UNIVERSITY OF GHANA

COLLEGE OF HUMANITIES

UNDERSTANDING ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING AND ASSURANCE EXPECTATIONS GAP

BY

SAMUEL OBRENU ASEFUA

(10937961)

THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MPHIL IN ACCOUNTING DEGREE

DECEMBER 2024

DECLARATION

I, Samuel Obrenu Asefua, hereby declare that this research is an independent account of my own work. I affirm that this thesis has never been presented by anyone either in whole or in part for any award in this institution or any other institution. Due acknowledgments have been given to all references cited and ideas taken from the works of other people. I therefore declare that I am solely responsible for any shortcomings of the work.

.... 28/12/2024 ....

SAMUEL OBRENU ASEFUA DATE

(10937961)

CERTIFICATION

We hereby certify that this thesis was supervised following procedures laid down by the University of Ghana.

…………………………………… 30/12/2024……………………………………

DR. MAWUENA AKOSUA CUDJOE DATE

(SUPERVISOR)

…………………………………… 30/12/2024……………………………………

PROF. SAMUEL NANA YAW SIMPSON DATE

(SUPERVISOR)

DEDICATION

I dedicate this thesis to God Almighty for being faithful to me throughout my studies.

ACKNOWLEDGEMENT

My profound gratitude goes to the Almighty God, who has brought me this far by His grace and mercy. God is good.

I also express sincere gratitude to my supervisors, Dr. Mawuena Akosua Cudjoe and Prof. Samuel Nana Yaw Simpson, for their guidance, sacrifices, support, and patience in supervising me and seeing this work to this expected end. God bless you for your labor of love.

I am also thankful to the University of Ghana and the University of Ghana Business School, for the opportunity given me to pursue my Master of Philosophy Degree in Accounting. I appreciate the lecturers and staff of the University of Ghana Business School for their services and contributions throughout my studies. To the faculty of the accounting department, God bless you for enriching my study with your comments.

Special thanks also go to all the participants of this study for consenting to participate and granting me interviews for the study. I also acknowledge the attempts and efforts of all who supported me during the data collection process. It was such a critical stage of my study and your interventions were awesome.

I greatly appreciate my senior pastor, Rev. Prof. Antwi-Boasiako Charles, and his family for all their support and guidance in making my MPhil journey a reality. God bless you abundantly.

To the pastors, the leadership and members of the Missionaries of Christ Church, my family, management and all the staff of LCS Management Consult Ltd, colleagues, friends, loved ones, and Miriam Arthur, God bless you so much for your support and encouragement, especially, amidst the gloomy moments that encircled my period of studies.

TABLE OF CONTENTS

PAGE

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

ACCA	-	Association of Chartered Certified Accountants
AEG	-	Audit Expectation Gap
BoD	-	Board of Directors
BoG	-	Bank of Ghana
CSO	-	Civil Society Organization
CSR	-	Corporate Social Responsibility
EPA	-	Environmental Protection Agency
ESG	–	Environmental, Social and Governance
EY	-	Ernst & Young
G20	-	Group of Twenty
G7	-	Group of Seven
GRI	-	Global Reporting Initiative
GSE	-	Ghana Stock Exchange
IAASB	-	International Auditing and Assurance Standards Board
ICAG	-	Institute of Chartered Accountants, Ghana
IFAC	-	International Federation of Accountants
IFRS	-	International Financial Reporting Standard
IOSCO	-	International Organization of Securities Commission
ISA	-	International Standards on Auditing
ISAE	-	International Standard for Assurance Engagements
ISO	-	International Standard Organization
ISSB	-	International Sustainability Standards Board

KPMG	-	Klynveld Peat Marwick Goerdeler
PCAOB	-	Public Company Accounting Oversight Board
PR	-	Public Relations
PwC	-	PricewaterhouseCoopers
UNDP	-	United Nations Development Programme
UNWCED	-	United Nations World Commission on Environment and Development.
USAID	-	United States Agency for International Development
WCED	-	World Commission on Environment and Development.

ABSTRACT

Expectation gap has been an issue in the accountancy profession for a long time and several studies have been done in attempting to close the gap. However, studies on expectations gap in environmental, social, and governance (ESG) reporting and assurance has been underexplored. This research explores the expectations gap existing in ESG reporting and assurance, based on insights from the context of a developing country. The study adopts the qualitative research approach where data was collected using semi-structured interviews. The purposive sampling technique was used to sample ESG report providers (the manufacturing companies listed on the Ghana Stock Exchange (GSE)), assurance providers (the auditing firms of these manufacturing companies), and users of the reports (the regulators of the report and assurance providers as well as civil society organizations that are concerned with ESG related issues).

The findings reveal that the ESG reporting and assurance expectations gap exists in the developing country. The gaps identified were the knowledge gap, performance gap, evolution gap. These gaps exist primarily because the ESG reporting and assurance landscape is in the budding stage in the developing country context. The study provides insights that the report and assurance providers can draw from in designing capacity-building programmes and trainings. The findings also provide implications for governments, regulatory bodies, and standard setters to consider in formulating policies, developing regulations, and adopting standards for effective ESG reporting and assurance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Traditionally, the objective of accounting is to offer information so that users of the accounting information can make informed decisions (American Accounting Association, 1966, cited in Carnegie et al., 2022). The information is even more credible and boosts the confidence of the users in their decision-making when qualified auditors audit the information (Al-Halwachi & Eklind, 2020; Mahdi, 2011). However, a long-standing gap has been detected between what the users of accounting information expect and what auditors do or are expected to do (Liggio, 1974; Mahdi, 2011). Studies have shown that this gap impairs confidence and negatively affects the decisions of the users of accounting information (Mahdi, 2011; Ackers, 2015; Sonnerfeldt & Pontoppidan 2020).

This expectations gap discourse in accounting has been the driving force behind some developments in the profession such as the expansion of the audit report and the debate about the auditor's responsibilities (Kamal, 2018; Association of Chartered Certified Accountants, 2019). Through empirical studies, the causes of the gap have been identified along with the negative impact of the gap on the accounting profession and these have led to the proposal of various ways to bridge the gap (Mahdi, 2011; ACCA, 2019; Akther & Xu, 2020; Deepal & Jayamaha, 2022).

Deepal and Jayamaha (2022) and Kumari and Ajward (2022) for instance, have documented the causes of the AEG to include unreasonable expectations of the general public for the auditors, deficiency in audit standards and performance of the auditor, as well as misperceptions of the auditor's responsibilities. Additionally, scholars have noted that the gap has damaging relevance in emerging-market audit contexts and adversely impact investment decision-making (Kumari & Ajward, 2022; Leninkumar & Ali, 2023). Consequently, Deepal and Jayamaha (2022) and Gyau (2024) suggest that the gap can be narrowed through education and training of users of financial statements and auditors, expansion of the audit report, making regulatory changes, and enhancing communication.

However, the expectation gap issue in accounting has not been adequately explored (King & Beer, 2018; Tabone, 2018; ACCA, 2019). Throughout the literature, much of the debates on the topic have centered on the expectation gap in financial statement auditing, but auditing is just an aspect of the entire corporate reporting (Tabone, 2018). Moreover, corporate reporting has evolved and the accounting information, which used to be financial in nature, now includes non-financial information such as ESG matters (Komonen et al., 2019; Dissanayake & Ekanayake, 2018).

Environmental and social accounting researchers have reported some imbalances in the demand and supply of environmental and social reports of companies (Dissanayake & Ekanayake, 2018), as the quest for sustainable development across the globe has necessitated the incorporation of ESG concerns of organizations into their annual reports (Tang et al., 2023; Höjlind & Anglemier, 2022; Sonnerfeldt & Pontoppidan, 2020). Since ESG reporting and assurance are now gaining attention in developing countries, stakeholders may have more expectations for them (Kamal, 2018).

However, earlier studies have reported that stakeholders in developing countries possess limited knowledge and lack some understanding of this ESG and its related issues (Ngwakwe et al., 2014; Simpson & Aprim, 2018). Given such position of stakeholders, it is plausible to speculate that an expectations gap exists between the users of the ESG report and assurance, and the ESG report and assurance providers. Nevertheless, with the lapse of time from the studies of Ngwakwe et al. (2014) and Simpson and Aprim (2018) it is not clear how well stakeholders understand ESG reporting and assurance now (Simpson et al., 2022) and if there exist expectations gap in ESG reporting and assurance, the nature and causes of the gap need to be explored to help narrow the gap.

1.2 Problem Statement

The persistence of the expectations gap in accounting is of concern to the accounting profession because, according to the profession's code of ethics, "a label of the accountancy profession is its acceptance of the responsibility to act in the public interest" (International Federation of Accountants & International Ethics Standards Board for Accountants, 2012, p.13). The existence of the gap depletes the reputation of and trust in the accounting profession (Ackers, 2015; Sonnerfeldt & Pontoppidan, 2020; Elo et al., 2023). Although some studies (ACCA, 2019; Akther & Xu, 2020; Deepal & Jayamaha, 2022) have focused on the audit expectation gap, Tabone (2018) posits that these studies have been skewed toward the financial audit expectation gap. Similarly, Elkins et al. (2023) also affirm that little attention has been given to ESG reporting and assurance expectations gap. In a quest to address these issues, several scholars and institutions (Kamal, 2018; EY, 2023, Kumari & Ajward, 2022; Das, 2025) have called on the attention of researchers, policymakers, regulators, and professional bodies to take steps to close the gap.

As Tabone (2018) reports, much of the debates on the audit expectations gap have centered on the expectation gap in financial statement auditing, but auditing is just an aspect of the entire corporate reporting. Thus, extending the studies to other aspects of corporate reporting, the expectation gap may exist, but little attention has been given to exploring those gaps (Haque, Deegan & Inglis, 2013; Kamala et al., 2015; Tabone, 2018). Moreover, unlike regular corporate reports, ESG reports are non-financial in nature and lack a set of universally recognized reporting standards and regulations. As a result, empirical studies show that ESG reporting and assurance practices differ from organization to organization and are optional in many countries (Al-Halwachi & Eklind, 2020; Alsahali & Malagueño, 2022). In light of the foregoing, it is plausible to speculate that stakeholders have more unmet expectations for non-financial reports (Kamal, 2018) and thus, ESG reporting and assurance expectations gap exists. These expectations must be taken into account to increase the relevance of the reported non-financial information and empower stakeholders to make more informed decisions.

Despite the increasing studies on ESG and its related issues, Simpson and Aprim (2018) and Simpson et al. (2022) report that the concept has not been well understood, especially in the context of developing countries, because most of the existing studies focused on developed economies (Zhao et al., 2023; Khamisu, & Paluri, 2024; Benameur et al., 2024). However, environmental factors, culture, regulatory systems, and professional developments which have been documented to affect the understanding and practice of ESG reporting and assurance in advanced economies differ from those in emerging economies (KPMG, 2017; Farooq & De Villiers, 2017; Simpson et al., 2022; KPMG, 2022; KPMG 2024). Hitherto, Hazaea et al. (2022) and Singhania et al. (2023) argue for ESG-related studies situated specifically in developing countries.

1.3 Research Purpose

This study, therefore, explores the expectation gap existing between ESG reports and assurance users on the one hand and the providers of ESG reports and assurance on the other hand, with evidence from the context of a developing country.

1.4 Research Objectives and Questions

i. To explore the understanding of ESG reporting and assurance among stakeholders.
ii. To examine the nature of the ESG reporting and assurance expectations gap.
iii. To examine the causes of the ESG reporting and assurance expectations gap.

This study would, therefore, answer the following questions in exploring the expectation gap in ESG reporting and assurance.

i. How do users of ESG report and assurance understand ESG reporting and assurance?
ii. What is the nature of the ESG reporting and assurance expectations gap?
iii. Why does the ESG reporting and assurance expectations gap exist?

1.5 Significance of Study

This study has relevance to literature, to practice, and to policy.

The study is significant to literature in providing knowledge with empirical evidence that a wider expectations gap exists than the well-researched audit expectations gap. As studies in ESG matters, especially, reporting and assurance, are relatively scarce in developing economies, this research extends the existing knowledge in developing economies by exploring the nature of ESG reporting and assurance practices with evidence from the context of a developing country. It thus serves as a reference point and provides a basis for further studies. Academic and professional institutions such as the Institute of Chartered Accountants can also draw from the findings of this research to reconsider the integration of ESG-related matters such as ESG reporting and assurance into their curricula, to provide the necessary knowledge and training for students and professionals.

Furthermore, this study is significant to ESG reporting and assurance practitioners in that, it explores the expectations of stakeholders in ESG reporting and assurance and suggests ways of meeting the stakeholders' expectations. Accounting professionals can draw insights from this study in their efforts to meet the ESG reporting and assurance expectations of the users of the ESG reports and assurance.

Finally, the significance of the study to policy lies in the fact that it provides information on the nature of the expectations gap existing in ESG reporting and assurance, serving as a reference document for policymakers, regulatory bodies, and governments in developing guidelines and regulations for effective ESG reporting and assurance. As it has been in the development of audit standards (Sonnerfeldt & Pontoppidan 2020; Kamal, 2018), the knowledge of ESG reporting and assurance expectations gap is crucial in the standardization and regulation of ESG reporting and assurance.

1.6 Structure of the Study

The thesis is presented in five chapters. Chapter one gives an introduction to the study. Chapter two presents a literature review of the study. Chapter three discusses the methodology used for the study. Chapter four shows the analyses, results and discussion. Chapter five presents the conclusion and recommendations.

1.7 Chapter Summary

In this chapter, the introduction to the study has been presented. The chapter begins with a brief background information on the key perspectives of the subject matter. The gaps that call for the need for this study have also been shown clearly in the problem statement. This chapter also brings out the purpose and objectives of the study, out of which appropriate research questions that the study seeks to answer, were asked. The relevance of the study to academia, practice, and policy has also been shown in this chapter and the chapter concludes with an outline that the entire study follows.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section presents a theoretical review, providing an explanation and justification for the theories that underpin the study. The section continues with a thorough empirical review of the existing state of knowledge about expectation gap and ESG reporting and assurance and concludes with a conceptual review by referring to prior literature to enhance understanding of the topic and give the context for the research problem.

2.2 Conceptual Review

This section discusses relevant concepts that relate to the study. It highlights the evolution of the key concepts and clarifies the meaning and scope of those concepts to shape the understanding of ESG reporting and assurance expectations gap. It also shares the application of those key concepts in prior studies.

2.2.1 The Environmental, Social and Governance Concept

The concept of Environmental, Social, and Governance (ESG) has gained global attention and invited a lot of debates in recent years (Ahmad et al., 2023; Radzi et al., 2023). In both research and practice, this concept is commonly used interchangeably with various terms which among others, include sustainability, corporate social responsibility (CSR), triple bottom line, business ethics, corporate purpose-driven businesses, conscious capitalism, corporate citizenship, creating shared value, and stakeholder management (Carroll & Jill, 2018; Garcia et al., 2017; Komonen et al., 2019; Grueso-Gala & Zornoza, 2022). These concepts share more similarities than differences (Okpara & Idowu, 2013).

Among the above terms, CSR, sustainability and ESG appear to be the most commonly interchanged terms (Christensen et al., 2021; Komonen et al., 2019; Grueso-Gala & Zornoza, 2022). CSR is such a broad term that an exhaustive definition does not exist (Simpson & Aprim, 2018). It was defined by the European Commission (EU) as “a concept where companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001, p. 1, cited in Amo-Mensah, 2021). The concept looks at companies’ self-regulation on environmental protection, human rights, health and safety, ethics, social and environmental reporting, and community-focused initiatives and philanthropy (Carroll & Shabana, 2010). Carroll et al., (1995), recorded five key characteristics of social responsibility as: making safe products, avoiding air or water pollution, upholding legal compliance in all business operations, fostering a culture of transparency and ethics among employees, and prioritizing workplace safety through robust policies and procedures.

Among the terms associated with CSR, “sustainability” has also become well-known in the conceptual development trajectory. This concept spread wide and became a more preferred term in literature after the 1987 Brundtland report of the World Commission on Environment and Development (WCED). In that report called "Our Common Future", "Sustainable Development", was used to refer to "development that satisfies current needs while preserving the capacity of future generations to fulfill their own requirements." (UNWCED, 1987, cited in Komonen et al., 2019, p. 7). This also has to do with avoiding the breach of natural resource limits by economic advancements (Bansal & Song, 2017).

ESG was also introduced in 2004 (Li et al., 2021; Norton, 2024). The term originated from a publication by the United Nations Global Compact (2004) titled "Who Cares Wins: Connecting Financial Markets to a Changing World". The concept of "environmental, social and governance" was discussed as a systematic way of accounting for nonfinancial risks associated with investments—the changing climate, say, or human rights violations—and rejecting the view that investment should happen solely from financial perspective (Norton, 2024). It is worth noting that as the concept of CSR and its other associated terms aim to encourage ethical business practices and accountability, the ESG criteria offer a systematic approach to measuring and evaluating these efforts (Christensen et al., 2021; Gupta, 2021). ESG builds on CSR shifts the focus from philanthropy alone to a comprehensive set of metrics that investors and consumers use to evaluate a company's governance, social impact, and environmental accountability (Li et al., 2021; Gupta, 2021).

Even though sustainability seems to be a more preferred term emerging in literature (Ackers, 2015), ESG is used in this study, considering that it forms three important components of sustainability that determine a company's success in the long term and allows for in-depth analysis of each non-financial component of sustainability (Simpson et al., 2022; Allanscohtt, 2022). Based on the need for more open and balanced institutional and economic operations, environmental, social, and governance (ESG) is a concept that is rapidly gaining popularity around the world (Alessa et al., 2024; Martiny et al., 2024; Dmuchowski et al., 2023).

The ESG factors comprise environmental (E), social (S), and governance (G) elements that may impact the financial well-being and solvency of various entities, including corporations, sovereign states, and individuals (European Banking Authority, 2021). As Carroll and Jill (2018) noted, a helpful starting point for understanding ESG is to carefully analyze each component of the acronym individually.

The environmental (E) dimension has to do with the effects of corporations on the environment. The environmental component thus, assesses a company's initiatives aimed at environmental conservation (Radzi et al., 2023). The social (S) dimension deals with a company's stance on human relationships, interactions and connections (Radzi et al., 2023). It takes into account issues such as overall health and safety, gender equality, working conditions, promoting human rights, fostering partnerships with labor administration, promoting labor standards, and product quality (Allanscohtt, 2022; Komonen et al., 2019; Kamal, 2018; Li et al., 2021; Eccles et al., 2019). The governance (G) dimension considers leadership, internal controls, and internal regulations for the prevention of conflict of interest and unethical conduct. Thus, the governance pillar discusses business management guidelines (Radzi et al., 2023).

2.2.2 Environmental, Social and Governance Reporting and Assurance

Corporate Environmental, Social, and Governance (ESG) reporting has to do with businesses communicating information about their environmental care, social commitments, and governance policies (IMD Business School, 2024). This practice aims to provide investors, customers, and the public with insight into the company's impact in these three significant areas, as well as its commitment to sustainability and ethical conduct. The goal is to show how these efforts contribute to the company's long-term sustainability and financial performance. ESG reporting is how companies communicate their performances and endeavors in these three critical areas (IMD Business School, 2024; Christensen et al., 2021).

As noted in prior research (Nazari et al., 2017), stakeholders (users of the report) have expressed concerns and questioned the credibility of ESG reports when they lack assurance. Assurance is defined by the International Auditing and Assurance Standards Board (IAASB) as "an engagement in which a practitioner aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information" (IAASB, 2013, p. 12). Following the above definition, this study agrees with Deegan (2006) to conceptualize ESG assurance as verifying ESG information, typically conducted by a professional, such as an accountant or a consulting firm, to ensure its credibility and quality. ESG assurance makes the ESG reports credible and reliable (Boiral et al., 2019), boosts users' confidence in the report, and adds to the firm's reputation (Perego & Kolk, 2012; Birkey et al., 2016).

2.2.3 Expectation Gap

Expectation gap occurs when users of financial reports are not satisfied with the work of accountants (Quick, 2020). Liggio (1974) introduced the concept of expectation gap in auditing literature and defined it as "the difference between the levels of expected performance as envisioned both by the independent accountant and by the user of financial statements" (Liggio, 1974, cited in Kamal, 2018, p. 12). Several definitions of the term have emerged but ACCA (2019) defines the entire audit expectation gap as "the difference between what the general public thinks auditors do and what the general public would like auditors to do" (ACCA, 2019, p. 7).

This study draws from the above definitions to conceptualize the ESG reporting expectation gap as the difference between what users of ESG reports expect from ESG reports and what ESG report providers do. In the same vein, the ESG assurance expectation gap is the difference between what users of ESG assurance expect from ESG assurance and what ESG assurance providers do. Thus, there are ESG reporting and assurance expectations gap when ESG reporting companies and ESG assurance providers provide ESG and ESG assurance reports that do not meet what the users want from those reports.

Also, ACCA (2019) proposed three forms of the audit expectation gap; the knowledge gap, the performance gap and the evolution gap. The knowledge gap is explained as "the difference between what the public thinks auditors do and what auditors actually do" (ACCA, 2019, p. 9). The performance gap has to do with auditors' non-compliance to the requirements of auditing standards or regulations (ACCA, 2019). The above gaps lead to the evolution gap. The desire of the public at large, advancements in technology, and approaches to enhance the auditing procedure as a whole to bring more value frequently make this necessary (ACCA, 2019).

This study adopts the ACCA's (2019) conceptualization of the components of the audit expectation gap (AEG) to explain three forms of ESG reporting and assurance expectations gaps: knowledge gap, performance gap, and evolution gap.

The knowledge gap in ESG reporting has to do with the difference between what the users of ESG reports think ESG report providers do and what ESG report providers actually do. Likewise, the knowledge gap in ESG assurance has to do with the difference between what the users of ESG assurance think ESG assurance providers do and what ESG assurance providers actually do.

The performance gap in ESG reporting is the gap between what the ESG report providers actually do and what the ESG report providers are supposed to do. In like manner, the performance gap in ESG assurance is the gap between what the ESG assurance providers actually do and what the ESG assurance providers are supposed to do. These are all matters of non-compliance with the requirements of ESG reporting and assurance standards or regulations (Saladrigues & Grano, 2014).

In ESG reporting, the evolution gap also has to do with the gap between what the ESG report providers are supposed to do, and what the users of the report want the ESG report providers to do. The evolution gap in ESG assurance also has to do with the gap between what the ESG assurance providers are supposed to do, and what the users of the assurance want the ESG assurance providers to do. These gaps come about because of the users' interest in holding business organizations more accountable for their environmental and social impacts and expecting more rigorous and robust ESG reporting and assurance from the business organizations. A conceptual framework of the ESG reporting and assurance expectations gap has been presented in Figure 1.

2.3 Theoretical Review

Theories are required to interpret and give meaning to the effects and success of ESG reporting methods (Gray et al., 2010; Deegan & Rankin, 1999). Over the years, researchers in the social accounting field have employed various lenses in explaining environmental and social disclosure practices (Kamal, 2018). Theories such as legitimacy theory, agency theory, stakeholder theory, institutional theory, strong structuration theory, and signaling theory have been adopted to study the ESG reporting and assurance practices of organizations (Farooq & De Villiers, 2017; Simpson et al., 2022; Del Gesso & Lodhi, 2024). Concerning the audit expectation gap, the credibility theory, policeman theory, moderator of claimants' theory, quasi-judicial theory, agency theory, and the theory of inspired confidence have been commonly used by researchers (Eferakeya & Edgars, 2021; Mahdi, 2011).

However, most of the previous studies on ESG and ESG-related audit expectation gaps are not underpinned by any particular theoretical paradigm (Simpson et al., 2022; Kamal, 2018). Both positive and normative social accounting research approaches exist (Deegan, 2011). In contrast to a normative statement, which conveys a value judgment about the desirability or undesirability of a circumstance in the form of what should be or ought to be, a positive viewpoint states what is and contains no expression of acceptance or unacceptance (Deegan, 2006; Gaffikin, 2005).

In light of the burgeoning nature of ESG related studies, especially in developing countries, the normative standpoint is relevant for this study. Furthermore, the normative perspective makes the accountability theory and the theory of inspired confidence relevant theoretical lenses for this study, as ESG reporting and assurance should produce data that stakeholders can use in their decision-making. ESG report and assurance providers should be concerned about meeting the expectations of the users of the ESG report, and the users of the ESG report should be concerned about the relevance and reliability of the reports.

2.3.1 Accountability Theory

In business, legal, health care, education, and particularly political realms, discussions boil concerning who should be answerable to whom, for what, and under what norms (Lerner & Tetlock, 1999). The glue that holds social systems together could be compared to accountability. It is possible to define social systems in general in terms of shared behavioral norms. Without the capacity to hold particular actors accountable for their conduct, no basis exists for social stability, common expectations, or, in reality, the sustainability of any type of social organization (Frink & Klimoski, 2004).

Accountability theory suggests that the anticipation of being held responsible by others influences one's behavior, prompting them to reflect on and take responsibility for their decision-making processes and judgements (Vance et al., 2015). According to the theory, when one party knows that he is accountable to an audience (especially, an audience that is interested, informed, and has the authority to evaluate his actions), he tends to exhibit behaviors that align with societal norms, organizational expectations or ethical standards.

Although calls for accountability often seem to be limited to financial accountability (the capacity to account for finances), which is what the term "accountability" traditionally referred to (Friedman, 1970), more recent calls for greater accountability have a wider definition than just that (Knir et al., 2019). Accountability now encompasses caring for the environment and future generations as well as for one's coworkers, customers, governments, and society at large (Messner, 2009; Knir et al., 2019).

> *"Accountability is concerned with the relationships between groups, individuals, organizations and the rights to information that such relationships entail. Simply stated, accountability is the duty to provide an account of the actions for which one is held responsible. The nature of the relationships – and the attendant rights to information – is contextually determined by the society in which the relationship occurs."*

(Gray et al., 1997, cited in Kamal, 2018, p. 15)

According to Vance et al. (2015), accountability theory encompasses two distinct viewpoints. On one hand, accountability is perceived as a virtuous attribute, characterized by an individual's willingness to assume responsibility – a highly valued trait in public officials, government agencies, and organizations (Vance et al., 2015). On the other hand, accountability is viewed as a mechanistic process, wherein an individual is obligated to provide explanations for their actions to another party, who possesses the authority to evaluate and potentially sanction those actions (Vance et al., 2015).

