

Firm Characteristics and Level of Integrated Reporting Adoption : Evidence from Listed Companies in Sri Lanka

Wickramasekara, H.M.S.S¹, W.M.H.N Wijekoon²

Department of Accountancy, University of Kelaniya

¹swickramasekara476@gmail.com, ²nisansala@kln.ac.lk

Abstract

Integrated Reporting (IR) has become a new reporting dimension in financial reporting. IR adoption among Sri Lankan companies are also increasing trend. Although Adoption of Integrated Reporting is not mandatory requirements in Sri Lanka but companies listed in Colombo Stock exchange (CSE) voluntary adopt IR for their Reporting. Therefore, this study aims to investigate the level of IR adoption of listed companies in Sri Lanka and to examine the impact of firms' characteristics on level of IR adoption. The study used secondary data of 50 companies that won the medals from CA Sri Lankan annual report award winning competition covering the periods from 2017 to 2020. The level of IR adoption was used as the dependent variable while structure related, market related, performance related firms' characteristics were used as independent variables. As structure related variables, firms' listed age, leverage, ownership dispersion was considered. As performance related, profitability, total assets, total sales were considered and as market related, market value and industry type were selected. Regression analysis and E- Views packages were used to analyze the impact of firms' characteristics on level of IR adoption. Findings of the study provide useful evidence on the level of IR adoption of listed companies in Sri Lanka and characteristics of firm that adopt IR.

Key words: *Firms' characteristics, integrated reporting, Sri Lanka*