
An Assessment of the Effectiveness of Corporate Governance Reforms in Sierra Leone from 2009-2024

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ABSTRACT: In Sierra Leone, Corporate Governance (CG) is still considered to be in an embryonic stage. CG reforms have been central to post-war economic rebuilding, aiming to instill transparency, accountability, and weak management. The country's efforts reflect a broader African pattern where weak institutions and enforcement undermine the potential benefits of governance improvements. Recent reforms, however, signal a structured attempt to change this dynamic. The government of Sierra Leone during the period under review has gained strides embarking on institutional reforms – adopting and implementing policies, codes and standards to promote CG climate taking into consideration regional and global codes and laws and best practices. The focus of this study is to assess the effectiveness of the CG reforms post-conflict era to 2024. This study principally focuses on the effectiveness of the institutional regulatory frameworks, codes and standards and the enforcement of accountability and transparency by all sectors. Data was collected on site from (92) respondents electronically using kobo collect form in four (4) regions of the country using purposive sampling. Descriptive statistical analysis techniques were employed for data analysis. Some of the major findings were: majority of the respondents are quite aware of the series of reforms undertaken by the government; regulatory frameworks have been institutionalized leading to accountability and transparency in service delivery. However, capacity, accessibility, and awareness gaps persist, particularly outside urban centers. This study recommends that the Government of Sierra Leone need to formalise a regulatory framework and financial standards that will regulate the operations of the informal sector.

KEYWORDS: Corporate Governance, Reforms, Regulatory Frameworks, Government of Sierra Leone, Transparency, Accountability.

1. INTRODUCTION

Corporate governance (CG) is the system of rules, practices, and processes that direct and control a company, balancing the interests of its many stakeholders like shareholders, management, customers, and the community, ensuring accountability, transparency, fairness, and long-term success by overseeing management and preventing abuse of power. It establishes the framework for achieving objectives, managing risks, and making decisions, fostering trust and promoting sustainable economic growth.

CG can be considered to still be in an embryonic stage in Sierra Leone however, the government of Sierra Leone during the period under review achieved tangible strides by embarking on institutional reforms adopting and implementing policies, codes and standards to promote CG climate taking into consideration regional and global codes and laws and best practices. The government has instituted effective corporate governance structures as outlined in the corporate governance code and act, which ensure every decision and action taken aligns with your organisation's purpose, providing a roadmap for achieving long-term goals. And by establishing roles and responsibilities, it ensures that decisions are made efficiently whilst considering all potential impacts.

The period from 2009 to 2024 represents a critical phase in Sierra Leone's post-conflict and post-Ebola and post-COVID recoveries characterized by deliberate efforts to institutionalise corporate governance (CG) reforms. Motivated by the imperatives to combat systemic corruption, strengthen weak institutions, and attract foreign investment, these reforms aimed to align local business practices with international standards. An assessment of their effectiveness is crucial for understanding Sierra Leone's trajectory toward sustainable economic development and integration into the global economy.

Corporate governance in Sierra Leone is evolving, focusing on enhancing transparency, accountability, and efficiency through legal reforms like the Companies Act of 2009 and amended in 2015, sector-specific regulations, and a new Corporate Governance Code, 2020 issued by the Corporate Affairs Commission (CAC). CAC was established under the Companies Act of 2009 to guide better board practices, financial disclosures, and shareholder rights, aiming to rebuild investor confidence and support sustainable economic growth. Key elements include promoting independent directors, robust internal controls, risk management, and combating corruption, though implementation effectiveness is still being assessed. Effective governance roles must ensure that every decision and action taken aligns with your organisation's purpose, providing a

roadmap for achieving long-term goals. And by establishing roles and responsibilities, it ensures that decisions are made efficiently whilst considering all potential impacts.

The key pillars and frameworks of corporate governance in Sierra Leone include – the Companies Act 2015, which comprise modernized corporate law, mandating transparency and accountability for directors and management; the Corporate Affairs Commission (CAC) - established under the President's office to regulate, register companies, and enforce governance standards, issuing codes and regulations; the National Corporate Governance Code provides guidance for private sector leaders on roles, responsibilities, and best practices, including board composition, disclosures, and ethics; and Sector-Specific Rules whereby financial institutions and public companies adhere to additional regulations from banking and securities bodies.

