

## Understanding Sustainable Assurance: An International Perspective

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### ABSTRACT

**Purpose:** Countries from all over the world are facing increasing demands from stakeholders for transparent disclosure. For transparency, various auditing bodies (such as Global Reporting Initiative, Accountability and the European Federation of Accountants) issue auditing guidelines for financial and non-financial reporting Assurance is one of the auditing practices for transparent disclosure. This study mainly focuses on exploring the main factors affecting sustainable assurance with testable predictions. Country-level institutional factors such as listing status on the stock exchange, firm size, board of directors' expertise, sector affiliation, leverage, profitability, quality of sustainability reporting, and ownership structure affect sustainable assurance. According to the Federation of European Accountants (FEE, 2002) companies should raise shareholder sureness by improving the credibility of their sustainable disclosure with third-party assurance and independent assurance.

**Design/Methodology/Approach:** This research tangled content analysis by captivating data from 38 different sectors (such as chemicals, energy, conglomerates, computers, automotive, household personals, and textile and appeals) of the five influential countries (Japan, USA, China, UK and Russia,). We take the data for the 2017 year of those companies that are involved in sustainability reporting. As a methodology, we used the regression model to observe the factors' effect on sustainable assurance in sustainability disclosure. The target population is companies from five influential countries.

**Findings/Results:** The findings show that factors such as listing status on the stock exchange, firm size, and board of director's expertise are positively associated with sustainable assurance. Factors such as sector affiliation, leverage, profitability, quality of sustainability reporting, and ownership structure are negatively associated with sustainable assurance. The findings of this research provide that for improving the quality of social and environmental reports assurance is mandatory either through a third party or independent assurer.

**Practical Implications:** Overall this research will be beneficial for socially responsible firms, governing bodies, industry experts, academia and investors who want transparent disclosure by assuring from third-party assurer or accounting firms. Sustainable assurance diverts attention away from corporate irresponsibility and focuses on transparent and credible information disclosed in sustainable and annual reports. This research gives a new avenue for future research and suggestions.

**Originality/Value:** This study is assessing the importance of sustainable assurance and various factors that effect on sustainable assurance. The finding shows that this research will be helpful for stakeholders who are concerned with social and environmental performance.

**Keywords:** *Global Reporting Initiative, influential perspective, Sustainable disclosure, Content analysis, sustainable assurance, determinants, transparency, quality of disclosure*