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Disclosure, Accountability and Performance: The Case of Ghanaian Banking Industry

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Abstract

Emerging post-financial crisis research in Africa recently suggest a strong linkage between poor corporate governance and the non-transparency in the financial institutions involved, leading to loss of investor confidence and other ramifying effects. This has reignited the need to progressively re-examine or rethink the gaps in existing financial regulatory framework in accordance with acceptable corporate governance standards. Our study reviewed and tested the influence of four voluntary disclosure attributes namely; a percentage of family members on boards, extant of independent committee of audit, existence of more important personalities and the proportion of non-dependent directors of CG, as promulgated by the Bank of Ghana. An adjusted relative disclosure was used in this study. We noted the prevalence of a committee of auditors is positively and significantly connected to a degree of deliberate disclosure, whereas, a higher number of family members on the board attenuates effective voluntary disclosure. The outcomes give empirical proof to back Ghana's financial regulatory authorities.

Keywords: Disclosure, Accountability, Performance, Financial Sector.

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Introduction

According to Asongu and De Moor (2017) recent financial crisis in Africa can be traced to poor corporate governance and non- transparency in most financial institutions leading to loss of investor confidence. Since then, several African nations have either been progressively re-examining or rethinking on the mechanism to improve financial regulatory framework in accordance with acceptable standards in the areas of CG, disclosure as well as transparency. Nigeria, Gambia, etc. are typical examples of the economies to have changed their legal frameworks in accordance with modern trends. Though (IAS) international standards are recommended, embracing an international Accounting Standard cannot be a panacea nor sufficient in getting to the bottom of all these financial challenges. Corporate disclosure is essential for all investors.

Voluntary disclosure of information is usually dependent on several factors. Disclosing information can be due to a managers' attitude, based on an organizational statue, mandatory or even as a result of an estimated cost or positive effect on the banks' performance Capriglione and Casalino (2014). Compulsory release of data enables optimum access to information by all persons or institutions (Khlif, Ahmed, & Souissi, 2017). Voluntary disclosure by intermediaries is also required due to the critical role they also play (Alberici & Querci, 2016). Several research works have been conducted since the 1970s, but most of these research works are concentrated in developed countries such as USA and U.K as compared with Africa (Claessens & Yurtoglu, 2013). The influence of C.G and deliberate relay of information has been examined by several scholars (Fifka, 2013; Zeng, Xu, Yin, & Tam, 2012). Ownership structure (Henry, 2010), the existence of independent structures (Calomiris & Haber, 2014), existence of a committee of audit (Alanezi & Albuloushi, 2011), and the selection of non-executive directors to become the chairman (Council, 2012).

Though several works have been done by different scholars on the impact of C.G and disclosure, most of them were done by testing a single variable or attribute. The outcome associated with these works may not be applicable to Africa as a result of distinct regulatory policies, political and socio-cultural environment that exist among different continents. Studying corporate governance and its relationship with disclosure in Ghana is very distinctive as compared with the USA and U.K owing to the difference in their financial environment/climate. Testing the relationship that exist between C.G and the degree of deliberately disclosed information by listed banks in Ghana is the sole objective of this work (see fig 1). Based on the principle and requirement of agency theory, which encourages the use of boards to monitor and control managers, it is be presumed that boards can equally lead to validating stakeholders with information voluntarily.