The disbursement of accountability to stakeholders is a fundamental goal of social accounting, according to Gray (2001). It has been established that one of the main areas of attention for accounting and accounting information usage is the discharge of accountability by organizations operating in society (Dellaportas et al., 2005). Nowadays, accountability is thought of as a holistic idea that encompasses more than just responsibility. Dellaportas et al. (2005) highlight that for accountability, businesses must acknowledge and address their environmental and social footprint, including the moral implications of their economic endeavors that are usually unforeseen and ignored. Organizations frequently provide information about their environmental and social concerns and make them available to their stakeholders to fulfill their responsibilities. Thus, closing the gap between external expectations and internal operations (Hall et al., 2017; Vance et al., 2015). However, accountability involves more than just disclosure.

Additionally, organizational accountability generally refers to holding organizations answerable for their actions according to the expectations of the appropriate authorities (Jiao, 2020). Jiao (2020) adds that accountability also indicates an organization's readiness to defend and justify its activities in the presence of scrutiny and potential repercussions. Thus, there is an expectation, either express or implicit, that one could be asked to defend their thoughts, feelings, and deeds to others (Knir et al., 2019; Frink & Klimoski, 2004; Lerner & Tetlock, 1999). Additionally, there are expectations or criteria that the agent's actions are measured against (Frink & Klimoski, 2004; Hall et al., 2017).

Accountability also typically indicates that those who fail to adequately defend their acts will have unfavorable outcomes, which can range from derisive looks to losing one's job, freedom, or even their life (Vance et al., 2015; Stenning, 1995). On the other hand, those who do offer strong defenses will benefit in a variety of ways, from the reduction of punishment to lavish rewards like political office or hefty stock options (Vance et al., 2015; Lerner & Tetlock, 1999). This suggests that in a non-mandatory ESG reporting regime, companies provide ESG reports to demonstrate better accountability of their activities to relevant stakeholders to enhance their brand reputation, attract investors, and gain legitimacy in the societies wherein they operate (Aziz & Alshdaifat, 2024; Yébenes, 2024; Kamal, 2018).

The accountability theory has been identified as a relevant theory for ESG-related studies (Thomson, 2007, cited in Fernando & Lawrence, 2014; Au et al., 2023; Del Gesso & Lodhi, 2024). Thomson (2007, cited in Fernando & Lawrence, 2014) documents that the theory is one of the most frequently used theories in ESG-related studies. Consequently, Kamal (2018) applied the accountability theory in the ESG context to study stakeholders' expectations of social audit in Bangladesh. His findings reveal poor accountability and thus, an expectation gap in social audit in Bangladesh. He then suggested that either the multinational purchasing organizations that purchase goods from developing nations or the suppliers of the goods should make the data from audits of social reports public. Thus, improving the communication between auditors and users of the reports to reduce the audit expectation gap (Akther & Xu, 2020).

Regardless of the significant contribution of the accountability theory (Hall et al., 2017), Au et al. (2023) and Del Gesso and Lodhi (2024) point out that the theory is underrepresented in recent studies on ESG reporting and assurance. This study contributes to ESG reporting and assurance studies by relying on the accountability theory to draw on the notion that following the demands of the relevant authorities, organizations are responsible to their internal and external stakeholders, including the environment, future generations, employees, consumers, governments, and society at large (Messner, 2009). To render accountability to stakeholders, organizations should provide ESG reports according to the requirements of the salient authorities or stakeholders for their decision-making.

The accountability theory is relevant to this study as it helps frame ESG reporting as a mechanism through which organizations fulfill their duty to inform users of the ESG reports about their ESG practices. The theory helps to explore the users' understanding of ESG reporting and assurance in terms of how they interpret accountability relationships between them and the providers of ESG reports and assurance (that is, who is accountable, to whom, and for what). As accounting aims to provide information to stakeholders to permit their informed decisions (American Accounting Association, 1966, cited in Carnegie et al., 2022), the theory explains that the users have the right to information about ESG concerns of organizations and that it behooves organizations to also provide and assure their ESG reports. The users can hold organizations answerable for their impact on the wider environment and society and thus, have expectations for the ESG reports and assurance upon which to favor satisfactory organizations and punish unsatisfactory ones.

In this non-mandatory ESG reporting regime, the theory helps to appreciate why companies (particularly, manufacturing companies in Ghana) provide or do not provide ESG reports in demonstrating accountability of their activities to the relevant stakeholders, and why the ESG reporting and assurance expectations gap exists. The theory serves as a good lens to this study in explaining that expectations gap emerges when accountability obligations are misaligned between the preparers, assurers, and users of ESG reports. This misalignment in the scope, purpose, and depth of accountability explains the nature of the expectations gap, whether it is one of knowledge (misunderstanding audit or reporting scope), performance (perceived insufficiency of effort), or evolution (growing societal demands) gap.

2.3.2 Theory of Inspired Confidence

The theory of rational expectations is another name for the theory of inspired confidence (Duits, 2012; Ittonen, 2010). The theory has to do with both the demand for and supply of audit services (Ittonen, 2010). The theory argues that outsiders (third parties or stakeholders of a company) have interest in a company's operations. Incidentally, these outsiders are not privy to much information about the affairs and management of the firm.

On the demand for audit services, the theory argues that the need for audit is as a result of external parties' expectation for accuracy and accountability from the management team tasked with overseeing the business' operational activities in exchange for their investments in the company (Ittonen, 2010). The public expects that the organization will be held accountable by releasing financial statements regularly that include information about it. Since the third parties base their evaluations of management's performance on the information provided by the latter, that information may be prejudiced, creating a conflict of interest if management manipulates the information to portray a higher performance (Whittington & Pany, 2016).

An audit of the report provided by management is necessary to reduce the conflict of interest between management and external stakeholders of the company and to ensure that the managers' report prepared accurately reflects the state of affairs and health condition of the company (Mahdi, 2011; Olagunju & Owolabi, 2020; Ghandour, 2023). The documents are not entirely under the absolute control of the shareholders, and they do not have the knowledge and skill to independently check the data as given. Permitting independent auditors to attest to the veracity and truth of the financial report created by management is quite normal and appropriate. According to this theory, the auditors' certification, which includes an opinion after the audit, inspires the users of the reports, including the shareholders, to trust in the veracity and accuracy of corporate reports.

Concerning the supply side of audit services, Limperg (1932; cited in Duits, 2012) uses a normative perspective. Regarding the degree of assurance that an auditor ought to provide, he argues that auditors should carry out their work in such a way that it does not frustrate the expectations of a logical third party. Furthermore, auditors should avoid raising unrealistic expectations using the audit report. Therefore, in light of the development in technology that has prompted businesses to use complex accounting systems, the auditor should likewise make use of cutting-edge audit technology to live up to realistic public expectations (Whittington & Pany, 2016). The public's top priority is that auditors live up to their obligations of fair representation and genuine independence.

Limperg's (1932) theory of inspired confidence has had a great impact on auditing development, especially in the Netherlands (Duits, 2012). Its common use in auditing and expectation gap studies (Mahdi, 2011; Robu et al., 2012; Olagunju & Owolabi, 2020; Eferakeya & Edgars, 2021), suggests that it is a strong theory and applicable to this current study.

Carmichael (2004), to study the role of the Public Company Accounting Oversight Board (PCAOB) in rebuilding investors' confidence in the independent auditors of publicly traded companies, recalled the Theory of Inspired Confidence. Carmichael (2004) notes that the principles of the theory are particularly pertinent in the evolution of the audit function. "We particularly need to try to understand and appreciate the social significance of auditing and the implications regarding how an audit should be performed in our current environment" Carmichael (2004, p. 129) noted.

Considering the theory's position on the demand for audit services and supply of audit services, and its applicability to expectations gap studies, the theory provides an appropriate framework for understanding stakeholders' demand for ESG reports and assurance, and the supply of such services by the concerned organizations. The relevance of the theory to the development of auditing also makes it a good theoretical lens for studying ESG reporting and assurance and making recommendations for policy and practice. This is relevant, especially in this era of non-mandatory ESG reporting and assurance where stakeholders are making strides in the development of standards and regulations for meeting the demand for ESG reporting and assurance.

In exploring the understanding of ESG reporting and assurance among stakeholders, the theory helps to assess whether the interpretations of the users of the ESG assurance align with the audit and assurance profession's intended role of "inspiring confidence." Since the users rely on auditors and assurers to lend credibility to disclosures that they cannot verify, the theory suggests that users' understanding of ESG reporting and assurance depends on the extent to which they believe the assurance function satisfies their need for confidence in ESG reports.

Also, the applicability of the theory to this study is justified by its ability to help examine the nature of the ESG reporting and assurance expectations gap. The theory of inspired confidence helps to explain that ESG reporting and assurance expectations gap exists when stakeholders expect more from ESG assurance than what assurers deliver, and to further assess whether the gap is a knowledge gap, a performance gap or an evolution gap.

Moreover, the theory is pertinent to examining the causes of the ESG reporting and assurance expectations gap. This is because the theory explains that the audit expectations gap arises because the assurance function is continually shaped by societal demand and professional supply capacity. In ESG contexts, the theory helps to explain that the causes of the gap are due to expanding societal demands coupled with limitations in professional supply and dynamic legitimacy pressures. Users expect ESG assurance to cover complex issues like climate risk, social justice, and ethical governance. Assurers may lack universally accepted standards, methodologies, or sufficient expertise to provide confidence at the level expected. Therefore, as sustainability issues intensify, societal demands for confidence rise faster than assurance practices evolve, creating a persistent gap.

2.4 Empirical Review

This section provides analyses of prior literature on the state of ESG issues globally and in the context of a developing country, especially on reporting and assurance, and their expectation gaps.

2.4.1 ESG Reporting and Assurance

Today's corporate reporting includes providing information on the organization's ESG matters (Al-Halwachi & Eklind, 2020). This has evolved from its origins in financial reports (Rupley et al., 2017), and even now, financial reporting remains the fundamental component of corporate reports. Corporate reporting does not have a universally accepted definition, but it primarily aims to inform stakeholders of a company such as investors about the company's activities and management decisions (Deloitte, 2016).

The financial reports are very instrumental to the decision-making of users of the reports (FASB, 2010; Olagunju & Owolabi, 2020). Many companies listed on stock exchanges provide annual reports on their financial performance. These reports are of high quality to accurately and transparently represent the company's financial status. The International Financial Reporting Standards (IFRS) predominantly regulate these reports internationally, along with strict auditing standards (Abimbola et al., 2021).

Studies show that financial reports have met criticisms with time. Some people have criticized them for being too complex and for creating unequal value among stakeholders, as only those who are educated can understand the reports (Abimbola et al., 2021). The reports have also been criticized for being backward-looking and not including information concerning a company's non-financial performance. Stakeholders of companies, especially investors, are now placing value on the non-financial performance of companies for their decision-making (Asante-Appiah & Lambert, 2022; Bruce, 2022; Espahbodi et al., 2019) and it is a major factor in the long-term financial status of a company.

Global pressures from stakeholders of companies and criticisms motivated companies to move to another phase of corporate reporting, which is non-financial reporting (Ackers, 2015; Komonen et al., 2019). Reports that include data about a company's non-financial performance are known as non-financial reports. The reports have several names, including CSR reports, sustainability reports, ESG reports, and triple bottom line reports, among others. Although these terms share similarities, they are not the same (Bansal & Song, 2017). However, they are erroneously used interchangeably in reporting literature and even in actual company reports (Komonen et al., 2019; Grueso-Gala & Zornoza, 2022; Garcia et al., 2017).

2.4.1.1 Components of ESG Reports

The reports containing information about non-financial company performance typically cover companies' ESG concerns (Allanscohtt, 2022; Komonen et al., 2019). These ESG reports typically cover issues relating to the environment, social responsibility, and corporate governance.

2.4.1.1.1 Environmental Issues in ESG Reports

Environmental issues may include climate change, emissions of greenhouse gas, air pollution, impact and dependence on biodiversity and on ecosystems, efficiency and usage of energy, the use and recycling of water, production, and management of waste liquids, waste solids, and hazardous, and new developments in goods and services that are environmentally friendly (Li et al., 2021).

Biswas et al. (2019) studied the environmental reports and analyzed the patterns of environmental disclosures of Bangladeshi companies. He found that the majority of companies show concern for the environment by providing a statement of "company does" or "company will do" but there is a lack of concern for greenhouse effects or carbon emissions among the companies. The reports of the companies also contain information about maintaining the balance of the environment, contribution in terms of cash, arts, or sculpture to beautify the environment. In addition, the companies provide information concerning their efforts to reduce energy consumption, direct energy use, energy savings from product recycling, indirect energy use, concern for noise pollution, and past and current expenditure for pollution control.

2.4.1.1.2 Social Issues in ESG Reports

Social issues in the report may include promoting human rights, gender equality, working conditions, overall health and safety, fostering partnerships with labor administration, and product quality (Allanscohtt, 2022; Komonen et al., 2019; Kamal, 2018). Moreover, Li et al. (2021) report that social reports may contain issues about workforce diversity, discrimination and equal opportunity, labor coercion, freedom of association among labor, child labor, health and safety at the workplace and for customers, impact on the communities in which the business operates, management of supply chain, training and education opportunities offered, and protection of customer privacy.

2.4.1.1.3 Governance Issues in ESG Reports

Studies show that corporate governance issues reported concern reporting, corporate-investor relationships and ethics, as well as how risk is managed, structure and diversity of the board, transparency and disclosure, accountability, codes of conduct and principles of business, bribery and corruption, executive pay, engagement of stakeholders, and rights of shareholders are also among issues of corporate governance (Komonen et al., 2019; Allanscohtt, 2022; Li et al., 2021). However, Monteiro et al. (2021) provided a critical assessment of the governance aspect of ESG and noted the inadequacy of debates on the governance aspect of ESG. They argue for a broader perspective on governance that combines traditional corporate governance and policies designed to incorporate environmental and social priorities into organizational decision-making to achieve greater sustainability.

2.4.1.2 Importance of ESG Reports

The ESG reports have served as helpful tools of communication between organizations and their stakeholders on their ESG performance (Brenden, 2022; Ghana Stock Exchange, 2022). For instance, these reports help employees decide where they want to work, customers decide on whom to buy from, and investors make the best possible resource allocation decisions (Aziz & Alshdaifat, 2024; Yébenes, 2024; Aluchna et al., 2022; Kamal, 2018; Simpson & Aprim, 2018). Moreover, environmental advocacy groups that want to determine whether a campaign against companies that are not environmentally friendly is necessary, to interfere in matters concerning severe environmental violations, or even to take legal action may use these reports. KPMG &

SustainAbility (2008) share that environmental reports may also be used by accounting researchers to evaluate or to decide the best reporting practice.

2.4.1.3 Importance of ESG Assurance

Stakeholders have also been reported to express keen interest in the credibility and reliability of ESG reports (Nazari et al., 2017; Velte & Stawinoga, 2017). This has made ESG assurance crucial globally (Velte & Stawinoga, 2017; Boiral et al., 2018). Moreover, it is well acknowledged that assurance adds credibility to the information disclosed and enhances the reliability of the information for the users' decision-making (Al-Halwachi & Eklind, 2020; GRI, 2013b; Del Giudice & Rigamonti, 2020). However, the ESG reporting is largely voluntary and so is the ESG assurance (Alsahali & Malagueño, 2022). Alsahali and Malagueño, (2022) report that although ESG reporting has been growing in recent times, the assurance of these reports has not been at par with the growth in the reporting.

ESG assurance has also gained attention both in practice and in the field of research. Nevertheless, studies on the ESG assurance expectations gap have received little attention, unlike in financial statement auditing where the expectation gap is well known (Mahdi, 2011). Meanwhile, in the emergence of ESG reporting and assurance where standards and policies are being developed to regulate the practice, knowledge of this gap would be helpful (Kamal, 2018) to meet stakeholders' demands for accountability of companies' ESG practices.

2.4.1.4 Stakeholders' Understanding of ESG

It is worth noting that ESG issues are heterogeneous among countries (Simpson et al., 2022). Given that most of the prior studies on ESG, including the reporting and assurance expectations gap, have been conducted in advanced economies (Deegan & Rankin, 1999; Lewellyn, 2000; Gonella & Woo, 2000; Swift & Dando, 2002; Adams & Evans, 2004), particular focus needs to be placed on developing countries to have a better understanding of the concept (Simpson et al., 2022; Kamal, 2018). Due to various contextual factors including varying legal systems, culture, political influences, nature of regulation, professional developments, and other regional specifics which play a crucial role for understanding ESG, and ESG-related issues (KPMG, 2017; Farooq & De Villiers, 2017; KPMG, 2022; KPMG 2024), researchers have called for more research on ESG from the context of developing countries, hence this study also draws on insight from developing countries.

Reports show that developing countries like Ghana demonstrates a commitment to ESG through the commitment to the UN's SDGs, for the two concepts do not conflict and the SDGs are an extension of what constitutes ESG (United Nations Development Programme, 2015; Consolandi et al., 2020). Nevertheless, it has been found that the level of appreciation of ESG and ESG-related issues in the developing country is not encouraging (Ngwakwe et al., 2014; Simpson & Aprim, 2018; Simpson et al., 2022).

Ngwakwe et al. (2014) and Simpson and Aprim (2018) reported the level of understanding of ESG and ESG-related issues in the developing country with evidence from prospective employees and accountants. Findings from the studies of Ngwakwe et al. (2014) revealed that although the majority of the respondents were aware of and had a fair understanding of ESG issues, the fact that 48% of the respondents, despite their educational level, had little or no idea and understanding of ESG raises a concern. They therefore recommended the incorporation of ESG-related topics into the curricula of higher educational institutions. Not far from Ngwakwe et al. (2014) is the work of Simpson and Aprim (2018) which also revealed that generally, there is a low level of appreciation of ESG reporting and assurance among accountants in the study's context, especially, those in the small and medium-sized audit firms. They also recommended that the institute in charge of the accounting profession adopts ESG reporting and assurance training for the continuous professional development of accountants in the developing country (Simpson & Aprim, 2018).

It must be noted that in the Republic of Ghana for instance, the Companies Act 2019, Act 992, spells out that the directors report section in a company's annual report should include information about the company's CSR (Republic of Ghana, 2019, sec. 136(1)(c)). In recent years, the Bank of Ghana has introduced Sustainable Banking Principles to help banks in responding to ESG issues (Bank of Ghana, 2019). The Ghana Stock Exchange has also issued ESG Disclosure Guidelines to guide Ghanaian companies in showing accountability by reporting on their ESG concerns to users of the reports (Ghana Stock Exchange, 2022). However, noting that there is a significant misunderstanding of what comprises ESG and that it is not clear how well even key stakeholders in the developing country appreciate ESG and ESG-related issues (Ngwakwe et al., 2014; Simpson & Aprim, 2018; Simpson et al., 2022), exploring the understanding of key stakeholders will provide further insights (Simpson et al., 2022). The foregoing spawns the need to explore the knowledge and understanding of other relevant groups in the economy. This study, therefore, also explores how well the users of ESG reports understand the reports and their assurance, and to further explore the nature of the expectation gap between the users and the report providers.

2.4.2 Expectations Gap

The concern for the expectations gap has persisted in the accounting profession over a long period. Liggio (1974), following attacks from the court, media, and regulating agencies on the function of the accounting profession, first introduced the term into auditing literature. These attacks have continued to date, leaving an expectations gap in the accounting profession. The Association of Chartered Certified Accountants (2019) reports that standard setters and regulators in the accounting profession have implemented multiple responses to address the expectation gap in auditing. However, it may be tempting to conclude that auditing practices have not significantly changed over the years, given the lack of substantial evidence indicating a significant reduction in the gap.

As defined by Liggio (1974, cited in Kamal, 2018, p. 12), the expectation gap is “the difference between the levels of expected performance as envisioned both by the independent accountant and by the user of financial statements”. Liggio (1974, cited in Kamal, 2018, p. 12) clarified that the term plays a role in the increasing lawsuits against auditors, as they are seen as partly responsible for corporate failures. The Cohen Commission broadened the meaning of the term introduced by Liggio by examining whether or not the expectations of the public regarding auditors match the practical goals that auditors can realistically strive for (Commission on Auditors' Responsibilities, 1978, cited in Kamal, 2018). The term has come to stay in auditing literature and several definitions have subsequently emerged for it (Kamal, 2018; Mahdi, 2011).

AICPA (1993, cited in Mahdi, 2011, p. 8381) refers to the ‘audit expectation gap’ as “the difference between what the public and financial statement users believe the responsibilities of auditors to be; and what auditors believe their responsibilities are”. The entire audit expectation gap, according to ACCA (2019, p. 7), is “the difference between what the public thinks auditors do and what the public wants auditors to do”.

2.4.2.1 Nature of the Expectations Gap

From the emergence of the phenomenon in auditing literature to now, based on a review of the literature, there is no doubt that there is an audit expectation gap in developed and under-developed economies, and in the private and public sectors (Pourheydari & Abousaiedi, 2011; Akther & Xu, 2020; Deepal & Jayamaha, 2022; Batumalai et al., 2022; Kumari & Ajward, 2022). ACCA (2019) points out that the knowledge gap, the performance gap, as well as the evolution gap form the three components of the AEG.

2.4.2.1.1 Knowledge Gap

The knowledge gap tells the disparity between what the public perceives about the work of auditors and what auditors actually do (ACCA, 2019). This shows that sometimes the public has the wrong idea about audits. Modern audit practices evolved. Tracing the origins of audits from ancient Greece, Egypt, and earlier civilizations to this present time, gone are the days when fraud detection was considered the most relevant part of the auditor's responsibilities (Duits, 2012; Salifu & Mahama, 2015; Olagunju & Owolabi, 2020). During the twenty-first century, the goal of auditing has shifted towards providing an opinion on how true and fair the financial statements accurately represent the business's operations (Whittington & Pany, 2016). It is quite unfortunate that the users of financial statements and the public's expectations for audit have not been at par with the dynamic function of audit.

2.4.2.1.2 Performance Gap

As reported by ACCA (2019), the 'performance gap' might stem from various factors, including a lack of focus, complex regulations, or differing interpretations of standards and rules. Audit firms must establish robust systems and protocols to guarantee the highest level of excellence in the work they do. As a component of these measures, regulators of audit perform regular reviews of finished audit engagements to ensure compliance with quality standards (ACCA, 2019). Earlier studies like Saladrigues & Grano (2014) have reported the significance of regulations and standards bridging the expectation gap by setting clear guidelines for auditors and ensuring that the information they provide meets high-quality standards. Similarly, Yébenes (2024) and Chopra et al. (2024) have recently emphasized the importance of standardized sustainability metrics and regulations in improving the quality of ESG reporting and addressing the expectation gap.

2.4.2.1.3 Evolution Gap

The evolution gap comes in when there is a need for evolution in audit practices (ACCA, 2019). To identify what needs to be changed in the audit, however, taking action to close the knowledge gap and the performance gaps is a crucial first step. When the actual issues could be ignorance or subpar performance, this will assist in avoiding unneeded advancements in auditing standards and overregulation (ACCA, 2019).

The audit expectation gap is a major problem for the audit profession (Kamal, 2018). It is well noted that the AEG adversely affects the confidence and decision-making of the users of financial statements and threatens the reputation of the audit profession (Akther & Xu, 2020; Mahdi, 2011; Olagunju & Owolabi, 2020). Considering the loss of trust from the public and lawsuits against auditors following notable business failures and corporate financial scandals attributed to perceived inefficiencies of auditors (Akther & Xu, 2020; Liggio, 1974) it is clear, that the AEG poses a challenge to the integrity of the audit profession and needs not to be overlooked (Stevenson, 2019; ACCA, 2019; ACCA, 2021).

ACCA (2019) reports that the issue of the knowledge gap has been used by certain professionals to avoid implementing necessary changes, by pointing the finger at the public's supposed lack of comprehension. However, this line of reasoning is unacceptable to the association and is viewed as illegitimate. Calls for auditors to do additional duties are not invalidated by the existence of a knowledge gap, and the performance gap is neither justified nor explained by it. Researchers, regulators, and policymakers have made consented efforts to combat the existence of the gap.

As a result of the need for sustainable development, ESG activities have exploded and businesses are working harder than ever to incorporate ESG considerations into their operations (Tang et al., 2023). Ackers (2016) reports that stakeholders around the world are calling for businesses to be more accountable for their non-financial operational impacts. Beyond financial information, users of accounting information are paying considerable attention to the ESG issues of businesses, especially for their investment decisions (Asante-Appiah & Lambert, 2022; Bruce, 2022; Espahbodi et al., 2019). Therefore, a new wave of reporting and assurance has hit the business world and it is evident that the corporate reporting and auditing landscape has broadened to include ESG reporting and assurance (Höjlind & Anglemier, 2022; Hazaea et al., 2022; Singhania et al., 2023).

In response to the calls of stakeholders for businesses to be more accountable for their non-financial operational impacts (Ackers, 2016), accounting professionals have become very much concerned about meeting the stakeholders' expectations (ACCA, 2019; EY, 2023) as far as ESG reporting and assurance are concerned, to avoid further lawsuits, and distrust in the integrity of the accounting profession. Researchers have also taken a keen interest in the concerns of accounting professionals and are exploring the expectations of stakeholders in ESG reporting and assurance practices (Deegan & Rankin, 1999; Kamala et al., 2015; Kamal, 2018).

However, other studies have also demonstrated that although every attempt may be made to reduce the expectations gap, it cannot be entirely eradicated (Sikka et al., 1998; Deepal & Jayamaha, 2022; ACCA, 2019). Researchers claim that even more gaps exist than the commonly referred to AEG (King & Beer, 2018; Tabone, 2018; ACCA, 2019). Kamala et al. (2015) confirmed with their studies that the expectation gap is present in corporate environmental reporting. The studies conducted by Tabone (2018) and Abimbola et al. (2021) who found that the financial statement expectation gap exists also confirm this claim. A recent report by Ernst & Young (2023) on how corporate reporting can bridge the ESG trust gap also supports the idea of a reporting and assurance expectations gap for ESG.

