

Assurance of environmental, social and governance disclosures in a developing country: perspectives of regulators and quasi-regulators

Samuel Nana Yaw Simpson, Francis Aboagye-Otchere & Rhoda Ahadzie

To cite this article: Samuel Nana Yaw Simpson, Francis Aboagye-Otchere & Rhoda Ahadzie (2022) Assurance of environmental, social and governance disclosures in a developing country: perspectives of regulators and quasi-regulators, Accounting Forum, 46:2, 109-133, DOI: [10.1080/01559982.2021.1927481](https://doi.org/10.1080/01559982.2021.1927481)

To link to this article: <https://doi.org/10.1080/01559982.2021.1927481>



Published online: 23 May 2021.



Submit your article to this journal [↗](#)



Article views: 1150



View related articles [↗](#)



View Crossmark data [↗](#)



Citing articles: 9 View citing articles [↗](#)



Assurance of environmental, social and governance disclosures in a developing country: perspectives of regulators and quasi-regulators

Samuel Nana Yaw Simpson , Francis Aboagye-Otchere and Rhoda Ahadzie

Department of Accounting, University of Ghana Business School, Accra, Ghana

ABSTRACT

The paper explores the assurance of environmental, social, and governance (ESG) disclosures in a developing country. Unlike other papers, this study focuses on regulators and quasi-regulators understanding of ESG assurance, their perception and preferences for assurance providers, and the considerations in choosing an assurance provider. Using a qualitative research design, the Strong Structuration Theory was employed to draw meanings from data gathered through semi-structured interviews. Findings reveal that external factors such as the emerging nature of ESG in Ghana, the working fields of interviewees, the developing nature of the internal audit function, non-Big 4 audit firms, and the accounting profession were crucial in interviewees' conceptualization of ESG assurance and their preferences for various assurance providers. Also, there is low preference for accountants, internal auditors, and non-Big 4 firms as ESG assurance providers, particularly for environmental and social disclosures. Regulators, however, received a high endorsement. It was evident that expertise and regulatory oversight were the main factors interviewees considered in choosing assurance providers. Accountants, non-Big 4 audit firms, and internal auditors would need to improve stakeholders' perception of their capacity and independence for ESG assurance. Moreover, considerations such as the value for expertise, independence, and reputation for regulators affect the choice of an ESG assurance provider. The findings have implications (outcomes) for regulators to consider their ESG assurance participation and its consequences.

ARTICLE HISTORY

Received 10 June 2019

Accepted 5 May 2021

KEYWORDS

Environmental; social; governance; assurance; regulatory; quasi-regulatory

1. Introduction

The operations of businesses are changing with increasing global attention and disclosures for environmental, social, and governance (ESG)¹. However, the rise in ESG disclosures has not been accompanied by stakeholder trust and confidence, considering that it is mainly voluntary and unregulated (Nazari et al., 2017), especially in emerging countries

CONTACT Samuel Nana Yaw Simpson  snysamuel@gmail.com

¹Though ESG is used interchangeably with sustainability, social and environmental reports, and corporate social responsibility reports (Garcia et al., 2017), ESG is considered more appropriate for this study. This is because sustainability reporting and disclosures are more associated with multinationals in Ghana and other developing countries. Moreover, the interviewees understand ESG better.

(KPMG, 2017; Mahadeo et al., 2011). This spikes a global response towards the assurance for ESG and other related reports. The KPMG report (2017) shows that assurance for ESG disclosures has more than doubled in the last 12 years among the Global 250 companies (now 67%). The same cannot be said for the N100 companies in the 49 emerging and developing countries included in the survey (KPMG, 2017). Furthermore, there are concerns on the type of assurance provider, the nature of assurance, the factors that determine the choice of various assurance providers, and the perspective of various stakeholders (Briem & Wald, 2018; Channuntapipat et al., 2019; Farooq & De Villiers, 2017; Green et al., 2017; Maroun, 2019). Also, ESG assurance studies are not based on theory and are limited to a few groups of stakeholders, hence calls for studies exploring perspectives of more stakeholders and considering alternative theories for new insights (Farooq & De Villiers, 2017).

Differences in stakeholder perspectives on various assurance providers inform their preferences for an assurance provider. For instance, Clarkson et al. (2019) suggested that the type of assurance providers did matter to stakeholders. Peters and Romi (2013) and Perego and Kolk (2012) show how differences in stakeholder perceptions inform the choice of assurance providers. However, the attention given to stakeholder preferences on ESG issues proves low, particularly for studies that provide in-depth discussion and field investigations with key stakeholders (Farooq & De Villiers, 2017). The few studies that have engaged stakeholders have focused mainly on audit firms, internal auditors, social practitioners (Simpson et al., 2016; Soh & Martinov-Bennie, 2015), neglecting other vital stakeholders like regulators and quasi-regulators (Darus et al., 2014). Indeed, stakeholders like regulatory and quasi-regulatory bodies as external stakeholders are underrepresented in the ESG assurance discourse (Farooq & De Villiers, 2017). Their perspectives are considered imperative due to criticisms of the existing ESG assurance providers serving the interest of management or engaging in impression management (Briem & Wald, 2018; Channuntapipat et al., 2019).

Furthermore, although ESG issues, including assurance, are considered highly voluntary, the significance and relevance of regulators cannot be overemphasized particularly, in developing countries (Brooks & Oikonomou, 2017). Briem and Wald (2018) assert that ESG assurance stands a risk of being falsified or untaken in the absence of regulatory actions. The world is experiencing changes in ESG assurance regulations, with countries like Denmark, Malaysia, China, Brazil, South Africa, Spain, among others having some form of mandatory ESG requirements. These have heightened the need to examine the phenomenon from the perspectives of the regulators (Brooks & Oikonomou, 2017).

Not far from regulators are quasi-regulators conceptualized in this study as non-state agencies, chambers, technical and professional associations, industry associations, trade unions, among others (Rahim, 2013). The role of quasi-regulatory bodies in ESG issues, although not a recent thing (Shamir, 2011), has received insufficient research attention (Stubbs & Higgins, 2018). According to Stubbs and Higgins (2018), initiatives and supervision of these groups or associations are in one form or the other considered as soft-laws or proxies for coercive pressure that generate significant impacts. Shamir (2011) records an example of how the British Chamber of Commerce presented a force against mandatory CSR reporting in the UK. This indicates that quasi-regulatory bodies are influential in ESG issues, hence the need for research attention.

Moreover, though discussions on ESG assurance are global, the discussions appear tilted to more advanced countries (Darus et al., 2014), as a result, there is an inherent need for research in developing and emerging countries (Asia, Africa, Middle East, and South America) to compare with developed countries for new insights on differences and similarities (Farooq & De Villiers, 2017; KPMG, 2017). Other scholars argue that studies on ESG assurance are burgeoning and remain germane in developing countries where ESG issues such as natural disasters, rising pollution and population, resource depletion, high industrial development, and poverty, among others are widespread (Engelbrecht et al., 2018). Also, differences in the cultural, political, educational, legal, social, technological, and economic developments of developing countries provide an entirely different context for examining ESG issues while enriching current findings (Tilt, 2016). Therefore, this study examines ESG assurance from the perspective of regulators and quasi-regulators in Ghana. Ghana provides an appropriate context for examining the phenomena under consideration because of its commitment to the UN sustainable development goals. Besides, new regulatory requirements for corporate bodies to make extensive disclosure of information to stakeholders also makes Ghana a suitable context for the study.

Given the above, this paper adopts a qualitative research approach where data is collected through interviews and analyzed using the strong structuration theory (Stones, 2005) to answer the following research questions:

- i. How do regulators and quasi-regulators understand ESG assurance?
- ii. How do regulators and quasi-regulators perceive and prefer various assurance providers?
- iii. Why would regulators and quasi-regulators prefer and choose an assurance provider over others?

This study contributes in significant respects by interacting with regulators and quasi-regulators to obtain evidence beyond the perspective of managers and traditional assurance providers who may be pursuing the managerial interests of preparers of ESG related reports. An in-depth understanding of ESG assurance and assessor preferences is gained resulting from the fusion of a qualitative methodological approach and the strong structured theory on the stakeholder groups examined. Moreover, focusing on a developing country enriches the existing global knowledge on the phenomenon.

The rest of the paper is structured as follows. The next section covers the theoretical and empirical review of the literature. The third section highlights the research methodology, while section four presents findings and discussions. The final section comprises the conclusions, recommendations, and limitations of the study.

2. Adopted theory and empirical review

This section covers both the theoretical and empirical literature on ESG assurance. The section starts with an overview of the adopted theory, justifications, and development of a framework to guide data analysis. The empirical literature on ESG assurance and types of assurance providers, including the factors that influence the choice of assurance provider were reviewed. The section concludes with a literature review on the subject matter based on evidence from developing countries, including Ghana, and provides context for the research problem and discussion of results.