These Corporate Governance frameworks are guided by core principles and practices such as - Board Effectiveness: emphasis on mixed boards (executive, non-executive, independent directors) with diverse skills and integrity for strategic oversight. Transparency and Disclosure: mandates accurate financial records, regular audits, and timely release of material information. Shareholder Rights: Focus on protecting shareholders and ensuring their engagement. Risk Management and Controls: implementing systems to identify and mitigate business threats. Ethical Culture: promoting compliance and ethical decision-making from the top down.

The goals of these frameworks are to rebuild investor trust, prevent corporate failures, and foster sustainable development after years of instability. However, while frameworks are strong, the practical, long-term effectiveness of these reforms and the CAC's guidance is still under evolving and being evaluated.

2. MATERIALS AND METHODS

2.1 Materials

Sierra Leone's governance challenges are deeply rooted in a patrimonial state structure, the legacy of civil war (1991-2002), and "resource curse" dynamics. These factors fostered an environment where institutions were too weak to hold powerful actors in both public and private sectors accountable (Reno, 1995). Consequently, corporate misconduct, including fraud, tax evasion, and environmental abuses often occurred with impunity, eroding trust and hindering economic development.

2.1.1 Concept of Corporate Governance Reforms

The process of changing a system, institution, and society with the aim of enhancing improvement and correctness is called reforms. It can as well be referred to the revising or replacing existing laws, policies or practices to address prevailing challenges. According to Legal Clarity Team publication 2025, corporate governance is the framework that guides and controls a corporation, ensuring the entity operates in the long-term interest of its stakeholders. It further defines corporate governance as a system designed to manage the relationships among a company's board, management, shareholders, and other interested parties.

Corporate governance reforms are widely seen as pivotal to improving transparency, accountability and performance in both public and private sector entities. These reforms seek to strengthen decision-making structures, protect stakeholder interests, and enhance firm performance (Claessens & Yurtoglu, 2013). In Sierra Leone, a country emerging from prolonged civil conflict and economic volatility, corporate governance reform has been pursued as a mechanism to rebuild investor confidence and support sustainable economic development.

The concept of corporate governance refers to the rules and standards that define the relationship between company management and stakeholders associated with the company: employees, suppliers, lenders, creditors, consumers, shareholders and bondholders (Kim 2006). The Cadbury Committee report defines it as "the system by which companies are directed and controlled" (Dunne & Morris 2008, p. 176). It is generally known as the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations (Dunne & Morris 2008).

Corporate governance practices in Sierra Leone were largely informal and poorly institutionalized in the early days. The formulation of the National Corporate Governance Code (2018/2019), developed in partnership with the International Finance Corporation (IFC) and the Corporate Affairs Commission (CAC), marked a deliberate policy shift toward formal governance standards. The code draws on international principles, especially those of the Organization for Economic Cooperation and Development (OECD) that provides guidance on board responsibilities, right of shareholders, stakeholder roles, disclosure, and ethical conduct. The corporate governance code was designed to enhance transparency and accountability across public and private organizations by promoting clear delineation of roles for boards, strengthening audit and risk committees, and structured mechanism (CAC, 2018/2019). Around the world, changes in how companies are managed have been connected to better business results. Many studies show that strong management systems can lead to higher profits, higher company value, and more efficient operations (Klapper & Love, 2004). For example, in countries like

the United States and the United Kingdom, improvements in corporate management have led to better stock market results, boosting investors' confidence (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 2002). In countries that are still developing, these changes are also very important, even though they can be harder to put into practice.

2.1.2 Impact on Transparency and Accountability of Corporate Governance Reforms

Governance reforms in Sierra Leone are said to have contributed to improved governance frameworks in firms. As well, governance reforms have a significant impact on the transparency and accountability of governance. These reforms aim to improve the quality of public services and governance by addressing issues such as corruption, inefficiency, and mismanagement. The interplay between good governance and national development remains central to policy discourse in Africa.

According to (Ake, 2020), study revealed how governance frameworks influence the socio-economic progress of nations, underscoring that good governance drives sustainable development through transparency, accountability, and the rule of law. As well Dauda, E. et al 2024 study indicated that, changes in how companies are run in Sierra Leone have made a big difference in how well businesses do, especially when it comes to being open about money, taking responsibility, and working well as a team.

