“It Would Be Interesting to See Assurance Statements with Qualifications”:
Assurers’ Perspectives on Sustainability Assurance Engagements and Client Relationships

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Authors: Essi Paunisaari
         Eric Raatgever

Supervisor: Mathilda Dahl
Abstract

The proliferation of sustainability reporting has been accompanied with stakeholders’ concerns over the credibility of sustainability reports. This worry has resulted in the assurance of sustainability reports and accordingly, professionals have sought to create a new auditable market and academics to understand this phenomenon. Though previous research has shown that assurers and clients jointly decide the terms of the engagement, assurers’ perceptions of sustainability assurance and assurer–client relationships, in which the engagement takes place, have been overlooked. We try to close this gap by conducting an interview-based study which firstly, examines how assurers view and experience sustainability assurance engagements and secondly, investigates how assurers characterize their relationship with clients. We lead 12 interviews with assurers working for either Mazars, BDO, Grant Thornton, or RSM, covering 11 countries worldwide.

The empirical findings indicate that assurers work with sustainability reports that are unbalanced and inaccurate. Particularly, they view the inaccuracy of non-financial data as a challenge to the issuance of sustainability assurance statements. We find that inaccuracy is perceived difficult because assurers lack technical expertise and are unpracticed in auditing qualitative information. Further, when assurers cannot verify the disclosed information, they rather terminate the engagement than issue a presumably misleading assurance statement. The termination of an engagement is, however, the ultimate response and until then, assurers collaborate with the client to be able to issue an assurance statement. Hence, collaboration is considered key to the completion of a sustainability assurance engagement. This research contributes to a better understanding of practitioners’ perspectives on sustainability assurance engagements both practice and relationship-wise. We also develop practical implications and future research avenues.

Keywords: sustainability assurance; assurer; sustainability assurance engagement; assurer–client relationship; sustainability report.
Acknowledgements

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### Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AA1000AS</td>
<td>AccountAbility 1000 Assurance Standard</td>
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<td>ASX 300</td>
<td>Australian Securities Exchange 300</td>
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<tr>
<td>CEO</td>
<td>Chief executive officer</td>
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<tr>
<td>CFO</td>
<td>Chief financial officer</td>
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<tr>
<td>CSR</td>
<td>Corporate social responsibility</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<td>G250</td>
<td>Global 250 largest companies</td>
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<td>GRI</td>
<td>Global Reporting Initiative</td>
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<tr>
<td>IAASB</td>
<td>International Auditing and Assurance Standards Board</td>
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<td>IFAC</td>
<td>International Federation of Accountants</td>
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<td>IFRS</td>
<td>International Finance and Reporting Standards</td>
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<td>IM</td>
<td>Impression management</td>
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<td>ISAE</td>
<td>International Standard of Assurance Engagements</td>
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<td>ISO</td>
<td>International Organization for Standardization</td>
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<tr>
<td>OIM</td>
<td>Organizational impression management</td>
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<td>SA</td>
<td>Sustainability assurance</td>
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<td>SAE</td>
<td>Sustainability assurance engagement</td>
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<td>SAS</td>
<td>Sustainability assurance statement</td>
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<td>SDG</td>
<td>Sustainable development goal</td>
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<td>SOX</td>
<td>Sarbanes-Oxley Act</td>
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<tr>
<td>SR</td>
<td>Sustainability report</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>US GAAP</td>
<td>Generally Accepted Accounting Principles (United States)</td>
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1. INTRODUCTION

In recent decades, the volume of sustainability reporting has increased significantly. A 2017 KPMG survey, for example, shows that nowadays 93% of the G250 publish sustainability reports (SRs). This upturn in corporate reporting about environmental, social and economic performance has mainly been driven by stakeholders’ concerns and the belief that financial performance does not provide an all-round presentation of corporate activities (Gillet, 2012; Simnett et al., 2009). Sustainability reporting is, however, for the most part voluntary and unregulated (Sierra et al., 2013; Fuhrmann et al., 2017) which has led stakeholders to question the credibility and reliability of the disclosed information (e.g. Adams and Evans, 2004; Mock et al., 2007). Accordingly, stakeholders have begun to demand external assurance (Zorio et al., 2013) to strengthen their confidence about the reliability of the SR (Herda et al., 2014; De Beelde and Tuybens, 2015).

Despite the infancy of sustainability assurance (SA), the practice is gaining international prevalence. The number of assured SRs among the G250 has increased from 40% in 2008 to 67% in 2017, but the growth has been steadier among smaller companies (KPMG, 2017; Park and Brorson, 2005). Various groups recommend companies’ to verify their disclosed sustainability information, even though the practice is entirely voluntary (Gillet-Monjarret, 2015). Because the SA process and statement are not regulated, the assurance depth and quality vary, challenging the comparability of the SA outcomes (e.g. Kolk and Perego, 2010; Junior et al., 2014; Hummel et al., in press). This may compromise the sole purpose of the SA: to provide “external scrutiny of social and environmental information” (e.g. Martínez-Ferrero and García-Sánchez, in press, p.2; Gürtürk and Hahn, 2016).

