CONSEQUENCES AND DETERMINANTS OF EXTENDED EXTERNAL REPORTING ASSURANCE

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ABSTRACT

The assurance of non-financial information (NFI) included for extended external reports (EERs) is a worldwide action that has sweeping ramifications for businesses, investors, different partners, and society. EERs remain to a great extent unregulated with not many norms. Alongside our buddy paper (Venter & van Eck 2021), we add to the current discussion on EER assurance by giving an outline of the academic literature to illuminate the standard-setting drives regarding the International Auditing and Assurance Standard Setting Board (IAASB), just as the act of assurance of EERs. We distinguish several articles on extended external reporting (EER) assurance distributed somewhere in the range of 2009 and 2020 across 34 journals positioned A, A, and B on the Australian Business Deans Council (ABDC) 2019 Journal Quality List. These articles cover documented, case studies, interviews, surveys, and content examination research strategies and fill in as potential inputs for standard-setting exercises. We record a quick expansion in this literature with practically 50% of the articles published over the most recent 3 years, 2018 to 2020. At last, we submit suggestions for future exploration straightforwardly connected to the proposed Direction of the IAASB on EER assurance. We encourage researchers to participate in these and different issues of the IAASB's Guidance to help them with valuable input for their standard-setting exercises.*

Keywords: Assurance, Corporate Social Responsibility, Extended External Reports, Non-Financial Information, Sustainability.

INTRODUCTION

Firms are progressively giving extra information to the market as extended external reports (EERs) like environmental, social and governance (ESG) reports, corporate social responsibility (CSR) reports, sustainability reports, and, all the more as of late, integrated reports. These reports contain non-financial information (NFI) that is customarily not piece of the financial statements but rather is all things considered valuable for users' decision-making, since it imparts to capital suppliers and different stakeholders the impacts of a firm's business and its related risks on society and the environment. KPMG (2017) reports that 93% of the Fortune Global 250 firms produce EERs, contrasted with 35% in 1993. As EERs are frequently given voluntarily, unregulated consists of assorted hidden topics, are introduced in different structures, and ordinarily incorporate narrative and forward-looking information, they are in risk of lacking validity and serving managers. Accordingly, the related demand for the autonomous assurance of such EERs is developing quickly. KPMG (2017) archives that 67% of the Fortune Global 250 firms get autonomous assurance on their EERs, contrasted with 30% in 2005.

Dissimilar to financial statement audits, the direction and research on EER assurance are restricted. Proficient accountants direct EER assurance commitment as far as the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, given by the International Audit and Assurance Standards Board (IAASB) in 2003 ("ISAE 3000") and revised in 2013 ("ISAE 3000 (Revised)"). The IAASB is currently giving non-legitimate guidance on assurance engagements attempted as per ISAE 3000 (Revised) ("the Guidance").

Our survey supplements and broadens past reviews by Many researchers. García-Sánchez, Gomez-Miranda, David & Rodríguez-Ariza (2019) present and survey five articles in a

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unique release. Wong & Chen (2016) survey centers around the market for sustainability assurance services. They review 50 articles from 28 journals published from 1998 to 2015. Bollas-Araya, Polo-Garrido & Seguí-Mas (2019) review 56 articles over the period 1985 to 2015. Zhou, Simnett & Hoang, (2019) fosters a conceptual model from the literature which distinguishes between determinants of non-financial assurance at the national and firm level. Casey & Grenier, (2015) review 53 articles from 2000 to 2016.

What's more, Kok & Maroun, (2021) recognized that only six of 130 international archival auditing and assurance research articles published in eight leading accounting and auditing journals from 1995 to 2014 related to EER assurance. In the behavioral research methodology, Velte & Issa, (2019) identified that only some experimental auditing research papers were published in ten leading accounting and auditing journals related to EER assurance. All in all, these two examinations show that research on EER assurance has been a poor cousin to investigate on financial statement audits in the leading journals.

Given the extent of these past reviews and their distribution dates, we add to the EER literature by being the most current and complete survey to date. In accordance with the expanded consideration paid to the practice and standard-setting of EER assurance, we note an upsurge in the research literature, with 48.8% of the articles in our sample published since 2018 and not covered by the previously mentioned reviews. Moreover, we provide ideas for future exploration straightforwardly connected to the IAASB's Guidance on EER that will assist scholastics in taking this literature forward. Our study should be read together with Venter & van Eck (2021) which give an outline of the current practices and difficulties identified with EER.

Background to Assurance Standards

As an initial step, we give a concise foundation on the two international standards most usually applied to direct EER assurance engagements practically speaking (Zhou, Simnett & Hoang, 2019; Simnett, 2012). These two standards incorporate the AA 1,000 Assurance Standards, all the more explicitly AA 1,000 AS, issued by AccountAbility and ISAE 3,000, issued by the IAASB.

While AA 1,000 AS was explicitly intended for sustainability assurance engagements (Perego 2009), ISAE 3,000 is an "umbrella" standard designed for the assurance of non-financial reports based on the concepts, standards, and systems utilized in financial statement audits (Wong & Chen, 2016; Perego, 2009). ISAE 3,000 was not specifically designed for sustainability assurance engagements (Liao, Lin & Zhang, 2018; Perego, 2009). Whereas members of the accounting professions generally use ISAE 3,000 when providing sustainability assurance, AA 1,000 AS is utilized principally by members outside the accounting profession (Ackers & Eccles, 2015; Perego, 2009; Simnett, 2012).

ISAE 3,000 proposes two levels of assurance, being either a "reasonable" or "limited" level (IAASB, 2013). Similarly, under AA 1,000 AS assurance can be provided at a "high" or "moderate" level (AccountAbility, 2020). Unlike ISAE 3,000, AA 1,000 AS provides for two types of assurance engagements, "Type 1" and "Type 2." Under a Type 1 engagement, the extent of adherence to the AA 1,000 Accountability Principles is evaluated. A Type 2 engagement evaluates both the extent of adherence to the AA 1,000 Accountability Principles and the quality of and reliability of information (AccountAbility, 2020). Prior research shows that moderate/limited assurance has become more prominent than reasonable/high assurance, especially with large accounting firms being more likely to issue the former (Hasan, Maijoor & Vanstraelen, 2005; Fan, Tang & Pan, 2021; Datt, Prasad, Vitale & Prasad, 2021; Ruhnke & Gabriel, 2013; Junior, Best & Cotter, 2014). Since the objectives of these two standards differ, they appear to be complementary in nature rather than substitutes for one another (Liao, Lin & Zhang, 2018; Iansen-Roegers & Oelschlaegel, 2005; Seguí-Mas, Bollas-Araya & Polo-Garrido, 2015; Andon, Free & Sivabalan, 2014).

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Startegy

We search the Academic Source Complete and Business Source Complete databases of EBSCOhost together with Scopus and ProQuest's Accounting, Tax and Banking collection for articles which contain "assurance" along with one of the accompanying words in their title: "carbon," "corporate social responsibility," "CSR," "environmental," "greenhouse gas," "integrated report," "integrated reporting," "non-financial," and "sustainability". We additionally look for "combined assurance" as a credibility- improving technique. To discover early view articles that are not in paper yet, likewise scan Google Scholar for 2020. This process identifies 205 articles. To guarantee our review centers around high-quality research, we limit the articles included in our review to those positioned A*, A, and B on the ABDC 2019 Journal Quality List and published since 2009. We review articles from the "accounting," "finance," and "business and management" fields of research as per the ABDC list to guarantee that we focus on articles applicable to the accounting, finance, and management disciplines. We exclude discussions, literature reviews, and article reviews from our analysis since these types of articles do not contain new observational proof. We analyze few articles in Atlas.ti and code articles according to strategy, hypothesis, references to standards, design features, implications for practice, and ideas for future examination.

