The Determinants of Integrated Reporting Quality: Special Reference to Listed Financial Institutions in Sri Lanka

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Abstract

The stakeholders paid greater attention to the integration of financial and non-financial information due to the global financial crisis in 2007. In order to provide value-relevant information relating to both financial and non-financial information, in 2013, the International Integrated Reporting Council (IIRC) introduced the Integrated Reporting Framework. Though Integrated Reporting is a current new reporting frontier, there's a greater voluntary tendency towards the adoption. This study investigates the internal determinants of Integrated Reporting quality in the financial institutions. Specifically, this study analyses the impact of profitability, firm size, leverage, corporate earning quality, female board members, external board members and the previously published Integrated Reports on the integrated reporting quality. The hypothesis was tested using a regression model on a population of 24 listed financial institutions, which prepared integrated reports during the period from 2017 to 2020. The data were tested using the E-views statistical software. The Integrated Reporting quality was measured using the scoreboard developed by Pistoni et al. (2018) . This study contributes to the literature by revealing several internal determinants that influence Integrated Reporting quality. The results of this study are particularly important to the managers of the financial institutions that are adopting Integrated Reporting and anticipate adopting Integrate Reporting since they can gain a wider knowledge about which internal determinants enhance the quality of Integrate Reports.

Key words: *Disclosure quality, Financial Institutions, Integrated Reporting.*