**Journal of Finance and Accounting**
2023; 11(6): 189-195
http://www.sciencepublishinggroup.com/j/jfa
doi: 10.11648/j.jfa.20231106.12
ISSN: 2330-7331 (Print); ISSN: 2330-7323 (Online)

# Transparency, Trust and Sustainability in Financial Information

**Gudbjartsson Einar[1], Jonsson Eythor Ivar[2], Snorrason Jon Snorri[3, *]**

[1]Faculty of Business Administration, University of Iceland, Reykjavik, Iceland

[2]Executive Education, Akademias, Reykjavik, Iceland

[3]School of Business Administration, Bifröst University, Borgarnes, Iceland

## Email address:

eg@hi.is (Gudbjartsson Einar), eythor@akademias.is (Jonsson Eythor Ivar), jonsnorri@bifrost.is (Snorrason Jon Snorri)
*Corresponding author

## To cite this article:

Gudbjartsson Einar, Jonsson Eythor Ivar, Snorrason Jon Snorri. (2023). Transparency, Trust and Sustainability in Financial Information. *Journal of Finance and Accounting, 11*(6), 189-195. https://doi.org/10.11648/j.jfa.20231106.12

**Received**: November 2, 2023; **Accepted**: November 22, 2023; **Published**: November 30, 2023

**Abstract:** This study contributes to the literature on sustainability reporting by examining the knowledge and experience of auditors in Iceland regarding sustainability accounting. Amid evolving corporate governance and auditing practices, the concepts of transparency and trust have become integral. While audit committees have traditionally been instrumental in enhancing transparency within financial information, the emergence of sustainability reporting necessitates their adaptation to include sustainability-related aspects. The study's findings indicate a significant gap in the knowledge and experience of Icelandic auditors concerning sustainability frameworks. Approximately 80% of participants acknowledge limited familiarity with sustainability reporting. This reality raises concerns, especially in light of impending regulatory requirements such as Directive (EU) 2022/2464, amending Regulation (EU) No 537/2014. Audit committees are poised to play a pivotal role in the transformative process, ensuring the harmonious integration of financial and sustainability information while upholding trust and transparency. However, delineating the exact responsibilities of audit committees in this evolving landscape remains crucial to prevent transparency from being diluted. To address the identified gaps, future research could employ qualitative interviews to delve deeper into auditors' perspectives and practices, particularly within audit teams. Furthermore, exploration of audit firms' roles in acquiring expertise in sustainability reporting practices could shed light on potential solutions. In conclusion, this study underscores the pressing need to enhance knowledge and expertise in sustainability reporting among Icelandic auditors. As the landscape of corporate reporting shifts, collaborative efforts among stakeholders become paramount in establishing enduring trust and transparency. Further research within this realm holds the key to advancing sustainability accounting practices and understanding.

**Keywords:** Sustainability Reporting, Audit Committees, Trust, Transparency, Corporate Governance

## 1. Introduction

Sustainability accounting stands as an imperative and urgent advancement aimed at enhancing financial reporting. The importance of robust financial reporting should center on driving sustainable development and enduring financial reliability. An external audit plays a pivotal role as a monitoring mechanism to ensure this reliability [16]. The information environment carries significant weight for investors, markets, and the broader community. Equitable access to information is crucial to establishing parity between internal and external entities of enterprises [27]. In a transparent context, stock prices should offer more insightful glimpses into forthcoming events, diminishing the element of surprise in future information [18]. The practices of audit committees lay the groundwork for an improved information environment [30]. External audits primarily emphasize financial aspects, catering to owners and creditors. Conversely, internal auditing seeks to enhance the transparency of financial information for stakeholders. Internal audit responsibilities play a pivotal role in enhancing the sustainability of financial reporting. In this context, sustainability accounting amalgamates internal and external accounting practices, encompassing environmental, social, and economic dimensions. Sustainability and Corporate Social Responsibility (CSR) envelop a company's activities and mirror its societal and environmental influence on stakeholders. Transparency and engagement with stakeholders should align with the context of sustainability and CSR [45].