Patterns and Themes in Publications

Table 1, Board A, contains the quantity of publications assembled in three-year time frames, along with the journal positioning. As far as journal positioning, 42.1% of the articles are published in A-evaluated journals, with an equivalent number (28.9%) being published in A*- and B-evaluated journals. There has been a monotonic expansion in the quantity of articles from 13 (10.7%) in the 2009 to 2011 period to 59 (48.8%) in the 2018 to 2020 period. This evidence shows an expanded interest from scholarly researchers in assurance on EERs. While the percentage of articles published in B-evaluated journals remained genuinely static across time, the percentage of articles published in A*- and A- evaluated journals changed.

TABLE 1
PATTERNS IN ACADEMIC PUBLICATIONS ADDRESSING EXTENDED EXTERNAL REPORTING ASSURANCE

Board A: Publications by year and journal positioning				
	Journal position			
Year	**A***	**A**	**B**	**Total**
2009–2011	7	5	4	16
	43.8%	31.2%	25%	100%
	[16.4%]	[7.8%]	[7.9%]	[10.7%]
2012–2014	2	8	6	16
	12.5%	50.0%	37.5%	100%
	[3.0%]	[16.6%]	[14.9%]	[11.5%]
2015–2017	8	14	12	34
.	23.6%	41.2%	35.2%	100%
	[25.7%]	[30.4%]	[28.9%]	[28.3%]
2018–2020	18	22	19	59
	30.5%	37.3%	32.2%	100%
	[54.9%]	[45.2%]	[48.3%]	[49.5%]
Total	35	49	41	125
	28.0%	39.2%	32.8%	100%
	100%	100%	100%	100%

Our example incorporates articles across all the major methods commonly utilized in accounting research. Table 2, Panel B, sets out the number of articles published by strategy and

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across time. As anyone might expect, the most well-known research approach was archival techniques (44.6%), with a genuinely equivalent spread between experimental (14.7%), content analysis (14.1%), and interviews (17.9%). Survey techniques (6.3%) and different strategies (3.2%), like analytical and mixed techniques, make up the rest of the articles. In the initial three years of our example, the literature was overwhelmed by interviews (27.7%), experimental techniques (22.3%), and content analysis (22.3%). During these initial three years, the utilization of archival techniques was low (16.6%), perhaps because of the need to hand collect data and restricted observations to conduct statistical tests. From 2012 onwards, archival research includes most of the articles.

TABLE 2
PATTERNS IN ACADEMIC PUBLICATIONS ADDRESSING EXTENDED EXTERNAL REPORTING ASSURANCE
Board B: Publications by Strategy and year

	Strategy						
Year	**Archival**	**Experimental**	**Content analysis**	**Interviews**	**Survey**	**Other**	**Total**
2009–2011	3	4	4	5	0	2	18
	16.6%	22.3%	22.3%	27.7%	0.00%	11.1%	100%
	[4.1%]	[19.7%]	[13.0%]	[20.6%]	[0.0%]	[32.4%]	[14.9%]
2012–2014	5	2	4	0	4	1	16
	31.3%	12.3%	25.0%	0.0%	25.1%	6.3%	100%
	[10.2%]	[6.7%]	[15.4%]	[0.0%]	[42.7%]	[34.3%]	[18.2%]
2015–2017	16	5	6	4	2	0	33
	48.5%	15.2%	18.2%	12.1%	6.0%	0.0%	100%
	[32.4%]	[25.4%]	[43.6%]	[17.4%]	[30.1%]	[0.0%]	[24.9%]
2018–2020	30	8	4	13	2	1	58
	51.8%	13.8%	6.9%	22.4%	3.4%	1.7%	100%
	[53.3%]	[48.2%]	[28.0%]	[62.0%]	[27.2%]	[33.3%]	[42.0%]
Total	54	19	18	22	8	4	125
	43.2%	15.2%	14.4%	17.6%	6.4%	3.2%	100%
	100%	100%	100%	100%	100%	100%	100%

To give proof on whether the different strategies cluster by journal ranking, Table 3, Board C, contains the quantity of articles by strategy and journal position. Of the 34 articles published in A*-evaluated journals, 36.4% utilized archival strategies, 33.7% conducted interviews, and 26.5% utilized experimental strategies. Thus, while the whole example contains only 15.2% experiments and 17.6% interviews, these strategies constitute a more prominent extent of the articles published in A* journals. This could be because of various reasons, including the qualities of these techniques (e.g., high on internal validity).

TABLE 3
PATTERNS IN ACADEMIC PUBLICATIONS ADDRESSING EXTENDED EXTERNAL REPORTING ASSURANCE
Board C: Publications by strategy and journal positioning

	Journal Position			
Method	**A***	**A**	**B**	**Total**
Archival	12	29	20	61
	-19.7%	-47.6%	-32.7%	-100.00%
	[36.4%]	[57.4%]	[53.9%]	[49.2%]
Experimental	10	3	3	16
	-62.5%	-18.75%	-18.75%	-100.00%
	[26.5%]	[6.7%]	[9.4%]	[14.2%]

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Content analysis	2	9	8	19
	-10.5%	-47.3%	-42.2%	-100.00%
	[3.4%]	[19.7%]	[18.9%]	[14.0%]
Interviews	10	4	4	18
	-55.6%	-22.2%	-22.2%	-100.00%
	[33.7%]	[8.6%]	[7.3%]	[16.6%]
Surveys	0	7	1	8
	0.00%	-87.5%	-12.5%	-100.00%
	[0.0%]	[4.9%]	[5.3%]	[3.4%]
Other	0	1	2	3
	0.00%	-33.30%	-66.70%	-100.00%
	[0.0%]	[2.7%]	[5.2%]	[2.6%]
Total	34	53	38	125
	-26.2%	-45.1%	-28.7%	-100.00%
	[100.0%]	[100.0%]	[100.0%]	[100.0%]

Another justification for the achievement and interviews in A*-evaluated journals is evident from Table 4, Board D, which contains the five journals that published the most articles on EER assurance.

Two A*-evaluated journals, Auditing: A Journal of Practice and Theory and Accounting, Auditing and Accountability Journal, both of which much of the time publishes experimental and qualitative research, are among these five journals. Taken along with Table 3, Board C, this implies these two journals have published 65.7% (23 articles) of the multitude of articles published in A*-evaluated journals, with the remaining articles published in European Accounting Review (6 articles), The British Accounting Review (2 articles), Contemporary Accounting Research (2 articles), The Accounting Review (1 article), and Accounting, Organizations and Society (1 article). Together, the best five journals contained in Table 4, Board D, published 44.6% of the articles in our example. This is wonderful considering that our example incorporates 35 journals.

