



How Board Financial Expertise and Effectiveness of Audit Committee Influence Quality of Integrated Reporting: Firms Listed in Nairobi Securities Exchange

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Abstract

Integrated reporting in corporate reporting is recognized as a powerful tool for accurately portraying a company's ability to create value over time. Despite gaining attention from professionals and scholars, there is limited exploration into the quality of integrated reporting and its determinants. Financial expertise among board members is crucial for effective oversight of integrated reports, which contain both financial and non-financial information, highlighting the importance of board members possessing financial knowledge. Further, audit committee functionality promotes information disclosure among listed firms. It underscores the significance of enhancing audit committee effectiveness to improve the quality of integrated reporting, as evidenced by the strong correlation observed between audit committee effectiveness and integrated reporting quality. Companies should focus on strengthening the effectiveness of audit committees by ensuring that they comprise members with strong financial expertise and experience. This can be achieved by appointing individuals with relevant qualifications and experience in auditing, accounting, and financial management to the audit committee.

Keywords: Quality of integrated reporting, Audit committee, Board financial expertise

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