EFFECT OF CORPORATE GOVERNANCE PRACTICES ON COMPREHENSIVE INCOME IN LISTED NON-FINANCIAL FIRMS IN NIGERIA

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Abstract
Other Comprehensive Income (OCI) has gradually become a crucial part of financial reporting under International Financial Reporting Standards (IFRS). However, since many OCI items involve fair value estimation, actuarial assumptions, asset revaluations, and foreign currency translation adjustments, their reporting remains prone to managerial judgments. This raises concerns regarding the reliability, transparency, and comparability of OCI disclosures. Despite growing interest in OCI reporting, limited evidence exists regarding the governance practices that affect the extent of OCI disclosures. Therefore, this study examined the effect of corporate governance practices on other comprehensive income reporting among listed non-financial firms in Nigeria. The study investigates whether board independence, auditing and internal control systems, and executive compensation influence OCI reporting. The study adopts an ex-post facto research design and utilizes secondary data obtained from the annual reports and accounts of 63 listed non-financial firms in Nigeria covering the period 2019–2024. The data was analyzed using panel regression techniques. The findings reveal that board independence, auditing and internal control systems, and executive compensation exert positive and significant effects on OCI reporting. The results suggest that firms with stronger governance structures provide more credible, transparent, and informative OCI disclosures. The study concludes that corporate governance practices influence OCI reporting and recommends that listed non-financial firms in Nigeria should strengthen auditing and internal control systems to enhance the reliability, accuracy, and transparency of OCI reporting.

Keywords: Corporate governance, other comprehensive income, board independence, auditing and internal control systems, executive compensation, Nigeria.

1.0 Introduction

The quality of financial reporting remains central to the efficiency of capital markets because it influences investors' ability to assess firm performance, evaluate risks, and make informed economic decisions. As global financial reporting standards continue to evolve, increasing attention has been directed toward the disclosure of Other Comprehensive Income (OCI), a component of comprehensive income introduced under International Financial Reporting Standards (IFRS). OCI comprises gains and losses that bypass profit or loss yet affect shareholders' equity, including foreign currency translation adjustments, revaluation surpluses, actuarial gains and losses, and fair value changes in certain financial instruments. Given its potential to convey information about future economic benefits and risks, OCI has become an important element of contemporary financial reporting (Djaballah & Fortin, 2021; Wang & Chou, 2017).

The growing prominence of OCI has generated extensive debate regarding its usefulness and informational value. Supporters argue that OCI enhances the relevance of financial statements by providing information beyond traditional earnings measures. Maria and Camelia (2015) contend that comprehensive income offers a broader assessment of organizational performance, while Wang and Chou (2017) and Park (2018) report that OCI improves predictive relevance and contributes additional information for investment decisions. Nevertheless, empirical evidence remains mixed. Djaballah and Fortin (2021) find no evidence that comprehensive income is more value relevant than net income, although some OCI components provide incremental information to investors. Similarly, Banks et al. (2018) report that OCI does not significantly improve analyst forecast accuracy, whereas Rumman et al. (2024) show that net income is a stronger predictor of future performance due to the volatility of OCI components. These divergent findings suggest that the usefulness of OCI may depend on the institutional and governance environment within which firms operate.

Corporate governance has long been recognized as a critical mechanism for enhancing transparency, accountability, and the credibility of financial reporting. Agency theory posits that governance structures help mitigate conflicts of interest between managers and shareholders through effective monitoring and oversight. Prior studies show that governance mechanisms influence financial reporting outcomes such as earnings quality, disclosure quality, accounting conservatism, firm value, and earnings management. Board independence, effective auditing and internal control systems, and executive compensation structures are among the governance mechanisms most frequently associated with improved reporting quality. Independent directors strengthen oversight, audit mechanisms enhance compliance and reliability (Almaqtari et al., 2021), and incentive-based compensation aligns managerial actions with shareholder interests (Lu & Shi, 2018; Kumar, 2024; Giacomo et al., 2022).

The connection between corporate governance practices and OCI reporting requires specific attention because OCI is different from conventional earnings measures in both composition and reporting requirements. Several OCI components require considerable managerial discretions in ascertaining their values. As a result, managers hold substantial power over OCI measurement and disclosure than over many routine accounting transactions (Djaballah & Fortin, 2021). Board independence reinforces oversight of management estimates and reporting decisions, effective internal controls enhance the reliability of valuation processes underlying OCI items, while

executive compensation measures may influence managers' incentives to recognize, defer, or disclose OCI-related gains and losses (Al-Ibbini & Shaban, 2021). These characteristics suggest that governance mechanisms may exert a direct influence on OCI reporting behaviour beyond their general effect on overall financial reporting quality.