Deegan and Rankin (1999) found in their studies that expectation gap existed between the preparers and users of corporate annual reports in Australia about various issues associated with the information provided on the environmental performance of the companies. Dando and Swift (2003) also studied transparency of organizations and assurance of sustainability and noted credibility gap in sustainability disclosures of organizations. Despite the increasing transparency that organizations try to demonstrate through sustainability reporting, the authors point out how the reports are perceived as unreliable and inconsistent with actual practices. Other researchers (Lewellyn, 2000; Gonella & Woo, 2000; Swift & Dando, 2002; Adams & Evans, 2004) have also studied and found expectations gap in social audits and Kamal (2018) reports that different stakeholders hold different perspectives as far as ESG reporting and assurance are concerned.

Kamala et al. (2015) contributed to the expectation gap literature by exploring the existence of the gap in South Africa. Employing a questionnaire survey, they sorted the perceptions of 54 users of environmental reports from ethical investors, environmental groups, and accounting academics. They compared the responses of the users with those of 42 preparers from the top 100 companies listed on the Johannesburg Stock Exchange (JSE) and found that a significant gap exists between the views of preparers and users in terms of the decision-usefulness qualities that the environmental reports ought to have. This finding is consistent with previous reports that the environmental reports produced were not up to the standard that meets the expectations of the users for their decision-making. Their study has significant implications for professional bodies to develop standards to improve the quality of environmental reports.

Further to the studies of Kamala et al. (2015) and Dissanayake and Ekanayake (2018) also show empirical evidence of an expectation gap in corporate environmental reports in Sri Lanka. Their findings were consistent with those of Kamala et al. (2015) in terms of the gap in the decision usefulness of the reports. Dissanayake & Ekanayake (2018) thus recommend that preparers of corporate environmental reports place importance on the decision usefulness of the reports.

Thus, the notion of the expectation gap has been extended to other aspects of corporate reports but much fewer deliberations have been made on these (Kamala et al., 2015; Deegan & Rankin, 1999; Mitchell & Quin, 2005; Haque et al., 2013; Tabone, 2018). Considering the foregoing, it is tempting to conclude that the ESG reporting and assurance expectations gap exists in the developing country context. This paper thus, explores the nature of the expectation gap in the ESG reporting and assurance practices, with evidence from the context of a developing country.

2.4.3 Causes of the Expectations Gap

Since 1974, when Liggio introduced the phrase "expectation gap", researchers have not only explored its existence in different contexts but have also investigated the factors that contribute to its existence (Onumah et al., 2009; Mahdi, 2011; Agyei et al., 2013; Asare et al., 2016; Batumalai et. al, 2022). The causes of the AEG such as unreasonable expectations of the general public for the auditors, deficiency in audit standards and performance of the auditor, as well as misperceptions of the auditor's responsibilities (Ruhnke & Schmidt, 2014; Deepal & Jayamaha, 2022; Kumari & Ajward, 2022), are consistent in the literature.

Identifying the causes of the AEG has helped to devise effective strategies for narrowing the gap, though the gap cannot be closed completely (Deepal & Jayamaha, 2022; ACCA, 2019). Education and training of users of financial statements and auditors, expansion of the audit report, making regulatory changes, and enhancing communication (Deepal & Jayamaha, 2022; ACCA, 2019; Shikdar, Faruk & Chowdhury, 2018) are some of the suggested ways to help narrow the gap.

Similarly, in the aspect of ESG reporting and assurance, Swift and Dando (2002) have reported that the expectations gap comes about as a result of inadequate technical expertise, the timeliness and relevance of auditor communication, a lack of independence of assurance-provider and a lack of dedication to serving the public interest. Gipper et al., (2022), Yébenes (2024) and Luque-Vílchez et al. (2023) also highlight the need for technical competencies of assurance providers, timely and relevant communication from auditors, and independence and commitment of assurance-provider to the public interest in ESG assurance. Adams and Evans (2004) also added that the absence of legal mandates and a uniform set of widely globally accepted standards governing reporting practices also contribute to the causes of the ESG reporting and assurance expectations gap. Furthermore, the unavailability of guidelines that specify the appropriate audit opinion in various situations, diverse and often conflicting interests of stakeholders, as well as the qualitative nature of the data used in the social auditing, all contribute to the ESG reporting and assurance expectations gap (Adams & Evans, 2004; Aziz & Alshdaifat, 2024; Yébenes, 2024).

Toward narrowing the expectation gap, Lewellyn (2000), and Gonella and Woo (2000) found that engaging multidisciplinary teams and specialists in ESG reporting and assurance is essential for adding credibility and reducing the expectation gap. This assertion is confirmed in recent ESG studies by Poll (2023), Asokan (2023) and Chopra et al (2024) and thus, remains vital in narrowing the expectations gap.

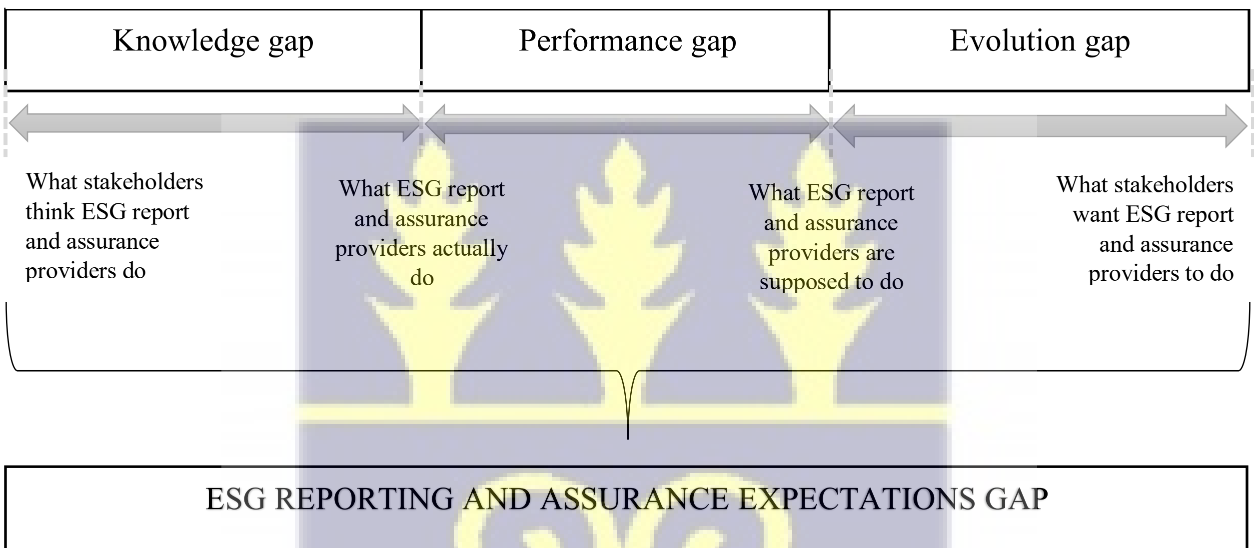
Dando and Swift (2003) also highlight the need to combine increased transparency and robust assurance practices to address the credibility gap noted and recommend the use of a universal standard such as AA1000S Assurance Standard for sustainability assurance. They added that for assurance to truly enhance credibility, it must be independent, stakeholder-oriented, and aligned with ethical governance practices. Dando and Swift (2003) also emphasize the need for organizations to commit to genuine accountability instead of using assurance as a public relations tool. Adams and Evans (2004) also suggested that a significant transformation in corporate governance structures is required, empowering stakeholders to have greater influence over key matters like the selection of social auditors and the definition of the scope of the social audit. The findings of Kamal (2018) also show that as a means of closing the expectation gap, communication enhancement between stakeholders and providers of ESG reports and assurance cannot be overemphasized.

While few researchers have undertaken to draw up an account of some causes of the ESG reporting and assurance expectations gap and have suggested some possible ways of narrowing the gap, it is worth noting that their studies were based on insights from the developed economies. Little is known about the causes of ESG reporting and assurance expectations gap in the context of developing countries. It is good, therefore, to also gather evidence on the causes of the ESG reporting and assurance expectations gap in the developing country perspective, since developing countries offer different environmental factors, culture, regulatory systems, and professional developments for studying and understanding ESG issues (Simpson et al., 2022). This study, therefore, explores the causes of ESG reporting and assurance expectations gap, based on data from the context of a developing country.

2.5 Conceptual Framework

The framework below (Figure 1) conceives the entire ESG reporting and assurance expectations gap as composed of knowledge gap, performance gap and evolution gap.

Figure 1 ESG Reporting and Assurance Expectations Gap



(Source: Adapted from ACCA, 2019: 9)

As depicted by the framework, the knowledge gap is the gap between what the stakeholders think ESG report and assurance providers do and what ESG report and assurance providers actually do. This acknowledges that ESG reporting and assurance may sometimes be misunderstood by the stakeholders (ACCA, 2019). For instance, when there are inaccurate views about the scope of responsibilities of the report providers, misunderstanding of the responsibilities, abilities, and restrictions on the assurance providers in providing assurance and consulting services to their clients, and ignorance of policies that are already in place, the knowledge gap arises. A wide knowledge gap could frustrate efforts to comprehend a true evolution gap and thus, needs to be treated as a legitimate concern for attention (ACCA, 2019). It is thus important to explore the understanding of stakeholders on ESG reporting and assurance.

The performance gap looks at where there are standards for ESG reporting and assurance but the report providers and assurance providers do not do what the standards require. This is gap could come about perhaps, due to the complex nature of the standards or varying interpretations of the standards or regulatory requirements between the report and assurance providers and their regulators. Also, when ESG report and assurance providers focus less on the reporting and assurance quality, performance gap would be the outcome (ACCA, 2019).

The evolution gap, being the gap between what ESG report and assurance providers are supposed to do, and what stakeholders want the ESG report and assurance providers to do, comes about when for instance, there is technological advancement, or the demand of the general public evolves over time. These sometimes make it necessary for the overall reporting and assurance processes to be enhanced to add more value (ACCA, 2019). However, when the knowledge gap and the performance gap are addressed, it helps to know what needs to evolve in the reporting and assurance processes.

2.6 Chapter Summary

This chapter has given theoretical, empirical and conceptual review of the subject matter. The theories that underpin this study and how relevant they are to the study have been shown. An empirical review followed the theoretical review in this chapter, based on the research questions and objectives. This chapter has presented a review of relevant literature on ESG reporting and assurance, narrowing the discussion down to the Ghanaian context. The empirical review also includes a review of the literature on the expectations gap in accounting, including the ESG reporting and assurance expectations gap, and the causes of the gap.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

In this chapter, the research strategy used for the study to achieve the research objectives is presented. The paradigm, approach, design, population, sampling technique, and sample size for the research are also discussed with justifications for the choice adopted for this study. In addition, data sources, the instrument used for collecting data, data collection techniques as well as data management and analysis methods are discussed. The chapter ends with discussions on the trustworthiness and ethical considerations for the study.

3.2 Research Paradigm

This study followed the ontological and epistemological assumptions of the interpretivists based on the study's objectives. It also adopted the qualitative approach and used the multiple case study design to explore the ESG reporting and assurance expectations gap.

Fleetwood (2005, p. 197) puts it that:

> *"The way we think the world is (ontology) influences: what we think can be known about it (epistemology); how we think it can be investigated (methodology and research techniques); the kinds of theories we think can be constructed about it; and the political and policy stances we are prepared to take."*

The study was carried out following the interpretivist ontological supposition. Thus, concerning reality and how the world operates (ontology), this research takes the stance that social reality is prone to change and can take on many viewpoints due to the subjectivity of human perceptions and experiences (Hennink et al., 2011; Collis & Hussey, 2014; Saunders et al., 2019). People give different meanings to ESG and its related matters and therefore it was found beneficial to have many perspectives from various people.

This study also subscribes to the epistemology of the interpretivists. Thus, concerning how adequate and legitimate knowledge is obtained, the study takes the stance that knowledge is constructed through social interactions and shared meanings (Saunders et al., 2019). Considering that ESG reporting and assurance are now being internationally standardized and regulated and that there is no one particularly clear and specific guideline (Grueso-Gala & Zornoza, 2022), knowledge from the subjective evidence from the research participants was deemed helpful in studying the ESG reporting and assurance expectations gap (Collis & Hussey, 2014). Hence, the interpretivist stance fits in the epistemological assumption.

Also, the study does not seek to statistically generalize. Rather, the narrative mode of analysis was used to convey details and in-depth accounts of the subject matter (Neuman, 2014). The interpretivist paradigm thus helped in addressing the what, why, and how questions asked in gathering information on the subject matter.

3.3 Research Approach

The qualitative research approach was applied in carrying out this study. The use of this approach was influenced by the type of research questions set for the study (Agee, 2009; Yin, 2017). Moreover, this approach is often associated with the interpretivist ontological and epistemological assumptions that this study followed (Saunders et al., 2019). The approach helped the researcher to be able to understand the subjective and socially constructed interpretations of the matter under study.

A significant justification for choosing the qualitative research approach for this research is the nature of the research questions for the study. The narrative techniques of inquiry typically focus on questions like "How?", "Why?", "Who?", and "What?". Additionally, in an attempt to explain and explore, this strategy produced data through interviews, archival, and documentary analysis (Creswell, 2003). The data produced are in the form of words and the qualitative approach was deemed fit for the study.

Once more, the approach helped the researcher to obtain a deeper, more thorough, and holistic understanding of the subjective and socially constructed interpretations of the matter under study, regardless of how complex or dynamic the ESG reporting and assurance is (Silverman, 2010; Creswell, 2003; Chisnall, 2001; Miles & Huberman, 1994).

Additionally, the qualitative approach offered the freedom and chance to go deeper into participants' initial answers by asking questions like "why" or "how". As Chisnall (2001) noted, this approach works effectively for collecting culturally significant data about the beliefs, attitudes, behaviors, and social environments of certain groups. Close attention was paid to what participants had to say and the researcher had the flexibility to interact with the participants in a way that suited their personalities and communication styles. "Probes" were also employed to get the respondents to elaborate on their answers (Chisnall, 2001). The open-ended and probing questions allowed participants to respond in their own words, providing authentic and nuanced insights, rather than being constrained by pre-defined choices typically used in quantitative methods (Creswell, 2014). This helped to gather rich and illuminating responses that are significant and culturally relevant.

3.4 Research Design

The research design is basically the overall plan or blueprint of this study, showing how the philosophical assumptions and the research questions are linked with the methodological choices and procedures used to collect and analyze the data, so that the results are reliable and meaningful (Saunders et al., 2019; Yin, 2017; Creswell, 2007). This study adopted the case study research design (multiple case study design, to be precise) to answer the questions set for the study. This research design was deemed appropriate to help bring new understanding and insight into ESG reporting and assurance, as it is a gray area and less understood, especially in developing countries like Ghana (Yin, 2017; Marshall & Rossman, 2006; Creswell, 2007). Based on the questions that this study answers, new knowledge or insights into the subject matter were obtained through the use of the multiple case study research design.

Furthermore, the case study research design is justified for this study by the fact that it is an appropriate research design for use in any qualitative study (Collis & Hussey, 2014; Yin, 2017; Saunders et al., 2019). As this study subscribes to the interpretivism paradigm and uses the qualitative approach to gain an understanding or insight into ESG reporting and assurance, the design offered a considerable leeway in gaining fresh insights into how companies report and address their ESG concerns, as well as what stakeholders anticipate from such reporting and assurance (Creswell, 2007).

3.5 Population of the Study

The population of a study is a grouping of individuals, groups, or establishments that are relevant to the research (Etikan et al., 2016). This research considered manufacturing companies (both listed and unlisted), accounting firms, and users of ESG report information, all in Ghana, as the population for the study.

The chosen population is justified by the fact that ESG problems are more prevalent in the manufacturing sector. This is because manufacturing operations have a greater direct impact on health and safety conditions than the service sector. Regulations about safety and environmental standards also primarily target manufacturing organizations. As a result, manufacturing businesses are being held more and more responsible for the quickly declining social and environmental resources. Manufacturing companies are under increasing pressure to be socially and environmentally responsible as awareness of sustainability methods grows (Kamal, 2018; Dissanayake & Ekanayake, 2018). Hence, the study focused on manufacturing companies in Ghana to ascertain their ESG reporting and assurance practices.

In addition, the accounting firms operating in Ghana also provide assurance services to ESG reporting organizations (Manetti & Toccafondi, 2012; O'Dwyer et al., 2011). Data from the accounting firms about ESG report assurance were necessary to represent the views and practices of the ESG assurance providers. Furthermore, as an expectations gap study, users of ESG reports were a relevant part of the population for gathering data on expectations for ESG reporting and assurance.

3.6 Sampling Technique and Sample Size

This study employed the purposive sampling technique to select samples from the chosen population. The researcher used his judgment to include and exclude from the population what is suitable for the researcher to respond to the research questions and meet the objectives of the study (Saunders et al., 2019).

The sample size is the size of the subgroup chosen from the population with the main purpose of gathering data or drawing conclusions regarding the population (Collis & Hussey, 2014; Etikan et al., 2016). Based on Morse (2000), and Holland and Foo's (2003) stance on sample size, a sample size of sixteen (16) organizations was used for the study. This is made up of four (4) manufacturing firms listed on the GSE (Manufacturing - Ghana Stock Exchange, n.d.), four (4) accounting firms, four (4) regulatory bodies and four (4) civil society organizations. The sample size was influenced by factors such as the timeframe for the study, the cost involved in getting to conduct interviews on the population for primary data, and the accessibility of annual reports for secondary data. These factors made it impracticable to collect data from the whole population (Saunders et al., 2019).

The number of manufacturing firms sampled for the study were those listed on the Ghana Stock Exchange (GSE), according to the GSE categorization. These firms were sampled mainly due to the relative ease and cost efficiency in accessing their annual reports for review and analysis. Five (5) firms were categorized under manufacturing on the GSE at the time of the study. These companies were Intravenous Infusions PLC, Dannex Ayrton Starwin PLC, Unilever Ghana PLC, Camelot Ghana PLC, Aluworks PLC. However, Aluworks was temporarily closed and thus, the researcher could not obtain any interviews from there.

Further to the above, to collect data for the study of ESG assurance practices, the auditors of the listed manufacturing companies were considered for participation. The annual reports of the listed manufacturing companies from 2016 to 2022 were reviewed and the auditors identified were the Big-4 accounting firms and three other international accounting firms. These accounting and assurance service providers possess extensive experience and expertise in delivering assurance services worldwide, as highlighted in research by Simnett et al., (2009).

To represent ESG report users, the researcher considered particular regulatory agencies pertinent to the study and civil society organizations that are into environmental and social advocacies. In the context of this study, regulators are state agencies required by statute or parliamentary acts to oversee particular industry operations. The regulatory bodies sampled are those whose regulatory policies affect the manufacturing companies and the accounting firms. These include the Securities and Exchange Commission, which protects investors; the Ghana Standards Authority, which oversees the maintenance of the country's high-quality infrastructure; the Institute of Chartered Accountants, Ghana, which regulates and oversees the accountancy profession; the Environmental Protection Agency, which monitors environmental issues; the Food and Drugs Authority, responsible for ensuring public health and safety in food and drugs; and the Department of Factories Inspectorate, responsible for the enforcement of occupational health and safety in Ghana.

It is worth mentioning that since purposive sampling was used for this study, the interviewees for each category of respondents were targeted at higher-ranking officers with rich, relevant experience and relatively in-depth knowledge about the organization as well as ESG and ESG related issues. In cases where lower-ranking staff members were to be considered, the target was to interview staff of various ranks or relevant departments of the organization whose roles in the organization included reporting on ESG or actively engaging in some other forms of ESG activities of the organization. This target was set to ensure that the interviewees provided insightful responses for rich data relevant to the study's objectives, since ESG and ESG-related issues, including ESG reporting and assurance, are gray areas in a developing country like Ghana, and the subject is not well understood by an average individual (Simpson & Aprim, 2018; Simpson et al., 2022).

3.7 Data Source

This study used both primary and secondary data. The primary data were obtained from the sampled organizations through semi-structured interviews with appropriate representatives of the sampled organizations. As an interpretivist study, semi-structured interviews were used to gather data on understandings, opinions, attitudes, and practices on the subject matter to get a thorough grasp of it (Collis & Hussey 2014; Saunders et al., 2019). Because of its flexibility, the semi-structured interview provided valuable insights into obscure facets of human and organizational behavior (Collis & Hussey 2014; Saunders et al., 2019). Additionally, it helped the interviewer to better assess the responses provided and understand the interviewee's response during the interview by allowing for deeper discussions of the interview topics (Sullivan, 2001). Moreover, because this is a qualitative study, the semi-structured interview allowed for observations, experiences, and impressions of respondents to be comprehensively recorded during the interview.

To study the ESG reporting and assurance practices of the firms, secondary data were used. The secondary data were the annual reports of the sampled manufacturing companies. Annual reports were reviewed even though ESG reports could be produced in different ways. This is because annual reports are easily available as they are mandated by law to be published by all listed firms on a regular basis. They are recognized as the principal means of communication with shareholders and other stakeholders and are the primary source for ESG reporting by corporations. Moreover, the identification of CSR and environmental reporting has been done by prior studies using annual reports (Biswas et al., 2019; Dissanayake & Ekanayake, 2018; Jariya, 2015; Wiseman, 1982).

3.8 Data Collection Tool and Data Collection Process

The primary data were gathered through semi-structured interviews from the entire sample. The data collection instrument was adapted from Tabone (2018), Al-Halwachi and Eklind (2020), and Kamal (2018) to suit the study's objectives and to ensure that pertinent data were gathered. The researcher’s supervisors were also consulted during the development of the interview guide.

The data collection instrument was designed to suit the various categories of respondents (being report providers, assurance providers, and users of the report). Thus, the various scope of operations of the sampled organizations, their functions, and their regulatory oversight (in the case of the regulatory bodies), were considered in framing the interview guide. This was done to ensure that each respondent could relate to the interview questions asked and even cite some specific instances within their operations in responding to the questions.

Nevertheless, for each category of respondents, the instrument was designed to cover areas such as the background of the respondents, the respondents’ understanding of ESG reporting and ESG report assurance, and the objective and significance of ESG reporting and assurance. Respondents were also asked about their views on the move from voluntary to mandatory ESG reporting and their readiness towards the move. Respondents’ preference for an assurance provider was also sought. The interview guides used can be found at Appendix 1 of the appendices section of this study.

The distribution of an introductory letter to the selected organizations marked the beginning of the data collection procedure. The letter was to introduce the researcher as an independent academic researcher to the organizations for their consent and assistance in gathering the data for the study. Several conversations were held with the identified bodies in order to get in touch with the right persons for the interview. The organizations then referred the researcher to their appropriate representatives who were knowledgeable and experienced in the subject matter of this study to be the respondents. The respondents then scheduled appointments with the researcher for the interview.

The interviews were audio-recorded and later transcribed for analysis since semi-structured interviews had open-ended questions that allowed discussions to stray from the interview guide. To aid in analysis, notes on respondents' responses were also made during the interview when it became essential.

In all, twenty-two (22) interviews were obtained from sixteen organizations and the average interview time was thirty-one (31) minutes. The respondents are composed of three (3) categories. The first category of respondents is the ESG report providers. Four (4) interviews were obtained from four (4) organizations under this category. For the sake of anonymity and confidentiality, the organizations have been named RP1, RP2, RP3 and RP4.

The second category of respondents is the ESG report assurance providers. A total of eight (8) interviews were obtained from four (4) assurance providers. The organizations have been given pseudo names as AP1, AP2, AP3 and AP4. Apart from AP4 who granted five interviews, the rest granted one interview each. The five respondents of AP4 are also named AP4a, AP4b, AP4c, AP4d and AP4e.

The ESG report and assurance users make the third category of respondents. This category of respondents is made up of four regulators (named RU1, RU2, RU3 and RU4) and four civil society organizations (named CS1, CS2, CS3 and CS4). In this category, RU1 granted two interviews (RU1a and RU1b). RU3 also granted two interviews (RU3a and RU3b) the rest of the users granted one interview each. Table 1 shows a schedule of the respondents and the duration of their interviews.

Table 1 Schedule of Respondents and the Duration of their Interviews

	Organization	Category of organization	Number of Interviewees	Interview Duration
1.	RP1	Report provider	1	33 minutes
2.	RP2	Report provider	1	35 minutes
3.	RP3	Report provider	1	22 minutes
4.	RP4	Report provider	1	37 minutes
5.	AP1	Assurance provider	1	38 minutes
6.	AP2	Assurance provider	1	36 minutes
7.	AP3	Assurance provider	1	11 minutes
8.	AP4	Assurance provider	5	1 hour, 12 minutes
9.	RU1	Regulator	2	51 minutes
10.	RU2	Regulator	1	44 minutes
11.	RU3	Regulator	2	1 hour, 40 minutes
12.	RU4	Regulator	1	1 hour 1 minute
13.	CS1	Civil Society	1	45 minutes
14.	CS2	Civil Society	1	33 minutes
15.	CS3	Civil Society	1	26 minutes
16.	CS4	Civil Society	1	37 minutes

(Source: Field study)

The number of participants obtained from each sampled organization was influenced by institutional constraints such as bureaucratic delays in approvals, the restriction of the number of participants by the institution's authorities, restrictive institutional policies or protocols, and security or confidentiality concerns that restricted the staff from being respondents of the study without official approval from their bosses. Moreover, due to the subject matter of this study and its relative newness in the developing country context (Ghana to be precise) some institutions had only one "go-to" person who could respond to the interview. These institutional constraints greatly affected access to respondents and the total number of respondents obtained from each organization.

Despite the number of respondents obtained, the researcher ensured that saturation (the point during data collection and analysis when no new themes, insights, or information emerge, indicating that further data would likely be redundant) was achieved (Morse, 1995; Guest et al., 2006). Saturation was achieved by focusing on experienced staff members of the organizations, conducting in-depth interviews with respondents, and employing triangulation, yielding rich and consistent data (Morse, 1995; Guest et al., 2006; Miles et al., 2014; Fusch & Ness, 2015; Creswell & Poth, 2018). Due to the institutional restrictions, the researcher appealed for higher-ranking officers with rich, relevant experiences and in-depth knowledge of the subject matter and the organization to be approved as respondents. The researcher also appealed to institutions that provided limited access to multiple respondents to ensure that appropriate staff members of various ranks or relevant departments of the organization were approved to be respondents.