2.1. Theoretical underpinning and framework

Farooq and De Villiers (2017) report that many of the ESG related assurance studies (36 out of 50 papers) are descriptive, and the analysis is not based on any theory. Moreover, the commonly used theories are the agency theory, legitimacy theory, stakeholder theory, institutional theory (institutional logics), and signalling theory (Farooq & De Villiers, 2017). This paper contributes to the ESG assurance studies by relying on Stones' (2005) Strong Structuration Theory. The theory has four elements: external structures, internal structures, active agency, and outcomes.

The external structures are said to be the acknowledged or unacknowledged conditions from the perspective of an agent. They may either enable or constrain the agent and can be completely autonomous and can influence conditions beyond the agents' wish, which may be resistible or irresistible. Moreover, the external structures may comprise the position practices and their associated practices. These include regulatory regimes, economic and institutional systems, like working groups or associations considered to influence agents (Moore & McPhail, 2016).

The internal structures cover general-disposition or habitus and conjecturally specific internal structures. General-disposition structures are the things attributable to an agent which he or she draws on instinctively and comprises:

... transposable skills and dispositions, including generalized world-views and cultural schemas, classifications, typification of things, people and networks, principles of action, typified recipes of action, deep binary frameworks of signification, associative chains and connotations of discourse, habits of speech and gesture, and methodologies for adapting this range of particular practices in particular locations in time and space (Stones, 2005, p. 88).

On the other hand, the conjecturally specific internal structures cover the social position, roles of agents, knowledge of power capacities, normative expectations, and interpretive schemas, which are linked to the position of the agents. This is extended to include the agent's perception of the terrain and networked others, which in analyzing will help to know if agents are more powerful or knowledgeable, including the knowledge on which people act.

Stones (2005) adds that an active agency reveals the action taken by an agent based on both internal (general-disposition and conjecturally specific) and external structures. The outcomes, on the other hand, are the results of the decisions taken by the agent.

Regardless of the significant contribution of Strong Structuration Theory to accounting and qualitative research (Feeney & Pierce, 2016; Jack & Kholeif, 2008; Lee et al., 2007), few studies have employed this theory (Adhikari & Jayasinghe, 2017), particularly to sustainability-related studies. Within the context of sustainability, Moore and McPhail (2016) used the theory to explain how individuals' agency activity affected the development of carbon reporting and pricing systems in Australia. Tyson and Adams (2019) emphasized that the theory would help examine agents' decision-making to use an accountant or non-accountant assurance provider and understand actors' roles in the sustainability assurance studies. The foregoing makes the use of the Strong Structuration Theory timely for the current research. This study draws on agents-in-focus (regulators and quasi-regulators) external and internal structures such as nature or regulation of ESG in Ghana, interviewees' values, among others in conceptualizing their understanding of

ESG assurance and their preference for assurance providers (constituting active agency) and its resultant implications (outcomes).

Given the above, this study conceptualizes ESG assurance, which consists of the above elements of external structures and internal structures, as shown in [Figure 1](#). The framework suggests that external and internal structures guide regulators and quasi-regulators' understanding of the ESG assurance and their preferences for various assurance providers (active agency). Consequently, these preferences result in various implications or outcomes for the regulators, assurance providers, and assurance statement users.

2.2. Assurance of environmental, social, and governance (ESG) disclosure

ESG has been used interchangeably with sustainability, social and environmental reports, and corporate social responsibility reports (Garcia et al., 2017). However, this study focuses particularly on ESG because it forms a significant part of sustainability: economic, social, environmental, and corporate governance (Escrig-Olmedo et al., 2010) and allows an in-depth examination of each non-financial component of sustainability. Moreover, assurance of economic or financial disclosures is well-regulated and researched compared to ESG assurance, which is emergent, mostly voluntary, and its' universal characterization remains problematic (Farooq & De Villiers, 2017; Nazari et al., 2017).

The International Audit and Assurance Standards Board (IAASB) defines assurance 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). Deegan et al. (2006) also define ESG assurance as the verification of ESG disclosures usually provided by a professional, either an accountant or a consulting firm, for purposes of checking its credibility and quality.

A key determinant for rising ESG assurance has been its contribution to the disclosures' credibility and reliability (Boiral et al., 2019) and firms' reputation (Birkey et al., 2016). Stakeholders have been recorded to demonstrate dissatisfaction and lack of

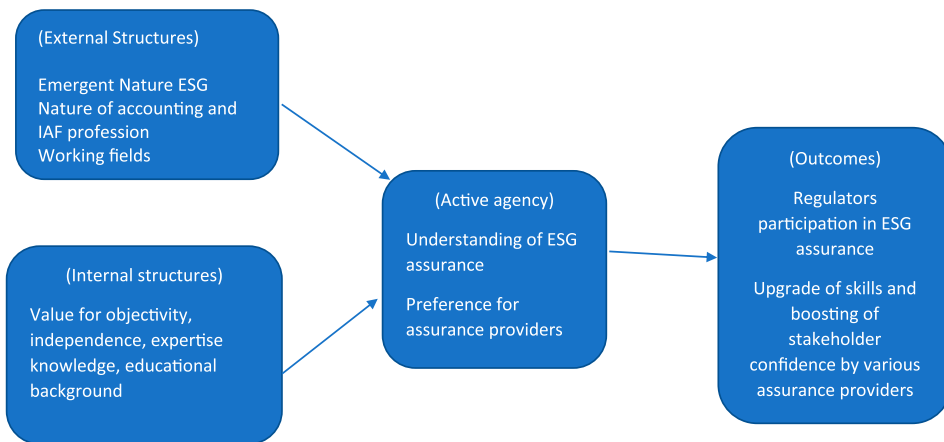


Figure 1. Conceptual Framework.

credibility for the disclosures in the absence of assurance (Nazari et al., 2017). This makes ESG assurance crucial and almost indispensable at both national and international levels (Velte & Stawinoga, 2017). ESG assurance is also considered to improve stakeholder perceptions and confidence in disclosures (Perego & Kolk, 2012). Thus, although assurance is costly, it may be more costly for firms if they fail to do it (Clarkson et al., 2019). Maroun (2019) classifies the motivation for assurance into three: expectation management, value-adding perspective, and change-potential outlook. However, findings on the value of ESG assurance, assurance providers' choice, and practices remain varied and inconclusive (Boiral et al., 2019; Channuntapipat et al., 2019). For instance, Boiral et al. (2019) report that some management's failure to identify the value of assurance has been a factor stifling assurance practices. Channuntapipat et al. (2019) suggest that assurance for some firms may be a tool for improving managerial efficiency rather than transparency and credibility to stakeholders. Other complexities associated with the assurance are the huge cost or capital outlay, the absence of public and regulatory scrutiny, and uncertainty regarding its contribution to credibility or legitimacy (Fernandez-Feijoo et al., 2016). O'Dwyer et al. (2011) assert that misunderstandings and inconsistencies exist in the concept and practices; consequently, they call for further studies. In response, this study explores other stakeholders' perspectives from different geographical locations and the findings are analyzed based on alternative theories for more insights.

2.3. ESG assurance providers

Unlike financial assurance provided by accountants, varied assurance providers exist for ESG disclosures (Farooq & De Villiers, 2017; Hummel et al., 2017; O'Dwyer et al., 2011; Zorio et al., 2013). These include accountants, engineers, stakeholder panels, consulting firms, certification bodies, individual experts, academics, and other professionals from NGOs (Hummel et al., 2017). These assurance providers are categorized as accountant and non-accountant assurance providers (Farooq & De Villiers, 2017). The internal audit function (IAF) has not been left out in the assurance discussion considering their roles of ensuring independent and objective assurance and providing consulting activities to add value and improve an organization's operations (IIARF, 2011e). Soh and Martinov-Bennie (2015) and Simpson et al. (2016) have similarly demonstrated the growing and increasing role of the internal audit function (IAF) in ESG assurance.

The role of Accountants in providing ESG assurance is increasing (Mock et al., 2013), with stakeholders attaching greater quality to ESG assurance provided by Accountants (Zorio et al., 2013). Zorio et al. (2013) demonstrate the dominance of accountants in ESG assurance for countries such as Spain. Pflugrath et al. (2011) equally show a high preference for accountants (auditors) in countries such as the US, UK, and Australia. Mock et al. (2013) reported an 18.18% increase in assurance by the Big 4 audit firms from 2002 to 2004. Similarly, the KPMG (2015) report showed an increment from 60% to 67% market share of the Big 4 from 2005 to 2013. This high preference for the Big 4 is anchored on arguments that they bring on board professionalism derived from their accounting training (Peters & Romi, 2013). O'Dwyer (2011) emphasizes that the size, competencies, and reputations attached to Big 4 audit firms may be the factors propelling them in ESG assurance.