The objective of sustainability reporting is to apprise stakeholders about the risks and opportunities linked to environmental, social, and governance factors (ESG). The Securities and Exchange Commission (SEC) is actively contemplating enforcing ESG disclosures [52]. Given the potential for mandatory SEC sustainability reporting, these findings assume significance as firms gear up for these potential changes [7].

Sustainability reporting encompasses non-financial facets of a company's performance not encompassed in the primary financial report. It offers stakeholders information about the company's actions concerning environmental, social, and governance (ESG) issues that might impact their interests [54, 55]. The credibility of accounting information holds particular relevance for firms not listed on the stock market, as stakeholders solely rely on financial statements [6]. Auditing assumes a pivotal role in affirming the accuracy of financial statements and mitigating potential information asymmetry between the firm and its stakeholders. Accountants have a substantial role in sustainability reporting, although questions may arise about the extent to which sustainability falls within their roles and responsibilities.

Sustainability reporting corresponds to the principle of fair presentation, necessitating financial statements to offer all requisite information for users to comprehend a company's financial status, operational outcomes, and cash flows.

With the integration of sustainability information into financial data, the stakeholder concept expands to include social partners, non-governmental institutions, and environmental organizations. Transparency must evolve to encompass these broader stakeholders and the sustainability perspective.

The EU has embraced the European Sustainability Reporting Standards (ESRS). Companies and organizations have been assigned varying timelines, ranging from 2024 to 2028, to incorporate ESRS into their financial statements. Unlike the generalized nature of International Financial Reporting Standards (IFRS), ESRS standards are segregated into topical standards focused on domains such as environment, society, and governance. Each topical standard encompasses specialized concepts like climate change, pollution, water, and marine resources. Integrating ESRS into IFRS will expedite and streamline the implementation of these standards, lending them immediate authority.

The agency theory forms the common starting point for the governance discourse [29]. This theory posits that management doesn't invariably act in the best interests of the company's shareholders, necessitating safeguards against management's self-interests [24, 25, 42]. Under the agency theory, the Board of Directors' role is to safeguard shareholders' interests, supervise management, and endorse strategies [56, 20]. Recently, the agency theory has evolved into a broader viewpoint known as Stakeholder-agency theory. This outlook acknowledges that agency predicaments can arise not only between management and shareholders but also among diverse stakeholders and the firm, given their implicit and explicit contractual relationships [35]. Managers metamorphose into agents monitored by stakeholders, transcending shareholders. Sustainable management can augment stakeholder relations [51, 36]. Reporting on sustainability matters plays a pivotal role in stakeholder management and is expected to curtail information asymmetries and conflicts of interest between stakeholders and management [53].

This paper endeavors to explore the readiness of auditors, encompassing knowledge and experience, for a broader stakeholder perspective in sustainability accounting. Moreover, trust and transparency are deliberated as pivotal concepts pertaining to sustainability accounting and dependable financial reporting.

## 2. Literature Review

Interest in corporate governance often emerges in response to corporate blunders and fraud [57]. The global financial crisis of 2007-2009 significantly influenced the governance discourse, attributing the crisis to corporate governance failures and weaknesses. In reaction to financial scandals over the past decades, many regulators established enforcement bodies to oversee reliable financial accounting in collaboration with external auditors [33]. Relevant gatekeepers, such as external auditors, financial analysts, and audit committees, face pressure to ensure credible and transparent financial reporting, ethical conduct, and the establishment of trust [10, 34].

Trust stands as a pivotal concept in corporate governance and business at large, impacting both managerial efficacy and risk and cost reduction [28, 48, 49]. Trust is defined in multiple ways, but in the context of the agency theory, it involves specific expectations that mitigate the risk of opportunistic behavior by business partners [9]. Trust gains particular significance when behavior monitoring isn't feasible. Trust is further nurtured through prior relational interactions, where experience and data allow for evaluating behavior, intentions, and party credibility [5, 19, 32, 46, 50].

Transparency and accountability form intertwined concepts, mutually reinforcing each other [44]. Transparency denotes an environment where information, decisions, and activities are visible, accessible, and comprehensible to external parties. Financial statements should offer a lucid and equitable perspective of operations, balance sheets, and cash flows to enable informed decision-making and appropriate actions grounded in financial information.