Corporate governance mechanism-when properly implemented, reduce agency costs, augment managerial responsibility, and improve access to capital (Jensen & Meckling, 1997; Gompers et al, 2003). Within the Sierra Leone context, these reforms are linked to increases in reporting quality and managerial accountability, although the extent of impact varies across firms. Corporate governance reforms have generally improved firms' internal control systems and reporting practices compared to the pre-reform era, partly because boards are now more structured with defined committees and clearer codes of conduct. Corporate governance reforms have become more important for improving company performance and ensuring long-term success worldwide. These reforms are mainly needed to increase transparency, accountability, and better management of resources, especially after global financial crisis and corporate scandals (Claessens & Yurtoglu, 2013). One of the main goals of the changes in how companies are run in Sierra Leone is to make finances more open and responsible. The new Companies Act from 2009 and the creation of the Corporate Affairs Commission (CAC) have been very important in making companies report their finances better. A report from the World Bank (2020) says that companies, especially in banking and telecoms, have done better financially because people trust them more and they can get more money

Corporate governance systems, which set rules, practices, and processes for guiding and managing organizations, are crucial for reducing risks from poor management and protecting the interests of different groups, such as shareholders, employees, and creditors (Shleifer & Vishny, 1997).

2.1.3 Challenges of Corporate Governance Reforms Implementation

Most corporate governance reforms in Sierra Leone have included not just the corporate governance code but also efforts to align national frameworks with international best practices. The IMF's technical assistance reports note the integration of governance frameworks that emphasize board responsibilities, corporate culture, and risk management processes consistent with global standards.

In Africa, efforts to improve corporate governance have become more important in recent years as countries aim to boost economic stability and draw in foreign investment. African nations have realized the importance of strong governance systems to tackle common problems like corruption, poor management, and inefficiency in both private and public sectors (Mensah, Aboagye, Addo, & Buatsi, 2003). However, putting these governance improvements into practice in Africa faces several obstacles, such as weak institutions, lack of policy and law enforcement, and limited resources in regulatory agencies (Okeahalam & Akinboade, 2003). The focus of corporate governance reforms in Africa is usually on making legal and regulatory environments stronger, increasing financial transparency, and ensuring that boards of directors are independent.

Weak Institutional Structures A major issue in carrying out corporate governance reforms in Sierra Leone is the lack of strong institutions to enforce these reforms. Organizations like the Corporate Affairs Commission (CAC) and the Anti-Corruption Commission (ACC) struggle with limited funds, staff, and technical skills to effectively enforce corporate governance rules everywhere (Abor & Biekpe, 2006). This means that many companies - especially small and medium-sized businesses (SMEs) and those in the informal sector - don't follow corporate governance rules. Moreover, corruption in regulatory bodies weakens attempts to enhance governance because rules are frequently ignored or tampered with. Research by Beck and Demirguc-Kunt (2006) highlights that without strong institutional structures, governance improvements are less effective. This is because companies may not face serious consequences for breaking the rules, which then impacts their performance and responsibility.

Cultural Resistance to Governance Changes: Another big issue is that people don't like reforms to how businesses are run.

In Sierra Leone, many companies, especially family-owned, and small businesses, are used to a way of doing things that isn't very organized. Decisions are made by just a few people, and it's not always clear how things are done or who is responsible (Ntim, 2015). When new rules are suggested that need more organized ways of running things - like having separate leaders, clear financial reports, and ways to check what's happening inside the company - smaller businesses often don't like it. This dislike for more formal ways of managing often means that only some of the new rules are followed, which makes them less effective. For instance, many small and medium-sized enterprises (SMEs) continue to depend on informal connections and personal relationships to manage their business, and they don't feel much need to use more formal management practices. Studies by Abor and Quartey (2010) show that cultural beliefs, like giving family members priority over qualified people for board positions, slow down improvements in management practices across many parts of the economy.

Limited Access to Expertise and Resources: Another problem is that smaller businesses often don't have the same access to important knowledge and tools for good management, especially when compared to bigger companies. Larger firms, like those in banking and telecoms, can afford to hire experts and qualified leaders to help with their management, but smaller firms usually don't have the resources to do that. Many small and medium-sized enterprises in Sierra Leone find it hard to follow new rules and improve their management because they don't have the right skills or understanding (World Bank, 2020). This lack of access to management knowledge makes it much harder for smaller firms to benefit from changes in how businesses are run, compared to larger firms. Moreover, the expense of making changes to how a company is run can be too high for small and medium-sized enterprises, which usually have limited funds. The money needed to follow rules, hire outside leaders, or do regular financial checks can stop smaller companies from completely following good business practices.

