

Providing Assurance Services as a Tool for Improving the Quality of Voluntary Disclosures: A Survey of Users' Perception

Emeka-Nwokeji, N. A.
Department of Accountancy
Chukwuemeka Odumegwu
Ojukwu University
Igbariam Campus
nkemekanwokeji@ansu.edu.ng

Ojimba, Damian, C.
Department of Business
Administration
Chukwuemeka Odumegwu
Ojukwu University
Igbariam Campus

Okeke, Prince C.
Bursary Department
Chukwuemeka Odumegwu
Ojukwu University
Igbariam Campus
princechineduokeke@yahoo.com

ABSTRACT

Stakeholders often harbour doubts on the credibility of information disclosed voluntarily by companies for fear of management incentives to use them as tool of impression management. This paper assessed users' perception concerning providing assurance services as a tool for improving the quality of voluntary disclosures. Relevant data were obtained through questionnaire to test three hypotheses formed for the purpose of the study. Empirical results were obtained through one sample t-test, Analysis of Variance and Scheffe Post Hoc Test using SPSS software. Analysis revealed that: Provision of third party assurance statement in the corporate report enhances the reliability of voluntarily disclosed items. Disclosure of management responsibility report will improve the credibility of voluntary disclosures. It was discovered that there was slight difference among the user' concerning improving the reliability of voluntary disclosures through assurance services. Also cost, non availability of local auditing standards and reporting framework for voluntary disclosures and lack of requisite skills and competencies are critical factors for efficient provision of assurance services. Based on the findings it was recommended among other things that the National Assembly should introduce legislation that require companies disclosing items apart from that statutorily required to provide one form of assurance statement so as to enhance the reliability of such disclosures as well as ensure universal application. Also standard setters, business and civil society groups should cooperate and consequently develop standards that integrate reporting and assurance of voluntary disclosures to strengthen corporate accountability. Companies' management can voluntarily be providing assurance services to enhance the credibility of their reports bearing in mind that Credible and reliable information are the lifeblood of the capital markets and economic growth.

Key Words: Assurance Services, Voluntary Disclosure, Reliability, Quality, Perception

INTRODUCTION

Several groups of people have interest in company's affairs due to their investments or anticipated investments, hence understanding and using information disclosed in corporate report is very significant to them. However, Damagum and Chima (2013) noted that corporate disclosures rarely meet such needs because managers are likely to use information at their disposal to pursue their own interests to the detriment of the owners. Empirical studies revealed that corporate reporting practices of Nigerian companies have been found to be deficient in the sense that they lack vital information that will enable stakeholders make informed decisions (Feyitimi, 2014; Damagum and Chima, 2013; Omoye, 2013; Adeyemi, 2006; Ofoegbu and Okoye, 2006). In addition, changes in the economic environment and the globalization of capital markets have altered the nature of current corporate reporting model thereby creating gap between stakeholders' information requirements and the information that is actually made available to them by companies (Alsan and Hermansson, 2014; Arnold, 2014; Institute of Chartered Accountants Australia 2014; Kass, 2012; Adams, Fries and Simnett, 2011; AICPA, 1994; Healy & Palepu, 2001). "Pressures are increasing on accountancy profession to strengthen its public image and go beyond current financial reporting practices to provide a more transparent, simplified but holistic picture of a firm's health prospects." Also widespread failure of corporate entities resulting from poor disclosures (Damagum and Chima, 2013; Adeyemi and Fagbemi, 2010) has necessitated the need for improvement in financial information disclosures. Thus users of corporate information have intensified their expectation for published corporate disclosure to meet their needs.

To overcome these limitations of conventional reporting companies in both developed and developing countries, companies now go extra mile in providing voluntary information disclosures so as to meet the needs of the various categories of users. Thus with increasing pressure from various stakeholder groups, a new way of disclosure emerged to communicate information better along with improved transparency. Growing number of organizations

now disclose additional information apart from that statutorily required. As Afolabi (2013) observed that in addition to corporate disclosure requirements, the amount of information provided by organisations in corporate reports has considerably expanded in recent times. It came as a response to the recommendations for an enhanced business reporting model which, if implemented, would make corporate reports more relevant and reliable (American Institute of Certified Public Accountant (AICPA 2011; Global Accounting Alliance - GAA 2009; Boesso and Kumar, 2007). Prior to this, in 2001, in a report entitled *Improving Business Reporting: insights into Enhancing Voluntary Disclosures*, FASB pointed out that disclosure of some significant factors and events that matter a lot to the success of a company can be of great use.

Nevertheless, stakeholders often harbour doubts on the credibility of information disclosed voluntarily by companies as they are typically not verified by independent third parties. Thus the credibility of companies' voluntary disclosures is often questioned (Uwuigbe, Peter and Oyeniyi, 2014; Boesso and Kumar, 2007) and reliability on same has proven little to be desired Afolabi (2013). Lack of credibility in the information published in corporate reports has led to general loss of stakeholder support and trust (Feyitimi, 2014). Keeping in mind the accounting scandals in recent years involving Enron, Worldcom, Royal Ahold to name some of the more shocking instances in developed economy and series of high-profile accounting scandals and frauds involving Wema Bank, Finbank, Spring bank, Afribank, Oceanic Bank, African Petroleum Plc, Cadbury, Unilever plc and host of other firms in Nigeria one can come to the conclusion that the accounting information presented by financial statements are deceptive and failed to match the needs of shareholders and other stakeholders (Uwuigbe, Peter and Oyeniyi, 2014; IRCSA 2011; Adeyemi and Fagbemi, 2010). These scandals had weakened the overall confidence in the financial markets and severely affected the public trust in corporate reporting practices and ethical behavior of companies (Chan, Farrell and Lee, 2008).

Thus in spite of the increase in firms using voluntary disclosure framework there is remarkable absence of evidence about the quality of such disclosures (Boesso and Kumar, 2007). A review of companies' voluntary disclosures either in the hard copy of their annual reports or websites showed that they differ significantly in content and format. There are concerns on how to balance the reliability and relevance of such disclosures (Heffes, 2005). As information disclosed voluntarily is hard to be proof [of] the truth (Huang, 2008:114). Also considering that there is fear of management incentive to use voluntary disclosures as a public relation tool (AAA FASC, 2002; Alsan and Hermansson, 2014) or tool of impression management, it is thus difficult to judge the value of the company through the signal transferred through their disclosures.

Current audit practices and standards fall short of providing the needed guidance for the provision of assurance on voluntary disclosure (Boritz, and No, 2008). It has been criticized as been inadequate and insufficient to deal with the varying nature of additional disclosures (AICPA, 2014). This is worrisome considering management incentive to use voluntary disclosures as a public relation tool and it poses doubt as to the reliability and credibility of such disclosures. In the view of Beets and Souther (1999) due to the absence of reporting standards, these reports differ significantly from company to company, confounding comparability. The issue of whether attestation services or other forms of reliability enhancement could affect the quality of nonfinancial performance measure reporting remains largely unexplored (American Accounting Association's Financial Accounting Standards Committee AAA FASC 2002).

High-quality business reporting is at the heart of strong and sustainable organizations, financial markets, and economies, as this information is crucial for stakeholders to assess organizational performance and make informed decisions with respect to an organization's capacity to create and preserve value. Stakeholders make various decisions based on information disclosed voluntarily in annual report, it is important that reliability of the information is assured. Enhancing the credibility of information disclosed voluntarily in the corporate report will restore public trust and confidence. It will enable them have access to accurate measures of a company's health from the report. Providing reliable information about company's activities is essentials to the nation's economic prosperity and growth. Reliable information facilitates stakeholders' investment decision among others. Credible and reliable information are the lifeblood of the capital markets. The efficiency of the capital market depends on the reliability of information which enables the markets to act as a signaling mechanism for proper allocation of resources.