TABLE 3
PATTERNS IN ACADEMIC PUBLICATIONS ADDRESSING EXTENDED EXTERNAL REPORTING ASSURANCE

Panel D: Journals with the highest frequency of articles addressing Extended External Reporting Assurance

	Number of articles	% of total
Journal of Business Ethics (A)	13	10.70%
Accounting, Auditing and Accountability Journal (A*)	12	9.90%
Auditing: A Journal of Practice and Theory (A*)	11	9.10%
Sustainability Accounting, Management and Policy Journal (B)	11	9.10%
Managerial Auditing Journal (A)	7	5.80%
Total	54	44.60%

Concerning, the archival literature will in general zero in on determinants and results of EER assurance. There is more overlap in themes between the different strategies. Common themes that are addressed within the experimental, content analyses, interviews, case studies, and survey literature incorporate the (1) credibility of EERs, (2) independence of assurers, (3) lack of regulation and standards, (4) understandability of assurance report, (5) legitimacy of the firm seeking assurance and the assurer, (6) level and scope of the assurance engagement, (7) materiality, (8) managerial capture, (9) professionalization, (10) stakeholder engagement, (11)

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tension between accounting and non-accounting assurers, and (12) value added by assurance. These issues are discussed in more detail in the different segments that follow.

Archival Research

Of the 125 articles, 61 utilize archival data to examine EER assurance. The areas of research can be classified into two general classifications, including (1) the firm-, industry-, and country-level determinants of the decision to guarantee NFI, just as the decision of EER assurance provider, and (2) the outcomes identified with the decision to acquire EER assurance, as well as the decision of EER assurance provider.

Determinates

Firm-Level Attributes

As far as the firm-level attributes related with the demand for assurance and the choice of assurance provider, studies essentially consider firm size, profitability, leverage, the extent/level and nature of non-financial disclosures, social and ecological performance, corporate governance qualities, and other firm-level attributes.

Because of expanded public scrutiny and extensive monitoring, some contend that bigger firms, more profitable firms, and profoundly utilized firms are probably to obtain assurance (Casey & Grenier, 2015; Cho, Michelon & Patten, 2012). Furthermore, these firm-level attributes may likewise affect the decision of the assurance provider.

Focusing on the association between firm size and assurance, Cho, Michelon & Patten (2012); Simoni, Bini & Bellucci, (2020) track down that firm size is a critical determinant of assurance for a sample of international firms. Likewise, Maroun (2020); Tang (2019) document a positive relationship between firm size and the decision to obtain sustainability and carbon emission assurance. This affiliation additionally holds in (Sierra, Zorio & García-Benau, 2013). Actually, earlier research tracks down that firm size is not a huge determinant of assurance for other countries listed firms (Herda, Taylor & Winterbotham, 2014), for a global example of sustainability reporters (Sethi, Martell & Demir, 2016). These outcomes may be driven by the legitimate beginning of the countries included in the respective samples. Because of expanded public scrutiny and extensive monitoring, bigger firms domiciled in common law countries might be less disposed to acquire assurance because of the great legal liability and litigation risk in these countries (Seguí-Mas, Bollas-Araya & Polo-Garrido, 2015; Cho, Michelon & Patten, 2012).

As far as the decision of the assurance provider, Cho, Michelon & Patten, (2012); Junior, Best & Cotter, (2014); Simoni, Bini & Bellucci, (2020); Michas (2011); Tschopp & Huefner, (2015) find that size is related with the decision to utilize an accounting assurance provider. This might be driven by the perception that accounting assurance providers offer higher quality assurance. Then again, Herda, Taylor & Winterbotham, (2014); Casey & Grenier, (2015) track down that bigger firms are not bound to utilize an accounting assurance provider. Casey and Grenier (2015) contend that the outcomes can be driven by the low interest for assurance service due to potential litigation risk faced by accounting firms. Furthermore, the authors contend that it tends to be driven by insufficient marketing of assurance services to large firms.

Focusing on profitability as a driver of the interest for assurance, Sierra, Zorio & García-Benau, (2013) track down that firm profitability is decidedly connected with the assurance. Sethi, Martell & Demir, (2016) report a negative relationship between firm profitability and assurance. Cho, Michelon & Patten, (2012), utilizing an international example, and Maroun (2020); Cho, et al., (2014); Tang (2019) do not find a huge relationship between the decision to assure and firm profitability. In actuality, Michas (2011) find that profitable firms in certain

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countries are bound to pick an accounting firm as the assurance provider because of the perceived higher quality assurance.

Zeroing in on leverage as a driver of the interest for assurance, Sierra, Zorio & García-Benau (2013) find that organizations with more significant levels of leverage are less inclined to get assurance. Maroun (2020); Tang (2019) record similar outcomes. These outcomes could be driven by financial requirements of profoundly leverage firms restraining them from getting expensive assurance (Maroun 2020). Also, Casey & Grenier, (2015) contend that more grounded regulatory oversight and monitoring can act as a substitute for assurance, along these lines diminishing the interest for assurance by highly leveraged firms. However, contrary to this, Cho, Michelon & Patten. (2012); Cho, et al., (2014), find that leverage isn't related with the decision to get assurance. As opposed to this, Michas (2011) find that leverage is anything but a significant determinant in the choice of the assurance provider.

A few investigations analyze the relationship the extent/level and quality of disclosures and the social and ecological performance of a firm, respectively, and the decision to get assurance, just as the decision of the assurance provider. Firms with extensive and top-notch sustainability reports and firms with superior social and environmental performance may be bound to acquire assurance to underline their prevalent exhibition (Cohen & Simnett, 2015; Kılıç, Uyar & Kuzey, 2019). These firms may likewise be bound to have these reports guaranteed by an accounting firm (Kılıç, Uyar & Kuzey, 2019).

Supporting these contentions, Cohen & Simnett, (2015); Kılıç, Uyar & Kuzey, (2019); Roberts & Wang, (2019) record a positive relationship between the extent and/or level of sustainability disclosures and the decision to get assurance. Sethi, Martell & Demir (2016) record a positive relationship between the quality of CSR disclosures and the decision to acquire assurance. Dutta (2019), Kılıç, Uyar & Kuzey, (2019); Sellami, Hlima & Jarboui, (2019) find that organizations with the prevalent social and environmental performance are bound to have their sustainability reports externally guaranteed. Moreover, Kılıç, Uyar & Kuzey, (2019) find that organizations with broader sustainability disclosures and prevalent social and environmental performance are more likely have the information guaranteed by a Big Four firm and look for full verification.

A somewhat new stream of research analyzes the relationship between firm-level corporate governance qualities, the decision to get EER assurance, and the choice of the assurance provider. Focusing on the relationship between firm-level corporate governance attributes and the decision to acquire sustainability assurance, Sellami, Hlima & Jarboui, (2019) record a critical positive relationship between higher by and large corporate governance quality and the decision to get sustainability assurance.

To additionally unravel the expected drivers of this affiliation, some investigations examine explicit corporate governance functions and/or the attributes of these functions rather than overall corporate governance. For instance, as far as traditional corporate governance functions (counting the board and the audit committee), Herda, Taylor & Winterbotham, (2014) tracks down that the activity and persistence of audit committees are determinants of the assurance decision firms. The outcomes show that the audit committee is not only an emblematic corporate governance function. Chen & Cheng, (2020) archive that firms with bigger boards, more female directors, and a partition among CEO and chairman positions are bound to acquire assurance.

As far as of sustainability-oriented corporate governance functions, Herda, Taylor & Winterbotham, (2014) tracks down that the presence of sustainability committees and governance committees is not related with the assurance decision firms. This could be driven by the fact that vast majority of the example firms do not have a sustainability or governance committee. Essentially, García-Sánchez, Hussain, Martínez-Ferrero & Ruiz-Barbadillo, (2019) track down that the presence of environmental committees is not related with the sustainability assurance decision for some firms. The authors argue that environmental committees act as an emblematic gesture of a firm's commitment to sustainability instead of an information conduit.