Both concepts are not mutually exclusive but rather symbiotic; trust is cultivated through elements like judgment and expertise, while transparency extends beyond mere information provision. According to CFA [15], disclosures lack transparency due to the absence of a measurement framework to enable meaningful disclosures. Inadequate transparency leads to decreased investor trust, culminating in reduced investments.

Transparency's significance for investors in the present day is considerably higher than it was two decades ago. The Enron scandal marked a pivotal moment that catalyzed a demand for transparency. Subsequently, the Sarbanes-Oxley Act was enacted in 2002 [39]. Recognizing the paramount importance of transparency, the OECD published regulations and guidelines on good governance, encompassing the concept of transparency. Chapter IV of these guidelines specifically addresses the facets of explanations and transparency. This initiative aims to bolster transparency, integrity, and the rule of law [47].

Transparency can be classified into two categories: transparency related to governance and transparency related to financial information, as elucidated by [13]. Transparency concerning financial information is predominantly influenced by local political circumstances, while governance-related transparency is more contingent on the legal and judicial environment. The transparency of corporate disclosures is linked to how information is disseminated [13]. Transparency in sustainability entails decisions regarding a company's involvement or abstention from business initiatives grounded in sustainability considerations.

Corporate governance and audit committees assume a pivotal role in enhancing transparency in financial statements, with the added dimension of addressing sustainability issues. Official financial reporting has encountered criticism for lacking transparency [37]. Transparency and trust hold paramount significance for public finances, forming the bedrock for well-informed deliberations on the utilization of public funds and democratic accountability [37]. Evaluating transparency should transcend the mere quantity of information provided and consider factors such as timeliness, relevance, completeness, and reliability [21]. Employing the "Core & More" (C&M) approach to structure information and categorizing disclosures into core and explanatory sections can enhance clarity and transparency [2]. The Disclosure Initiative and Communication in Financial Reporting projects initiated by the [38] aim to reduce unnecessary details in financial statements and amplify transparency, which can equally benefit sustainability reporting in the future. In an Icelandic study examining audit committee processes and transparency, nearly 40% of participating auditors asserted that neither transparency nor trust was significantly enhanced by the efforts of audit committees [31].

Diverse entities, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), the International Integrated Reporting Council (IIRC), the European Commission, including the European Financial Reporting Advisory Group (EFRAG), and the International Financial Reporting Standards (IFRS), have surfaced as providers of sustainability reporting guidelines. However, notwithstanding the voluntary nature of these guidelines, they encounter challenges in terms of legitimacy and influence, contributing to a contested landscape of sustainability reporting regulation. Achieving harmonization in sustainability reporting regulations remains a challenge due to the array of actors involved [4].

The European Financial Reporting Advisory Group (EFRAG) unveiled the initial drafts of the European Sustainability Reporting Standards (ESRS) in November 2022. These standards are slated to become obligatory within EU member states in the coming years, necessitating their integration into the financial statements of public interest entities (PIEs). While external financial accounting conventionally centered on owners and creditors, sustainability accounting has broadened its scope to encompass a wider array of stakeholders, including customers, employees, governmental agencies, and the EU. The objective of sustainability accounting is to document and assess risks and opportunities associated with well-defined sustainable domains [17]. Research in sustainability accounting has paid limited attention to appraising the sustainability benefits linked to a company's social and environmental endeavors [1].

The challenge within the audit profession, as highlighted by Bakarich et al. [7], suggests that it is not yet equipped to handle sustainability reporting, whether in terms of knowledge or experience. However, there is limited empirical evidence regarding knowledge and experience with sustainability reporting, particularly outside the US [7]. Further empirical investigations on a broader scale are imperative to delve deeper into this realm.

The limited knowledge and experience of auditors in sustainability reporting revealed in this study underscores the challenges in achieving transparent reporting practices. This, in turn, highlights the pivotal role of auditors and audit committees in both bolstering knowledge-sharing efforts and fostering trust in the coordinated realms of financial and sustainability information.