Attempt in the past to increase transparency and reliability of voluntary disclosures saw the emergence of different aspect of corporate governance mechanism (Oladipupo and Izedomi, 2013; Okougbo, 2011; Adeyemi and Fagbemi,

2010; Kanagaretnam, Lobo and Whalen, 2007; Okoye and Ofoegbu). Organisations put systems of internal controls in place, including segregation of duties, appropriate authorisations and other internal audit functions, as part of their processes for managing and reporting reliable information. Organisations have used variety of internal systems to enhance the overall integrity and credibility of their reports.

However, none of these approaches considered involving competent groups or individuals external to the organization to validate the voluntary disclosures. External in the sense that they are not employees of the organization and are not paid salaries and wages. Thus the credibility of items disclosed voluntarily and effectiveness of the approaches were not guaranteed. Most importantly, the emergent approaches do not result in an opinion or set of conclusions that is publicly available in written form. This means that they were not designed to result in published conclusions on the quality of the report and the information contained within it. As a matter of fact, their impact is not directly felt by the external stakeholders.

Due to the shortcomings identified above, it becomes more and more important that research be done to consider ways of adding values to voluntary disclosures. The main objective of this study is to determine whether Assurance services can be used as a tool for improving the quality of voluntary disclosures through a survey of users' perception. The basic research question is whether attestation services can enhance quality of voluntary disclosures. Specifically, the paper assessed the extent to which third party assurance can improve the reliability of voluntary disclosures; whether management responsibility report can enhance the credibility of voluntarily disclosed items, whether there are differences in the user' perception concerning using assurance services as a tool for improving the reliability of voluntary disclosures. In achieving this, factors that could affect the efficiency of assurance services were identified. Assurance services are methods and processes employed by an assurance provider to evaluate an organisation's public disclosures about its performance as well as underlying systems, data and processes against suitable criteria and standards in order to increase the credibility of public disclosure. Assurance includes the communication of the results of the assurance process in an assurance statement (AccountAbility, 2008).

Providing assurance services will enable stakeholders have confidence that a report was checked to establish the veracity of its contents and the extent to which it has appropriately applied Reporting Principles. This study will significantly improve voluntary disclosure literature by providing basis for action to regulators on new areas that needed standards. It will be useful to auditing profession; corporate managers and indeed everyone in the financial reporting supply chain on ways of improving the quality and usefulness of voluntary disclosures. Increasing the credibility of information will ensure that only accurate and verifiable data are disclosed, reduce uncertainty, foster better decisions and lower the cost of transactions. The study used data generated through questionnaire from six different categories of user groups in the south east zone of Nigeria.

Theoretical Framework

This study on ways of improving the quality of voluntarily disclosed items relies on agency theory and attribution theory. Agency theory implies that firms increase disclosure to avoid potential pressures from regulatory authorities and reduce agency cost (Akhtaruddin, Hossain, Hossain and Yao 2009). It is increasingly gaining acceptance as a useful theoretical approach in corporate reporting. That managers are voluntarily providing valuable additional information to the market, beyond that provided by financial statements so to reduce information asymmetry (agent knowing more than the owners) is based on a well-established agency theory. Attribution theory explains how individuals perceive the causes of events and the consequences of those perceptions. Linking the attribution theory to this study suggest that disclosing information voluntarily will affect the way users perceive management as well as their decisions and judgments. Thus users will be more uncertain about the credibility of the information. When the voluntary provision of information is positive, it is expected that users will perceive the information as self-serving. This creates a situation where there would be expected to be assurance report to reduce the uncertainty (Coram 2005).

Previous Studies

One of the pillars of a dynamic market economy is dependable and modern accounting systems which make it possible to accurately reflect individual transactions and financial status. Gibson, (2013) noted that an efficiently functioning economy requires credible financial information as a basis for decisions about allocation of resources. Thus, enterprises need to listen carefully to its customers, paying close attention to what they want (Choras, 2006). Implicit in the above is the need to provide reliable information. How accountant measure and report firms' economic transactions, to capital markets, has substantial effects on firms' real decisions and more generally, on

resource allocation in the economy (Kanodia, 2007). Capital markets are enormously efficient information processors – when they have the information and that information faithfully portrays economic events.

Providing reliable and relevant information about company's activities is essential to the nation's economic prosperity and growth. Many people use the information provided by companies to make judgments about the company's performance. Commenting on the essence of corporate reporting, Rezaee and Riley (2010) noted that investors invest as long as they have confidence in the quality, reliability and transparency of the information included in the corporate report. In line with this view Healy and Palepu (2000) opined that corporate reports are essential for the efficient functioning of the capital market and the economic system. The above statement underscores the need for Companies to provide reliable information that will serve the need of various users of the financial information. It also conforms with the objective of financial statements which according to IASB (1989) is to provide information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity. Also NASB (2006) stipulated in SAS 2 that: all accounting information about a business entity, quantitative or qualitative in nature that will assist their users in the assessment of the financial liquidity, profitability and viability of a reporting entity should be disclosed and presented in a logical, clear and understandable manner.

Implicit in the above objective is that corporate report must be useful for informed decision and to be useful information must be both relevant and reliable (faithful representation) among other fundamental and enhancing characteristics. Thus credibility is critical whether the user of such report is an individual contemplating a stock investment, a bank making lending decisions, or a regulatory agency reviewing solvency (Gibson, 2013). To ensure that these reports are credible, they are regulated by various laws and standards, recent attempt being the convergence to International Financial Reporting Standard IFRS. Thus the content, the format of information and the variety of data included in the annual report are as specified by various regulatory requirements. To achieve this, there are bodies that were set to provide oversight functions. These include International Accounting Standards Board that issues IFRS, Financial Reporting Council of Nigeria that issues Statement of Accounting Standards, Nigerian Deposit Insurance Corporation, Securities and Exchange Commission, Nigerian Stock Exchange, Central Bank of Nigeria through their Prudential Guideline among others.

Need for Voluntary Disclosures

Changes in the global environment have rendered the traditional reporting framework inadequate for users to make informed decision. Thus gap exists between what managers provide and what users required (Crow, 2003). A reporting model that will address the deficiencies of traditional reporting approach will focus on the stakeholders instead of shareholders; provide forward-looking, nonfinancial, qualitative information became desirable. What companies do currently is to supplement the requirements of traditional reporting model with other voluntary disclosures.

Voluntary disclosure simply means providing much more information than are required by law ie disclosing data in addition to the minimum requirements (Apostolou, 2000). Voluntary disclosures are not specified in the reporting standards but they seek to provide the users with more timely and relevant information on different perspective of the company's activities. Companies adopt the framework instead of complying strictly with the disclosure requirements and failing to achieve the objective of financial reporting about informed decisions. Voluntary disclosures have been described as means of communications with stakeholders, to describe, not just with numbers, but also with narrative, what goals we have set and what steps we are taking to address our role in that crisis (Fullerton, 2010). Items disclosed voluntarily include: Environmental and social disclosures; Analysts and Management forecasts; Policies related to human resource development; Executive Compensation Practices; Charity undertaking, Quality of management and corporate governance, description of projects and technology among others. Voluntary disclosures are provided through such channels as annual reports, press releases on the internet or shareholders e-mail, conference calls, interim reports (Rimmel, 2004).

