



# Corporate Governance and Voluntary Disclosures in Annual Reports of Ghanaian Listed Banks

<sup>1</sup>Benjamin Agyeman., <sup>2</sup>Dorcas Quarshie., <sup>1</sup>James T. Bonn

<sup>1</sup>Presbyterian University, Ghana,

<sup>2</sup>Ghana Revenue Authority Accra Ghana

DOI: https://dx.doi.org/10.47772/IJRISS.2024.803177S

Received: 01 July 2024; Revised: 15 July 2024; Accepted: 20 July 2024; Published: 10 August 2024

## **ABSTRACT**

This study investigated the relationship between corporate governance and voluntary disclosures of listed banks in Ghana. The study specifically looked at whether Banks with a larger board size have a higher extent of voluntary disclosures, Again, whether Banks that use the services of a Big 4 audit firm have a higher extent of voluntary disclosures, Also, Banks with larger female directors have a higher extent of voluntary disclosures and lastly whether firms with a higher proportion of non-executive directors on the board have a higher extent of voluntary disclosures. Population of the study was the nine banks listed on the Ghana Stock Exchange. The study examined eight (8) listed banks on the Ghana Stock Exchange from 2017 to 2021 financial year. Data was analyzed by using SPSS version 21. The voluntary disclosure levels were established using a 118-item checklist that included strategic, non-financial, and financial information. The study found a statistically significant positive relationship between Big 4 audit firm and female directors with voluntary disclosure. However, non-executive directors and board size tend to negatively impact voluntary disclosure. It is recommended that Big 4 audit firm and female directors should be given more attention with regard to voluntary disclosure.

**Keywords:** Financial Performance, Voluntary Disclosures, Corporate Governance, Female Directors, Bank Size

## INTRODUCTION

Stakeholders of organizations often is informed of the performance of companies through financial reports and governance which is disclosed annually. Voluntary disclosure (VD) of financial performance of businesses plays a crucial role in modern financial reporting. One of the most significant ways of getting information for capital markets is through corporate voluntary disclosure (VD) (Frenkel et al 2020). It is essential for their effective functioning because it increases potential shareholders' and investors' confidence by clearly communicating corporate governance and performance (Saha & Kabra, 2020). As a result, greater transparency increases stakeholders' awareness and confidence (Matoussi & Chakroun, 2008). Some financial reporting practices have dissatisfied investors and stakeholders, resulting in demands for companies to disclose more detailed information voluntary about their long-term performance and strategies (Kumar, 2007).

Corporate governance systems comprising information disclosure and transparency have seen a tangible improvement in most economies that are known as developed following the surprise collapse of reputable companies such as Enron in the USA and Parmalat in Europe. Emerging economies are putting measures in place to meet the world standard to improve overall corporate governance. Therefore, to compete in the global market, the Security and Exchange Commission (SEC) issued corporate governance codes in 2010 for all listed firms to increase disclosures to enhance transparency and accountability. Subsequently, several measures and principles of codes of best practices prescribed by the Bank of Ghana, GSE, SEC, and other regulatory bodies have been updated to strengthen shareholders' and stakeholders' confidence in the accounting reports of firms.





Ghana has adopted international standards such as International Financial Reporting Standard and Best CG

Practices guidelines to enhance confidence in the capital market (Appiah et al 2016; Tawiah and Boolag, 2019). Irrespective of the adoption and implementation of CG guidelines – the sudden collapse of banks in Ghana has raised doubts among stakeholders concerning the quality of information disclosed by corporate firms. Improving financial information disclosure by establishing a good governance framework has become necessary. The studies of Umoren (2010), and Chima (2014) have revealed that accounting reports of Ghanaian companies are deficient over time. According to Chima (2014) some cases of corporate failure like the case of the Merchant Bank. Procredit and others have been linked to poor financial reporting and CG. Recently, the capital market has witnessed major scandals and failures -for example, UT and Capital Bank that have led to banking sector restructuring (Ansah, 2017). Users of corporate information across the globe have intensified their expectations for both published mandatory and voluntary disclosure to meet their needs. Even though all listed banks are required to have minimum disclosure requirements, these banks differ in the amount of additional information they disclose to the capital market based on the discretion of the management. It is therefore necessary to examine the factors which influence voluntary disclosure in the banking sector.

Corporate Governance was introduced on November 1, 2010, for public companies by the Securities and Exchange Commission (SEC) of Ghana to help enhance corporate disclosure, transparency, and accountability. The promulgation of the first code was done in 2011 by the Securities and Exchange Commission of Ghana to boost investors' confidence and shareholders' interest. The Central Bank of Ghana, the Securities and Exchange Commission (SEC), and other vibrant regulatory authorities have put in place numerous policies, measures, and principles to ensure best practices are being followed. They further make sure that companies on the Ghana Stock Exchange comply with the codes of ethics of CG. The unexpected collapse of banks seemingly doing well in Ghana has raised a lot of doubt in the minds of stakeholders and reduced confidence in the quality of information the entities disclose. Bank of Ghana report (2017) shows that the nine Ghanaian Banks that collapsed were a result of poor financial reporting and weak CG structure. The report further explained that good CG leads to a good reputation and poor and weak CG leads to collapse and loss. There has been increased attention among stakeholders regarding information being disclosed but banks in Ghana's disclosures do not meet the needs of stakeholders. This has necessitated various reforms and codes of best governance practices been implemented in Ghana to promote transparency and restore confidence in the financial markets. In light of this development, the study seeks to investigate how governance structure influences banking firms' disclosure behavior.

## **Hypothesis**

**Ho1:** Banks with a larger board size do not have a higher extent of voluntary disclosures.

**Ho2:** Banks that use the services of a Big 4 audit firm do not have a higher extent of voluntary disclosures.

**Ho3:** Banks with larger female directors do not have a higher extent of voluntary disclosures.

**Ho4:** Firms with a higher proportion of non-executive directors on the board do not have a higher extent of voluntary disclosures.

### **CONCEPTUAL REVIEW**

#### **Corporate Governance and Corporate Disclosure**

The corporate scandals and frauds of the last few years came as a surprise not just because of the magnitude of the collapse but also because of the discovery non-disclosure of vital information to stakeholders was far more insidious and pervasive than previously imagined. Thus, non-disclosures and poor corporate governance are interrelated. Many scholars, practitioners, professional bodies, shareholders, and other stakeholders have exhibited considerable attention to corporate governance (Kovermann & Velte, 2019; Peters & Bagshaw, 2014). That is a result of several international collapses and corporate scandals around the world, such as WorldCom, Enron & Communications, and recently Silicon Valley Bank sold 10 million of its stock; collapses after two weeks (USA), Nortel, Saffron (Canada) and Parmalat, Anglo Irish Bank and Royal Ahold (EU) and



Polly Peck, MiniScribe and Barlow Clowes (UK). In Asia, scandals have also been reported in various companies, such as Chaoda, Daging Lianyi, CITIC (China), Satyam Computer Services (India), and Olympus Corporation (Japan) (Albrecht et al., 2010; Bhasin, 2015).