The place of accountants in ESG assurance, however, remains debatable. Studies such as O'Dwyer et al. (2011) record that, accountants' assurance has been characterized as limited to data checking or box-ticking with calls for accountants to improve their social and ecological knowledge (Lamberton, 2005). Similar arguments are made by Wong and Millington (2014). They emphasize that ESG assurance is more profound than the audit technicalities and professionalism the accountants bring on board, thus preferring non-accountant assurance providers. Non-accountant assurance providers include non-profit organizations, certification bodies, consultants, stakeholder panels, academics, among others (Hummel et al., 2017). ESG assurance by these assurance providers has been considered in-depth, wide-range (Perego & Kolk, 2012), going beyond box-ticking, checking for consistency, accuracy, and fairness (O'Dwyer et al., 2011). Thus, non-accountant assurance providers have received preference over accountants by some stakeholders (Wong & Millington, 2014).

The internal audit function (IAF) has likewise contributed significantly to key organizational areas like governance (Soh & Martinov-Bennie, 2015). According to Engelbrecht et al. (2018), the internal auditors' roles span from assurance on data integrity and integrated reports, reviewing key risks and opportunities, and evaluating governance and risk management adequacy controls, and monitoring internal processes. Currently, there is a growing interest in internal auditors' use for non-financial issues such as environmental and social issues (Simnett et al., 2009; Soh & Martinov-Bennie, 2015). Engelbrecht et al. (2018) argued that using IAF for assurance engagements is beneficial because they know its operations. Nonetheless, the IAF has not received worldwide endorsement as ESG assurance providers and, as such, has been underutilized in this regard (Engelbrecht et al., 2018). Many studies that have identified and listed various ESG assurance providers have barely included the IAF as a key assurance provider (Martínez-Ferrero & García-Sánchez, 2018). This low attention and use of the IAF for ESG assurance, particularly in developing countries, has been linked to arguments that internal auditors may not have adequate ESG assurance skills (Engelbrecht et al., 2018). The internal audit function in emerging areas like Africa is considered less developed than in developed countries (Ridley et al., 2011). It is characterized by managerial and financial constraints (Ferry et al., 2017).

The foregoing assurance preferences have received criticism. For instance, Velte and Stawinoga (2017) argue that assurance by non-accountant assurance providers lacks the professionalism that accountants offer. Also, there are reports of notable variations within and across the accountants and non-accountant assurance providers concerning assurance strategies, processes, standards, and many more, hence the need for collaborative ESG assurance (Channuntapipat et al., 2019). Also, missing in these studies is the perspective of important stakeholder groups like regulatory and quasi-regulatory bodies and their potential role as assurance providers.

2.3.1. Preference for various assurance providers

Studies have shown various reasons for stakeholders' preference for different assurance providers. For example, Peters and Romi (2013) and Perego and Kolk (2012) show how professionalism motivates some stakeholders to choose accountant assurance providers. Wong and Millington (2014) report that expertise and in-depth knowledge are significant in assurance providers' choice. Simpson et al. (2016) revealed how

respondents' perceptions of the IAF's expertise influenced the low usage of the IAF for ESG assurance.

Also, size and financial capacity (cost) associated with an assurance provider has proven to influence the choice for various assurance providers (Jones & Solomon, 2010; Kolk & Perego, 2010). Regulatory enforcement systems have been identified as crucial in influencing assurance provider preferences (Perego, 2009). Perego (2009) argues that companies domiciled in countries with weak regulatory enforcement are more likely to use big accounting firms for their assurance. Pflugrath et al. (2011) suggested that preference for accountant assurance providers in the US was context-specific, defining context to include country and industry type. They observed that the low preference for accountants in the UK and Australia could be attributed to the fact that sustainability experts were famous in those countries for sustainability assurance than accountants.

The foregoing discussion shows that the preference of stakeholders for a particular assurance provider is influenced by country, industry, and firm-related factors. However, many of the above studies have not included the perspective of regulatory and quasi-regulatory bodies. Moreover, the Strong Structuration Theory (Stones, 2005) is adopted to provide more insight into how internal and external structures may be informing the choice of an assurance provider. For instance, country, industry, and firm-related factors are considered external structures informing the choice of assurance providers. Moore and McPhail (2016) argued that the external structures contribute to agents' socialization and, consequently, their decision for different providers. Moreover, an agents' internal dispositional factor, such as an assurance provider's reputation, experience, and expertise may inform a stakeholder's decision or preferences. This decision for a particular assurance provider is what is considered the agent's active agency.

Also, internal structures such as their education, professional roles, knowledge, and perceptions can significantly influence the choice of an assurance provider. For instance, Pflugrath et al. (2011) report that financial analysts attach high credibility to accountant assurance providers in terms of expertise, independence (trust), and overall credibility. Also, Wong and Millington (2014) reported that external stakeholders such as investors, NGOs, procuring stakeholders prefer non-accounting assurance providers. These mixed results have instigated calls for further studies based on different groups of stakeholders and geographical locations, particularly developing countries (Farooq & De Villiers, 2017), hence the current study which is based on evidence from Ghana.

2.4. ESG assurance in Ghana

ESG issues are not homogenous across countries, and so to have a holistic and comprehensive understanding of it, attention must be given to developing countries. There are relatively few studies on ESG reporting and assurance in emerging and developing countries (Farooq & De Villiers, 2017; KPMG, 2017). Specifically, Farooq and De Villiers (2017) reported studies by Ackers (2009) and Sawani et al. (2010) based on evidence from South Africa and Malaysia, respectively. These studies show growing disclosure and reporting but low assurance in Malaysia's case due to low awareness and the absence of regulatory pressure. Furthermore, the low patronage of ESG assurance in developing

countries has been attributed to the absence of regulator-participations (Momin & Parker, 2013).

The foregoing has engendered calls for studies based on evidence from developing countries due to the differences in their legal systems, cultural and political factors, industrialization, among others, which provide an appropriate context for understanding ESG practices and assurance (Farooq & De Villiers, 2017; KPMG, 2017). The nature of regulation, ESG practices, and professional development, among others, significantly differs from country to country (Tilt, 2016). Furthermore, Channuntapipat et al. (2019) and Braam and Peeters (2018) highlight the significance of regulators in ESG disclosure and assurance, particularly in developing and emerging countries, hence the current study using evidence from Ghana.

There are notable studies on ESG and CSR-related issues based on evidence from Ghana (Aboagye Otchere et al., 2020), but in the particular case of assurance, the studies are spotty (Simpson et al., 2016; Simpson & Akyeampong, 2014). By interviewing some officials of the Big 4 accounting firms in Ghana, Simpson and Akyeampong (2014) report that the demand for ESG assurance services is deficient and often sought by the multinational companies due to pressure from their parent companies. Simpson et al. (2016) also examined the role of internal auditors in CSR assurance. They reported a general recognition of the relevance of internal auditors in providing CSR assurance. However, the nature and scope of assurance procedures, including the skills needed for such assurance, are non-existent. These studies further highlight the need for regulatory pressures for both reporting and assurance practices, hence the need to get the perspectives of regulatory and quasi-regulatory bodies.

Examining the individual components of the ESG shows some positive developments in Ghana (Anku-Tsede & Deffor, 2014). For instance, the Environmental Protection Agency Act 1994 (Act 490) mandates the Environmental Protection Agency (EPA) of Ghana to regulate, monitor, and implement government policies on the environment with specific laws and guidelines such as Environmental Assessment Regulations 1999 (LI 1652), Hazardous and Electronic Waste Control and Management Act 2016 (Act 917) among others. On social issues, laws, and guidelines such as Food and Drugs Law, 1992 (PNDCL 305B), Human rights and Administrative Justice Acts, 1993 (Act, 456), among others are to govern issues on product safety and quality, human right issues, organizational and health safety issues as identified by the GRI index (GRI, 2018). Laws and guidelines like the Securities and Exchange Commission Code of Best Practices on Corporate Governance and the Ghana Stock exchange listing rules exist to direct governance issues. Regardless of these crucial initiatives, little is known about the nature and scope of disclosures and assurance.