# 3. Participants and Procedure

This study employs a quantitative research approach, utilizing a questionnaire-based survey as its primary data collection method. Surveys serve as valuable instruments for both information gathering and measurement. The choice of this method is grounded in its cost-effectiveness and safety. By accessing and compiling information, this method facilitates knowledge generation through transparent and logical analysis of the subject matter. Participants were provided with identical questionnaires via their workplace email addresses, streamlining the process and encouraging survey participation. The quantitative methodology chosen is particularly suitable when examining subjects that can be quantified, measured, or weighed, as it offers a standardized approach and can uncover patterns within the data. This approach captures information in a numerical format, enabling its presentation and interpretation using numerical techniques. The advantages of this approach include its simplicity, elimination of the need to coordinate timing with respondents, reduction of errors stemming from interaction effects, and enhanced respondent privacy [14].

During the selection process, a decision was made to employ descriptive studies. Descriptive research involves analyzing variables within a sample and presenting statistical outcomes. The strengths of descriptive research lie in its capacity to gather extensive information, facilitating more comprehensive future research. However, it is important to acknowledge that descriptive research may lack deeper insights into individual responses and participants' experiences [12].

At the outset of each research endeavor, it is crucial to determine the sample size and whether it should mirror the entire population. Additionally, the type of survey to be employed needs to be defined. In this case, questions were distributed to the entire population, and response rates were used to infer overall trends. To facilitate the possibility of replicating the study later in a consistent manner, the decision was made to employ quantitative research methods, employing standardized questionnaires, and distributing them to the entire population [11].

The survey was conducted in collaboration with the Association of Certified Public Accountants (ACPA) in Iceland. To ensure comprehensive participation, a request was extended to all auditors who were members of ACPA, and the questionnaire was distributed to all ACPA members. The survey's objective was to gather insights on audit committees in relation to the work of external auditors. The questionnaire was designed to gather information on perspectives regarding various concepts, including sustainability, transparency, and trust. It included inquiries about participants' experience with working on or reviewing annual accounts for entities classified as units related to the public interest, as defined by the Act on Auditors. These entities encompass limited liability companies, municipalities, institutions, and pension funds, all of which have stocks or bonds listed on the securities market.

This study represents the first comparative exploration of transparency and trust concepts concerning financial information within the context of audit committee work. By comparing the survey results with those of a previous study conducted in 2018 that explored the concepts of transparency and trust, it is possible to gain a definitive understanding of whether participants' attitudes have remained consistent or evolved.

Subsequent questions in the 2022 survey centered around sustainability, addressing the level of knowledge concerning sustainability reporting within financial statements and the extent of experience in dealing with sustainability reporting.

The survey garnered a response rate of approximately 20% from the target population, with a higher response rate of over 30% among auditors working in audit offices. Notably, around 60% of the respondents possessed over 16 years of experience as accountants, underscoring their significant expertise in the field.

To reinforce the analysis and evaluate hypotheses, the five-point Likert scale employed in the survey was converted into numerical values. The scale's "Greatly increased" option was assigned a value of 1, signifying the most positive response, while "Greatly decreased" received a value of 5, representing the most negative response. The data analysis encompassed the calculation of weighted means, standard deviations, and a 95% confidence interval using the numerical values derived from the Likert scale [58].

# 4. Results and Discussion

This chapter addresses the research question focused on the readiness of auditors for sustainability accounting in Iceland, with two hypotheses examining their knowledge (H1) and experience (H2) in this context.

Hypothesis H1: This hypothesis delves into the knowledge of auditors regarding sustainability accounting: H1. Do auditors possess adequate knowledge to effectively engage in sustainability accounting in Iceland?

Hypothesis H2: This hypothesis concentrates on the experience of auditors in sustainability accounting: H2. Do auditors possess sufficient experience to effectively engage in sustainability accounting in Iceland?

Results concerning knowledge (H1) reveal that only 10% of participants reported possessing extensive knowledge, while 37% acknowledged having limited or very limited understanding of sustainability reporting within financial statements.

In relation to experience (H2), merely 3% of participants claimed to have extensive experience, whereas 45% expressed limited or very limited familiarity with working on sustainability reporting within financial statements.

The outcomes suggest that Hypothesis H1, indicating the presence of a minority with significant knowledge in sustainability accounting, is not supported. A mere 9.8% of auditors demonstrated sound knowledge, while 19.7% reported having limited knowledge, and 16.4% admitted having very little knowledge. This indicates that an overwhelming 90.2% of Icelandic auditors perceive their knowledge of sustainability accounting as insufficient.