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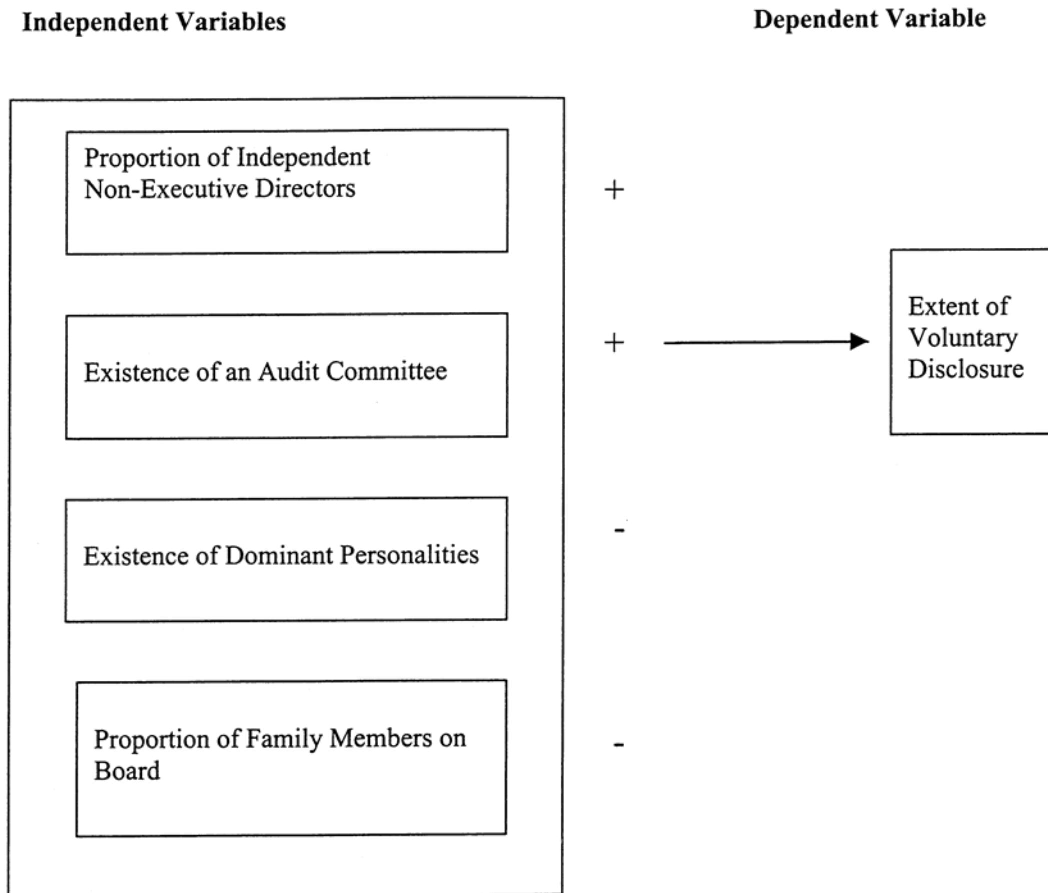

Figure 1 Framework & variables used

Section 1 of this paper introduces the topic under discussion. Corporate disclosure and governance in Ghana are discussed in section 2 (development of hypothesis). The design of this research is also discussed in section 3 (research design and sample used). Evaluation of the hypothesis is done in segment 4. Segment 5 is made up of the summation of the study and its outcome.

Corporate Disclosure

Accounting and financial reporting in Ghana is labelled after that of the British system. The S.E.C and the Bank of Ghana also stipulates how financial reporting (financial disclosure) should be followed by Banks. Generally, whereas, in the USA and the UK, the release of data or information is quite stringent, that cannot be said of Ghana (Killick, 2010). Though mid-year and annual reports or disclosures are made, they continue to be a bit inadequate, in the sense that, disclosures on insider trading, directors' interest, remuneration and related party transactions are not strict because the laws or policies governing such activities appear to be lux (Bratton & Wachter, 2011). Again, laws governing listing requirements are just available to guide on reporting and disclosures by listed firms (Li, 2010). As a result, institutions and for that matter banks end up producing information upon their own accord, or when they are pushed by market demands.

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It can however, be said that though laws governing listing rules are not strict, there is somehow seriousness associated with conformity by firms in Ghana (Aboagye-Otchere, Bedi, & Ossei Kwakye, 2012). However, it can be stated that, family-controlled banks / firms do have low compliance with corporate disclosures Jaggi, Leung, and Gul (2009) when it comes to related party transaction policy, since they only seek to conform/meet the very minimum requirements. Most listed banks have also been noted to only disclose very little information in terms of quality and quantity and even, at their own time of convenience, as such, these banks are always encouraged by the SEC to adopt / imbibe these policies as part and parcel of their core business policies (Ho & Wong, 2001). The capacity of a firm to attract adequate investment (in the areas of stock price and direct investment) is usually tied to how a firm is able to avail requisite information (Penrose, 2017). In Ghana, the SEC usually review its rules and regulations governing listings in accordance with changing trends in the business environment (Aboagye-Otchere et al., 2012).