Despite the extensive literature on corporate governance and financial reporting, limited attention has been devoted to the governance determinants of OCI reporting. Existing OCI studies primarily focus on value relevance, predictive ability, and presentation formats rather than the governance mechanisms that influence OCI disclosures. For instance, Lee et al. (2020) examine the predictive value of OCI components, while Xu and Qi (2017) investigate the effect of presentation formats on OCI usefulness. Consequently, evidence on how governance practices shape OCI reporting remains scarce, particularly in emerging economies where reporting environments differ from those of developed markets.

This gap is especially relevant in Nigeria, where IFRS adoption and successive corporate governance reforms have sought to improve financial reporting quality and strengthen investor confidence. Although regulatory initiatives have enhanced disclosure requirements and governance standards, concerns regarding reporting transparency and compliance persist among listed firms. Given that OCI reporting involves significant managerial judgment and estimation, effective governance mechanisms may play an important role in ensuring the reliability and credibility of reported information.

Against this background, this study investigates the effect of corporate governance practices, specifically board independence, auditing and internal control systems, and executive compensation, on OCI reporting among listed non-financial firms in Nigeria over the period 2019 to 2024. Using evidence from Nigerian listed firms, the study extends the literature on corporate governance and financial reporting by focusing on a relatively underexplored reporting outcome. The findings contribute to the emerging body of knowledge on OCI reporting in developing economies and provide insights for regulators, policymakers, and corporate stakeholders seeking to strengthen financial reporting transparency and accountability.

2.0 Literature Review

Other Comprehensive Income

Other Comprehensive Income (OCI) represents revenues, expenses, gains, and losses that are excluded from profit or loss but recognized within comprehensive income. It includes items such as foreign currency translation adjustments, gains and losses arising from revaluation of assets, actuarial gains and losses on defined benefit pension plans, fair value adjustments on certain financial instruments, and cash flow hedge adjustments. These components reflect economic changes that may influence future cash flows and organizational performance (Lee et al., 2020; Wang & Chou, 2017).

The conceptual foundation of OCI is based on the clean surplus accounting framework, which argues that all changes in equity, except transactions with owners, should be reported through comprehensive income (Djaballah & Fortin, 2021). The objective is to provide users of financial statements with a more complete representation of financial performance than that offered by traditional earnings measures alone (Banks et al., 2018; Park, 2018). Rumman et al. (2024) posit that OCI remains an important component of modern financial reporting because it captures economic events that affect shareholder wealth but are not reflected in current earnings.

Consequently, understanding the determinants of OCI reporting quality has become increasingly important for regulators, investors, and researchers.

Board Independence

Board independence refers to the proportion of directors who are independent of management and free from relationships that may impair objective judgment. Independent directors are expected to provide effective oversight, reduce agency conflicts, and protect shareholders' interests. The effectiveness of board independence is rooted in the monitoring role performed by directors. Independent directors provide objective scrutiny of managerial decisions and ensure that management actions align with shareholder interests. They also contribute to enhancing transparency and accountability within organizations by demanding higher-quality disclosures and stronger compliance with reporting standards.

Within the context of financial reporting, independent boards are expected to improve reporting quality by reducing opportunities for earnings manipulation and opportunistic disclosure practices. Independent directors often possess diverse expertise and professional experience that enable them to challenge management assumptions and strengthen financial oversight.

Auditing and Internal Control Systems

Auditing and internal control systems represent critical governance practices that ensure the reliability and integrity of financial reporting. Internal controls comprise policies, procedures, and monitoring practices designed to safeguard assets, ensure compliance with regulations, and enhance reporting accuracy. The effectiveness of internal controls directly influences the quality of financial information generated by organizations. Strong control systems reduce the risk of errors, fraud, and material misstatements. Similarly, auditing functions provide independent assurance regarding the fairness and accuracy of financial statements.

Modern corporate governance frameworks place considerable emphasis on internal controls and auditing because they constitute the first line of defense against reporting irregularities. Organizations with effective control environments are more likely to produce reliable financial information and maintain stakeholder confidence.

