019). The content validity of the researched constructs was determined by conducting a comprehensive review of the relevant empirical and theoretical literature. The questionnaire's validity was determined by a combination of the supervisors' expert examination of the questionnaire's relevance and appropriateness to meet the study's planned goals and a pilot test of the questionnaire with a subset of banks in Ghana that are not on the list.

In addition, Cronbach alpha and composite reliability were used to evaluate the stability of the research instrument (Cooper, Schlinder, and Sun, 2006). Cronbach's alpha is a statistic for gauging how well one set of things predicts another set of items used to evaluate the same construct (Creswell, 2014). In light of this, the study checked the reliability of the research instrument using the Cronbach alpha and composite reliability tests often used in multiple regression analysis studies (Hair et al., 2010). Given the limitations of using Cronbach's alpha alone, a composite reliability test was performed

to evaluate the consistency of the whole battery of questions. According to Hair et al. (2014), a composite reliability score below 0.6 implies low internal consistency dependability, but indicator values of 0.6 and above are considered acceptable.

3.8 Ethical Consideration

It is essential to ensure the protection of human participants in all research endeavours by strict adherence to ethical norms (Arifin, 2018). All pertinent information on the study was presented to the participants in a comprehensive manner, enabling them to make a well-informed choice regarding their participation. Prior to obtaining participants' agreement, it was necessary to provide them with a comprehensive exposition of the study's methodologies. Potential participants were told in a clear and intelligible way about their right to withdraw from the study at any time, even after giving their informed consent. Nobody who participated in the research felt forced to do so. At every step of the study process, from data collection to analysis to publication of findings, participants' anonymity and confidentiality were preserved by keeping their names a secret. Surmiak (2018) argues that it's critical to maintain the anonymity and privacy rights of study participants. The researcher employed security measures to safeguard the respondents' identities. No requests for names, emails, phone numbers, or physical addresses were made throughout the study's data-gathering phase.

3.9 Chapter Summary

Quantitative methods were used for data collection and analysis in this research. Research was conducted using quantitative methodologies and presented in a non-biased manner in accordance with positivist ideals. Primary data for the study came from a series of questionnaires. Descriptive statistics were used to describe the characteristics of the raw data, including mean, standard deviation, minimum, and maximum. Multiple regression models were used to evaluate the data and assess the

influence of institutional characteristics on bank reporting quality after correlation analysis was done to establish the relationship between the study variables.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

Results and discussion of the methodology described in Chapter 3 are presented in Chapter 4. The researcher computed Cronbach's alpha for the variables to ensure that they were consistent with one another. The study issues were evaluated using exploratory methods such as factor analysis, correlation analysis, and descriptive statistics. The most important results were covered in the previous section.

4.2 Response Rate

The response rate was conducted by a number of people who filled out the survey. The assessment is especially important for longer-term surveys. The duration of data collection was around one month. There was a total of 180 questionnaires sent out, however, only 132 responses were received. The response rate was approximately 73%, which is considered to be sufficient for statistical analysis by previous studies (López, 2022; Lavidas et al., 2022).

4.3 Demographic Characteristics

The participants' demographic information is captured in this section. The results are displayed in table 4.1 below. The results show that the female participants in the sample were 43.9% while the male sample was 56.1%. Also, 30.0% of the participants were in the age range of 18-30 years, 52.3% were in the age range of 31-40 years, 34.1% were 41-50 years and 6.8% were also above 50 years. Also, 60.6% of the participants had bachelor's degree certificates, 37.9% had master's degrees, 0.8% also had senior high and certificates in professional courses and 0.8 also had SHS certificates.

Table 4. 1 Demographic Information

Variables	Frequency	Per cent
Gender		
Female	58	43.9
Male	74	56.1
Age		
18-30 years	9	6.8
31-40 years	69	52.3
41-50 years	45	34.1
Above 50 years	9	6.8
Level of Education		
Bachelor's Degree	80	60.6
Graduate Studies (Master / Ph.D.)	50	37.9
Senior High and certificate in professional Courses	1	0.8
Senior High School	1	0.8
Total	***132***	***100.0***

4.4 Exploratory Factor Analysis

The identification of latent variables in multivariate statistics necessitates a thorough comprehension of the theoretical underpinnings and hypothetical frameworks that can account for the arrangement and order of the observed data (Watkins, 2018). The purpose of conducting an Exploratory Factor Analysis (EFA) is to examine data that pertains to internal processes that exhibit significant levels of interdependence, with minimal associations with external factors. The EFA demonstrates a high degree of adaptability in its capacity to be applied to various and distinct contexts. According to Watkins' (2018) suggestion, it is recommended that a sample size ranging from 10 to 15 participants be employed for every independent variable. When performing an analysis of items that possess varying dimensions, it is essential to employ a ratio or interval scale.

4.4.1 Test for Common Method Bias

The data was acquired through the distribution of surveys to the participants who were included in the study. Despite the implementation of established methodologies, the issue of survey bias remains a persistent source of uncertainty. The study has

incorporated concise explanations in conjunction with varied survey questions to elucidate the results and enhance comprehension of complex questions. The primary objective was to enhance the survey's effectiveness for the participants. The research employed Harman's one-factor test, as recommended by Podsakoff et al. (2003), to assess the presence of common method bias in the dataset. The factor analysis findings are shown in Table 4.2, where eigenvalues of 1 or above are responsible for explaining 76.669% of the total variance in the dataset. The proportion of total variation that the first component could account for was 31.97% which is less than 50%. Thus, the dataset does not include any common method bias.

Table 4. 2 Common Method Bias

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.555	31.97	31.97	10.555	31.97	31.97
2	3.792	11.49	43.46	3.792	11.49	43.46
3	2.435	7.379	50.839	2.435	7.379	50.839
4	2.044	6.193	57.032	2.044	6.193	57.032
5	1.719	5.209	62.241	1.719	5.209	62.241
6	1.375	4.166	66.407	1.375	4.166	66.407
7	1.23	3.728	70.135	1.23	3.728	70.135
8	1.134	3.437	73.572	1.134	3.437	73.572
9	1.022	3.097	76.669	1.022	3.097	76.669
10	0.974	2.952	79.621			
11	0.866	2.623	82.244			
12	0.8	2.424	84.669			
13	0.687	2.081	86.75			
14	0.543	1.645	88.395			

15	0.541	1.64	90.034
16	0.493	1.493	91.528
17	0.446	1.353	92.881
18	0.364	1.102	93.983
19	0.326	0.988	94.971
20	0.279	0.846	95.817
21	0.255	0.773	96.59
22	0.23	0.697	97.287
23	0.168	0.511	97.798
24	0.148	0.449	98.247
25	0.128	0.387	98.634
26	0.106	0.321	98.955
27	0.091	0.276	99.231
28	0.074	0.223	99.454
29	0.068	0.207	99.661
30	0.05	0.15	99.812
31	0.031	0.093	99.905
32	0.022	0.067	99.971
33	0.01	0.029	100

Extraction Method: Principal Component Analysis.

4.4.2 Sampling Adequacy

The sample's representativeness was assessed using the Bartlett sphericity test and Kaiser-Meyer-Olkin measure of sampling adequacy (KMO). The KMO score of 0.653 shows extremely strong sample adequacy for factor analysis. Table 4.3 shows that the data was adequate for factor analysis examination, as shown by a significant Bartlett's test result ($\chi^2 = 4037.691$, df.: 528, $p < 0.05$). These results highlight the study's sample size.