Compliance and Enforcement Challenges: In Sierra Leone, companies in different industries find it challenging to follow new rules about how they should be run. Bigger companies usually follow these rules better because they are more well-known and sell their products in other countries. But smaller companies, especially those in farming and mining, often don't follow these rules. This happens because the people who are to enforce compliance most often compromise their work functions. As a result, compliance with these rules is inconsistent as some ignore their adherence, while others are forced to do so (Ntim, 2015).

2.1.4 Empirical Review

Abbadi S. S. & Shanikat M. (2011), Assessment of Corporate Governance in Jordan. The study aimed at identifying the framework of corporate governance, which has been set into two dimensions such as; institutionalizations, and regulations. The study was carried out by interviews with key employees and the review of related laws and selected annual reports. Twenty (20) interviews were carried out with key employees in 10 pioneer companies listed on the Amman Stock Exchange. Findings of the study revealed that, stakeholders have a significant role in corporate governance, and stakeholder rights are respected. Stakeholders have a number of legal protections under the Company Law. The study recommended that, government should have a serious role in imposing a fair voting system. This is because, it is a critical issue as it generally affects the economy of the country directors.

Dauda, E.; Tiafoe, L. A. M. C. S. S. & Yusuf, M. (2024), Impacts of Corporate Governance Reforms on Firms in Sierra Leone: A Review of Evidence and Future Directions. The study aimed at analyzing the effects of corporate governance reforms on companies in Sierra Leone, with emphasis on the efficacy of these reforms in improving transparency, accountability, and overall company performance. The data used for this review were gathered through a literature search. Findings from the study indicate that effectively designed corporate governance reforms can significantly enhance business performance by reducing agency costs, augmenting managerial accountability, and facilitating capital access. It further highlights the challenges affecting effective corporate governance in Sierra Leone. The study recommended that, for future research directions, emphasizing the need for more robust empirical studies to explore the long-term effects of corporate governance reforms on firm performance and broader economic development in Sierra Leone. It also recommended that, the government can help by offering benefits like tax reductions or easier access to money, which can motivate small and family-owned businesses to follow these rules.

Choudhary, K. & Rastogi, M. (2024), Impact of Corporate Governance Reforms on Shareholder Value. This study examined the effectiveness of corporate governance reforms by analyzing the corporate governance practices of Indian companies in two reform periods (FY 2012 - 13 as first period) and (FY 2015-16 as second period). A doctrinal research methodology was used which involved a comprehensive examination and analysis of existing legal principles, statutes, case laws, and other legal literature to address research objectives. Doctrinal research methodology provides a rigorous and systematic framework for analyzing the legal aspects of corporate governance reforms and their implications for shareholder value.

Findings from the study revealed that, one key mechanism through which corporate governance reforms influence shareholder value is through improved accountability and oversight. Also enhanced board independence, effective monitoring mechanisms, and transparent disclosure practices can reduce agency costs, mitigate managerial risk-taking, and ultimately enhance shareholder returns. The study further revealed that, reforms aimed at aligning executive compensation with firm performance can incentivize value-maximizing behaviors and align the interests of managers with those of shareholders.

Wonnawon, N. P. (2021), Comparative study of local ownership and democratic governance of security sector reform: The case of Liberia and Sierra Leone. The researchers provided a comparative study of Liberia and Sierra Leone military reform and tried to understand the relationship and bridge the literature gap by interpreting the relationship between democratic governance and local ownership of Security Sector Reform (SSR). The study adopts a comparative analysis and historical documentation as a research methodology to investigate the relevance of local ownership in democratic military governance during the Security Sector Reform process. The researchers did not use any primary data points but carefully analyzed the literature and secondary evidence on both countries military reform. The Micro Excel system has been used to code the data under the belief that it is one of the most reliable tools for qualitative data coding.

Findings from the study indicated that, outcomes that will establish democratic control and military oversight can result from activities where ownership is present or absent. The study recommended that SSR should not be built on a rejection of local ownership realities because it leads to a non-consultative approach of reform.