Corporate Governance

Lucidity is a requirement by all regulating bodies for all financial and non-financial institutions in Ghana. The central bank of Ghana, is the sole body authorized to promulgate banking rules and regulation. According to the latest banking act, act 2016, Act 918, all banking institutions are supposed to be transparent in their dealings and reportage (Curran, 2016). Under this act, banks are also supposed to obey any other regulations of other institutions that they fall under. These bodies include Ghana Stock Exchange, Securities and Exchange Commission etc. The 2016 Act, enjoins all banks to achieve pillars II & III of the Basel Committee. The Act, also talked about the disclosure of information about their board members so as to prevent conflict of interest. It also stipulated the separation of powers. Separating the board chair from the CEO is a recommendation from the Basel Report. Appointing non-executive directors of boards, and having an independent audit body are all part of the pillars of corporate governance promulgated by the Basel committee (Devriese, Dewatripont, Heremans, & Nguyen, 2004). In USA and UK, whereas split in the ownership from the daily activities of a firm, Ghanaian family businesses and for that matter most West- African firms sees share control as paramount (Adomako, Danso, & Ofori Damoah, 2016)(Tsamenyi, Enninful-Adu, & Onumah, 2007).

Hypotheses Development

How corporate mechanisms are able to influence firms' disclosure policies and subsequent disclosure challenges is the idea behind this research. The variable to be looked at is the availability of a committee on audit, directors who are not executives, dominant personalities and the quantum of board members who are family members. By the works of (Cuevas-Rodríguez, Gomez-Mejia, & Wiseman, 2012), he posited that the theory of agency has an underlying set of ideas that relates with disclosure attitude and corporate governance. Agency challenges and shareholders can be protected if, corporate governance mechanisms are used. By principle, disclosure as a governance mechanism is either complimentary or substitutive. A high degree of information disclosure will inure to an effective internal and external control which will in turn reduce the challenges coupled with Agency theory (Senft, Gallegos, & Davis, 2016). Total or voluntary

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disclosure also leads to loyalty among all parties. With substitutive corporate disclosure, companies do detail less information with the believe that one governance mechanism replaces the other. The existence of internal monitoring processes reduces information asymmetry in a firm, just as the need to have additional governance mechanisms are reduced. However, these apparent unbalanced ideas relating to the effect of corporate governance shows inconclusiveness (Allen, 2017). Shah (2018) argues that in spite of this theoretical ambiguity, no solitary strategy is a governance solution and suggested the desire of possessing a superintendent tool in maintaining a balance in the firm. Due to the underlying assumption on the impact of internal governance mechanisms, the researchers hypothesize an irrefutable association.

A share of independent non-executive directors

The proportion of independent directors (IND) who are not executives of the firm sees control function as one of the foremost roles of boards (Tirole, 2010). IND are seen as a means for supervising managerial activities, and this results in more (Vergauwe & Gaeremynck, 2019). Both Louie, Ahmed, and Ji (2019) and Cuadrado-Ballesteros, Rodríguez-Ariza, and García-Sánchez (2015) postulated that a huge number of INDs , the likelihood of a quality board monitoring role, as such, companies will be in a better place to have independent disclosures. Appuhami and Tashakor (2017) also averred that a huge sum of independent directors enables good financial disclosure. Although Ghana Stock Exchange requires total number of board members in place of a sum of independent board members monitoring organizational activities, the researchers used a proportion of board members for the purpose of this study, the reason being that, independent board members have more duties to attend to.

Hypothetically:

H1: a greater percentage of voluntary disclosure will be as a result of greater percentage nonexecutive independent directors.

The Presence of Committee of Auditor(s)

Improved financial adherence and reporting is the work of an audit committee (Bédard & Gendron, 2010). Audit committees are able to function equitably in terms of information divulging due to their independence. The theory of agency posits that the availability of committee on audit is a means of easing up cost associated with agency theory. Caputo, Giudice, Evangelista, and Russo (2016) also believed this as a good tool for improving and developing disclosure. An add-on, though not too good association for disclosure by a committee for audit and the quality of disclosure among UK firms was also posited (Akhtaruddin & Haron, 2010). A relationship between the availability of a committee for audit leading to an accurate financial reporting was also advanced (Pavlopoulos, Magnis, & Iatridis, 2019).

Hypothetically:

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H2: firms associated with a committee on audit tend to have a huge prevalence of independent disclosure.