Table 4. 3 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.653
Bartlett's Test of Sphericity	Approx. Chi-Square	4037.691
	Df	528.000
	Sig.	0.000

4.5 Reliability Test

The evaluation of construct reliability is a means of assessing the internal consistency of a dataset. The study utilised Cronbach's alpha (CA) coefficient as a measure to evaluate the degree of internal consistency among the constructs. Table 4.4 displays the reliability values of the variables. The findings indicate that the CA value for Financial reporting quality (FRQ) is 0.853, board independence (BI) is 0.727, board expertise (BE) is 0.847, board role performance (BRP) is 0.732 and quality internal audit (IAQ) is 0.775. The study found that the constructs' CA values were at least 0.7, which suggests that the constructs possess internal consistency and reliability, as per the criteria established by Fornell and Larcker (1981) and Henseler et al. (2015). The data suggests that the model possesses unidimensionality, meaning that it measures a single construct and that it will consistently produce the same results when replicated.

Table 4. 4 Reliability Test

Constructs	N of Items	Cronbach's Alpha
FRQ	13	0.853
BI	6	0.727
BE	3	0.847
BRP	4	0.732
IAQ	7	0.775

4.6 Descriptive and Normality Statistics

Descriptive statistics can offer significant insights into the survey's response rate and validity. The standard deviation, a measure of variability within a dataset, is commonly employed by researchers to infer fundamental trends and patterns. Table 4.5 displays

the mean and standard deviation values for FRQ is (Mean=3.97; SD=0.466), BI is (Mean=3.94; SD=0.499), BE is (Mean=3.81; SD=0.553), BRP is (Mean=3.77; SD=0.620) and IAQ is (Mean=3.87; SD=0.572. The standard deviation for the data suggests that there is a low level of variation from the mean among all the constructs.

The kurtosis and skewness statistics, presented in Table 4.5, are utilised as supplementary measures to assess the normality of the data. According to Garcia-Romero and Espy-Wilson (2011), the measures mentioned above are useful instruments for representing the probability distribution of a specific dataset. It is advisable to limit the range of multiple criteria variables within the interval of [-2,2]. Table 4.5 demonstrates all the variables fall within acceptable ranges for the study. The evidence of data normality provides a justification for the utilisation of regression analysis.

Table 4. 5 Descriptive Statistics

Constructs	Mean	Standard Deviation	Skewness	Kurtosis
FRQ	3.97	0.466	-1.213	1.362
BI	3.94	0.499	-1.705	1.455
BE	3.81	0.553	-1.976	1.086
BRP	3.77	0.620	-2.234	1.611
IAQ	3.87	0.572	-2.396	1.894

4.7 Correlation Analysis

The degree of association between the constructs was assessed through Pearson's correlation approach. The outcomes of the correlation analysis are presented in Table 4.6 below. The results indicate that BE is positively correlated with BI, BRP, IAQ and FRQ (r=0.428, P<.05; r=0.289, P<.05; r=0.465, P<.05; r=0.379, P<.05). The correlation coefficient (r=0.337, P<.05; r=0.376, P<.05; r=0.643, P<.05) indicates that BI is positively correlated with BRP, IAQ and FRQ. Also, a statistically significant correlation was observed among BRP, IAQ and FRQ (r=0.259, P>.05; r=0.406; r=0.665). Also, IAQ is positively correlated with FRQ (r=0.267, P<.05). The result

below exhibited that the constructs are significantly correlated among themselves and that the correlation among the independent variables is of moderate strength and does not give rise to any concerns of multicollinearity in the data set.

Table 4. 6 Correlation Statistics

Constructs	1	2	3	4	5
BE	1				
BI	.428**	1			
BRP	.289**	.337**	1		
IAQ	.465**	.376**	.259**	1	
FRQ	.379**	.643**	.406**	.267**	1

4.8 Regression Analysis

This study aims to determine how institutional characteristics affect the banking sector's financial risk quotient (FRQ). Multiple regression analysis examined the link between dependent variables, independent variables, and moderators. The results are shown in the tables provided below.

4.8.1 Model Summary

This section serves as a model summary. As indicated in Table 4.7, the R2 values of 0.461. The findings indicate that the model's explanatory capacity is primarily ascribed to the independent variables, namely BE, BI, BRP and IAQ. These variables accounted for 46.1% of the variation in the FRQ in banks. Conversely, only the independent variables that demonstrate significant effects on the FRQ account for 44.4% of the variation. This implies that the unaccounted factors in the study could explain the remaining 53.9% of the variation in the FRQ in the banks. The statistical significance of the relationship was assessed by utilising the F-value and sig-value obtained from the ANOVA test.

Table 4. 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679a	0.461	0.444	2.7857

a Predictors: (Constant), IAQ, BRP, BI, BE

4.8.2 ANOVA

Table 4.8 shows the ANOVA F-value is 27.149. 0.000 is statistically significant for this value. The model adequately describes the data and suggests a substantial relationship between variables. Independent and dependent variables are related. The researcher presents regression coefficients.

Table 4. 8 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	842.708	4	210.677	27.149	.000b
	Residual	985.535	127	7.76		
	Total	1828.242	131			

a Dependent Variable: FRQ
b Predictors: (Constant), IAQ, BRP, BI, BE

4.8.3 Regression Coefficients

The regression equation for financial reporting quality is $FRQ = 19.558 + 0.271BE + 1.032BI + 0.400BRP - 0.055IAQ + \varepsilon$.
The constant (intercept) indicating the mean for customer service with the value of 19.558 is statistically significant (Sig 0.000< 0.05) as shown in Table 4.9 implying that when the independent variables are constant or zero, financial reporting quality will be 1955.8%.

The study's objective was to assess the effects of BE on FRP in banks. The findings as can be seen in Table 4.9 indicate an insignificant statistical connection between BE and FRQ (β=0.271; t= 1.351; p-value=0.179 >0.05). The findings show that all factors remain unchanged, FRQ will not change regardless of how BE changes. Based on these findings, emphasis on BE may not pay off in terms of improving FRQ in the banks.

Objective two of the study was to assess the effect of BI on FRQ in banks. The results presented in Table 4.9 indicate a positive and significant statistical connection between BI and FRQ (β=1.032; t=7.173; p-value=0.000 <0.05). The findings indicate a significant association between the variables which support the hypothesis outlined in the study. This implies that all other things being equal, BI accounts for a significant proportion of the variation in FRQ in the banks. This statement suggests that BI may contribute to 103.2% of the improvement in the FRQ in the banks.

Objective three of the study was to evaluate the effect of BRP on FRQ in banks. The results presented in Table 4.9 indicated a positive and significant statistical connection between BRP and FRQ (β=0.400; t=2.861; p-value=0.005 <0.05). The findings indicate that the two variables significantly connect with each other which also supports the hypothesis stated in the study. This implies that all other things being equal, BRP accounts for a significant amount of the variation in FRQ in the banks. This statement suggests that BRP may contribute to 40.0% of the improvement in the FRQ in the banks.

The study's last objective was to assess the effects of IAQ on FRP in banks. The findings as can be seen in Table 4.9 indicated a negative but insignificant statistical connection between IAQ and FRQ (β=-0.055; t=-0.513; p-value=0.609 >0.05). The findings show that all factors remain unchanged, FRQ will not change regardless of how IAQ changes. Based on these findings, emphasis on IAQ may not pay off in terms of improving FRQ in the banks.