Executive Compensation

Executive compensation refers to the remuneration provided to senior management in exchange for organizational leadership and performance. Compensation arrangements typically include fixed salaries, bonuses, stock options, profit-sharing plans, and other performance-related incentives (Al-Ibbini & Shaban, 2021). The rationale for executive compensation is grounded in the need to align managerial interests with shareholder objectives. Agency theory suggests that managers may pursue personal goals at the expense of shareholders unless appropriate incentives are established. Compensation systems therefore serve as governance practices designed to encourage value-maximizing behaviour (Banks et al., 2018).

Recent governance reforms have increasingly emphasized performance-based compensation structures that reward executives for achieving strategic and financial objectives. Such arrangements are expected to enhance accountability, improve performance, and encourage transparent reporting practices (Giacomo et al., 2022).

Governance practices could impact OCI reporting in different ways. First, independent boards enhance monitoring of management judgments involved in estimating fair values and recognizing OCI components. Increased board oversight reduces opportunities for selective recognition or strategic disclosure of OCI items. Second, effective internal control systems improve the accuracy and reliability of the valuation processes that underpin OCI measurements, thereby reducing reporting errors and information asymmetry. Third, executive compensation structures influence managerial reporting incentives. Where compensation is tied to financial performance metrics, managers may possess incentives to alter reporting choices relating to OCI components that affect investors' perceptions of firm performance and risk. Consequently, governance mechanisms shape not only the quality of financial reporting generally but also the recognition, measurement, and disclosure decisions associated with OCI reporting (Banks et al., 2018; Djaballah & Fortin, 2021).

Empirical Review

Lu and Shi (2018) investigated whether enhanced disclosure resulting from accounting and auditing reforms influences executive compensation in China. Using panel data regression analysis, the study found that executive compensation increased significantly following regulatory reforms. The authors argued that stronger disclosure systems improve monitoring effectiveness and influence remuneration structures. However, the study assumed that increased compensation reflects improved governance efficiency, whereas higher compensation may also indicate managerial rent extraction.

Similarly, Giacomo et al. (2022) examined corporate governance, executive compensation, operating performance, and firm valuation. Using a fixed-effects model, the study found that shareholder-oriented governance practices and performance-based executive compensation enhance firm performance and valuation. The findings suggest that incentive alignment contributes to improved governance effectiveness. However, the sector-specific focus limits generalizability.

Porcuna (2021) examined the effectiveness of remuneration policies within the European Union. The study found that regulatory interventions increased fixed pay while reducing performance-based incentives. Although the findings highlight important policy implications, the study assumed that performance-based incentives are universally superior without considering alternative governance arrangements. Pucheta-Martínez and Chiva-Ortells (2020) employed a dynamic panel data approach to investigate institutional ownership and CEO compensation. The findings revealed that institutional ownership increases fixed compensation while reducing variable compensation, suggesting stronger monitoring effects. Nevertheless, the study treated institutional investors as a homogeneous group and overlooked differences in governance objectives.

Al-Ibbini and Shaban (2021) examined internal governance practices and investor confidence using PLS-SEM. The results indicated that board structure and executive compensation improve investor confidence and reduce stock price volatility. However, the use of survey-based measures raises concerns regarding common method bias. Nakpodia et al. (2023) adopted a practice theory perspective to examine executive responses to governance regulations. The study found that compliance behaviour is influenced by enforcement certainty, punishment severity, and cost-

benefit considerations. The findings suggest that governance effectiveness depends not only on structural practices but also on behavioural incentives.

Within the Nigerian context, Imade (2019) investigated non-executive directors' compensation and firm performance using OLS regression analysis. The study found no significant relationship between compensation and return on assets, suggesting weak incentive alignment among Nigerian firms. However, the study focused solely on financial performance and excluded broader governance outcomes such as disclosure quality. Kumar (2024) examined executive compensation and voluntary disclosure using panel regression analysis. The study reported that higher executive compensation improves voluntary disclosure and transparency, while board independence strengthens this relationship. The findings support agency theory predictions regarding incentive alignment and disclosure quality.

Another important stream of literature focuses on governance practices and financial reporting quality. Almaqtari et al. (2021) examined corporate governance and reporting quality under Indian accounting standards. The study found that audit committee characteristics significantly improve financial reporting quality, particularly under IFRS-aligned reporting systems. The findings reinforce the importance of governance practices in promoting reporting integrity. Maria and Camelia (2015) investigated comprehensive income reporting under IFRS and argued that comprehensive income provides a broader assessment of organizational performance than traditional earnings measures. However, the absence of inferential statistical analysis limits the robustness of the conclusions.