Also, the researcher ensured that the interviews with the approved respondents were in-depth such that all relevant information on the subject and about the organization was obtained from the respondents. In assessing saturation, transcription of the interviews and analysis of the data were done alongside the data collection. The themes identified through qualitative comparative analysis of the data were noted to be consistent across participants and no new theme was found after the eighteenth interview, indicating data redundancy.

Moreover, it is worth noting that triangulation (the use of multiple data sources with the goal of enhancing the credibility, depth, and validity of the findings) was employed in this study to reach saturation (Morse, 1995; Guest et al., 2006; Fusch & Ness, 2015). The study used interviews and a review of archival documents, particularly, published annual reports of the study participants (the ESG report providers) to confirm the responses obtained from the various participants.

While gathering the data, the researcher ran into a few obstacles. The initial obstacle involved postponing and rearranging meetings with the participants, as they indicated that they were preoccupied with work-related matters. This had a negative impact on the researcher's ability to obtain the necessary data for the study as soon as practicable. Once more, there was a great deal of resistance from the respondents in the beginning. Nevertheless, the researcher eventually obtained replies from the participants following more elucidation of the objectives of the study.

In addition, because some respondents vehemently insisted that the interview not be recorded, the audio recording of the interviewees proved troublesome. Although there was a strong inclination not to write down responses exactly, these respondents recommended that the responses be documented, which made it challenging. Despite all of these difficulties, the majority of respondents were understanding and gave thoughtful answers to the questions.

The secondary data used for the study were the annual reports published by the listed manufacturing companies for the accounting years from 2016 (when the SDGs became effective) to 2022 (the period of the latest available annual reports of firms). These reports were retrieved from the websites of the selected manufacturing companies. The GSE website was the next access point for the annual report when a report was not found on the company's website. Where the report was still not available, the website of the African Financials, and of Annual Reports Ghana became the next alternative for access to the published annual report. The reports that were found were downloaded and saved with an easy-to-identify name in a folder on the researcher's computer.

3.9 Data Management and Analysis

The data management and analysis commenced at the outset of the study and continued through to the end of the study following the Miles and Huberman (1994) technique for qualitative data analysis. This particular analytical approach was selected due to its capacity to enable a thorough assessment of stakeholders' understanding of the ESG reporting and assurance, and to examine the nature and the causes of the ESG reporting and assurance expectations gap. Also, the fact that it enables many sets of facts about various viewpoints to be analyzed to uncover themes (Alhojailan, 2012) supports the decision to employ this approach of analysis. The data analysis was also done progressively (that is, alongside data gathering), and that allowed for integrating lessons and observations gathered from earlier interviews into later interviews, facilitating the early detection of emerging themes.

Data reduction, data reporting, and conclusions drawing were the main activities in data management and analysis (Miles & Huberman, 1994). These activities were done at the same time. Regarding data management in the primary data collection, the first step taken was recording of the interviews. In addition to taking thorough notes, a mobile phone recorder was used to capture the interviews. The recorded interviews were labeled and stored on the researcher's computer, transcribed, sorted, and categorized to make reporting and processing easier.

The recording and transcription of the data were followed by data reduction. Here, the transcribed data were read thoroughly and corrected of errors, inconsistencies and information that were missing out. Chunks of data relevant to the research questions to be addressed were also selected. The data were then coded.

The coding process in this study was informed by the GRI G4 Sustainability Reporting Guidelines, Baier et al.'s (2020) word list for ESG, and the theoretical lens of the accountability theory and the theory of inspired confidence that underpins this research. Based on the GRI G4 Sustainability Reporting Guidelines and Baier et al.'s (2020) word list for ESG, initial codes were deductively derived, and coding schemes were developed for each of the three dimensions of ESG (Environmental, Social and Governance). The categories and coding scheme have been presented in appendix 2.

The codes were reviewed multiple times through iterative engagement with the entire transcripts of interviews to allow for inductive insights to emerge. This was also done to ensure consistency and avoid the researcher's subjective interpretations of the codes. However, no new theme or concept emerged that needed to be added to the coding manual.

The transcripts were reviewed and coded, taking cognizance of the accountability theory and the theory of inspired confidence that underpin this research. Phrases such as "it builds trust", "the law says that I should do this, so I will do it", "before you take permit from them, you have to disclose how environmentally sound your organization is", "so the regulator expects you to put in place", "when you are in a society, you don't just have to think about profit", among others, indicate how the accountability relationship between the ESG report providers and the users of the reports were identified and coded, to explain why organizations would provide some forms of ESG reports.

Concerning the theory of inspired confidence, the following phrases, among others, also show how the demand for and supply of ESG assurance, even in such a non-mandatory era, was identified and coded. “We go into their books or computer…so that we reconcile the values”, “they also come around to check whether what you indicated in your report is actually a reflection of that”, “they normally come around to check if the data captured is true”, “Sometimes certain things happen, they don't report, so through the audit, we are able to unearth certain things”.

It is worth stating that the three-stage coding (open coding, axial coding, and selective coding) of Strauss and Corbin (1998) was followed to code the data. For the open coding, the entire data set was broken down into distinct units that captured the underlying meanings and concepts conveyed by the interviewees. The initial codes were derived directly from respondent’s verbatim responses and summary of some of their views. At this stage, attention was given to keywords or phrases used by the interviewees to express what they view as constituting ESG reporting and ESG assurance, their preferred choice of assurance providers, and their expectations and opinions on the move from voluntary to mandatory ESG reporting and assurance. For instance, by ESG reporting, some words used by interviewees to describe the components of ESG reports include effluents, noise pollution, employee wellbeing and workplace safety, among others. Some terms noted in connection with ESG assurance were verification, certification and inspections by recognized authorities.

The axial coding was done by categorizing or putting together the open codes that were identified through a diligent and systematic comparative analysis. This helped to reduce the data into focused set of pertinent themes aligned with the research objectives, and to explore the relationships between the categories emerged from the open coding procedures.

Selective coding marked the last stage of the coding process. At this stage the interconnections between the axial codes were captured to form a central code linking all other codes. This procedure helped to produce rich arguments about how stakeholders understand ESG reporting and assurance, the nature and the causes of the ESG reporting and assurance expectations gap. The arguments were built around themes such as environmental, social and governance factors being the components of ESG, and other themes that emerged from the literature, empirical materials, and questions addressed. This coding stage also helped associate theoretical meanings with the data collected and analyzed.

The analysis of the secondary data (the annual reports of the sampled manufacturing companies listed on the GSE) followed the qualitative content analysis technique. As acknowledged by Buhr (1998) Lajili and Zeghal (2005) and Jariya (2015), the content analysis is noted as a widely used technique in accounting literature, particularly for analyzing ESG disclosures. This technique was adopted because ESG information in annual reports are largely non-financial and qualitative in nature, and content analysis helps to capture the extent and volume of such disclosures (Buhr,1998).

Zhang and Wildemuth (2009) outline eight steps for qualitative content analysis. These steps are: data preparation, defining the unit of analysis (the recording unit), developing categories and a coding scheme, testing coding scheme on a sample of text, coding all the text, assessing coding consistency, drawing conclusion from the coded data and reporting the methods and findings. These steps were followed to analyze the annual reports for this study.

Concerning the data preparation, it must be noted that the annual reports for the content analysis were downloaded from the internet, as described in the section of the data collection process of this chapter. The reports were then subjected to thorough reading. This was done in order to get familiar with the content, structure and various sections of the annual reports for the content analysis.

Next, the unit of analysis (the recording unit) was defined. As a qualitative content analysis, themes were used in this study as the recording units. Based on the GRI G4 Sustainability Reporting Guidelines (GRI, 2013a), the three dimensions of ESG (Environmental, Social and Governance) were the themes used. Thus, expressions in the annual reports that had to do with environmental, social or governance issues were captured as recording units.

Based on the GRI G4 Sustainability Reporting Guidelines, and on Baier et al.'s (2020) word list for ESG, categories and coding schemes were developed for each of the three thematic areas of the recording units. The categories and coding scheme have been presented in the appendix. The GRI G4 Sustainability Reporting Guidelines was also adopted as the coding manual.

The coding scheme adopted was then tested on the annual reports of RP1. For instance, statements in the annual reports regarding the company's compliance with environmental issues were coded "environmental management" and captured under the environmental aspect of the ESG. Charitable donations made to support social cause were coded "charity" and captured under the social aspect of the ESG. Sections where the structure and profile of the board of directors was presented was coded "board structure" and captured under the governance aspect of the ESG. The coding rules were applied iteratively on the annual reports of RP1 from 2016 to 2022. This helped to check out sufficient coding consistency and confirm the coding rules before applying them to the entire corpus of annual reports of the selected companies.

The coding rules were then applied iteratively to the entire corpus of annual reports. While applying the coding rules to the entire corpus of annual reports, the coding was reviewed multiple times to ensure consistency and avoid the researcher's subjective interpretations of the codes. Also, no new theme or concept emerged that needed to be added to the coding manual.

After the entire corpus of annual reports were coded, the consistency of the coding was checked again. This was done to ensure reliability of the coding since there could be mistakes in coding as the researcher is subject to fatigue in coding such large data set as the annual reports of about 1,500 pages altogether.

Where multiple data were obtained from a particular organization, a detailed within-case analysis was conducted on the data from those organizations before conducting cross-case analysis across organizations of the same category. The within-case analysis was conducted to develop a comprehensive understanding of the data from each of those organizations, uncover distinct patterns of respondents' knowledge, and assess the depth of understanding of ESG reporting and assurance practices within those organizations. Again, considering each category as a single case within the three categories studied (the ESG report providers, the ESG assurance providers, and the users of the ESG reports), within-case analysis was conducted. This also helped to identify unique patterns for each category in the study and helped the researcher to determine consistency and saturation in the data collected for each category. It also accelerated the cross-case comparison.

Following the within-case analysis, the cross-case analysis was also done to delve deeper into the data, uncover fresh insights in the data, and identify the expectations gap between the ESG report and assurance providers, and the users of the ESG report. The analysis and discussion of findings section (chapter four) of this study contains the observations made from the analysis. Conclusions drawn from the analysis are also presented in chapter five.

3.10 Trustworthiness in Qualitative Studies

Proper regard was also given to the criteria for judging the excellence of research. These criteria for assessing the reliability of qualitative research are credibility, transferability, dependability, and confirmability (Lincoln and Guba, 1985; Polit & Beck, 2004; Morrow, 2005; Merkl-Daviesa, Brennan, & Vourvachisc, 2011; Zhang & Wildemuth, 2005; Wahyuni, 2012).

Credibility was maintained in the current study by tying the data to theories and emergent themes chosen for the research. The topic under study has also been well discussed and represented, and the data's source has been well described, strengthening the credibility of the study. The researcher ensured the transferability of the study (showed how the findings might be applied generally) by describing the study's research procedure, participants, and setting. This guarantees that findings can be used in many situations, groups, or places. For dependability, the study has been carried out in a manner that is consistent across researches, time, and analytic methods. To ensure reliability and confirmability (that research findings represent participant viewpoints and understandings rather than the researcher's biases), a thorough explanation of the audit trail or the research method has been given. Consistency and transparency were maintained in the note-taking, interview recording, interview transcription, and evaluation and interpretation of the notes and transcripts of the interviews.

3.11 Ethical Consideration

Being that this study adopts the qualitative research approach, proper regard was given to ethical concerns in gathering and analyzing the data, and in disseminating their findings (Creswell, 2007).

First of all, ethical clearance was obtained from the University before the interview guide was circulated. This was done to make sure that there were no ethical transgressions or potential participant discomfort in the study. Additionally, respondents received an official request for their consent in the form of an introductory letter. After that, the interviews were conducted in a method that guaranteed the respondents' anonymity or privacy. Throughout the interview, participants were informed of their freedom to discontinue participating in the study at any moment. They were also told that the information being asked for was solely for scholarly purposes.

Ensuring participant and company anonymity was noted as an essential component of the research ethics (Grinyer, 2002). Therefore, codes or pseudonyms have been used in place of real names. This has been done for the protection of participants from harm and to ensure the safeguarding of private or sensitive data about individuals and companies (Grinyer, 2002). The research anonymity helped to separate the researcher and the findings from the specific respondents and organizational environment, enabling more thorough data analysis and criticism (Taylor & Land, 2014). Data was thus, securely managed using code names that were only known to the researcher to ensure that it could not be linked to any of the study's participants or companies.

3.12 Chapter Summary

This chapter has dealt with the methodology used for this study, discussing and providing justifications for the methodological stance adopted for the study. How the study's population and sample, size, and sampling strategy relate to the philosophical approach that is relevant to the research has also been discussed. Furthermore, the background of the respondents, data management and analysis, ethical considerations, and the issue of trustworthiness in qualitative studies like this have all been discussed in this section. Thus, the foundation of the research approach has been thoroughly presented.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

The data collected for this study are analyzed in this chapter. The findings and discussions are also presented thereon. The chapter comprises three sections. The first section contains a brief description of the interviewees, represented in Table 2. This has been presented in a way to ensure the anonymity and confidentiality of individuals and organizations. The second section presents the results of the analysis, showing the emerging themes extracted from the transcribed interviews in line with the objectives of this study and third section discusses the findings in light of other findings in literature and the theories reviewed.

Table 2 Details of Interviewees

Interviewee	Category of organization	Interviewee's Rank	Roles of Interviewees	Interviewee's Years of Current Work Experience
RP1	Report provider	Head of Health & Safety	Responsible for ensuring general organizational and employee health and safety/wellbeing.	8 years

RP2	Report provider	Human Resource Manager	Oversees all human resources functions which involves recruiting, workforce management, professional development initiatives, and regulatory compliance.	5 years
RP3	Report provider	Accountant	In charge of financial reporting and month-end activities.	3 years
RP4	Report provider	Accountant and General Manager: Finance and Administration	Financial planning and administration, operational finance, corporate governance, enterprise risk management, and general management.	25 years
AP1	Assurance provider	Partner, in charge of sustainability.	Oversees ESG assurance.	18 years
AP2	Assurance provider	Assistant Manager (Governance, Risk and Compliance)	Responsible for ESG, risk consulting, financial modeling, valuation, and data analytics.	4 years

AP3	Assurance provider	Manager (Sustainability)	Provides environmental, social, and legal consulting services to clients in diverse industries.	2 years
AP4a	Assurance provider	Supervisor	Oversees and manages audit engagements, prepares audit reports, provides guidance and training to audit staff, and ensures compliance with auditing standards and company policies.	8years
AP4b	Assurance provider	Manager	Supervises a team of auditors, assigns tasks, and reviews the audit team's work.	15years
AP4c	Assurance provider	Assistant Manager	Assists the audit manager in supervising audit teams during engagements while guiding and coordinating staff activities for timely completion of tasks.	10years
AP4d	Assurance provider	Supervisor	Oversees and manages audit engagements, prepares audit reports, provides guidance and training to audit staff, and ensures compliance with	5years

			auditing standards and company policies.	
AP4e	Assurance provider	Director	Coordinates and supervises the activities of the audit unit.	17years
RU1a	Regulator	Assistant Chief Inspector	Assists the chief inspector with administrative duties and conducts operational field audits.	14 years
RU1b		Senior Inspector	In charge of inspecting health and safety compliances of organizations.	7 years
RU2	Regulator	Manager (Research)	Responsible for research, financial advisory, and business consulting.	6 years
RU3a	Regulator	Director of Finance	Develops and controls the company's annual operating budget, ensures compliance with financial and statutory regulations, and implementation of the organization's financial policies.	17 years

RU3b	Regulator	Member of Facilities Department	Supervises the general cleanliness and the gardening of the organization.	5years
RU4	Regulator	Head of Department	Overseeing activities of the upstream oil and gas sector.	12 years
CS1	Civil Society	Impact Manager	In charge of ESG/sustainability engagements.	10 years
CS2	Civil Society	Multi-country Project Manager	Environmental and Social safeguarding and Multi-country Project Management	7 years
CS3	Civil Society	Deputy National Director	Provides strategic direction for sustainable growth, staff training and minimizing organizational risk.	11 years
CS4	Civil Society	Coordinator	Responsible for coordinating sustained advocacy actions of natural resources and environment, and governance related coalitions.	20 years

(Source: Field study)

4.2 The Trend of ESG Reporting in Annual Reports

The analysis of the annual reports revealed that the ESG report providers have scanty information about their ESG practices in their annual reports. The information found was more about the strategies that the companies have adopted towards ensuring sustainability or fulfilling corporate social responsibilities, compliance with directives from the EPA, and charity or donations made during the year. These findings corroborate the submissions made by the interviewees on the ESG engagements and reporting practices of their organizations, especially with regards to reporting to EPA regularly to obtain environmental permits for their operations.

Table 3 The Trend of ESG Reporting in Annual reports

Location of Disclosure	Report Providers and Years of the Disclosure		Total Number of Annual Reports
Corporate Social Responsibility	RP3 -	(2019)	1
Directors' Report/ Chairman's Statement/ Managing Director's Report	RP1 -	(2018, 2020, 2021, 2022)	22
	RP2 -	(2019, 2020, 2021, 2022)	
	RP3 -	(2016, 2017, 2018, 2019, 2020, 2021, 2022)	
	RP4 -	(2016, 2017, 2018, 2019, 2020, 2021, 2022)	
Vision, Mission, Values and Objectives	RP1 -	(2018, 2020, 2021, 2022)	15
	RP3 -	(2016, 2017, 2018, 2019, 2020, 2021, 2022)	
	RP4 -	(2017, 2018, 2019, 2020),	
Appendices and Other Information/Disclosures	RP1 -	(2021, 2022)	6
	RP3 -	(2016, 2017, 2018, 2019)	

(Source: Author compilation, 2024)

The most common location for these disclosures were the sections devoted to directors' report. This section usually had sub-section headings such as "Corporate social Responsibility", "Corporate Responsibility" and "Awards" where the ESG information were disclosed. However, RP3 had a separate section for CSR in 2019 annual report. As found in the annual reports and represented in Table 3, some companies also communicate their commitment to ESG through their statement of corporate vision, mission, values and objectives, and in sections headed “appendices” or “other information”.

4.3 Stakeholders’ Understanding of ESG Reporting and Assurance

The understanding of stakeholders on ESG reporting and assurance was demonstrated through their knowledge or awareness of ESG reporting and assurance. They share their knowledge of the components of ESG reports, the importance of ESG reports and assurance and the emerging standards and guidelines for ESG reporting and assurance. A summary of the knowledge shared by the report providers, assurance providers and the users of the ESG reports has been presented in Table 4.

4.3.1 Knowledge of the Components of ESG Reports

Evidence gathered suggests that generally, respondents possess fair knowledge of ESG reporting and assurance. They share that other than financial reports which present the financial performance and position, business organizations prepare other reports which present their impact and contribution to the environment and society. They were also able to draw clear lines between the environmental issues and social issues that go into the reports. However, knowledge of issues relating to the governance in the ESG framework was found to be low among the respondents. The respondents almost could not talk about the governance aspect of the ESG, as they often confuse that with regular corporate governance.

Table 4 Respondents' Knowledge of ESG Reporting and Assurance

Knowledge	Issues	Respondents		Citations
Components of ESG reports	Environmental issues:			
	Air quality; Noise level; Effluents; Waste disposal; Energy usage; Source of water and water usage; Drainage system	RP1; RP3; AP4b; RU1; RU3b;	RP2; RP4; AP4d; RU2; CS1;	Allanscohtt (2022); Li et al. (2021)
	Social issues:			
	Employee wellbeing; Employee compensation; Leave policy	RP1; AP4c;	AP2; RU4	Allanscohtt (2022); Li et al. (2021)
	Governance issues:			
	Female representation on BoD; Environmental and social management policy; Sustainable sourcing policy; Policy towards net zero, etc.	RU2;	CS3	Allanscohtt (2022); Li et al. (2021); Monteiro et al. (2021)
Importance of ESG Reporting and Assurance	Help organizations to identify and manage risks and opportunities; Makes organizations responsible; Builds reputation; Helps to gain favor/permit/legitimacy from stakeholders; Helps to meet stakeholders' expectations; Helps to fulfill legal and regulatory requirements; Builds trust	RP1; RP3; RU1; RU4; CS4	RP2; RP4; RU2; CS2;	Brenden (2022) GSE (2021)
Emerging Guidelines and Standards	Local guidelines/principles:			
	ESG Disclosure Guidelines; Bank of Ghana Sustainable Banking Principles	AP1; AP3; RU2; RP1;	AP2; AP4b CS1;	GSE (2021) Bank of Ghana (2019)
	International guidelines/standards:			
	IFRS S1 and S2; GRI; ISAE 3000; ISO 45001; ISO 14000; ISO 9000	RP1; AP2; RU1; RU3a; CS1	AP1; AP3; RU2; RU3b;	

(Source: Author compilation, 2024)

4.3.1.1 Knowledge of the Environmental Component of ESG Reports

In terms of the environmental issues, stakeholders understand that the reports cover issues such as air pollution, waste management, biodiversity, among others.

"Now, there is coming up the need for organizations to report not only the financial aspects, but their impact on the environment, their social impact, and also their governance issues." (RU3a)

"…It has been in the system and has come around in so many ways. Companies have the targets of things like zero environmental impact, zero waste, and those kind of things. These are all part of ESG… Companies also report on their wastewaters, their effluents. So, this before and after. The Environmental Protection Agency is monitoring ambient noise, the noise that is within your compound." (RU1a).

"*For example, people have to report their greenhouse gas emissions." (RU2).*

"The permit comes with conditions. Some of the conditions will say, as you are drilling, every month submit a report to us about the ongoing works. You are giving us updates about the ongoing works, whether there's been some incidents, how much waste have you generated, how much water have you consumed, especially chemicals, so they submit a monthly report to us." (RU4).

4.3.1.2 Knowledge of the Social Component of ESG Reports

On the social aspect of the report, stakeholders mentioned that the reports contain issues such as workforce diversity, employee welfare, health and safety, product quality, among other things.

"Usually, when we talk ESG people's minds only go to the environment but there are the social issues as well; People want to see how many jobs you are creating… how many marginalized people you are employing, how many young people, women, persons with disability, rural people and all of that… I keep drawing attention to ESG not only being environmental, but including social. Because, people want to see which people you are employing, what impact you are making in your community, how you are innovating lives, how you are treating your employees fairly and all of that." (RU2).

"On the social bit, it's being handled by the Department of Factories Inspectorate. So, in terms of employee wellbeing, what they do is, you send a report to them." (RP1).

"So, when we do risk assessments, we look at all aspects of work. We look at where the employees are working. We look at what they work with. We look at what actions they take. We look at who's supervising. We look at their end products. So, in all those things, in that line, we look for all the things that could cause issues." (RU1a).

"The social aspect too, I can talk about payroll. How workers are compensated… When you feel that workers are not treated well, especially workers are paid low than the minimum wage it's against the law… It will diminish their morale to give their best in whatever service they are delivering to you. I think that's a little I can talk about this." (AP4c).

4.3.1.3 Knowledge of the Governance Component of ESG Reports

On the issue of the governance aspect of ESG reports, stakeholders have noted how that is sometimes confused with regular corporate governance. There is a thin line between regular corporate governance and the governance of ESG. The stakeholders have the view that whereas regular corporate governance has to do with having policies and procedures in place to manage and govern the organization, the governance in ESG issues has to do with how the environmental and social sustainability practices are observed in the regular corporate governance practices. On the confusion of the governance aspect of ESG, RU2 shared that:

"It's because the governance aspect is believed to sit in corporate governance. There's a slight difference between the governance in ESG and regular corporate governance… But the reason why people don't talk about it much is because sometimes people confuse that governance with corporate governance." (RU2).

Regular corporate governance has to do with an organizational management in general; having your board of directors, making sure that there are policies and procedures, employment is streamlined, processes are streamlined, standards are there, everybody is clear how things are done. That is corporate governance. Having supervision over what is being done. When it comes to the governance in ESG, the idea is that, don't just say that we want to be environmentally and socially compliant. Ensure that even your board structure, there are adequate women represented on the board. That is governance in ESG. Ensure that you have ESG policy, just as you have policy for financial reporting, policy for HR, policy for marketing, policy for sales. Have a policy for environmental and social management as well." (RU2)

"When it comes to the ESG, the governance in that is more about mainstreaming the environmental and social concerns in your corporate governance. Have a policy that says that over here, we don't source from cocoa farms that use children of school-going age. Have a policy in your manufacturing that says that we are moving towards 100% net zero, we are moving towards 100% renewable energy or want to be net zero by the next 10 years. Have that policy, have that strategy and follow it. That is the governance aspect we are talking about in ESG." (RU1a)

4.3.2 Knowledge of the Importance of ESG Reporting

Responses obtained from the respondents also show that organizations are aware of the growing importance of ESG reports and assurance to their stakeholders, most especially, to shareholders, investors, and regulators. Respondents mentioned that reporting on ESG concerns is helpful to the organizations in identifying and managing risks and opportunities, making the organizations responsible, building their reputation, and gaining favor from stakeholders (Brenden, 2022; Ghana

Stock Exchange, 2022). To the investors, the reports help in resource allocation. Regulators also base on the reports to provide assistance and permit organizations to carry on certain operations. Also, the reports help in driving policy direction.

"Even before you get the report you do an environmental impact assessment. So, the regulator expects you to put in place the mitigating measures as part of you submitting your report. So, it helps. If such a structure is there it helps you to put in place the measures." (RP2).

"At least, reporting also makes you environmentally responsible. For ours like this, every month we monitor air quality, noise level, our effluence." (RP3).

"You know, when you are in a society, you don't just have to think about profit… And I think companies are realizing that more. They give out to other organizations where they will not get the profit, but they will build their reputation." (AP4d).

"Investors want it… investors want to see it before they put money in business. They want to see what impact you are making." (RU2).

"Now a lot of the funding organizations, ESG is top of the list. One, because they understand that the sort of risks that we are exposed to now are not just these financial risks, but you have climate change. For example, you go and set up a factory in a place that's prone to heavy flooding. You put all your investment there, a serious flood occurs and machines are destroyed. So, now people are becoming more aware, the funding organizations are becoming more aware of this." (CS1)

"If ESG reports are created, that helps the institutions or the governments to know what their impact is, environmentally, socially and also governance. And also know the gaps that we have, so they can also work on those things… And that would also help them to draw up a better plan in driving the institution in the right direction in meeting its goals." (RU1b).