1.1. Problematization and Research Questions

Previous studies have primarily examined the adoption, process and outcome of SA. Also, assurance providers have been a major SA research stream. The findings show that client characteristics influence the SA adoption and the assurance provider
decision (Ruhnke and Gabriel, 2013; Martínez-Ferrero et al., 2017), and that the assurance provider type impacts the SA depth (O’Dwyer and Owen, 2005; Deegan et al., 2006b). Prior literature thus inclines that assurers and clients jointly determine the sustainability assurance engagement (SAE) terms (Hummel et al., in press). Park and Brorson (2005) view such a symbiosis between the assurer and the client problematic because it impacts the transparency, scope and completeness of the SAE. The assurer–client relationship has, however, been overlooked in SA research. Studying the relationship in which the SAEs take place is important because the assurance engagement goes beyond documents. What happens between the initiation of the SAE and the publishing of a sustainability assurance statement (SAS)? In addition, assurers’ experiences and perceptions of SAEs have been neglected (O’Dwyer and Owen, 2005; Gillet-Monjarret and Rivière-Giordano, 2017) although they too can shed light on the engagement beyond SAE depth and SAS breadth (Hummel et al., in press).

From the above, the aim of this master’s thesis is twofold: to examine how assurers describe SAEs, and investigate how the assurers perceive their relationship to clients. Accordingly, we formulated the following research questions:

**RQ1** What are assurers experiences of and views on sustainability assurance engagements?

**RQ2** How do assurers characterize assurer–client relationships?

### 1.2. Definitions

To ensure that there is a general understanding of the terminology used in this thesis, the common terms will need to be defined.
**Assurance**
An evaluation of reports, processes and merits through standardized principles and standards related to the reported information of the organization’s non-financial performance (Deegan et al., 2006a; 2006b).

**Assurer**
A professional who works for an assurance provider and is in charge of formulating an assurance statement for a reporting organization (Deegan et al., 2006a).

**Assurance statement**
Statement of verification provided by an external partner in which the assurer concludes the credibility of the content and formulation process of the sustainability report (Deegan et al., 2006b).

**Sustainability Assurance Engagement**
The interaction between an assurer and a client from the initiation of the engagement until the publication of a sustainability assurance statement (IAASB, 2013).
2. THEORETICAL FRAMEWORK

This section consists of three subsections which provide an overview of the previous SA-related works. The first subsection presents why companies may voluntarily publish SRs, whereas the next subsection discusses the adoption, process and outcome of SAEs, including SA and financial audit similarities and accountant assurers. The final subsection covers auditor–client relationships which are similar to relationships between assurers and clients.

2.1. Discretionary Sustainability Disclosure

Contrary to financial reporting, sustainability reporting is widely unregulated globally which gives companies the freedom to decide the content and style of the report (Mock et al., 2013; Sandberg and Holmlund, 2015). Although valid attempts have been made to standardize the content of the reports, stakeholders remain concerned whether the voluntarily disclosed information is reliable, comparable, relevant, and material (Mock et al., 2007; Manetti and Becatti, 2009). Motives to report beyond legal requirements include incremental information, i.e. overcoming the company–stakeholder information asymmetry, and impression management (IM; Merkl-Davies and Brennan, 2007; Stacchezzini et al., 2016).

To reduce information asymmetry, the better-informed group (companies) voluntarily discloses information to the less-informed group (stakeholders; Connelly et al., 2010). SRs are a case in point since external stakeholders find it difficult to access credible sustainability information without the company disclosing it (e.g. Hahn and Kühnen, 2013; Hahn and Lülfs, 2014). Sustainability reporting and its assurance thus bridge the company–stakeholder information asymmetry while ensuring corporate legitimacy and credibility (Edgley et al., 2010; Fuhrmann et al., 2017). IM, on the other hand, enables companies to enhance their

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1 In the EU, for example, large companies are required to disclose non-financial and diversity information in their annual reports from 2018 onwards, but they can choose which guidelines to use (European Commission, 2018b). Also, other countries have issued regulations and requirements about sustainability reporting (e.g. Mock et al., 2013)
corporate image, deflect stakeholders’ scrutiny, highlight positive efforts, and cover up negative impacts (Bansal and Kistruck, 2006). Researchers have identified several organizational IM tactics (OIM; see Table 1); these are presented together with empirical findings after the table.

**Table 1.** OIM tactics used in sustainability reporting. Adapted from Sandberg and Holmlund (2015, p.682), Talbot and Boiral (2018) and Hahn and Lülfs (2014).