Similarly, Hypothesis H2, suggesting that few auditors have substantial experience in handling or preparing sustainability accounting in Iceland, is also not upheld. Results indicate that only 3.2% of auditors possess extensive experience, while 25.8% have limited experience, and 19.4% have very little experience. Consequently, a significant 96.8% of Icelandic auditors view themselves as lacking the necessary experience for sustainability accounting.

However, it is worth considering that the issue of low familiarity with sustainability accounting could be mitigated through collaborative audit efforts, where not all team members need to possess identical levels of knowledge or experience.

Furthermore, the tight timeframe for implementing sustainability accounting, as compared to IFRS standards, might contribute to the limited knowledge and experience exhibited. Collaborative audit efforts play a vital role in sharing knowledge and experience, benefiting both theoretical understanding and practical application. The exchange of insights and experiences holds substantial importance in bolstering audit quality and facilitating accurate portrayals of financial statements.

Participants' responses concerning familiarity with sustainability reporting frameworks further underscore the limited knowledge and experience in this realm. The majority (approximately 75-80%) indicated possessing minimal familiarity with various sustainability reporting frameworks.

A summary of participant responses to questions about familiarity with sustainability reporting frameworks and experience in sustainability reporting is presented using a 5-point Likert scale (1 = very little, 2 = little, 3 = some, 4 = good, 5 = extensive, where L = 1+2, S = 3, E = 4+5).

***Table 1.*** *Sustainability frameworks.*

| | L | S | E | Total |
|---|---|---|---|---|
| Carbon Disclosure Project (CDP) | 80 | 16 | 4 | 100 |
| Climate Disclosure Standards Board (CDSB) | 78 | 21 | 1 | 100 |
| Global Reporting Initiative (GRI) | 70 | 24 | 6 | 100 |
| International Integrated Reporting Council (IIRC) | 83 | 16 | 1 | 100 |
| Sustainability Accounting Standards Board (SASB) | 75 | 25 | 0 | 100 |
| Task Force on Climate-related Financial Disclosure (TCFD) | 80 | 16 | 4 | 100 |
| European Substainability Reporting Standards (ESRS) | 74 | 23 | 3 | 100 |
| United Nations Sustainable Development Goals (UNSDG) | 75 | 21 | 4 | 100 |

Given these findings, the audit profession in Iceland faces the challenge of achieving audit quality. One avenue is enhancing knowledge and experience transfer within audit teams concerning sustainability accounting. Another approach involves increasing third-party assurance within the sustainability realm, particularly addressing the Double Materiality concept.

These outcomes and the ensuing discussion guide us toward the audit process itself, necessitating adjustments to maintain audit quality as sustainability factors integrate into a company's operational landscape and, ultimately, its financial statements.

These findings gain heightened significance considering the imminent implementation of mandatory sustainability reporting requirements. These results empirically demonstrate that Icelandic auditors possess limited knowledge and experience in sustainability reporting, highlighting their current unpreparedness. Audit firms, including industry leaders like the Big 4, could facilitate knowledge and experience exchange across countries, streamlining the implementation process and shortening the learning curve.

In conclusion, the study's results underscore the constrained knowledge and experience of Icelandic auditors in sustainability reporting. These findings underscore the need for auditors to deepen their understanding and expertise in this domain to meet the forthcoming demands of sustainability accounting. These findings resonate with similar surveys conducted with auditors in the US [7].

Considering the impending requirement for mandatory sustainability reporting, these findings assume paramount importance. They establish empirical evidence that knowledge and experience with sustainability reporting are exceedingly limited among Icelandic auditors, necessitating prompt actions to address this gap.

## 5. Conclusions and Further Research

This study contributes substantively to the existing body of literature on sustainability reporting. The empirical findings bring to light the stark reality of limited knowledge and experience with sustainability reporting in Iceland and Europe, reflecting the current situation in this domain.