The knowledge displayed by respondents on the essence of ESG reporting is not far from what is known in literature. That serves to confirm the studies of Aziz and Alshdaifat (2024), Yébenes, (2024) and Kamal, 2018 who noted that ESG reports are very useful to employees, customers and investors for their various needs. The reports have also been found to enhance the reputation of corporate bodies (Ghana Stock Exchange, 2022).

4.3.3 Knowledge of the Importance of ESG Report Assurance

Concerning the assurance of the reports that are provided, stakeholders opined that the verification and certification of the reports produced by organizations would serve a good purpose. They acknowledge that some organizations indulge in greenwashing and thus, verification of the ESG reports, whatever forms they are, is very necessary. Evidence gathered shows that the verification of the reports serves as a deterrent to greenwashing, adds some credibility to the information in the reports, builds trust and inspires confidence in the users to rely on the report for their judgements and informed decisions.

"Deceiving the public, that you are really taking the environment aspect in your organization very seriously. Meanwhile… So that's why organizations like [us] are not only focusing on certification. We do inspection of the environment. We look at the environment. So, …actually, what I'm saying is that greenwashing is actually not good." (RU3b).

"Well, earlier on, you talked about greenwashing. And greenwashing is a big issue. And so, assurance becomes important, because now we need to be sure that what you are presenting is correct. Otherwise, we cannot guarantee everybody will be reporting on ESG. Then we cannot guarantee whether that information is a greenwash or it is actual information that can be trusted." (RU2).

"*So, as I said, most of this gap that is in existence, what should actually be is that we should audit what the companies bring. For example, if a company states that it has done so and so and so, and submits to us an ESG report, we should be able to go behind and assess the reports and then confirm whether the report is a fair view of what is actually on the ground." (RU1a).*

The assurance of the reports is so necessary to the extent that even in the meantime, assurance to the reports submitted to regulators is not mandatory but regulators conduct some checks for themselves to be sure that the reports they receive from the reporting organizations are a true and fair view of the state of affairs in reality.

"So, sometimes we go, then we go into their books or computer to let us have the raw data, so that we can say, okay, fine, you have reported that you generated this amount of waste in the course of drilling. Let's see what is in the computer, so that we reconcile the values. Sometimes we perform an audit, yes, we perform an audit, then we select certain terms of reference, maybe waste, chemical discharges, and even report, reporting of incidents. Sometimes certain things happen, they don't report, so through the audit, we are able to unearth certain things. So, those are some of the strategies we use." (RU4).

"So, those who report to EPA like this, they do a second check of what you've done. Especially when you do the environmental impact assessment, they normally come around to check if the data captured is true." (RP2).

4.3.4 Knowledge of Emerging Standards and Guidelines for ESG Reporting and Assurance

Moreover, participants also demonstrated a good knowledge of emerging local guidelines such as the ESG Disclosure Guidelines issued by the Ghana Stock Exchange to guide Ghanaian companies in showing accountability by reporting on their ESG concerns to users of the reports (Ghana Stock

Exchange, 2022) and the Bank of Ghana Sustainable Banking Principles introduced to help banks in responding to ESG issues (Bank of Ghana, 2019). Aside from the emergence of local standards to regulate ESG reporting and assurance, respondents also demonstrated good knowledge of the emergence of the IFRS S1 and S2 as international standards that would help to regulate the ESG reporting of organizations.

"So, Bank of Ghana came up with a Sustainable Banking Principles to regulate the banks. Then you have the Stock Exchange, which has also passed its ESG Reporting Guidelines." (RP4).

"So, what we're expecting is with the publication of the IFRS, IFRS sustainability standards, S1 and S2, the ICAG is requiring assurance of data. And even that's expected to start in, I think, 2028." (AP3).

"From where I am sitting… the standard (IFRS S1 and S2) is new and there are a lot of contingencies." (AP4b)

"Okay, so, to add to that, the ISO 45001… aspects of it are related to ESG. Okay. So, if companies, if the state adopts it, and then makes it a policy that companies must report, there will be some information that will be generated…. If other companies that are doing health and safety are applying that standard, the ISO standard, at least their reporting is more comprehensive than the ones that don't have anything at all." (RU1a)

"I'm touching on what GSA is about to enforce that every organization should be ISO 14001 certified." (RU3b)

"So, right now what happens is, like when you go to Nigeria, they do some assurance. And they're using the ISAE3000." (AP3)

4.4 The Nature of the ESG Reporting and Assurance Expectations Gap

Evidence gathered revealed that there is expectation gap in the ESG reporting and assurance in Ghana. The nature of the ESG reporting and assurance expectations gap as conceptualized are knowledge gap, performance gap, and evolution gap. Table 5 presents a summary of the expectations gap identified through the cross-case analysis. The table juxtaposes what is lacking with what is being practiced in ESG reporting and assurance, as acknowledged by the report and assurance providers.

4.4.1 Knowledge Gap

From the findings, it is evident that little can be said of the knowledge gap in ESG reporting and assurance. At the budding stage of ESG reporting and assurance in the study's context, the report and assurance providers, and the users of the report share a common understanding of ESG reporting and assurance. Nevertheless, some gaps were identified as far as their knowledge in ESG is concerned.

4.4.1.1 The Need for Education and Capacity-Building

Both the report providers and the report users acknowledge that there is more to be known about ESG reporting. The users also expect the report providers to build capacity in readiness for ESG reporting and assurance.

"*For me, for where I sit… as part of the regulators for a regulatory institution …, I think one of the major gaps in our space is the fact that we expect that people can pick the standards and work with it. That part is very, very difficult. The new standards are not debit and credit. So, I think that from [this regulator's] perspective, the biggest gap is capacity building.*" (RU2).

"*…the other gap also is training and knowledge building for officers.*" (RU1).

Table 5 Summary of the Nature of the ESG Reporting and Assurance Expectations Gap

Gap	Report Providers' Acknowledgement	Assurance Providers' Acknowledgement	Users' Expectations
Knowledge Gap	Need for education & training	Need for education and training	Education and training of report and assurance providers.
	Need for capacity-building	Need for capacity-building	Capacity-building of report and assurance providers.
	Need for multidisciplinary team for reporting	Need for multidisciplinary team for reporting	Multidisciplinary team for reporting
	Need for a multidisciplinary team to provide the ESG assurance	Need for a multidisciplinary team to provide assurance	Multidisciplinary team for providing assurance
Performance Gap	Existence of greenwashing	Absence of tight regulations	Tight regulations
	Submission of separate reports to regulatory bodies (EPA, DFI, FDA, GSA, etc)	Immature reporting and assurance standards	Comprehensive assured ESG reports
Evolution Gap	Need for ESG reporting guidelines	Need for ESG assurance standards	Development and implementation of standardized reporting and assurance standards and frameworks
			Development and enforcement of regulatory frameworks
			Development of guidelines
			Mandatory ESG reporting and assurance policies

(Source: Author compilation, 2024)

Meanwhile, the report and assurance providers have also noted the need for them to build capacity to meet the growing interests of the users as far as ESG reports and assurance are concerned. Most of them are already rolling up capacity-building programmes and training, while the rest also have plans for such training to be carried out sooner or later.

"…we have done personal studies on our own and the personal training that we've gone through about ESG, that's how come we are knowledgeable about that." (RP1).

"So, for us like this, we have Deloitte coming around to conduct trainings and preparing our people for the sustainability reporting." (RP3).

"Noo, currently, it's a new sector. So, we have not reached that level yet. So, what we are practicing now is a general knowledge we learned from school." (RP4c).

"Accountants need to understand the fact that this is not really just as usual. They need to go back and re-learn some things, just to make themselves ready for sustainability assurance." (AP2).

"Yes, we have a training coming up on S1 and S2. Our International body will be having that training for the staff. And so, we are getting ready for that training. But, individually, I am sure that others have read it and are getting ready to work with it. But, as a team, there is a training coming up next week." (AP4a)

4.4.1.2 The Need for Multidisciplinary Teams

Moreover, users of the ESG reports expect that business organizations and assurance providers would have multidisciplinary teams for reporting and providing assurance to the ESG reports.

"Of course, it will go beyond accounting people. Because there is some part of the assurance that accountants cannot do. For example, people have to report their greenhouse gas emissions. How can accountants assure greenhouse gas emissions? You need an expert that can confirm. So, it's either accounting firms will have to recruit some greenhouse gas experts or ESG experts on their team, or accountant may have to metamorphose into becoming ESG experts, which are all pathways that are available. And so, I think that some capacity is required in some of the technical areas." (RU2).

"you need experts in engineering, experts in environmental studies, environmental management, experts in what, health and safety, experts in human resource, because, some of these ESG policies ESG projects are human resource related." (RU1a).

"*I think that the best thing for such audits, is that, I think it would be a committee. A committee that would include the people that he mentioned; somebody from human resources, probably an engineer, somebody from organizational health and safety. You can also have a financial person." (RU1b).*

Nonetheless, the ESG report providers share the same perspective as the expectation of the users of the ESG reports. The report providers explain that even the presently fragmented ESG reports and ESG information that feature in their annual reports are provided by a team of financial and non-financial accounting departments or personnel with environmental, social, health and safety and other ESG-related backgrounds.

"For ours like this, every month we monitor air quality, noise level, our effluence…" (RP3)

"On the social bit, it's being handled by the Department of Factories Inspectorate. So, in terms of employee wellbeing, what they do is, you send a report to them. If you are going for renewal they also come around to check whether what you indicated in your report is actually a reflection of that… So, you have to employ someone to be a compliance officer (a health and safety person)." (RP1).

Assurance providers also have ESG assurance departments that carry out ESG assurance services for clients. Some also provide training and capacity building programmes for ESG reporting organizations. These assurance providers share that their ESG assurance department is made up of a multidisciplinary team encompassing personnel with accounting, engineering, oil and gas, mining, legal, environmental, social and other ESG-related backgrounds. Assurance providers who do not have such set-up for ESG assurance services explain that they outsource expertise whenever the need arises.

"The team comprises experts of various fields, especially experts in the environmental fields. Usually, it is due diligence that the users of the reports request. Based on their requests, we put a team together to do the due diligence." (AP1).

"It's multidisciplinary because there are so many aspects to it. It's an end-to-end process. From strategy to reporting, and everything in between. So, if you need to do your modelling, your scenario analysis, and all of that, we rely on people with climates who have been specially trained in climate change and in climate science. So that an accountant, unless that accountant has undergone that training, would not be able to provide that service. So, there are so many people with different backgrounds. We're still building a team in Ghana, but then my colleagues in Nigeria, for instance, there are people who have chemical engineering, people who have sociological engineering, because, like I said, there are so many aspects to ESG. So, it will be hard to find one person who can provide specialist advice for all." (AP3).

"Yes, so the whole idea is to provide this, sustainability advisory services to organizations. So, there's strategy, there's implementation, and then there's the reporting as well. So, a lot goes into strategy and implementation. And then there's capacity building and training for organizations." (AP3).

"The Governance, Risk and Compliance Unit, when ESG became very topical, it was subdued under it. The ESG taxonomy has been spread across. So, when it comes to ESG assurance currently, it sits with audits; audit team primarily. We have people who are PMP professionals,

and they still sit in the team… So, if a typical company has to assure its sustainability projects, now we have to go in with auditors, who know the ISAs, and all these International Auditing Standards, especially when you have to give an opinion over the report. Because, they have been doing that for years. They understand materiality. So, they'll be able to give that judgment. We have people with sustainability and climate risk perspective. I come from management accounting perspective. But it's financial audit that plays a big role. Because they've lived and been doing audits for since they've been here. Because, you know, look, you cannot audit governance better than somebody who has been working with governance for the last four years. when it comes to meeting people, when it comes to social aspects. We have people who have their masters in some of the social related fields. So, they will be able to offer a better perspective. The team is made up of people with various backgrounds." (AP2).

"…people still trust the big four because the big four has multidisciplinary. So, not everybody here is an accountant, as a chartered accountant. There might be people who are also chartered accountants but have chemistry backgrounds. People from petroleum aspect and all that. So, they trust the expertise that we bring on board. There's another aspect, knowing how to audit. People trust the big four to know how to audit. So, all it takes is for the big-four person to understand what he or she is going to audit. They know how to audit. So, whether it be the government's contract, or it be a financial statement, or it be your sustainability commitments, a big-four person would be able to assure that." (AP2).

4.4.2 Performance Gap

As the expectation gap cannot advance without first analyzing the legal framework in which audits are developed, and according to which the auditor will act as well as the interest of the audit users

(Saladrigues & Grano, 2014), much cannot be said of performance gap in the present state of ESG reporting and assurance in Ghana. The performance gap in ESG reporting and assurance has to do with non-compliance with the requirements of ESG reporting and assurance standards or regulations. However, here is the case where internationally recognized standards and even the local legal and regulatory frameworks to which the ESG report and assurance providers could be held accountable are still under development and yet to be implemented. Thus, report and assurance providers are not bound to them yet.

"ESG reporting and standards are at infantile stage, so a lot of companies are found not to be doing reporting and assurance." (AP1)

"The state doesn't have a policy. So, companies are not required to report. As I can tell you for a fact that most companies do not report anything to us. But because it is not a mandatory requirement, so we do not take note of it officially… ESG, when it's promulgated and implemented it will help the state as a whole." (RU1b).

"One of the major things that has been in the front banner has been the newly introduced accounting standards on sustainability reporting which are called IFRS S1 and S2… IFRS S1 and IFRS S2, are standards that are internationally recognized. The G7 supports it, G20 supports it, IOSCO supports it, and so, internationally recognized to be the one that can harmonize the fragmented reporting structure that exists" (RU2).

"I'm aware that there is a standard on auditing ESG that is still under development, and very soon it should be available to support the IFRS S1 and S2… I strongly believe that that standard will have a framework for doing the assurance." (AP2).

"So, even with the banks, not all of them are even doing the ESG reporting externally, even though there's the Bank of Ghana Sustainable Banking Principles. Because it's still gradual. It's a gradual process that allows people to move at a pace that their resources will be able to handle. So, assurance, a validation of the processes and data… companies would do it for different reasons. So, what we're expecting is with the publication of the IFRS, IFRS sustainability standards, S1 and S2, the ICAG is requiring assurance of data. And even that's expected to start in, I think, 2028. So that's when we see perhaps an increased uptake in the assurance, and then also the standards. So, right now what happens is, like when you go to Nigeria, they do some assurance. And they're using the ISAE3000. But even with that, there's an assurance body that is working on releasing sustainability assurance standard. And it's not even out yet… We are somewhat in the initial stages of sustainability." (AP3).

Notwithstanding the infantile stage of the standards and the legal and regulatory framework, users of the ESG reports acknowledge that some organizations are performing well with their ESG reporting. However, it has been noted that other organizations perform below what could reasonably be expected. Users of the reports have noted that "greenwashing" is in existence in the study's context and they admonish the report providers on that. They emphasize that greenwashing is very bad and should not be entertained.

"For greenwashing or for companies that are seeming to attempt to be environmentally friendly or portraying a good image of what they are, their ESG, some companies are doing well, because based on their reporting, based on our field inspections, you can see that they are doing well. But in general, most companies are not. The main thing is, there's no requirement for them to give such reports." (RU1a).

"…greenwashing is a big issue… Everybody will come and tell you, we have employed so and so now. I mean, go to people's website nowadays. They'll tell you how many women they employ, how many rural people they have reached, how many this and that." (RU2).

"So, I think that most businesses in Ghana, unless you take the listed companies… the part where they begin to greenwash is when they now encounter an investor who is asking for those information. And because they have not kept it, they try to conjure the figures from elsewhere. And by the time you realize they are over-reporting it or something. For example, they may tell you, they may all of a sudden realize that the number of women they have employed in their business is only about 10% of the total staff. But maybe the investor's requirement is minimum of 25% or 40%. Then they may be forced to provide some information that is not the case." (CS2).

"Deceiving the public, that you are really taking the environment aspect in your organization very seriously. Meanwhile… So that's why organizations like [us] are not only focusing on certification. We do inspection of the environment. We look at the environment. So, …actually, what I'm saying is that greenwashing is actually not good." (RU3b)

4.4.3 Evolution Gap

The gap found in existence is more evolutionary. This gap has come about because of the interest of stakeholders of business organizations in holding the business organizations more accountable for their environmental and social impacts and expecting more rigorous and robust ESG reporting and assurance from the business organizations. The users of the ESG reports share that the ESG landscape in this study's context is immature but it is expected that standards and regulatory frameworks be developed to streamline the ESG reporting and assurance. Users of the ESG reports are counting on the relevant policy makers and regulators to make ESG reporting and assurance mandatory for businesses, citing that it would be very helpful and make businesses more accountable.

"I think that at the moment, we have varied assurance report formats. But the one I believe will settle the matter is what is being developed as an auditing standard. You know, there are international standards on auditing (ISAs), and that is one of the standards they are developing for ESG assurance. I think as for IFRS Foundation, they can be very much trusted when it comes to bringing clarity to the market, bringing structure to the market." (RU2).

"I believe that this project that you are doing will be a guide for the promulgation of the state policy with respect to environmental, social and governance. Because, ESG, when it's promulgated and implemented it will help the state as a whole." (RU1b).

"…some companies are doing well, because based on their reporting, based on our field inspections, you can see that they are doing well. But in general, most companies are not. The main thing is there's no requirement for them to give such reports. And as you know, although ESG is a new trend, it's not a new thing. It has been in the system and has come around in so many ways. Companies have the targets of things like zero environmental impact, zero waste, and those kind of things. These are all part of ESG. But there's no single ESG policy directed from government that will compel management of various companies to also comply. Once government doesn't have that direction to give companies, unless the company has external auditors that require that of them, they won't find any reason to do that. And that is the actuality on the ground." (RU1a).

"The difficulty with voluntary reporting also is that it becomes fragmented. Because then different people report with different things. Sometimes they are reporting, other times they are not

reporting. So, being able to compare one bank's financial statement to another is important. And if one is reporting on ESG and the other is not reporting, comparability is challenged. So, one of the reasons why compulsory reporting becomes important is because of comparability… And so, I think that for comparability sake, for purposes of having standardized reporting in the system, we have to move from voluntary to mandatory." (RU2).

In view of that, both report and assurance providers stand ready to embrace internationally recognized and adopted standards and regulatory frameworks. They also believe that such standards would help to streamline the ESG reporting and assurance, deal with the issue of cherry-picking and allow for inter-company and international comparison of reports.

"…so, when it does happen, at least it (the ESG report) will be streamlined, so you know company A is following this standard, company B is following these standards, and it's, not you pick and choose what you report on." (RP1).

"So, for us like this, we have Deloitte coming around to conduct trainings and preparing our people for the sustainability reporting." (RP3).

"Regulations are still emerging. In this part of the world regulatory has to become so tight. Maybe now that the banks… this year maybe will become tight. But so far, nobody's holding anybody's belt." (AP2).

"From assurance point, we are part of a global network. If there is a standard like that, they normally conduct a training. They set a task force for them to train, train and reap the champions… We know there is a training for this too from an international point of view, from our international firm, and I'm part" (AP4b).

In terms of the assurance of the ESG reports, although some regulators take it upon themselves to conduct some form of verification exercises on the reports they receive from business organizations, they expect that the assurance of the reports would also become mandatory and that some approved auditors or assurance providers would be given the mandate to provide ESG assurance services to businesses and give assurance reports for use by the users of the ESG reports.

"…some companies are doing well, because based on their reporting, based on our field inspections, you can see that they are doing well." (RU1a).

"So, those who report to EPA like this, they do a second check of what you've done. Especially when you do the environmental impact assessment, they normally come around to check if the data captured is true." (RP2).

"…ESG, when it's promulgated and implemented it will help the state as a whole." (RU1b).

"For ESG to be fully reported and for everything to be collated, to have a holistic view of what is happening in the ground of ESG, then it should be mandatory. If it is voluntary, companies will choose to report or not. And they also choose what to put in their reports. That will not give a fair and accurate view of what is on the ground… Yes, mandatory is the best way forward." (RU1a).

"…once reporting becomes mandatory, then assurance has to equally become mandatory… Otherwise, we cannot guarantee, everybody will be reporting on ESG, then we cannot guarantee whether that information is a greenwash or is actual information that can be trusted. So definitely, I also believe that it's important that we move towards mandatory assurance." (RU2).

"So, actually, it should be we as regulators who can confirm or as a regulator, we should approve companies to conduct such audits on our behalf. Either we do it, take it as part of our mandate or

we ask approved auditors to do that work and then submit the reports to us. Like, how in accounting, the auditing companies are approved." (RU1)"

4.5 The Causes of the ESG Reporting and Assurance Expectations Gap

4.5.1 The Budding Stage of ESG Reporting and Assurance Landscape

It could be observed that the gaps identified exist mainly because the ESG reporting and assurance landscape is in the budding stage in the context of the developing country and regulations and standards are now coming up to shape the practice. Although ESG issues are not new, ESG reporting and assurance is a new trend in corporate reporting, especially for indigenous companies. The report providers and assurance providers lack certain technical competencies for effective reporting and assurance.

"Noo, currently, it's a new sector. So, we have not reached that level yet." (RP4).

"We are not that advanced in some of these ESG reporting. And so, it is still… and as we speak, it is very fragmented." (RU2).

"…although ESG is a new trend, it's not a new thing. It has been in the system and has come around in so many ways. But there's no single ESG policy directed from government that will compel management of various companies to also comply… The state doesn't have a policy. So, companies are not required to report. As I can tell you for a fact that most companies do not report anything to us… The ISO 45001, that regulates on such... and aspects of it are related to ESG. So, if the state adopts it, and then makes it a policy that companies must report, there will be some information that will be generated." (RU1a).

"…we decided to amend our Act, because when the Act was enacted in 1994, climate change issues have not taken center stage. But now, you know, there are a lot of environmental issues coming up. Yes. Just as you mentioned. So, we need to amend our law to take into account emerging issues. So, our Act is undergoing an amendment. It's currently in Parliament. Because if the Act is amended, it will affect the regulation." (RU4).

"If there is no big brother, lawlessness will take over… So, like I said earlier, even regulators being big brothers around, people are still cooking figures. How much more if regulators were not to be there." (RP1).

"So, as a developing country like Ghana, that is why we need our internal standards. And the international standards are set usually for first world countries. So, they are very, very high. Ghana is in third world." (RU1a).

Businesses are not providing proper and well-structured ESG reports available to all stakeholders and the general public because no law regulates them to do so. It was cited that the absence of regulation is a contributing factor to the existence of the ESG report assurance gap.

"But there's no single ESG policy directed from government that will compel management of various companies to also comply. Once government doesn't have that direction to give companies, unless the company has external auditors that require that of them, they won't find any reason to do that. And that is the actuality on the ground." (RU1a).

"Regulations are still emerging. In this part of the world regulatory has to become so tight. Maybe now that the banks… this year maybe will become tight. But so far, nobody is holding anybody's belt." (AP2).

4.5.2 Fragmented Reporting of ESG Issues

Also, the fragmented forms of ESG reports are a reason for the existence of the ESG expectations gap. Data collected shows that companies would report and assure on ESG for various reasons and to various users. They do this mostly when the need arises to meet a certain regulator's requirement or to seize an opportunity. For that matter, it has been observed that companies tend to have various pieces of ESG reports which are not even published, are not comprehensive enough to other users of the report, and do not help the users for comparability of reports of various companies. The users expect to see comprehensive ESG reports from organizations.

"Where I see a problem is, there needs to be some synergy. At this time, it's like the reporting is fragmented here and there. So, the Environmental Protection Agency takes annual reports every year, some of them (the companies) are listed. So, it means that they will also be reporting on the stock exchanges… let's assume that even they report to other regulatory bodies too. If they did it means that you have at least three different reports, which would have information that could overlap. Could there be an integrated approach where one report could be reproduced and each organization could take what they want from that report without having to produce multiple reports?" (CS1).

"The difficulty with voluntary reporting also is that it becomes fragmented. Because then different people report with different things. Sometimes they are reporting, other times they are not reporting. So, being able to compare one bank's financial statement to another is important. And if one is reporting on ESG and the other is not reporting, comparability is challenged. So, one of the reasons why compulsory reporting becomes important is because of comparability. In accounting, one of the quality of financial information is the comparability. So, with that, when

investors are looking at the same data, they know that this is performing better than this because they are reporting on the same level." (RU2).

4.5.3 Apathy and Immaturity of Indigenes

Moreover, another striking contribution to the existence of the ESG reporting and assurance expectations gap is apathy and immaturity on the part of indigenes towards ESG issues. It was also noted that among other interests of stakeholders, even some individuals seem not to understand or bother themselves much about the ESG information. It has been observed that those who really understand and have more concern for ESG are multinational companies, especially, those who have their roots from the West.

"The truth is that in Ghana, there's a bit of apathy when it comes to environmental sustainability issues... So, for the multinational companies, because they exist in other jurisdictions, in other parts of the world, where sustainability environment issues have matured, they have a better understanding of what are the positives and negatives associated with it and how the businesses can actually benefit from it. So, those ones, when they move into Ghana, they can even go beyond what the local legislation says and start delving into international best practice because they understand the benefits of it. They see the direction the world is going and all that." (CS4).

"...it is also because they (the multinational companies) have their source from the European and advanced countries, and where their insurance and those things are there. Some of the laws in their country bind them here... in Europe and those things, climate change issues are pretty fantastic." (RU4).

"It is a major problem. In that, as I said, the multinationals, because of where their top management is, they understand it because that is the requirement from there. And they do it well.

However, companies that are purely local-based or companies that come from, 'foreign countries, who are not from the first world', they don't see the need. So, they live in a "let's-go and let God" kind of system." (RU1a).

"They (the indigenous individual stakeholders) are not even interested in that. See, let me be frank with you; some shareholders for instance, when they receive the annual reports, all that they want to see is how much dividend is to be paid." (AP4e).

"Ooh! They (the indigenous individual stakeholders) can't be bothered. What matters is a report has been generated, a regulator has it." (RP1).

4.5.4 Economic Hardship

Economic hardship in the developing country was also noted as a contributing factor to the existence of ESG reporting and assurance expectations gap. Stakeholders share their observations that the major daily concern of the average Ghanaian is to meet his or her basic need such as getting food to eat and would do everything possible for that. There is thus, little to almost no concern of the average Ghanaian towards ensuring environmental and social sustainability.