Kamara, K. A 2021, the Study on the Implementation of Corporate Governance Codes of Best Practice in Sierra Leone: Case Study of Corporate Affairs Commission on Sierra Leone. The research aim is to contribute to the suggestion of specific codes of best practice in Corporate Governance for Sierra Leone based on good practices adopted in developed economies that have successfully implemented Corporate Governance codes. The study adopted the explanatory research design. Findings of the study indicated that Corporate Governance is still in its embryonic stage in Sierra Leone, and the effectiveness of the newly formed National Corporate Affairs in spearheading and providing guidance for the implementation of corporate governance is yet to be tried and tested in the short-term, medium-term, and long-term. Furthermore, the study recommended that, there is need to assess the performance of National Corporate Affairs in spearheading and providing guidance on the implementation of Corporate Governance in Sierra Leone.

2.1.5 Global & Regional Perspectives on Corporate Governance

Globally, CG literature, initially centered on board structure and shareholder primacy in developed economies (Shleifer and Vishny, 1997), has expanded post-scandals to encompass ethics, stakeholder theory (Freeman, 1984), and principles-based codes (Aguilera and Cuervo-Cazurra, 2009). In developing economies, the focus shifts to institutional voids, concentrated ownership, and weak enforcement (Ararat et al., 2017). The African literature highlights the tension between adopting international models and contextualizing them to local realities (Ahunwan, 2002). While strong governance correlates with better access to capital and firm performance globally (Klapper and Love, 2004), its effectiveness is contingent on legal enforcement and cultural fit.

2.1.6 Corporate Governance in Sierra Leone: Context and Reforms

In Sierra Leone, CG reforms are central to post-war economic rebuilding, aiming to address transparency, accountability and weak management. The country's efforts reflect a broader African pattern where weak institutions and enforcement undermine the potential benefits of governance improvements. Recent reforms, however, signal a structured attempt to change this dynamic. Corporate Governance reforms, spanning 2009 to 2024, represent a critical effort to build institutional trust and foster economic growth in the post-conflict era. This review assesses their journey from ambitious legal frameworks to the complex realities of implementation on the ground. Sierra Leone's efforts to improve how companies are run also show a larger pattern in Africa. Here, weak government systems and enforcement of rules have made it hard for changes in governance to improve business performance. But, recent steps, like creating the Corporate Affairs Commission (CAC), are trying to encourage better governance by making sure companies follow rules and improve their financial reporting. The effectiveness of these steps will mostly depend on whether Sierra Leonean businesses can use governance methods that are not only open and responsible but also suited to the specific challenges faced by small and medium-sized enterprises (SMEs) in the country. As Sierra Leone works to match its corporate governance rules with global standards, it needs to consider the special cultural, economic, and political factors that influence efforts to improve governance.

The Reform Landscape (2009-2024) - Key legislative and institutional milestones have modernized the framework: The Companies Act (2009) – This is the foundational law updating company operations, director duties, and shareholder rights, establishing the Corporate Affairs Commission (CAC) as the regulatory overseer; National Corporate Governance Code (2014) -this is a voluntary code, developed with IFC support, promoting best practices in board effectiveness, disclosure, and stakeholder relations; and Amendment to the Anti-Corruption Act (2019) – this amendment strengthened the Anti-Corruption Commission’s powers and introduced corporate liability for corruption, directly linking anti-corruption compliance to internal governance controls.

Implementation Context and Challenges

Corporate governance implementation environment in Sierra Leone is a complex and constraining situation one, which can be illustrated as follows Business Structure Dominance - the economy is dominated by Small Medium Enterprises (SMEs), family-owned businesses, and a large informal sector, where concentrated, informal ownership often conflicts with formal governance structures; Capacity Constraints - Both regulators (e.g., CAC) and firms, especially SMEs, lack the technical and financial resources for full compliance; Enforcement and Cultural Gaps - Weak enforcement mechanisms, cultural practices like nepotism, and the voluntary nature of key codes limit effectiveness; and Awareness and Cost Barriers: Low awareness of reforms outside Freetown and high perceived compliance costs deter smaller enterprises from formalizing governance practices.