Transparency and trust form the bedrock of corporate governance, financial management, and auditing practices. The conventional role of audit committees in bolstering trust and transparency within financial information is well-established. However, the emergence of sustainability reporting in recent years introduces a new dimension, necessitating a delicate balancing act between sustainability and financial information. This juncture underscores a pivotal period in establishing trust and transparency within corporate reports, placing significant responsibility on audit committees.

The study's outcomes raise compelling concerns regarding the scarce knowledge and experience in sustainability frameworks exhibited by Icelandic auditors, especially given the imminent timeline for implementation. With approximately 80% of participants admitting to having minimal knowledge or experience in sustainability reporting, a substantial gap emerges that demands swift action to ensure effective stakeholder management and the successful implementation of upcoming regulatory requirements, such as Directive (EU) 2022/2464 amending Regulation (EU) No 537/2014.

Auditors will undoubtedly assume a central role in the transformative process, becoming guardians of trust and transparency within financial and sustainability reports. However, the roles and responsibilities of audit committees within this evolving landscape require clarification. To prevent the dilution of transparency into mere semblance, all key stakeholders must be thoroughly apprised of the audit committee’s integral role in this overhaul.

While this study relied on a survey-based approach, future research could significantly enrich the discourse through qualitative interviews. Exploring the perspectives and practices of auditors, particularly within audit teams, could yield deeper insights into their roles and experiences. Likewise, audit firms, as pivotal actors in acquiring expertise in sustainability reporting practices, could be the focus of further exploration.

Subsequent research endeavors should delve into the intricate facets of trust and transparency during the overhaul process, particularly in the context of harmonizing financial and sustainability information. Conducting interviews with auditors, key audit partners, audit committee members, and analysts would offer invaluable insights into their perceptions and real-world encounters.

In conclusion, this study emphasizes the urgent need to augment knowledge and expertise in sustainability reporting among Icelandic auditors. Navigating the convergence of sustainability and financial information requires collaborative efforts from all stakeholders involved in this transformative journey. Trust and transparency remain the cornerstones of business and governance, making further research in this realm imperative for advancing our understanding and practices within sustainability accounting.

# Conflicts of Interest

The authors declare no conflicts of interest.

# References

[1] Abou Taleb, M., Gibson, B. and Hovey, M. (2015) Fifty years of Sustainability Accounting: does accounting for income in business sustainability really exist? International Journal of Accounting and Financial Reporting 2015, Vol. 5, No. 1 https://doi.org/10.5296/ijafr.v5i1.6726

[2] Accountancy Europe. (2018, June 30). The reporting times: Smarter corporate reporting with CORE & MORE. Retrieved from https://www.accountancyeurope.eu/reporting-transparency/smater-corportare-reporting-core-more/

[3] Adams, C. A., & Abhayawansa, S. (2022). Connecting the Covid-19 pandemic, environmental, social and governance (ESG) investing and calls for 'harmonization of sustainability reporting'. Critical Perspectives on Accounting, 82, 102309.

[4] Afolabi, H., Ram, R., & Rimmel, G. (2022). Harmonization of Sustainability Reporting Regulation: Analysis of a Contested Arena. Sustainability, 14, 5517.

[5] Anderson, E., & Weitz, B. (1989). Determinants of continuity in conventional industrial channel dyads. Marketing Science, 8, 310–323.

[6] Bar-Yosef, S., D'Augusta, C., & Prencipe, A. (2019). Accounting research on private firms: State of the art and future directions. International Journal of Accounting, 54.

[7] Bakarich, K. M., Hoffmann, M., Marcy, A. S., & O'Brien, P. (2022). Accountants' Views on Sustainability Reporting: A Generational Divide. American Accounting Association. Retrieved from https://aaahq.org/Meetings/2022/AUG/Accountants'-Views-on-Sustainability-Reporting--A-Generational-Divide

[8] Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees. (1999). Report and recommendations of the Blue Ribbon Committee on Improving the effectiveness of corporate audit committees. New York, NY: New York Stock Exchange and National Association of Securities Dealers.

[9] Bradach, J. L., & Eccles, R. G. (1989). Price, authority, and trust—From ideal types to plural forms. Annual Review of Sociology, 15, 97–118.

[10] Bradley, D., Gokkaya, S., Liu, X., & Xie, F. (2017). Are all analysts created equal? Industry expertise and monitoring effectiveness of financial analysts. Journal of Accounting and Economics, 63, 179–206.