Table 4. 9 Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19.558	3.388		5.773	0.000
	BE	0.271	0.201	0.105	1.351	0.179
	BI	1.032	0.144	0.544	7.173	0.000
	BRP	0.400	0.14	0.202	2.861	0.005
	IAQ	-0.055	0.107	-0.039	-0.513	0.609

a Dependent Variable: FRQ

4.9 Discussion of Results

The overarching purpose of the research is to analyse how various institutional elements influence the credibility of bank financial reports. The theoretical underpinnings of agency theory served as the study's bedrock. The results are presented in the sections that follow, structured around the objectives of the research.

4.9.1 Board Expertise and Financial Reporting Quality

The initial goal of the research was to assess how BE affects banking FRP quality. The data indicate no statistical link between BE and FRQ. The findings show that the FRQ remains constant regardless of BE under constant circumstances. According to these findings, prioritising BE may not yield significant benefits in enhancing FRQ within the banking sector.

The findings carry significant implications for the banking industry and its regulatory framework. The notion that financial institutions derive advantages from possessing a board comprising members with robust financial skills and expertise has been widely

held. The rationale behind the proposal for the establishment of a board is attributed to the intricate nature of their undertakings. It is postulated that the implementation of such a board would enhance the standards of financial reporting and augment the frequency of financial reporting updates. The findings presented herein challenge the notion that the expertise of board members has an association with the FRQ within the banking industry. This implies that relying solely on the expertise and competencies of board members to ensure accurate and transparent financial reporting within banking institutions may prove insufficient. It may be necessary for financial institutions and regulatory agencies to examine their governance procedures, taking into account features like strong internal controls and effective risk management frameworks, in order to improve FRQ in the banking industry.

The findings do not support the agency theory which is prevalent in explaining the dynamics of the association between shareholders, who are the principals, and board members and executives, who are the agents, in a corporate context. Scholars believe competent and experienced board members may reduce agency issues and improve financial statements (Ujunwa, 2012). This is due to the fact that, in their capacity as delegates of shareholders, they bear the responsibility of overseeing and supervising the conduct of corporate executives. The finding is also not in line with Aifuwa and Embele (2019) who looked at how different board qualities affected the reliability of financial reports for publicly traded manufacturing companies and found that board expertise significantly affects the quality of financial reporting. The findings however support the study by Adams and Mehran (2012) who evaluated how BE affects FRQ in the banking sector and found that BE does not enhance FRQ. This outcome lends credence to the idea that financial institution boards' expertise may not always achieve better FRQ results. This suggests that although the expertise of the board may impact

FRQ, its influence is not substantial enough to be deemed statistically significant. The findings pertaining to the influence of BE on FRQ within the framework of agency theory can be subject to various interpretations. The assertion challenges the notion that a mere alignment of the competencies possessed by board members with the functional requirements of the organization would invariably result in improved financial reporting quality. The ownership of financial expertise by directors could be insufficient to guarantee effective supervision and regulation of managerial behaviour, both of which are critical components of agency theory.

4.9.2 Board Independence and Financial Reporting Quality

The second study's purpose is to assess how business intelligence (BI) affects financial risk quotient (FRQ) in banks. A statistically substantial and positive link was found between Business Intelligence (BI) and Financial Reporting Quality. The research hypothesis is supported by a statistically significant correlation between variables. This implies that BI drives a large percentage of bank FRQ volatility, everything else being equal. This claim suggests that BI might improve bank FRQ.

The results affect corporate governance and regulation. BI measures a board's ability to make impartial choices that benefit shareholders while avoiding conflicts of interest. The findings of the research indicate that the presence of a board comprising independent directors holds significant importance in enhancing FRQ within the banking sector. The presence of independent board members is positively associated with the provision of efficient oversight, critical evaluation of management decisions, and promotion of transparency and accountability in financial reporting. It is recommended that banks prioritise the appointment of independent directors to their boards in order to achieve a balance of skills and expertise, which can contribute to enhanced FRQ. The recommendation posits that regulatory entities ought to accord

greater significance to BI within their governance protocols and motivate financial institutions to institute robust measures to safeguard autonomy. The mechanisms could potentially comprise autonomous committees and efficacious nomination procedures. To summarise, the research highlights the significance of BI in guaranteeing accurate and transparent financial reporting within the banking sector. Consequently, this fosters the development of confidence and consistency within the overall financial framework.

The findings support agency theory, which states that independent directors may monitor and mitigate agency concerns by matching shareholder interests with board actions. Almaqtari et al. (2021) examined how BI affects FRQ in Chinese banks and found similar results. BI and FRQ are positively correlated, suggesting that bank boards with more independent directors have better financial reporting requirements. Independent directors' neutrality and absence of conflicts of interest boost their likelihood of acting in shareholders' best interests, according to studies. Aifuwa and Embele (2019) found a statistically significant association between BI and FRQ in the UK banking sector, suggesting that financial institutions with higher BI have higher FRQ. According to the authors, independent directors have a significant impact on monitoring managerial behaviour, questioning management choices, and improving the precision and openness of financial disclosures. The findings again agree with a study by Sial et al. (2021) who found that the presence of independent directors has a significant effect on the quality of financial reporting in banking institutions. This suggests that the inclusion of independent directors can have a positive impact on financial reporting practices within the banking industry. The findings also support Ajibulu, Yahaya, and Agbi (2021), Ogbonnaya (2020) and Kantudu and Samaila (2015) who also found in their study that board independence significantly improves the quality of financial reporting quality. The findings derived from these studies

underscore the significance of board independence in enhancing FRQ. The presence of independent directors serves as a protective measure against managerial opportunism and enhances the likelihood of management being held responsible for precise financial reporting. The provision of impartial supervision, amplification of monitoring efficacy, and facilitation of openness and answerability in the financial reporting practises of banks are among their key functions. The results have substantial consequences for the adoption of corporate governance norms and regulatory frameworks in the banking sector. Regulators must guarantee the inclusion of independent directors on bank boards, adherence to board composition norms, and openness in the nomination and selection procedures as crucial components. The endorsement of business intelligence (BI) by regulatory bodies has the potential to enhance the calibre and reliability of financial reporting. This, thus, has the potential to enhance investor confidence and maintain the stability of the financial system.

4.9.3 Board Role Performance and Financial Reporting Quality

The third study goal was to examine how BRP affects financial institution FRQ. Data shows a statistically significant positive correlation between BRP and FRQ. The research strongly supported the hypothesised link between the variables. This means that BRP accounts for a considerable portion of bank FRQ volatility, everything else being equal. This implies that BRP may enhance bank FRQ.

The results affect corporate governance and regulation. BRP is the extent to which board members actively participate, make good decisions, and perform well. The data indicate that active board responsibilities are linked to greater FRQ in banks. It is imperative for board members to efficiently supervise and scrutinise financial reporting procedures to guarantee the precision and lucidity of the reporting. The findings underscore the significance of banks placing emphasis on the composition, selection,

and training of their boards as a means of enhancing board performance. The establishment of guidelines and expectations for board performance is a crucial responsibility of regulators. There is an encouragement for banks to establish robust board structures and processes. By prioritising the performance of board roles, banks have the potential to enhance their governance practices and augment accountability. This phenomenon has the potential to result in an increase in the frequency of positive outcomes and a boost in the level of assurance among individuals or groups with a vested interest.