2.1.7 Assessing Impact and Limitations

Preliminary impacts of the reforms include a rise in corporate formalization and an improved regulatory framework used in investment promotion dialogues. However, establishing a causal link between these reforms and tangible macroeconomic or firm-level outcomes - such as increased foreign direct investment, improved firm performance, or reduced corruption - remains problematic due to:

2.1.8 Constructive Pathways Forward

Future efforts must pivot from design to effective implementation:

- **Build Capacity and Contextualize:** Strengthen the operational independence and resources of regulators like the Corporate Affairs Commission. Develop simplified, tiered governance codes for SMEs and family businesses to enhance relevance and adoption.
- **Strengthen Enforcement and Incentives:** Move critical governance provisions from voluntary to “comply-or-explain” or mandatory bases for significant entities. Link governance compliance to access to public contracts or favorable tax treatment.
- **Foster Multi-Stakeholder Oversight:** Encourage monitoring and advocacy by industry associations, professional bodies, and civil society to complement state enforcement.
- **Prioritize High-Impact Sectors:** Develop and enforce tailored CG rules for state-owned enterprises and extractive industries, where governance failures have the largest public impact.
- **Invest in Research and Data:** Support local academic and institutional research to build the evidence base for policy-making and track progress.

Sierra Leone’s corporate governance reforms from 2009 to 2024 have established a necessary and improved formal framework for business conduct. The journey from ambitious legal codification to ingrained practice, however, remains incomplete. Effectiveness has been constrained by a challenging implementation environment, capacity limitations, and a symbolic -compliance gap. The true test of these reforms lies not in their existence on paper but in their ability to tangibly improve corporate accountability, integrity, and performance. Achieving this will require a sustained, context-sensitive focus on capacity building, enforceable standards, and evidence-based adaptation.

2.2 Research Methodology

Two methodologies were used for the field study - pre-survey interviews with key informants in both private and public sectors while the field survey entailed the administration of an e-questionnaire after all recommendations on errors were taken into consideration in order to increase the credibility of the questionnaire. The pre-survey interviews lasted for 1 week while the field survey was conducted over a 2-week period mainly in Freetown and 3 provincial locations, Bo, Kenema and Makeni, in July, 2025.

A purposive sampling method was used for targeted individual and institutional respondents in some recognized private and public institutions. The selected respondents were those in decision making positions and the majority of the respondents were from the registered and legitimate private institutions from the Western Urban Area of Freetown and some private institutions in other selected rural regions of Sierra Leone. Most respondents are based in Freetown (66%), reflecting its

status as the administrative and corporate centre.

Primary data were collected using the structured e-questionnaire, which comprised two parts with a total of five (5) sections – A, B, C, D, and E. The general information about respondents was given in part I of the questionnaire, while part II comprised 4 sections consisting of statements and questions regarding the 4 key variables needed to provide answers to the research questions. The structured questionnaire designed for this research included sections on the following – 1. Doing business in Sierra Leone – the private and public sector perspectives; 2. Awareness and perception of corporate governance in relation to adoption of and compliance with international standards and codes for best practices; 3. The effectiveness of regulatory institutions in the business environment; and 4. Transparency and accountability of corporate governance in Sierra Leone.

A sample size of 92 was obtained on site using Kobo collect form from the targeted four regions. All the collected data and information from the stakeholders' surveys and focus group meetings were assembled and then entered into Excel datasheets before being analysed. Data analysis primarily focused on the derivation of descriptive statistics and analysis of the semi-structured interviews.

3. FINDINGS AND DISCUSSIONS

3.1 Demographic Characteristics

Data were obtained electronically from 92 respondents during the field survey. The demographic characteristics revealed that the majority of respondents were male (69.5%) while the rest were female (30.5%) reflecting gender disparities in leadership roles. This disproportion may be attributed to the gender gap in the national workforce and among formal business owners in the country. The largest group of respondents is Government Officials (38%), Academics and Private Sector actors (18.5% each), NGOs/CSOs constitute 10.5%, while SOE Executives and Others represent 6.5% each. Community representatives are underrepresented at 1.5%. This suggests that findings may be more reflective of institutional and policy perspectives rather than grassroots experiences. The analysis revealed that the sampled respondents at senior-level position are (80.0%) and middle-level (20.0%) respondents forming smallest proportion. This enhances the reliability of governance assessments, as they are more likely to possess institutional knowledge of governance reforms. Sampled respondents with over 15 years of experience account for (37.5%), indicating deep institutional knowledge among participants.