"Also, because, the society is by and large still at the point where their need is a daily bread sort of issue. So, for that reason, the concern for environment, the concern for sustainability is not so great until the issues or the problems are so clear. But generally, people are not so concerned, except for those who are a bit more enlightened and a bit more aware." (CS1).

4.5.5 Unfounded Views of Indigenes on ESG Issues

Again, some indigenes hold various views on ESG issues emerging in this study's context. Despite clear evidence of environmental and social issues and the knowledge that some could share on

ESG reporting and assurance, others view ESG reporting and assurance as a myth, some perceive it as a conspiracy, others view it as an imposition by Westerners, and still, others see it as a public relation (PR) exercise.

"When it comes to the most topical environmental factor, climate change, even with that, despite the fact that we see all the evidence, the physical evidence, the physical risk that businesses are facing, people still think it's a myth." (AP2).

"… there are a number of what people call conspiracy theories about what all of this is about. And nobody is able to confirm or deny whether those theories are true. Some have argued that the West is trying to push things on us. Some have argued that, well, people are trying to determine who gets capital and so, they will bring all this report so that if you don't do it, then you will not get capital… And even the bedrock of whether or not environmental concern is a reality, there is a significant proportion of the population in the world who argue strongly that all of this is a hoax and that people are just trying to create new economies for themselves. So, those conspiracy theories are a worry… And in fact, some African leaders even believe that now the West doesn't want Africa to exploit its resources anymore. So, they are placing all manner of reporting constraints on us to deny Africa of capital and what have you. I think that those are real issues that can really hinder the progress that is being tried to be." (RU2).

"We make it feel like it's a foreign concept and we're bringing it here... Some people don't want it. They just feel that you consider it as a PR exercise. That's a big problem… If you're looking at this as a PR exercise, then the whole thing is going to be a stunt for you. So, you're looking at ways to cut corners." (AP2).

4.6 Discussion of Findings

This section presents a discussion of the findings of the study in light of other findings in literature and the theories reviewed.

4.6.1 The Trend of ESG Reporting in Annual Reports

The presence of the CSR sections within the directors' report and its consistency from 2019 to 2022 in all the annual reports could be explained by the section 136 of Ghana's Companies Act 2019, Act 992. This section talks about the report of the directors of a company that should be included in the company's financial statements and reports. Paragraph (c) of subsection (1) of the section 136 says that the directors' report shall consist of "corporate social responsibility of the company and a subsidiary and the amounts spent during the financial year" (Republic of Ghana, 2019, sec. 136(1)(c)). Thus, in compliance to this section and to the Companies Act 2019, Act 992 as a whole, companies tend to disclose some ESG information within the directors' report in the companies' annual reports.

4.6.2 Stakeholders' Understanding of ESG Reporting and Assurance

From the analysis, stakeholders have demonstrated a good understanding of ESG reporting and assurance. Their understanding of the environmental issues reported in ESG reports is not far from what Li et al. (2021) and Radzi et al., (2023) report in their studies. They note that among other things, the environmental concerns include issues about greenhouse gas emissions, air pollution, impact and dependence on biodiversity and ecosystems, efficiency and usage of energy, the use and recycling of water, and management of liquid and solid wastes, and hazardous, as well as information concerning companies' efforts to reduce energy consumption and noise pollution.

Stakeholders' understanding of social issues in ESG reports also confirm the arguments in literature that the social issues include working conditions, overall health and safety, health and safety at the workplace and for customers, workforce diversity, discrimination and equal opportunity, labor coercion, child labor, impact on the communities in which the business operates (Radzi et al., 2023; Allanscohtt, 2022; Li et al., 2021).

What stakeholders could share about the governance aspect of ESG was found to be consistent with existing knowledge of the governance issues in literature. Allanscohtt (2022) and Li et al. (2021) report that the governance issues in ESG include structure and diversity of the board, transparency and disclosure, accountability, codes of conduct and principles of business. However, knowledge of issues relating to governance in the ESG framework was found to be low among the respondents. The respondents not being able to talk well about the governance aspect of the ESG tends to support the argument raised by Monteiro et al. (2021) that there is less debate on the governance issues in the ESG framework.

Even though Simpson et al. (2022) report that some stakeholders do not have good understanding about ESG information, interactions with stakeholders revealed that stakeholders such as investors, development corporations and regulators, know what they are looking for and they understand ESG very well. The reason is that a lot of those known to be pushing for ESG reports are funding agencies like the USAIDs, UNDPs, Mastercard Foundation, and other international bodies. Most of these agencies have their roots from the advanced countries like Europe where ESG issues have advanced and are top priorities (Tang et al., 2023; Höjlind & Anglemier, 2022; Hazaea et al., 2022; Singhania et al., 2023). These stakeholders, therefore, understand the ESG reports very well.

Stakeholders' knowledge of the importance of ESG reporting also demonstrates their understanding of the matter. It was found that in such a non-mandatory era of ESG reporting and assurance in the study's context, the advantages that ESG reporting and assurance are known to bring to organizations serve as motivations behind why organizations would prepare ESG reports. Consistent with the reports of Brenden (2022) and Ghana Stock Exchange (2022), respondents mentioned that reporting on ESG concerns helps organizations in identifying and managing risks and opportunities, building their reputation, and gaining favors such as permits from regulators to carry on certain business operations. Investors also rely on the reports for resource allocation. These findings are not different from what has been found in other parts of the world where ESG reports have been found to be useful tools of communication between organizations and their stakeholders (Aziz & Alshdaifat, 2024; Yébenes, 2024; Aluchna et al., 2022).

The understanding of stakeholders on ESG reporting and assurance as found in this study contrasts what is already known from the studies of Ngwakwe et al. (2014) and Simpson and Aprim (2018), who expressed that stakeholders lack understanding of ESG and its related issues. The contrast could be because of education and training programmes that are being run in educational institutions and through seminars organized by professional bodies from time to time. These education and training programmes are helping to bring concerned stakeholders to understand ESG reporting and assurance. Some respondents testified that what they know about ESG reporting and assurance is what they have learned from their own further studies in schools.

4.6.3 The Nature of the ESG Reporting and Assurance Expectations Gap

The nature of the ESG reporting and assurance expectations gap identified in the study were knowledge gap, performance gap and evolution gap. In terms of the knowledge gap, users of the ESG reports think that the ESG reports and assurance are provided by financial accountants and express that financial accountants lack the technical competencies for ESG reporting and assurance. Consequently, they point out the need for capacity building of ESG report and assurance providers, and the engagement of multidisciplinary teams in providing ESG reports and assurance. These thoughts of the users are not at par with what the ESG report and assurance providers are doing.

Already organizations are actively building the capacity of their staff for ESG reporting and assurance through education and training at workshops and seminars. The staff are also engaging themselves in further studies in ESG. Moreover, organizations engage the services of experts or specialists in various fields including accounting to come together in providing and assuring ESG reports. As ACCA (2019) explains, this disparity between what the users of the ESG reports (stakeholders) think ESG report and assurance providers do, and what the ESG report and assurance providers actually do indicates that there is knowledge gap in ESG reporting and assurance.

Performance gap was also found as part of the entire ESG reporting and assurance expectations gap. It was stated that organizations tend to engage in greenwashing in providing ESG reports, which is contrary to the transparency that they are supposed to exhibit in ESG reporting. This is in line with what is explained as performance gap (ACCA, 2019), as organizations are not supposed to greenwash in any way, but they tend out to do so, deceiving the public and other stakeholders.

Consequently, the knowledge gap and performance gap noted in the ESG reporting and assurance has led to the presence of evolution gap (ACCA, 2019). From the analysis, it was found that users of the ESG reports share a common interest in holding business organizations more accountable for their environmental and social impacts and expect more rigorous and robust ESG reporting and assurance from the business organizations. However, the importance of standards and regulations cannot be overemphasized in ensuring quality ESG reporting and assurance (Yébenes, 2024;

Chopra et al., 2024) The users of the ESG reports therefore, are looking forward to standards and regulatory frameworks to be developed to streamline the ESG reporting and assurance. They also expect the report and assurance providers to stand ready to embrace internationally recognized and adopted standards and regulatory frameworks.

4.6.4 The Causes of the ESG Reporting and Assurance Expectations Gap

The analysis revealed that the presence of the expectations gap is mainly a result of the budding nature of the present landscape of ESG reporting and assurance in the study's context. Other contributing factors to the expectations gap identified include the fragmented reporting of ESG concerns of organizations, apathy and immaturity of indigenes, economic hardship in the country, and some unfounded views held by some indigenes in the developing country.

The causes of the expectations gap as revealed by the analysis confirm the arguments of Aziz and Alshdaifat (2024) and Yébenes (2024) that the absence of legal requirements and widely agreed standards, as well as the unavailability of guidelines, contribute to the causes of the ESG reporting and assurance expectations gap. Indeed, regulations and standards are key in guiding organizations and ensuring that they provide ESG reports that are of high quality and meet the expectations of the users of the report (Yébenes, 2024; Chopra et al., 2024). However, the ESG reporting and assurance is immature in the study's context and thus, regulations and standards are still emerging to streamline the practice.

There is a need for education and training on ESG, especially, for the report and assurance providers to sharpen their technical competencies and build capacity for ESG reporting and assurance. Thus, the technical competencies of the report and assurance providers should not be taken for granted in meeting the expectations of the users as far as ESG reporting and assurance are concerned. As noted in the studies of Gipper et al., (2022), Yébenes (2024) and Luque-Vílchez et al. (2023) this study confirms that the lack of technical competencies of the ESG report and assurance providers contributes to the existence of ESG reporting and assurance expectations gap in the developing country.

Stakeholders also express how better the ESG reports would be if they were prepared and assured by teams of people with backgrounds from various disciplines including accounting. This is particularly notable in observing best practices in ESG reporting and assurance. They thus side with scholars such as Poll (2023), Asokan (2023) and Chopra et al. (2024) to affirm that engaging multidisciplinary teams and specialists in ESG reporting and assurance would give the reports a broader and better perspective and enrich the quality of the reports.

For other causes of the expectations gap as identified in this study such as apathy and immaturity of indigenes, economic hardship, and the unfounded views held by some indigenes in the developing country, education and awareness sensitization is seen to be a helpful approach towards narrowing this gap. Literature confirms this as a helpful strategy for narrowing other expectations gap in accounting (Deepal & Jayamaha, 2022). Education still remains a prominent strategy to adopt in getting the indigenes to show concern for ESG issues and in narrowing the ESG reporting and assurance expectations gap. There is a need for the populace to be educated and be brought to a better realization of the ESG concerns. Environmental and social advocacy groups have noted the need for awareness creation among the citizens and are championing such course. Supporting and partnering with such civil society organizations could be very helpful in creating more awareness and shaping the understanding of the masses on ESG issues.

4.6.5 The ESG Reporting and Assurance Expectations Gap and Theoretical Explanations

Putting all together, the expectations gap was found to exist between ESG report and assurance providers and the users of the ESG report and assurance. The ESG reporting and assurance is non-mandatory in the study's context, and organizations would prepare and assure ESG reports for various reasons. Consistent with the reports of Brenden (2022) and Ghana Stock Exchange (2021), respondents mentioned that reporting on ESG concerns helps organizations in identifying and managing risks and opportunities, building their reputation, and gaining favors such as permits from stakeholders (especially, regulators) to carry on certain business operations. Investors also rely on the reports for resource allocation. All of these serve as motivations for organizations to demonstrate accountability to their stakeholders. The accountability theory and the theory of inspired confidence can offer some insights into understanding the existence of the expectations gap.

In such a non-mandatory era of ESG reporting and assurance where organizations report and assure the reports voluntarily, the stakeholders' expectations have not been well satisfied. Based on the accountability theory, organizations should frequently provide information about their environmental and social concerns and make them available to their stakeholders to fulfill their responsibilities (Dellaportas et al., 2005) and to demonstrate better accountability of their activities to relevant stakeholders to enhance their brand reputation, attract investors, and gain legitimacy in the societies wherein they operate (Aziz & Alshdaifat, 2024; Yébenes, 2024; Aluchna et al., 2022).

As it is in the case of financial statement audit, users of the ESG reports also expressed the need for assurance of the reports, even to the point of recommending mandatory assurance. This confirms Limperg's theory of inspired confidence which suggests that reports provided by organizations need to be audited to reduce the conflict of interest between management and external stakeholders and to ensure that the report gives a true reflection of the state of affairs of the companies (Ghandour, 2023; Limperg, 1932).

In terms of the credibility of the ESG reports provided by organizations, the expectation of the stakeholders supports the theory of inspired confidence. As an emerging trend in corporate reporting, especially in the developing country, stakeholders' top priority affirms the argument of the theory that auditors should be able to live up to their obligations of fair representation and genuine independence. Education and training of auditors to build technical competencies and be able to use emerging standards for ESG reporting and assurance should not be taken for granted. In assuring ESG reports, auditors should carry out their work in such a way that it does not frustrate the expectations of a logical third party (Limperg, 1932). They should avoid using flowery language and raising unrealistic expectations using the audit report. AP2 mentioned that:

"It's even easier to be deceived or tricked by these reporters. Another aspect is flowery language. You need to be able to trump down flowery language; technical or unnecessarily technical jargons. That's the way people used to hide very good details of things. They know they haven't done well but they'll just sound like we have done this or that. Usage of political language and all that." (AP2).

4.7 Chapter Summary

The analysis and discussion of the findings of the study have been presented in this chapter. The findings were put into themes obtained during the analysis of the data gathered from participants. The themes were then presented in this chapter taking into cognizance the research objectives and research questions.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section is the final chapter of the study and it presents a summary of key findings and conclusions made based on the findings. The contribution of the study to research, practice, and policy is also established in this chapter. This chapter also highlights the limitations of the study and offers recommendations for policy, practice, and future research.

5.2 Summary of Findings

This study sought to explore the expectations gap existing between the ESG reports and assurance providers on the one hand, and the users of ESG reports and assurance on the other hand. More specifically, the study sought to assess stakeholders' understanding of ESG reporting and assurance, examine the nature of the ESG reporting and assurance expectations gap, and examine the causes of the ESG reporting and assurance expectations gap in a developing country context.

Concerning stakeholders' understanding of ESG reporting, findings suggest that stakeholders understand ESG reporting. The stakeholders understand what goes into an ESG report, as they share the view that ESG reports contain issues about the impact of the operations of business organizations on the environment, society, and governance. Their ability to draw the thin line between the regular corporate governance and the governance aspect of ESG is noteworthy. They stated that the governance aspect of ESG has to do with how the environmental and social sustainability practices are observed in the regular corporate governance practices. Thus, female representation on the board of directors, observation of business ethics even in sourcing inputs, and management of risks including environmental and social risks are issues about the governance.

Moreover, the fact that the stakeholders were able to express the usefulness of the ESG reports also demonstrate that they understand ESG reporting. They state that the reports help investors in allocating their investment resources, regulators also lean on the reports to favor the course of operations of business organizations, and to drive policy direction. They added that ESG reporting makes organizations responsible and helps to identify risks and opportunities and know how to manage them.

Stakeholders also understand ESG assurance as verification and certification of the ESG reports issued by organizations and add that such verification is very necessary for deterring organizations from greenwashing. It also adds credibility to the information in the reports. They also understand that the assurance helps to build trust and inspire the confidence of the users to rely on the reports for their various uses.

Concerning the nature of the ESG reporting and assurance expectations gap, the findings first suggest that the ESG reporting and assurance expectations gap exists in the context of the study. The nature of the gap was then found to be more of an evolution gap, than a performance gap and a knowledge gap.

Examining the causes of the ESG reporting and assurance expectations gap, the findings reveal that the gaps identified exist mainly because the ESG reporting and assurance landscape is in the budding stage in the developing country context. The absence of regulations that mandate business organizations to provide credible and comprehensive ESG reports for use by various stakeholders explains the existence of greenwashing and the fragmented forms of ESG reports, which were noted as performance gap. It was found that companies would report on ESG and seek assurance for various reasons and to various users. They would often do this only when the need arises for them to meet a certain regulator's requirement or to seize a certain opportunity.

Another striking contribution to the existence of the ESG reporting and assurance expectations gap is apathy and immaturity on the part of indigenes towards ESG issues. It was observed that those who really understand and have more concern for ESG in the developing country context are multinational companies, especially, those who have their roots from the West. Despite clear evidences of environmental and social issues, and the knowledge that some have on ESG reporting and assurance, other indigenes view ESG reporting and assurance as a myth, some perceive it as a conspiracy, others see it as something that the Westerners are pushing on developing countries, and still, others see it as a PR exercise. With these unfounded views, coupled with economic hardship which make the indigenes more concerned about their daily bread, there is little to almost no concern of the average Ghanaian towards ensuring environmental and social sustainability.

5.3 Conclusions

The study infers from the objectives and the findings that users of ESG reports understand ESG reports as non-financial reports that business organizations provide to their stakeholders about the impact of their operations on the environment and society, and how the environmental and social sustainability practices are observed in the regular corporate governance practices. They understand that the reporting makes organizations more responsible, as it holds them accountable for the impact of their operations on the environment and society. The reports also help to identify risks and opportunities, and put in measures to mitigate the risks and to seize the opportunities. In addition, assurance of the reports inspires confidence in the users to rely on the reports to make informed decisions.

Also, the study concludes that ESG reporting and assurance expectations gap exists between the ESG report and assurance providers, and the users of the ESG reports. While the users expect that business organizations mandatorily provide comprehensive and credible ESG reports regularly for use by the wider range of stakeholders, the reports that business organizations provide are fragmented, targeted to specific users, would only report at opportune times and end up providing reports that are not credible enough. The expectations gap exists mainly because unlike the developed countries where ESG issues are well understood by the populace and the reporting and assurance practices have advanced, the ESG landscape, including the reporting and assurance, in the developing country is a gray area. Regulations, standards and guidelines are still emerging to streamline the ESG reporting and assurance. There is also the need for knowledge building, especially, among the report providers and assurance providers.

Based on the accountability theory, the study concludes that business organizations should provide the ESG reports to relevant stakeholders to demonstrate their accountability and fulfill their responsibilities based on the stakeholders' expectations. As the stakeholders hold certain criteria against which the actions of the organizations are measured, and can reward or punish organizations, organizations should provide the ESG reports to the relevant stakeholders to avoid punishment and gain permits or legitimacy for their operations, attract investors and enhance brand reputation (Aziz & Alshdaifat, 2024; Yébenes, 2024; Aluchna et al., 2022).

As stakeholders would prefer that the ESG reports be assured to make it more credible and avoid greenwashing, the study concludes on the basis of the theory of inspired confidence that organizations should seek assurance to the ESG reports they prepare to ensure that the report gives a true reflection of the state of affairs of the companies (Ghandour, 2023; Limperg, 1932). The assurance providers should also live up to their obligations of fair representation and genuine independence. It is thus in the right direction that the assurance providers seek to build capacity to meet the public interest with regards to ESG assurance.

5.4 Contributions

The study also makes relevant contributions to knowledge, to practice and to policy as far as ESG reporting and assurance are concerned.

5.4.1 Contributions to Knowledge

The study adds to the literature on expectations gap in accounting by bringing to light the nature and causes of ESG reporting and assurance expectations gap. This contribution is important as review of literature shows that much attention has been given to financial statement audit expectations gap and little is known about the expectations gap in other aspects of corporate reporting (Tabone, 2018; Elkins et al., 2023) and responds to the calls made by Kamal (2018) and EY (2023) for more studies on ESG reporting and assurance expectations gap in attempts to narrow the gap.

Noting that the couple of studies done on the subject focused on the developed countries (Kamal, 2018) but environmental factors, culture, regulatory systems, and professional developments which have been documented to affect the understanding and practice of ESG reporting and assurance in advanced economies differ from those in emerging economies (Simpson et al., 2022). This study responds to the arguments of Hazaea et al. (2022) and Singhania et al. (2023) and adds to the scanty knowledge on ESG reporting and assurance expectations gap as it draws on insights from the perspective of a developing country.

Moreover, this study makes contribution to theory by showing how insights from the accountability theory helps to understand ESG reporting and assurance. Hall et al. (2017) notes the significant contribution of the accountability theory in literature but Au et al. (2023) and Del Gesso and Lodhi (2024) raise concerns about the theory's underrepresentation in recent studies. This study thus, contributes to the theory's representation in ESG reporting and assurance studies, showing how relevant the theory helps in understanding and embracing ESG reporting and assurance.

5.4.2 Contributions to Practice

This study unfolds the position of business organizations on ESG reporting and assurance and the expectations of stakeholders on the same, and provides helpful insights to the business organizations, the accountancy profession, and other assurance and certification bodies in their quest to serve the public interest. By pointing out the need for capacity building and training of professionals, and the appropriateness of organizations to develop teams for the ESG reporting and assurance, this study contributes to practice as it provides direction for capacity building programmes necessary for the accountant and other professional development.

With the findings of the study on stakeholders' expectations, this study contributes to helping business organizations to provide proper accountability to their stakeholders and fulfill their responsibilities, as the business organizations could draw insights from the study on the expectations of stakeholders and put measures in place for proper ESG reporting and assurance to meet the stakeholders' expectations.

5.4.3 Contributions to Policy

In its contribution to policy, the findings of this study also communicate the eminent need for regulations and standards to shape the ESG reporting and assurance landscape in this study's context, pointing out to policymakers as well as standard setters and regulators of an area where they need to direct their attention to. This study thus, serves as a good reference point for policy makers to review or set new policies governing ESG and ESG-related issues in the pursuit of sustainability, and towards the achievement of the sustainable development goals. International standard and professional organizations such as the ACCA, IFAC, and ISSB, among others, can also find this study informative for setting up standards with both developed and developing economies in focus.

5.5 Limitations

The study explored ESG reporting and assurance expectations gap with a focus on organizations. The study adopted the qualitative approach to research and focused on a few organizations operating in Ghana. Besides, the sample of companies was purposively selected, and a handful of participants were obtained due to resources (time and money) constraints, accessibility to participants, and availability of the participants' representatives. However, publicly listed companies operating in other sectors of the economy as well as non-listed business organizations and Small and Medium Scale Enterprises (SMEs) can provide important insights that were not uncovered in this study.

Qualitative research in general is known to have a generalizability limitation (Creswell, 2014). That is, findings cannot be extended beyond the research participants. By extension of the limitation of generalizability, this study does not cover all forms of organizations and thus, findings from the study cannot be statistically generalized beyond the business organizations, assurance providers and users of the ESG reports discussed in this study.

5.6 Recommendations

Based on the limitations and findings of the study, this study also offers important recommendations for policy, practice, and future research.

5.6.1 Recommendations for Policy

The fact that ESG reporting and assurance holds business organizations responsible for ensuring sustainability but that the ESG reporting and assurance landscape is in the budding stage and voluntary in the developing country context, policymakers, regulators, and standard setters should not relent in developing regulations, standards, and guidelines. Not only that, they should also ensure that the regulations are enforced, and standards are adopted and properly implemented. If standards are developed or adopted and regulations are made sooner than later, it would be very instrumental in ensuring effective ESG reporting and assurance, and in narrowing the expectations gap.

5.6.2 Recommendations for Practice

It is also recommended for professional bodies to roll out more capacity-building programmes and trainings to equip the professionals for the ESG reporting and assurance. As an emerging trend in their professional practice the report providers and assurance providers also fall short of certain technical competencies for effective ESG reporting and assurance. More training and capacity-building programmes for reporters and assurance providers would serve a very good purpose in narrowing the expectations gap. As the ESG reporting and assurance requires a multi-disciplinary approach, it is also recommended for business organizations and assurance providers to start building multidisciplinary teams or units in their organizations for effective ESG reporting and assurance.

It is also recommended that the general populace be educated and be brought to a better realization of the ESG concerns. School curriculums may be developed for courses on ESG to educate students and bring them to appreciate the need for environmental and social sustainability. Supporting and partnering with civil society organizations to create awareness among the populace could also be very helpful in shaping the understanding of the masses and curbing the apathy towards ESG issues.

5.6.3 Recommendations for Future Research

This study considered organizations as ESG reporters, assurance providers, and users of the ESG reports. Thus, all the participants of the study were organizations, though they were represented by individuals who responded to the interview questions. Future research may be conducted on individuals who engage in ESG reporting and ESG assurance for organizations, and on other individual stakeholders such as shareholders, investors, creditors, suppliers, customers, and employees. The study also focused on the manufacturing sector in the developing country. Other studies on the ESG reporting and assurance expectations gap can focus on other sectors such as the mining and oil and gas sectors where ESG issues are also prevalent. Other companies listed on the GSE and the banks may also be considered for future research on the subject, as their regulators (the GSE and the Bank of Ghana (BoG) respectively) are rolling out principles and guidelines for effective ESG reporting and assurance.

Moreover, this study has explored the ESG reporting and assurance expectations gap between ESG reports and assurance users on the one hand and the providers of ESG reports and assurance on the other hand. It would also be interesting to know from further studies whether there are even expectation gaps between report providers on one hand, and assurance providers on the other hand, as well as between the regulators of the report and assurance providers on one hand, and the other users of the reports and assurance on the other hand.

5.7 Chapter Summary

This concluding chapter summarized the study's main findings in the context of its objectives and presented conclusions based on the findings. It then emphasized the study's contributions to knowledge, practice and policy, and recognized its limitations. The chapter concluded with recommendations for policy, practice, and future research.

REFERENCES

Abimbola, J. A., Alexandera, C., Amosa, T., & Adepojua, A. (2021). Bridging the Stakeholders Financial Reporting Expectation Gap: The integrated accounting postulate. In *3rd ICAN Malaysia International Conference on Accounting and Finance* (p. 35).

Ackers, B. (2015). Can a conceptual framework for corporate social responsibility [CSR] assurance be developed? *Corporate Ownership and Control*, *12*(4), 8–23. https://doi.org/10.22495/cocv12i4p1

Ackers, B. (2016). An exploration of internal audit's corporate social responsibility role – insights from South Africa. *Social Responsibility Journal*, *12*(4), 719–739. https://doi.org/10.1108/srj-01-2016-0003

Adams, C. A., & Evans, R. (2004). Accountability, completeness, credibility and the audit expectations gap. *Journal of corporate citizenship*, (14), 97-115. https://doi.org/10.9774/gleaf.4700.2004.su.00010

Agee, J. (2009). Developing qualitative research questions: a reflective process. *International Journal of Qualitative Studies in Education*, *22*(4), 431–447. https://doi.org/10.1080/09518390902736512

Agyei, A., Aye, B. K., & Owusu-Yeboah, E. (2013). An assessment of audit expectation gap in Ghana. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *3*(4), 112-118.