In addition to the above, Ghana has demonstrated commitment to the UN sustainable development goals by fitting it into the country's national development agenda and working budget (UNDP (2015)). Ghana's commitment to the SDGs is a commitment to ESG since both concepts are not conflicting, and the SDGs extend the components of ESG (Consolandi et al., 2018). However, it is not clear the level of understanding and awareness among key agencies such as regulatory bodies. Though there is generally a low understanding of sustainability-related issues among prospective accountants (Simpson & Aprim, 2018) and accountants (Ngwakwe et al., 2014) in Ghana; therefore, soliciting information from the regulatory and quasi-regulatory bodies responsible for

regulation and advocacy will provide further insight. Again, the accounting profession in Ghana has also recently faced credibility and reputation risk due to the collapse of some banks in Ghana (Frimpong, 2018), so the opinion of all relevant regulatory and quasi-regulatory bodies will contribute to the ESG assurance literature, particularly, based on evidence from Ghana, a developing country.

3. Research method and approach

This paper adopts a qualitative approach in exploring ESG assurance in a developing country and from the perspectives of regulators and quasi-regulators. The choice of this approach was informed by the research objectives and the desire to obtain an in-depth understanding of the phenomenon (Creswell, 2007). A purposive sampling technique was employed in identifying key interviewees. This allowed the researchers to access participants with some special knowledge and authority in the field (Saunders et al., 2009). The sample, in this case, the key agents in focus, includes regulators and quasi-regulators in Ghana.

Based on the GRI categorization of ESG, the researchers identified specific regulatory and quasi-regulatory bodies relevant to the study. For this paper, regulators include state agencies that are mandated by law or the acts of parliament to govern some specific operations of industries. Examples of the regulatory bodies sampled include the Environmental Protection Agency (responsible for monitoring environmental issues), the Food and Drugs Authority (responsible for protecting public health and safety regarding food and drugs), the Securities and Exchange Commission (responsible for protecting investors), the Bank of Ghana (responsible for supervising the banking sector), Institute of Chartered Accountants, Ghana (responsible for regulating and supervising the accountancy profession) among others. Quasi-regulators, on the other hand, include non-state industry associations, chambers, and agencies. Examples of quasi-regulatory bodies for the study include the Chamber of Mines (representing the interest of members in the mining sector), Chamber of Commerce (promote members interest for the economic welfare of the community), Ghana Printers and Paper Converters Association (encourage members to secure and promote safety paper processing) among others. These professional fields of the agents-in-focus (regulators and quasi-regulators) constitute internal structures that influence their socialization and, consequently, their decisions (Moore & McPhail, 2016).

Semi-structured interviews were employed in gathering data for the research and this allowed interviewees to fully and freely express themselves in light of the research objectives (Saunders et al., 2009). The sample size for the research was guided by the concept of data saturation, which is the point at which no new central theme arises (Saunders et al., 2009). This is believed to have been achieved at the seventeenth interview. The interview guide's development, data collection process, and analysis were informed by the quadripartite elements of Stones' Strong Structuration Theory. The process of data collection began with initial contacts made to various regulatory and quasi-regulatory bodies. Introductory letters were submitted to explain the research objectives and obtain respondents' consent. Several dialogues took place with the identified bodies to contact an appropriate individual for the interview. Regarding the theoretical underpinning, preference was given to individuals occupying senior management positions (agents-in-focus). These

people were considered to have the required knowledge and working experience on the subject matter. Their knowledge, perceptions, roles, and capacities constitute internal structures (both disposition and conjecturally internal structures) as outlined by Stones (2005). According to Stones (2005), these internal structures can be linked to agents' job positions, work socialization, and education.

Interviewees had access to the interview guide before the interview to familiarize themselves with the questions and ensure in-depth discussion. The interview guide was developed in consultation with other researchers and pretested with some interviewees to ensure validity (Saunders et al., 2009). The interview guide was divided into sections that covered respondents' backgrounds, their understanding of ESG assurance, the factors that influenced their choice of an assurance provider, and their preferences for different assurance providers. Overall, seventeen (17) interviews were conducted, and the average interview time was 40 minutes, with interviews ranging from 28 minutes to 59 minutes. On average, each interviewee had over seven (7) years of working experience in their respective roles, mostly managerial, as shown in Table 1.

Interviews were then transcribed and subjected to thorough reading and analysis using Miles and Huberman's (2003) qualitative data analysis technique and followed Stones' (2005) quadripartite framework. The data transcription was followed by data reduction, data categorization, identification of themes, the building of arguments around the themes, and adopted theory. The analysis started with identifying codes using Strauss and Corbin's (1998) three-stage coding: open coding, axial coding, and selective coding. Initial codes were developed based on the actual words of the interviewees and summarizing some of their views. Open coding is the process of breaking down an entire data set into separate units that label or conceptualize what the interviewees mean. At this stage, the researchers were opened to identifying keywords or phrases that conceptualized interviewees' meaning of assurance, their preference for assurance providers, and their considerations in choosing an assurance provider. Some words identified for ESG assurance were certification by appropriate authorities, endorsements, inspections by authorities.

Table 1. Particulars of Interviewees and Duration of Interviews.

Code	Portfolio/ Position	Years of Experience	Duration of interview
R1	CEO	13yrs	57:49mins
R2	Manager	13YRS	42:00mins
R3	Regional Executive Secretary	17YRS	50:43min
R4	Manager	Less than 2years	52:52mins
R5	Senior Research Officer	4yrs	48:19mins
R6	Technical Regulation Div. Officer	4yrs	36:00mins
R7	Head, Supervisory Reporting	13yrs	44:53mins
R8	Regulatory Officer	5yrs	45:67mins
R9	Manager	6yrs	41:10mins
R10	Head of Licensing/ Analysis Unit	7yrs	47:44mins
R11	Manager	Less than 2years	32:14mins
R 12	Manager- Safety and Security	11yrs	42:09mins
R13	Manager	6yrs	37:89mins
R14	Manager	Less than a year	51:42mins
R15	Head of Research and Communication	7yrs	34:05mins
R16	Manager	2yrs	38:47mins
R17	Manager	9yrs	52:54mins

Open codes that were identified were then categorized or put together through a careful and systematic comparison process. Strauss and Corbin (1998) identified this as axial coding, which helped reduce the data to a handful of relevant issues to the research objectives. Indeed, axial coding explores the interconnections among the categories identified through open coding procedures. The final stage is selective coding; the procedure for building a story that connects the categories producing a discursive set of theoretical propositions. In other words, it captures relationships existing between various axial codes to form a central code to which all others are linked. This coding stage allowed the researchers to find theoretical meanings to the data collected and analyzed.

It is worth noting that the transcripts' review and coding were done, taking cognizance of the four elements of the structuration theory (Stones, 2005). Although the words external and internal structures were not used during the interviews, the researchers looked out for them from the transcripts and appropriately coded them. Examples include words such as independence and credibility, which constitute the dispositional internal values of interviewees, and phrases like "the case of Ghana is different," "non-Big 4 audit firms may have the challenge", among others. This indicated how country and professional factors that constitute elements of Stones' Strong Structuration Theory were identified and coded.

The observations and conclusions drawn from the analysis regarding regulators' and quasi regulators' understanding of ESG assurance, their preference for assurance providers, and factors considered in their preference have been presented below in the discussion of findings. Using a progressive approach, data analysis took place alongside data gathering. This allowed lessons and observations from prior sessions to be incorporated in subsequent interviews for the early identification of emerging themes (Saunders et al., 2009).

4. Discussion of findings

The discussion of findings was done taking cognizance of the research questions: *How do regulators and quasi-regulators understand ESG assurance? How do regulators and quasi-regulators perceive the various assurance providers? Why would regulators and quasi-regulators prefer and choose an assurance provider over others?* Themes identified from the analysis include certification or endorsement by an appropriate authority, low preference for accountants and internal auditors, and high preference for assurance by regulatory authorities. The final theme associated with the third research question is competence and expertise. Moreover, the findings show evidence of Stones' (2005) quadripartite framework underpinning stakeholders' understanding of the ESG phenomenon, as well as their preferences for various assurance providers.

Table 2 below summarizes the backgrounds and perspectives of interviewees on assurance and assurance providers. It depicts interviewees with a variety of educational backgrounds in hard science and social science, their understanding of ESG assurance, and their preference for accountants or non-accountants as assurance providers. In cases where interviewees prefer accountant assurance providers, the table includes the type of accountant assurance provider (Big 4 or non-Big 4), as well as other details. Other specifics are presented and addressed further down in this section.

Table 2. Educational Background and Preference for Assurance Provider.