Hence, CG's awareness has been increased to protect the interests of parties (shareholders and stakeholders), leading to strict regulations and more transparency and credibility. Javaid Lone et al. (2016) stated that firms with higher corporate governance disclose more information. The CG concept is a pertinent issue in capital markets due to the separation of principal and agent, which dominates the characteristics of modern corporations. This separation between ownership and control, particularly in large companies, has led to the need for monitoring and accountability to ensure those companies' management and behavior of directors are in the interests of the owners and stakeholders. Researchers and academics have investigated the role of CG in several areas, such as investor protection, firm performance, and dividend and debt policy (Giannarakis et al., 2020; La Porta et al., 2000). (Young et al., 2008) said that the level of disclosure, corporate governance, accountability, and transparency are the foundation of market confidence. CG seeks to encourage efficient and effective sustainable companies for the prosperity and welfare of any society. Lye & Hooy; (2021) suggests that CG has a strong effect on investor protection; analyzing the shareholder and creditor protection laws across several countries. Lye & Hooy (2021) found empirical evidence of the relationship between investor protection and effective CG. (Klai & Omri, 2011) pointed out there is empirical evidence of the relationship between specific institutional features of CG and the credibility of financial statements. Other researchers have varied opinions on the link between CG and corporate disclosure. For instance, Klai & Omri (2011) argue that a CG requires efficiency and an adequate financial reporting system. Although more literature has been focused on CG in developed countries and less has been undertaken in developing countries, CG is suitable for all countries, developing or not (Albawwat & Ali basah, 2015).

#### Voluntary versus mandatory disclosures

Disclosure research comes in two perspectives, namely, mandatory and voluntary disclosures. While mandatory disclosure research examines the extent of compliance of firms to appropriate financial reporting and legal regulations and standards (Appiah et al., 2016), voluntary disclosure research investigates the level and quality of information transparency within a firm as a function of the overall efficiency of corporate governance of national economies (Alfraih & Almutawa, 2017). There is, however, an increasing demand and motivation for voluntary disclosure research compared to mandatory disclosure research. This has been attributed to the general dissatisfaction with mandatory disclosures to forestall corporate scandals and capital market failures in many economies (Boateng et al., 2022). Enhanced voluntary disclosures in the annual reports reflect corporate governance effectiveness and yield numerous benefits for companies, corporate managers, shareholders, and other corporate stakeholders. A good disclosure policy is a means to mitigate information asymmetry between corporate managers and shareholders, thus reducing agency costs (Martínez-Ferrero et al., 2016). The information cost conveyed by large transactions is lower for firms that provide more disclosures about their operations, implying that voluntary disclosure reduces information asymmetries between investors, which ultimately mitigates transaction costs (Cho et al., 2013). In general, corporate disclosures are considered a critical factor for the functioning of an efficient capital market (Adiloglu & Vuran, 2012).

#### **Theoretical Review**

Theories influencing voluntary disclosure in corporate reporting are agency theory, capital needs theory, and signaling theory.

#### **Agency Theory**

Agency theory models the relationship between the principal (owner) and agent (manager)(Panda & Leepsa, 2017). Corporate governance disclosure presents an excellent opportunity to apply agency theory, in the sense that managers who have better access to a firm's private information can make credible and reliable communication to the market to optimize the value of the firm (Shi et al., 2017). In the real business world where the market is not perfectly-efficient, they believed that managers use financial disclosure policy to





balance the decisions they make and communicate to the outside shareholders. This illustrates that information irregularity problems influence the corporate governance disclosure policy of the company (Abdur, 2012) found favorable support that diversified firms are more likely to voluntarily (CG) disclose segment information if they have minority interests in their subsidiary companies. This result indicates that disclosure of segment information provides incentives to align the interests between managers and minority interests and is therefore likely to reduce information irregularity problems. The agency theory is relevant to the study since corporate management is required to disclose adequate and relevant information relating to financial, strategy, and non-financial in corporate reporting for shareholders and other accounting information users to ensure a swift reduction of information asymmetry problems (Al-Dmour, 2018).

#### **Signaling Theory**

Signaling theory is considered to be an extension of agency theory (Payne & Petrenko, 2019). It was developed to explain the information asymmetry between managers and shareholders (Bergh et al., 2019). The theory proposes that corporate insiders (i.e., managers and directors) have more information about the firm than outsiders, such as shareholders (Ataullah et al., 2014). Therefore, agents could potentially exploit this information to maximize their interests. Arguably, the origin of this problem is weak ethics and opportunistic behavior within modern corporations (Werder, 2011). To reduce information asymmetries and market uncertainty, companies are expected to adopt good corporate governance practices. A reduction in information asymmetry could: (i) offer equal opportunities to both large and small shareholders in accessing information, which may help in reducing agency problems and the cost of capital (La Porta et al., 2000); (ii) attract local and foreign investment and provide higher liquidity (Chung & Zhang, 2011); and (iii) enhance the market as a corporate control mechanism, and in turn, help create a highly efficient market (Young et al., 2008). The signaling theory is relevant to the study since the corporate management of listed banks operating in Ghana wishes to enhance their company's credibility (Musah, 2018). As such they would signal investors and other accounting information users by way of providing adequate voluntary details in their reporting about their excellence (Gallego Álvarez et al., 2008).

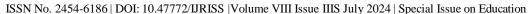
## Capital need theory

Capital need theory is concerned with firms' motivation to raise capital (either equity or debt) at a low cost and mentions that a firm's wish to raise capital from the capital market would encourage it to make an adequate voluntary disclosure in corporate reporting (Shehata, 2014). Voluntary disclosure reduces capital cost and enhances share purchase. For this reason, corporate entities must see the need to disclose adequate voluntary details in their reporting to entice potential shareholders (Dhaliwal et al., 2011). The capital need theory is relevant to this study because the corporate management of listed banks operating in Ghana has the desire to raise money from the capital market. As such, there is a need for corporate management to provide relevant voluntary details in corporate reporting to attract potential shareholders (Dhaliwal et al., 2011).

#### EMPIRICAL REVIEW

#### **Corporate Governance and Voluntary Disclosures**

A series of theories have been used to explain corporate disclosure. Early theories regarding this issue assumed that corporate managers are interested only in the firm's market value (Clarkson et al., 1994; Grossman, 1981). Rational investors are aware that firms with encouraging private information are more likely to disclose information to the market to ensure that the value of the firm is enhanced. Therefore, non-disclosure is explained as withholding adverse information, leading to a reduction in firm value. This idea leads to a full disclosure where firms reasonably and voluntarily disclose important information to enhance the value of the firm (Clarkson et al., 1994). Nevertheless, in practice, companies fail to attain the level of full disclosure, considering that the decision to voluntarily disclose relevant information has to do with additional elements. Both legitimacy and political theories also offer explanations for differences in the level of corporate disclosure. Legitimacy theory, rooted in political economy theory (Gray et al., 1996), advances the notion that a firm's legitimacy to operate in society is dependent on the social contract that is implicit in nature between the firm and society. Corporate managers persistently make the very effort to ensure that their firm operates





within its social contract by ensuring that its operations fall within society's expectations. With this, corporate managers have the incentive to disclose information that shows that the firm is operating to meet societal norms and expectations (Deegan and Blomquist, 2006). Meanwhile, the political economy theory assumes that society, politics, and economics are inseparable and economic issues cannot be carefully investigated without referring to the social, political, and institutional structure in which the issue happens. An investigation into the political economy allows corporate governance researchers to mull over wider issues about the information corporate managers choose to disclose in the firm's annual reports (Kent and Stewart, 2008; Gray et al., 1996). An additional explanation for information disclosure in corporate annual reports is offered by the principal–agent (agency) theory. Corporate managers have incentives to withhold information to restrict the ability of the market to effectively monitor their performance, thus creating a "disclosure agency problem." Studies have investigated whether this problem is reduced by a good corporate governance structure (Adel et al., 2019; Agyei-Mensah et al., 2017; Chan et al., 2014; Khan et al., 2013; Beekes and Brown, 2006). We extend these