<table>
<thead>
<tr>
<th>OIM tactic</th>
<th>Description</th>
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<tbody>
<tr>
<td>Description</td>
<td>Giving information about one’s actions.</td>
</tr>
<tr>
<td>Praise</td>
<td>Presenting one’s actions in a way that is overly favorable.</td>
</tr>
<tr>
<td>Admission</td>
<td>Admitting to instances that do not support the favorable impression one attempts to convey. The admission is typically without explanations or justifications.</td>
</tr>
<tr>
<td>Defense</td>
<td>Attempting to justify instances that do not support the favorable impression one attempts to convey. The justification can either be ‘necessary’ or ‘normal’ and come from the company or authority.</td>
</tr>
<tr>
<td>Correction</td>
<td>Apologizing for missing information or promising corrective action in the future.</td>
</tr>
<tr>
<td>Subjective style</td>
<td>Discussing matters only from one’s own point of view, the account being colored by one’s opinions and/or one-sided arguments in one’s favor.</td>
</tr>
<tr>
<td>Positive style</td>
<td>Overly emphasizing favorable aspects over unfavorable aspects, thus giving an unbalanced account of events.</td>
</tr>
<tr>
<td>Vague style</td>
<td>Giving unspecific information that gives no clear account of events.</td>
</tr>
<tr>
<td>Emotional style</td>
<td>Making the text personal and feeling-evoking.</td>
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</tbody>
</table>
The obfuscation of negative sustainability issues and emphasis of positive sustainability aspects are examples of companies using praise and positive writing style OIM tactics in SRs (e.g. Cho et al., 2012; Boiral, 2013; Diouf and Boiral, 2017). The OIM tactic of vague writing style, on the other hand, is present in SRs that provide little forward-looking information to (Stacchezzini et al., 2016) or disclose incomplete or unrepresentative sustainability data for the client to see (Talbot and Boiral, 2018). Additionally, it is known that companies apply the defensive OIM tactic by neutralizing and/or rationalizing negative issues in SRs (e.g. ibid.). Examples include arguments that some aspects need not be reported because they are insignificant or concern the whole industry (ibid.; Boiral, 2016). Marginalizing sustainability incidents insignificant is also a one-sided argument which may be considered as subjective writing style. Moreover, some SRs simply state a negative issue without explaining or justifying it; disclose ideas, intent or measures on how to improve or avoid the negative issue in the future; or apologize for non-disclosure (Hahn and Lülfs, 2014; Talbot and Boiral, 2018). These measures are typical for descriptive and admission OIM tactics.

2.2. **Sustainability Assurance**

One way for companies to enhance the credibility of SRs is to issue assurance statements, but the unregulated nature of sustainability reporting and, in turn, SA has proven to be complicated (e.g. Seguí-Mas et al., 2015; Gürtürk and Hahn, 2016). O’Dwyer et al. (2011, p.34), for example, argue that the “development and expansion of sustainability assurance is] mainly subject to market forces” and accordingly, few organizations have created guides for auditing SRs and these guides enact as control mechanisms for compliance (Sierra et al., 2013). Well-known initiatives include the AA1000AS and the ISAE 3000 (Kolk and Perego, 2010). These standards are used to check the reliability of the disclosed non-financial information and on that basis, assurers issue SASs (Sierra et al., 2013; Perego and Kolk, 2012; Deegan et al., 2006b).
According to Gillet (2012), SAEs are similar to financial audit engagements. SAEs start with planning and during the first meeting, the client determines the objectives and the scope of the assurance (Herda et al., 2014). The client then needs to decide which assurance standard to use (AA1000AS, ISAE 3000 or a combination\(^2\)) and on what level to have the assurance conducted (Gillet, 2012). The level of assurance is either high or moderate (AA1000AS) or reasonable or limited (ISAE 3000; Cuadrado-Ballesteros et al., 2017). High and reasonable indicate positively worded assessments and a very low risk level, whereas moderate and limited suggest acceptable risk levels and negatively worded assessments (Fuhrmann et al., 2017). The SAE continues with the assurer examining whether the reporting procedure matches the standards used and to verify the non-financial data, the assurer will collect additional information through documents and interviews, for example, and analyze and compare those to the SR data (Gillet, 2012). Lastly, the assurer writes a SAS which should disclose the nature and scope of the SAE as well as some recommendations (ibid.).

There are three primary areas of interest in SA research: the adoption of assurance (e.g. Simnett et al., 2009; Ruhnke and Gabriel, 2013; Alon and Vidovic, 2015), the assurance process (e.g. Seguí-Mas et al., 2015; GürTürK and Hahn, 2016) and the outcome of the assurance, i.e. SASs (e.g. Mock et al., 2007; Manetti and Becatti, 2009). This theoretical framework focuses on the assurance process and more specifically, the discovering of issues (Hummel et al., in press). Discoveries are dependant on the assurance process depth which captures the intensity of the assurance; the scope and level of the SAE, the applied methods, the covered sustainability-related indicators, and whether the assurer assesses the report’s materiality and provides recommendations (ibid.). However, evidence of assurance process depth is mixed. The most commonly mentioned SAS elements are the assurance process (scope, coverage, methods, level) and the assurance provider.