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Notwithstanding, García-Sánchez, Hussain, Martínez-Ferrero & Ruiz-Barbadillo, (2019) track down that environmental committees with more prominent aptitude are more likely to get sustainability assurance. In cross-country studies, Datt, et al., (2018); García-Sánchez, et al., (2019) find that the presence of environmental committees and CSR committees is essentially connected with the assurance decision.

In terms of the decision of the assurance provider, the literature shows that organizations with sustainability and governance committees (Herda, Taylor & Winterbotham, 2014), firms with more experienced environmental committees (Boiral, Heras-Saizarbitoria, Brotherton & Bernard, 2019), and firms with more female directors (Chen & Cheng, 2020) are bound to get assurance from an accounting firm. Boiral, Heras-Saizarbitoria, Brotherton & Bernard, (2019) likewise record that organizations with a Chief Sustainability Officer (CSO) and, all the more along these lines, firms with a CSO with sustainability expertise are bound to acquire assurance. Likewise, the authors find that CSOs classified as sustainability specialists are more bound to utilize a consultancy firm (*i.e.*, non-accounting firm) as the assurance provider.

Two studies analyze joined assurance. Zhou, Simnett & Hoang, (2019) analyze the determinants of the utilization of more sophisticated combined assurance models to guarantee coordinated reports. The authors track down that firm size is contrarily connected with the sophistication of the combined assurance models. Notwithstanding, firm profitability is not related with the sophistication of the combined assurance models. While unraveling the segments of combined assurance sophistication (counting assurance coverage, assurance methodology, and assurance governance), the authors find that while more profitable firms depend on powerful assurance approaches (driving higher consolidated assurance complexity), they are more bound to lessen their assurance inclusion (driving lower consolidated assurance complexity). Also, they report that while firms with bigger and more independent boards are related with more complex combined assurance models, board experience is partner with less sophisticated combined assurance models. The authors find that as board experience builds, assurance techniques decline. Thus, board experience is filling in for the utilization of complex assurance methodologies, resulting in less sophisticated combined assurance. What's more, Cooray, Gunarathne & Senaratne, (2020) find that for an example of firms' integrated reports, the tirelessness and expertise of the board and the audit committee and the expertise and independence of the sustainability committee are emphatically connected with the extent and quality of credibility-enhancing mechanisms.

A few examinations explore other firm-level determinants of assurance. For instance, Dutta (2019) finds that media pressure is related with the assurance choice. Sierra, Zorio & García-Benau, (2013); Simoni, Bini & Bellucci, (2020) track down firms are more likely to acquire assurance contrasted with that listed non-listed firms. The literature also shows that different firm motives, for instance, the longing to further develop carbon management mechanisms, assembling an establishment for methodical business management, having better control of business operations, meeting client and market necessities, and enhancing the image and reputation drive the assurance decision (Datt et al., 2020; Prajogo et al., 2020).

In certain occasions, the outcomes relating to the relationship between firm-level attributes, the decision to obtain sustainability assurance, and the choice of the sustainability assurance provider appear to be blended (Wong & Chen, 2016) Albeit the elements talked about are drivers of the interest for assurance and the choice of assurance provider, it seems, by all accounts, to be context-specific. Subsequently, industry- and country-level variables ought to likewise be considered as they could influence both decisions. Tsalis, Malamateniou, Koulouriotis & Nikolaou, (2020) note that it is important to consider the interplay between these elements.

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Industry Level Attributes

As far as of the industry-level attributes driving the interest for assurance and the choice of the assurance provider, studies mostly consider industry enrollment. Cho, Michelon & Patten, (2012); Datt & Prasad, (2021); Junior, Best & Cotter, (2014); Mock, Rao & Srivastava, (2013); Sierra, Zorio & García-Benau, (2013); Cohen & Simnett, (2015) track down that the adoption of assurance is more common among firms operating in industries with more prominent social and/or environmental effects. Essentially, Ruhnke & Gabriel, (2013) record that organizations working in industries that are more worried about sustainability (*i.e.*, mimetic pressures) are more likely to get assurance. In any case, the outcomes show that country-level variables (*i.e.*, coercive and standardizing pressures) impact the assurance decision to a greater extent than industry-level variables (*i.e.*, mimetic pressures). Additionally, focusing on industry-level mimetic pressures, Chen & Cheng, (2020) find that the probability of getting assurance is lower in privately-owned companies contrasted to non-family firms. Notwithstanding, the authors find that industry-level mimetic pressures weaken the negative relationship for public family businesses with less serious central agency issues.

Focusing on the relationship between industry membership and the assurance decision for firms, Casey & Grenier, (2015) document blended outcomes. Though firms in the mining and production industry are bound to get assurance, firms in the finance and utilities industry are not more likely to acquire sustainability assurance, regardless the fact that these firms face huge social and environmental risks. Maroun (2020) note that these distinctions could be driven by regulatory oversight within industries.

In spite of the discoveries reported above, Tschopp & Huefner, (2015) find that the practice of adopting assurance is more common in less socially and environmentally sensitive industries contrasted to more socially and environmentally sensitive industries. The authors note that this finding is illogical and that more experimental evidence would be important to reach a more consistent outcome. Additionally, Radhouane, Nekhili, Nagati & Paché, (2020) finds that firms operating in non-carbon industries (*i.e.*, low carbon intensive industries) are more bound to get assurance on sustainability disclosures. The authors contend that, in light of flagging hypothesis, it is less exorbitant for more socially responsible firms (*i.e.*, firms operating in low carbon intensive industries) to acquire assurance contrasted to less socially responsible firms. However, the authors note that the outcomes are driven by financial firms, which is consistent with the findings of, for instance, Cohen & Simnett, (2015). Then again, Sethi, Martell & Demir, (2016) track down that, as opposed to hypothetical forecasts, the industry impact isn't critical in the assurance decision. The authors find that organizations operating in socially and/or environmentally sensitive industries like utilities, financial services, manufacturing, and oil and gas are not bound to get assurance than firms in different industries.

Zeroing in on consolidated assurance on integrated reports, Zhou, Simnett & Hoang, (2019) document no relationship between firms operating in environmentally sensitive industries and the complexity of combined assurance models. The authors find that while firms operating in environmentally sensitive industries depend on robust assurance methodologies (driving higher consolidated assurance complexity), they are more likely to lessen their assurance coverage (driving lower combined assurance sophistication). However, the outcomes also show that firms operating in the financial services sector industry execute less sophisticated consolidated assurance models. Like contentions made by Maroun (2020), the authors note that this could be driven by the fact that firms in the financial services sector are now profoundly regulated. Thusly, the regulations may be viewed as a substitute for consolidated assurance.

Focusing on the choice of the assurance provider, Cho, Michelon & Patten, (2012); Casey & Grenier, (2015); Tschopp & Huefner, (2015) discover no relationship among socially and/or environmentally sensitive industries and the choice of the assurance provider. In actuality, Mock, Rao & Srivastava, (2013) track down that the industry in which a firm operates is a huge determinant of the choice of an accountant. The investigation finds that certain firms in

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the consumer services industry are more likely to utilize an accountant as the assurance provider.