Objective of voluntary disclosures according to Lewis and Pendril (2004:527) is to “assist the users of financial statements to obtain more comprehensive view of the progress and future prospects of a Company”. Companies provide information beyond that required by law to create better relations with shareholders and the community at large. Voluntary disclosures arise from the recognition that reporting more broad-based information that is important to and useful for stakeholders is in the public interest.

Previous research has shown that higher quality reporting reduces adverse selection in securities markets (Healy et al. 1999; Lambert, Leuz, and Verrecchia 2007). On the benefits of improved disclosures, Everingham and Kana (2008) noted that it provides an indication of where a company is going and how it is going to get there which strengthen stakeholder and general public trust and confidence in the reporting organisation. Préfontaine, Desrochers, and Godbout, (2009) opined that improved public disclosures regarding conditions, operations, performance, as well as value related and risk management information lead to increased transparency and should foster more effective market discipline. In the view of Kass (2012), without adequate measurement and reporting tools, better decisions and actions are difficult to take. Also improved disclosure reduces the entrepreneur's ability to extract private benefits, secures funding for new investment and provides existing claimholders with a windfall gain (Ostberg 2006).

Quality of Voluntary Disclosures

Financial Reporting Policy Committee of American Accounting Association (FRPC AAA 2014) supported the requirement that entities provide information to help users better understand their revenues and cash flows, though they are concerned about the incentives of entities to self-servingly provide the information. This concern arises from the fear that managers sometimes disclose additional information simply as a public tool to build their reputation and are subject to be questioned for credibility (Alsan and Hermansson 2014). According to Coram (2005), Beets and Souther (1999), an issue associated with enhanced disclosure is the question of credibility of these disclosures. They noted that different perceptions about management's motivations arising from different types of voluntary disclosures will affect users' perceptions of reliability of these disclosures. Disclosures will be useful to investors only if they are relevant and reliable (AICPA, 2014). Global Environmental Management Initiative GEMI (1996) asserted that the credibility of corporate environmental reports which is done voluntarily still leaves a lot to be desired. Because managers have incentives to make self-serving voluntary disclosures, it is unclear whether management voluntary disclosures are credible (Healy and Palepu 2001). Thus to provide decision-useful information to investors and other users, the financial information needs to be relevant, reliable (faithful representation), understandable and comparable among other characteristics (IASB 2011). It is important to point out that another ingredient of relevant information is timeliness. Users need to understand promptly the important changes affecting a company which invariably affect users' decisions to commit or continue to commit capital to a company. CKC (2014) reported that reliable and consistent data are key components in the investment decision-making process.

The theory of efficient capital markets suggests that investors need to have all the relevant information to be able to make appropriate conclusions regarding the future of the company (Arsov and Naumoski, 2014). An interesting contribution on the issue of quality was made by Arnold (2014) who pointed out that the discussion in business and society revolve around the issues of content and quality of the reports, the need and appropriateness of aggregation, and how the information will be used by stakeholders. There seems to be agreement that timely, relevant, verifiable, reliable, unbiased, comparable and consistent disclosures and financial reports are all "desirable" properties of corporate disclosures and financial reports (Accounting Standards Board, 2009). On the credibility of voluntary disclosure, Stocken (2000) noted that the market may respond to a firm's misleading signals by ignoring its future communications and that this response is sufficient to inform the firm to alter its behaviour. Continuing he pointed out that an investor also assesses the truthfulness of the manager's voluntary disclosure in light of the accounting report. Thus if the manager has an incentive to truthfully reveal his private information, then the investor continues believing the manager.

Attestation/Assurance Services and Voluntary Disclosure

Information disclosed in the corporate report should be transparent, to achieve this, the credibility of such information should be assured. The need for assurance is compounded by agency problem and the resultant doubt on managers' motives for additional disclosures which requires that there be some form of third party validation to increase reliability of such disclosures. The collapse of Enron and other world known companies at the beginning of this century and subsequent loss of public confidence on corporate report necessitated the need for an assurance on disclosed items. Assurance in connection to corporate disclosures is used for building trust and credibility to ensure that useful information is provided to facilitate decision-making by stakeholders and to drive performance improvement. Assurance services usually describes the methods and processes employed by an assurance provider to evaluate an organisation's public disclosures about its performance as well as underlying systems, data and processes against suitable criteria and standards in order to increase the credibility of public disclosure. Assurance includes the communication of the results of the assurance process in an assurance statement (AccountAbility, 2008)

It is an evaluation method that uses a specified set of principles and standards to assess the quality of an organisation's subject matter and the underlying systems, processes and competencies that underpin its performance.

Assurance includes the communication of the results of this evaluation to give the subject matter credibility for its users. (Zadek, Raynard, Forstater and Oelschlaegel 2004). They noted that auditing, verification and validation are some of the tools and processes by which assurance is obtained and it is carried out by a range of different providers. External: audit professional, corporate social responsibility (CSR) specialist consultancy, civil society organisation, opinion leaders/advisory panel. Internal: functional areas, risk assessment/internal audit, board level. Assurance is often assumed to apply only to a company's financial statements; however, it now also applies to the assurance of the company's underlying systems and processes, as well as its products, services and governance (Zutshi and Sohal 2003). Evidence have shown that an increasing number of companies recognize that assurance on social, environmental and other voluntary issues provides confidence to report readers and internal managers about the credibility, reliability and relevance of reported data and performance information (KPMG, 2008; GRI, 2013).

Currently there is no requirement in the Nigerian reporting environment that assurance be provided on voluntarily disclosed items. Current audit practices and standards fall short of providing the needed guidance for the provision of assurance on voluntary disclosure. They focus on audits of financial statements and the information in accounting records. The improved disclosure includes information not derived only from accounting records but information that is more subjective than the types of information on which auditors now report, such as business strategy, management's policies, intentions, and predictions; business opportunities and risks. Thus reporting on these areas require not only new standards but in some cases new skills for auditors (AICPA, 2014).

No wonder Coram (2005) suggested that an expanded role for auditors which include providing assurance on a much broader set of information. In his view, investors will increase reliance on voluntary disclosure of information when assurance is provided on that information. Provision of attestation services will make the market place a stock price premium on voluntary disclosures. Also Beets and Souther (1999) noted that many investors and stakeholders will utilize corporate environmental information which is voluntary in making decisions when it is assured concerning its accuracy and reliability. Contrary to these views, Fargher and Gramling (1996) cited in Coram and Monroe (2004) found that assurance did not affect users' perceptions of information credibility or their investment decisions. Ball, Owen, and Gray, (2000) noted that current verification practice exhibits a managerial turn rather than representing corporate commitment to external transparency and accountability. In the same vein, Dando and Swift (2003) noted that much verification and assurance practice itself has to date been of questionable robustness, reliability and consistency, and has been framed by financial assurance models that are inadequate for the broader, qualitative dimensions of social, ethical and environmental performance.

To confirm these claims, Plumlee and Plumlee (2008) recommended that it is useful to examine how users and regulators consider voluntary disclosures in the annual report when assurance services are provided. Meanwhile Healy and Palepu (2001) suggested two mechanisms for confirming voluntary disclosures. First, third-party can provide assurance on such disclosures. Second, there can be validation of prior voluntary disclosures through required financial reporting itself. For example, forecasts of revenues and earnings can be verified using actual realization. These emphasize the need for provision of attestation services and regulations to increase the reliability of such information.