\(^2\) ISAE 3000 is a principles-based standard written for accountants and issued by the IAASB, whereas AA1000AS is a corporate responsibility standard which is primarily used by non-accountants and it was issued by AccountAbility (Alon and Vidovic, 2015; Boiral et al., in press). The former focuses on data accuracy (O’Dwyer and Owen, 2005), whereas the latter takes a “stakeholder approach” and stresses inclusivity, responsiveness and materiality (Bepari and Mollik, 2016).
whereas SAS shortcomings are usually in the conclusions (ibid.; Seguí-Mas et al., 2015). First, the assurance scope does not usually cover the entire SR. Hummel et al. (in press) show that only 7% of companies audit the full report. Second, the assurance level is typically moderate or limited depending on the assurance standard (e.g. Seguí-Mas et al., 2015; Bepari and Mollik, 2016). Third, while the use of standards has increased over time (Perego and Kolk, 2012; Seguí-Mas et al., 2015), most assurance providers apply the ISAE 3000. For example, 77% of German- and UK-listed and 61% of Australian-listed companies use ISAE 3000 (Gürtürk and Hahn, 2016; Bepari and Mollik, 2016). Nevertheless, it should be noted that ISAE 3000 is an accountancy-based standard and it was not designed for SA per se (e.g. Manetti and Becatti, 2009).

As previously mentioned, SASs are most likely to lack information or specificity in the conclusion part which should cover the report’s materiality and recommendations to the client (e.g. Seguí-Mas et al., 2015; Gürtürk and Hahn, 2016; Bepari and Mollik, 2016). Seguí-Mas et al. (2015) and Hummel et al. (in press) report evidence that less than half the SASs discuss the materiality of the client’s SR, while Bepari and Mollik (2016) reveal that materiality references are made in 78% of the cases among the ASX 300 companies. Evidence also suggests that assurers give recommendations in approximately half the SASs (Seguí-Mas et al., 2015; Hummel et al., in press) and Bepari and Mollik (2016) find that the recommendations tend to cover weaknesses like data management, data capture, data comparability, and internal audit. Weaknesses concerning the SR (preparation) are mostly found in recommendations because it allows assurers to avoid qualified assurance opinions

3 (ibid.). Bepari and Mollik (2016) also show that a majority of assurance opinions do not contain qualifications (75%). Lastly, assurance opinions are predominantly short as 65.5% consist of a single sentence (Seguí-Mas et al., 2015).

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3 Qualifications are means for auditors to express that the financial report(s) has fairly maintained the GAAP principles, with the exception of few issues (Cipriano et al., 2017). Qualified audit opinions usually lead to increased regulatory scrutiny in the form of investigations, for example (ibid.). To our knowledge, qualifications have not been discussed in the SA literature besides O’Dwyer et al. (2011) and Bepari and Mollik (2016).
These mixed findings on assurance process depth suggest that there are drawbacks to assurance processes and statements. For one thing, assurers seem inclined to apply a limited scope, provide moderate/limited assurance, and prefer the ISAE 3000 standard (e.g. Bepari and Mollik, 2016; Hummel et al., in press), meaning that most SAEs do not audit the entire SR, they have an acceptable risk level (Cuadrado-Ballesteros et al., 2017) and verify information from an accountancy, not a sustainability perspective (e.g. Manetti and Becatti, 2009). SASs are also subject to managerial capture because few statements (13 %) address all stakeholders (e.g. Hummel et al., in press) and besides SASs lack information regarding the assurer’s independence and competence, overall conclusions and whether any criteria/standards were used during the SAS formulation (Deegan et al., 2006b; Gillet, 2012; Hummel et al., in press). Moreover, assurance providers aim to legitimize SA to clients by adopting a consultancy approach in which weaknesses in data capture and management as well as internal control are addressed (e.g. O'Dwyer et al., 2011; Bepari and Mollik, 2016). This combination of roles leads to the “co-production of sustainability reports and the associated assurance statements” (Bepari and Mollik, 2016, p.660) which increases the “need and demand for more detailed assurance works” (O'Dwyer et al., 2011, p.42).

Besides the adoption, process and outcome of SA, an emergent line of research has studied the differences between accountant and non-accountant assurance providers. The division rests upon accountants’ perceived superiority in auditing (non-)financial information and non-accountants’ lack thereof (e.g. Perego, 2009). For example, the Big Four is known to leverage its network of financial audit clients for SA services and consequently, these four firms dominate the SA market (Sierra et al., 2013; Gürtürk and Hahn, 2016). Then again, non-accountant assurers tend to be experts in sustainability topics and draw attention to stakeholder-relevant issues and the accuracy of data, and provide additional comments (Deegan et al., 2006a;

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4 The Big Four includes Deloitte, PricewaterhouseCoopers, KPMG, and EY.
In contrary, Deegan et al. (2006b) find that accountant assurers are likelier than other assurer types to name an addressee and note the client’s responsibility to prepare the SR. Accountant assurers also prefer to use ISAE 3000 (Hummel et al., in press) but its use has consequences to assurance process depth. On the one hand, accountant assurers are transparent about the assurance process and the reporting when using ISAE 3000 but, on the other hand, they are hesitant to draw conclusions on compliance (Perego and Kolk, 2012; Bepari and Mollik, 2016).