Country Level Characteristics

As far as the country-level characteristics driving the interest for assurance and the choice of assurance providers, studies chiefly consider the legal system/origin (*i.e.*, code law versus common law), the strength of the legitimate environment and legal implementation, and pressure toward sustainable corporate practices. Zeroing in on the decision to acquire assurance, Cho, Michelon & Patten, (2012); Seguí-Mas, Bollas-Araya & Polo-Garrido, (2015); Tsalis, Malamateniou, Koulouriotis & Nikolaou, (2020); Tschopp & Huefner, (2015); Sellami, Hlima & Jarboui, (2019) find that firms domiciled in stakeholder-oriented countries (*i.e.*, code law countries) are bound to adopt assurance.

Firms operating in stakeholder-oriented countries have a social responsibility not only toward shareholders, yet toward all stakeholders. In this way, to oversee and keep up with stakeholder connections and requests, firms in stakeholder-oriented countries are more likely to acquire assurance (Seguí-Mas, Bollas-Araya & Polo-Garrido, 2015). In addition, Cho, Michelon & Patten, (2012) find that firms in countries with a solid legal environment are bound to adopt assurance.

From the neo-institutional point of view, Ruhnke & Gabriel, (2013) find that organizations operating in countries with more grounded legal systems (i.e., coercive pressures) and more noteworthy cultural development (*i.e.,* normative pressures) are more likely to get sustainability assurance than firms where these pressures are more fragile. The authors document evidence that standardizing pressures have the best explanatory impact on assurance interest, followed by coercive pressures.

Focusing on the assurance of carbon emissions information, Datt, et al., (2018) find that notwithstanding firm-level carbon risk exposure and carbon governance mechanisms being determinants of the carbon emissions assurance decision, firms domiciled in countries with stricter environment protection policies and countries with open economies are more likely to participate in carbon emissions assurance. Kılıç, et al., (2019) find that firms operating in countries with vulnerable ethical behavior, more fragile financial and auditing standards, and weaker investor protection mechanisms are bound to take part in assurance on integrated reports. Essentially, Seguí-Mas, Bollas-Araya & Polo-Garrido, (2015); Tsalis, Malamateniou, Koulouriotis & Nikolaou, (2020) report that firms operating in countries with more vulnerable legal enforcement mechanisms are more likely to adopt assurance. Herda, et al., (2014) find that organizations domiciled in countries characterized by more vulnerable investor protection are more likely to acquire sustainability assurance (and higher quality sustainability assurance) contrasted to firms domiciled in countries characterized by more grounded investor protection. These discoveries support the argument that assurance serves as a substitute for weak country-level institutional and monitoring mechanisms by guaranteeing control over the quality and credibility of social and environmental information (Seguí-Mas, Bollas-Araya & Polo-Garrido, 2015).

Further, Seguí-Mas, Bollas-Araya & Polo-Garrido, (2015) show that the assurance request is higher in countries where there is more pressure toward sustainable corporate practices, because of public policy and institutional variables. Firms operating in these countries will therefore engage more in assurance services to react to the higher demand for straightforwardness and accountability. In opposition to this, Sellami, Hlima & Jarboui, (2019) find that firms operating in countries with solid sustainability policies are less inclined to acquire assurance. In spite of the fact that their outcomes contradict initial predictions, the authors contend that organizations operating in countries with weak sustainability policies might have to acquire legitimacy and are consequently bound to get assurance as a legitimacy-

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enhancing tool. Also, it can be contended that solid sustainability policies might act as a substitute for assurance.

A few examinations give evidence that the legal system of a country, the strength of the legal environment and legal implementation, and institutional pressure toward sustainable corporate practices don't influence the choice to acquire assurance (Simoni, Bini & Bellucci, 2020; Sethi, Martell & Demir, 2016). Be that as it may, Simoni, Bini & Bellucci, (2020) record that regulatory actions and polices, for example, those proposed by the EU Commission, greatly affect the probability of getting assurance than the legal system tradition of a country. Sethi, Martell & Demir, (2016) find that firms operating in stakeholder-oriented countries and countries with more grounded legitimate environments acquire higher quality assurance.

With regard to the choice of the assurance provider, Cho, Michelon & Patten, (2012); Tsalis, Malamateniou, Koulouriotis & Nikolaou, (2020) show that firms operating in stakeholder-oriented countries (*i.e.*, code law counties) are more likely to obtain assurance from an accounting assurance provider. Moreover, Tsalis, Malamateniou, Koulouriotis & Nikolaou, (2020) find that organizations operating in countries with more vulnerable legal enforcement are bound to acquire assurance on greenhouse gas (GHG) disclosures from an accounting assurance provider. Subsequently, the high-quality assurance given by accounting assurance providers serves as a substitution for the feeble legitimate environment in which these firms operate. Then again, Cho, Michelon & Patten, (2012) find that firms operating in countries with weak legal environments are not more likely to choose a member from the auditing profession as the assurance provider. Seguí-Mas, Bollas-Araya & Polo-Garrido, (2015) track down that the probability of picking an accounting assurance provider increments for companies operating in shareholder-oriented countries (i.e., common law counties) with lower levels of litigation.

As far as the assurance of carbon information, Datt , et al., (2020) find that organizations subject to more prominent legitimacy and stakeholder pressure (e.g., those with significant levels of carbon emission in stakeholder-oriented countries with stringent climate protection policies) are bound to pick an accounting assurance provider. Conversely, firms that want to further develop carbon management mechanisms (e.g., with carbon committees, carbon-reduction initiatives, and a greater degree of carbon transparency) are bound to pick counseling firms as the assurance provider.

Simoni, Bini & Bellucci, (2020) record that the overall set of laws of a country, legitimate implementation in a nation, and institutional pressing factors toward supportability don't influence the decision of the assurance provider. Essentially, Tschopp & Huefner, (2015) discover no relationship between legal system of a country and the choice the assurance provider. In general, this literature recommends that country-level organizations, requirements, guidelines, legal origin, and culture influence the assurance decision. While the literature does not give steady proof all though, it is apparent that country-level variables are significant drivers for the interest for the assurance of EERs.

Consequences

As far as the results identified with the assurance and/or assurance provider decision, studies predominantly consider the impact on the extent/level of reporting and reporting quality, extent/level of assurance report content and quality, financial performance, capital market reactions, and different outcomes.

Extent/level and Reporting Quality

An undeniable inquiry is whether assurance further develop reporting quality. Analyzing the relationship among assurance and environmental disclosure quality, Moroney, et al., (2012) track down a critical positive relationship among assurance and environmental disclosure quality. Nonetheless, the authors track down no critical distinction in the environmental

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disclosure quality for firms utilizing accounting assurance providers contrasted with firms utilizing consultant assurance providers. Focusing on the extent/level of disclosure, Braam, et al., (2016) inspect the connection among assurance and the level and nature of environmental reporting, respectively. Also they find that assurance plays a critical, incremental role in clarifying the variety 1in the level and nature of environmental reporting.

Identified with reporting quality, an arising question is whether assurance recognizes restatements. In the financial statement audit literature, restatements are demonstrative of low audit quality, since it recommends that the auditor issued an unqualified assessment in the previous period, while the financial statements were substantially misstated (DeFond & Zhang, 2014). The examination shows a critical positive relationship among assurance and restatements. This proof proposes that assurance further develops CSR reporting quality through the identification of errors in earlier reports and through methodological updates that require restatements for similarity. Also, the investigation finds that assurance is altogether connected with quantitative immaterial restatements. Albeit the discoveries demonstrate that assurance improves sustainability report quality, the authors contend that assurance providers use restatements as a vehicle to gain market share and to create legitimacy in the assurance market. They show that the general effectiveness of the audit committee, as well as explicit attributes of the audit committee (including authority and activity), is decidedly connected with the extent and quality of integrated reports. (Haji Anifowose, 2016; Gal & Akisik; 2020).