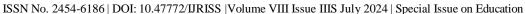
corporate managers choose to disclose in the firm's annual reports (Kent and Stewart, 2008; Gray et al., 1996). An additional explanation for information disclosure in corporate annual reports is offered by the principal—agent (agency) theory. Corporate managers have incentives to withhold information to restrict the ability of the market to effectively monitor their performance, thus creating a "disclosure agency problem." Studies have investigated whether this problem is reduced by a good corporate governance structure (Adel et al., 2019; Agyei-Mensah et al., 2017; Chan et al., 2014; Khan et al., 2013; Beekes and Brown, 2006). We extend these extant studies by investigating whether corporate governance explains the level of voluntary disclosure. Thus, notwithstanding the alternative theories of voluntary disclosure of firms explained above, our attention is on the relationship between voluntary disclosure and corporate governance. The theory highlights that a good corporate governance structure must result in a more transparent disclosure of information (Albitar et al., 2020; Adel et al., 2019; Majumder et al., 2017; Chan et al., 2014). A major role of corporate governance is to ensure compliance with financial reporting requirements and to ensure financial statements depict the full financial standing of the firm (Davidson et al., 2005; Dechow et al., 1995). Researchers have conducted studies to establish the nexus between corporate governance and voluntary disclosures on business entities. Five corporate governance variables have been unveiled through this study based on pieces of literature. There are mainly: firm size, profitability, female directors, board leadership structure, and ownership structure.

#### **Board size**

Corporate governance scholars recognize the board of directors as the most relevant control element in a firm's internal governance structure (Albitar et al., 2020; Chan et al., 2014; Khan et al., 2013; Fama and Jensen, 1983). A good and effective board should monitor financial discretion as well as ensure accounting choices made by corporate managers are valid (Kent and Stewart, 2008). Board size is possibly related to the ability of corporate directors to monitor, control, and evaluate corporate managers (Albitar et al., 2020; Agyei-Mensah, et al., 2017; Chan et al., 2014), even though the direction of influence is inconclusive (Albitar et al., 2020; Agyei-Mensah, 2017). Some studies have highlighted a positive relationship between the number of board directors and both board monitoring (Williams et al., 2005; Anderson et al., 2004) and company performance (Ansong, 2015; Agyemang et al., 2014; Haniffa and Hudaib, 2006). It is contended that larger boards have the expertise and are better positioned to monitor and evaluate corporate managers (Albitar et al., 2020; Agyei-Mensah et al., 2017; Chan et al., 2014; Ansong, 2015; Agyemang et al., 2014), thus enhancing the transparency and management disclosure of more information (Majumder et al., 2017; Agyei-Mensah, et al., 2017; Ahktaruddin et al., 2009). By contrast, other extant studies highlight that smaller boards are more effective in monitoring the CEO and limit the possibility to engage in pervasive decisions (Cheng and Courtenay, 2006; Beasley, 1996; Lipton and Lorsch, 1992; Jensen, 1983). While it is true that larger boards do increase the monitoring capacities of the BOD, such a benefit may be mitigated by the increasing cost of poorer communication and decision-making associated with larger groups (John and Senbet, 1998). Notwithstanding the counter view, the researcher argues that a larger board will result in better perspectives in decision-making, implying that firms with a larger board size are likely to disclose more voluntary information.

#### **Auditor Type**

Jensen and Meckling (1976) consider external auditors as an important governance mechanism because they are entrusted with rendering a fair opinion on the quality of disclosed information. Auditors' reports, thus, provide certifications, which reduces agency costs because it improves users' perception of the credibility of the information in the annual reports. Meanwhile, DeAngelo (1981) and Barros et al. (2013) argue for auditor size as a proxy for audit quality. Bigger audit firms possess stronger bargaining power to demand improved disclosures from their clients (Adelopo, 2011) and are considered to provide credibility to their clients (Majumder et al., 2017). Furthermore, they are well known for their high professionalism and their desire to





enhance voluntary disclosures in the annual reports of their clients (Agyemang & Castellini, 2015). From the agency's theoretical perspective, the auditor plays an effective monitoring mechanism in the conflict between the managers and shareholders, i.e., agent—principal relationship (Lim et al., 2008). Moreover, auditors' credibility, which is underpinned by their recommendations, and approval of choosing accounting standards explanations of critical issues, influence the firm's attitude regarding reporting and disclosure practices (Khan et al., 2013). Furthermore, the selection of a firm's external auditors may influence the perception of the public and either facilitate or inhibit its organizational legitimacy (Zaman et al., 2021). Reputable audit and assurance firms (i.e., Big 4 audit firms) are perceived to possess the capacity to provide assurance services in the form of sustainability reporting and disclosures that meet the expectation of relevant stakeholders, thus positively influencing the firm's legitimacy (Ruiz-Barbadillo and Martínez-Ferrero, 2021). Several empirical studies lend support to this theoretical position (Adelopo, 2011; Sundarasen et al., 2016). By contrast, other studies indicate insignificant positive (Hoang et al., 2018) and insignificant negative (Ling & Sultana, 2015; Omair Alotaibi & Hussainey, 2016) relationships. Nonetheless, the researcher's argument is sympathetic toward the agency perspective.

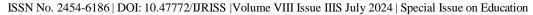
## **Gender Diversity**

Gender diversity, or the proportion of women in top management and on corporate boards, has emerged as one of the most challenging research issues over time (Marimuthu, 2009). It could become a competitive advantage because diversity increases the board's knowledge base, creativity, and innovation. Board gender diversity, according to (Li et al., 2017), may clarify firms' disclosure practices in their annual reports. According to empirical findings published by Huse & Grethe Solberg, (2006), women directors are more engaged in meetings than men, which increases their propensity to make wise choices. According to (Vafaei et al., 2015), female directors significantly impact the board's input and output. Additionally, they are more likely to join monitoring committees and have better attendance records than men.

## **Board Composition**

A company's board usually comprises executive and non-executive directors (NEDs). NEDs are those whose only affiliation with the company is because of their directorship, whereas executive directors are part of the management of the firm. The agency theory suggests that a greater proportion of NEDs on the board is a valuable corporate governance mechanism that ensures effective monitoring of corporate managers in the presence of agency conflicts (Majumder et al., 2017). Arcay and Vazquez (2005) explored the role of good corporate governance rules in enhancing corporate disclosure of Spanish-listed firms and found that a greater proportion of NEDs significantly enhanced corporate disclosure. Other studies that support this include Ahktaruddin et al. (2009), and Wang and Hussainey (2013). However, in a meta-analytic study, Majumder et al. (2017) found an insignificant positive relationship between the composition of NEDs and corporate social disclosures in developing countries. Several studies also report an insignificant relationship between board independence (presence and number of NEDs) and corporate disclosures (Michelon and Parbonetti, 2012). According to Amran et al. (2014), this finding may be attributed to the existence of complacency in the appointment of independent competent directors to join the board. Yet still, other studies document rather a negative relationship (Barako et al., 2006). This, as suggested by Barako et al. (2006), maybe because a high level of independent directors may, itself, substitute for the need to rely on corporate reporting to assure stakeholders oofthe legitimacy of the firm's operations. Our view, notwithstanding, is consistent with the agency theory, and the study further argues that a higher number of NEDs on the board may promote corporate legitimacy by increasing voluntary reporting to satisfy various stakeholders.

Several past studies and current studies researchers have comprehensively investigated the literature on disclosure. However, these studies fall short to address the level of influence of corporate governance on the voluntary disclosure of listed firms operating in Ghana as well as research on the variations in the types of voluntary details disclosed by listed banks operating in Ghana aftermath of the central bank's recapitalization and cleaning-up program of the banking industry. This study fills this hiatus by examining the relationship between corporate governance and voluntary disclosure of listed banks operating in Ghana in the annual reports from the 2017 to 2021 accounting year and advance to determine whether there are no significant variations in the types of voluntary details disclosed by listed banks operating in Ghana.