Code	Educational Background	Understanding of ESG Assurance	Preference for Accountants	Preference for Big 4	Preference for internal auditors
R1	MBA-Accounting	Regulatory Body	Low preference but yes for Governance	N/A	Yes for governance
R2	Masters in Finance	Appropriate authority	Yes, for governance Low preference	Yes	No
R3	BSc. in Marketing	Appropriate authority	Yes, for governance Low preference	N/A	No
R4	MBA Finance	Verification by an appropriate authority.	Consider capacity	N/A	No
R5	MPhil. Economics	Verification by an appropriate authority	Consider capacity/ regulation/ independence	No preference	No
R6	Masters in Environmental Resource Mgmt.	Verification by an appropriate authority	Consider capacity	Unless endorsed by an authority	Only if they have skills
R7	Masters in Accounting & ACCA.	Verification by auditors	Yes	Yes	Yes
R8	BSc. in Biochemistry	Appropriate Authority.	Strong No	N/A	No
R9	MSc. in Communication	Appropriate Authority.	Low preference for accountants.	N/A	An internal committee of varied skills. Not IA
R10	Masters in Accounting	Appropriate authority	Low preference	N/A	No
R11	Certified Tax Accountant	Appropriate authority	Yes	Relatively low preference	No
R 12	Ph.D. in Relation Service	Appropriate authority	For governance Low preference	N/A	N/A
R13	Masters	Certification by appropriate Authority	Competence key	N/A	based on effectiveness
R14	Masters in Marketing	Verification by appropriate Authority.	For governance Not Env and Soc	Consider capacity and expertise	No
R15	MBA in Communication	Appropriate authority or regulator	Use an appropriate committee. Not accountants.	N/A	The internal committee, not auditors
R16	Masters in Communication Studies	Appropriate Authority	Low preference	N/A	Yes
R17	MSc. in regulatory economics	Appropriate Authority	Low preference	Yes	No

4.1. Understanding of ESG assurance

Respondents' understanding of ESG assurance includes verification, certification, or endorsement by an appropriate authority or regulator.

... what I will describe as assurance is that the regulators will go and inspect and let the public be aware that such organizations are complying with that requirement and so the assurance that those regulators give is for the public once they give the company a clean certificate. R1.

... For every sector of the economy, there are regulatory bodies mandated to be responsible. Thus, assurance should be a certification or an endorsement from the appropriate regulatory authority. R6.

The above shows that interviewees' (regulators and quasi-regulators) understanding of ESG assurance goes beyond what is defined by the IAASB (2011) and Deegan et al.

(2006). These definitions have failed to identify regulators' place in ESG assurance by focusing mainly on other professional and certification bodies. Also, the understanding of ESG assurance by the interviewees seems to be influenced by their professional fields (see Table 2). Thus, it is possible that because interviewees find themselves in more regulatory working fields, this informs their socialization, knowledge, and experiences which consequently shapes their definition and conceptualization of assurance (Moore & McPhail, 2016). This resonates with Stones' (2005) Strong Structuration Theory as it shows how external structures like an agent-in-focus working field can influence their conceptualization of ESG assurance. This suggests that assurance means different things to different stakeholders when exposed to different external and internal structures. Similar observations were made by Feeney and Pierce (2016), who revealed that different agents-in-focus used accounting information differently based on the interactions between their internal and external structures. Moreover, the agents-in-focus' understanding of ESG assurance makes it imperative for regulators in particular to consider their participation in ESG assurance (Martínez-Ferrero & García-Sánchez, 2018).

4.2. Perception and preferences for assurance provider

Findings regarding interviewees' perceptions and preferences for assurance providers revealed three main themes: low preference for accountants, low preference for internal auditors, and high preference for regulators.

4.2.1. Low preference for accountants for social and environmental assurance

Interviewees generally demonstrated a low preference for the accounting profession for environmental and social disclosures. They consider that accountants do not have the expertise for these areas and prefer specialist assurance providers. However, they demonstrate a high preference for accountants with regard to governance disclosures.

... , the specialist has the expertise, knowledge, and experience in the matter at hand. An accountant, excuse my phrase, is an accountant. Basically, I want to believe that he or she may not have the necessary expertise to provide the proper assurance for environmental disclosures. R8

... so, for instance, if it is a general corporate governance issue, then you could use auditors because their audited accounts and how they manage their resources can be a factor of corporate governance. R3

The above finding suggests that interviewees emphasize an assurance provider's knowledge and competencies for each component of the ESG and this expands the findings of Perego and Kolk (2012) and Zorio et al. (2013). In fact, these studies revealed a generally high preference for accountants for ESG assurance without considering the preferences for each component of the ESG.

Further analysis of the use of accountants as assurance providers based on the background of interviewees (business and non-business) as presented in Table 3 shows that irrespective of whether the interviewees business) background or not, are less likely to prefer accountants for environmental and social assurance. For instance, R1, who has a business (accounting)background notes:

... the accountants, the auditors will provide assurance as to the truth and fairness of financial statements to the owners. So, the auditor's assurance is restricted to the financials. But beyond the financials, there are other issues about an entity's operations which assurance is required by other stakeholders like key regulatory authorities and not accountants. R1.

However, one respondent with a business background emphasized that accountants have the technical expertise and, as such, can provide such assurance for all categories of the ESG. He suggests that the current training of accountants by the universities and the ICAG exposes them to social and environmental issues, and places them in the capacity of providing such assurance.

... I will not doubt the technical expertise and competence of the accountant. R11

Table 3 further shows that some interviewees with non-business background argue that the expertise of accountant for providing ESG assurance must be considered, whilst others said "NO" (stern):

... if it is outside the expertise of accountants, then what role have they got to do with environmental and social issues. If we are talking about environmental and social issues, then let us look for people in that regard. R13.

..., the specialist has the expertise, knowledge, and experience in the matter at hand. An accountant, excuse my phrase, is an accountant. Basically, I want to believe that he or she may not have the necessary expertise to provide the proper assurance. R8

The above finding shows that interviewees, irrespective of whether they have accounting (background) or not, placed crucial importance on expert knowledge in the field concerned. This finding slightly deviates from the work of Green et al. (2017), which showed that non-accounting companies emphasized technical expertise, whereas accounting companies emphasized assurance knowledge. Unlike Studies such as Mock et al. (2013) and Zorio et al. (2013) that have demonstrated a general preference for accountant assurance providers, this study shows a low preference for accountants in environmental and social assurance and a high preference for the accountant in governance assurance.

The difference observed in the current study may be explained by the fact that prior studies have failed to examine stakeholder preferences based on the various components of ESG. Also, unlike the advanced countries where the accounting profession is advanced and awareness of ESG issues is high, there is generally a low level of knowledge on ESG among the regulatory bodies in developing countries. This is consistent with earlier studies where ESG related issues are emerging among student, (Simpson & Aprim, 2018); accountants are perceived to have insufficient training in ESG issues

Table 3. Respondents' preference for the accounting profession.

Preference for Accountants	Number of Respondents	Percentage	Bus. Background	Percent	Non-Bus Background	Percentage
YES-all ESG categories	1	6%	1	6%	0	0%
YES-only governance	11	65%	6	35%	5	29%
Consider expertise	4	24%	1	6%	3	18%
NO	1	6%	0	0%	1	6%

(Ngwakwe et al., 2014); and lastly, the credibility and reputation risk suffered by accountants during the recent collapse of banks in Ghana (Frimpong, 2018).

Notwithstanding the above, some interviewees indicated their preference for accountants where the assurance is provided by a Big 4 audit firm. For instance, an interviewee indicated that:

... the Big 4 always leverage the skills from other Big 4 companies in developed countries or expertise to be able to provide assurance even by outsourcing. So, it is not really an issue unless the audit firm is a local firm, then that could become a challenge R9.

The argument in favour of the Big 4 audit firms is consistent with the findings of Clarkson et al. (2019). Interviewees explain that their preference for the Big 4 is anchored on their size, expertise, and resources in undertaking ESG assurance (see also Jones & Solomon, 2010). However, relying on resources from the other Big 4 companies in developed countries will make the cost of assurance high since they must be flown into the country. This suggests the need to develop local capacity to encourage demand for ESG assurance.

Relating the above to the Strong Structuration Theory provides evidence of an interaction between external structures (e.g. the nature of the accounting profession and ESG phenomenon) and internal dispositional structures (the interviewees' value for expertise and their perceptions of accounting training). Also, it shows how these influence agents' preferences constituting their active agency (Stones, 2005). The preference of interviewees for the Big 4 may likewise reflect their dispositional factors such as their perceptions and value for the size, resources or capacity, expertise, and reputation of the Big 4 audit firms.

4.2.2. Low preference for internal auditors

Analysis of responses from the interviews also shows a low preference for internal auditors as ESG assurance providers. The interviewees consider or perceive the internal audit function (IAF) to have several constraints, such as lack of expertise and independence.

... I do not think the internal audit function is sufficient for reasons of lack of independence and objectivity. Once the internal auditor works under Management, their ability to give an objective assurance for ESG disclosures becomes tampered with. They are not likely to do anything that would displease Management for reasons of their employment. R9

... Although it will be good to use the internal auditors for such a role, I do not think they have the capacity for that yet. R10

The finding regarding the low preference for the internal auditors is contrary to the argument of Simnett et al. (2009) and Darus et al. (2014), who demonstrated some reliance on the internal auditors for ESG assurance. Few interviewees conceded to using the IAF for ESG assurance, which is conditioned on their effectiveness and independence, as shown by R6.