Usman and Amran (2017) examined corporate governance and OCI valuation relevance in Nigeria using panel regression analysis. The study found that governance practices positively influence investor valuation of OCI disclosures. However, the study did not adequately control for macroeconomic conditions that may influence valuation outcomes. Banks et al. (2018) examined OCI reporting and analyst behaviour and found that OCI does not significantly improve forecast accuracy. This finding challenges the argument that OCI necessarily enhances reporting usefulness.

Djaballah and Fortin (2021) examined the value relevance of comprehensive income and OCI in Canada and found that some OCI components possess incremental informational value, although comprehensive income is not consistently more value relevant than net income. Lee et al. (2020) investigated whether OCI predicts future performance among Korean listed firms. The study found that OCI has significant predictive ability for future earnings, particularly for unrealized gains and losses associated with investment securities. The findings support the informational value of OCI disclosures.

Overall, empirical evidence suggests that governance practices significantly influence financial reporting quality. However, relatively few studies have specifically examined how governance structures affect OCI reporting. Most existing studies focus on earnings quality, firm performance, disclosure quality, or the value relevance of OCI rather than the governance determinants of OCI reporting itself.This gap is particularly evident within emerging economies, where institutional environments, regulatory enforcement, and governance practices differ substantially from those observed in developed countries. The present study seeks to address this

gap by examining the influence of board independence, transparency and disclosure, auditing and internal control systems, and executive compensation on OCI reporting among listed non-financial firms in Nigeria.

Theoretical Framework

This study is anchored on Agency Theory and Signaling Theory. Agency Theory, developed by Jensen and Meckling (1976), posits that conflicts arise because managers often possess objectives that differ from those of shareholders. Information asymmetry enables managers to engage in opportunistic behaviour, thereby reducing reporting quality. Corporate governance practices such as board independence, internal controls, transparency, and executive compensation serve as monitoring practices that mitigate agency conflicts and improve reporting outcomes.

Within the context of OCI reporting, agency conflicts arise because managers possess superior information regarding the assumptions, estimates, and valuation techniques used in recognizing OCI components. Since many OCI items depend on subjective judgments, managers may exercise discretion in ways that serve personal interests rather than shareholders' interests. Such behaviour may include delaying recognition of unfavourable OCI items, emphasizing favourable valuation adjustments, or providing limited disclosure regarding OCI-related risks (Kumar, 2024; Lee et al., 2020). Agency theory therefore through stronger governance practices, including independent boards, effective internal controls, and appropriate executive monitoring, reduce opportunistic behaviour and enhance the credibility of OCI reporting.

Signaling Theory

Signaling Theory, introduced by Spence (1973), argues that organizations communicate information to external stakeholders through observable signals. High-quality financial reporting constitutes an important signal regarding organizational transparency, accountability, and performance. Firms with effective governance structures are more likely to provide reliable OCI disclosures because such disclosures enhance credibility and reduce uncertainty among investors (Rumman et al., 2024).

OCI reporting also serves as a distinct market signal because it transmit information regarding unrealized profits and losses, valuation changes, and uncertainties that are not wholly disclosed in current earnings. Contrary to traditional profit measures, OCI relates information about changes in the economic value of assets and liabilities that may influence future cash flows and firm performance (Usman & Amran, 2017). High-quality OCI disclosure therefore signals transparency, reporting credibility, and sound governance practices to investors and other stakeholders. Firms with stronger governance structures are more likely to provide reliable OCI information, thereby reducing information asymmetry and enhancing market confidence (Wang & Chou, 2017).

Together, Agency Theory and Signaling Theory provide a strong theoretical foundation for understanding how governance practices influence OCI reporting. While Agency Theory explains the monitoring role of governance structures, Signaling Theory explains why firms disclose high-quality information to enhance stakeholder confidence.

3.0 Methodology

This study adopted an ex-post facto research design. The design was considered appropriate because the study relied on historical data obtained from the annual reports and accounts of listed non-financial firms in Nigeria. The population of the study comprised all non-financial firms listed on the Nigerian Exchange Group (NGX) as of 31 December 2024. Non-financial firms were selected because their reporting structures differ substantially from those of financial institutions, which are subject to additional regulatory requirements imposed by the Central Bank of Nigeria (CBN), the National Insurance Commission (NAICOM), and other sector-specific regulators.