Dominant Personalities availability

The dual role played (as both chief executive and chairman) by an individual as director, is also known to wield so much power and authority (Krause, Semadeni, & Cannella Jr, 2014). Withholding of very important and critical information is also associated with CEO duality. Harford, Mansi, and Maxwell (2012) argued that a market discipline can be employed to eliminate any adverse consequence associated with agency theory. But Torchia and Calabrò (2016), had exception to the ability of a single person holding both roles failure to validating information due to lack of monitoring.

Therefore, we hypothesized that:

H3: the lack of independent disclosure is highly associated with CEO duality organizations

The margin of board members being family members

According to the theory of Agency, firms with non-concentrated family ownership, have the ability of dealing with information asymmetry challenges. A very high family owned firms are less likely to independently make disclosures, though this may not always be the case. Based on the works of De Massis, Kotlar, Mazzola, Minola, and Sciascia (2018) and Mullins and Schoar (2016) the value of firms will be greatly impugned due to the very self-seeking attitude of family ownership looking inward, in terms of looking for their own interest whereas, the inverse gives high corporate image. Contrary, in the case of less family dominated family ownership, internal conflicts will rather be between small and large shareholders (Mullins & Schoar, 2016). In a business environment where positions must be sustained, directors are also susceptible to appointing a trusted person as either the CEO or the chairman due to their voting power, so as to have an advantage in voting decisions (Comer, 2017). Transferring of profits or investing in other companies that director's control privately through expropriation of funds is also a way by which small shareholders can be short changed. In Ghana, because many controlled firms are in abundance, they tend to have so much controlling and intervening power, independent management boards are encouraged at all times.

International investors view boards in Ghana as purely being tools in the hands of controlling family owners of listed banks. The researcher did not use the total number of shares held by families as a result of non-availability of such data in Ghana. Rather, the sum of family associates on a board are just for representation purposes.

We hypothesize that:

H4: Organizations with huge sum of board members as family members are most likely to have smaller independent disclosure.

Control variables

A careful scrutiny of various works on deliberate disclosure by the researchers brought about 5 control variables used in evaluating the four (4) main hypotheses. The firm size (Samaha, Khlif, & Hussainey, 2015), assets-in-place (Clausen & Flor, 2015), financial leverage (Sodeyfi, 2016), profitability (Ward, 2016) and the industry type (Plumlee, Brown, Hayes, & Marshall, 2015).

Research Design and Collection of Date

Survey

A questionnaire designed for selected chief financial officers for banks in Ghana was to pre-test the extant of a committee for audit in their firms. In all, a set of 300 questionnaires was sent in late 2017 for analysts of non-banking firms like investment and brokerage firms in Ghana for analytical purposes. The inquiry was to source for users' opinion on the importance of several voluntarily disclosed financial data. A total of 30 chief finance officers and 292 financial analysts responded to the questionnaire by mailing, and this brought about a response rate of 17% and 18%, respectively. Both categories of respondents responded to 20 Likert-scale questions from the questionnaires, the returned copies were benched marked against the initial 20 questionnaires that were responded to in checking for any bias. A disproportionate significance difference (alpha 0.05) was realized between the business entities that responded earlier or later respectively same as when analyzed (Bennett, Bettis, Gopalan, & Milbourn, 2017) . This means that, if the latter respondents were not in any way different from the non-respondents, then, there wasn't bias towards non-respondents. For the purpose of further authentication of any nonresponse prejudice, a *t* test was also run, and again, there was a null significant change when the continuous-scale of independent variables and dependent variables were tested for either the early or late respondents respectively. The outcome of the 58 CFOs and 45 analysts that returned their questionnaires showed a 97.5% of non-respondents, and their reasons included lack of time, and company policies against responding to such questionnaires

Voluntary disclosure measurement

Though there have been previous researches done in Ghana on voluntary disclosure and organizational performance and characteristics, none has been done on how the users of these reports feel in terms of the importance or usefulness of these reports. An adjusted relative disclosure was used in this study. What the researcher did was to gather all literatures and annual reports done in Ghana on voluntary disclosure. With this data, all the annual reports were benched marked against standardized measures on voluntary disclosure prepared by the SEC and the Bank of Ghana. Of all the data obtained, only 20 data out of the 35 which was initially deemed to be appropriate for this research, and this was arrived at after a zero mean and variance was run, as a result, a 5 -point scale was drawn. A minimum importance score of 3.5 was seen to be ideal for the RDI test.

