

Board Chairman, Share Ownership and Financial Reporting Quality of Microfinance Banks in Nigeria: Impact of Regulatory Changes

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Abstract : The study aims to examine whether regulatory changes have an impact on the financial reporting quality of Microfinance Banks in Nigeria. The research employed a panel data analysis technique, using data from 2018 to 2022. The sample includes 72 microfinance banks, using regression analyses to examine the relationship between variables. The findings indicate that Board Chairmanship has a positive and significant effect on financial reporting quality. It also reveals that share ownership has a negative and significant impact on financial reporting quality. The results suggest that regulatory changes have a positive and significant influence on financial reporting quality. Thus, findings have important implications for microfinance banks in Nigeria. It suggests that having a strong and competent board chairperson can enhance financial reporting quality, leading to more transparent and reliable information for stakeholders. Furthermore, the study highlights the importance of regulatory changes in improving financial reporting practices in the microfinance banking sector. The study contributes to the extant literature by providing empirical evidence on the relationship between board chairmanship, share ownership, financial reporting quality, and regulatory changes in microfinance banks. It further supports the concept that governance mechanisms and regulatory reforms play a crucial role in ensuring transparency and accountability within the microfinance banking sector. It recommends that microfinance banks should appoint experienced and qualified individuals as board chairpersons to enhance financial reporting quality. Furthermore, policymakers and regulatory authorities should continue to implement and enforce regulations that promote transparent financial reporting practices in microfinance banks.

Keywords : board chairman, share ownership, financial reporting quality, microfinance, regulatory changes

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