#### METHODOLOGY

This research was based on the quantitative research strategy. This was employed to enable the researcher to assess the financial annual reports of listed banks in Ghana. The study employed a descriptive research design. This enabled the researcher to describe the relationship between corporate governance and voluntary disclosure in listed banks in Ghana. The study uses secondary data collected from annual reports of Ghanaian-listed banks between 2017 and 2021. There are currently twenty-three universal banks in Ghana, comprising fourteen (14) foreign-controlled banks and nine (9) locally-controlled banks. Only nine (9) out of twenty-three (23) banks are listed on the Ghana Stock Exchange, but only eight (8) are operational in Ghana. The study chose the eight listed banks and they are Access Bank Ghana, Agricultural Development Bank, CAL Bank Ltd, Ecobank Ghana Ltd, GCB Bank Ltd, Republic Bank Ghana Ltd, Societe Generale Ghana Ltd, and Standard Chartered Bank Ghana Ltd.

#### Variable Measurements

A voluntary disclosure checklist was constructed to measure and present insights about the extent and nature of the level of voluntary disclosures published in annual reports issued by eight (8) listed banks on the Ghana Stock Exchange; forty (40) annual reports of 8 banks listed for the years 2017 to 2021 was analyzed using this disclosure checklist. This checklist instrument consists of 118 voluntary disclosure items segmented into strategic, financial, and non-financial details. There are four subcategories under the strategic details category: general details with 25 items, corporate strategy details with 15 items, research and development with 3 items, and future prospects with 8 voluntary disclosure items. In the non-financial details category, there are three subcategories: details about directors with 7 items, details about employees with 12 items, and social policy details with 6 items of voluntary disclosure. There are four subcategories within the financial details category: segment details with 15 items, financial review with 13 items, as well as foreign currency and stock price information with three and five items, respectively, of voluntary disclosure. The disclosure checklist was developed based on prior studies (Cooke, 1989a, Meek et. al., 1995; Botosan, 1997; de la Bruslerie and Gabteni, 2010, Barako, 2007, Koduah, 2020)), and an examination of international trends and standard reporting practices (such as UNCTAD, 2017) and also based on guarded consideration of entity's complete annual report consisting of financial statements. The study employed an unweighted approach. This approach is most appropriate when no specific user groups are given importance. The information items are numerically scored dichotomously. The complete audited annual reports for each firm were reviewed to understand the nature and complexity of each bank operation. In addition, they were reviewed to form an opinion about the firm before scoring the items. According to the unweighted disclosure approach, a bank scores "1" for an item disclosed in the annual report and "0" if it is not disclosed. The voluntary disclosure score (VD Score) was then computed for each firm as a ratio of the total voluntary disclosure score (TVD Score) for the bank to the maximum voluntary disclosure score (VD Max) possible. Each bank's disclosure score (VD Score) was expressed as a percentage.

Below is a mathematical representation of the voluntary disclosure score (VD Score):

VD Score<sub>t</sub> = 
$$\frac{TVDScore}{VDMax}$$
 =  $\frac{\sum_{i=1}^{m} di}{\sum_{i=1}^{n} di}$ 

where:

VD Score = Voluntary disclosure score/index (extent of disclosure);

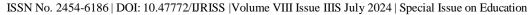
VD Max = Maximum voluntary disclosure scores possible;

TVD Score = Total voluntary disclosure score for each company;

di = Disclosure item i;

m = Actual number of relevant disclosure items (m # n); and

n = Number of items expected to be disclosed





#### Table 3.1 Variables Definitions and Measurements

Variable	Definition/measurement
Dependent variable	
Voluntary disclosure (VD Score)	Quantity and depth of non-mandatory information or data that is contained in the management discussion and analysis in the audited annual reports
Independent variables	
Board size (BDSZE)	Number of persons serving as directors on the bank's board at year-end t
Female Director (FEDIR)	The proportion of female directors represented on the board.
The proportion of NEDs (PNED)	Number of non-executive directors divided by the total number of directors on the board
Auditor Type (AUDTYP)	An indicator variable equal to one if the bank is audited by a Big 4 audit firm at year-end t, otherwise zero
Control variables	
Bank size (BSZE)	The natural logarithm of the total assets of the firm
Profitability (ROA)	The bank's net profit after tax is divided by its net assets and expressed as a percentage
Leverage (LEV	Bank's total debts are divided by its total assets

#### **Model Specification**

The generalized least square pooled regression model, which will be fitted to the data to assess the effect of each independent variable on the disclosure data associated with the voluntary disclosure score (VD Score) and categories and to test the associated hypothesis:

 $VD\ Score_{it} = \alpha_i + \beta_1 BSZE_{it} + \beta_2\ PNED_{it} + \beta_3\ AUDTYP_{it} + \beta_4\ FEDIR_{it} + \beta_5\ LEV_{it} + \beta_6 PRFT_{it} + \beta_7\ Log\ Bank\\ SZE_{it} + \mu_{it}$ 

where:

VD Score = is the total voluntary disclosure score;

BSZE = is board size; FEDIR = is the proportion of female directors; PNED = is the proportion of NEDs;

AUDTYP = is auditor type; BSZE = is bank size;

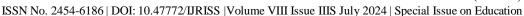
PRFT = is profit of the bank; LEV = is leverage;

 $\alpha$  = is total constant; and

 $\mu$  = is the error term

#### **Determinants of Voluntary Disclosure in the Banking Sector of Ghana**

Voluntary disclosure (VD) as the dependent variable and the corporate governance (CG) mechanism as the independent variable is examined in this section. Table 4.2 shows descriptive statistics of the dependent and independent variables, the VD score ranges between 57.87% and 72.12% and the mean is 63.59%, a slightly above-average VD score consistent with (Koduah, 2020). This illustrates that, on average from 2017 to 2021 the listed banks disclosed 63.59% of 118 checklist items.





It is shown in the annual reports that, the maximum board size (BDSZE) for banks is 13 members, and the minimum is 7. The average board size of the listed banks is 9 boards of directors. Further, the results show the least number of PNEDs on the board is one, with a maximum of eight members. In Ghana, listed banks have a mean of five non-executive directors on their boards, indicating high board independence.

The data shows a mean of one (1) auditor type (AUDTYP), which suggests that 100% of Ghanaian listed banks used a 'Big 4' audit firm between 2017 and 2021. Table 4.1 reveals that on the boards of the eight listed banks, there are an average of two (2) women, with a minimum of two (2) and a maximum of three (3) women. It appears that male directors largely dominate Ghanaian listed banks' boards.

Table 4.1 Descriptive Statistics of VD and CG

Variables	N	Mean	SD	MIN	MAX
VD	8	0.6359	0.0574	0.5787	0.7212
BDSZE	8	9.375	1.9226	7	13
PNED	8	4.75	2.3146	1	8
AUDTYP	8	1	0	1	1
FEDIR	8	2.125	0.9910	0	3

Table 4.2 Pearson's correlation coefficient

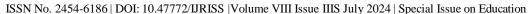
Variables	VD	BD Size	NED	Auditor	Women	Leverage	Profit	Firm Size
VD	1							
BSZE	0.4272	1						
PNED	0.7453	0.5698	1					
AUDTYP	0.0000	0.0000	0.0000	1				
FEDIR	0.2718	0.3468	0.1713	0.0000	1			
LEV	0.2171	0.0783	0.2005	0.0000	-0.1677	1		
PRFT	0.8157	0.4001	0.6841	0.0000	0.2665	0.2452	1	
Bank Size	0.1371	0.3745	0.2254	0.0000	0.0870	-0.2879	0.1170	1

Pearson's correlation coefficient is an effective and powerful analytic tool for detecting multicollinearity among variables. According to (Shrestha, 2020) the Pearson's between each pair of independent variables should not exceed 0.80; otherwise, the independent variables that show a relationship at or above 0.80 may be suspected of exhibiting multicollinearity. This can affect the results of multiple regressions. This study found no high correlation among the independent variables, as shown in Table 4.2 above.