The finding is in line with Mangala and Singla (2021), who investigated the influence of BRP on FRQ and found that the performance of board roles has a positive and significant effect on the quality of financial reporting. This suggests that the active execution of board duties results in superior FRQ. The research highlighted the importance of board members possessing robust monitoring skills, actively participating in analytical dialogues, questioning management, and guaranteeing the precision and openness of financial disclosures. Furthermore, Mahdi Sahi et al., (2021), also found in their study that there is a positive and significant connection between BRP on FRQ. The research emphasised the necessity for board members to possess suitable competencies, engage in consistent training, and actively engage in decision-making procedures to augment FRQ. The findings also agree with Nalukenge (2020), and Tumwebaze et al. (2022), who found that the performance of the board role has a significant connection with the quality of financial reporting. The facilitation of monitoring and control of management, promotion of transparency and accountability, and assurance of financial reporting integrity are among the benefits of effective board performance. Board members who effectively carry out their responsibilities can offer

impartial and unbiased supervision, question managerial choices, and protect the concerns of shareholders and other stakeholders.

4.9.4 Internal Audit Quality and Financial Reporting Quality

The final research goal was to evaluate IAQ's impact on bank FRP. The results showed a weak negative correlation between IAQ and FRQ. All variables stay static, hence FRQ will not alter regardless of IAQ. These data suggest that IAQ may not improve bank FRQ.

The results affect the internal audit's efficiency and responsibilities in ensuring financial reporting reliability. Internal audit is crucial because it evaluates internal controls, risk management, and financial reporting impartially. If IAQ does not affect FRQ, external audit, board supervision, or management's commitment to effective controls may. The results need a comprehensive approach to financial reporting quality that includes internal and external scrutiny. The statement highlights the importance of organizations consistently evaluating and strengthening their control framework, harmonizing internal audit approaches with optimal approaches to augment their efficacy in advancing FRQ. The findings support Johl et al. (2013) who performed research to determine whether or not IAQ has a significant effect on FRQ and found that IAQ had no noticeable effect on FRQ. The research revealed that although internal audit is critical to advancing good company governance, its impact on FRQ may be minimal. Findings from this research indicate that internal audits and regulatory monitoring may be more important than IAQ in determining FRQ. Also, research by Oh et al. (2014) found that IAQ had no significant effect on FRQ in Korean firms. However, findings from a study by Sepasi, Dianati Deilami, and Manzari Tavakoli (2018) and Gros, Koch, and Wallek (2017) indicated that internal auditing quality significantly improves the quality of financial reporting.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS FOR FUTURE RESEARCH

5.1 Introduction

A complete overview, clear findings, and suggestions follow the study. This section discusses the study's pros and cons. There are multiple sections to this chapter. The second section of the research delves more into the study's particular aims, which are founded on the results. Important ideas based on the study's main results are provided in the chapter's recommendation section. In the last part, we provide some suggestions for where further study may go.

5.2 Summary of Findings

The research investigates how institutional variables affect bank FRQ. Integrating the prior study with the literature highlights the most relevant results. The presented outcomes are considered suitable in accordance with the research objectives.

5.2.1 Board Expertise and Financial Reporting Quality

The study's objective was to assess the effects of BE on FRP in banks. The findings indicated an insignificant statistical connection between BE and FRQ. The results indicate that, under constant conditions, the FRQ will remain constant irrespective of any changes in BE. According to these findings, prioritising BE may not yield positive results in enhancing FRQ within the banking sector.

5.2.2 Board Independence and Financial Reporting Quality

The study's second purpose was to assess the impact of business intelligence (BI) on financial risk quotient (FRQ) within the banking sector. The findings demonstrate a statistically significant and favourable correlation between Business Intelligence (BI)

and Financial Reporting Quality (FRQ). The findings indicate a statistically significant association between the variables, providing evidence in favour of the hypothesis posited in the research. This suggests that all things being equal, BI is responsible for a substantial portion of the variance in FRQ within banks. This assertion implies that the implementation of BI could potentially enhance the FRQ within banking institutions.

5.2.3 Board Role Performance and Financial Reporting Quality

Objective three of the study was to evaluate the effect of BRP on FRQ in banks. The results indicated a positive and significant statistical connection between BRP and FRQ. The findings indicate that the two variables significantly connect with each other which also supports the hypothesis stated in the study. This implies that all other things being equal, BRP accounts for a significant amount of the variation in FRQ in the banks. This statement suggests that BRP may contribute to improvement in the FRQ in the banks.

5.2.4 Internal Audit Quality and Financial Reporting Quality

The study's last objective was to assess the effects of IAQ on FRP in banks. The findings indicated a negative but insignificant statistical connection between IAQ and FRQ. The findings show that all factors remain unchanged, FRQ will not change regardless of how IAQ changes. Based on these findings, emphasis on IAQ may not pay off in terms of improving FRQ in the banks.

5.3 Conclusion

Institutional features and the financial risk quotient (FRQ) in banks were the focus of this study. The study's descriptive cross-sectional survey approach was used for statistical analysis. The sample comprised banking managers and accountants. The researchers collected data from 132 persons using purposive sampling. The research

assumptions were evaluated using SPSS v26. Descriptive statistics summarised the data, whereas correlation analysis examined variable relationships. The study hypotheses were tested using multiple regression. The research found a positive association between board independence, board effectiveness, and banking sector financial reporting. The findings show that board proficiency and internal audit effectiveness do not statistically affect financial reporting quality.

5.4 Recommendation

The research found that BI and BRP improve banking FRQ. However, there is no significant effect observed in relation to the BE and the IAQ. Based on the findings, the recommendations below were suggested.

- Prioritising BI and BRP is vital for banks since it positively impacts FRQ. Companies should increase the number of independent directors on their boards to provide impartial monitoring and accurate financial disclosure. It is recommended that boards prioritise the improvement of their performance by promoting effective communication, implementing sound decision-making processes, and fostering accountability.
- The implementation of robust oversight mechanisms within the boards of banks has the potential to improve the quality of their FRQ. Periodic director and board effectiveness reviews may improve board performance. Banks may improve the board's financial reporting oversight by identifying deficiencies and ensuring accuracy and reliability.
- While the impact of BE on FRQ in the banking sector may not be direct, it remains imperative for boards to possess the necessary expertise and competencies to comprehend complex financial matters. It is recommended that financial institutions should contemplate allocating resources towards training