... , although third-party verification is most preferred, in some instances, if the internal audit function and system proves to work in the organization, then we can trust and depend on it. Thus, to a large extent, it depends on how efficient the organization's internal system is. If it proves efficient, then to some extent, the assurance can be relied on. However, if it proves otherwise, then that cannot be depended on. R6

Analysing the responses of interviewees based on their background (business and non-business) as presented in Table 4 shows that interviewees who said “YES” to the IAF had a business background. Also, more interviewees with non-business backgrounds said YES to the IAF, but where the IAF effective. Others argued that the use of internal auditors in ESG assurance should be considered based on their capacity and expertise.

... yes, the internal auditors can. They have some expertise, but they must beef up their skills and not be part of management ... R16

As can be seen in Table 4, equal numbers of interviewees with business and non-business backgrounds also said “NO” to the use of the IAF. These findings indicate that there are no substantial differences between the preference of interviewees with business and non-business backgrounds for the use of internal auditors for ESG assurance.

The above findings suggest that irrespective of the educational background of interviewees, they emphasize expertise, effectiveness, and independence of internal auditors, which is consistent with the findings of Engelbrecht et al. (2018) and Simpson et al. (2016). Also, the low preference for the use of IAF for ESG assurance is explainable by interviewees’ perception of the IAF’s expertise and independence as well as the underdeveloped nature of the IAF and ESG issues in developing countries as enumerated by Ferry et al. (2017) and Ridley et al. (2011). These authors reported that the internal audit function in developing countries is characterized by managerial capacity constraint, financial constraint, and underdevelopment. Indeed, their independence is challenged by the fear of loss of job. Theoretically, this finding provides evidence of external structures being the emerging nature of ESG in Ghana, the developing nature of the IAF profession, and internal dispositional factors such as interviewees’ perceptions of the IAF’s expertise and independence which influence their preference for the IAF (active agency).

4.2.3. High preference for regulators

Finally, interviewees demonstrated a high preference for regulators as ESG assurance providers, and they considered regulators to have expertise and credibility.

... for things like ESG, I think the appropriate person to provide the assurance should be the regulator or an appropriate agency in that regard and not the auditors. R10

... I think that a said company paying an assurance party or provider to assurance for its ESG disclosures can be self-defeating. We have had issues with that in the past, and we would advocate an independent authority not paid by the company seeking the assurance. R10

Others further emphasized the need for third-party assurance providers to be endorsed and monitored by the appropriate regulators.

Table 4. Respondents’ preference for the internal auditor.

Preference for internal auditors	Number of respondents		Business Background		Non-bus. Background	
	Number of respondents	Percentage	Number of respondents	Percentage	Number of respondents	Percentage
YES	2	12%	2	12%	0	0%
YES, considering effectiveness	4	24%	1	6%	3	18%
Consider expertise	3	6%	0	0%	3	18%
NO	8	47%	4	24%	4	24%

... I believe that even where third parties or other assurance providers like audit firms or specialists provide assurance for ESG disclosures, they must be certified by an appropriate authority in Ghana as that would lend some credibility. For instance, if KPMG wants to assure an environmental disclosure, such assurance or assurance statement should be certified or endorsed by the EPA. R6

The high preference for regulators in ESG as assurance providers or oversight bodies comes as an extension to existing literature. Although studies call for and demonstrate the relevance of regulators in ESG issues (Braam & Peeters, 2018; Channuntapipat et al., 2019), none have examined the perceptions and preferences of stakeholders in this regard. This finding comes close to Casey and Grenier (2014), which revealed regulatory oversight in some highly regulated industries in the US was used as a substitute for ESG assurance. The current findings reveal that interviewees demonstrate greater confidence in the skills, expertise, and independence of regulators compared to other assurance providers. This is succinctly noted by R3 below:

... the situation in Ghana is different, we need the regulators to be engaged R3

The call for regulators participation in ESG assurance may be explained first by the distrust attached to the skills and credibility of other assurance providers such as accountants and IAF (Frimpong, 2018; Mock et al., 2013), secondly by interviewees conceptualization of ESG assurance (discussed under the theme understanding of ESG assurance) and thirdly the emergent nature of ESG in developing countries, including Ghana. Thus, because ESG is a growing phenomenon in Ghana, interviewees are unlikely to trust its practices without the participation of regulators. Ghana has several regulations governing specific aspects of ESG, yet it is difficult to identify any oversight for 'third-party' assurance. This anchors the argument and importance of regulatory participation in ESG assurance, particularly in developing countries (Brooks & Oikonomou, 2017).

The above provides evidence of interviewees' internal dispositional factors and external factors influencing their perceptions and preferences for regulators. The internal factors include their understanding of ESG assurance, their value for trust, expert knowledge, and high reputation for regulators. The external factors include the emergent nature of ESG in Ghana and the professional field of interviewees which inform their perceptions and preferences for regulators. Feeney and Pierce (2016) argue that internal and external factors work to shape the agents' action, in this context, their preference for regulators as ESG assurance providers.

4.3. Explanations for preferred assurance provider

Two main reasons were identified as explaining the preference for an assurance provider over others. These include consideration for competence and oversight from an appropriate authority or regulator.

For many of the interviewees, the expertise of an assurance provider was the first thing to consider.

... It is about using the appropriate person for the appropriate assurance. So, depending on what the assurance is being provided for, you use the appropriate person with the requisite skill. R8

... choosing the assurance provider depends on the activity concerned and the skills of the person providing the assurance with respect to the said activity. It is about competence as against what the assurance is being provided for. Expertise is the key thing. R11

The second factor identified is the existence of oversight by a regulator or an appropriate authority.

Interviewees emphasized that there was a need to consider the existence of an oversight body or regulator in addition to considering expertise. They raised questions like who or what governs the assurance provider? Are there any codes or guidelines that hold them to some level of professionalism? The existence of such an oversight, according to them, will certify the independence and professionalism of the assurance provider considering their commercial relationships with clients.

... if those institutions giving the assurance are credible, then it is fine. But more specifically, if let us say EPA (Environmental Protection Agency) certifies every institution with an environmental division and monitors their assurance on these environmental issues, that would be more appropriate and would come with a higher level of credibility. R6.

... I think that whoever provides assurance should, in a way, be regulated by some authority. That would make it more credible, and we can trust the independence of such assurance providers, particularly where a commercial relationship exists. R5

Studies like Kolk and Perego (2010), Pflugrath et al. (2011) demonstrate consideration for company-related factors such as firm size, firm resources, and reputation, cost of the assurance as explaining assurance provider choices. The current findings demonstrate more significant consideration for individual characteristics like the knowledge (skills), expertise, and independence of assurance providers. This coincides with the findings of Green et al. (2017), Simpson et al. (2016), Wong and Millington (2014), Peters and Romi (2013). Also, minimal attention given to factors such as the cost of assurance may be explained by the fact that the current study examines respondents who do not make payment for the assurance. This strengthens the Strong Structuration Theory's explanations, which show that different respondents would emphasize different factors depending on their external and internal structures. However, it is worth noting that the call for regulatory oversight on other assurance providers brings onboard new insight into the phenomenon. This call for regulatory oversight on other voluntary assurance providers may be explained by the burgeoning nature of the ESG phenomenon in Ghana and a lack of trust for other assurance providers, their independence or expertise, which has been explained above under the theme high preference for regulators.

Thus, it is safe to argue that internal factors such as value for expertise and independence and external factors like the emerging nature of ESG in Ghana are crucial in determining the factors that interviews consider in assurance provider preferences.

5. Concluding remarks

With increasing studies on the significance of ESG issues and assurance (Channuntapipat et al., 2019), the need to examine the phenomenon from the perspectives of crucial stakeholders like regulators and quasi-regulators has become ever essential yet almost non-existent (Braam & Peeters, 2018; Darus et al., 2014). To this end, this paper explores the understanding of regulators and quasi-regulators on ESG assurance, their perception and

preference for various assurance providers, and the factors they consider in choosing an assurance provider. A qualitative research design alongside Stones (2005) Strong Structuration Theory was employed during the data gathering and analysis process.

