

Does Audit Committee Influence Integrate Reporting Quality? Empirical Evidence from Emerging Market

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ABSTRACT

Integrated reporting is the latest novelty in the corporate reporting field. An integrated report represents and clarifies the financial and non-financial performance of the company, environment, society, and governance, and helps in compiling information that are appropriate with the performance and impact of the company to give a clear and comprehensive picture of the opportunities and risks that may face the company that leads to the creation of value (IIRC, 2021). IR involves merging non-financial and financial information in the corporate annual report which provides investors and stakeholders a holistic picture of management's view on sustainability initiatives, governance, social, and economic (Ahmed Haji & Anifowose, 2016; Churet & Eccles, 2014; Darus et al., 2019; Hamad et al., 2020). Furthermore, IR is often known to be a higher quality reporting that establishes ties between a company's societal, environmental, and economic aspects (Adhariani & de Villiers, 2019; Dilling & Caykoylu, 2019; Qaderi et al., 2021; Stubbs & Higgins, 2014; Vitolla et al., 2020). Previous studies have extensively investigated IR adoption (Darus et al., 2019; Ghani et al., 2018; Hamad et al., 2020; Masduki & Mohd Zaid, 2019; Qaderi et al., 2021; 2022). However, there are limited papers investigating the IR quality (IRQ) in Malaysia. Due to this considerable gap in the research, it is vital to investigate the main factors that can explain the quality of integrated reporting in Malaysia. Studies by Alzeban (2020) and Hassan et al (2019) show that audit committee contributes to corporate reporting quality due to its significant role in internal control mechanism of a company. Therefore, the objective of this research is to investigate the influence of audit committee characteristics on integrated reporting quality.

Keywords: Integrated reporting quality, audit committee, Malaysia