Ahmad, H., Yaqub, M., & Lee, S. H. (2023). Environmental-, social-, and governance-related factors for business investment and sustainability: A scientometric review of global trends. *Environment, Development and Sustainability*, *26*(2), 2965-2987. https://link.springer.com/article/10.1007/s10668-023-02921-x

Akther, T., & Xu, F. (2020). Existence of the Audit Expectation Gap and Its Impact on Stakeholders' Confidence: The Moderating Role of the Financial Reporting Council. *International Journal of Financial Studies*, *8*(1), 4. https://doi.org/10.3390/ijfs8010004

Alessa, N., Akparep, J. Y., Sulemana, I., & Agyemang, A. O. (2024). Does stakeholder pressure influence firms environmental, social and governance (ESG) disclosure? Evidence from Ghana. *Cogent Business & Management*, *11*(1), 2303790. https://www.tandfonline.com/doi/epdf/10.1080/23311975.2024.2303790?needAccess=true

Al-Halwachi, J., & Eklind, M. (2020). Sustainability assurance: A qualitative study exploring the assurance process, team and report of sustainability assurance.

Alhojailan, M. I. (2012). Thematic analysis: a critical review of its process and evaluation. In *WEI international European academic conference proceedings, Zagreb, Croatia*.

Allanscohtt, O. G. (2022). Environmental, Social and Governance Issues in Investing with Ghanaian SMEs (Master's thesis)

Alsahali, K., & Malagueño, R. (2021). An Empirical Study of Sustainability Reporting Assurance: Current Trends and New Insights. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3917749

Aluchna, M., Roszkowska-Menkes, M., & Kamiński, B. (2022). From talk to action: the effects of the non-financial reporting directive on ESG performance. *Meditari Accountancy Research*, *31*(7), 1–25. https://doi.org/10.1108/medar-12-2021-1530

Amo-Mensah, M. (2021). Corporate social responsibility in contemporary Ghana: A literature Review. *International Journal of Business and Management Review*, *9*(5), 78-93. https://tudr.org/id/eprint/240/1/Corporate-Social-Responsibility.pdf

Asante-Appiah, B., & Lambert, T. A. (2022). The role of the external auditor in managing environmental, social, and governance (ESG) reputation risk. *Review of Accounting Studies*. https://doi.org/10.1007/s11142-022-09706-z

Asare, N., Atuilik, W. A., Onumah, J. M., & Babonyire, A. (2016). Deconstructing the Audit Expectation Gap Concept. http://hdl.handle.net/123456789/4091

Asokan, A. (2023). An Overview of ESG Reporting in India: Practices and Challenges. In *Responsible leadership and sustainable management* (pp. 19–39). https://doi.org/10.1007/978-981-99-4837-6_2

Association of Chartered Certified Accountants (ACCA). (2019). *Closing the expectation gap in audit*.

Association of Chartered Certified Accountants (ACCA). (2021). "Narrowing the audit expectation gap is essential for a resilient global financial reporting ecosystem", available at: https://www.accaglobal.com/gb/en/news/2021/october/Audit-expectation-gap.html

Au, A. K. M., Yang, Y. F., Wang, H., Chen, R. H., & Zheng, L. J. (2023). Mapping the Landscape of ESG Strategies: A Bibliometric Review and Recommendations for Future Research. *Sustainability*, *15*(24), 16592. https://www.mdpi.com/2071-1050/15/24/16592

Aziz, N. H. A., & Alshdaifat, S. M. (2024). ESG Reporting: Impacts, Benefits and Challenges. In *Sustainable Horizons for Business, Education, and Technology: Interdisciplinary Insights* (pp. 69-76). Singapore: Springer Nature Singapore. https://doi.org/10.1007/978-981-97-2981-4_5

Baier, P., Berninger, M., & Kiesel, F. (2020). Environmental, social and governance reporting in annual reports: A textual analysis. *Financial Markets, Institutions & Instruments, 29(3)*, 93-118. https://doi.org/10.1111/fmii.12132

Bank of Ghana. (2019). *Sustainable Banking Principles and Sector Guidance Notes*. https://www.bog.gov.gh/wp-content/uploads/2019/12/Ghana-Sustainable-Banking-Principles-and-Guidelines-Book-1.pdf

Bansal, P., & Song, H. C. (2017). Similar But Not the Same: Differentiating Corporate Sustainability from Corporate Responsibility. *Academy of Management Annals*, *11*(1), 105–149. https://doi.org/10.5465/annals.2015.0095

Batumalai, M., Zakaria, M., Majid, W. Z. N. A., & Nadeson, P. S. (2022). An Investigation of Audit Expectation Gap in the Malaysian Public Sector. *Pakistan Journal of Life and Social Sciences (PJLSS)*, *20*(1). https://doi.org/10.57239/pjlss-2022-20.1.0011

Benameur, K. B., Mostafa, M. M., Hassanein, A., Shariff, M. Z., & Al-Shattarat, W. (2024). Sustainability reporting scholarly research: a bibliometric review and a future research agenda. *Management Review Quarterly*, *74*(2), 823-866. https://doi.org/10.1007/s11301-023-00319-7

Birkey, R. N., Michelon, G., Patten, D. M., & Sankara, J. (2016). Does assurance on CSR reporting enhances environmental reputation? An examination in the US context. Accounting Forum, 40(3), 143–152. https://doi.org/10.1016/j.accfor.2016.07.001

Biswas, P., Rahman, T., & Sudha, A. (2019). Environmental Accounting Disclosure Practices in Bangladesh and Its Impact on Investor Decisions. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3941040

Boiral, O., Heras-Saizarbitoria, I., & Brotherton, M. C. (2019). Assessing and Improving the Quality of Sustainability Reports: The Auditors' Perspective. *Journal of Business Ethics*, *155*(3), 703–721. https://doi.org/10.1007/s10551-017-3516-4

Boiral, O., Heras-Saizarbitoria, I., Brotherton, M. C., & Bernard, J. (2018). Ethical Issues in the Assurance of Sustainability Reports: Perspectives from Assurance Providers. *Journal of Business Ethics*, *159*(4), 1111–1125. https://doi.org/10.1007/s10551-018-3840-3

Brenden, N. (2022). *The Benefits of Integrated ESG Reporting*. WatchWire. https://watchwire.ai/the-benefits-of-integrated-esg-reporting/

Bruce, E. (2022). Boosting global competitiveness of Ghanaian companies —GSE introduces ESG Disclosures Guidance Manual. *Graphic Online*. Retrieved August 4, 2023, from https://www.graphic.com.gh/news/general-news/ghana-news-boosting-global-competitiveness-of-ghanaian-companies-gse-introduces-esg-disclosures-guidance-manual.html

Buhr, N. (1998). Environmental performance, legislation and annual report disclosure: the case of acid rain and Falconbridge. *Accounting, Auditing & Accountability Journal, 11(2)*, 163-190. https://doi.org/10.1108/09513579810215455

Carmichael, D. R. (2004). The PCAOB and the Social Responsibility of the Independent Auditor. *Accounting Horizons*, *18*(2), 127–133. https://doi.org/10.2308/acch.2004.18.2.127

Carnegie, G. D., Ferri, P., Parker, L. D., Sidaway, S. I. L., & Tsahuridu, E. E. (2022). Accounting as Technical, Social and Moral Practice: The Monetary Valuation of Public Cultural, Heritage and Scientific Collections in Financial Reports. *Australian Accounting Review*, *32*(4), 460–472. https://doi.org/10.1111/auar.12371

Carroll, A. B., & Brown, J. A. (2018). Corporate social responsibility: A review of current concepts, research, and issues. *Corporate social responsibility*, 39-69. https://doi.org/10.1108/S2514-175920180000002002

Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International journal of management reviews*, *12*(1), 85-105. https://onlinelibrary.wiley.com/doi/epdf/10.1111/j.1468-2370.2009.00275.x

Carroll, A. B., Sullivan, S. C., & Markowitz, L. (1995). Understanding the impact of corporate social responsibility (CSR) in the marketplace: A Reputation and Social Performance Assessment Study. International Association for Business and Society Proceedings, Vienna, Austria, 330_334.

Chisnall, P., 2001. *Qualitative Research and Attitude Research. Marketing Research* (6th edition). London: Sage Publications Ltd.

Chopra, S. S., Senadheera, S. S., Dissanayake, P. D., Withana, P. A., Chib, R., Rhee, J. H., & Ok, Y. S. (2024). Navigating the Challenges of Environmental, Social, and Governance (ESG) Reporting: The Path to Broader Sustainable Development. *Sustainability*, *16*(2), 606. https://doi.org/10.3390/su16020606

Christensen, H. B., Hail, L., & Leuz, C. (2021). Mandatory CSR and sustainability reporting: economic analysis and literature review. *Review of Accounting Studies*, *26*(3), 1176–1248. https://doi.org/10.1007/s11142-021-09609-5

Collis, J., & Hussey, R. (2014). *Business research: A practical guide for undergraduate and postgraduate students* (4th ed.). Palgrave Macmillan.

Consolandi, C., Phadke, H., Hawley, J., & Eccles, R. G. (2020). Material ESG Outcomes and SDG Externalities: Evaluating the Health Care Sector's Contribution to the SDGs. *Organization & Environment*, *33*(4), 511–533. https://doi.org/10.1177/1086026619899795

Creswell, J. (2007). Qualitative inquiry and design: Choosing among the five approaches (pp. 1–416).

Creswell, J. W. (2003). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches.* Sage Publications.

Creswell, J. W. (2014). *A concise introduction to mixed methods research*. Sage Publications.

Creswell, J. W., & Poth, C. N. (2018). Qualitative Inquiry and Research Design: Choosing among Five Approaches (4th ed.). Washington DC: Sage Publications.

Dando, N., & Swift, T. (2003). Transparency and assurance minding the credibility gap. *Journal of business ethics*, *44*, 195-200. https://doi.org/10.1023/A:1023351816790

Das, P. K. (2025). Accounting Transformation in the ongoing Era-Challenges and Opportunities. *British Journal of Multidisciplinary and Advanced Studies*, *6*(1), 27–43. https://doi.org/10.37745/bjmas.2022.04215

Deegan, C. (2006). *Financial Accounting Theory*.

Deegan, C. (2011). *EBOOK: Financial Accounting Theory: European Edition*. McGraw Hill.

Deegan, C., & Rankin, M. (1999). The Environmental Reporting Expectations Gap: Australian Evidence. *The British Accounting Review*, *31*(3), 313–346. https://doi.org/10.1006/bare.1999.0102

Deepal, A. G., & Jayamaha, A. (2022). Audit expectation gap: a comprehensive literature review. *Asian Journal of Accounting Research*, *7*(3), 308–319. https://doi.org/10.1108/ajar-10-2021-0202

Del Gesso, C., & Lodhi, R. N. (2024). Theories underlying environmental, social and governance (ESG) disclosure: a systematic review of accounting studies. *Journal of Accounting Literature*. https://doi.org/10.1108/JAL-08-2023-0143

Del Giudice, A., & Rigamonti, S. (2020). Does Audit Improve the Quality of ESG Scores? Evidence from Corporate Misconduct. *Sustainability*, *12*(14), 5670. https://doi.org/10.3390/su12145670

Dellaportas, S., Alagiah, R., Gibson, K., Leung, P., Hutchinson, M. R., & Van Homrigh, D. (2005). Ethics, governance and accountability: A professional perspective.

Deloitte. (2016). Thinking Allowed: The Future of Corporate Reporting. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/audit/ch-en-audit-thinking-allowed-future-corporate-reporting.pdf [Accessed on 23 July 2023]

Dissanayake, D. M. M. B., & Ekanayake, E. M. A. S. B. (2018). Decision usefulness of corporate environmental reporting and firm performance: evidence from Sri Lanka. *IUP Journal of Accounting Research & Audit Practices*, *17*(3), 7-23.

Dmuchowski, P., Dmuchowski, W., Baczewska-Dąbrowska, A. H., & Gworek, B. (2023). Environmental, social, and governance (ESG) model; impacts and sustainable investment–Global trends and Poland's perspective. *Journal of Environmental Management*, *329*, 117023. https://doi.org/10.1016/j.jenvman.2022.117023

Duits, H. B. (2012). *The added value of auditing in a non-mandatory environment* (p. 208). Vossiuspers UvA.

Eccles, R. G., Lee, L., & Stroehle, J. C. (2019). The Social Origins of ESG: An Analysis of Innovest and KLD. *Organization & Environment*, *33*(4), 575–596. https://doi.org/10.1177/1086026619888994

Eferakeya, I., & Edgars, P. (2021). Audit and the Role of Auditing: An Exposition of the Underpinning Theories. *TEST Engineering & Management*, *84*, 226-248.

Elkins, H., Entwistle, G., & Schmidt, R. N. (2023). Expectations for sustainability reporting from users, preparers, and the accounting profession. *International Journal of Disclosure and Governance*, *21*(1), 143–164. https://doi.org/10.1057/s41310-023-00206-3

Elo, T., Pätäri, S., Sjögrén, H., & Mättö, M. (2023). Transformation of skills in the accounting field: the expectation–performance gap perceived by accounting students. *Accounting Education*, *33*(3), 237–273. https://doi.org/10.1080/09639284.2023.2191289

Ernst & Young (EY) (2023). How Can Corporate Reporting Bridge the ESG Trust Gap? | EY - Global. https://www.ey.com/en_gl/assurance/how-can-corporate-reporting-bridge-the-esg-trust-gap

Espahbodi, L., Espahbodi, R., Juma, N., & Westbrook, A. (2019). Sustainability priorities, corporate strategy, and investor behavior. *Review of Financial Economics*, *37*(1), 149–167. https://doi.org/10.1002/rfe.1052

Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of Convenience Sampling and Purposive Sampling. *American Journal of Theoretical and Applied Statistics*, *5*(1), 1. https://doi.org/10.11648/j.ajtas.20160501.11

Farooq, M. B., & de Villiers, C. (2017). The market for sustainability assurance services. *Pacific Accounting Review*, *29*(1), 79–106. https://doi.org/10.1108/par-10-2016-0093

Fernando, S., & Lawrence, S. (2014). A theoretical framework for CSR practices: Integrating legitimacy theory, stakeholder theory and institutional theory. *Journal of theoretical accounting research*, *10*(1), 149-178.

Financial Accounting Standards Board (FASB) (2010), Conceptual Framework: Statement of Financial Accounting Concepts No. 8, available at https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176157498129. Accessed on September 15, 2017.

Fleetwood, S. (2005). Ontology in Organization and Management Studies: A Critical Realist Perspective. *Organization*, *12*(2), 197–222. https://doi.org/10.1177/1350508405051188

Friedman, M., (1970). The social responsibility of business is to increase its profits, *New York Times Magazine*, 13 September, p. 122-126.

Frink, D. D., & Klimoski, R. J. (2004). Advancing accountability theory and practice: Introduction to the human resource management review special edition. *Human Resource Management Review*, *14*(1), 1–17. https://doi.org/10.1016/j.hrmr.2004.02.001

Fusch, P. I., & Ness, L. R. (2015). Are We There Yet? Data Saturation in Qualitative Research. *The Qualitative Report*, *20*(9), 1408-1416. https://doi.org/10.46743/2160-3715/2015.2281

Gaffikin, M. (2005). Accounting research and theory: the age of neo-empiricism. https://doi.org/10.14453/aabfj.v1i1.1

Garcia, A. S., Mendes-Da-Silva, W., & Orsato, R. J. (2017). Sensitive industries produce better ESG performance: Evidence from emerging markets. Journal of Cleaner Production, 150, 135–147. https://doi.org/10.1016/j.jclepro.2017.02.180

Ghana Stock Exchange. (2022). *ESG disclosures guidance manual*. Ghana Stock Exchange. https://gse.com.gh/wp-content/uploads/2022/11/GSE-ESG-DISCLOSURES-GUIDANCE-MANUAL-1-1.pdf

Ghandour, D. a. M. (2023). A Blueprint for Minimizing Audit Anticipation Gap in a Developing Country: Stakeholders Perceptions. *International Journal of Business Administration*, *14*(1), 20. https://doi.org/10.5430/ijba.v14n1p20

Gipper, B., Ross, S., & Shi, S. (2022). ESG Assurance in the United States. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4263085

Global Reporting Initiative (GRI). (2013). G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures. https://www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf

Global Reporting Initiative (GRI). (2013). The external assurance of sustainability reporting. (Brochure). Amsterdam: Global Reporting Initiative. http://plataforma.responsable.net/sites/default/files/gri-assurance.pdf *Retrieved 2023- 03 03*.

Gonella, C., & Woo, C. M. (2000). Total assurance. *AccountAbility Quarterly*, *13*, 12-14.

Gray, R. (2001). Thirty years of social accounting, reporting and auditing: what (if anything) have we learnt? *Business Ethics: A European Review*, *10*(1), 9–15. https://doi.org/10.1111/1467-8608.00207

Gray, R., Owen, D., & Adams, C. (2010). Some theories for social accounting? A review essay and tentative pedagogic categorisations around social accounting. *Advances in Environmental Accounting and Management* (Vol. 4). https://doi.org/10.1108/S1479-3598(2010)0000004005

Grinyer, A. (2002). The anonymity of research participants: assumptions, ethics and practicalities. *Social research update*, *36*(1), 4.

Grueso Gala, M., & Camisón Zornoza, C. (2022). A bibliometric analysis of the literature on non-financial information reporting: Review of the research and network visualization. *Cuadernos De Gestión*, *22*(1), 175–192. https://doi.org/10.5295/cdg.211545mg

Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field methods*, *18*(1), 59-82. https://doi.org/10.1177/1525822X05279903

Gupta, P. (2021). Understanding and Adopting ESG – an Overview. https://www.rhtlawasia.com/wp-content/uploads/2021/11/ESG-Part-I-The-Evolution-of-ESG-from-CSR.pdf

Gyau, E. K. (2024). The role of standards and audit firms in reducing the expectation gap: A Qualitative approach. *European Journal of Accounting Auditing and Finance Research*, *12*(1), 17–34. https://doi.org/10.37745/ejaafr.2013/vol12n11734

Hall, A. T., Frink, D. D., & Buckley, M. R. (2017). An accountability account: A review and synthesis of the theoretical and empirical research on felt accountability. *Journal of Organizational Behavior*, *38*(2), 204-224.

Haque, S., Deegan, C., & Inglis, R. (2013). Disclosure of climate change-related corporate governance practices. *Collected papers of APIRA Kobe 2013*, 1-34.

Hazaea, S. A., Zhu, J., Khatib, S. F., Bazhair, A. H., & Elamer, A. A. (2022). Sustainability assurance practices: A systematic review and future research agenda. *Environmental Science and Pollution Research*, *29*(4), 4843-4864. https://link.springer.com/article/10.1007/s11356-021-17359-9#citeas

Hennink, M., Hutter, I., & Bailey, A. (2020). *Qualitative research methods*. Sage.

Höjlind, J., & Anglemier, E. (2022). Perceptions of the Swedish audit and business communities on sustainability reporting: A quantitative study on the differences between the two populations

Holland, L., & Foo, B. Y. (2003). Differences in environmental reporting practices in the UK and the US: the legal and regulatory context. *The British Accounting Review*, *35*(1), 1–18. https://doi.org/10.1016/s0890-8389(02)00127-0

IMD Business School. (2024). *ESG: environmental, social, & governance investing explained*. IMD Business School for Management and Leadership Courses. https://www.imd.org/blog/sustainability/esg-environmental-social-and-governance/

International Auditing and Assurance Standards Board (IAASB). (2013). International Standard on Auditing (ISA) 610 (Revised 2013) using the work of internal auditors. International Federation of Accountants (IFAC).

International Federation of Accountants, & International Ethics Standards Board for Accountants. (2012). *Handbook of the Code of Ethics for Professional Accountants*. https://www.ethicsboard.org/publications/2012-handbook-code-ethics-professional-accountants

Ittonen, K. I. M. (2010). A theoretical examination of the role of auditing and the relevance of audit reports. VAASA University Publisher.

Jariya, A. I. (2015). Environmental disclosures in annual reports of Sri Lankan corporate: a content analysis. *Journal of Emerging Trends in Economics and Management Sciences*, *6*(8), 350-357.

Jiao, L. (2020). Multifaceted not-for-profit accountability: Its measurement, cultural context, and impact on perceived social performance. *Financial Accountability & Management*. https://doi.org/10.1111/faam.12276

Kamal, Y. (2018). Stakeholders' Perceptions of Social Audit in Bangladesh. In *Advances in environmental accounting & management* (pp. 5–29). https://doi.org/10.1108/s1479-359820180000007001

Kamala, P. N., Wingard, C., & Cronje, C. (2015). Evidence of an expectation gap in corporate environmental reporting in South Africa. *Journal of Accounting and Management*, (2), 1-18. https://hrcak.srce.hr/file/226136

Khamisu, M. S., & Paluri, R. A. (2024). Emerging Trends of Environmental Social and Governance (ESG) Disclosure Research. Cleaner Production Letters, 100079. https://doi.org/10.1016/j.clpl.2024.100079

King, M., & Beer, L. D. (2018). *The Auditor: Quo Vadis?* Routledge. https://doi.org/10.4324/9781351020749

Knir, M., Petrukha, S., & Kryvoruchko, Y. (2019). Accountability theory and its implication in public finance. *Наукові праці НДФІ. 2019. № 4. С. 47–58. DOI: https://doi. org/10.33763/npndfi2019, 4*.

Komonen, H., Stenberg, P. D. E., & Harikkala-Laihinen, M. S. R. (2019). Stakeholder value creation through integrated reporting (Masters thesis, *University of Turku*).

KPMG & SustainAbility (2008). *Count me in – The readers' take on sustainability reporting*. http://www.kpmg.com/GR/en/.../Sustainability/Documents/CountMeIn.pdf

KPMG. (2017). The road ahead: The KPMG survey of corporate responsibility reporting 2017. KPMG International. Retrieved November 14, 2023.

KPMG. (2022). Big shifts, small steps: survey of sustainability reporting 2022. *KPMG International Report*. Retrieved November 14, 2023.

KPMG. (2024). The move to mandatory reporting: survey of sustainability reporting 2024. *KPMG International Report*. Retrieved December 3, 2024.

Kumari, J., & Ajward, R. (2022). Whether the audit expectation-performance gap is expanding amid changes in audit landscape? New evidence from an emerging economy. *Asian Journal of Accounting Research*, *8*(1), 53–65. https://doi.org/10.1108/ajar-12-2021-0267

Lajili, K., & Zeghal, D. (2005). A Content Analysis of Risk Management Disclosures in Canadian Annual Reports. *Canadian Journal of Administrative Sciences 22(2)*, 125-142. https://doi.org/10.1111/j.1936-4490.2005.tb00714.x

Lerner, J. S. & Tetlock, P. E. (1999). Accounting for the effects of accountability. *Psychological bulletin*, *125*(2), 255.

Lewellyn, P. G. (2000). Sustainability auditing: Issues for the AICPA. *AccountAbility Quarterly*, *13*, 30-34.

Li, T. T., Wang, K., Sueyoshi, T., & Wang, D. D. (2021). ESG: Research Progress and Future Prospects. *Sustainability*, *13*(21), 11663. https://doi.org/10.3390/su132111663

Liggio, C. D. (1974). The Expectation Gap: The Accountant's Waterloo. *Journal of Contemporary Business, 3*(3): pp. 27-44.

Limperg, T. (1932). *Theory of inspired confidence.* University of Amsterdam: Netherlands.

Lincoln, Y.S. and Guba, E.G. (1985) Naturalistic Inquiry. SAGE, Thousand Oaks, 289-331. http://dx.doi.org/10.1016/0147-1767(85)90062-8

Luque-Vílchez, M., Cordazzo, M., Rimmel, G., & Tilt, C. A. (2023). Key aspects of sustainability reporting quality and the future of GRI. *Sustainability Accounting Management and Policy Journal*, *14*(4), 637–659. https://doi.org/10.1108/sampj-03-2023-0127

Mahdi, S. (2011). Audit expectation gap: Concept, nature and trace. *African Journal of Business Management*, *5*(21), 8376–8392. https://doi.org/10.5897/ajbm11.963

Manetti, G., & Toccafondi, S. (2012). The Role of Stakeholders in Sustainability Reporting Assurance. *Journal of Business Ethics*, *107*(3), 363–377. https://doi.org/10.1007/s10551-011-1044-1

Manufacturing - Ghana Stock Exchange. (n.d.). Gsedev.Website. https://gse.com.gh/Category/manufacturing/

Marshall, C., & Rossman, G. B. (2014). *Designing Qualitative Research*. SAGE Publications. http://books.google.ie/books?id=qTByBgAAQBAJ&printsec=frontcover&dq=Designing+qualitative+research&hl=&cd=3&source=gbs_api

Martiny, A., Taglialatela, J., Testa, F., & Iraldo, F. (2024). Determinants of environmental social and governance (ESG) performance: A systematic literature review. *Journal of Cleaner Production*, *456*, 142213. https://www.sciencedirect.com/science/article/pii/S0959652624016615

Merkl-Davies, D., Brennan, N., & Vourvachis, P. (2011). Text analysis methodologies in corporate narrative reporting research. In *23rd CSEAR International Colloquium* (pp. 1-45). St Andrews.

Messner, M. (2009). The limits of accountability. *Accounting, Organizations and Society*, *34*(8), 918–938. https://doi.org/10.1016/j.aos.2009.07.003

Miles, M. B., & Huberman, A. M. (1994). *Qualitative Data Analysis*. SAGE. http://books.google.ie/books?id=U4lU_-wJ5QEC&printsec=frontcover&dq=Qualitative+data+analysis:+An+expanded+sourcebook&hl=&cd=1&source=gbs_api

Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). Qualitative data analysis: A methods sourcebook. Third edition. SAGE Publications, Inc.