Third Party Attestation/External Assurance and voluntary disclosures

External assurance can provide users with increased confidence in reporting, making it more likely that the data disclosed will be used for decision-making by internal and external stakeholders alike. The use of third-party independent reviews of reports is intended to increase the trustworthiness of disclosed information. The terms "assurance," "external assurance," "verification," "audit," "certification," "attestation," "checks" and "third-party opinions" are used interchangeably by sustainability practitioner, but definitions and interpretations may differ (GRI, 2013). Providing external assurance or attestation on voluntary disclosures means validating such report. This involve engaging a certified public accountant in the practice of public accounting to issue an examination, a review, or an agreed-upon procedures report on subject matter, or an assertion about the subject matter that is the responsibility of another party. External assurance can be reasonable assurance engagements or limited assurance engagements (IFAC, 2005). The subject matter of an attest engagement may take many forms, including: historical events, systems and processes, behaviours, analyses etc (KPMG, 2014) Currently, Certified Public Accountants CPAs are increasingly receiving requests from clients, lenders, loan brokers, health insurance providers, adoption

agencies, regulators, and various other agencies to confirm client information. This means providing external assurance or attestation statements. America Institute of Certified Public Accountants AICPA in turn, has received several inquiries on what they often refer to as “comfort letters”. Comfort letter is a letter issued by an auditor in accordance with AU-C section 920 to requesting parties in connection with an entity’s financial statements included in a securities offering (AICPA, 2014).

According to Beets and Souther (1999) even when external verification of environmental programs and reports is not required in the United States many corporations voluntarily elect to undergo external environmental attestation. They reported that external verification on environmental reports prepared under European Union Eco-Management and Audit Scheme (EMAS) were more useful and reliable than their unregulated, unverified counterparts. Also Aeppel (1993) reported that sharing the environmental verification report builds trust with the public. Similarly, Sawyer, Dittenhoffer and Scheiner (2005) noted that environmental assurance provides essential information relative to environmental risks and environmental matters and consequently decreases environmental and operational risk. Also credibility can be considerably enhanced through independent external assurance, using accepted professional standards. Reporting organisations and their stakeholders increasingly accept that robust independent external assurance is a key way of increasing the credibility and effectiveness of their reporting, and ultimately their performance (AccountAbility 2008). According to Global Reporting Initiative GRI (2013), external assurance or verification can provide both report readers and internal managers with increased confidence in the quality of sustainability performance data, making it more likely that the data will be relied on and used for decision making. Providing external assurance can help to deliver accountability to consumers and civil society as well as performance in terms of compliance with basic standards (Zadek et al 2004).

It is worthy to note that while external assurance of reporting shares similarities with external audit of financial reporting, there are also important differences. It is clear what financial reporting is intended to measure and there are long-established procedures for financial accounting. Voluntary disclosures cover diverse topics, and the issues that often involve a mix of quantitative and qualitative information which are usually not measured in monetary units, and internal control systems and data collection processes may not be as developed as systems and processes for historical financial information. (GRI, 2013).

Management Responsibility Report and Voluntary Disclosures

Management as an important member of corporate governance plays significant role through its delegated authority from the board of directors in achieving corporate objective. To fulfill its responsibilities, Rezaee and Riley (2010:184) stressed that “management should design and implement sound accounting systems that provide reliable and high-quality financial reports, establish and maintain an effective internal control system, and comply with applicable laws and regulations”. Management's Statement of Responsibility appears as a written letter in the annual report. The letter among other things declares that all financial statements within the report are accurate (Stream, 2015). The aim of management certification report is to make corporate reports more relevant, credible and user-friendly. Management certification report as it is also called came in compliance to the Public Company Accounting Reform and Investor Protection Act, otherwise known as the Sarbanes-Oxley Act (“SOX”) of 2002. The Act was passed by the US Congress in July 2002 in response to several high-profile corporate and accounting scandals involving prominent US companies, such as Enron or WorldCom and corporate ethical failures in CPA firms such as Arthur Anderson (Iliev 2010; Li et. al. 2010).

It is important to note that SOX Section 404 which outline managements’ and independent auditors’ responsibility in connection with internal control reporting has greatly contributed to the improvement of quality of financial reporting and of corporate governance as a whole (Fischer, Gral, and Lehner, 2014). Specifically, Section 404(a) which concerns this study include these assertions: Management’s responsibility for establishing and maintaining adequate and effective ICFR; The framework used by management in its assessment of the effectiveness of the design and operation of ICFR; Management’s assessment of the effectiveness of the design and operation of the company’s ICFR; Disclosure of any identified material weakness in the company’s ICFR; Disclosure that the company’s independent auditor has issued an attestation report on management’s assessment of the effectiveness of ICFR; The inclusion in the company’s annual report of the independent auditor’s attestation report. The expressed objectives of SOX 404 included enhancing the quality of reporting and increasing investor confidence in the financial statements (US SEC, 2009). Making management to provide explicit statement (to be included in the company’s annual report) about the effectiveness of internal control in the view of Doyle, Ge, and McVay (2007) is an important aspect of the financial reporting process because weaknesses in internal controls create more

opportunities for intentional earnings management as well as unintentional accounting estimation and reporting errors. By providing the responsibility or certification report, management is being more accountable for the effectiveness of internal control and integrity of financial statements (Rezaee and Riley, 2010).

Factors affecting efficiency of Assurance Services

Cost: One of the likely concerns of corporate officials regarding provision of external assurance is the related increase in professional fees (Beets and Souther, 1999) and other costs associated with assurance services. According to Krishnan, Rama and Zhang (2008), the costs can be internal labor costs, external consulting and technology expenses and auditor attestation costs. They noted that these added costs, however, could be partially managed by an adequate and efficient internal audit system. As in the case of financial statement audits, the more an external auditor can rely on the work of internal auditors, the lower a company's costs related to auditing. Tapscott and Ticoll (2003) confirm that voluntary disclosure can be expensive, for instance when it comes to, external verification, consultants, and the like. Providing external assurance create incentives for firms to spend money on internal controls. Nevertheless, providing assurance on voluntary disclosure promises a variety of long-term benefits. Investors will face a lower risk of losses from fraud and theft, and benefit from more reliable financial reporting, greater transparency, and accountability. Also Coates (2007) added that by providing assurance public companies will pay a lower cost of capital, and the economy will benefit because of a better allocation of resources and faster growth. Thus in checking the cost of providing assurance, management should also consider the cost of losing the confidence of other capital market participants on their report. In the long run, the long term benefit of having the stakeholders trust in the reported data and performance information will outweigh the cost of assurance services.

Non Availability of Local Standards: Another issue of great concern with assurance services is the absence of auditing standards for voluntary disclosures. Apart from the cost and benefit issue discussed above, Current audit practices and standards fall short of providing the needed guidance for the provision of assurance on environmental and other voluntary disclosures (Boritz, and No, 2008). In a study by Dando and Swift (2003) they argues that there is need for a universal standard for the provision of assurance of social, ethical, environmental reporting and other areas disclosed voluntarily and indeed for the credibility of the assurance providers themselves. A review of annual reports showed that there is great variability in the nature, scope and quality of assurance statements. Arguably, the great variation in practice raises questions about the usefulness, or value-add, of environmental and social assurance statements (KPMG, 2008; Deegan, Cooper and Shelly 2006; Zadek et al 2004). The reason for this is because there are no standards regulating the publication. There exist publications, reference documents, standards and reporting framework established by various organisations particularly in the developed countries to provide guidance to professional accountants concerning voluntarily disclosed items but participation in such programs is voluntary at the moment. These include: Global Reporting Initiative (GRI), AccountAbility AA1000AS, London Benchmarking Group (LBG), ISAE3000, AICPA AT-101, ISO 14064-3 etc (GRI, 2013b) They help in bringing uniformity and best practice to the format and production of reports, improving communication so that investors and stakeholders may be better informed, and more able to carry out comparisons. In Nigeria there are neither accounting nor auditing standards issued on voluntary disclosures to provide a common platform for assurance services.

