

Effects of Integrated Reporting on Corporate Accountability in Selected Deposit Money Banks in Nigeria

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ABSTRACT

The complexity of modern business environments and the growing demand of stakeholders for comprehensive corporate information have exposed the limitations of traditional financial reporting. Integrated Reporting (IR) has emerged as a strategic framework that combines financial and non-financial disclosures to enhance corporate accountability and stakeholder confidence. However, empirical evidence on its influence within the Nigerian banking sector remains limited. This study examined the effect of integrated reporting on corporate accountability among selected Deposit Money Banks (DMBs) in Nigeria, with specific focus on governance disclosure, risk and performance disclosure, responsibility disclosure, and stakeholder accountability.

The study was anchored on Stakeholder Theory and adopted a descriptive survey research design with a cross-sectional approach. The population comprised staff and management personnel of selected Deposit Money Banks in Nigeria drawn from finance, accounting, audit, compliance, risk management, and sustainability functions. A purposive sampling technique was used to select 10 listed DMBs, from which 400 respondents were sampled. Data were collected through a structured questionnaire and analysed using descriptive statistics and simple linear regression at a 5% significance level.

The findings revealed that Governance Disclosure had a significant positive effect on Responsibility Disclosure ($R = 0.742$, $R^2 = 0.551$, $\beta = 0.721$, $p = 0.000$), explaining 55.1% of the variation in responsibility disclosure. Risk and Performance Disclosure also significantly influenced Stakeholder Accountability ($R = 0.768$, $R^2 = 0.590$, $\beta = 0.754$, $p = 0.000$), accounting for 59.0% of its variation. Both null hypotheses were rejected.

The study concluded that integrated reporting dimensions are important governance mechanisms for enhancing corporate accountability among Nigerian Deposit Money Banks: governance disclosure strengthens responsibility disclosure, while risk and performance disclosure strengthens stakeholder accountability. The study recommended that DMBs institutionalize integrated reporting as a strategic communication tool, strengthen governance and risk disclosure practices, and build multidisciplinary reporting teams to improve the quality and reliability of integrated reports.

Keywords: Corporate Accountability, Governance Disclosure, Integrated Reporting, Responsibility Disclosure, Stakeholder Theory

INTRODUCTION

Integrated Reporting (IR) has emerged globally as a transformative corporate reporting framework designed to address the limitations of conventional financial reporting and improve stakeholder engagement (Joshi, 2026). Traditional corporate reports have historically focused on financial statements and short-term profitability, often neglecting non-financial factors such as environmental sustainability, social responsibility, corporate governance, and long-term value creation. In response, the International Integrated Reporting Council (IIRC) introduced the Integrated Reporting Framework to promote a holistic approach to corporate reporting that

communicates how an organisation creates, preserves, or erodes value over time by combining financial and non-financial information into a single coherent report (Bray & Prescott, 2020).

Corporate accountability has become a critical element of effective corporate governance. It refers to the obligation of organisations and their managers to explain, justify, and take responsibility for their actions to stakeholders, encompassing both the responsible disclosure of organisational conduct and the extent to which stakeholders can hold management answerable for decisions and performance outcomes (Adewole, Stephen & Adeoye, 2026). This is particularly important in the financial services sector, where public confidence and stakeholder trust significantly influence organisational sustainability. Several corporate scandals and financial crises have highlighted the shortcomings of traditional reporting systems, intensifying calls for reporting frameworks that provide a more complete picture of organisational performance and risk exposure.

The Nigerian banking sector provides a particularly important context for examining the relationship between Integrated Reporting and corporate accountability. Deposit Money Banks (DMBs) constitute the backbone of Nigeria's financial system by mobilising savings, extending credit facilities, and supporting economic growth (Ndangra, Ibbih & Akawu, 2025). As custodians of public funds, DMBs are expected to maintain high standards of accountability and corporate governance. Historically, the sector has experienced episodes of financial distress, governance failures, and inadequate disclosure practices, and challenges relating to information asymmetry and limited stakeholder engagement continue to affect some institutions (Osinupebi & Bodunde, 2025). Traditional annual reports in many Nigerian banks primarily focus on historical financial information, often failing to communicate how organisations create value over time, manage risk, and implement governance strategies. Integrated Reporting seeks to address these deficiencies by presenting financial and non-financial information within a unified framework (Alaka, Akindayo, Ilemore, Igba & Enyejo, 2025).