The sample of the study consists of 63 listed non-financial firms arrived at using proportional sampling technique, and after applying the following filters: (i) Firms must be continuously listed on the Nigerian Exchange Group throughout the study period; (ii) have complete annual reports available for the period covered by the study; (iii) possess complete data relating to all study variables. The study relied exclusively on secondary data obtained from published annual reports and accounts of the sampled firms.

OCI reporting served as the dependent variable, while board independence, auditing and internal control systems, and executive compensation constituted the explanatory variables. Firm size, leverage were included as control variables to account for firm-specific characteristics that may influence reporting outcomes.

Variables Measurement

The operational definition and measurements of the study variables are presented as follows:

Table 1:

Operationalization of Study Variables

Variables	Acronym	Measurements	Source
Other Comprehensive Income	OCI	OCI is the sum of items of other comprehensive incomes, including: (a) gains and losses on noncurrent assets (REV); (b) gains and losses on available-for-sale financial securities (SEC); and (c) actuarial gains and losses on defined benefit plans (PEN) as contained in IFRS. Other comprehensive income and the components are scaled by the outstanding shares	(Usman et al., 2017).
Board Independence	BOI	Proportion of independent directors to the number of directors	Onuorah and Imene (2016); Uwalomwa et al. (2018)
Auditing and Internal Control System	AIC	Adherence to international accounting standards, such as IFRS (Binary of 1 if there are no significant deficiencies in auditing and internal control and 0 otherwise).	Jingwen Gu (2022)
Executive Compensation	EXC	Disclosure in Annual Reports such as remuneration of key executives, including salaries, bonuses, stock options, and other benefits (salary and benefits received by executive during the year). The Log of these values was used.	Asmar et al. (2018)
Firm Size	FSIZ	Logarithm of total asset	Ahmed (2019)
Leverage	LEV	Debt to equity ratio	Porcuna (2021).

Source: Author's Compilation, 2025.

Model Specification

The functional relationship is expressed as:

OCI = f (BOI, AIC, EXC, FSIZ, LEV)

The econometric model is specified as:

$OCIit = \beta_0 + \beta_1 BOIit + \beta_2 AICit + \beta_3 EXCit + \beta_4 FSIZit + \beta_5 LEVit + \varepsilon it$

Where:

OCIit = Other Comprehensive Income Reporting of firm i at time t

BOIit = Board Independence

AICit = Auditing and Internal Control Systems

EXCit = Executive Compensation

FSIZit = Firm Size

LEVit = Leverage

β_0 = Intercept

$\beta_1 – \beta_5$ = Coefficients of explanatory variables

εit = Error term

i = Firm

t = Time period

4.0 Results and Discussion

Descriptive Statistics

Table 2:

Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
OCI	378	.0006256	.0028908	-.00441	.0347049
BOI	378	.28531	.2326487	.0625	1
AIC	378	.6927083	.4619732	0	1
EXC	378	7.0049	1.2599	3.3664	9.0603
FIZ	378	7.147808	1.041198	3.458638	9.416939
LEV	378	32.87525	226.1916	0.07281	1904.236

Source: Generated by Author from STATA 15 (2026).

Table 2 presents the descriptive statistics, which provide preliminary insights into the distributional properties of the data and facilitate an understanding of the characteristics of the sampled firms. The results indicate considerable variation in OCI reporting among the sampled firms, as evidenced by the dispersion between the minimum and maximum values. This variation suggests differences in firms' reporting practices, financial structures, and exposure to economic events that generate OCI items. The mean value of OCI indicates that, on average, the sampled firms reported positive OCI during the study period.

Correlation Analysis

Table 3: ***Correlation Matrix***

Variable	OCI	BIO	AIC	EXC	FIZ	LEV
OCI	1.000					
BIO	0.133	1.000				
AIC	0.1823	-0.018	1.000			
EXC	0.226	0.088	-0.016	1.000		
FIZ	-0.038	-0.029	0.1731	-0.059	1.000	
LEV	-0.02	0.023	0.035	-0.015	0.126	1.000

Source: Generated Author from STATA 15 (2026).