Lack of Skills: Providing assurance services require range of competencies: general assurance competency in checking data, understanding the role of assurance and analyzing systems. Process competencies, for communicating with stakeholders, determining materiality and assessing the company's responsiveness. Substantive/content competencies on relevant social, scientific, economic and industrial issues (Zadek et al 2004). Most Certified Public Accountants are yet to posses the requisite verification skills and competencies for providing attestation service on voluntary disclosures. Public Accountants ought to exhibit the expertise in the assurance process and knowledge of the subject matter in question. Unfortunately, their process of certification particularly in Nigeria is far beyond providing assurance services on voluntarily disclosed items. They may be interested in developing a new assurance or attestation skills related to such disclosures but their qualifications to provide such services may be questioned. (Beets and Souther, 1999). No wonder AICPA, (2013) emphasized that, to provide a service that increases confidence in the information, the independent professional providing it has to engender trust, not only as a provider of the service but also in the process the professional uses to deliver it. Voluntary disclosures cover a lot of non financial issues and the current auditing curriculum did not cover these diverse areas making the public accountant wanting in the required knowledge and skills.

Operationalizing Quality - Reliability

Reliability is measured using items relating to objectivity, completeness, freedom from material error, and verifiability (Dechow et al., 1996; McMullen, 1996; Beasley, 1996; Rezaee, 2003; Cohen et al., 2004; Sloan, 2001; Jonas & Blanchet, 2000; Maines & Wahlen, 2006; IASB, 2008)

METHODOLOGY

Survey research design was used in this study. This survey provided a useful quantification of criteria related to assurance services and quality of voluntary disclosure. Surveys offer opportunity to ask users specific qualitative questions on the variables. Since the study deals mainly with perceived views on current practice, a questionnaire survey was deemed the most appropriate method (Hasan, et al 2005). Primary and secondary sources of data collection were used. Primary data were collected through questionnaire and interview, while secondary were through textbooks, journal articles and internet materials.

The population of this study consists of the users of Corporate Reports in the South East Zone of Nigeria. There are two stakeholder groups or constituencies: Internal – management; External – Investors, Practitioners, Regulators, Academics, and Customers. This study focused on both categories of users as all participate in either the preparation of corporate report, provision of attestation services or used published report for decision making. Since the population of users of corporate report cannot be determined directly it was estimated as 1% of the literate population figure according to National Population Commission (NPC) report of 2006. The estimated population of users in the South East Zone of Nigeria is 114,885.

Considering that the target population determined as described above for the study is large, there is need for a sample. This was done using Taro Yamane's formula: $n = N / 1 + N(e)^2$ where n= sample size, N = Population size e = margin of error (5%). Applying this formula, a sample size of 400 was determined and used. This was distributed to different categories of users of corporate reports mentioned above in the five (5) states of South East Zones of Nigeria as shown in the table below.

Table 1: Sample data

S/No	States in the South East Zone	Estimated Users of Corporate Reports (1% of literate Population)	Total No. of Users Sampled
1	Abia	20,893	72
2	Anambra	31,361	108
3	Ebonyi	11,530	40
4	Enugu	21,725	76
5	Imo	29,376	104
	Total	114,88	400

Source: *Developed for this Research*

A structured questionnaire consisting of 13 questions extracted from issues raised from the interviews, along with the literature review was developed to elicit respondents' perception on the variables under study. The questions were designed base on the objectives of the study using 5 point likert summation rating scale with a choice of strongly agreed to strongly disagree. The value ranking of the choice ranges between 5 maximum and 1 minimum, thus a mean value of 3 and above is considered significant. The questionnaires were distributed and collected through the help of research assistants. Out of 400 questionnaires distributed, 378 were properly filled and returned representing response rate of 95%. Data collected were presented and analyzed using mean and standard deviation. One sample t-test was used for hypotheses one and two while Analysis of Variance ANOVA and Scheffe Post Hoc Test was used to test hypothesis three.

DATA PRESENTATION AND ANALYSIS

Research Question 1: Can provision of third party assurance enhance reliability of voluntarily disclosed items?

Table 2: Survey responses, Mean and standard deviation scores on whether provision of third party assurance can enhance reliability of voluntary disclosed items.

Third party assurance services and reliability of Voluntary Disclosures	N	Mean	Std. Deviation
ensure that only accurate data are disclosed	378	4.10	.93
encourages consistency	378	3.64	1.17
facilitate cross boarder comparability	378	3.92	.90
provide a discipline for management to adhere to establish framework	378	3.85	1.11
facilitate improvements in the system of internal control	378	3.93	.86
mitigate risk associated with the potential disclosure of misleading information	378	3.65	.96
discourage management from reporting information that may be hard to verify	378	3.88	.94
Overall Mean	378	3.85	0.98

The analysis in table 2 shows the mean responses on various aspects of third party assurance capable of enhancing credibility. The item by item analysis indicated that all the 7 aspects of third party assurance can enhance credibility of voluntary disclosed items as their mean ranges from 3.75 to 4.01. ‘Ensuring that accurate data are disclosed’ was perceived to be the most aspect of third party assurance that can enhance reliability of voluntarily disclosed items while least perceived aspect of third party that can enhance reliability is ‘encourages consistency’. The overall mean of 3.85 is an indication that provision of attestation services can enhance credibility of voluntary disclosed items.

Research Question 2: Can Management Responsibility report enhance the credibility of voluntary disclosures?

Table 3. Survey responses, Mean and standard deviation scores on whether Management Responsibility Report can enhance the credibility of voluntary disclosures

Management responsibility report and Voluntary disclosures	N	Mean	Std. Deviation
Enhance efficiency of the operating and reporting processes	378	4.07	.88
Institute appropriate controls to address financial reporting risks.	378	3.81	.86
Timely handling of internal control deficiencies	378	3.80	.96
reduced investor risk due to decreased uncertainty	378	3.83	.90
Improve company’s ability to prevent and detect fraud	378	3.93	.85
Overall Mean	378	3.88	.89

Table 3 shows the overall mean response to the 5 aspect of management responsibility report that can improve credibility of voluntary disclosures to be 3.88. Item by item analysis revealed that all the various aspect can improve reliability of voluntary disclosures as their mean ranges from 3.80 to 4.07. Enhancing efficiency of the operating and reporting processes is the highest perceived aspect of management responsibility while addressing internal control deficiencies in a more timely fashion is perceived to be least in improving credibility of voluntary disclosures.

Research Question 3: Are there differences in the users' perception concerning provision of assurance services and reliability of Voluntary disclosures?

Table 4. Mean Ratings of Assurance services and reliability of voluntary disclosures Based on Category of Users

		Category of User						Total (n=378) Mean
		Investor s (n=68) Mean	Practitioner s (n=48) Mean	Regulator s (n=17) Mean	Managemen t (n=92) Mean	Academic s (n= 91) Mean	Customer s (n=62) Mean	
1.	Third Party Assurance Service	3.92	3.87	3.94	3.86	3.75	3.69	3.82
2.	Management Responsibility Report	3.96	3.95	3.88	3.99	3.87	3.70	3.90

The above table shows that there is a slight difference in mean ratings among the different categories of users on using assurances services as a tool for improving quality of voluntary disclosures. While regulators had the highest mean rating (3.94), the customers had the least (3.69) on provision of Third Party Assurance to enhance reliability of voluntary disclosures. In terms of improving reliability of voluntary disclosures through Management Responsibility Report, Management mean rating was the highest (Mean = 3.99) while customers had the lowest mean rating (Mean = 3.70). As indicated by the data shown in the above, customers' rated the two areas of assurance services in improving reliability of voluntary disclosures less than the other groups.