RQ1: Doing Business in Sierra Leone

The analysis of responses from different stakeholders is discussed in this section. Private sector respondents revealed that since the implementation of several corporate governance reforms by the government of Sierra Leone at least in the past decade or more, the majority (78.9%) rated the business environment as “relatively easy,” suggesting gradual improvements. The following are visible achievements:

- Enhanced transparency in business registration and beneficial ownership with the establishment of a one-stop centre i.e. the National Investment Board and its subsidiaries;
- Compliance is boosted with international accounting and governance standards;
- SMEs are provided with guidance on the benefits of formalizing their businesses; and
- Large firms and investors are encouraged through incentives in adopting sound governance practices.

Public Sector respondents affirmed the different regulatory and institutional frameworks the government of Sierra Leone has embarked on over the period under review in strengthening its institutional frameworks toward international regulatory alignment of corporate governance. On Regulatory Institutions Aspects – 86.1% affirmed the establishment of key oversight bodies, which include the Corporate Affairs Commission, National Investment Board (84.5%), and the National Revenue Authority (83%). The effectiveness of these oversight bodies is largely rated as moderate. On Governance Frameworks Aspects, 56.5% of the respondents affirmed compliance through mandatory legal frameworks while 25% rated voluntary compliance likely as a result of attached incentives to legitimization of businesses, this indicates reliance on statutory compliance rather than voluntary self-regulation especially with tax compliance.

RQ2: Awareness and perception of corporate governance in relation to adoption of and compliance with international standards and codes for best practices.

Findings indicate that overall awareness of corporate governance among both private and public sector respondents is moderately high (86%) and has a good transparency and disclosure policy framework. The Corporate Governance code has strong risk management and internal control systems embedded in the policy among others.

For international Corporate Governance Standards and Codes, the study revealed that Sierra Leone is signatory to several international standards such as the **International Labour Organization (ILO) Conventions**, **Extractive Initiatives**, **Transparency International (EITI)**, **International Financial Reporting Standards (IFRS)**, **International Standards on**

Auditing (ISA), World Health Organization (WHO) Codes etc., the analysis revealed high levels of signing, ratification, and implementation (generally above 80%). However, implementation gaps persist, particularly where institutional capacity and resources are constrained. The status of some of these standards and codes are either they are partially adopted, recognized or referenced, adopted in principle, used as a benchmark, indirectly referenced. For those adopted, they are adopted, fully. The **International Financial Reporting Standards (IFRS)**, the **International Public Sector Accounting Standards (IPSAS)** and the **International Standards on Auditing (ISA)** are standards that have been adopted, localized and implemented for the reason that these standards are being enforced and audited by the regulatory and/or professional bodies in Sierra Leone such as the **Institute of Chartered Accountants of Sierra Leone (ICASL)**.

Identified Gaps and Challenges – Although, there seems to be political will on the part of the Government of Sierra Leone in ratifying most of the signed international standards and codes, the effort of the government is most times crippled by both limited access to financial and expertise (with relevant skills) resources for implementation. The private sector and the general public most times, are unaware of these signed standards, most of the respondents stated that the government through its relevant institutions must ensure that the public is well sensitized before any standard and/or code are and implemented.

RQ3: The Effectiveness of Regulatory Institutions in the Business Environment

Regulatory institutions of corporate governance in Sierra Leone are improving business registration processes for both large firms and small businesses (especially SMEs), this is a strong analytical observation. Consider linking it to literature on informal economies in developing countries. While reforms have enhanced compliance for formal firms, the dominant informal sector, representing about 80% of the workforce in Sierra Leone (World Bank), limits the overall impact on the business environment. The effectiveness of these institutions is critical for rebuilding investor confidence. Strengthening these institutions is seen as vital for economic growth, though consistent, across-the-board application remains a work in progress.

The analysis from the private sector respondents (35%) revealed that regulatory institutions are rated as moderately effective while public sector respondents (49%) rated the effectiveness of their institutions as being very effective in executing their mandates.