Despite the potential benefits of Integrated Reporting, its implementation among Nigerian DMBs remains uneven. Many banks continue to produce fragmented reports that emphasise financial performance while providing insufficient disclosure on governance, risk management, and social responsibility (Montesinos-Sansaloni, Ribeiro & Botella-Carrubi, 2026). This partial adoption exacerbates the misalignment between managerial actions and stakeholder expectations and reduces stakeholder confidence in banks' governance mechanisms. Moreover, while international studies have documented the positive effects of IR on governance and stakeholder trust (Abogazia, Hashim, Salleh & Ettish, 2024), empirical evidence from Nigeria's banking sector remains sparse, restricting regulators, policymakers, and bank managers from designing effective disclosure frameworks (Tandan, Sharma & Acharya, 2026).

It is against this backdrop that this study examines the effect of Integrated Reporting on corporate accountability in selected Deposit Money Banks in Nigeria.

The main objective of this study is to examine the effect of integrated reporting on corporate accountability in selected Deposit Money Banks in Nigeria. The specific objectives are to:

- i. examine the effect of Governance Disclosure on Responsibility Disclosure among Deposit Money Banks in Nigeria; and*
- ii. assess the influence of Risk and Performance Disclosure on Stakeholder Accountability among Deposit Money Banks in Nigeria.*

The study is guided by the following research questions:

- i. How does Governance Disclosure affect Responsibility Disclosure in Nigerian DMBs?*
- ii. How does Risk and Performance Disclosure influence Stakeholder Accountability in Nigerian DMBs?*

Research Hypotheses

In line with these research questions, the study tests the following null hypotheses:

H₀₁: Governance Disclosure has no significant effect on Responsibility Disclosure among Deposit Money Banks in Nigeria.

H₀₂: Risk and Performance Disclosure has no significant influence on Stakeholder Accountability among Deposit Money Banks in Nigeria.

LITERATURE REVIEW

Integrated Reporting

Integrated Reporting is a communication process that results in a periodic report about value creation over time, combining financial and non-financial information such as governance, strategy, risk management, and future orientation into a single coherent framework (Bray & Prescott, 2020). It represents a shift from siloed, backward-looking financial statements toward a holistic account of how an organisation uses and affects the capitals available to it. In the banking context, integrated reporting is commonly assessed along dimensions such as governance disclosure, strategy, risk and performance disclosure, and future orientation, each of which reflects a distinct aspect of how banks communicate value creation to stakeholders.

Corporate Accountability

Corporate accountability describes the obligation of an organisation and its managers to explain and justify their decisions and actions to those affected by them (Adewole, Stephen & Adeoye, 2026). In this study, accountability is measured through Responsibility Disclosure, which reflects the extent to which banks communicate their obligations and responsible conduct to stakeholders, and Stakeholder Accountability, which reflects the extent to which banks can be held answerable by stakeholders for their decisions and performance outcomes. Prior literature suggests that comprehensive disclosure practices reduce information asymmetry between managers and stakeholders and strengthen public confidence in financial institutions (Alajmi & Alrashidi, 2026).

Theoretical Review

This study is anchored on Stakeholder Theory, initially conceptualised by Freeman (1984), which asserts that organisations do not exist solely to serve the interests of shareholders but are accountable to a broader range of stakeholders, including investors, employees, customers, regulators, and the wider society. The theory emphasises that organisational success is contingent upon the ability to identify, understand, and balance the diverse interests of these stakeholders, and it has evolved to place significant importance on transparency, accountability, and ethical engagement in contemporary corporate reporting (Jiang, Tan & Lee, 2023; Oliveira, Silva & Mendes, 2022).

