

The Impact Of Assurance Auditing On The Reliability Of Sustainability Reports And A Research*

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The fact that the resources of the planet we live in are not limitless, has been busy many scientific fields to offer solutions for many years. As long as the current systems and approaches in the world continue, the risk of irreversible damage to ecology has been increasing day by day. The trauma of recent environmental disasters has caused people to attach more importance to the matter of sustainability. Given the fact that human life depends on the survival of ecological life; governments, media, and companies have begun to bring up sustainability to the agenda more than before. Besides, the matter of sustainability has also begun to be included in communication studies (Ayдын and Tufan, 2018:397).

Nowadays, businesses responsibility is not only to produce goods and services. They are also responsible of the community in which they live and operate. In this context, sustainability concept which takes into account the environment, human and future generations' needs, has gained importance. Hence, sustainability subjects started to be included in the reports. While financial information related to firms' activities is disclosed to the public through financial reports, non-financial information can be explained by sustainability reports. Sustainability reports are means that transmit to the public, the economic, environmental and social aspects of enterprises' activities. In present, many businesses are engaged in sustainability activities and present information about these activities to their stakeholders through sustainability reports (Arıcı and Altun, 2018:579). In Turkey enterprises are voluntarily ready for sustainability reports preparation.

Nowadays, sustainability becomes the main purpose of the firms with increased competition and social and environmental awareness. Now, stakeholders request sustainability reporting includes social and

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environmental informations about firms operation along with traditional reporting (Şendurur, 2020:36).

Stakeholders are increasingly holding companies accountable for their impact on society and the environment. In response, companies increasingly publish sustainability reports. Due to its voluntary nature, however, the quality of these reports is not guaranteed. External assurance should improve the credibility of these sustainability reports. However, the quality of external assurance on sustainability reports varies considerably. Due to increased awareness of the impact that companies have on society and the environment, stakeholders are increasingly demanding companies to be accountable for their actions and to accept social and environmental responsibility. This has led to an increase in companies publishing sustainability reports over the last decades. In these reports, companies' positive and negative material impacts, from a stakeholder perspective, should be covered. Examples are information on greenhouse gas emissions and working conditions (Adams, 2004:739). However, current sustainability reporting experiences a credibility gap (Dando and Swift, 2003:197). This gap is demonstrated by evidence suggesting that stakeholders rarely use sustainability information, which is "the key test of credible and useful communication" (AccountAbility, 2003:3). The credibility gap can exist because of the largely voluntary nature of sustainability reporting.

One of the problems identified with sustainability reporting is called "managerial capture", which refers to management's control over the sustainability reporting process, which includes defining what corporate social responsibility entails. This results in a definition of corporate social responsibility that is mainly concerned with corporate objectives such as enhancing reputation, assessing risk, managing stakeholders and maintaining legitimacy, instead of a definition that embraces the duty to act socially responsible, irrespective of economic consequences. Through management's control over the process, these social duties are translated into economic, risk-based language (O'Dwyer, 2003:528) and only the information that fits within management's interests, such as information that enhances reputation, is disclosed (O'Dwyer and Owen, 2005:208). Rather than feeling the obligation to be accountable and transparent to stakeholders, sustainability reporting is motivated by self-interest. The "reporting-performance portrayal gap" is a similar issue, which refers to the possible deviation between a company's reported social and environmental performance and the performance as portrayed in external sources such as the media. The gap was studied by Adams (2004), who found that the disclosure of a company's pollution incidents was limited to the disclosure of a fine. It is clear that the quality of information provided in sustainability reports is not guaranteed, which points to a need for external assurance on sustainability reports. External assurance can improve the credibility of these sustainability reports, however, it has been argued that this assurance may not be sufficient (Adams and Evans, 2004:99; Dando and Swift, 2003:198).

In this study, the views of the relevant parties on the sustainability report and assurance audit were tried to be put forward. Our goal is to determine whether the sustainability report benefits information users and whether it is important for the sustainability report to undergo an assurance audit. In addition, it is one of our main objectives to determine by regression analysis the effect of the weight given to the information in the sustainability report on the requirement to pass the assurance audit. One of the primary data collection methods used in the collection of research data is the survey method, and the collection of data is obtained through face-to-face interviews. Within the scope of the study, 52 faculty members, 111 graduate and doctoral students in the field of accounting finance at universities in Ankara, 180 auditors working in the audit company operating in Ankara and authorized by the public oversight accounting and Auditing Standards Authority participated in the survey. The findings of the study show that the degree of participation in all opinions submitted to determine whether the sustainability report benefits decision-makers and whether it is important to undergo an assurance audit was very high. Regression analysis was used to investigate the effect of the information contained in the stability report, the need for safety checks and the resulting analysis; it was found that the sustainability report of most teachers indicated that they wanted them to pass a safety check when the focus was on social information. In the sustainability report for graduate and doctoral students, it was revealed that they wish to undergo an assurance audit when the most emphasis is placed on economic information. It has been determined that the sustainability report for professionals is primarily affected by environmental information passing through the assurance. Overall, the results suggest a need for a mandated sustainability disclosure and assurance regime.

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