Hypotheses Testing

Hypothesis One: provision of third party assurance cannot enhance reliability of voluntarily disclosed items

Table 5. t-test analysis whether provision of third party assurance enhance credibility of voluntarily disclosed items.

	Mean	SD	df	t-cal	t-crit	Decision
ensure that only accurate data are disclosed	4.10	.93	377	84.92	1.96	Rejected
encourages consistency	3.88	.94	377	79.73	1.96	Rejected
facilitate cross boarder comparability	3.92	.90	377	83.84	1.96	Rejected
provides a discipline for management to adhere to establish framework	3.84	1.11	377	67.18	1.96	Rejected
facilitate improvements in the system of internal control	3.93	.87	377	87.19	1.96	Rejected
mitigate risk associated with the potential disclosure of misleading information	3.65	.96	377	73.88	1.96	Rejected
discourage management from reporting information that may be hard to verify	3.64	1.17	377	60.08	1.96	Rejected

The t-test analysis presented in table 5 shows that provision of external assurance can enhance reliability of voluntarily disclosed items. This was shown by the fact that all the calculated t-values in the above items were greater than the critical t- value of 1.96. This indicates that all the observed mean ratings were significantly greater than the test value of 3.00. The null hypothesis was therefore rejected.

Hypothesis Two: management responsibility report cannot improve the credibility of voluntary disclosures.

Table 6. t-test analysis on management responsibility report cannot improve the credibility of voluntary disclosures.

Measures	Mean	SD	df	t-cal	t-crit	Decision
Enhance efficiency of the operating and reporting processes	4.07	.88	377	89.47	1.96	Rejected
Institute appropriate controls to address financial reporting risks.	3.81	.86	377	85.29	1.96	Rejected
Timely handling of internal control deficiencies	3.80	.96	377	76.81	1.96	Rejected
reduced investor risk due to decreased uncertainty	3.83	.90	377	81.97	1.96	Rejected
Improve company's ability to prevent and detect fraud	3.93	.85	377	89.17	1.96	Rejected

The t-test analysis presented in table 6 shows that management responsibility report improves the credibility of voluntary disclosures as all the observed mean ratings were greater than they test value (3.00). This was shown by the fact that all the calculated t-values on all aspect of management responsibility report were greater than the critical t- value of 1.96. This is an indication that the respondents perceived that management responsibility report can improve the reliability of voluntary disclosures. Therefore, the null hypothesis was rejected.

Hypothesis Three: there are no significant differences in the user' perception concerning using assurance services as a tool for improving the reliability of voluntary disclosures.

Table 7. Analysis of variance on the perception concerning improving the quality of voluntary disclosures through assurance services by user category

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	1427.22	5	285.44	2.67	.02
Within Groups	39666.75	372	106.631		
Total	41093.98	377			

As shown in table 7, there was a significant difference among the six groups in terms of their mean ratings of the improving reliability of voluntary disclosure through assurance services as the F-ratio (df:5/372) was 2.67 and the P-value (.02) was less that the stipulated 0.05 level of significance. Therefore, the hypothesis was rejected. The Scheffe Test of multiple comparisons in table 8 below shows that the significant difference lies between management and customers.

Table 8. Scheffe Post Hoc Test on the perception concerning improving the reliability of voluntary disclosures through assurance services by user category

(I)	User category	(J) Respondents' Position	Mean Difference (I-J)	P-value
Investors		Practitioners	1.09	.99
		Regulators	2.30	.98
		Management	-.51	1.00
		Academics	1.37	.98
		Customers	5.29	.13
Practitioners		Investors	-1.09	.99
		Regulators	1.21	.99
		Management	-1.60	.97
		Academics	.28	1.0
		Customers	4.20	.48
Regulators		Investors	-2.30	.98
		Practitioners	-1.21	.99
		Management	-2.82	.95
		Academics	-.93	1.00
		Customers	2.98	.95
Management		Investors	.51	1.00
		Practitioners	1.60	.97
		Regulators	2.82	.95
		Academics	1.88	.91
		Customers	5.80	.04*
Academics		Investors	-1.37	.98
		Practitioners	-.28	1.00
		Regulators	.93	1.00
		Management	-1.88	.91
		Customers	3.92	.38
Customers		Investors	-5.29	.13
		Practitioners	-4.20	.48
		Regulators	-2.98	.95
		Management	-5.80	.04*
		Academics	-3.92	.38

*Significant

Summary of Findings

Provision of external assurance statement in the corporate report enhances the reliability of voluntarily disclosed items. Result revealed that the external assurance will ensure that only accurate data are disclosed by the reporting entity. Knowing that a certified public accountant will assure the disclosures will encourage consistency and facilitate cross boarder comparability. It thus provides discipline for management to adhere to established framework of reporting. Providing external assurance facilitate improvements in the system of internal control, mitigate risk associated with the potential disclosure of misleading information and most importantly discourages management from reporting information that may be hard to verify.

Result indicated that disclosure of management responsibility report will improve the credibility of voluntary disclosures. Analysis showed that disclosure of management responsibility report enhances efficiency of operating and reporting process. It enables companies institute appropriate controls to address financial reporting risks and address internal control deficiencies earlier. Investors risk due to uncertainty will reduce. Providing management responsibility report will improve company's ability to prevent and detect fraud.

It was discovered from the study that there was slight difference among the user' concerning improving the reliability of voluntary disclosures through assurance services. Regulators mostly agreed that provision of external assurance can enhance the reliability of voluntarily disclosed items. Users under management category agreed that disclosure of management responsibility report can mostly improve the credibility of voluntary disclosures. Result revealed that differences in the perception of users about improving reliability of voluntary disclosures through assurance services mostly lie between management and customers.

The study also revealed that internal labor costs, external consulting and technology expenses and auditor attestation costs, non availability of local auditing standards and reporting framework for voluntary disclosures and lack of requisite skills and competencies are critical for efficient provision of assurance service.

CONCLUSION

Users increase reliance on voluntarily disclosed item when assurance services are provided on the information as it ensures that verifiable data are disclosed, appropriate controls to address financial reporting risk are instituted information complies with specifications and reduces the risk of errors in voluntary disclosures among other things. Thus assurance services are needed to improve the credibility of voluntarily disclosed items. Greater transparency benefits investors and, by aiding more efficient allocation of capital, benefits the economy as a whole.

Enhancing the quality of voluntary disclosures that covers diverse areas will help the users to have trust in corporate reports. Restoring the confidence of the users is important the organisation, capital market and the country in general. Thus voluntarily disclosed items can be value relevant and help user in investment or other decisions if one form of verification or the other is provided on these reports. Two of such verifications are the third party attestation and management responsibility report.

RECOMMENDATIONS

Considering that assurance services is evolving rapidly across different countries, the National Assembly should introduce legislation that require companies disclosing items apart from that statutorily required to provide assurance services so as to enhance the reliability of such disclosures as well as ensure universal application. This can enable aggrieved parties to sue for misrepresentation. The Securities and Exchange Commission can sanction companies for noncompliance. Also considering that a certified public accountant will attest on the items will enable management to disclose only accurate data.

Accounting and Auditing standard developers, business and civil society groups should cooperate and consequently develop standards that integrates accounting, reporting and assurance of voluntary disclosures to strengthen corporate accountability.