Table 4.2 presents Pearson's correlation coefficient between VD score and CG mechanisms. It shows that some variables have significant correlations with VD. The data illustrate a significantly positive correlation between VD and women on the board of directors (0.2718). Also, the results show that control variables have a positive correlation with the dependable variable (VD), leverage (0.2171), profit (0.8157), and bank size (0.1371). Notably, there is a significant negative correlation between VD, BDSZE (-0.4272), and PNED (-0.7453). There is no linear relationship between the voluntary disclosure score and auditor type.

## **Regression Analysis and Hypothesis Testing**

The R-square, F ratio, coefficient, and t-stat for the regression model and the results of the dependent and independent variables were summarized. The F-value of the listed banks between 2017 and 2021 is 4.03





(significant 0.1) which means that the model as a whole is significant and most of the independent variables significantly affect the dependent variable. The R-square is 0.3082, which indicates that it can explain approximately 30.82% of the variability in the data. This means the other variables that were not included in the model account for about 69.18% of the variability in voluntary disclosure. The adjusted R-square indicates that the independent variables explain about 20.71% of the VD variance.

Table 4.4 Regression Results

N=8	f-value=4.03	R <sup>2</sup> =0.3082	Adjusted R <sup>2</sup> =0.2071
VD	Coefficient	t-values	P> t
BSZE	-0.0128	-1.1573	0.2911
PNED	-0.0184	-2.7380	0.0338
AUDTYP	0.2546	0.4568	0.0000
FEDIR	0.0158	0.6918	0.5149
LEV	0.0067	0.5449	0.6055
PRFT	0.0002	3.4535	0.0136
Bank Size	1.4102	0.3391	0.7461

There is a negative relationship between board size and the level of voluntary disclosure (coef. -0.0128) with (0.2911) p-value; there is a statistically significant relationship between board size and level of VD. The coefficient of board size means that one percent (1%) change in the board size brings a -1.28% change in the VD average i.e., the board size has an inverse relationship with the level of disclosure. If the listed banks wish to increase VD and transparency, they must reduce the number of directors on the board. This result is inconsistent with (Boateng et al., 2022) and consistent with (Gyamerah & Agyei, 2016). Again, there is no relationship between auditor type and the level of VD (0) with (0) p-value; however, the association is statistically non-existent. The result suggests that the engagement of the 'Big 4' audit firm does not have any effect on the level of voluntary disclosure in the banking sector of Ghana. This result aligns with the work of (Boateng et al., 2022). With respect to Non-Executive Directors, there is a negative relationship between NED and the level of VD (-0.0184) with a (0.0338) p-value, there is a statistically significant linkage between the NED and the level of VD. The coefficient of NED means one percent change in NED brings -1.84% change in the level of VD average. The results suggest a moderate or small number will lead to more VD than a larger number of NED. According to Gyamerah and Agyei (2016), this result is in line with their findings. Lastly, the results shows that women on the board of the listed banks have a positive association with the level of VD (0.0158) with (0.5149) p-value. Statistically, the relationship between women directors and the VD is significant. The coefficient of women directors brings a 1.58% change in the VD average. Hence, if listed banks desire to increase VD and transparency, they must increase the number of women directors on the board, which will lead to more VD. This result is consistent with Rao & Tilt's (2016) and Navjeet Gill, 2018 findings, which state that women are more talented with multi-tasking, risk management, and communication skills than men. A positive and significant relationship was found between voluntary disclosure in annual reports, leverage, profitability, and firm size between 2017 and 2021 among listed banks. The findings imply that increased bank profits, firm size, and leverage will result in more VD. Gyamerah and Agyei (2016) agree with this conclusion.

## **CONCLUSION**

Corporate disclosure is essential in times of financial uncertainty because it boosts shareholders' and potential investors' confidence. This study investigates how corporate governance structures and firm-specific traits affect voluntary disclosure in Ghana's listed banks' annual reports. The variables examined are board size, auditor type, female directors, non-executive directors, bank size, profitability, and leverage. The results indicate that female directors, bank size, leverage, and profitability are positively associated with voluntary disclosure. Furthermore, non-executive directors and board size are negatively correlated with voluntary





disclosure. The 'Big 4' audit firms' engagement is not related to voluntary disclosure. The overall voluntary disclosure score for listed banks is average. The findings indicate consistent growth in voluntary disclosure from 2017 to 2021.

The study has contributed to our understanding of banks' concerns regarding voluntary information disclosure to their stakeholders. It has also contributed to our understanding of how they carry out their obligations and responsibilities. The study's conclusions will help regulatory bodies and guidelines ensure full and fair disclosure of information. The study could aid managers, investors, and other internal and external users.

#### RECOMMENDATIONS

- Regulatory authorities should do more by enforcing compliance with effective corporate governance practices.
- To ensure high-quality corporate governance practices in the financial sector, the central government should provide resources to regulators to help them carry out oversight tasks.
- Regulatory authorities should consider passing a policy on gender diversity on banks' boards since its benefits are enormous. Also, regulators should limit bank board size.

## **Further Study**

It would be useful to include unlisted banks in future studies to have a comprehensive picture of corporate governance's impact on voluntary disclosure.

Funding This paper received no funding

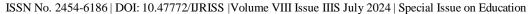
#### **Declarations**

**Conflict of Interest** the authors declare that they have no conflict of interest

**Ethical Approval and Informed Consent** This research does not contain any studies with human participants or animals performed by any of the authors.

#### REFERENCES

- 1. Abdur, M. (2012). The Financial Performance and Corporate Governance Disclosure: A Study in the Annual Reports of Listed Companies of Bangladesh. In J. Commer. Soc. Sci (Vol. 6, Issue 1). <a href="http://ssrn.com/abstract=2568478">http://ssrn.com/abstract=2568478</a>
- 2. Adel, C., Hussain, M. M., Mohamed, E. K., & Basuony, M. A. (2019). Is corporate governance relevant to the quality of corporate social responsibility disclosure in large European companies? International Journal of Accounting & Information Management, 27(2), 301-332.
- 3. Adelopo, I. (2011). Voluntary disclosure practices amongst listed companies in Nigeria. Advances in Accounting, 27(2), 338–345. https://doi.org/10.1016/j.adiac.2011.08.009
- 4. Adiloglu, B., & Vuran, B. (2012). The Relationship Between the Financial Ratios And Transparency Levels Of Financial Information Disclosures Within The Scope Of Corporate Governance: Evidence From Turkey. Journal of Applied Business Research (JABR), 28(4), 543. https://doi.org/10.19030/jabr.v28i4.7039
- 5. Adusei, M. (2011). Board Structure and Bank Performance in Ghana. In Journal of Money, Investment and Banking. <a href="http://www.eurojournals.com/JMIB.htm">http://www.eurojournals.com/JMIB.htm</a>
- 6. Agyei-Mensah, B. K. (2017). The relationship between corporate governance, corruption and forward-looking information disclosure: A comparative study. Corporate Governance: The International Journal of Business in Society, 17(2), 284-304.
- 7. Agyemang, O. S., & Castellini, M. (2014). The Guidelines of Corporate Governance of Ghana: Issues, Deficiencies and Suggestions. International Business Research, 6(10). https://doi.org/10.5539/ibr.v6n10p163

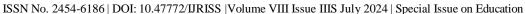




- 8. Agyemang, O. S., & Castellini, M. (2015). Corporate governance in an emergent economy: a case of
- 9. Al-Dmour, A. H. (2018). The impact of the quality of financial reporting on non-financial business performance and the role of organizations demographic' attributes (type, size and experience). In Academy of Accounting and Financial Studies Journal (Vol. 22, Issue 1).