At last, an arising research question is whether there are advantages to a solitary assurance provider for both financial and EERs. Maso; et al., (2020) inspect whether the provision of CSR assurance services and financial statement audit by a similar audit firm effects the auditor's assessment of going concern risk due to knowledge spillovers. The authors find that auditors of firms who utilize the same Big Four audit firm for the financial statement audit and the provision of CSR assurance issue more successive going-concern conclusions, the firms book bigger environmental and litigation provisions, are less likely to book income-decreasing restatements, and have more persistent and value relevant earnings. These discoveries are characteristic of a corresponding role between EER assurance and financial reporting quality.

Assurance Report Content

Rather than analyzing the corporate reports released by firms, a surge of examination looks at the level/ extent and the quality of the content of assurance reports. Moreover, the authors track down that this association is more significant when assurance is acquired from an accounting assurance provider.

Connecting to the idea of knowledge and expertise, the earlier literature keeps up with that the joint provision of financial statement audit and EER assurance services by the same audit firm outcome in improved assurance quality due to knowledge spillover. Because of the knowledge overflow impact, the examination archives a positive relationship between the provision of financial statement audit and sustainability assurance services by the same audit firm and higher assurance report quality. In addition, the authors find that industry specialization (*i.e.,* expertise) of the assurance providers further upgrades this positive association (Ruiz-Barbadillo & Martínez-Ferrero, 2020). Authors track down that the provision of assurance by accounting firms is contrarily connected with the extent of assurance report content, showing that accounting firms are bound to give assurance reports with less content (Hummel, et al., 2019).

Capital Market Effects

A few examinations center around the capital market consequences of assurance of EERs, the authors find that CSR assurance is associated with a lower cost of capital, lower analyst forecast errors, and lower analyst forecast dispersion. Also, on account of cost of capital

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and analyst forecast dispersion, the impact is more articulated when assurance is given by an accounting assurer (Casey & Grenier, 2015). Essentially, different discoveries demonstrate that the impact is more articulated when an accountant is the assurance provider.

Alternately, governance mechanisms were decidedly connected with firm value early in a specific sample period, however not later (2008–2010). In any case, the later example time-frame (2008–2010) shows that capital market participants value assurance, yet just when provided by professional accountants. Shockingly, firms with environmental reporting with external assurance or with both third-party comments and external assurance do not have higher firm value than those without them. The authors attribute this to a lack of investors' understanding of the benefits of assurance (Boiral, Heras-Saizarbitoria, Brotherton & Bernard, 2019).

Characteristics of the assurance engagement could likewise impact the capital market consequences, and a more extensive assurance scope is contrarily connected with firm value. These outcomes may be clarified by the fact that shareholders are worried about the expense of assurance and may accept that assurance does not add value to the reporting system. At long last, firms operating in ESI that utilization a professional accountant as an assurance provider have lower firm values than those that use professional consultants. This proposes that shareholders may question the environmental verification expertise in the case of environmentally sensitive firms.

The examinations show that sustainability reporting is related with lower information unevenness (proxied by analysts' forecast accuracy) when the sustainability reports are assured, assurance is provided by an accounting assurer, and more significant levels of assurance are provided. The authors likewise show that these discoveries are influenced by the institutional context in which a firm operates—assurance has more prominent implications in stakeholder-oriented countries. In shareholder-oriented countries, assurance possibly is by all accounts related with lower information deviation when it is provided by an accounting assurer who offers reasonable assurance. Moving the concentration from the characteristics of assurance to the design of the assurance cycle. In any case, the authors track down that a high-quality description of the assurance cycle design in the assurance report is related with lower information unevenness. Additionally, they document a feeble relationship between assurance by experts that are essential for the biggest mining counseling firms on reserve disclosures and higher abnormal stock price returns. The outcomes propose that expert assurance of reserve disclosure of mining firms is not valued by capital market members (Ferguson and Pündrich 2015). Different authors provide evidence that the execution and quality of consolidated assurance disclosure are related with lower analysts' forecast errors and dispersion and lower bid-ask spreads. For bid-ask spreads, this association holds just for firms where the information environment is more fragile (Zhou et al., 2019).

Focusing on assurance, the investigation archives that the adoption of assurance on integrated reports, just as the quality of assurance, is related with lower analysts' forecast dispersion. Moreover, the negative relationship between low-quality textual characteristics of integrated reports and firm value and stock liquidity, respectively, are less articulated in the presence of assurance.

Other Consequences

Integrated reporting might expand firm financial performance since financial and EERs are imparted to clients in a more concise, integrated, and effective manner. The inquiry emerges of whether assurance influences the relationship between financial performance and integrated reporting. Some contend that assurance improves the credibility and quality of information and should along these lines upgrade the relationship between financial performance and integrated reporting. However, ought to be noticed that the definition/criteria for what comprises an

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integrated report does not mirror the essence of an integrated report as visualized by the Framework of the International Integrated Reporting Council (IIRC) (Akisik & Gal, 2019).

In certain cases, assurance might improve the quality of information internally available to directors and influence their decisions. Furthermore, assurance can increase clients' perception of the credibility of the social and environmental information disclosed, which could prompt to a better assessment of a firm's social and environmental image, the authors track down that the association is not affected by the type of assurance provider (Birkey et al., 2016). What's more, others show that the issuance of CSR reports is not related with a lower incidence of future CSR-related misconduct except if the CSR reports are subject to assurance (Du & Wu, (2019).

Experimental Research

Some experimental articles investigate the investor as the decision-maker. As a general rule, participants are needed to make stock price assessments, or demonstrate their willingness to invest. Other investor decisions incorporate an evaluation of CSR report credibility and the perceived importance of ESG indicators.

Numerous experimental examinations analyze the impact of the level of assurance and the type of assurance provider on investor choices. Hodge, et al., (2009) recommends that non-proficient investors have more confidence in sustainability reports with a reasonable level of assurance and when a top-tier accounting firm is the assurance provider. Authors discover no contrast between assurance conditions (no assurance, limited assurance, and reasonable assurance) when environmental performance is negative, but when environmental performance is positive, reports with limited assurance are perceived more reliable than reports with no or reasonable assurance. Furthermore, others demonstrate that counterintuitive discoveries might be on the grounds that participants in the no assurance condition assumed that the information was assured, in spite of no notice being made of assurance. Also, the literature proposes that users of assurance reports might expect that EERs are assured, particularly when presented with assured financial information. Users may likewise not have the option to recognize between different levels of assurance.

A few examinations report that the impact of assurance is context-specific. Some authors show that analysts perceive CSR reports to be more credible when a firm is from an industry where assurance is more commonplace (e.g., mining), and others find that when managerial remuneration is attached to CSR performance and the CSR investment level is high, investors' stock price assessments are more noteworthy just when CSR assurance is additionally present. In this way, CSR assurance turns into a vital credibility signal in the presence of self-serving managerial incentives. Their evidence recommends that investors are more skeptical about positive disclosures than negative disclosures and that assurance could improve the credibility of possible self-serving disclosures (Coram et al., 2009). Another investigation indicates that the impact of assurance on investors' willingness to put resources into the organization is more grounded when the ESG pointers have high strategic relevance contrasted with low strategic relevance (Cheng et al., 2015).