Companies' management should voluntarily be providing assurance services to enhance the credibility of their reports bearing in mind that Credible and reliable information are the lifeblood of the capital markets and economic growth. The notion of impression management will give way and stakeholders will use voluntarily disclosed items for judgments and decisions

The auditing profession should adapt skills taught to Certified Public Accountants in traditional services to other subject matter, to this end a review of the existing curriculum in line with current issues emerging in the business and reporting environment becomes pertinent.

REFERENCES

- AccountAbility (2002). *AA1000S Assurance Standard Guiding Principles Consultation Document* (London).
- AccountAbility (2008). *AA 1000 Assurance Standard*. London <http://www.accountability.org/images/content/0/5/056/AA1000AS%202008.pdf>
- Accounting Standards Board (2009). A review of narrative reporting by U.K. listed companies in 2008/2009, *London Financial Reporting Council*.
- AICPA (1994/2011) *Improving Business Reporting-A Customer Focus*
<http://www.aicpa.org/interestareas/frc/accountingfinancialreporting/downloadabledocuments/jenkins%20committee%20report.pdf>
- AICPA (2014) *What to Know about Third Party Verification Letters* (Often Referred to as Comfort Letters)
www.aicpa.org/Research/Standards/AuditAttest/Pages/SSAE.aspx
- AICPA (2013) *Assurance Services: A white paper for providers and users of business information*.
http://www.aicpa.org/InterestAreas/FRC/AssuranceAdvisoryServices/DownloadableDocuments/ASEC_WP_Providers_Users_BI.PDF
- Adams, S., Fries, J. and Simnett, R. (2011). The Journey toward Integrated Reporting. *Accountants Digest*, 558, 1– 41.
- Adeyemi, B. S. and Fagbemi, T. O. (2010). Audit Quality, Corporate Governance and Firm Characteristics in Nigeria. *International Journal of Business and Management*, 5(5), 169-179.
- Aepfel, T. 1993. Firms reveal more details of environmental efforts but still don't tell all. *Wall Street Journal* (December 13): B1.
- Alsán A. and Hermansson C. (2014). *The development of Integrated reporting as a tool for external communication – A case study of Volvo Group and SKF Master Degree Project in Accounting School of Business Economics and Law University of Gothenburg*.
https://gupea.ub.gu.se/bitstream/2077/37129/1/gupea_2077_37129_1.pdf
- Apostolou, A. (2000). Factors on voluntary accounting information by Greek companies. *Spoudai*, 50, No 1-2, 87-109.
http://digilib.lib.unipi.gr/spoudai/bitstream/spoudai/176/1/t50_n1-2_87to109.pdf
- Arnold M. (2014). *Non-Financial Performance Metrics for Corporate Responsibility Reporting*
www.som.cranfield.ac.uk/.../Doughty%20Revisited.pdf
- Arsov S. and Naumoski A. (2014). Transparency and Disclosure Practices in Selected Post Transition Economies. *European Journal of Business and Management*, 6(16).
- Ball, A., Owen, D. L. & Gray, R. (2000) External Transparency or Internal Capture? The Role of Third-Party Statements in adding value to Environmental Corporate Reports. *Business Strategy and the Environment* 9, 1-23
- Beasley, M. (1996). An empirical analysis of the relation between board of director compensation and financial statement fraud. *The Accounting Review*, 71(4), 443-466
- Beets, S. D. and Souther, C. C. (1999) Corporate Environmental Reports: The Need for Standards and an Environmental Assurance Service. *American Accounting Association Accounting Horizons*. 13 (2) pp. 129–145
- Boesso, G., & Kumar, K. (2007). Drivers of corporate voluntary disclosure: a framework and empirical evidence from Italy and the United States. *Accounting, Auditing & Accountability Journal*, 20(2), 269-296.
- Boritz, J.E. & No. W. G. (2008). Auditing an XBRL Instance Document: The Case of United Technologies Corporation. *Working paper, University of Waterloo*
- Chan, K. C., Farrell, B. & Lee, P. (2008). Earnings Management of Firms Reporting Material Internal Control Weaknesses under Section 404 of the Sarbanes-Oxley Act. *Auditing: A Journal of Practice & Theory*, 27(2), 161–179.
- Charles River Associates (2004). *The cost and benefits of management reporting and auditor attestation on internal controls over financial reporting*. Report prepared for Ontario securities commission.
- Coates, J. C. (2007). The Goals and Promise of the Sarbanes–Oxley Act. *Journal of Economic Perspective*, 21(1), 91-116.
- Coram, P. J. (2005). *The effect of voluntary disclosure of non-financial performance: indicators on company valuation judgments: an experimental analysis*. <http://hdl.handle.net/1885/7463>
- Cohen, J., Krishnamoorthy, G. & Wright, A. (2004). The corporate governance mosaic and financial reporting quality. *Journal of Accounting Literature*, 23, 87-152.
- Coram, P and Monroe, G. (2004). *The Joint Effect of Voluntary Non-Financial Disclosure and Assurance on Company Valuation Judgments*.
<http://www.researchgate.net/publication/237406528>
- Corporate Knights Capital CKC (2014). *Measuring Sustainability Disclosure: Ranking the world's Stock Exchanges*
www.CKC_Sustainability_Disclosure_2014.pdf
- Crow, J (2003). Rebuilding Public Confidence in Financial Reporting: An International Perspective Report on a Report. *Financial System Review*. www.bankofcanada.ca/wp-content/uploads/2012/01/fsr-0604-crow.pdf
- Christina Chiang, Deryl Northcott, (2010). The audit consideration of environmental matters: Best practice or business as usual? *Pacific Accounting Review*, 22(3), pp.199 – 223
- Dando, N. and Swift, T. (2003). Transparency and Assurance Minding the Credibility Gap. *Journal of Business Ethics*, 44(2-3), pp 195-200
- Dechow, P., Sloan, R. and Sweeney, A. (1996). Causes and Consequences of earnings Manipulation: An analysis of firm's subject to enforcement actions by the SEC. *Contemporary Accounting Research* 13(1): 1-36
- Doyle, J., Ge, W. & McVay, S. (2007). Determinants of weaknesses in internal control over financial reporting. *Journal of Accounting and Economics*, 44(1) 193-223
- Everingham G. and Kana S. (2008). *Corporate Reporting* 8th Edition Juta and Co Ltd Lansdowne
- Global Environmental Management Initiative GEMI (1996). *Environmental Reporting and Third Party Statements* Prepared by- Investor Responsibility Research Center IRRC
- Feyitimi, O. (2014). The Level of Financial Information Disclosure and Corporate Attributes in Developing Economy. *European Journal of Business and Management*, 6(3), 176-188.
- Fullerton, J. (2010). *A CEO's letter to her Board of Directors in The Landscape of Integrated Reporting Reflections and Next Steps* Eccles R.G., Cheng B., and Saltzman D. ed. Harvard Business School.
- Fischer, B. Gral, B and Lehner, O. (2014). Evaluating sox section 404: costs, benefits and earnings management. *ACRN Journal of Finance and Risk Perspectives*, 3(1), 43-55.
- Financial Reporting Policy Committee of the Financial Accounting and Reporting Section of the American Accounting Association (2014). *Response to the Exposure Draft on Revenue Recognition* (Topic 605) www.fasb.org/.../BlobServer?...