The findings revealed some contribution to the understanding of ESG assurance by highlighting assurance which includes verification or certification by an appropriate authority or regulator. Drawing from the Strong Structuration Theory, this finding shows that assurance may mean different things to different stakeholders depending on the various internal and external structures that inform their socialization. The study further revealed a low preference for accountants, IAF, and non-Big 4 audit firms for environmental and social assurance because of lack of expertise and credibility. The study contributes significantly to the literature on the participation of regulators in ESG assurance. Although studies call for and demonstrate the relevance of regulators in ESG issues (Braam & Peeters, 2018; Channuntapipat et al., 2019), none have examined stakeholders' perceptions and preferences in this regard. This study comes close to Casey and Grenier (2014), which revealed regulatory oversight in some highly regulated industries in the US used as a substitute for ESG assurance. The findings show an endorsement for regulators as ESG assurance providers and supervisory bodies over other assurance providers (an area with minimal research attention). Indeed, this study reveals greater confidence in regulators' skills and independence compared to other assurance providers in providing ESG assurance. The high preference for regulators in ESG as assurance providers or oversight bodies comes as an extension to existing literature. Also, by engaging regulators and quasi-regulators and focusing on a developing country, this study addresses a marginalized research area and makes available information on the differences in regulators' understanding of ESG assurance and differences in findings attributable to the nature of ESG and the accounting profession in Ghana. This shows how interviewees value the participation of regulators in ESG assurance and the meaning of assurance to them. Also, the varied understanding of ESG assurance by interviewees supports calls for ESR assurance to be collaborative and go beyond the traditional verification by accountants (Channuntapipat et al., 2019).

Theoretically, the study draws on the Strong Structuration Theory (Stones, 2005) to conduct the research and explain the findings. The paper provides further insight on how external structures such as the emerging nature of ESG issues, the professional or working fields of interviewees, the developing nature of the accounting and IAF profession affect assurance practices in a developing country. Furthermore, the paper contributes to how internal structures such as interviewees' perceptions and value for expertise, independence, and trust of an assurance provider influences the preferences of assurance providers of interviewees, which is their active agency. The study finally shows how interviewees prioritize provider-specific factors such as expertise and independence in their preferences.

Furthermore, the findings have outcomes (implications) for various stakeholders such as regulators, accounting professionals, internal auditors, and other international bodies. The high value and reputation placed on regulators have implications for regulators to put measures and policies in place that would enhance the trust and credibility of stakeholders on ESG assurance. However, this must be done with caution to avoid specific undesired outcomes like stifling competition (Farooq & De Villiers, 2017). Also,

various assurance providers such as accountants, the IAF, and non-Big 4 audit firms in developing countries would need to upgrade their skills and improve the confidence of stakeholders in their independence and professionalism. This coincides with Lambertson's (2005) argument that accountants would need to broaden their knowledge of social and ecological issues. Finally, country-related factors such as the emerging nature of ESG, the developing nature of the accounting firms, non-Big 4 audit firms, and the IAF have proved to influence the research findings. Therefore, this implies that for international bodies such as the International Auditing and Assurance Standards Board to develop holistic guidelines and policies beneficial to developing countries, they would need to consider the unique characteristics of these countries.

The paper is limited to the perspectives of regulators and quasi-regulators. It is recommended that future studies juxtapose the perceptions of interviewees with other data sources and research methods for triangulation. The study also fails to reveal any conclusive differences in perceptions and preferences of the interviewees with business and non-business background. Thus, further studies would be needed for such an analysis and conclusion. Although the study suggests that external and internal structures influence the perceptions and preferences of the interviewees, there is a need for future studies on how regulators could provide assurance. It will also be beneficial for future research to examine in detail the various mechanisms by which regulators can participate in ESG assurance and the implications of each.

Disclosure statement

No potential conflict of interest was reported by the author(s).

ORCID

Samuel Nana Yaw Simpson  <http://orcid.org/0000-0003-0363-1054>

References

- Aboagye Otchere, F. K., Simpson, S. N. Y., & Kusi, J. A. (2020). The influence of environmental performance on environmental disclosures: An empirical study in Ghana. *Business Strategy & Development*, 3(1), 98–111. <https://doi.org/10.1002/bsd2.81>
- Ackers, B. (2009). Corporate social responsibility assurance: How do South African publicly listed companies compare? *Meditari: Research Journal of the School of Accounting Sciences*, 17(2), 1–17. <https://doi.org/10.1108/10222529200900009>
- Adhikari, P., & Jayasinghe, K. (2017, June). 'Agents-in-focus' and 'agents-in-context': The strong structuration analysis of central government accounting practices and reforms in Nepal. *Accounting Forum*, 41(2), 96–115. <https://doi.org/10.1016/j.accfor.2017.01.001>
- Anku-Tsede, O., & Deffor, E. W. (2014). Corporate responsibility in Ghana: An overview of aspects of the regulatory regime. *Business and Management Research*, 3(2), 31–41. <https://doi.org/10.5430/bmr.v3n2p31>
- Birkey, R. N., Michelon, G., Patten, D. M., & Sankara, J. (2016, September). 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>
- 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>

- Braam, G., & Peeters, R. (2018). Corporate sustainability performance and assurance on sustainability reports: Diffusion of accounting practices in the realm of sustainable development. *Corporate Social Responsibility and Environmental Management*, 25(2), 164–181. <https://doi.org/10.1002/csr.1447>
- Briem, C. R., & Wald, A. (2018). Implementing third-party assurance in integrated reporting: Companies' motivation and auditors' role. *Accounting, Auditing & Accountability Journal*, 31(5), 1461–1485. <https://doi.org/10.1108/AAAJ-03-2016-2447>
- Brooks, C., & Oikonomou, I. (2017). The effects of environmental, social and governance disclosures and performance on firm value: A review of the literature in accounting and finance. *The British Accounting Review*, 50(1), 1–15. <https://doi.org/10.1016/j.bar.2017.11.005>
- Casey, R. J., & Grenier, J. H. (2014). Understanding and contributing to the enigma of corporate social responsibility (CSR) assurance in the United States. *Auditing: A Journal of Practice & Theory*, 34(1), 97–130. <https://doi.org/10.2308/ajpt-50736>
- Channuntapipat, C., Samsonova-Taddei, A., & Turley, S. (2019). Exploring diversity in sustainability assurance practice. *Accounting, Auditing & Accountability Journal*, 32(2), 556–580. <https://doi.org/10.1108/AAAJ-05-2017-2940>
- Clarkson, P., Li, Y., Richardson, G., & Tsang, A. (2019). Causes and consequences of voluntary assurance of CSR reports. *Accounting, Auditing & Accountability Journal*, 32(8), 2451–2474. <https://doi.org/10.1108/AAAJ-03-2018-3424>
- Consolandi, C., Phadke, H., Hawley, J. P., & Eccles, R. G. (2018). Material ESG Outcomes and DG Externalities: Evaluating the Health Care Sector's Contribution to SDGs. Available at SSRN 3277421.
- Creswell, J. W. (2007). *Choosing among five approaches. Qualitative inquiry and research design*. Sage.
- Darus, F., Sawani, Y., Mohamed Zain, M., & Janggu, T. (2014). Impediments to CSR assurance in an emerging economy. *Managerial Auditing Journal*, 29(3), 253–267. <https://doi.org/10.1108/MAJ-04-2013-0846>
- Deegan, C., Cooper, B. J., & Shelly, M. (2006). An investigation of TBL report assurance statements: UK and European evidence. *Managerial Auditing Journal*, 21(4), 329–371. <https://doi.org/10.1108/02686900610661388>
- Engelbrecht, L., Yasseen, Y., & Omarjee, I. (2018). The role of the internal audit function in integrated reporting: A developing economy perspective. *Meditari Accountancy Research*, 26(4), 657–674. <https://doi.org/10.1108/MEDAR-10-2017-0226>
- Escrig-Olmedo, E., Muñoz-Torres, M. J., & Fernandez-Izquierdo, M. A. (2010). Socially responsible investing: Sustainability indices, ESG rating and information provider agencies. *International Journal of Sustainable Economy*, 2(4), 442–461. <https://doi.org/10.1504/IJSE.2010.035490>
- 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>
- Feeney, O., & Pierce, B. (2016). Strong structuration theory and accounting information: An empirical study. *Accounting, Auditing & Accountability Journal*, 29(7), 1152–1176. <https://doi.org/10.1108/AAAJ-07-2015-2130>
- Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2016). The assurance market of sustainability reports: What do accounting firms do? *Journal of Cleaner Production*, 139, 1128–1137. <https://doi.org/10.1016/j.jclepro.2016.08.157>
- Ferry, L., Zakaria, Z., Zakaria, Z., & Slack, R. (2017, December). Watchdogs, helpers or protectors? –internal auditing in Malaysian local government. *Accounting Forum*, 41(4), 375–389. <https://doi.org/10.1016/j.accfor.2017.10.001>
- Frimpong, E. D. (2018, Aug. 1). Bank of Ghana (BoG) collapses 5 banks into Consolidated Bank Ghana Ltd. *Graphic Online*. <https://www.graphic.com.gh>.
- 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>