[11] Bryman, A. (2008). Social Research Methods (3rd Ed.). New York: Oxford University Press.

[12] Burns, A. C. and Bush, R. F. (2006). Marketing Research. New Jersey: Pearson Education Inc.

[13] Bushman, R., Piotroski, J., & Smith, A. (2004). What Determines Corporate Transparency? Journal of Accounting Research, 42(2), 207-252.

[14] Churchill, G. A. (2002). *Marketing Research: Methodological foundations*. Fort Worth: Harcourt College Publishers.

[15] CFA 2013 FINANCIAL REPORTING DISCLOSURES Investor Perspectives on Transparency, Trust, and Volume ISBN 978-0-938367-76-5 July 2013.

[16] Corten, M., Steijvers, T., Lybaert, N., & Coeckelbergs, C. (2021). The Influence of the CEO on Auditor Choice in Private Firms: An Interplay of Willingness and Ability. Sustainability, 13.

[17] Cunningham, G. M., Fagerström, A., & Hassel, L. G. (2016). Accounting and Auditing of Sustainability: Sustainable Indicator Accounting. BAI Conference 2016, Nagoya, Japan.

[18] Dasgupta, S., Gan, J., & Gao, N. (2010). Transparency, Price Informativeness, and Stock Return Synchronicity: Theory and Evidence. Journal of Financial and Quantitative Analysis, 45(5), 1189-1220. doi: 10.1017/S0022109010000505.

[19] Deutsch, M. (1973). The resolution of conflict. New Haven, CT: Yale University Press.

[20] DeZoort, F. T., Hermanson, D., Archambeault, D., & Reed, S. (2002). Audit committee effectiveness: A synthesis of the empirical audit committee literature. Journal of Accounting Literature, 21, 38-75.

[21] ECA. (2016). Auditors role on promoting transparency and accountability. Workshop 25–26 January 2016. Retrieved from https://www.eca.europa.eu/Lists/ECADocuments/WORKSHOP_ON_PUBLIC_SECTOR_ACCOUNTING/ECA_Workshop_on_public_sector_accounting_A_Popovic.pdf

[22] EFRAG. (2021). Final Report: Proposal for a Relevant and Dynamic EU Sustainability Reporting Standard-Setting. Retrieved from https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/210308-reportefrag-sustainability-reporting-standard-setting_en.pdf

[23] EU. (2019). European Commission, Guidelines on non-financial reporting. Supplement on reporting climate-related information.

[24] Fama, E. F. (1980). Agency Problems and the Theory of the Firm. Journal of Political Economy, 88(2), 288-307.

[25] Fama, E. F., & Jensen, M. (1983). Separation of ownership and control. Journal of Law and Economics, 26, 301-325.

[26] FEI. (2013). Financial Executives International. The role of disclosures in the financial statements of private business in accessing credit. Canada.

[27] Frankel, R., & Li, X. (2004). Characteristics of a firm's information environment and the information asymmetry between insiders and outsiders. Journal of Accounting and Economics, 37, 229–259.

[28] Frei, F., & Morriss, A. (2020). Begin with Trust. Harvard Business Review, May-June 2020, 112–121.

[29] Gabrielsson. J., & Huse, M., (2004) Context, Behavior, and Evolution: Challenges in Research on Boards and Governance, International Studies of Management & Organization, 34: 2, 11-36, DOI: 10.1080/00208825.2004.11043704.

[30] Ghosh, T. (2019). Corporate Governance and Audit Fees Evidence from Bangladeshi Listed Banks and NBFIs. Journal of Corporate Governance Research, 3(1).

[31] Gudbjartsson, E., Jónsson, E. Í., Snorrason, J. S. (2021). Audit Committees: Transparency and trust to financial information. Tímarit um viðskipti og efnahagsmál, 18, 2, 2021.

[32] Gulati, R., & Sytch, M. (2008). Does familiarity breed trust? Revisiting the antecedents of trust. Managerial and Decision Economics, 29, 165–190.

[33] Gunny, K. A., & Zhang, T. C. (2013). PCAOB inspection reports and audit quality. Journal of Accounting and Public Policy, 32, 136–160.