The computation of the RDI ensured that only the 20 important voluntary disclosed data of the annual report of a given bank was used. It also ensured that non-relevant voluntarily information was never used. The use of the RDI also prevented the researcher from subjecting the data to a further data breakdown due to the fact that only the most

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important data was deduced. It must however be said that, the inclusion of users' perception is never a novelty but an extension on literatures on voluntary disclosure.

Independent variables measurement

Of the 20 variables that were selected, only one was not picked out of the annual reports collected from the banks. Through e-mails, all the statistics on the prevalence of audit committee was gathered. A proportion of independent directors who were not executives to the sum of independent directors is the portion of non-dependent directors on the board divided by the sum of directors on the board. The sum number of boards made up family members is calculated as a fraction of family board members to the sum of directors. To ascertain the availability of committee for audit and dominant personality, a binary scheme was used.'1' and '0' were used as dummy variables to show the existence and non-existence of either audit committee or leading personalities respectively.

Calculation of the control variables and Analytical Model

Log (base 10) was used in measuring the total assets (LSIZE) of the banks, for leverage (LEV) to be measured; a share of the sum of debt to equity amount of the bank is used. A percentage of book value after the deductions of fixed assets with regard to total assets is used in measuring assets-in-place, profitability (PROFIT) is analyzed as the return on capital utilized. An average of the period 2015-2017 was used in measuring this work. The final analytical model is expressed mathematically as follows:

$$\ln RDI_{it} = \alpha + \ln IND_1 + \ln PFM_{it} + \ln LSIZE_{it} \ln LEV_{k;it} + \ln AIP_{j;it+} \ln PROFIT + \varepsilon_{it}.$$

Results Deliberation and Analysis

Descriptive analysis with bivariate evaluation

Table 1: Summary Statistics of Continuous Variables (N = 322)

Variable	Mean	Min	Max	Std. Dev.
Dependent Variables RDI Level of voluntary disclosures (measured by RDI)	0.2704	0.06762	0.66934	0.13622
Independent Variables IND The ratio of INDs to total directors on board	0.32929	0.06762	0.76636	0.14602
PFM	30.27025	0.000	75.549	5.53994
LSIZE	47362.233	165.904	298698.50	32510432
LEV	1.72676	0.0098	2.71656	2.86258
AIP	0.34888	0	0.74676	0.4557
PROFIT	0.08722	1.06722	0.86338	0.25186

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Table 1. presents the independent variables allocation (degree of voluntary disclosure) proxied by RDI is presented. The total sample recorded a relative disclosure index of 0.279 and the range was 0.049 and 0.086 which are within acceptable range. Further the observed variation in voluntary disclosure systems among the sampled firms in Ghana. This confirms earlier studies conducted regarding the voluntary disclosure in Sub-Saharan countries and Asia. The low rate of voluntary disclosure among the listed firms in Ghana lends credence to the existing position that analysts in Ghana potentially searches for information outside the yearly report. On the other hand, the show of 0.329 on Table 1. as directors on the board is a ratio for independent directors.

On another hand the analysis shows that an average ratio of family members that sit on boards among the sample of study is 32.2%, while 29.2 percent of the sampled companies had the board chairman as the CEO of the firm. In the case of 23.5% of the firms under consideration, the company reported that they had an independent audit committee. All of these are outlined in table 3.

Table 2: The Sum of the Independent Variables

Ratio of organization in the sample		Ratio
AC	Prevalence of committee for audit	23.5
DP	Extant of dominant personalities	29.0

Additional information is provided in Table 3. where it is disclosed that a further analysis of the organization was the most dominant item that the banks were readily willing to disclose (82.2%), the type of products and services produced by banks (66.2%) also followed. The disclosure of the review by the Ghana business review website, the marketing and sales networks recorded the next highest item to be disclosed with 59% and 56% of the sample respectively. Consistent with earlier work of Boatright (2010), it was noted that the least issue that attract disclosure interest by the respondents were the product input scope, growing of borrowers' balance, goods sold cost and the prediction of cash flow. These observations confirm the idea that a huge variation exists when it comes to making these important items known in Ghana as noted by prior studies.