The effectiveness of regulatory institutions in the business environment through the use of Technology - Regulatory institutions in Sierra Leone are utilizing technology to improve corporate governance and service delivery, focusing on digital incorporation and compliance to enhance transparency. While technology adoption strengthens oversight and investor confidence, the effectiveness of these institutions is limited by weak enforcement capacity, limited autonomy, and reliance on outdated manual processes. (65%) of the public sector respondents affirmed their institutions have adopted the use of technology in the operations from online presence to the use of mobile money for payment of services as long as the service recipients are computer literate however, these institutions do give necessary orientation in the use of these platforms especially those in the informal sector. However, in the banking sector there is evidence of good, although developing, corporate governance, including better transparency and risk management practices.

Challenges and Weaknesses: Despite progress, enforcement of regulations remains weak. The informal sector thrives, with high levels of bribery and corruption, making it difficult to enforce standard corporate governance practices.

RQ4: Transparency and Accountability of Corporate Governance in Sierra Leone

There are oversight bodies responsible for checks and balances of public sector institutions. The implemented reforms are to improve transparency and accountability, which is led by the **Anti Corruption Commission (ACC)** through its statutory legal framework tool – the Anti Corruption Commission Act of 2008 and amended 2019 while the international initiatives like **Extractive Industry Transparency Initiative (EITI)** plays oversight role on the mining sector. While legal framework and institutions like the Audit Service are enhancing oversight, challenges remain due to deeply embedded corruption and limited capacity in the private sector. The majority (90.5%) of the respondents stated that formal sector organizations widely disclose audited financial statements before their Annual General Meeting (AGM) and (84.5%) of the respondents believe formal sector organisations fulfil their corporate social responsibility obligations in communities they operate in and their interventions are usually disclosed through their public relations outfit upon request.

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusion

This study concludes that the Government of Sierra Leone has made credible strides in institutionalizing corporate governance in all sectors through key legal and regulatory frameworks and institutional reforms. The key achievement is the consolidated governance gains in the formal, regulated sectors through robust legal frameworks and improved enforcement mechanisms. Despite progress, deep-rooted structural issues continue to constrain inclusive sustainable development.

The legal frameworks and reforms made provision for accountability mechanism through the 2019 Anti-Corruption Act, which strengthens penalties and widened the scope for prosecuting corruption while the **Audit Service Sierra Leone (ASSL)** plays a vital role in reviewing corporate services and ensuring compliance.

Constraints: This study identified low productivity and weak social protection systems. There is limited access to finance and greater emphasis on digitalizing systems to improve transparency, accountability, and opportunity to all economic segments.

Challenges: Despite reforms, corruption remains a major hurdle, and state-owned enterprises require further privatization for better efficiency. The private sector struggles with implementing robust due diligence, and there is a need for stronger, consistent enforcement of governance codes. Overall, Sierra Leone has made notable progress in adopting corporate governance standards. However, implementation effectiveness remains constrained by resource limitations, institutional capacity, and awareness gaps. Addressing these challenges is essential for sustainable corporate governance reform.

4.2 Recommendations

Based on the findings and conclusion, the following recommendations are proposed for various sectors and regulatory institutions:

- Promote awareness and understanding of applicable governance frameworks by the government through the regulatory body;
- Integrate governance frameworks with risk management and internal controls;
- Enhance business-friendly regulations such as access to credit and investment incentives to support economic growth;
- Strengthen efficiency, transparency, and accountability in government-linked entities;
- Implement formalization strategies such as simplified business registration, tax incentives, capacity building (SME governance training), and access to finance to harness economic potential and improve governance integration for the informal sector;
- Formalize reporting, evaluation criteria, and follow-up actions to ensure effectiveness and consistency;
- Capacity building on corporate governance best practices, ethical oversight, and accountability standards; and
- The government should implement comprehensive public awareness campaigns to create enough public awareness in international standards and codes that borders on corporate governance that Sierra Leone is signatory to.

Sierra Leone's corporate governance reforms from 2009 to 2024 have established a necessary and improved formal framework for business conduct. The journey from ambitious legal codification to ingrained practice, however, remains incomplete. Effectiveness has been constrained by a challenging implementation environment, capacity limitations, and a symbolic -compliance gap. The true test of these reforms lies not in their existence on paper but in their ability to tangibly improve corporate accountability, integrity, and performance. Achieving this will require a sustained, context-sensitive focus on capacity building, enforceable standards, and evidence-based adaptation.

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