

Board Characteristics & Integrated Reporting Quality – Evidence from Listed Companies in Sri Lanka

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Abstract

Integrated reporting is the most recent innovation in the world of corporate reporting. It's a tool that can more accurately represent a company's ability to build value over time. In recent years, both professional and academic disciplines have become more aware of this reporting tool. However, despite previous studies that looked at many areas of integrated reporting, the quality of integrated reporting and the determinants that influence it are still little explored. This study, therefore, aims to bridge this gap by examining the impact of board characteristics on integrated reporting quality according to an agency theory approach. Therefore, the findings of this study offer a better understanding on the impact of board characteristics on integrated reporting quality of listed companies in Sri Lanka. Among the companies that publish integrated reports, the three companies with the highest market capitalization in all sectors of CSE are considered as sample. Accordingly, 60 companies were taken into consideration for the period from 2017 to 2020 with total number of 240 integrated reports. The data in this study were analyzed using descriptive analysis, Pearson correlation analysis, and linear multiple regression analysis. This study contributes to expanding literature in this field in various ways. First, it broadens the scope of agency theory's application; second, it reveals additional internal determinants of integrated reporting quality. Further, findings provide useful insights for practitioners, particularly for corporate executives and high-level corporate governance bodies. Moreover, findings are useful to policy makers and standard setters in revising and developing existing integrated reporting practices.

Key words: *Corporate Governance, Integrated Reporting Quality, Agency Theory, Board of Directors*