In the context of integrated reporting, stakeholder theory provides a compelling rationale for the holistic disclosure of both financial and non-financial information. For Nigerian Deposit Money Banks, adopting IR aligns with stakeholder theory because it enables these institutions to provide timely, accurate, and transparent information to multiple stakeholders, thereby enhancing trust, reducing information asymmetry, and strengthening legitimacy. Empirical evidence supports the applicability of stakeholder theory to IR adoption in emerging economies; for instance, Jiang, Tan and Lee (2023) found that banks that implemented stakeholder-oriented reporting frameworks recorded increased stakeholder engagement and enhanced transparency. By grounding this study in stakeholder theory, the relationship between IR, corporate accountability, and transparency is examined through the lens of reporting as a strategic tool for engaging and satisfying stakeholder expectations, rather than merely a compliance exercise.

Empirical Review

Several studies have examined dimensions of integrated reporting in relation to accountability and firm outcomes. Alaka, Akindayo, Ilemore, Igba and Enyejo (2025) found that integrated reporting strengthens corporate governance and investor decision-making across emerging markets by improving the quality and comprehensiveness of disclosed information, which in turn improves the responsibility with which decisions

are communicated to stakeholders. Abogazia, Hashim, Salleh and Ettish (2024) reported that integrated reporting positively affects firm value in Egypt, an effect that is further moderated by the extent of external financing, underscoring the role of comprehensive governance-related disclosure in shaping stakeholder confidence.

Alajmi and Alrashidi (2026) examined integrated reporting from a comparative regulatory perspective and found that governance-oriented disclosure frameworks improve regulatory compliance and strengthen the accountability of reporting entities to stakeholders across jurisdictions. In the Nigerian context, Osinupebi and Bodunde (2025) examined integrated reporting and financial performance among manufacturing firms and found a significant relationship between disclosure quality and organisational performance outcomes, while Yahaya (2026) found that integrated reporting quality significantly reduces the cost of equity capital of Nigerian listed firms, implying that comprehensive risk and performance disclosure lowers investors' perceived risk and strengthens stakeholders' ability to hold management accountable.

Collectively, these studies suggest that integrated reporting dimensions, particularly governance and risk-related disclosures, are consistently associated with improved accountability and stakeholder confidence, although empirical evidence specific to the accountability practices of Nigerian Deposit Money Banks remains limited, providing the motivation for the present study.

Gap in Literature

While a substantial body of literature has linked integrated reporting to firm value, financial performance, and governance outcomes across various jurisdictions and sectors, comparatively few studies have specifically examined how governance disclosure and risk and performance disclosure distinctly affect responsibility disclosure and stakeholder accountability within Nigeria's Deposit Money Banks. This study addresses this gap by empirically testing these relationships using primary survey data from professionals directly involved in reporting and governance activities.

METHODOLOGY

This study adopted a descriptive survey research design combined with a cross-sectional approach, considered appropriate for assessing perceptions, practices, and outcomes relating to integrated reporting adoption in Nigerian Deposit Money Banks. The population of the study comprised staff and management of selected Deposit Money Banks in Nigeria, including those in finance, accounting, audit, compliance, risk management, and sustainability roles, being the individuals most directly involved in preparing, reviewing, and utilising integrated reports.

A purposive sampling technique was employed to select 10 listed Deposit Money Banks based on their level of integrated reporting adoption and reporting sophistication. From these banks, 400 respondents were sampled across finance, accounting, audit, compliance, and sustainability functions, with 40 respondents drawn from each bank. A structured questionnaire comprising three sections was used for data collection: Section A captured demographic characteristics; Section B assessed the extent of Integrated Reporting adoption (governance disclosure, and risk and performance disclosure); and Section C measured corporate accountability (responsibility disclosure and stakeholder accountability). Items in Sections B and C were measured on a five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5).

The questionnaire was validated through expert review by accounting and finance academics and banking practitioners, while reliability was established through a pilot study of 30 respondents from banks not included in the main study, with Cronbach's alpha values exceeding 0.7 for all constructs. Of the 400 questionnaires administered, 385 were properly completed and returned, representing a response rate of 96.25%. Data were analysed using descriptive statistics (frequencies, percentages, means, and standard deviations) and simple linear regression to test the two hypotheses at a 5% level of significance ($\alpha = 0.05$).