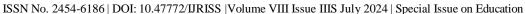
Ghana. Corporate Governance, 15(1), 52–84. https://doi.org/10.1108/CG-04-2013-0051

- 10. Albitar, K., Hussainey, K., Kolade, N., & Gerged, A. M. (2020). ESG disclosure and firm performance before and after IR: The moderating role of governance mechanisms. International Journal of Accounting & Information Management, 28(3), 429-444.
- 11. Al-Dmour, A. H., Abbod, M., & Al-Balqa, N. S. (2018). The impact of the quality of financial reporting on non-financial business performance and the role of organizations demographic attributes (type, size and experience).
- 12. Albrecht, J., Sidoryk-Węgrzynowicz, M., Zielińska, M., & Aschner, M. (2010). Roles of glutamine in neurotransmission. Neuron glia biology, 6(4), 263-276
- 13. Alfraih, M. M., & Almutawa, A. M. (2017). Voluntary disclosure and corporate governance: empirical evidence from Kuwait. International Journal of Law and Management, 59(2), 217–236. https://doi.org/10.1108/IJLMA-10-2015-0052
- 14. Ali, A., Haniffa, R., & Hudaib, M. (2006). Episodes in the Malaysian auditing saga. Managerial Auditing Journal, 21(7), 684-701
- 15. Amarh, G. A. (2022). Examining the Regulatory Character and Constitutional Validity of the Bank of Ghana's Directives to Actors in the Banking Sector. In Democratic Governance, Law, and Development in Africa (pp. 147–166). Springer International Publishing. https://doi.org/10.1007/978-3-031-15397-6\_6
- 16. Amartey, L. A., Yu, M., & Chukwu-lobelu, O. (2019). Corporate governance in Ghana. Journal of Financial Regulation and Compliance, 27(2), 126–140. <a href="https://doi.org/10.1108/JFRC-12-2017-0111">https://doi.org/10.1108/JFRC-12-2017-0111</a>
- 17. Anderson, J. R., Bothell, D., Byrne, M. D., Douglass, S., Lebiere, C., & Qin, Y. (2004). An integrated theory of the mind. Psychological review, 111(4), 1036.
- 18. Ansah, M. (2017). Research on Corporate Social Responsibility in Ghana. European journal of business and management, 11(5), 56-70.
- 19. Ansong, A. (2015). Corporate social responsibility and firm performance of Ghanaian SMEs: The role of stakeholder engagement. Cogent Business & Management, 4(1), 1333704.
- 20. Appiah, K. O., Awunyo-Vitor, D., Mireku, K., & Ahiagbah, C. (2016). Compliance with international financial reporting standards: the case of listed firms in Ghana. Journal of Financial Reporting and Accounting, 14(1), 131–156. https://doi.org/10.1108/JFRA-01-2015-0003
- 21. Ataullah, A., Davidson, I., Le, H., & Wood, G. (2014). Corporate Diversification, Information Asymmetry and Insider Trading. British Journal of Management, 25(2), 228–251. https://doi.org/10.1111/j.1467-8551.2012.00846.x
- 22. Beekes, W., Brown, P. R., & Chin, G. (2006). Do better-governed firms make more informative disclosures? Canadian evidence. Canadian Evidence (May 2007).
- 23. Bergh, D. D., Ketchen, D. J., Orlandi, I., Heugens, P. P. M. A. R., & Boyd, B. K. (2019). Information Asymmetry in Management Research: Past Accomplishments and Future Opportunities. Journal of Management, 45(1), 122–158. https://doi.org/10.1177/0149206318798026
- 24. Boateng, R. N., Tawiah, V., & Tackie, G. (2022). Corporate governance and voluntary disclosures in annual reports: a post-International Financial Reporting Standard adoption evidence from an emerging capital market. International Journal of Accounting & Information Management, 30(2), 252–276. <a href="https://doi.org/10.1108/IJAIM-10-2021-0220">https://doi.org/10.1108/IJAIM-10-2021-0220</a>
- 25. Brown, P., & Williams, D. (2005). Basal ganglia local field potential activity: character and functional significance in the human. Clinical neurophysiology, 116(11), 2510-2519
- 26. Chan, A. W., Song, F., Vickers, A., Jefferson, T., Dickersin, K., Gøtzsche, P. C., ... & Van Der Worp, H. B. (2014). Increasing value and reducing waste: addressing inaccessible research. The Lancet, 383(9913), 257-266.
- 27. Cho, S. Y., Lee, C., & Pfeiffer, R. J. (2013). Corporate social responsibility performance and information asymmetry. Journal of Accounting and Public Policy, 32(1), 71–83. https://doi.org/10.1016/j.jaccpubpol.2012.10.005



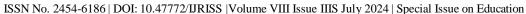


- 28. Chung, K. H., & Zhang, H. (2011). Corporate Governance and Institutional Ownership. Journal of Financial and Quantitative Analysis, 46(1), 247–273. https://doi.org/10.1017/S0022109010000682
- 29. Chima, Y. M. D. E. I. (2014). The impact of corporate governance on voluntary information disclosures of quoted firms in Nigeria: An empirical analysis. Research Journal of Finance and Accounting, 4 (13), 166-178.
- 30. Church, R. M. (2002). The Effective Use of Secondary Data. Learning and Motivation, 33(1), 32–45. https://doi.org/10.1006/lmot.2001.1098
- 31. Clarkson, P. M., Kao, J. L., & Richardson, G. D. (1994). The voluntary inclusion of forecasts in the MD&A section of annual reports. Contemporary accounting research, 11(1), 423-450
- 32. Daoud, J. I. (2017). Multicollinearity and Regression Analysis. Journal of Physics: Conference Series, 949, 012009. <a href="https://doi.org/10.1088/1742-6596/949/1/012009">https://doi.org/10.1088/1742-6596/949/1/012009</a>
- 33. Davidson, R., Goodwin-Stewart, J., & Kent, P. (2005). Internal governance structures and earnings management. Accounting & Finance, 45(2), 241-267.
- 34. De, H., Bruslerie, L., & Gabteni, H. (2010). Voluntary financial disclosure, the introduction of IFRS and long-term communication policy: An empirical test on French firms. <a href="https://shs.hal.science/halshs-00636602">https://shs.hal.science/halshs-00636602</a>
- 35. Dechow, P. M., Sloan, R. G., & Sweeney, A. P. (1995). Detecting earnings management. Accounting review, 193-225.
- 36. Deegan, C., & Blomquist, C. (2006). Stakeholder influence on corporate reporting: An exploration of the interaction between WWF-Australia and the Australian minerals industry. Accounting, organizations and society, 31(4-5), 343-372.
- 37. DeFranzo, S. E. (2012). (2012). Advantages and disadvantages of surveys. 2012.
- 38. Dhaliwal, D. S., Li, O. Z., Tsang, A., & Yang, Y. G. (2011). Voluntary Nonfinancial Disclosure and the Cost of Equity Capital: The Initiation of Corporate Social Responsibility Reporting. The Accounting Review, 86(1), 59–100. https://doi.org/10.2308/accr.00000005
- 39. Gallego Álvarez, I., María García Sánchez, I., & Rodríguez Domínguez, L. (2008). Voluntary and compulsory information disclosed online. Online Information Review, 32(5), 596–622. <a href="https://doi.org/10.1108/14684520810913990">https://doi.org/10.1108/14684520810913990</a>
- 40. Fama, E. F., & Jensen, M. C. (1983). Separation of ownership and control. The journal of law and Economics, 26(2), 301-325.
- 41. Gill, N. S. (2018). Relationship between diversity on the Board of directors' and firm financial performance (Doctoral dissertation).
- 42. Gray, R., Javad, M., Power, D. M., & Sinclair, C. D. (1996). Social and environmental disclosure and corporate characteristics: A research note and extension. Journal of business finance & accounting, 28(3-4), 327-356.
- 43. Grossman, S. J. (1981). The informational role of warranties and private disclosure about product quality. The Journal of law and Economics, 24(3), 461-483.
- 44. Gyamerah, S., & Agyei, A. (2016). Voluntary Disclosures in Financial Reporting Among Listed Companies in Ghana: Does Corporate Governance Play a Part? In Research Journal of Finance and Accounting www.iiste.org ISSN (Vol. 7, Issue 24). Online. www.iiste.org
- 45. H Strydom, L. V.-D. V. A. S. H., F. C. & D. C. 2005. (n.d.). Sampling and sampling method.
- 46. Hoang, T. C., Abeysekera, I., & Ma, S. (2018). Board Diversity and Corporate Social Disclosure: Evidence from Vietnam. Journal of Business Ethics, 151(3), 833–852. https://doi.org/10.1007/s10551-016-3260-1
- 47. Huse, M., & Grethe Solberg, A. (2006). Gender-related boardroom dynamics. Women in Management Review, 21(2), 113–130. https://doi.org/10.1108/09649420610650693
- 48. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X
- 49. Jensen, M. C., & Meckling, W. H. (1998). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.94043
- 50. Kent, P., Routledge, J., & Stewart, J. (2008). Innate and discretionary accruals quality and corporate governance. Accounting & Finance, 50(1), 171-195.