Table 3 presents the Pearson correlation analysis for the study variables. The results reveal positive associations between OCI reporting and the principal governance variables, namely board independence, auditing and internal control systems, and executive compensation. The positive coefficients provide preliminary evidence that stronger governance practices are associated with improved OCI reporting. The correlation coefficients among the explanatory variables were generally low to moderate and did not exceed the commonly accepted threshold of 0.80. This suggests the absence of severe multicollinearity problems among the independent variables.

Hausman Specification Test

The Hausman specification test was conducted to determine the appropriate panel estimation technique between the Fixed Effects and Random Effects models. The results are as follows:

Table 4:

Results of Hausman specification

Chi2	10.61
Prob.>chi2	0.2247

Source: Generated by Author from STATA 15 (2026).

The results indicated that the Random Effects model was the most appropriate estimator for the study. Consequently, subsequent interpretation and discussions were based on the selected model.

Regression Results

Table 5:

Regression Results

Variables	Coefficients	P value
BOI	.0016093	0.087
AIC	.0010961	0.026
EXC	4.5613	0.000
FIZ	-.0001884	0.212
LEV	-7.9708	0.360
CONS	.0013407	0.331
R-sq	0.1296	
Wald Chi	40.51	0.0000

Source: Generated by Author from STATA 15 (2026).

Table 5 presents the robust panel regression results examining the effect of corporate governance practices on OCI reporting among listed non-financial firms in Nigeria. The model produced an overall statistically significant F-statistic (Wald Chi = 40.51, p-value = 0.0000), indicating that the explanatory variables jointly explain variations in OCI reporting. The coefficient of determination (R^2) of 0.1296 suggests that about 13% of the variation in OCI reporting is explained by the independent variables included in the model. Specifically, the variables performed as follows:

Board Independence and OCI Reporting

The regression results indicate that board independence exerts a positive and statistically significant effect on OCI reporting (β = 0.0016093; p = 0.087). The positive coefficient implies that increases in board independence are associated with improvements in OCI reporting. This finding supports the argument that independent directors improve oversight and strengthen reporting quality. The finding is consistent with Agency Theory, which posits that independent monitoring reduces managerial opportunism and information asymmetry. The finding is in line with Hossain et al. (2025), but contrary to Hsu and Yang (2022).

Auditing and Internal Control Systems and OCI Reporting

The coefficient of AIC is positive and statistically significant (β = 0.0010961; p = 0.026). This indicates that effective internal controls and auditing practices improve the quality and credibility of OCI reporting. Strong internal controls reduce the likelihood of reporting errors and enhance compliance with IFRS disclosure requirements. This finding is supported by Hossain et al. (2025) who noted that internal controls and regulatory compliance play a significant role in improving financial reporting quality.

Executive Compensation and OCI Reporting

Executive compensation recorded a positive and highly significant coefficient (β = 4.5613; p = 0.000). The finding suggests that compensation structures aligned with organizational objectives encourage managers to adopt reporting practices that enhance transparency and accountability. Performance-based remuneration appears to incentivize executives to improve disclosure quality and strengthen reporting credibility. This finding supports both Agency Theory and Signaling Theory by demonstrating that incentive alignment and credible disclosures improve reporting quality. The finding also agreed with Fater et al. (2024), who reported that incentives positively influence firm outcomes and decision-making processes.

5. Conclusion and Recommendations

This study examined the effect of corporate governance practices on other comprehensive income (OCI) reporting among listed non-financial firms in Nigeria. Specifically, the study investigated the influence of board independence, auditing and internal control systems, and executive compensation on OCI reporting. The empirical findings revealed that all three governance measures exert positive and statistically significant effects on OCI reporting. Though the results provide evidence that selected governance variables affect OCI reporting, the model's explanatory power indicates these variables only account for 13% of the variation in OCI reporting behaviour. This indicates that other factors also play significant roles in driving OCI disclosure practices. The study nevertheless contributes to the emerging literature on OCI reporting by providing evidence from a developing economy and highlighting the relevance of governance practices in improving transparency in financial reporting.

Based on the findings of the study, it is recommended that listed non-financial firms in Nigeria should strengthen auditing and internal control systems to enhance the reliability, accuracy, and transparency of OCI reporting. The firms should also design executive compensation structures that encourage transparent and high-quality financial reporting while aligning managerial incentives with shareholders' interests. Although board independence exhibits a weak association

with OCI reporting, the firms should continue to fulfil the requirements of existing corporate governance codes with regards to board structure.

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