2.2.1. Sustainability Assurance and Financial Audit Similarities

Although few academics (e.g. Moroney and Trotman, 2016) have studied similarities between SA and financial audit, it is clear that there is certain parallel between the practices. The main difference is, however, that financial audit, including financial reporting, is regulated by authorities and SA, including sustainability reporting, is not (Fasan, 2013; Perego and Kolk, 2012; Sandberg and Holmlund, 2015).

Firstly, companies have a statutory duty to report about financial performance to their shareholders (Zadek et al., 2004; Leuz and Wysocki, 2015). This reporting typically manifests in the form of an annual report and its aim is to enhance the transparency, reliability and credibility of the disclosure (Fasan, 2013; European Commission, 2018a). In similar vein, companies report about their sustainability performance to stakeholders via annual sustainability or CSR reports. Such disclosure is usually prompted by either legislative requirements or stakeholder pressures, and its goal is to show commitment to sustainability and gain external credibility (Sierra et al., 2013; Seguí-Mas et al., 2015).

Secondly, financial reporting is obliged to follow IFRS or US GAAP to enhance the comparability and quality of the reporting and provide clarity and transparency vis-à-vis investors (IFRS, 2018; Yip and Young, 2012; Guillaume and Pierre, 2016). While sustainability reporting is not required to follow certain standards, GRI is

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5 The stream of research about non-accountants falls outside the research purpose (see Hasan et al., 2003; Deegan et al., 2006a; Perego, 2009; Bepari and Mollik, 2016; Hummel et al., in press).
considered as the most comprehensive and authoritative guide to sustainability reporting and its standards are viewed de facto (e.g. Ruhnke and Gabriel, 2013; Seguí-Mas et al., 2015). The employment of a common disclosure framework also enhances the credibility of SRs, including their comparability (Seguí-Mas et al., 2015).

Lastly, financial reports are commonly audited by independent, third-party accounting firms (e.g. Velte and Stawinoga, 2017). The audit scrutinizes whether the report gives a ‘true and fair view’ of the financial performance and whether it complies with agreed upon accounting principles and standards (Canning et al., in press). On the one hand, the audit aims to enhance the objectivity of the disclosed financial information and on the other hand, it aims to improve users’ confidence about the reliability and accuracy of the information (Carey et al., 2000; Sierra et al., 2013). Independent, third-party assurance has also extended to the non-financial, sustainability field. SRs are audited for the same reason as financial reports: to obtain credibility in stakeholders’ eyes (e.g. Seguí-Mas et al., 2015; Sierra et al., 2013).

2.3. Audit–Client Relationship

To our knowledge, literature describing assurers and their clients’ relationships during SA is limited. Researchers have, however, studied relationships in financial reporting and audit (e.g. Myers et al., 2003; Sweeney and Pierce, 2011) and hence, this study reviews auditor–client relationships in order to understand SAEs better. Perreault et al. (2017), for example, argue that auditor–client relationships are close work relationships with low social distance as the auditor works closely with the client to finalize the audit. The relationship is also described as complex and it can, according to Beattie et al. (2001, p.16), be considered a buyer–seller relationship. As a seller, the auditor provides an auditing service to the client, who is the buyer of the offered service. Besides that, the relationship is described complex because it consists of both individual and group interactions (ibid., p.10). Large organizations like listed companies are a case in point as audits are done by a team of auditors and
the company being audited is represented by multiple representatives. In their study, however, Beattie et al. (2001) focus on the relationship between the auditing team’s senior auditor and the financial director of the audited company.

Additionally, the role of the auditor and the client require clarification. The auditor is responsible for developing and sharing an opinion concerning the information produced by the company, while the client is responsible for producing the requested information requested for the audit (World Bank, 2011). The auditor is also required to address any misstatements found in the report, but he/she is not allowed to correct them (Turner et al., 2010). The client, on the other hand, is also responsible for setting the scope and level of the audit with the risk that the client decides to aim for low audit levels to avoid risks (Zadek et al., 2004). Besides these roles, auditor–client relationships may be characterized as either reactive or proactive (McCracken et al., 2008). Reactive relationships take place when CFOs do not engage auditors in the formulation of financial statements and create the assumption that the auditor acts as police officer by merely fact checking information (ibid.). In contrary, relationships are characterized as proactive when the client interacts with the auditor in order to ensure high quality financial reporting; this option was preferred by the studied CFOs (ibid.).