- 51. Khan, A., Muttakin, M. B., & Siddiqui, J. (2013). Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy. Journal of business ethics, 114, 207-223
- 52. Koduah, P. A. (2020). Voluntary disclosure of listed banks operating in Ghana. International Journal of Accounting and Business Finance, 6(1), 1. https://doi.org/10.4038/ijabf.v6i1.48
- 53. Kovermann, J., & Velte, P. (2019). The impact of corporate governance on corporate tax avoidance—A literature review. Journal of International Accounting, Auditing and Taxation, 36, 100270.
- 54. Kumar, A. (2007). Attitude toward location-based advertising. Journal of interactive advertising, 7(2), 3-15.
- 55. Kuranchie-Pong, L., Bokpin, G. A., & Andoh, C. (2016). Empirical evidence on disclosure and risk-taking of banks in Ghana. Journal of Financial Regulation and Compliance, 24(2), 197–212. https://doi.org/10.1108/JFRC-05-2015-0025
- 56. La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. W. (2000). Agency Problems and Dividend Policies around the World. The Journal of Finance, 55(1), 1–33. https://doi.org/10.1111/0022-1082.00199
- 57. Li, J., Zhao, F., Chen, S., Jiang, W., Liu, T., & Shi, S. (2017). Gender Diversity on Boards and Firms' Environmental Policy. Business Strategy and the Environment, 26(3), 306–315. https://doi.org/10.1002/bse.1918
- 58. Ling Ho, P., Tower, G., & Barako, D. (2008). School of (Business, Curtin Vniversity of Technology, Sarawak ßialaysia. In Corporate Ownership dt Control (Vol. 5, Issue 4).
- 59. Ling, T. C., & Sultana, N. (2015). Corporate social responsibility: what motivates management to disclose? Social Responsibility Journal, 11(3), 513–534. https://doi.org/10.1108/SRJ-09-2013-0107
- 60. Majumder, Md. T. H., Akter, A., & Li, X. (2017). Corporate governance and corporate social disclosures: a meta-analytical review. International Journal of Accounting & Information Management, 25(4), 434–458. https://doi.org/10.1108/IJAIM-01-2017-0005
- 61. Marimuthu, M. (2009). Ethnic and Gender Diversity in Boards of Directors and Their Relevance to Financial Performance of Malaysian Companies.
- 62. Martínez-Ferrero, J., Ruiz-Cano, D., & García-Sánchez, I.-M. (2016). The Causal Link between Sustainable Disclosure and Information Asymmetry: The Moderating Role of the Stakeholder Protection Context. Corporate Social Responsibility and Environmental Management, 23(5), 319–332. https://doi.org/10.1002/csr.1379
- 63. Matoussi, H., & Chakroun, R. (2008). Board composition, ownership structure and voluntary disclosure in annual reports: Evidence from Tunisia. Laboratoire Interdisciplinaire de Gestion Universite-Entreprise (LIGUE), 1-28.
- 64. Musah, A. (2018). The Impact of Capital Structure on Profitability of Commercial Banks in Ghana. Asian Journal of Economic Modelling, 6(1), 21–36. https://doi.org/10.18488/journal.8.2018.61.21.36
- 65. Nti, I. K., Adekoya, A. F., & Weyori, B. A. (2020). A comprehensive evaluation of ensemble learning for stock-market prediction. Journal of Big Data, 7(1), 20. https://doi.org/10.1186/s40537-020-00299-5
- 66. Obuobi, B., Nketiah, E., Awuah, F., & Amadi, A. G. (2020). Recapitalization of Banks: Analysis of the Ghana Banking Industry. Open Journal of Business and Management, 08(01), 78–103. https://doi.org/10.4236/ojbm.2020.81006
- 67. Omair Alotaibi, K., & Hussainey, K. (2016). Determinants of CSR disclosure quantity and quality: Evidence from non-financial listed firms in Saudi Arabia. International Journal of Disclosure and Governance, 13(4), 364–393. https://doi.org/10.1057/jdg.2016.2
- 68. Panda, B., & Leepsa, N. M. (2017). Agency theory: Review of Theory and Evidence on Problems and Perspectives. Indian Journal of Corporate Governance, 10(1), 74–95. https://doi.org/10.1177/0974686217701467
- 69. Payne, G. T., & Petrenko, O. V. (2019). Agency Theory in Business and Management Research. In Oxford Research Encyclopedia of Business and Management. Oxford University Press. <a href="https://doi.org/10.1093/acrefore/9780190224851.013.5">https://doi.org/10.1093/acrefore/9780190224851.013.5</a>
- 70. Peters, G. T., & Bagshaw, K. B. (2014). Corporate governance mechanisms and financial performance of listed firms in Nigeria: A content analysis. Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics, 1(2), 103-128.