The models estimated for the study are specified as follows:

$$\text{Model I: } RD = \beta_0 + \beta_1 GD + \varepsilon$$

$$\text{Model II: SA} = \beta_0 + \beta_1 \text{RPD} + \varepsilon$$

Where RD = Responsibility Disclosure; SA = Stakeholder Accountability; GD = Governance Disclosure; RPD = Risk and Performance Disclosure; β_0 = constant; β_1 = regression coefficient; and ε = error term.

RESULTS AND DISCUSSION

Response Rate and Demographic Characteristics of Respondents

Regarding questionnaire administration, out of 400 copies distributed to respondents across the 10 sampled banks, 385 came back properly completed, giving a response rate of 96.25% — well within the range considered adequate for reliable empirical analysis. In terms of demographic profile, respondents were mostly drawn from middle-level management (32.7%) and supervisory roles (24.4%), with the Accounting/Finance department contributing the largest share (30.7%). Just over half (51.4% combined) had between 6 and 15 years of work experience, and the majority (77.7% combined) held a Bachelor's or Master's degree, suggesting respondents were well-positioned, both by qualification and experience, to give reliable information on integrated reporting and accountability practices.

Descriptive Statistics Analysis

Descriptive analysis of the survey items showed that respondents generally agreed that the sampled banks disclose both financial and non-financial information, clearly disclose governance structures, and integrate strategy, risk, and performance into a single report, with an overall mean score of 3.92 on the five-point scale, indicating a fairly strong level of integrated reporting adoption among the selected banks. Similarly, respondents agreed that integrated reporting enhances management's responsibility for organisational performance and encourages managers to provide accurate information to stakeholders, with item means ranging between 4.04 and 4.18. Table 1 presents the summary descriptive statistics for the study's core variables.

Table 1: Descriptive Statistics of Study Variables

Variable	N	Mean	Std. Deviation
Governance Disclosure	385	3.96	0.58
Risk and Performance Disclosure	385	3.89	0.61
Responsibility Disclosure	385	4.11	0.52
Stakeholder Accountability	385	4.04	0.55

Source: Researcher's Computation (2026)

As shown in Table 1, respondents rated Responsibility Disclosure (mean = 4.11) and Stakeholder Accountability (mean = 4.04) slightly higher than Governance Disclosure (mean = 3.96) and Risk and Performance Disclosure (mean = 3.89), suggesting that while banks are perceived to disclose responsibility and accountability information reasonably well, there remains room for improvement in the underlying governance and risk-related disclosures that support them. The relatively low standard deviations (0.52 to 0.61) indicate a fair degree of consensus among respondents across the sampled banks.

Test of Hypotheses

Table 2: Regression Result for the Effect of Governance Disclosure on Responsibility Disclosure

R	R Square	Adjusted R Square	Std. Error	F	Sig.
0.742	0.551	0.55	0.462	418.921	0.000
Variable	B	Std. Error	Beta	t	Sig.
(Constant)	1.284	0.126	-	10.19	0.000
Governance Disclosure	0.721	0.035	0.742	20.467	0.000

Source: Researcher's Computation (2026)

The regression result presented in Table 2 shows that Governance Disclosure has a significant positive effect on Responsibility Disclosure among selected Deposit Money Banks in Nigeria ($R = 0.742$, $R^2 = 0.551$, $F = 418.921$, $p = 0.000$). The coefficient of determination indicates that Governance Disclosure explains approximately 55.1% of the variation in Responsibility Disclosure, and the positive coefficient ($\beta = 0.721$, $p = 0.000$) indicates that an improvement in governance disclosure practices leads to an increase in responsibility disclosure. The null hypothesis (H_{01}) is therefore rejected: Governance Disclosure has a significant positive effect on Responsibility Disclosure among Deposit Money Banks in Nigeria.

