

COVER PAGE

CORPORATE GOVERNANCE AND RISK INFORMATION DISCLOSURE:

EVIDENCE FROM NIGERIA

BY

OBARAKPO, TEDDY NWACHUKWU

16PAA01297

A DISSERTATION SUBMITTED TO THE DEPARTMENT OF ACCOUNTING,

COLLEGE OF BUSINESS AND SOCIAL SCIENCES,

COVENANT UNIVERSITY, IN PARTIAL FULFILMENT OF THE

REQUIREMENT FOR THE AWARD OF A MASTER OF SCIENCE (M.Sc.)

DEGREE IN ACCOUNTING

COVENANT UNIVERSITY,

OTA

MAY, 2018

DECLARATION

I, Obarakpo, Teddy Nwachukwu hereby declare that this M. Sc dissertation is based on a study undertaken by me in the Department of Accounting, College of Development Studies, Covenant University, Ota, Ogun State. To the best of my knowledge, the work presented in this dissertation is original except as acknowledged in the text. All sources used in the study have been cited and no attempt has been made to project the contributions of others as my own. Also, the material has not been submitted, either in whole or in part for a degree in this or any other university.

Obarakpo, Teddy Nwachukwu

.....

Signature & Date:

CERTIFICATION

This is to certify that this study is an original research work carried out by Obarakpo, Teddy Nwachukwu of the Department of Accounting, College of Development Studies, Covenant University, Ota, as per declaration.

Prof. U. Uwuigbe

Main Supervisor

Signature & Date

Prof. O.R. Uwuigbe

Head, Department of Accounting

Signature & Date

Prof.

External Examiner

Signature & Date

DEDICATION

This study is dedicated to the Almighty God, who has given me the strength, grace, wisdom and inspiration for the successful completion of this study. Unto thy name O Lord be all the glory.

ACKNOWLEDGEMENTS

Any accomplishment in life requires the effort of many people and this work is not different. First, my special gratitude goes to the almighty God who made everything possible in His own time because His mercy is without bounds. Lord, may your Name alone be glorified.

I am deeply indebted to my supervisor—Professor U. Uwuigbe whose constructive criticisms caused me to strive towards excellence. Your amiable nature of hard work has made this research work a great success. I thank you Sir for your talent, support, encouragement, feedback and creative ideas. You demonstrated a depth of love of an uncommon kind from the beginning to the end. It could not have been better. May God continue to bless the works of your hand, Amen.

I wish to deeply appreciate and acknowledge the Chancellor of Covenant University, Dr. David Oyedepo for the privilege of learning at your feet through whom God provided the platform for me to realize my dreams. I thank you sir, for your wisdom and guidance.

Thank you for creating the enabling environment of conducive learning at Covenant University. My deep sense of appreciation also goes to the Management of Covenant University. Also, I want to appreciate the Management and Board of Regent of Covenant University starting from the vice-chancellor, Professor A.A.A Atayero whose power of oratory and commitment to details is legendary. I admire you, sir. My thanks also go the Deputy Vice Chancellor; Professor Shalom Nwodo - your encouragement is greatly appreciated. I also appreciate the Registrar, Dr Olumuyiwa Oludayo thank you ma for your sincere leadership styles.

My special thanks go to my Head of Department, Prof. (Mrs) Uwuigbe Olubukunola Ranti for her outstanding and focused leadership. Thank you for your support and encouragement inspite of our busy schedule. I also thank my Lecturers in the Department of Accounting for their love and respect. They include Prof. Uwuigbe Uwalomwa, Dr. (Mrs) Adetula Dorcas, Dr. Fakile Adeniran, Dr. (Mrs) Obigbemi Imoleayo, Dr. Adeyemo Kingsley, Dr. Ben-Caleb Egbibe, Dr Faboyede Olusola, Dr. Nwobu Obiamaka, Dr. Efobi Uchenna, Mr. Ajayi Anjiesushola, Mr. Olusanmi Olamide, Miss Okougbo Peace, Mrs. Oluseyi Oyedayo, Mrs Owolabi Folashade, Mr Osariemen Asiriuwa, I say thank you for your support and knowledge imparted.

I wish to express my deep thanks to the Dean of the College of Business and Social Sciences—Professor P.O Alege for his calming influence and brilliant communication ability. I have benefitted immensely from your positive attitude and willingness to help even when things seem hectic. Thank you sir for being a coach, a powerful influence and

a great mentor from afar.

I owe a debt of indescribable magnitude to my parents, Dr and Mrs Obarakpo for all the time, money and prayers that they have being investing, in making me understand and appreciate the value of qualitative education. I really appreciate your genuine advice, support and undeniable love. You will live to reap the fruits of your labour. I also appreciate my lovely sibilings for their love, support and encouragement, God bless you. Finally, special thanks to my classmates, especially those who assisted me immensely in this research work. I enjoyed working with you and thanks for all the love you have taught me. To the entire 2017/2018 set of Postgraduate student, it has been an honor being a part of you. My appreciation will be incomplete without appreciating my colleagues. Thank you all for your contribution to this work.

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

<u>Figure 1: Summary of Definitions of Risk</u>	25
<u>Figure 2: Categories of Risk</u>	27

<u>Figure 3: Risk Management Process</u>	35
<u>Figure 4: Drivers of Risk Disclosure/Reporting</u>	39
<u>Figure 5: Definitions of Corporate Governance</u>	40
<u>Figure 6: Normality Chart</u>	89
<u>Table 2. 1: Summary of reviewed literature on the study</u>	73
<u>Table 3. 2: Variable measurement.</u>	83
<u>Table 4 1: Risk Information Disclosure for sampled firms</u>	87
<u>Table 4 2: Descriptive Statistics</u>	92
<u>Table 4 3: Correlation Matrix</u>	92
<u>Table 4 4: Classification of Correlation Coefficient.</u>	94
<u>Table 4 5: Stepwise Regression.</u>	96
<u>Table 4 6: Pooled OLS results</u>	98
<u>Table 4 7: Hausman Test</u>	99
<u>Table 4 8: Radom effect model output</u>	99

ABSTRACT

The aim of this research is to address the current gap in the disclosure literature by investigating risk disclosure in Nigeria as evidenced from deposit money banks. The it aims to examine corporate governance mechanism as determinants of the disclosure of risk information. The study examines the influence of board size, director's ownership, board independence and foreign ownership on risk information disclosure of deposit money banks in Nigeria, while controlling for the size, the profitability and the age of the firms. The use of panel data regression analysis technique was employed in testing the hypotheses which were formulated for the study. The data was collected from the audited annual report of the sampled firms from 2011-2016 period was analyzed using Eviews statistical tool. The findings show the results revealed that an insignificant negative relationship exist between the size of the board and the extent of risk information disclosure. Similarly, foreign ownership and director's ownership presents an insignificant negative association with the extent of risk information disclosure. it shows also an insignificant positive association for board independence and age of the firms with respect to the disclosure of risk information. the findings also show a significant positive relationship for both the size and profitability of a firm with the extent the extent of risk information disclosure. The study therefore, conclude that the significant determinant for the disclosure of information in for deposit money banks in Nigeria is the size of the firm and the profitability of the firm. The study recommends a uniform framework for risk disclosure to breach the gap in disclosure between large and small firms, profitable firms and less profitable firms.