After the Enron and WorldCom scandals, regulations for auditor–client relations were tightened. In United States, a federal law under the name SOX was introduced in 2002 to improve the quality of financial reporting (Garner et al., 2014, p.62). One regulation of SOX refers to auditor independence, stating that the auditor is not allowed to provide non-audit services to a company it also audits (ibid.). Therefore, auditors’ independence is a key element in financial audit and auditors try to avoid situations in the relationship that could harm their independence (Nasser et al., 2006). While Perreault et al. (2017) argue that auditor–client relationships are close with low social distance, Flint (1988) thinks that independence can be at stake as soon as the auditor engages in a personal relationship with the client. To avoid the relationship getting too close, Garner et al. (2014) state that auditors have to rotate to maintain an objective perspective, thereby aligning with SOX.
Otherwise, researchers have noted how trust influences the auditor–client relationship (e.g. Ben-Gal and Tzafrir, 2011; Fincham, 1999). For example, Hawkins and Owens (2017) conducted an experiment examining the influence of information consistency during the audit process and how this affected the trust and commitment of the auditor. They show that auditors that received inconsistent information in the early stages of the engagement were more committed to the audit process than those who obtained inconsistencies later on (ibid.). The commitment of the auditor is also higher when auditors receive support and fair treatment from clients (Herda and Lavelle, 2013), i.e. a proactive relationship (McCracken et al., 2008). In other words, inconsistencies with regard to information decrease the client’s level of trust, resulting in a different commitment level of the auditor.

Nevertheless, Hawkins and Owens (2017) state that distrust is required in auditor–client relationships for the auditor to remain critical to the received information as full trust would lead to a passive audit. The level of trust can also be related to personal distance as described by Perreault et al. (2017) and Flint (1988); increased trust can lead to lower personal distance which, in turn, can affect the credibility as well as the independence of the auditor.

Auditor–client relationships may also be looked at from the client’s perspective. Golen et al. (1997) argue that auditors are required to build trust, confidence and respect in order to be able to deal with different sets of interpersonal relationships during client engagements. They identified various communication and attitude barriers that could hinder the relationship. Barriers like lack of trust, hostile attitude, omission of information, and tendency not to listen were not only mentioned by the clients, but also addressed by the auditors. Most of these barriers are communicated unintentionally (ibid.). Yet, building trust is of the essence in auditor–client relationships and therefore, an auditor displaying a lack of trust occurs rarely (ibid.; Hawkins and Owens, 2017).
3. METHODOLOGY

This methodological section explains how the present research was conducted. First, the research philosophy and approach are presented, followed by an explanation of the research design. Next, data collection and analysis procedures are discussed and in the final subsection, the quality of the research methodology is assessed.

3.1. Research Philosophy and Approach

In this study, we are interested in how assurers describe SAEs and characterize their relationship to clients and thus, the research philosophy of interpretivism is most fitting. Interpretivism departs from the assumption that humans develop subjective and shared meanings, and that these meanings are key to understanding different social worlds and contexts (Eriksson and Kovalainen, 2016; Saunders et al., 2016). Accordingly, in order to understand our study participants, we attempted to look at how their meanings of SAEs and assurer-client relationships have developed. We also strove to see their experiences and perceptions from their viewpoint, rather than what we, as researchers, made out of them. Besides interpretivism, we chose to approach theory development abductively (Eriksson and Kovalainen, 2016). We first used literature on SA and auditor-client relationships as premises to help us answer the research questions and following the data analysis, we refined our research questions and developed our theoretical framework further. Also, our empirical findings and data analysis altered as the research questions and theoretical framework shaped form.

3.2. Research Design

To answer the research questions what are assurers experiences of and views on sustainability assurance engagements? and how do assurers characterize assurer-client relationships?, primary data needs to be collected. One typically distinguishes
between quantitative research which applies numeric data and qualitative research which uses non-numeric data (Saunders et al., 2016); although this division is not unequivocal (Magnusson and Marecek, 2015). Of the two, we find qualitative research more suitable because it is associated with the previously agreed upon interpretivism and abduction (Saunders et al., 2016). As we are interested in assurers’ perspectives, we conduct a qualitative interview-based study in which we interview experts about their experiences and views on SAEs and assurer–client relationships (e.g. Magnusson and Marecek, 2015). This choice of data renders the paper cross-sectional since interviews are recorded at a specific moment in time (Sorsa et al., 2015; Saunders et al., 2016). Besides that, the preceding research design also fulfills an exploratory purpose which is fitting for studies (like ours) that aim to develop a better understanding of an issue, problem or phenomenon (Hair Jr. et al., 2007).

### 3.3. Data Collection and Analysis

In this thesis, we focus on four firms which are among the ten biggest accounting firms in Europe: namely, BDO, Grant Thornton, Mazars, and RSM (International Accounting Bulletin, 2017; 2018). We chose these firms to extend the locus of existing SA research as academics have primarily studied the Big Four.