Table 3: Regression Result for the Effect of Risk and Performance Disclosure on Stakeholder Accountability

R	R Square	Adjusted R Square	Std. Error	F	Sig.
0.768	0.59	0.589	0.438	504.741	0.000
Variable	B	Std. Error	Beta	t	Sig.
(Constant)	1.146	0.118	-	9.712	0.000
Risk & Performance Disclosure	0.754	0.034	0.768	22.466	0.000

Source: Researcher's Computation (2026)

Table 3 shows that Risk and Performance Disclosure has a significant positive influence on Stakeholder Accountability ($R = 0.768$, $R^2 = 0.590$, $F = 504.741$, $p = 0.000$), explaining approximately 59.0% of the variation in stakeholder accountability. The positive coefficient ($\beta = 0.754$, $p = 0.000$) implies that a one-unit increase in risk and performance disclosure practices results in an approximately 0.754-unit improvement in stakeholder accountability, holding other factors constant. The null hypothesis (H_{02}) is therefore rejected.

DISCUSSION OF FINDINGS

Effect of Governance Disclosure on Responsibility Disclosure

The finding that Governance Disclosure significantly enhances Responsibility Disclosure suggests that when banks provide adequate information regarding governance structures, board responsibilities, and internal control mechanisms, they become more effective in communicating their corporate responsibilities to stakeholders. This is consistent with stakeholder theory, which emphasises that organisations have responsibilities beyond shareholders and must provide relevant information to all stakeholders affected by their activities, and aligns with the finding of Alaka, Akindayo, Ilemore, Igba and Enyejo (2025) that integrated reporting strengthens corporate governance and stakeholder communication in emerging markets. It also lends support to Alajmi and Alrashidi (2026), who found that governance-oriented disclosure frameworks strengthen the accountability of reporting entities to stakeholders.

Effect of Risk and Performance Disclosure on Stakeholder Accountability

The significant positive influence of Risk and Performance Disclosure on Stakeholder Accountability implies that effective disclosure of risk exposures and operational performance enables stakeholders to better evaluate bank activities and hold management accountable. This finding is consistent with Yahaya (2026), who found that integrated reporting quality reduces information asymmetry and strengthens investor confidence in Nigerian listed firms, and with Osinupebi and Bodunde (2025), who found that disclosure quality is significantly associated with organisational performance outcomes among Nigerian firms. Taken together, both findings support Stakeholder Theory's proposition that organisations strengthen their legitimacy and accountability to stakeholders by voluntarily disclosing governance, risk, and performance information beyond what is minimally required by regulation.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of integrated reporting on corporate accountability among selected Deposit Money Banks in Nigeria, anchored on Stakeholder Theory. The findings demonstrate that Governance Disclosure has a significant positive effect on Responsibility Disclosure, while Risk and Performance

Disclosure has a significant positive effect on Stakeholder Accountability. The study concludes that integrated reporting has evolved beyond a compliance exercise into an important governance and accountability mechanism: by disclosing governance structures alongside risk and performance information, banks are better positioned to demonstrate responsible behaviour and strengthen their answerability to stakeholders. The findings provide support for Stakeholder Theory by confirming that comprehensive disclosure practices enable organisations to meet stakeholder information expectations and enhance legitimacy.

Based on the findings, the study recommends that:

1. Deposit Money Banks in Nigeria should strengthen their integrated reporting frameworks by moving beyond conventional financial reporting and institutionalising comprehensive reporting systems that incorporate governance, risk, performance, and stakeholder-related information as a strategic communication mechanism rather than a mere regulatory requirement.
2. Management of Deposit Money Banks should enhance governance disclosure by providing more detailed information on board responsibilities, governance structures, and internal control mechanisms, since governance disclosure was found to significantly improve responsibility disclosure.
3. Banks should improve risk and performance disclosure by presenting risk exposures, mitigation strategies, and performance outcomes in a clear, timely, and understandable manner, given its significant influence on stakeholder accountability.
4. Deposit Money Banks should invest in developing specialised integrated reporting units, or strengthen existing reporting teams, involving professionals from accounting, finance, audit, and risk management, to improve the quality, consistency, and reliability with which governance and accountability information is communicated to stakeholders.

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