- GAA Roundtables_Publication_December (2009). *Making financial reporting simpler and more useful*. <http://www.focusifrs.com/content/view/full/5085>
- Gibson C. H. (2013). *Financial reporting and analysis: using financial accounting information*, 13th ed. Manson, South-Western Cengage.
- Global Reporting Initiative or DiBenedetto B. (2014). *Third Party Quality Assurance for Sustainability Reports on the Rise* <http://www.triplepundit.com/2014/08/external-assurance-sustainability-reporting-rise/>
- Global Reporting Initiative (2013) *The external assurance of sustainability reporting* <https://www.globalreporting.org/resource/library/GRI-Assurance.pdf>
- Global Reporting Initiative (2013) *Trends in External Assurance of Sustainability Reports: Spotlight on the USA*. <https://www.globalreporting.org/resource/library/GRI-Assurance-Survey-2013.pdf>
- Hasan, M., Maijor, S., Mock, T. J., Roebuck, P., Simnett, R. and Vanstraelen, A. (2005). The Different Types of Assurance Services and Levels of Assurance Provided. *International Journal of Auditing*, 9, 91-102.
- Heffes, E. (2005). The Relevance of Reliability: An Update on the FASB and IASB Joint Conceptual Framework Project. *Financial Executive*, pp. 15-18.
- Healy, P. M., and Palepu, K. G. (2000). *A review of empirical disclosure literature*, Prepared for JAE Conference.
- Healy, P. M. and Palepu, K. G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of accounting and economics*, 31(10) 405-440.
- Healy, P., Hutton A., and Palepu K. G. (1999) Stock performance and intermediation changes surrounding sustained increases in disclosure, *Contemporary Accounting Research* 16. 485-520.
- Huang, Z. (2008) A Study on the Supervision System with Voluntary Information Disclosure in Chinese Listed Companies. *International Journal of Business and Management*, 3(6)
- Huang, C. and Kung, F. (2010). Drivers of Environmental Disclosure and Stakeholder Expectation: Evidence from Taiwan. *Journal of Business Ethics*, 96(3), 435-451. <http://rd.springer.com/article/10.1007/s10551-010-0476-3>
- IASB (1989). *Framework for the Preparation and Presentation of Financial Statements*. London.
- IASB (2008). *Exposure Draft on an improved Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics of Decision-useful Financial Reporting Information*. London.
- Institute of Chartered Accountants Australia (2014). *Integrated Reporting – a guide for Audit Committees in Australia and New Zealand*
- Iliev, P. (2010). The Effect of SOX Section 404: Costs, Earnings Quality, and Stock Prices. *The Journal of Finance*, LXV (3), 1163-1196.
- Integrated Reporting Committee of South Africa (IRCSA) (2011). *Framework for Integrated Reporting and the Integrated Report*. <http://www.sustainabilitysa.org>
- International Federation of Accountants IFAC (2005). *International Framework for Assurance Engagements*. www.ifac.org/.../files/downloads/b003-2010-iaasb-handbook-framework
- Jonas, G. & Blanchet, J. (2000). Assessing Quality of Financial Reporting. *Accounting Horizons*, 14(3), 353-363
- Kanodia C. (2007). *Accounting Disclosure and Real Effects*, Hanover, Now Publishers Inc.
- Kass A. (2012). *Towards mainstreaming integrated reporting - theoretical landscape and practical insights*. <http://www.grin.com/en/e-book/192043/towards-mainstreaming-integrated-reporting-theoretical-landscape>
- KPMG (2008). *Sustainability Reporting: A guide* <https://www.kpmg.com/CN/en/.../Documents/sustainable-guide-0811.pdf>
- KPMG (2014). *Third Party Attestation Reporting (SOC Reports) and Role of Internal Audit*. *The Institute of Internal Auditors*. <https://chapters.theiia.org/.../Third%20Party%20Attestation%20Reporting>
- Krishnan, J., Rama, D. & Zhang, Y. (2008). Costs to comply with SOX Section 404. *Auditing: A Journal of Practice & Theory*, 27(1), 169-186
- Lambert, R., Leuz, C., Verrecchia, R.E. (2007). Accounting information, disclosure, and the cost of capital, *Journal of Accounting Research*, 45: 385–420.
- Lewis P. and Pendrill D. (2004). *Advanced financial accounting* 7th edition Harlow, Pearson Education Ltd.
- Li, C., Sun, L. & Ettredge, M. (2010). Financial executive qualifications, financial executive turnover, and adverse SOX 404 opinions. *Journal of Accounting and Economics*, 50(1), 93-110.
- Maines, L. & Wahlen, J. (2006). The Nature of Accounting Information Reliability: Inferences from Archival and Experimental Research. *Accounting Horizons*, 20(4), 399- 425.
- McMullen, D. A. (1996). Audit Committee Performance: An Investigation of the Consequences associated with audit committee. *Auditing: A Journal of Theory and Practice*, 15 (1), pp. 87 – 103.
- Ostberg P. (2006). Disclosure, investment and regulation: *Journal of Financial Intermediation*, 15(3), p 285-306).
- Plumlee D., and Plumlee, M. (2008). *Assurance on XBRL for Financial Reporting*. <http://ssrn.com/abstract=1104245> or <http://dx.doi.org/10.2139/ssrn.1104245>
- Préfontaine, J., Desrochers, J., Godbout, L. (2009). The Informational Content of Voluntary Embedded Value (EV) Financial Disclosures by Canadian Life Insurance Companies. *International Business & Economics Research Journal*, 8(12), pp. 1-14
- Rezaee, Z. (2003). High-quality financial reporting: The six-legged stool. *Strategic Finance*, 84(8), 26-30.
- Rezaee, Z. & Riley, R. (2010). *Financial Statement Fraud: Prevention and Detection*, 2nd Ed. Hoboken New Jersey: John Wiley and Sons Inc. pp xi, 12 – 284
- Rezaee, Z., & Riley, R. (2011). *Financial Statement Fraud Prevention and Detection* 2nd ed. New Jersey, John Wiley & Sons.
- Rimmel, G. (2004). Users' Perceptions of Human Resource Disclosures: A Comparison of Annual Report Users of Two Corporations
- Sawyer, L. B., Dittenhofer, M. A., & Scheiner, J. H. (2005). *Sawyer's Internal Auditing: The Practise of Modern Internal Auditing*, 5th edition, The Institute of Internal Auditors, pp.1115- 1116.
- Sloan, R. (2001). Financial accounting and corporate governance: A discussion. *Journal of Accounting and Economics*, 32, 335-347.
- Stream, C. (2015). *What is management's responsibility statement?* http://www.ehow.com/facts_7584703_managements-responsibility-statement.html
- Stocken, P. C. (2000). Credibility of Voluntary Disclosure. *The RAND Journal of Economics*, 31(2), pp. 359-374 <http://www.jstor.org/stable/2601045>
- Tapscott, D., & Ticoll, D. (2003). *The naked corporation*, New York, The Free Press technology, September issue, New York, New York University
- United States Securities and Exchange Commission US SEC (2009). *Study of the Sarbanes-Oxley Act of 2002 Section 404 Internal Control over Financial Reporting Requirements*. www.sec.gov/news/studies/2009/sox-404_study.pdf

- Uwuigbe, U., Peter, D. S., and Oyeniyi, A. (2014). The effects of corporate governance mechanisms on earnings management of listed firms in Nigeria. *Journal of Accounting and Management Information Systems*, 13(1), 159-174.
- Zadek, S., Raynard, P., Forstater, M., & Oelschlaegel, J. (2004). The future of sustainability assurance. *ACCA Research Report*. <http://www.accountability.org/images/content/1/2/121/FOSA%20-%20Full%20Report.pdf>
- Zutshi, A. and Sohal, A. (2003). Environmental management system auditing within Australasian. *Managerial Auditing Journal*, 18(8), pp.637-648. <http://dro.deakin.edu.au/eserv/DU:30004168/zutshi-environmentalmanagement-post-2003.pdf>