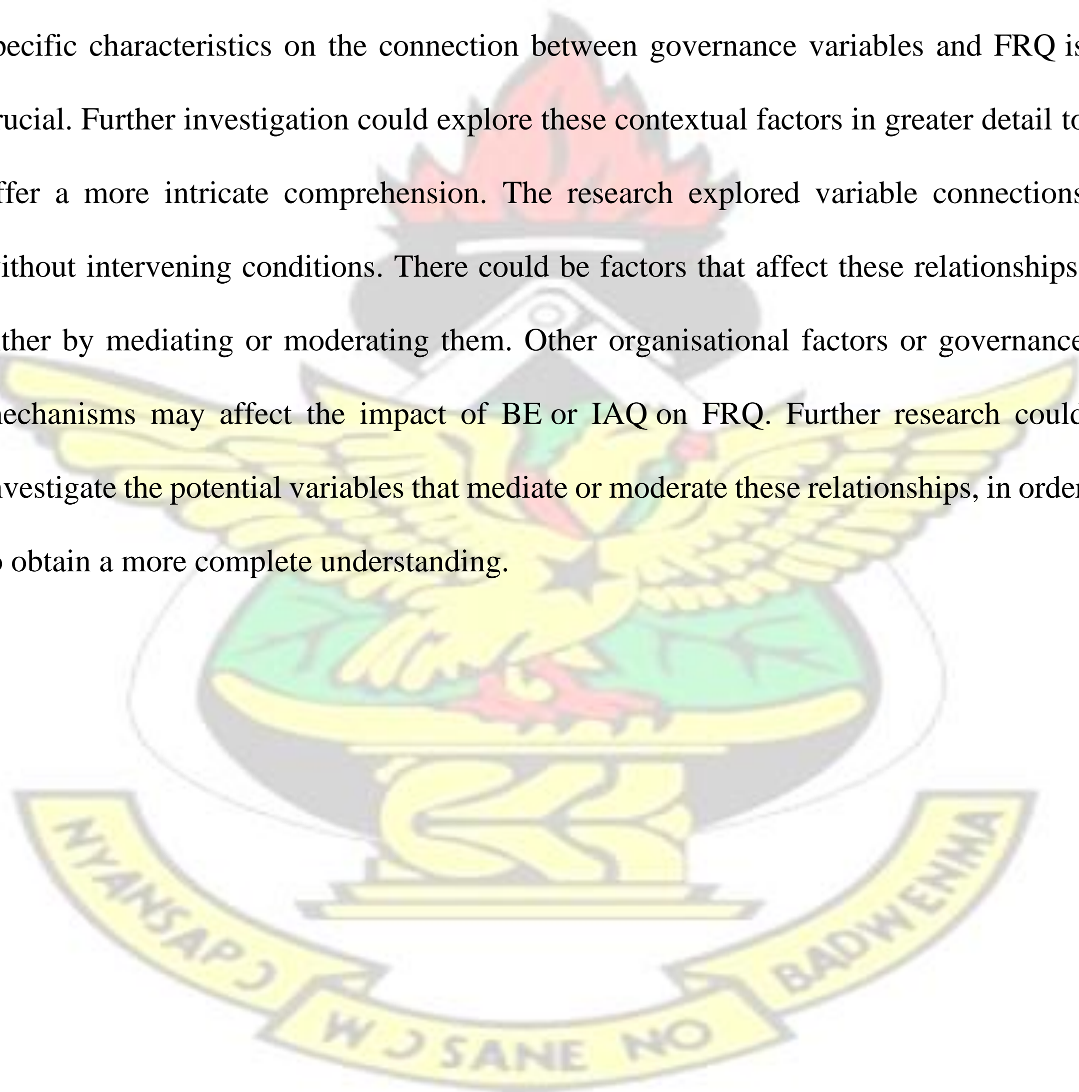
and developmental initiatives for their board members, with the aim of enhancing their proficiency in financial matters. Through this approach, individuals can pose informed inquiries, scrutinise managerial choices, and offer effective supervision, resulting in enhanced quality of financial reporting.

- Despite the lack of significant findings regarding the influence of IAQ on FRQ, it remains imperative for financial institutions to uphold a strong internal audit mechanism. The significance of internal auditors lies in their capacity to identify and mitigate risks, particularly those associated with financial reporting. The presence of proficient and independent internal audit teams with the necessary competencies is imperative for banks to ensure the efficient discharge of their responsibilities. Regular assessments and continuous efforts towards enhancement can enhance the effectiveness of the internal audit process.

5.5 Limitations and Future Research Directions

The study exhibits certain potential constraints that may guide forthcoming studies in the domain. The research was constrained to a specific subset of financial institutions or exhibited a restricted sample size. It is imperative to consider the generalizability of the findings across diverse banking sectors, regions, or typologies of banks. Future research attempts may contemplate using larger and more diverse participants to validate the outcomes across a wider range of contexts. The outcomes of the research are contingent upon the methodologies employed for the assessment of BI, BRP, BE, IAQ, and FRQ. Subsequent studies could explore alternative metrics or enhance the existing metrics to more comprehensively understand these variables. Furthermore, employing various proxies or indicators of FRQ may provide additional insights. The study's results indicate a relationship between variables, and establishing causality may prove challenging. The interrelationships among the variables under investigation may

be subject to the effects of reverse causality or the existence of unobserved variables. In order to enhance comprehension of the impact of Business Intelligence (BI) and Business Resilience Planning (BRP) on Financial Risk Quantification (FRQ), future investigations may use longitudinal or experimental methodologies to demonstrate causal associations and elucidate underlying processes. The study may not have fully considered specific contextual factors that could have influenced the findings. Studying the effects of regulatory environments, legal frameworks, cultural factors, and industry-specific characteristics on the connection between governance variables and FRQ is crucial. Further investigation could explore these contextual factors in greater detail to offer a more intricate comprehension. The research explored variable connections without intervening conditions. There could be factors that affect these relationships, either by mediating or moderating them. Other organisational factors or governance mechanisms may affect the impact of BE or IAQ on FRQ. Further research could investigate the potential variables that mediate or moderate these relationships, in order to obtain a more complete understanding.



REFERENCES

Adams, R.B. and Mehran, H., 2012. Bank board structure and performance: Evidence for large bank holding companies. *Journal of Financial Intermediation*, *21*(2), pp.243-267.

Agbo, N., 2017. *The Effects of Board Diversity and Intellectual Capital on Risk and Return of Banks in Ghana* (Doctoral dissertation, University of Ghana).

Agienohuwa, O.O., 2018. IFRS adoption and financial reporting quality.

Agyei-Boapeah, H., Machokoto, M., Amankwah-Amoah, J., Tunyi, A. and Fosu, S., 2020, July. IFRS adoption and firm value: African evidence. In *Accounting Forum* (Vol. 44, No. 3, pp. 238-261). Routledge.

Aifuwa, H.O. and Embele, K., 2019. Board characteristics and financial reporting. *Journal of Accounting and Financial Management*, *5*(1), pp.30-44.

Aifuwa, H.O., Embele, K. and Saidu, M., 2018. Ethical accounting practices and financial reporting quality. *EPRA Journal of Multidisciplinary Research*, *4*(12), pp.31-44.

Ajibulu, F.G., Yahaya, O.A. and Agbi, S.E., 2021. Board Of Directors and Quality Of Financial Reports Of Quoted Banks: Evidence From Nigeria.

Alexopoulos, E.C., 2010. Introduction to multivariate regression analysis. *Hippokratia*, *14*(Suppl 1), p.23.

Almaqtari, F.A., Hashed, A.A., Shamim, M. and Al-ahdal, W.M., 2021. Impact of corporate governance mechanisms on financial reporting quality: a study of Indian GAAP and Indian Accounting Standards. *Problems and Perspectives in Management*, *18*(4), p.1.

Al-Matari, E.M., Mgammal, M.H., Alosaimi, M.H., Alruwaili, T.F. and Al-Bogami, S., 2022. Fintech, board of directors and corporate performance in Saudi Arabia financial sector: Empirical study. *Sustainability*, *14*(17), p.10750.

Alvi, M., 2016. A Manual for Selecting Sampling Techniques in Research. University Library of Munich, Germany.