Two examinations center around management and investor perspectives about ESG. They show that investors prefer CSR activities that are connected to financial returns. Nonetheless, when a subsequent negative CSR event happens, without prior assurance of CSR information, investors favor CSR activities undertaken for social good. Accordingly, assurance supplements disclosure of CSR activities by protecting against the effect of negative events.

Two experimental studies inspect the assurance of integrated reports. Nonetheless, their discoveries ought to be considered with regard to the exploration design where one of the experimental manipulations is whether sustainability information is integrated with financial information or whether it is introduced in a standalone report. This manipulation does not mirror the essence of an integrated report as envisaged by the Framework of the IIRC (Reimsbach et

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al., 2018). Henceforth, it is hard to assess whether the more vulnerable outcomes are because of integrated reporting or to immaterial disclosure that is not integrated. Just a single experimental study investigates combined assurance. Hoang & Phang, (2020) find that when reliability risks are high, combined assurance restores investors' perceived reliability of reported information to a more prominent extent than when reliability risks are low.

Content Analysis

The early literature in our example gives an outline of assurance practices. They report that the percentage of firms issuing a sustainability report has been expanding in their sample years, while the percentage of reports being assured remained relatively constant. New practices arising incorporated the "mixed approach" (two types of assurances providers for the same engagement) and the "stakeholder or specialist review" (opinions or recommendations from experts invited to review the EERs) (Perego & Kolk, 2012).

Many investigations question the ability of assurance to make a significant contribution to firms' corporate social responsibility practices or to act as a catalyst for change. They discover an absence of stakeholder engagement in the assurance cycle, scope limitations placed on assurance engagements, and a hesitance of assurers to address the assurance reports to stakeholder groups (Bepari & Mollik, 2016). Thusly, authors contend that the continued emphasis on internal systems, processes, data generation, and data capture results in assurance filling in as an internal control tool rather than as a social accountability instrument. This load of variables result in low transparency about assurance and do not uphold the notion that current assurance practices can inform sustainability information and add credibility to sustainability reports. Further, the value of assurance for internal use is questionable and the potential for decision-making and organizational change is restricted (Gürtürk & Hahn, 2016). By comparison, non-accounting assurers' conclusions as a rule allude all the more exhaustively to the more extensive non-financial performance and reporting frameworks (Ackers & Eccles, 2015), and contend that client comprehension might be hindered by the variety in the nature and extent of the assurance work performed and contrasts in assurance report wording.

Analyzing 337 assurance reports of firms in the energy and mining areas with the highest application (A+) of the GRI Framework depends on procedural and self-referential language upheld by assurance principles apparently disengaged from the particular requirements of sustainability reporting. These assurance practices have all the earmarks of being settled in schedules and methodologies that will in general duplicate normalized statements irrespective of the reliability and content of sustainability reports. They contend that such a trend is worrying from the viewpoint of stakeholder accountability since the average assurance report addresses not exactly 50% of the best-practice criteria. A few worldwide organizations appear to utilize sustainability assurance to extend a decoupled or symbolic image of accountability, subsequently undermining the integrity of this assurance practice. While others contend that inconstancy in the content of assurance reports casts question over the comparability of disclosures and the legitimacy of corporate social responsibility assurance (Boiral & Heras-Saizarbitoria, 2020).

Country-, industry-, and firm-level variables are related with the execution of assurance. The declaration of more stringent legislation on social and environmental reporting increments regulatory pressure and acts as coercive mechanisms, while national contexts portrayed by high litigation expenses might hamper the diffusion of assurance practices (Ackers & Eccles, 2015; Gillet-Monjaret, 2018). Perego & Kolk, (2012) argue that multinational corporations with unrivaled environmental resources and capabilities are bound to request higher levels of accountability standards and assurance quality.

The literature perceives the significance of stakeholder engagement in sustainability reporting and assurance. Stakeholders, particularly internal ones, are being incorporated more into all phases of the sustainability reporting assurance process. Nonetheless, the low level of

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engagement of external stakeholders or of internal stakeholders other than employees or managers, the high frequency of inadequate conclusions, and the low level of collaboration with third parties in conducting assurance services recommend the presence of professional capture in assurance services to the detriment of the quality and credibility of assurance (Manetti & Toccafondi, 2012).

The last two investigations track down that consolidated assurance models are being designed minimalistically as they center around specific disclosures and are directed by a limited number of assurance methodologies or structures as opposed to adopting a blended strategy to verify integrated and sustainability reports as a whole (Simnett & Huggins, 2015).

Interviews and Case Studies

As one of the previous investigations in our example focusing on the perspectives on preparers, Jones & Solomon, (2010) report that while interviewees believed upgraded credibility and further developed sustainability and environmental reports are significant drivers of the interest for assurance, various obstructions to the adoption of assurance exists. These incorporate expense, lacking improvement of reports, the intricacy of assurance, employment of environmental consultants notwithstanding the conviction that assurance was a logical development of current financial statement auditing and the independence of the environmental consultants.

As non-financial reporting and assurance remain to a great extent unregulated, a competitive market among accounting and non-accounting assurers exists, each of which questions the professionalism of the other. Outstanding variations in the differentiation techniques pursued by accounting and non-accounting assurers result in contrasts in their choice of standards, aspects of the assurance cycle (e.g., materiality, scope, team composition), and emphasis on specific expertise (Channuntapipat et al., 2020; Wong & Chen, 2016). Accounting assurers' cases about the rigor of their assurance procedures and standards, extensive resources, and the effectiveness of the intra-firm quality control mechanisms, and contending in support of a single provider for both financial statement audits and sustainability assurance serve to set up their intention to develop an image of superiority (Channuntapipat et al., 2020; Wong & Chen, 2016).

It is challenging to develop a coherent, obviously characterized comprehension of materiality when various logics support its operationalization. Canning, et al., (2019) contextual analysis shows that assurers with no financial statement audit foundation reflectively rationalize their intuition utilizing the assumed authority of structured financial statement audit techniques. Notwithstanding, non-accountant and accountant assurers largely considered themselves engaged in a collaborative; synergistic process aimed at collectively building materiality "in the doing."

Non-financial report assurers need to explore a scope of ethical issues, recognizing four related ethical concerns that build up one another: the commercialism inherent to sustainability assurance, the symbolic nature of the verification process, the interdependency among assurance and counseling services, and the familiarity with clients. Commercialism is integral to the ethical problems as assurers looking for customer satisfaction and retention at competitive prices energize restricted scope engagements overwhelmed by managerial capture of the assurance process. Furthermore, the vague lines between assurance and counseling activities and familiarity with clients create worries about assurers' independence. Many of the ethical considerations are impacted by attempts of assurance providers to conquer the obstructions to institutionalize and legitimize assurance of EERs (Wong & Chen, 2016; Andon, Free & Sivabalan, 2014). To set out open doors for assurance, assurers frequently assumed the active role of change agents advising on the development of frequently organizations auditable thereby crossing the established jurisdictional confines of regulatory auditing and verification. Nonetheless, with each assurance engagement, the suggestions offer to decrease returns, often

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causing managers to question the benefits of broad-scoped engagements and to consider restricting the scope to realize savings.