Table 3: Ranking the Most Important items disclosed by firms as perceived by financial analysts

Voluntary disclosed items	Forecasters' Importance Score	Percentage of banks disclosing
Future prospects of the banks	4.444	82.500
Description of banks products and services	4.070	66.220
China business review	4.323	65.230
Sales and marketing network	4.004	61.490
Acquisition and disposal activities	4.367	50.160
Details of investments in China & overseas	4.026	46.200
Corporate strategy and impact	4.114	45.100

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Discussion of factors affecting future financial results	4.488	37.840
A large variety of financial ratios	3.949	35.200
Bank loans, mortgages and their uses	4.312	20.020
Capital expenditure commitments for future years	4.268	17.710
Financial position & contribution of subsidiaries & associated companies	4.312	16.610
Financial summary for more than 5 years	3.916	15.400
Main product market share	4.411	10.560
Stock price information and analysis	3.993	5.830
Details of operating expenses	4.015	5.830
Product contribution margin	4.180	5.830
Aging of debtors' balance	3.82	0.0

Table 4. also presents the output of the product moment correlation analysis between the independent factors in order to remove Multicollinearity in one way or the other. A topmost correlation recorded in-between leverage (LEV) and firm size in the banking and finance industry (LSIZE) with an r value of (0.675) which is higher than the .5 threshold proposed in extant literature. Yet overall, the correlation matrix suggests the absence of any serious multicollinearity among the independent variables. A significant mention must be made of the sum of good correlation among the portion of family board members, leverage and size of firm and independent disclosure at the 95% confidence interval. This expected bivariate relationship is good because it serves as the basis in explaining the outcome of the multivariate evaluation of the rate of independent disclosure.

Table 4: Correlation Analysis

	RDI	IND	PFM	LSIZE	LEV	AIP	PROFIT
RDI	1.000						
IND	0.131	1.000					
PFM	0.104*	0.064	1.000				
LSIZE	0.321**	0.199*	0.006	1.000			
LEV	0.241*	0.382	0.134	0.475**	1.000		
AIP	0.070	0.012	0.210	0.051	0.072	1.000	
PROFIIT	0.131	0.018	0.058	0.022	0.011	0.028	1.000

*significant at 5% level, **significant at 1% level

Finally, several regression models were designed to ascertain the relationship of variables that were not dependent. The first step was to further assess the presence of Multicollinearity based on variance inflation factor. This is necessary in confirming the predetermined degrees of Multicollinearity established through the correlation matrix. Again, the variance inflation factor from the regression analysis indicates the presence of low multicollinearity. Specifically, the largest recorded VIF value of 2.5 (LSIZE) is still within appropriate range. The remaining VIFs were all below 2.0. Which denotes that the outcomes further acknowledge the non-availability of multicollinearity in the model

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of our study. This implies that the outputs of the study were not spurious but based on reasonable degree of accuracy.

Table 5: Multiple Regression Results of the Relationship between Corporate Governance and Other Specific

R^2 0.63
Adjusted R^2 0.601
F Significance 0.000
Durbin-Watson Test 1.9698
Number of significant coefficients 5
N 98

Explanatory Variable	Coefficient	Std Error	Beta t-values	Significance
Constant	5.39	0	52.136	67.816
IND	12.054	11.956	109.074	34.006
AC	8.722	4.312	215.698	4.0376
DP	0.392	3.332	13.72	96.922
PFM	20.482	8.624	255.78	2.156
LSIZE	9.408	2.842	365.148	0.196
LEV	0.49	0.686	74.186	53.116
AIP	2.058	4.312	49.784	68.796
PROFIT	3.822	5.978	69.874	55.958
IT1	8.036	4.214	206.094	6.468
IT2	12.936	4.312	321.93	0.392
IT3	1.372	6.174	23.324	89.376

*significant at 5% level, IND independent executive directors, AC committee for audit, DP dominant personality, PFM percentage of family members on board, LSIZE firm size,LEV financial leverage, AIP asset-in-place, PROFIT profitability, IT1 industry type 1, IT2 industry type 2, IT3 industry type 3

The Outcome of Hypotheses Assessment

The factor of determination (R^2) or the explanatory power of the model of 0.63 is statistically high enough or acceptable. Thus, the model is strong, as 63% of changes in the dependent variables are attributed to the non-dependent variables while the remainder is attributed to some other factors. The coefficient of regression value of 0.055 indicates that when all explanatory variables are 0, there is still some value in the dependent variables attributed to other factors and the whole hypothesis is rejected since the significance level is 0.05. The results also show that, among the independent variables; the influence of firm size, audit committee, ratio of members of family as part of board and the dummy variables of the two industries are consistent with the hypothesis since their effect is mathematically relevant at 95% confidence level.