Alzoubi, E.S.S., 2014. Board characteristics and financial reporting quality: Evidence from Jordan. *Corporate Ownership and Control*, *11*(3), pp.8-29.

Alzoubi, E.S.S., 2018. Audit quality, debt financing, and earnings management: Evidence from Jordan. *Journal of International Accounting, Auditing and Taxation*, *30*, pp.69-84.

Amissah, E., Hammond, P. and Djimatey, R., 2020. The effects of International Financial Reporting Standards on Reporting Quality of Financial Institutions in Ghana. *International Journal of Accounting and Financial Reporting*, *10*(2), pp.94-118.

Arifin, S.R.M., 2018. Ethical considerations in qualitative study. International Journal of Care Scholars, 1(2), pp.30-33

Bank of Uganda (2015), “Imperial Bank Uganda limited”,

Bank of Uganda (2017), Annual Supervision Report, December 2017,

Baysinger, B.D. and Butler, H.N., 2019. Corporate governance and the board of directors: Performance effects of changes in board composition. In *Corporate Governance* (pp. 215-238). Gower.

Borch, C., 2022. Machine learning, knowledge risk, and principal-agent problems in automated trading. *Technology in Society*, *68*, p.101852.

Brennan, N.M., Kirwan, C.E. and Redmond, J., 2016. Accountability processes in boardrooms: a conceptual model of manager-non-executive director information asymmetry. *Accounting, Auditing & Accountability Journal*.

Bryant, P. and Davis, C., 2012. Regulated change effects on boards of directors: A look at agency theory and resource dependency theory. *Academy of Strategic Management Journal*, *11*(2), p.1.

Budai, E., Denich, E. And Hajdu, D., 2021. Financial Reporting Quality At Smes–A Theoretical Approach. *Annales Universitatis Apulensis Series Oeconomica*, *23*(1), pp.109-121.

Camfferman, K. and Wielhouwer, J.L., 2019. 21st-century scandals: towards a risk approach to financial reporting scandals. *Accounting and Business Research*, *49*(5), pp.503-535.

Casteel, A. and Bridier, N.L., 2021. Describing populations and samples in doctoral student research. International Journal of Doctoral Studies, 16(1).

Coffie, W. and Bedi, I., 2019. The effects of IFRS adoption and firm size on audit fees in financial institutions in Ghana. *Accounting Research Journal*.

Cofie, T.N., 2018. *Internal audit and corporate governance at Ghana water company limited: the study of Cape Coast Metropolis in the Central Region, Ghana* (Doctoral dissertation, University of Cape Coast).

Cooper, D.R., Schindler, P.S. and Sun, J., 2006. *Business research methods*. 9, pp. 1-744). New York: Mcgraw-hill.

Cooray, T., Gunarathne, A.N. and Senaratne, S., 2020. Does corporate governance affect the quality of integrated reporting? *Sustainability*, *12*(10), p.4262.

Creswell, J.W., 2014. *A concise introduction to mixed methods research*. SAGE publications.

DeAngelo, L.E., 1981. Auditor size and audit quality. *Journal of accounting and economics*, *3*(3), pp.183-199.

DeSimone, S.M., 2017. Internal audit and financial reporting quality in the public sector.

Eisenhardt, K.M., 1989. Agency theory: An assessment and review. *Academy of management review*, *14*(1), pp.57-74.

Elbannan, M.A., 2011. Accounting and stock market effects of international accounting standards adoption in an emerging economy. *Review of Quantitative Finance and Accounting*, *36*(2), pp.207-245.

El-Helaly, M., Ntim, C.G. and Soliman, M., 2020. The role of national culture in international financial reporting standards adoption. *Research in International Business and Finance*, *54*, p.101241.

Elmghaamez, I.K., Attah-Boakye, R., Adams, K. and Agyemang, J., 2022. The diffusion of innovation theory and the effects of IFRS adoption by multinational corporations on capital market performance: a cross-country analysis. *Thunderbird International Business Review*, *64*(1), pp.81-108.

Etikan, I. and Bala, K., 2017. Sampling and sampling methods. Biometrics and Biostatistics International Journal, 5(6), p.00149.

Garcia-Romero, D. and Espy-Wilson, C.Y., 2011. Analysis of i-vector length normalization in speaker recognition systems. In *Twelfth annual conference of the international speech communication association*.

Gopinath, R., 2021. Corporate Governance's Responsibilities in Socially.

Gregoire, T.G. and Affleck, D.L., 2018. Estimating desired sample size for simple random sampling of a skewed population. The American Statistician, 72(2), pp.184-190.

Gros, M., Koch, S. and Wallek, C., 2017. Internal audit function quality and financial reporting: results of a survey on German listed companies. *Journal of Management & Governance*, *21*(2), pp.291-329.

Hair, J.F., Ortinau, D.J. and Harrison, D.E., 2010. *Essentials of marketing research* (Vol. 2). New York, NY: McGraw-Hill/Irwin.

Herath S., and Albarqi N., 2017. Financial Reporting Quality: A Literature Review Article.

Herath, S.K. and Albarqi, N., 2017. Financial reporting quality: A literature review. *International Journal of Business Management and Commerce*, *2*(2), pp.1-14.

Huang, W., 2019. Ownership, tax and intercorporate loans in China. *International Journal of Accounting & Information Management*.

Huu Nguyen, A., Thuy Doan, D. and Ha Nguyen, L., 2020. Corporate governance and agency cost: Empirical evidence from Vietnam. *Journal of Risk and Financial Management*, *13*(5), p.103.

Iofrida, N., De Luca, A.I., Strano, A. and Gulisano, G., 2018. Can social research paradigms justify the diversity of approaches to social life cycle assessment? The International Journal of Life Cycle Assessment, 23(3), pp.464-480.

Jamil, A., Ghazali, N.A.M. and Nelson, S.P., 2020. The influence of corporate governance structure on sustainability reporting in Malaysia. *Social Responsibility Journal*.

Judge, W.Q. and Talaulicar, T., 2017. Board involvement in the strategic decision-making process: A comprehensive review. *Annals of Corporate Governance*, *2*(2), pp.51-169.

K. Johl, S., Kaur Johl, S., Subramaniam, N. and Cooper, B., 2013. Internal audit function, board quality and financial reporting quality: evidence from Malaysia. *Managerial Auditing Journal*, *28*(9), pp.780-814.

Kaawaase, T.K., Assad, M.J., Kitindi, E.G. and Nkundabanyanga, S.K. (2016), "Audit quality differences amongst audit firms in a developing economy: the case of Uganda", Journal of Accounting in Emerging Economies, 6(3), pp. 269-290.

Kaawaase, T.K., Nairuba, C., Akankunda, B. and Bananuka, J., 2021. Corporate governance, internal audit quality and financial reporting quality of financial institutions. *Asian Journal of Accounting Research*.

Kabwe, M., Mwanaumo, E. and Chalu, H., 2020. Effect of corporate governance attributes on IFRS compliance: evidence from a developing country. *Corporate Governance: The International Journal of Business in Society*.

Kahan, M. and Rock, E.B., 2017. Hedge funds in corporate governance and corporate control. In *Corporate Governance* (pp. 389-461). Gower.

Kamangar, F. and Islami, F., 2013. Sample size calculation for epidemiologic studies: principles and methods. Archives of Iranian medicine, 16(5), pp.0-0.