Mitchell, C., & Quinn, N. (2005). Environmental reporting disclosure in South Africa: A comparative study of the expectations of selected groups of preparers and users. *Meditari Accountancy Research*, *13*(2), 17–33. https://doi.org/10.1108/10222529200500010

Monteiro, G. F. A., Miranda, B. V., Rodrigues, V. P., & Saes, M. S. M. (2021). ESG: disentangling the governance pillar. *RAUSP Management Journal*, *56*(4), 482–487. https://doi.org/10.1108/rausp-06-2021-0121

Morrow, S. L. (2005, April). Quality and trustworthiness in qualitative research in counseling psychology. *Journal of Counseling Psychology*, *52*(2), 250–260. https://doi.org/10.1037/0022-0167.52.2.250

Morse, J. M. (1995). The significance of saturation. *Qualitative health research*, *5*(2), 147-149. https://doi.org/10.1177/104973239500500201

Morse, J. M. (2000). Determining sample size. *Qualitative health research*, *10*(1), 3-5.

Nazari, J. A., Hrazdil, K., & Mahmoudian, F. (2017). Assessing social and environmental performance through narrative complexity in CSR reports. Journal of Contemporary Accounting and Economics, 13(2), 166–178. https://doi.org/10.1016/j.jcae.2017.05.002

Neuman, L. W. (2014). Social research methods: Qualitative and quantitative approaches: *Pearson New International Edition.*

http://194.164.49.16:8080/jspui/bitstream/123456789/156/1/Social%20Research%20Methods%20%28Eng%29%205MB%282%29.pdf

Ngwakwe, C. C., Awunyo-Vitor, D., & Akoto, R. K. (2014). Auditors awareness of and value for sustainability reporting in Ghana: evidence from small and medium size audit firms in Kumasi metropolis. *Environmental economics*, (5, Iss. 2), 82-89.

Norton, L. P. (2024). *ESG Turns 20: A Brief History, and Why It's Not Going Away*. Morningstar, Inc. https://www.morningstar.com/sustainable-investing/esg-turns-20-brief-history-why-its-not-going-away

O'Dwyer, B., Owen, D., & Unerman, J. (2011). Seeking legitimacy for new assurance forms: The case of assurance on sustainability reporting. *Accounting, Organizations and Society*, *36*(1), 31–52. https://doi.org/10.1016/j.aos.2011.01.002

Okpara, J. O., & Idowu, S. O. (2013). Corporate social responsibility: A review of the concept and analysis of the business case for corporate social responsibility in the twenty-first century. *Corporate Social Responsibility: Challenges, Opportunities and Strategies for 21st Century Leaders*, 3-15. https://link.springer.com/chapter/10.1007/978-3-642-40975-2_1

Olagunju, A. O., & Owolabi, S. A. (2020). Historical Evolution of Audit Theory and Practice. *International Journal of Management Excellence*, *16*(1), 2252–2259. https://doi.org/10.17722/ijme.v16i1.1197

Onumah, J. M., Nana Yaw Simpson, S., & Babonyire, A. (2009). The audit expectation gap concept: Examining views on auditors' reports from Ghana. In *Accounting in Emerging*

Economies (pp. 321-343). Emerald Group Publishing Limited. http://dx.doi.org/10.1108/S1479-3563(2009)0000009014

Perego, P., & Kolk, A. (2012). Multinationals' Accountability on sustainability: The evolution of third-party assurance of sustainability reports. Journal of Business Ethics, 110(2), 173–190. https://doi.org/10.1007/s10551-012-1420-5

Polit, D.F. and Beck, C.T. (2004) Nursing Research: Principles and Methods. 7th Edition, Lippincott Williams & Wilkins, Philadelphia. https://www.docdroid.net/AQcK1kq/nursing-research-principles-and-methods-pdf#page=8

Poll, J. (2023). Auditing, supervising and enforcing corporate sustainability due diligence, disclosure and reporting. *ERA Forum*, *24*(4), 599–611. https://doi.org/10.1007/s12027-023-00776-3

Pourheydari, O., & Abousaiedi, M. (2011). An empirical investigation of the audit expectations gap in Iran. *Journal of Islamic Accounting and Business Research*, *2*(1), 63–76. https://doi.org/10.1108/17590811111129517

Quick, R. (2020). The audit expectation gap: A review of the academic literature. In *Maandblad Voor Accountancy En Bedrijfseconomie* (Vols. 94–94, Issue 1/2, pp. 5–25) [Journal-article]. https://doi.org/10.5117/mab.94.47895

Radzi, S. H. M., Hamid, N. A., & Ismail, R. F. (2023). An overview of Environmental, Social and Governance (ESG) and company performance. *The European Proceedings of Social & Behavioural Sciences*, *131*, 1111–1122. https://doi.org/10.15405/epsbs.2023.11.90

Republic of Ghana. (2019). *Companies Act, 2019 (Act 992)*.

Robu, I. B., Chersan, I. C., Mironiuc, M., & Carp, M. (2012). Empirical Study on the Assessment of the Auditor's Responsibility Regarding the Risk of Financial Fraud. *Communications of the IBIMA*, 1–17. https://doi.org/10.5171/2012.216771

Ruhnke, K., & Schmidt, M. (2014). The audit expectation gap: existence, causes, and the impact of changes. *Accounting and Business Research*, *44*(5), 572–601. https://doi.org/10.1080/00014788.2014.929519

Rupley, K. H., Brown, D., & Marshall, S. (2017). Evolution of corporate reporting: From stand-alone corporate social responsibility reporting to integrated reporting. *Research in Accounting Regulation*, *29*(2), 172–176. https://doi.org/10.1016/j.racreg.2017.09.010

Saladrigues, R., & Grañó, M. (2014). Audit expectation gap: fraud detection and other factors. *European Accounting and Management Review*, 120–142. https://doi.org/10.26595/eamr.2014.1.1.6

Salifu, I., & Mahama, M. (2015). The evaluation of evidence of the audit expectation gap in Ghana. *Evaluation*, *6*(24).

Saunders, M. N. K., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students*. Pearson Higher Ed.

Shikdar, M. A., Faruk, O., & Hossain Chowdhury, M. M. (2018). Reducing the Audit Expectation Gap: A model for Bangladesh Perspective. *International Journal of Management, Accounting & Economics*, *5*(3).

Sikka, P., Puxty, A., Willmott, H., & Cooper, C. (1998). The Impossibility of Eliminating the Expectations Gap: Some Theory And Evidence. *Critical Perspectives on Accounting*, *9*(3), 299–330. https://doi.org/10.1006/cpac.1997.0159

Silverman, D. (2010). *Doing Qualitative Research* (3rd ed.). SAGE. http://books.google.ie/books?id=es_oEVZew6YC&printsec=frontcover&dq=Doing+Qualitative+Research&hl=&cd=2&source=gbs_api

Simnett, R., Vanstraelen, A., & Chua, W. F. (2009). Assurance on Sustainability Reports: An International Comparison. *The Accounting Review*, *84*(3), 937–967. https://doi.org/10.2308/accr.2009.84.3.937

Simpson, S. N. Y., & Aprim, E. K. (2018). Do corporate social responsibility practices of firms attract prospective employees? Perception of university students from a developing country. *International Journal of Corporate Social Responsibility*, *3*(1), 1-11.

Simpson, S. N. Y., Aboagye-Otchere, F., & Ahadzie, R. (2022). Assurance of environmental, social and governance disclosures in a developing country: perspectives of regulators and quasi-regulators. *Accounting Forum*, *46*(2), 109–133. https://doi.org/10.1080/01559982.2021.1927481

Singhania, M., Saini, N., Shri, C., & Bhatia, S. (2023). Cross-country comparative trend analysis in ESG regulatory framework across developed and developing nations. *Management of Environmental Quality an International Journal*, *35*(1), 61–100. https://doi.org/10.1108/meq-02-2023-0056

Sonnerfeldt, A. L. L., & Pontoppidan, C. A. (2020). The Challenges of Assurance on Non-financial Reporting. *Accounting, Economics, and Law: A Convivium*, *10*(2). https://doi.org/10.1515/ael-2018-0050

Stenning, P. C. (Ed.). (1995). *Accountability for criminal justice: Selected essays*. University of Toronto Press. https://doi.org/10.3138/9781442670594

Stevenson, M. (2019). Can auditors close the great expectation gap for good. *Pivot magazine. February*, *2*. https://www.cpacanada.ca/en/news/pivot-magazine/2019-01-02-expectation-gap-roundtable

Strauss, A. L., & Cobin, J. M. (1998). Basics of qualitative research. Techniques and procedures for developing grounded theory, 2.

Sullivan, T. J. (2001). *Methods of social research* (p. 163). Fort Worth, TX: Harcourt College Publishers.

Swift, T., & Dando, N. (2002). From methods to ideologies: Closing the assurance expectations gap in social and ethical accounting, auditing and reporting. *Journal of Corporate Citizenship*, (8), 81-90.

Tabone, N. (2018). *The financial statements expectations gap in a small state economy: a Maltese perspective* (Doctoral dissertation, Loughborough University). https://core.ac.uk/download/pdf/288360743.pdf

Tang, J., Wang, X., & Liu, Q. (2023). The spillover effect of customers' ESG to suppliers. *Pacific-Basin Finance Journal*, *78*, 101947. https://doi.org/10.1016/j.pacfin.2023.101947

Taylor, S. & land, C. (2014). Organizational anonymity and the negotiation of research access. *Qualitative Research in Organizations and Management: An International Journal, 9*(2) 98-109. https://doi.org/10.1108/QROM-10-2012-1104

United Nations Development Programme, UNDP. (2015). Implementation of the 2030 Agenda in Ghana.

United Nations Global Compact. (2004). Who cares wins: Connecting financial markets to a changing world [Report]. United Nations Global Compact. https://www.unglobalcompact.org/docs/issues_doc/Financial_markets/who_cares_who_wins.pdf

Vance, A., Lowry, P. B., & Eggett, D. (2015). Increasing Accountability Through User-Interface Design Artifacts: A New Approach to Addressing the Problem of Access-Policy Violations. *MIS Quarterly*, *39*(2), 345–366. https://www.jstor.org/stable/26628357

Velte, P., & Stawinoga, M. (2017). Empirical research on corporate social responsibility assurance (CSRA): A literature review. *Journal of Business Economics*, *87*(8), 1017-1066. https://doi.org/10.1007/s11573-016-0844-2

Wahyuni, D. (2012). The research design maze: Understanding paradigms, cases, methods and methodologies. *Journal of applied management accounting research*, *10*(1), 69-80. https://ssrn.com/abstract=2103082

Whittington, R., & Pany, K. (2016). *Principles of auditing & other assurance services* (20th ed.). New York, NY: McGraw-Hill/Irwin.

Wiseman, J. (1982). An evaluation of environmental disclosures made in corporate annual reports. *Accounting, Organizations and Society*, *7*(1), 53–63. https://doi.org/10.1016/0361-3682(82)90025-3

Yébenes, M. O. (2024). Climate change, ESG criteria and recent regulation: challenges and opportunities. *Eurasian Economic Review*, *14*(1), 87–120. https://doi.org/10.1007/s40822-023-00251-x

Yin, R. K. (2017). *Case Study Research and Applications*. SAGE Publications. http://books.google.ie/books?id=uX1ZDwAAQBAJ&printsec=frontcover&dq=Designing+case+studies&hl=&cd=2&source=gbs_ap

Zhang, Y., & Wildemuth, B. M. (2005). Qualitative analysis of content. *Table of Cases*, *2*(1), 1–12.

Zhang, Y., & Wildemuth, B. M. (2009). Qualitative analysis of content. In B. M. Wildemuth (Ed.), *Applications of social research methods to questions in information and library science* (pp. 308-319). Libraries Unlimited. https://www.ischool.utexas.edu/~yanz/Content_analysis.pdf

Zhao, X., Nan, D., Chen, C., Zhang, S., Che, S., & Kim, J. H. (2023). Bibliometric study on environmental, social, and governance research using CiteSpace. Frontiers in Environmental Science, 10. https://doi.org/10.3389/fenvs.2022.1087493

APPENDICES

APPENDIX 1:

INTERVIEW GUIDE ON UNDERSTANDING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORTING AND ASSURANCE EXPECTATIONS GAP

Participant's code: ______________________________

Participant's type of firm: ______________________________

Gender of participant: ______________________________

Location of interview: ______________________________

Interview date and time: ______________________________

Interview duration: ______________________________

Background information

This interview is part of the research for a thesis on ESG reporting and assurance. With your permission, all responses would be recorded and handled with anonymity and the utmost confidentiality. The responses shall only be used for the purpose of the research.

SECTION 1: (FOR ESG REPORTING ORGANIZATIONS)

Part 1: The ESG Report

Introductory questions

1. Could you describe your involvement with ESG reporting anywhere and in this organization?
2. How long have you been involved in the reporting in this organization?
3. Could you tell when and how your organization started ESG reporting?

The objective of ESG reporting

4. Why does your organization prepare ESG reports?
5. Could you describe the processes and unit(s) involved in capturing data and reporting on your Environmental, Social and Governance concerns?
6. How do you assess your environmental, social and governance performance?
7. What are the challenges and opportunities you face in reporting on ESG?
8. Do you think that there are other organizations that also report on ESG? Are they really doing ESG reporting or they are just doing something else?

The content of ESG reports

9. Who are the targets of your ESG reporting?
10. What has been the trend of information contained in the ESG reports (has the kind of information been changing or not)?
11. Which ESG reporting framework/standard *(do you use and which one)* do you consider more appropriate for ESG reporting?

12. What makes you think that the target stakeholders are fine with the form of the reports and the information provided in them?
13. How prepared are you to move from voluntary to mandatory ESG reporting?

Part 2: Assurance of the ESG Report

14. What has been the trend of the assurance you seek on the reports?
15. Why does your organization seek those assurance services on the reports?
16. What category of assurance providers have you been engaging?
17. Could you describe the preparations and procedures you go through to get your ESG reports assured?
18. How prepared are you to move from voluntary to mandatory ESG assurance?
19. Do you have any other comment you would like to add to the subject?

SECTION 2: (FOR ESG REPORT ASSURANCE SERVICE PROVIDERS)

1. Could you describe your involvement with ESG report assurance?
2. How long have you been involved in the assurance?
3. Could you describe the set-up of the ESG assurance unit of this firm? (considering how the unit(s) is/are built and the background of the people involved)
4. Who do you think are the targets of the assurance reports?
5. How different are the ESG assurance procedures from the financial statement auditing procedures?
6. What influences the format and expressions used in the assurance report?
7. Which assurance framework/standard *(do you use and which one)* do you consider more appropriate for ESG report assurance?
8. What makes you think that the stakeholders are fine with the format and content of the assurance report?
9. Do you have any other comment you would like to add to the subject?

SECTION 3: (FOR ESG REPORT (AND ASSURANCE) USERS)

The Institute of Chartered Accountants, Ghana (ICAG) and

The Department of Factories Inspectorate (DFI)

General introductory questions

1. Could you describe your role in this organization?
2. How long have you been serving in your current position in this organization?

PART 1: ESG REPORTING

The objective of ESG reporting

3. Why should organizations prepare ESG reports?
4. It is believed that Environmental and social impact risks and opportunities are identified and managed with the aid of ESG reporting (Brenden, 2022). How well do the ESG reports help to do this?
5. Building trust and transparency with investors and other stakeholders as well as drawing sustainable investors is another factor taken into account when preparing ESG reports (Brenden, 2022). What are your views on this?
6. Do you think that organizations are really doing ESG reporting or they are just doing something else?

The content of ESG reports

7. How well do users of the report understand the information contained in it?

8. Which ESG reporting framework/standard do you consider more appropriate for ESG reporting?
9. Which department in organizations do you consider more appropriate to provide the ESG reports?
10. What do you understand by "true and fair view"?
11. What are your views on the move from voluntary to mandatory ESG reporting?
12. Are the present format and content of the ESG reports adequate in meeting the users' requirements?

ESG reporting in the Ghanaian environment (the limitations)

13. How are the objectives and scope of ESG reporting influenced in the African context and in a developing country such as Ghana?
14. What factors do you consider capable of distorting the message being communicated in the ESG reports?
15. What specific information do you think that investors and other stakeholders in Ghana would want to be included in the ESG reports?

Part 2: ESG Report Assurance

16. What do you consider as the objective of ESG report assurance?
17. What is your opinion on the move from voluntary to mandatory ESG assurance?
18. Which assurance framework/standard do you consider more appropriate for ESG report assurance?
19. How appropriate are the financial statement auditors for assuring ESG reports?

20. To what extent do you think that the present format and content of ESG reports assurance are adequate in meeting the users' requirements?
21. What specific information do you think that investors and other stakeholders in Ghana would want to be included in the ESG assurance reports?
22. Do you have any other comment you would like to add to the subject?

Ghana Standards Authority (GSA)

Introductory questions

1. Could you describe your role in this organization?
2. How long have you been serving in your current position in this organization?

The objective of ESG reporting

3. How do you ensure that organizations provide ESG reports?
4. What category of organizations are mandated to submit these reports and how regular are they to do so?
5. Putting aside the fact that it is a requirement (for certain industries) do you find organizations really doing ESG reporting or they are just trying to comply or they are doing something else?
6. What are the challenges and opportunities you encounter as far as the reporting, monitoring and certification are concerned?

The content of ESG reports

7. Do you find the reports adequate and credible enough for what you need them for?
8. Which ESG reporting framework/standard do you consider more appropriate for the reporting?
9. Could you describe the set-up and processes of the unit(s) responsible for the monitoring/testing/certification of the ESG performances of the organizations?
10. How does the unit(s) assess each component of the ESG reports provided by organizations?

11. What are some of the specific issues under each of the ESG components that the organizations are supposed to report on?
12. Do you have any other comment you would like to add to the subject?

Environmental Protection Agency (EPA)

Introductory questions

1. Could you describe your role in this organization?
2. How long have you been serving in your current position in this organization?

The objective of ESG reporting

3. How do you ensure that organizations provide you with environmental reports, environmental management plan and such other reports?
4. What category of organizations are mandated to submit these reports and how regular are they to do so?
5. Putting aside the fact that it is a requirement for such category of organizations do you find organizations doing what they actually report, or they just complete the application forms and do something else?
6. What are the challenges and opportunities you encounter as far as the reporting, monitoring and certification are concerned?

The content of ESG reports

7. Do you find the reports adequate and credible enough for what you need them for?
8. Which (international/local) framework/standard do you adopt/consider more appropriate for the reporting. Otherwise, what influences the format and content of the reports?

9. Could you describe the set-up and processes of the unit(s) responsible for the monitoring/testing/certification of the environmental performances of the organizations?
10. How does/do the unit(s) assess each component of the reports provided by organizations?
11. Do you have any other comment you would like to add to the subject?

Civil Society Organizations (CSOs)

Introductory questions

1. Could you describe your role in this organization?
2. How long have you been serving in your current position in this organization?

The objective of ESG reporting

1. What are some of the complaints/concerns of the public towards business organizations as far as ESG issues are concerned?
2. How important is it to require that business organizations prepare ESG reports?

The content of ESG reports

3. To what extent are the present formats and contents of the reports found to be adequate and credible?
4. Do you find business organizations doing what they actually report or they just give some ESG information but do something else?
5. What factors do you find contributing to why businesses report on what they have not done or do not do?
6. What are your views on the move from voluntary to mandatory ESG reporting (and assurance)?
7. What specific information do you think that they are of interest to the public and should to include in the ESG reports?
8. Could you suggest how ESG reports should be assured?
9. Do you have any other comment you would like to add to the subject?

APPENDIX 2:

CATEGORIES AND CODING SCHEME FOR THE ANALYSIS OF THE ANNUAL REPORTS

(Adapted from the GRI G4 Sustainability Reporting Guidelines, 2013 and Baier et al.'s (2020) word list for ESG)

ENVIRONMENTAL ISSUES	
Materials	
G4 DMA	
G4-EN1	Materials used by weight or volume
G4-EN2	Percentage of materials used that are recycled input materials
Energy	
G4 DMA	
G4-EN3	Energy consumption within the organization
G4-EN4	Energy consumption outside of the organization
G4-EN5	Energy intensity
G4-EN6	Reduction of energy consumption
G4-EN7	Reductions in energy requirements of products and services
Water	
G4 DMA	
G4-EN8	Total water withdrawal by source

G4-EN9	Water sources significantly affected by withdrawal of water
G4-EN10	Percentage and total volume of water recycled and reused
Biodiversity	
G4 DMA	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
G4-EN13	Habitats protected or restored
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
Emissions	
G4 DMA	
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)

G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)
G4-EN18	Greenhouse gas (GHG) emissions intensity
G4-EN19	Reduction of greenhouse gas (GHG) emissions
G4-EN20	Emissions of ozone-depleting substances (ODS)
G4-EN21	NOx, SOx, and other significant air emissions
Effluents and waste	
G4-EN22	Total water discharge by quality and destination
G4-EN23	Total weight of waste by type and disposal method
G4-EN24	Total number and volume of significant spills
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff
Products and services	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category
Compliance	
G4 DMA	

G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Transport	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce
Overall	
G4-EN31	Total environmental protection expenditures and investments by type
Supplier environmental assessment	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken
Environmental grievance mechanisms	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

SOCIAL ISSUES	
Labor practices and decent work	
Employment	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
G4-LA3	Return to work and retention rates after parental leave, by gender
Labor/management relations	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
Occupational health and safety	
G4 DMA	
G4-LA5	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

G4-LA7	Workers with high incidence or high risk of diseases related to their occupation
G4-LA8	Health and safety topics covered in formal agreements with trade unions
Training and education	
G4-LA9	Average hours of training per year per employee by gender, and by employee category
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Diversity and equal opportunity	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

Supplier assessment for labor practices	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken
Labor practices grievance mechanisms	
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms
Human rights	
Investment	
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
Non-discrimination	

G4-HR3	Total number of incidents of discrimination and corrective actions taken
Freedom of association and collective bargaining	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
Child labor	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
Forced or compulsory labor	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
Security practices	

G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations
Indigenous rights	
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken
Assessment	
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
Supplier human rights assessment	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken
Human rights grievance mechanisms	
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
Society	
Local communities	
G4 DMA	

G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs
G4-SO2	Operations with significant actual and potential negative impacts on local communities
Anti-corruption	
G4 DMA	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
G4-SO4	Communication and training on anti- corruption policies and procedures
G4-SO5	Confirmed incidents of corruption and actions taken
Public policy	
G4 DMA	
G4-SO6	Total value of political contributions by country and recipient/beneficiary
Anti-competitive behavior	
G4 DMA	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes
Compliance	

G4 DMA	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulation
Supplier assessment for impacts on society	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken
Grievance mechanisms for impacts on society	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
Product responsibility	
Customer health and safety	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
G4-PR2	Total number of incidents of non- compliance with regulations and voluntary codes concerning the health

	and safety impacts of products and services during their life cycle, by type of outcomes
Product and service labelling	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements
G4-PR4	Total number of incidents of non- compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes
G4-PR5	Results of surveys measuring customer satisfaction
Marketing communications	
G4-PR6	Sale of banned or disputed products
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

Compliance	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
GOVERNANCE ISSUES	
G4-34 G4-35 G4-36 G4-37	Governance structure
G4-38	Highest governance body
G4-39	Highest governance body (Chair)
G4-40	Nomination process
G4-41	Conflicts of interest
G4-42	Role in values and strategy development
G4-43	Competencies and performance evaluation
G4-44	Board performance
G4-45	Board role in Risk management
G4-46	Board role in Risk management
G4-47	Frequency of ESG review
G4-48	Review of CSDR
G4-49	Reporting critical concerns
G4-50	Number of critical concerns
G4-51	Remuneration disclosures
Ethics and integrity	
G4-56	Codes of conduct

G4-57	Internal and external mechanisms (hotlines, whistleblowing)
Economic category	
Economic performance	
G4 DMA	
G4-EC1	Direct economic value generated and distributed
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change
G4-EC3	Coverage of the organization's defined benefit plan obligations
G4-EC4	Financial assistance received from government
Market presence	
G4 DMA	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation
Indirect economic impacts	
G4 DMA	
G4-EC7	Development and impact of infrastructure investments and services supported

G4-EC8	Significant indirect economic impacts, including the extent of impacts
Procurement practices	
G4 DMA	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation

APPENDIX 3:

DETAILS OF INTERVIEWEES

	Organization	**Category of organization**	**Number of Interviewees**	**Interviewee's Rank and Code**	**Interviewee's Years of Current Work Experience**	**Interview Duration**
1.	RP1	Report provider	1	Head of Health & Safety	8 years	33 minutes
2.	RP2	Report provider	1	Human Resource Manager	5 years	35 minutes
3.	RP3	Report provider	1	Accountant	3 years	22 minutes
4.	RP4	Report provider	1	Accountant and General Manager: Finance and Administration	25 years	37 minutes
5.	AP1	Assurance provider	1	Partner in charge of sustainability	18 years	38 minutes

6.	AP2	Assurance provider	1	Assistant Manager (Governance, Risk and Compliance)	4 years	36 minutes
7.	AP3	Assurance provider	1	Manager (Sustainability)	2 years	11 minutes
8.	AP4	Assurance provider	5	1 Director, 1 Manager, 1 Assistant Manager and 2 Supervisors	AP4a =8years AP4b =15years AP4c =10years AP4d =5years AP4e =17years	1 hour, 12 minutes
9.	RU1	Regulator	2	Assistant Chief Inspector (RU1a), and	RU1a = 14 years	51 minutes

				Senior Inspector (RU1b)	RU1b = 7 years	
10.	RU2	Regulator	1	Manager (Research)	6 years	44 minutes
11.	RU3	Regulator	2	Director of Finance (RU3a), and Member of Facilities Department (RU3b)	RU3a =17years RU3b =5years	1 hour, 40 minutes
12.	RU4	Regulator	1	Head of Department	12 years	1 hour 1 minute
13.	CS1	Civil Society	1	Impact Manager	10 years	45 minutes
14.	CS2	Civil Society	1	Multi-country Project Manager	7 years	33 minutes
15.	CS3	Civil Society	1	Deputy National Director	11 years	26 minutes
16.	CS4	Civil Society	1	Coordinator	20 years	37 minutes