# CORPORATE OWNERSHIP & CONTROL

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**THE COMPARABILITY OF IFRS 7 IN THE EUROPEAN BANKING SECTOR** **8**

***Alessandra Allini, Luca Ferri, Marco Maffei, Annamaria Zampella***

The aim of the paper is to investigate the level of comparability of the IFRS 7 Financial Instruments Disclosure in banks' annual reports across different European countries (Italy, Spain, France, Germany and UK) from 2007 to 2014. Despite the accounting boards' and authorities' commitment to regulating this information, there are still substantial differences in the practices of risk disclosure, which have negative effects on comparability. The findings show that an increase in the degree of comparability exists during the observed period but the situation is still far from a condition of full comparability due to the presence of factors other than regulations that may affect accounting practices.

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***Patrick Velte***

The paper evaluates 117 empirical research studies on audit committee (AC) composition, resources and incentives (period 2007 through 2015). The study briefly introduces the theoretical, normative and empirical AC framework that comprises an adequate structure of the state-of-the-art of empirical research in this field. Numerous studies have shown a positive impact of the AC's financial expertise on earnings quality. In this context, AC financial expertise has recently been increasingly specified, wherefore positive impacts of accounting, legal or industry expertise were measured either separately or in combination. Both the number of studies conducted and the observed significances are significantly lower for the other components of the monitoring process (internal and external audit quality) and the firm performance.

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***Kim Backhouse, Mark Wickham***

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***Massimo Belcredi, Stefano Bozzi, Angela Ciavarella, Valerio Novembre***

Making use of a unique dataset of Say-on-Pay (SOP) votes in Italian listed firms, the authors provide evidence that specific classes of institutional investors do actively monitor investee firms under concentrated ownership, and that Proxy Advisors (PAs) perform an informational role: i) while general shareholder dissent on SOP is low, dissent by mutual and pension funds holding small equity positions (nonblockholders) is high; ii) nonblockholders' dissent is negatively correlated with ownership concentration, suggesting that they tend to trust control shareholders to act as delegated monitors on managerial remuneration; iii) voting by institutional investors is strongly correlated with PA recommendations; iv) institutional investors do not follow PA recommendations blindly but look at specific reasons of concern expressed in PA reports.

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***Jeanette Willert, Poul Israelsen, Carsten Rohde, Thomas Toldbod***

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***Fayrouz Bencheikh, Neila Boulila Taktak***

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***Georgia Kontogeorga***

Although European countries have already ceased the traditional type of audit, Greece still exercises an "a priori" audit in the expenses of public organisations. The "ex-ante" audit in Greece has a long tradition with the exemption of local government for which this type was established relatively recently, namely in 2005. This paper aims to illustrate the results from the first period of implementation of ex-ante audit in the municipalities. The research was conducted with the statistical analysis of Annual Reports of the Hellenic Court of Audit and questionnaires distributed to the auditors of the Court and the executives of audited entities and led to the conclusion that the introduction of ex-ante audit in the local government illustrated serious problems in their financial management.

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***Olubukola Ranti Uwuigbe, Olayinka Adedayo Erin, Uwalomwa Uwuigbe, Daramola Sunday Peter, Olugbenga Jinadu***

This paper examined the impact of IFRS on stock market behaviour in the financial and consumer goods sector of the Nigerian economy. The study addresses the research questions by using a sample of 52 selected listed companies (30-financial sector and 22-consumer goods sector) on the Nigeria Stock Exchange. The methods used in analysing the impact of IFRS on stock market behaviour were General Linear Model (GLM) and Fixed Effects Model (FEM). The findings show that IFRS adoption has improved the trading volume activities of listed firms in Nigeria. This study recommends that regulatory bodies in the country should ensure that the companies listed on the Stock Exchange comply strictly with the IFRS implementation because this will help the investors of those companies have relevant information regarding stock market indices. Also, there is a need for the stock market to be efficient so that there will be easy access to information on the stock market on a timely basis so that investors can take a timely and prompt decision.

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***Majed Alharthi***

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***John M. Holcomb***

The central issues examined in this article are the extent to which U.S. corporate boards have established ethics and compliance committees and the underlying reasons accounting for the development of such committees. The reasons include the evolving legal environment of business and the expanding ethical responsibilities. This paper then examines the skill set of members of ethics and compliance committees and finds they have a different profile from members of either audit committees or public responsibility committees and a profile that seems suitable to their responsibilities. In that sense, they might provide a model for other companies that form ethics and compliance committees in the future.

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***Daniel Dupuis, Martin Spraggon, Virginia Bodolica***

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***J. Vaz Ferreira***

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***Shab Hundal***

The purpose of the paper is to investigate, first, the association between multiple directorship assignments (busyness) undertaken by corporate directors and firm performance, second, whether endogenously determined limits of multiple directorships, highlighting the ownership structure and other institutional settings, explain the above association better than those by exogenously mandated by regulators and third, the association between the nature of busyness and firm performance. The study develops measures of busyness in the light of the agency and resource dependence theories.

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