- 71. Prado-Lorenzo, J. M., Gallego-Álvarez, I., García-Sánchez, I. M., & Rodríguez-Domínguez, L. (2008). Social responsibility in Spain: Practices and motivations in firms. Management Decision, 46(8), 1247-1271.
- 72. Quaye, I., Sarbah, A., Nyamaah, J. B., Aidoo, M., & Mu, Y. (2020). Intra-Industry Information Transfers and Firm Value: Evidence from Ghana's Banking Industry. SAGE Open, 10(4). https://doi.org/10.1177/2158244020968087
- 73. Rao, K., & Tilt, C. (2016). Board Composition and Corporate Social Responsibility: The Role of Diversity, Gender, Strategy and Decision Making. Journal of Business Ethics, 138(2), 327–347. https://doi.org/10.1007/s10551-015-2613-5
- 74. Saha, R., & Kabra, K. C. (2020). Corporate governance and voluntary disclosure: A synthesis of empirical studies. Business Perspectives and Research, 8(2), 117-138.
- 75. Sarbah, A., & Xiao, W. (2015). Good Corporate Governance Structures: A Must for Family Businesses. Open Journal of Business and Management, 03(01), 40–57. https://doi.org/10.4236/ojbm.2015.31005
- 76. Shehata, N. F. (2014). Theories and Determinants of Voluntary Disclosure. Accounting and Finance Research, 3(1). https://doi.org/10.5430/afr.v3n1p18
- 77. Shi, W., Connelly, B. L., & Hoskisson, R. E. (2017). External corporate governance and financial fraud: cognitive evaluation theory insights on agency theory prescriptions. Strategic Management Journal, 38(6), 1268–1286. https://doi.org/10.1002/smj.2560
- 78. Shrestha, N. (2020). Detecting Multicollinearity in Regression Analysis. American Journal of Applied Mathematics and Statistics, 8(2), 39–42. https://doi.org/10.12691/ajams-8-2-1
- 79. Sundarasen, S. D. D., Je-Yen, T., & Rajangam, N. (2016). Board composition and corporate social responsibility in an emerging market. Corporate Governance: The International Journal of Business in Society, 16(1), 35–53. https://doi.org/10.1108/CG-05-2015-0059
- 80. Taherdoost, H. (2016). Sampling Methods in Research Methodology; How to Choose a Sampling Technique for Research. SSRN Electronic Journal. https://doi.org/10.2139/ssrn.3205035
- 81. Tawiah, V., & Boolaky, P. (2019). Determinants of IFRS compliance in Africa: analysis of stakeholder attributes. International Journal of Accounting & Information Management, 27(4), 573–599. <a href="https://doi.org/10.1108/IJAIM-09-2018-0110">https://doi.org/10.1108/IJAIM-09-2018-0110</a>
- 82. Umoren, N. J. (2010). Dearth of entrepreneurship in Africa: Evidence and challenges. Journal of Applied Management and Entrepreneurship, 15(4), 3.
- 83. Vafaei, A., Ahmed, K., & Mather, P. (2015). Board Diversity and Financial Performance in the Top 500 Australian Firms. Australian Accounting Review, 25(4), 413–427. https://doi.org/10.1111/auar.12068
- 84. Werder, A. (2011). Corporate Governance and Stakeholder Opportunism. Organization Science, 22(5), 1345–1358. https://doi.org/10.1287/orsc.1100.0599
- 85. Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). Corporate Governance in Emerging Economies: A Review of the Principal-Principal Perspective. Journal of Management Studies, 45(1), 196–220. https://doi.org/10.1111/j.1467-6486.2007.00752.x
- 86. Zaman, R., Farooq, M. B., Khalid, F., & Mahmood, Z. (2021). Examining the extent of and determinants for sustainability assurance quality: The role of audit committees. Business Strategy and the Environment, 30(7), 2887–2906. https://doi.org/10.1002/bse.2777



## APPENDIX A

1 2 3 4 5	General Corporate Details  Brief History of the Bank  Description of the organization structure  Description of principal services  Description of major subsidiaries and properties  Description of marketing network for services  Client analysis
2 3 4	Description of the organization structure  Description of principal services  Description of major subsidiaries and properties  Description of marketing network for services  Client analysis
3	Description of principal services  Description of major subsidiaries and properties  Description of marketing network for services  Client analysis
4	Description of major subsidiaries and properties  Description of marketing network for services  Client analysis
	Description of marketing network for services  Client analysis
5	Client analysis
	•
6	
7	Number of customers
8	Transitions through digital channels
9	Accounts openings by digital means
10	Transactions using debit cards
11	Information on brand value
12	Awards and recognition
13	Description of commercial banking activity
14	Description of retail banking activity
15	Description of corporate banking activity
16	Description of public sector banking activity
17	Description of investment banking activity
18	Information on the best business practice
19	Remuneration structure of directors
20	Download volume of mobile applications
21	Countries of Presence and Operations
22	Digital evolution
23	Notice of meeting
24	Information on branches
25	Information on advisors
	Corporate Strategy
26	Statement of strategy, Policy, and objectives - general
27	Statement of strategy, Policy, and objectives - financial
28	Statement of strategic business operation
29	Strategic development on current results
30	Strategic development on future results
31	Impact of Technology on current banking activity
32	Technological factors influencing future activity
33	Discussion on past industry tendencies
34	Discussion on future industry tendencies



ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue IIIS June 2024 | Special Issue on Education

- no	
35	Description of activities with government entities
36	Description of security operation on banking activity
37	Developments of new products/services
38	Sustainable report
39	Information on risk management
40	Client satisfaction survey
41	Client satisfaction survey results
42	Client complaints management
	Research and Development
43	Corporate policy on research and development
44	Location of research and development activities
45	Number employed in research and development
	Future Prospects
46	Qualitative forecast of sales
47	Quantitative forecast of sales
48	Qualitative forecast of profits
49	Quantitative forecast of profits
50	Qualitative forecast of cash flows
51	Quantitative forecast of cash flows
52	Current period trading results - qualitative
53	Current period trading results - quantitative
2	NONFINANCIAL DETAILS
	Details on Directors
54	Age of the directors
55	Educational qualifications (academic and professional)
56	Commercial experience of the extensive directors
57	Other directorships by executive directors
58	Affiliation of directors with other organizations
59	Information on Board meeting
60	Functions/responsibility and authority of the board
	Details on Employees
61	Information on the Management team
62	Number of employees
63	Categories of employees by gender
64	Human Resources: training and development of employees
65	Amount spent on training
66	Nature of training
67	Number of employees trained
68	Information on female empowerment



ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue IIIS June 2024 | Special Issue on Education

69	Information on Internship programmed
70	Responsible business practice
71	Equal Opportunities policy statement
72	Categories of employees trained
73	Special report on employees and social activities
	Social Policy Details
74	Environmental protection programs (Health, safety, well-being)
75	Charitable donations (amount)
76	Community programs (general)
77	Political and social factors influencing future activity
78	Relationships in social networks
79	Financial education and inclusion
3	FINANCIAL DETAILS
	Segment Details
80	Capital expenditures, Investments, quantitative
81	Competitor analysis - qualitative
82	Competitor analysis - quantitative
83	Market share analysis - qualitative
84	Market share analysis - quantitative
85	Information on depreciation
86	Advertising information (information) - qualitative
87	Advertising expenditure (amount) - quantitative
88	Effects of inflation on future operations - qualitative
89	Effects of inflation on results - qualitative
90	Effects of inflation on results - quantitative
91	Effects of inflation on assets - qualitative
92	Effects of inflation on assets - quantitative
93	Effects of interest rates on Results
94	Effects of interest rates on future operations
95	Economic factors influencing future activity
97	Treasury bill rate
	Financial Review
98	Cash flow ratios
99	Liquidity ratios
100	Return on assets
102	Return on equity
101	Capital adequacy ratio
102	Other financial ratios
103	Financial highlights
	<u> </u>



ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue IIIS June 2024 | Special Issue on Education

104	Dividend payout policy
105	Financial history or summary - five or more years
106	Information on fixed assets variations
107	Value added statement
108	Value added data
109	Value added ratios
110	Qualitative value-added information
	Foreign Currency Information
111	Effects of foreign currency fluctuations on Results
112	Major exchange rates used in the accounts
113	Foreign currency exposure management description
	Stock Price Information
114	Market capitalization and financial operations
115	The trend of Historical share price
116	Size of shareholdings
117	Type of shareholder (structure of ownership)
118	Shareholders names