- Green, W., Taylor, S., & Wu, J. (2017). Determinants of greenhouse gas assurance provider choice. *Meditari Accountancy Research*, 25(1), 114–135. <https://doi.org/10.1108/MEDAR-08-2016-0072>
- Hummel, K., Schlick, C., & Fifka, M. (2017). The role of sustainability performance and accounting assurance providers in sustainability assurance engagements. *Journal of Business Ethics*, 4(17), 1–25. <https://doi.org/10.1007/s10551-016-3410-5>
- IIARF. (2011e). International Professional Practice Framework (IPPF), IIA Research Foundation, Altamonte Springs, FL.
- International Auditing and Assurance Standards Board (IAASB). (2011). *Exposure draft of ISAE 3000 (revised), assurance engagements other than audits or reviews of historical financial information*. IFAC.
- 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).
- Jack, L., & Kholeif, A. (2008). Enterprise resource planning and a contest to limit the role of management accountants: A strong structuration perspective. *Accounting Forum*, 32(1), 30–45. <https://doi.org/10.1016/j.accfor.2007.11.003>
- Jones, M. J., & Solomon, J. F. (2010, March). Social and environmental report assurance: Some interview evidence. *Accounting Forum*, 34(1), 20–31. <https://doi.org/10.1016/j.accfor.2009.11.002>
- Kolk, A., & Perego, P. (2010). Determinants of the adoption of sustainability assurance statements: An international investigation. *Business Strategy and the Environment*, 19(3), 182–198. <https://doi.org/10.1002/bse.643>
- KPMG. (2015). *The KPMG survey of corporate responsibility reporting 2015*. KPMG International. Retrieved November, 20, 2018.
- KPMG. (2017). *The road ahead: The KPMG survey of corporate responsibility reporting 2017*. KPMG International. Retrieved November, 20, 2018.
- Lamberton, G. (2005). Sustainability accounting—a brief history and conceptual framework. *Accounting Forum*, 29(1), 7–26. <https://doi.org/10.1016/j.accfor.2004.11.001>
- Lee, B., Collier, P. M., Cullen, J., Jack, L., & Kholeif, A. (2007). Introducing strong structuration theory for informing qualitative case studies in organization, management and accounting research. *Qualitative Research in Organizations and Management: An International Journal*, 2(3), 208–225. <https://doi.org/10.1108/17465640710835364>
- Mahadeo, J. D., Oogarah-Hanuman, V., & Soobaroyen, T. (2011). Changes in social and environmental reporting practices in an emerging economy (2004–2007): Exploring the relevance of stakeholder and legitimacy theories. *Accounting Forum*, 35(3), 158–175. <https://doi.org/10.1016/j.accfor.2011.06.005>
- Maroun, W. (2019). Exploring the rationale for integrated report assurance. *Accounting, Auditing & Accountability Journal*, 32(6), 1826–1854. <https://doi.org/10.1108/AAAJ-04-2018-3463>
- Martínez-Ferrero, J., & García-Sánchez, I. M. (2018). The level of sustainability assurance: The effects of brand reputation and industry specialisation of assurance providers. *Journal of Business Ethics*, 150(4), 971–990. <https://doi.org/10.1007/s10551-016-3159-x>
- Miles, M. B., & Huberman, A. M. (2003). *Analysis of qualitative data*. From Boeck Superior.
- Mock, T. J., Rao, S. S., & Srivastava, R. P. (2013). The development of worldwide sustainability reporting assurance. *Australian Accounting Review*, 23(4), 280–294. <https://doi.org/10.1111/auar.12013>
- Momin, M. A., & Parker, L. D. (2013). Motivations for corporate social responsibility reporting by MNC subsidiaries in an emerging country: The case of Bangladesh. *The British Accounting Review*, 45(3), 215–228. <https://doi.org/10.1016/j.bar.2013.06.007>
- Moore, D. R., & McPhail, K. (2016). Strong structuration and carbon accounting. *Accounting, Auditing & Accountability Journal*, 29(7), 1204–1233. <https://doi.org/10.1108/AAAJ-08-2015-2203>

- 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>
- 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(2), 82–89.
- O'Dwyer, B. (2011). The case of sustainability assurance: Constructing a new assurance service. *Contemporary Accounting Research*, 28(4), 1230–1266. <https://doi.org/10.1111/j.1911-3846.2011.01108.x>
- 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>
- Perego, P. (2009). Causes and consequences of choosing different assurance providers: An international study of sustainability reporting. *International Journal of Management*, 26(3), 412–425. <http://hdl.handle.net/1765/19537>
- 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>
- Peters, G. F., & Romi, A. M. (2013). Discretionary compliance with mandatory environmental disclosures: Evidence from SEC filings. *Journal of Accounting and Public Policy*, 32(4), 213–236. <https://doi.org/10.1016/j.jaccpubpol.2013.04.004>
- Pflugrath, G., Roebuck, P., & Simnett, R. (2011). Impact of assurance and assurer's professional affiliation on financial analysts' assessment of credibility of corporate social responsibility information. *Auditing: A Journal of Practice & Theory*, 30(3), 239–254. <https://doi.org/10.2308/ajpt-10047>
- Rahim, M. M. (2013). Legal regulation of corporate social responsibility. *CSR, Sustainability, Ethics & Governance*. <https://doi.org/10.1007/978-3-642-40400-9>
- Ridley, J., D'Silva, K., & Szombathelyi, M. (2011). Sustainability assurance and internal auditing in emerging markets. *Corporate Governance: The International Journal of Business in Society*, 11(4), 475–488. <https://doi.org/10.1108/14720701111159299>
- Saunders, M., Lewis, P., & Thornhill, A. (2009). Understanding research philosophies and approaches. *Research Methods for Business Students*, 4(1), 106–135.
- Sawani, Y., Zain, M. M., & Darus, F. (2010). Preliminary insights on sustainability reporting and assurance practices in Malaysia. *Social Responsibility Journal*, 6(4), 627–645. <https://doi.org/10.1108/17471111011083482>
- Shamir, R. (2011). Socially responsible private regulation: World-culture or world capitalism? *Law & Society Review*, 45(2), 313–336. <https://doi.org/10.1111/j.1540-5893.2011.00439.x>
- 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., Aboagye-Otchere, F., & Lovi, R. (2016). Internal auditing and assurance of corporate social responsibility reports and disclosures: Perspectives of some internal auditors in Ghana. *Social Responsibility Journal*, 12(4), 706–718. <https://doi.org/10.1108/SRJ-09-2015-0134>
- Simpson, S. N. Y., & Akyeampong, E. A. (2014). Corporate social responsibility (CSR) reporting assurance in Ghana: the perspective of the Big 4 accounting firms. In *2nd UGBS Conference on Business and Development 2014 Conference Proceedings* (p. 63).
- 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), 6. <https://doi.org/10.1186/s40991-018-0031-6>

- Soh, D. S., & Martinov-Bennie, N. (2015). Internal auditors' perceptions of their role in environmental, social and governance assurance and consulting. *Managerial Auditing Journal*, 30(1), 80–111. <https://doi.org/10.1108/MAJ-08-2014-1075>
- Stones, R. (2005). *Structuration Theory*, Palgrave, London.
- Strauss, A. L., & Cobin, J. M. (1998). Basics of qualitative research. Techniques and procedures for developing grounded theory, 2.
- Stubbs, W., & Higgins, C. (2018). Stakeholders' perspectives on the role of regulatory reform in integrated reporting. *Journal of Business Ethics*, 147(3), 489–508. <https://doi.org/10.1007/s10551-015-2954-0>
- Tilt, C. A. (2016). Corporate social responsibility research: The importance of context. *International Journal of Corporate Social Responsibility*, 1(1), 2. <https://doi.org/10.1186/s40991-016-0003-7>
- Tyson, T., & Adams, C. A. (2019). Increasing the scope of assurance research: New lines of inquiry and novel theoretical perspectives. *Sustainability Accounting, Management and Policy Journal*, 11(2), 291–316. <https://doi.org/10.1108/SAMPJ-03-2018-0067>
- United Nations Development Programme, UNDP. (2015). *Implementation of the 2030 Agenda in Ghana*.
- 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>
- Wong, R., & Millington, A. (2014). Corporate social disclosures: A user perspective on assurance. *Accounting, Auditing & Accountability Journal*, 27(5), 863–887. <https://doi.org/10.1108/AAAJ-06-2013-1389>
- Zorio, A., García-Benau, M. A., & Sierra, L. (2013). Sustainability development and the quality of assurance reports: Empirical evidence. *Business Strategy and the Environment*, 22(7), 484–500. <https://doi.org/10.1002/bse.1764>