EDITORIAL: Role of boards of directors as a corporate governance mechanism to "ensure" and "enhance" quality of financial reporting in the age of artificial intelligence

Dear readers!

On behalf of the Editorial team, I feel proud to introduce the first issue of the first volume of the *Reporting and Accountability Review* journal. This is another milestone achieved by Virtus Interpress in the pursuit of its mission to spread the virtues of high-quality research. The current issue comprises scholarly articles in the domain of a wide range of research themes, for example, corporate governance mechanisms, financial reporting quality, corporate efficiency, boards of directors, and corporate social responsibility (CSR). All the articles published in the current issue have highlighted interesting, diverse, and thought-provoking research problems.

The enhanced scrutiny by the stakeholders (e.g., shareholders, debtholders, and regulators), on the one hand, leads to the strengthening of corporate governance mechanisms and, on the other hand, underlines the reflection of higher standards of corporate governance standards. This mutual causation is interesting and challenging at the same time. Several new developments in the ambit of corporate governance, such as the influx of technology and the rising relevance of sustainability, have either created new equations or changed existing ones. The roles and responsibilities of boards of directors are evolving faster than ever. The traditional theories are not fully capable of encapsulating new equations. Therefore, theoretical developments are much needed in the given framework of corporate governance along with producing empirical evidence.

Financial reporting quality is an important element of internal control mechanisms. Financial reporting underlines the ethos of comprehensiveness, truthfulness, reliability, timeliness, understandability, prudence, and relevance. There are several determinants of financial reporting quality broadly categorized as internal and external determinants. Internal determinants are inclusive of internal control structure, accounting information system, and compliance with accounting standards, whereas external determinants are comprised of conditions laid down by investors, regulatory systems, industry characteristics, firm size, and characteristics of the capital market. The role of corporate boards of directors is of utmost importance to apply both types of determinants to improve the quality of financial reporting.

In the first article, *Robert Oguti Etengu, Bosco Opio*, and *Joshua Oder* explored the effect of corporate disclosure (CD) on earnings management (EM) among listed firms at the Uganda Securities Exchange (USE) during the period 2012–2019. Authors have used the magnitude of discretionary accruals (DACC) as a proxy for EM. The literature review, in principle, is based on the agency theory highlighting information asymmetries between the principals and the agents arising in situations where the agents possess superior information relative to the principals (Jensen & Meckling, 1976). The study finds that audit committee (AC) characteristics have a negative and significant moderating effect on the association between CD and EM.

In the next paper, *Alba Maria Gallo* and *Ubaldo Comite* examined the application of artificial intelligence (AI) to improve the reporting and administration efficiency of the National Recovery and Resilience Plan (NRRP). The authors explained that AI automates data collection and analysis, detects fraud, and ensures regulatory compliance, therefore, contributes significantly to improving transparency and effectiveness of reporting and disclosures. The study underpinned the need for appropriate regulatory frameworks to address various challenges such as maintaining data quality and clear decision-making. A major contribution of the study is that it deepens the understanding of technology adoption in the public sector and offers insights into using AI to modernize public administrations and optimize control processes.

In the third study, *Amer Al Fadli* examined the impact of board size, presence of an AC, and chief executive officer (CEO) duality on the level of CSR reporting in Jordan. The sample firms belong to industrial and service sectors listed on the Amman Stock Exchange (ASE) for the period 2006–2015. The study covered the impact before and after the issuance of the Jordanian Corporate Governance Code (JCGC) (Jordan Securities Commission [JSC], 2009). The empirical findings underpin that firms having larger boards increase the board's power to encourage management to report on CSR to enhance the legitimacy of the company. The presence of an AC on the board influences decision-making by monitoring and tracking the disclosure process in companies.

I hope that scholars in the relevant disciplines will find all the published articles in the current issue highly useful and they will utilize the contributions, and overcome the limitations identified in these publications in their future research endeavours.

My sincere thanks and best wishes to the authors, readers, reviewers, editorial team, and support team of Virtus Interpress. I wish the *Reporting and Accountability Review* journal a great success!

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