Kamardin, H., Bakar, R.A. and Ishak, R., 2017. Intellectual capital disclosure: The effect of family and non-executive directors on board. *Advanced Science Letters*, *23*(4), pp.3102-3106.

Kantudu, A.S. and Samaila, I.A., 2015. Board Characteristics, Independent Audit Committee and Financial Reporting Quality of Oil Marketing Firms: Evidence from Nigeria. *Journal of Finance, Accounting & Management*, *6*(2).

Kaplan, G.G., 2015. The global burden of IBD: from 2015 to 2025. Nature Reviews Gastroenterology and Hepatology, 12(12), pp.720-727.

Karpoff, J.M., 2021. The future of financial fraud. *Journal of Corporate Finance*, *66*, p.101694.

Klarner, P., Yoshikawa, T. and Hitt, M.A., 2021. A capability-based view of boards: A new conceptual framework for board governance. *Academy of Management Perspectives*, *35*(1), pp.123-141.

Kouaib, A., Mhiri, S. and Jarboui, A., 2020. Board of directors' effectiveness and sustainable performance: The triple bottom line. *The Journal of High Technology Management Research*, *31*(2), p.100390.

Kpodonu, A.N., 2020. *Corruption and its Effects on Good Governance in Ghana* (Doctoral dissertation, Ghana Institute of Journalism).

Kumatongo, B. and Muzata, K.K., 2021. Research paradigms and designs with their application in education. Journal of Lexicography and Terminology (Online ISSN 2664-0899. Print ISSN 2517-9306)., 5(1), pp.16-32.

Larcker, D.F. and Tayan, B., 2011. Seven myths of corporate governance. *Rock Center for Corporate Governance at Stanford University Closer Look Series: Topics, Issues and Controversies in Corporate Governance No. CGRP-16*.

Lavidas, K., Petropoulou, A., Papadakis, S., Apostolou, Z., Komis, V., Jimoyiannis, A. and Gialamas, V., 2022. Factors affecting response rates of the Web survey with teachers. *Computers*, *11*(9), p.127.

Lin, C.J., Wang, T. and Pan, C.J., 2016. Financial reporting quality and investment decisions for family firms. *Asia Pacific Journal of Management*, *33*(2), pp.499-532.

Lin, F.Y., Chang, S.H., Huang, S.Y. and Wang, T.S., 2021. Self-interested board of directors and stock price crash risk in loss-making firms. *Accounting & Finance*, *61*(2), pp.2853-2890.

Lund, D.S. and Pollman, E., 2021. The corporate governance machines. *Colum. L. Rev.*, *121*, p.2563.

Luo, J., Ordonez-Matamoros, G. and Kuhlmann, S., 2019. The balancing role of evaluation mechanisms in organizational governance—The case of publicly funded research institutions. *Research Evaluation*, *28*(4), pp.344-354.

Mahdi Sahi, A., Mahdi Sahi, A., Abbas, A.F. and FA Khatib, S., 2022. Financial reporting quality of financial institutions: Literature review. *Cogent Business & Management*, *9*(1), p.2135210.

Majid, U., 2018. Research fundamentals: Study design, population, and sample size. Undergraduate research in natural and clinical science and technology journal, 2, pp.1-7.

Mangala, D. and Singla, N., 2021. Do corporate governance practices restrain earnings management in banking industry? Lessons from India. *Journal of Financial Reporting and Accounting*.

Mayer, I., 2015. Qualitative research with a focus on qualitative data analysis. International Journal of Sales, Retailing and Marketing, 4(9), pp.53-67.

Mbobo, M.E. and Ekpo, N.B., 2016. Operationalising the qualitative characteristics of financial reporting. *International Journal of Finance and Accounting*, *5*(4), pp.184-192.

Mensah, E., 2021. The effect of IFRS adoption on financial reporting quality: Evidence from listed manufacturing firms in Ghana. *Economic Research-Ekonomska Istraživanja*, *34*(1), pp.2890-2905.

Mensah, J., 2020. *Effects of board composition on the performance of listed firms in Ghana* (Doctoral dissertation, University of Cape Coast).

Mishra, R.K. and Jhunjhunwala, S., 2013. *Diversity and the effective corporate board*. Academic Press.

Mlay, L.S., Temu, S.S. and Mataba, L., 2022. Influence of board attributes on board roles performance in Savings and Credit Co-operative Societies (SACCOS) in Tanzania. *Business management review*, *25*(1), pp.90-110.

Mnif, Y. and Znazen, O., 2020. Corporate governance and compliance with IFRS 7: The case of financial institutions listed in Canada. *Managerial Auditing Journal*, *35*(3), pp.448-474.

Mohajan, H.K., 2018. Qualitative research methodology in social sciences and related subjects. Journal of Economic Development, Environment and People, 7(1), pp.23-48.

Moscariello, N., Pizzo, M., Govorun, D. and Kostyuk, A., 2019. Independent minority directors and firm value in a principal–principal agency setting: evidence from Italy. *Journal of Management and Governance*, *23*(1), pp.165-194.

Nalukenge, I., 2020. Board role performance and compliance with IFRS disclosure requirements among microfinance institutions in Uganda. *International Journal of Law and Management*.

Nalukenge, I., Nkundabanyanga, S.K. and Ntayi, J.M., 2018. Corporate governance, ethics, internal controls and compliance with IFRS. *Journal of Financial Reporting and Accounting*.

Nguyen, L.A. and Kend, M., 2021. The perceived impact of the KAM reforms on audit reports, audit quality and auditor work practices: stakeholders' perspectives. *Managerial Auditing Journal*.

Niinikoski, O.M., 2018. Corporate governance and board composition: diversity and independence of Finnish boards.

Nkundabanyanga, S.K., Ntayi, J.M., Ahiauzu, A. and Sejjaaka, S.K., 2014. Intellectual capital in Ugandan service firms as a mediator of board governance and firm performance. *African Journal of Economic and Management Studies*.

OECD, 2015. G20/OECD principles of corporate governance: OECD report to G20 finance ministers and central bank governors. Paris, France: OECD.

Ogbonnaya, A.K., (2020). Impact Of Board Independence on Financial Reporting Quality of Pharmaceutical Companies in Nigeria. *American International Journal of Business Management, 3* (10), pp. 32-36.

Ogoun, S. and Perelayefa, O.G., 2020. Corporate governance and audit quality in Nigeria. *American Journal of Industrial and Business Management*, *10*(2), pp.250-261.

Oh, K., Choi, W., Jeong, S.W. and Pae, J., 2014. The effect of different levels of internal control over financial reporting regulation on the quality of accounting

information: evidence from Korea. *Asia-pacific Journal of Accounting & Economics*, *21*(4), pp.412-442.

Ortega, S., 2021. *Impact of Corporate Governance on Financial Reporting and Profitability of Banking* (Doctoral dissertation, Walden University).

Owusu, G.M.Y., Suppiah, S.D.K., Saat, N.A.M. and Law, S.H., 2022. IFRS adoption and economic growth in developing economies. *International Journal of Economics and Accounting*, *11*(1), pp.73-98.

Ozbek, O.V. and Boyd, B., 2020. The influence of CEO duality and board size on the market value of spun-off subsidiaries: The contingency effect of firm size. *Journal of Strategy and Management*.