The extent of managerial capture over the EER assurance process has the potential to distract from the quality of EERs as it serves the commercial and professional interest of the firm and assurer (Edgely, Hickman & Cote, 2019; Jones & Solomon, 2010). Accounting assurers might take a tight perspective of non-financial assurance, focusing on the auditable trail of data to affirm the reliability of the information reported. Regarding materiality and completeness, it seems assurers underline the accuracy of the numbers instead of the effect of the numbers. At the end, assurance adds value for both management (by further developing management frameworks, upgrading reputation, and defending management's position) and stakeholders (by improving the quality of information and considering management accountable to stakeholders). Evidence of proceeding managerial catch over assurance stays clear, however stakeholder inclusivity is steadily becoming more significant.

In social assurance engagements, the assurer is a sustainability advertiser and the engagement serves the interests of an assortment of stakeholders. A comprehensive view is utilized to set the extent of the engagement and frequently incorporates direct stakeholder consultation with less accentuation on the benefits for management. In integrated assurance engagements, sustainability centers around the survival of the firm, and management interests are accentuated. The extension is as yet wide and not restricted to Key Performance Indicators (KPIs). Developmental assurance engagements centers around specific KPIs where the scope is adaptable to fit and serve management interests. At last, compliance assurance engagements focus on specific sets of data where normalized criteria (e.g., ISO) decide the scope, and the assurer is an information verifier.

External validation, reliability, and the appreciation of EERs were the primary intentions in organizations to apply integrated reporting assurance. Assurers are change agents for the execution of integrated reporting assurance by supporting the precise interpretation of the IIRC's norms and by promoting integrated reporting (Briem & Wald, 2018). An assumption management viewpoint underlines the role of assurance as a legitimization tool and requires no changes to current assurance standards. A value-adding point of view features the role of assurance in improving the usefulness of information being reported to stakeholders and its role as component of a bigger corporate governance system. This can form into a change-potential perspective as far as which assurance is utilized to energize positive organizational change, something which may require the improvement of new norms or rules for assuring integrated reports (Rossi, Luque-Vilchez & Busco, 2020). Six segments of combined assurance were characterized. To start with, the success of combined assurance execution relies upon the maturity of enterprise risk management. Second, the tone at the top matters. Third, a combined assurance coordinator must be delegated, who will take responsibility for the project. Fourth, distinguish regions that need assurance based on board, executive, and stakeholder priorities. Fifth, an assurance mapping is vital, showing the assurance providers, the assurance required, and the assurance mission for every assurance provider (to stay away from duplication and gaps). At long last, the execution closes with the issue of a combined assurance report showing a global picture of assurance inclusion to the board and the audit committee to allow them to implement their oversight role fittingly (Decaux & Sarens, 2015).

Maroun (2018) distinguishes components of an interpretive assurance model that centers around conveying assurance on the translation and examination of information included in an integrated report rather than the underlying data. These include an evaluation of the culmination of the description of the value creation process provided in an integrated report, the techniques used to help management's discussion and analysis, and the reasonability of the review of the cycle implemented to guarantee the integrity of qualitative, subjective, and future-orientated statements contained in an integrated report.

Generally, upon a few studies little is known about the role of internal auditors in the assurance of EERs. This is turning out to be progressively significant, given the advancement of

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combined assurance of integrated reports, internal auditors additionally report lower levels of counseling activities for all categories of ESG issues comparative with assurance activities. Management support and external reporting of sustainability information are key variables related with internal audit's involvement in environmental and social assurance and counseling activities (Soh & Martinov-Bennie, 2015).

Ideas for Future Research

Dealing with the assignment of the engagement team with the vital competence and capabilities expected to perform the assurance engagement. The authors recognize that given the assorted nature of EER engagements, they regularly include multidisciplinary engagement teams with various levels of assurance and subject matter expertise. This makes difficulties and risks for the supervision of engagement team members and the review of their work. Further exploration on biases that emerge in multidisciplinary teams and conditions that could reduce these biases are warranted. This region is appropriate to tests and qualitative strategies such as interviews and case studies (Kim et al., 2016).

Considering that the fundamental topic in an EER engagement is regularly described by measurement subjectivity, management bias, and estimation and assessment uncertainty, and featuring the significance of applying professional skepticism and professional judgment in an EER engagement. This is a fruitful region for future examination on the grounds that the literature has distinguished the extent of managerial capture resulting from the competitive market of EER assurance services as a concern for professional judgment and skepticism (Boiral et al., 2019).

Zeroing in on applying the acknowledgment and continuance prerequisites of the Standard, including the agreement on the scope of the engagement and the suitability and availability of criteria. Fundamentally, that a practitioner cannot accept an assurance engagement if they believe that relevant information is avoided from the assurance scope by management. A key thought is the way an assurer decides both quantitatively and qualitatively what could reasonably impact the decisions of clients. A clever methodology recognized in the literature is the utilization of stakeholder panels to exhort and assess material issues to be tended in EERs (e.g., Edgley et al., 2015; O'Dwyer, 2011).

The literature alludes to the risk of clients not understanding assurance reports and conclusions. Hodge, et al., (2009) argue that the "limited" and "reasonable" terminology to show the level of assurance may not be powerful in imparting the intended level of assurance and may contribute to an expectation gap, concerning that the restricted nature of the assurance reports where inclination is given to formal procedure over straightforward communication runs the risk to make assurance worthless to the intended clients of EERs.

Examination on the phrasing of EER assurance reports is expected to help standard setters in recognizing the significant angles that help various clients' (e.g., professional and non-professional clients) comprehension of the assurance engagement and result. Regardless of the recognizing that the "assurance report is the main means by which the practitioner communicates the result of the assurance engagement to the intended clients," it determines that the report is "usually addressed only to the engaging party or the directors, management, or other stakeholders" (IAASB, 2020). A characteristic inquiry is whether it important to whom the report is tended to? Do the intended clients of the report pay more or less consideration relying upon if the report is addressed to them or not? Exploratory investigations focusing on various phrasing of assurance reports are especially fit to these inquiries. Engaging eye-tracking strategies might give helpful insights to decide the exact content of the assurance report clients focus on.

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CONCLUSION

The assurance of EERs is a global activity that has far-reaching consequences for businesses, investors, different stakeholders, and society. The reporting and assurance of EERs, which remains largely unregulated, is not insusceptible to the scandals of Enron and WorldCom, which resulted in expanded regulation in financial statement auditing (Boiral & Heras-Saizarbitoria, 2020). Given the significance of the topic and the IAASB’s recent spotlight on the assurance of EERs, we review the literature on EERs to fill in as conceivable input for the Board's standard-setting activities. Likewise, we provide areas of examination that future exploration could address.

We contribute to the EER literature by being the most current and exhaustive review to date. We archive a fast expansion in this literature with practically 50% of the publications during the recent years. While archival techniques are the predominant strategy in the literature, experimental strategies, and interviews also include firmly in the highest-ranked journals. For archival studies, we track down that the literature primarily covers the determinants and outcomes of assurance. Studies utilizing experimental techniques, interviews, surveys, and content analysis investigate a scope of issues including managerial and professional capture, turf wars between an accountant and non-accountant assurers, the scope of assurance engagements, level of assurance, assurance report wording, and the absence of regulation and standards. Finally, we offer research ideas around the assignment of the engagement team, professional skepticism and professional judgment, the rational purpose requirement, stakeholder panels, and the assurance report. We encourage specialists to take part in these and other issues of the IAASB’s Guidance to help them with significant input for their standard-setting activities.

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