[34] Habib, A., Bhuiyan, M. B. U., & Wu, J. (2021). Corporate governance determinants of financial restatements: a meta-analysis. International Journal of Accounting, 56, 2150002.

[35] Hill, C. W., & Jones, T. M. (1992). STAKEHOLDER-AGENCY THEORY. Journal of Management Studies, 29(2), 131-154. https://doi.org/10.1111/j.1467-6486.1992.tb00657.x

[36] Hörisch, J., Freeman, R. E., & Schaltegger, S. (2014). Applying stakeholder theory in sustainability management: Links, similarities, dissimilarities, and a conceptual framework. Organization & Environment, 27(4), 328-346.

[37] ICAW and PwC. (2015). Trust in public finances: A survey of citizens in 10 European countries. 1040 Brussels, Belgium.

[38] IASB. (2017). Disclosure Initiative—Principles of Disclosure. International Accounting Standard Board. IASB, UK.

[39] IFAC, Accounting Transparency & Macroeconomic Performance, Chanwoo Lee, July 29-2020.

[40] IFRS. (2017). Better Communication in Financial Reporting Making disclosures more meaningful. International Financial Reporting Standards Foundation, UK.

[41] IFRS. (2018). Why global accounting standards? International Financial Reporting Standards Foundation, UK.

[42] Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm, Managerial Behavior, Agency Costs and Ownership Structure. Journal of Financial Economics, 3(4), 305-360.

[43] Kirkpatrick, G. (2009). The corporate governance lessons from the financial crisis. Financial Market Trends OECD 2009.

[44] Lepadatu, V. G. and Pirnau, M., (2009). Transparency in Financial Statements (IAS/IFRS). European Research Studies, 12(1).

[45] Lenssen, G., et al. (Eds.). (2007). Corporate responsibility and strategic management: A special issue from EABIS and SDA Bocconi. Corporate Governance, 7(4).

[46] Lindskold, S. (1978). Trust development, the GRIT proposal, and the effects of conciliatory acts on conflict and cooperation. Psychological Bulletin, 88, 772–793.

[47] OECD/G20. (2015). Principles of Corporate Governance. OECD Publications.

[48] Poppo, L., & Zhou, K. (2008). Alternative origins to interorganizational trust: An interdependence perspective on the shadow of the past and the shadow of the future. Organization Science, 19(1), 39–55.

[49] Puranam, P., & Vanneste, B. (2009). Trust and Governance: Untangling a Tangled Web. Academy of Management Review, 34(1), 11–31.

[50] Rempel, J. K., Holmes, J. G., & Zanna, M. P. (1985). Trust in close relationships. Journal of Personality and Social Psychology, 49, 95–112.

[51] Roberts, R. W. (1992) Determinants of Corporate Social Responsibility Disclosure: An Application of Stakeholder Theory. Accounting, Organizations and Society, 17, 595-612. http://dx.doi.org/10.1016/0361-3682(92)90015-K

[52] SEC. (2022). Statement on ESG Disclosures Proposal. Retrieved from https://www.sec.gov/news/statement/gensler-statement-esg-disclosures-proposal-052522

[53] Shankman, N. A. Reframing the Debate Between Agency and Stakeholder Theories of the Firm. Journal of Business Ethics 19, 319–334 (1999). https://doi.org/10.1023/A:1005880031427

[54] Stolowy, H., & Paugam, L. (2018). The expansion of non-financial reporting: An exploratory study. Accounting, Business & Financial History, 48, 525–548.

[55] Stubbs, W., & Higgins, C. (2018). Stakeholders' perspectives on the role of regulatory reform in integrated reporting. Journal of Business Ethics, 47, 489–508.

[56] Stiles, P., & Taylor, B. (2001). Boards at Work – How Directors View their Roles and Responsibilities. Oxford: Oxford University Press.

[57] Velte, P. (2023). The link between corporate governance and corporate financial misconduct. Management Review Quarterly, 73, 353–411.

[58] Warmbrod, J. R. (2014). Reporting and Interpreting Scores Derived from Likert-type Scales. Journal of Agricultural Education, 55(5), 30–47. doi: 10.5032/jae.2014.0503030.