Pampel, F., Andrighetto, G. and Steinmo, S., 2019. How institutions and attitudes shape tax compliance: a cross-national experiment and survey. *Social Forces*, *97*(3), pp.1337-1364.

Patnaik, P. and Suar, D., 2020. Does corporate governance affect CEO compensation in Indian manufacturing firms? *Journal of Public Affairs*, *20*(3), p.e2115.

Piñana, J.L., López-Corral, L., Martino, R., Vazquez, L., Pérez, A., Martin-Martin, G., Gago, B., Sanz-Linares, G., Sanchez-Salinas, A., Villalon, L. and Conesa-Garcia, V., 2022. SARS-CoV-2 vaccine response and rate of breakthrough infection in patients with hematological disorders. *Journal of Hematology & Oncology*, *15*(1), p.54.

Podsakoff, P.M., MacKenzie, S.B., Lee, J.Y. and Podsakoff, N.P., 2003. Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, *88*(5), p.879.

Polit, D.F., and Beck, C.T., 2017. Nursing research: Generating and assessing evidence for nursing. Philadelphia: Lippincott Williams and Wilkins.

Prekazi, Y., 2022. Transparency of Financial Reports of Companies in The Republic of Kosovo. *Prizren Social Science Journal*, *6*(1), pp.95-100.

Pucheta-Martínez, M.C. and Gallego-Álvarez, I., 2020. Do board characteristics drive firm performance? An international perspective. *Review of Managerial Science*, *14*(6), pp.1251-1297.

Queirós, A., Faria, D. and Almeida, F., 2017. Strengths and limitations of qualitative and quantitative research methods. European journal of education studies.

Rahmatika, D.N., 2014. The impact of internal audit function effectiveness on quality of financial reporting and its implications on good government governance

research on local government Indonesia. *Research Journal of Finance and Accounting*, *5*(18), pp.64-75.

Raimo, N., Vitolla, F., Marrone, A. and Rubino, M., 2021. Do audit committee attributes influence integrated reporting quality? An agency theory viewpoint. *Business Strategy and the Environment*, *30*(1), pp.522-534.

Ramón-Llorens, M.C., García-Meca, E. and Pucheta-Martínez, M.C., 2019. The role of human and social board capital in driving CSR reporting. *Long Range Planning*, *52*(6), p.101846.

Rashid Khan, H.U., Khidmat, W.B., Hares, O.A., Muhammad, N. and Saleem, K., 2020. Corporate governance quality, ownership structure, agency costs and firm performance. Evidence from an emerging economy. *Journal of Risk and Financial Management*, *13*(7), p.154.

Reid, L.C., Carcello, J.V., Li, C., Neal, T.L. and Francis, J.R., 2019. Impact of auditor report changes on financial reporting quality and audit costs: Evidence from the United Kingdom. *Contemporary Accounting Research*, *36*(3), pp.1501-1539.

Robinson, T.R. and Munter, P., 2004. Financial Reporting Quality: Fed flags and accounting warning signs. *Com. Lending Rev.*, *19*, p.2.

Roychowdhury, S., Shroff, N. and Verdi, R.S., 2019. The effects of financial reporting and disclosure on corporate investment: A review. *Journal of Accounting and Economics*, *68*(2-3), p.101246.

Rudyanto, A. and Siregar, S.V., 2018. The effect of stakeholder pressure and corporate governance on the sustainability report quality. *International Journal of Ethics and Systems*.

Salem, I.H., Ayadi, S.D. and Hussainey, K., 2019. Corporate governance and risk disclosure quality: Tunisian evidence. *Journal of Accounting in Emerging Economies*.

Saunders, M., P. Lewis, and A. Thornhill. 2015. Research Methods for Business Students. 7th ed. Harlow: Pearson Education.

Scotland, J., 2012. Exploring the philosophical underpinnings of research: Relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. English language teaching, 5(9), pp.9-16.

Sepasi, S., Dianati Deilami, Z. and Manzari Tavakoli, S., 2018. Internal Audit, Board of Directors and Financial Reporting Quality. *International Journal of Finance & Managerial Accounting*, *2*(8), pp.63-75.

Shahzad, F., Rehman, I.U., Hanif, W., Asim, G.A. and Baig, M.H., 2019. The influence of financial reporting quality and audit quality on investment efficiency: Evidence from Pakistan. *International Journal of Accounting & Information Management*.

Sherer, P.D., Suddaby, R. and Rozsa de Coquet, M., 2019. Does resource diversity confer organizational autonomy in arts organizations? Extending resource dependence theory. *The Journal of Arts Management, Law, and Society*, *49*(4), pp.224-241.

Surmiak, A., 2018, September. Confidentiality in qualitative research involving vulnerable participants: Researchers' perspectives. In Forum: Qualitative Social Research (Vol. 19, No. 3, pp. 393-418). Freie Universität Berlin.

Tabassum, N. and Singh, S., 2020. *Corporate Governance and Organisational Performance: The Impact of Board Structure*. Springer Nature.

Thijeel, A.M., Flayyih, H.H. and Talab, H.R., 2018. The relationship between audit quality and accounting conservatism in the Iraqi banks. *Opción: Revista de Ciencias Humanas y Sociales*, (15), pp.1564-1592.

Toms, S., 2019. Financial scandals: a historical overview. *Accounting and Business Research*, *49*(5), pp.477-499.

Tumwebaze, Z., Bananuka, J., Orobia, L.A. and Kinatta, M.M., 2022. Board role performance and sustainability reporting practices: managerial perception-based evidence from Uganda. *Journal of Global Responsibility*, (ahead-of-print).

Turnbull, S., 2019. Corporate governance: Its scope, concerns and theories. In *Corporate governance* (pp. 415-440). Gower.

Umar, H., Erlina, E. and Fauziah, A., 2019. Audit quality determinants and the relation of fraud detection. *International Journal of Civil Engineering and Technology*, *10*(3).

Vitolla, F., Raimo, N. and Rubino, M., 2020. Board characteristics and integrated reporting quality: An agency theory perspective. *Corporate Social Responsibility and Environmental Management*, *27*(2), pp.1152-1163.

Vitolla, F., Raimo, N., Rubino, M. and Garzoni, A., 2019. How pressure from stakeholders affects integrated reporting quality. *Corporate Social Responsibility and Environmental Management*, *26*(6), pp.1591-1606.

Watkins, A.L., Hillison, W. and Morecroft, S.E., 2004. Audit quality: A synthesis of theory and empirical evidence. *Journal of accounting literature*, *23*, p.153.

Watkins, M.W., 2018. Exploratory factor analysis: A guide to best practice. *Journal of Black Psychology*, *44*(3), pp.219-246.

Wilbanks, R.M., Hermanson, D.R. and Sharma, V.D., 2017. Audit committee oversight of fraud risk: The role of social ties, professional ties, and governance characteristics. *Accounting Horizons*, *31*(3), pp.21-38.

Wu, Q., Cherian, J., Samad, S., Comite, U., Hu, H., Gunnlaugsson, S.B., Oláh, J. and Sial, M.S., 2021. The role of CSR and ethical leadership to shape employees' pro-environmental behavior in the era of Industry 4.0. A case of the banking sector. *Sustainability*, *13*(17), p.9773.

Zahra, S.A. and Pearce, J.A., 1989. Boards of directors and corporate financial performance: A review and integrative model. *Journal of Management*, *15*(2), pp.291-334.