On the contrary, the analysis suggests that the positive effect of profitability, family ownership, board of directors, assets-in-place, leverage and the ratio of independent directors are not statistically significant hence are rejected. The variable of board

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members from the family had a p-value of 0.022 gave credence to hypothesis 4 which projected a less likelihood for a bank to voluntary disclose when there are more family owners on a board. The existence of a committee on audit which was hypothesize (hypothesis 2) to ascertain the possibility of higher rate of independent disclosure was backed after the survey since it came up with a p-value of 0.042. the probability that large firms are most often than not likely to voluntarily disclose information was also accepted due to that fact that it came up with also a p-value of 0.02. The outcome associated with the large firms also attests to works done by several scholars.

Discussion of Findings

The outcome of hypothesis 1 which posits a percentage of independent directors who are not executive as against the total number of directors on the board will project a higher rate of voluntary financial disclosure was rejected. The finding was therefore not consistent with works done by researchers such as Elfeky (2017), who had a significant relationship between non-executive directors and the extent of voluntary financial disclosure by banks.

Though the researcher embraced the disclosure index of Chen and Jaggi who used both mandatory and voluntary disclosures, the researchers of this study used only voluntary disclosure which was thought to be important. The reason behind the exclusion of the mandatory aspect is that, in Ghana, independent directors ensure that mandatory disclosure of financial data is obeyed.

The availability of a committee on audit which was hypothesized (hypothesis 2) a cause for higher rate of voluntary disclosure by banks was corroborated after the survey and this supports the works of many previous researches. But it also showed a negative association with the work done by Samaha et al. (2015) which showed a negative relationship with financial disclosure with a prevalence of a committee on audit. At 5 % significant level, the notion of hypothesis 3, was not accepted since it had hypothesized that the presence of dominant personality onboards of banks brings about lower release of information. However, the output found is not commensurate with the findings of Lekaram (2014) whose study found a substantial relation with the extent of independent disclosure and the presence of dominant personalities on boards of banks. The findings of the study rejected hypothesis 4. Johansen, Laser, Neuberger, and Andreani (2017) and Nekhili, Nagati, Chtioui, and Rebolledo (2017) also supports this very finding in their work which also tested the relationship between financial disclosure (both voluntary and mandatory) and the rate of family-controlled boards in banks. It should however be stated that the dominance of family members on boards is not common in Ghana.

Summary and Conclusion

In the quest of regulating and authorizing bodies to bring about the needed change and improvement within organizations, new and improved corporate governance mechanisms have been outlined. The financial crisis in Africa in recent times has brought about the need for transparency among all business entities. Little research works have been done on specific attributes in relation to corporate governance and voluntary disclosure. The study on Ghana, and for that matter the data used was to evaluate if disclosures among

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banks were done voluntarily, especially where there are boards that are independent, the duality of CEOs, the availability of independent audit committees, and even when the ownership of a given bank is controlled by huge family shareholders.

The importance of this study is going to be of huge benefit to the banks in Ghana. The reason being that, the outcome can be used as proof in assisting financial regulators in the areas of policy formulation in relation to board composition, the need for independent audit committees, as well as the reason not to have more than half of board members to made up of family members. Again, this very study can also be of great importance to other African countries that have structures similar to that of Ghana, especially, on the area of family ownership and the formation of boards.

Two limitations are related with this study. First of all, though the rate of voluntary disclosure is the brain behind this study, not all such disclosures might be credible nor gives a clearer caption of the Ghanaian banking sector, neither will such displays too amount to quality disclosures. Secondly, as much as the anticipated association between the variables of corporate governance and disclosure was found, it does not mean such an outcome was as a result of the hypothesized causality. Much care should be observed as a result of the short comings, and we recommend further studies related to specific issues on corporate governance.

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