

Paper#: K178

A diagnostic view of the interface between corporate governance and financial reporting practice: Evidence from an emerging economy

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ABSTRACT

Financial reporting practice of an emerging economy is investigated using a corporate governance lens. Through an interview-based field case study, this paper discusses how the local corporate governance practices influence the financial reporting practice in Bangladesh. Existing regulatory corporate governance guidance, to a large extent, translates into a ceremonial compliance exercise without bringing changes to underlying organizational practices. The absence of effective corporate governance results in an accountability platform which does not ensure reliable accounting information. The regulatory and financial institutions need to play a more effective role to install effective governance in Bangladeshi organisations.

Keywords: Financial reporting, Emerging economy, Corporate governance, Regulation, Accounting standards