First, we identified all assurers working with SA in these firms through Internet search (firm webpages and LinkedIn) and by snowballing (e.g. Yin, 2011). Second, a total of 107 people were contacted by email, LinkedIn and/or telephone to participate in our study. Overall, we received 12 affirmative answers and these interviews were conducted in April and May 2018. We held three (3) interviews with assurers from Mazars (Sweden, Tanzania, UK), three (3) from BDO (Brazil, Germany, Ukraine), two (2) from Grant Thornton (Israel, Sweden), and two (2) from RSM (Belgium, New Zealand). Two interviewees wanted to remain anonymous. We also received one written answer from Grant Thornton Mexico. The study participants are presented in Appendix 1.
The interviews lasted between 24 and 61 minutes, and the mean time was 44 minutes. We saved the recorded interviews either in .mp3 or .MSV format, and the written answer as a .pdf file. Due to geographical dispersion, all interviews were held in English via Skype or WhatsApp; four (4) were conducted by the first and eight (8) by the second author. To ensure the comparability of the interviews, we followed an interview outline (see Appendix 2) even if the open-ended nature of the questions sometimes strayed the interviewees to talk about other SA-related topics (e.g. Patton, 2015). This, however, enabled us to guide the conversation in a direction of interest (Eriksson and Kovalainen, 2016) as well as to clarify unclear aspects in the interviewees’ accounts. The interviews were then transcribed in verbatim (see Appendix 3 for transcription protocol).

Using the theoretical framework as a guideline, we individually coded the data with an open coding technique to find patterns (Yin, 2011; Saunders et al., 2016). Put otherwise, we developed codes under the broad labels of discretionary sustainability disclosure, SA, financial audit and assurer–client relationships. If an aspect which had not been discussed in the theoretical framework emerged, it was coded under ‘other’. Next, the two sets of initial codes went through axial coding, i.e. we connected codes to create categories and subcategories (Yin, 2011). For us, it means to interpret the data and make sense of the interviewees’ experiences and views. The five patterns that arose from axial coding (see empirical findings) were later, in the data analysis phase, merged into three overarching issues. Both the empirical findings and the analysis sections are, to a large extent, guided by quotes which aim to illustrate the assurers’ experiences of and views on the studied phenomenon. To distinguish quotes from one another, each interviewee received an acronym (I1-I12).

3.4. Research Quality

The quality of research findings is typically determined by assessing the validity and reliability of a study (Saunders et al., 2016). Validity describes how accurately the
study has been conducted (ibid.), although Eriksson and Kovalainen (2016) argue that validity is about providing an accurate account of a phenomenon in qualitative research. In our case, we recognize how our small but international group of participants provides only one account of the studied SA phenomenon in addition to which we are conscious of the fact that the interviewees may have only partially expressed their experiences of and views on SAEs and client relationships. Yet, we believe that open-ended interviews were an appropriate way to capture what the assurers perceived important and that the interview transcriptions allowed us to engage in in-depth interpretation.

More specifically, we are aware of the limited generalizability, i.e. the external validity, of our findings as our 12 interviewees are geographically dispersed in 11 countries (Patton, 2015; Saunders et al., 2016). It is possible that the social contexts assessed in this study are not applicable to other social worlds: a matter which other studies should address. Nevertheless, we tried to enhance generalizability by contacting all (identified) assurers at Mazars, BDO, Grant Thornton, and RSM globally and by conducting our thesis in a context that disregards the Big Four (Eriksson and Kovalainen, 2016). Our low answer rate (11.2 %), however, indicates that there are many more experiences and views outside the Big Four to be studied.

Reliability, on the other hand, refers to how consistent and replicable the research is (Saunders et al., 2016). The reliability of this research was built on two researchers conducting and transcribing the interviews, and analyzing the data (ibid.). We sought for consistency by checking each other’s transcriptions and by coding the transcriptions first individually and then jointly. Also, the empirical findings went through multiple levels of separate and joint analysis. This research is relatively easy to replicate as the research process is explained in detail and the interview outline and transcription protocol are provided as appendices.
4. EMPIRICAL FINDINGS

In this section, the interviewees’ accounts of SAEs and assurer-client relationships are described and analyzed. Since the data analysis procedure was abductive, we moved iteratively between data and the theoretical framework to identify how assurers describe SAEs and characterize assurer-client relationships. On the grounds of our coding and analysis, the identified patterns are elaborated on in the following subsections.

4.1. Typical Descriptions of Sustainability Assurance Engagements

When the interviewees were asked to describe a typical SAE in their firm, they described their assurance environment in which a central role was assigned to the legal framework. Firstly, the assurers explained the context of SAEs and secondly, they defined the effect of the regulatory framework as either limited or inexistent:

“It is a bit tricky because there is no requirement for sustainability reporting. The thing that is nearest to sustainability reporting [...] is the directors’ report which encloses some of the matters that are normally reported in a sustainability report. [...] If you are looking for this strict sustainability report like those following international sustainability standards, you will not find it [here] because there is no such requirement locally.” (I3)

“If you are listed on [the] stock exchange, it is mandatory to do an integrated sustainability report. That covers both your financial and non-financial indicators. [...] Otherwise it is not mandatory.” (I1)

As a result of minimal or missing regulatory requirements for sustainability reporting, the number of companies engaging with SA is limited. I4 and I12 described service fees to be a reason why companies do not engage in SA when compulsion through legislation is missing:

“Assuring sustainability reporting is rather expensive, so a lot of companies are a bit reluctant to do so because it is already an investment for them to do the reporting in itself [and] to put the process in place to be able to report. The assurance is the cherry on the cake and [it] comes later.” (I12)
Contrary to other interviewees, I8 noted how she operates in a highly regulated environment as her country has legislation for both sustainability reporting and assurance. In this country, legislation for sustainability reporting and verification was introduced in 2001, requiring companies “*that fit few economic thresholds and financial thresholds*” (I8) to report on sustainability. The interviewees also expressed differing opinions about the function of legislative frameworks to SA. Participants described legislation both as a driver (I3, I8) and as a limitation (I11, I12) for companies to engage in SA. This illustrates a debate whether “*it is better to inspire or [...] to require*” (I11) because legislation can, on the one hand, increase the employment of SA but, on the other hand, inspiration can lead companies to seek SA voluntarily because they see its various benefits. However, it also has the potential to make companies engage with sustainability for the sake of compliance and turn sustainability reporting and assurance into a ‘tick box exercise’ (I1):

“...this [law] exists since 2001, so now we have a very mature process. We have many audit firms performing [sustainability assurance].” (I8)

“I am not sure that the new directive with all the obligations that come with it will be a positive thing because I think when companies are forced to do something they will just give the minimum information to fit the criteria and that is it. That does not mean that there will be a real sustainability reflection behind [it].” (I12)

In the later quote, I12 is of the opinion that the new EU directive will make SA just another tick box exercise. She thinks that voluntary SA would be more effective than regulation because companies that see the added value of SA will adopt it. Interviewee I2 affirms this notion by saying that proper engagement in SA would "improve profitability". Although the directive is relatively new in the EU, I8’s home country already requires assurer-rotation to preserve the assurers’ objectivity and independence. Assurer-rotation dictates that an assurer can conduct the SA of a single client only for a predetermined period. I8, however, thinks that annual rotation impairs assurers’ objectivity because they are concerned about losing a client of they are too strict during the SAE.
“Actually, if we had a six-year contract, for example, it [would] be very much easier because I [would] know that if something is going bad on site, I will have to go see my manager or the client is going to talk to my manager and say ‘we don’t like her, we don’t like this audit, it was not very good and actually she makes a lot of people angry’. So, you will always say back ‘I’m sorry, what can I do for you to be happy and to take us next year?’ [Because of the one-year contracts] we always have to be gentle, be pedagogical and not perform the audit to the maximum.” (I8)

As a result of the mandatory assurer-rotation, I8 explained that assurers do not want to be strict and deliver the SA to the maximum because they are worried that it might lose them (future) business. In this market, assurers thus approach the SAE with caution in order to retain clients for the following year. Put otherwise, the assurer does not position him- or herself in a policing role, but rather executes the SAE with deliberation, i.e. not being too strict. Interviewee I6, on the other hand, describes that to prevent scandals like Enron and WorldCom in the SA market, rotation is necessary to maintain assurers’ objectivity and to avoid the establishment of personal relationships between assurer and client. Interestingly, I6 and I8 describe a different time-frame (one to five years) for the assurer-cycle, indicating that there is confusion even among the assurers about what the directive expects of them.

Nevertheless, the legal framework was not the only factor that limited SAEs. Due to the nascent nature of SA, there are few standards in place to describe how the engagement should look like. When discussing non-financial information audit, the interviewees made comparisons to how financial audit is regulated and organized. They, for example, noted that currently there is no comprehensive framework for SA and hence, they attempt to ‘professionalize’ SA by using the existing framework of financial audit as a basis for SA. In the words of I2:

“In the financial world, everybody has Sarbanes-Oxley which very much helped codify all the processes and controls that companies have in place. In the non-financial world we have not had that, we have not had Sarbanes-Oxley. [...] The governance that you have in the financial world [is something] that we do not quite have in the non-financial world and so it is just getting companies to reflect [that] there is already a model to do this properly, we should copy that.
We are not trying to reinvent the wheel, all we are trying to do is ‘look, this seems to work over here, i.e. the financial world, let’s do the exact same process but now in the non-financial world.’” (I2)

This quote describes not only how the financial audit framework used as foundation for SA, but also how financial audit is viewed ‘proper’ because it follows agreed upon rules and frameworks like SOX, IFRS or GAAP. SA, on the other hand, lacks such established practices. Indeed, the assurers seemed to like that financial audit, contrary to SA, told them exactly what should and should not be audited and later disclosed in the audit statement; “financial [audit is] more straightforward [...] stating very much in detail what you should have and what you should not have in your [audit] report” (I4). The assurers thus see the financial audit framework as role model for SA. The ‘professionalization’ of SA is also associated with the use of assurance standards like ISAE 3000 or AA1000AS. Using these standards is thought to increase the quality of SAEs and I2, in fact, thinks that “anything that does not include those [assurance] references always has some kind of alarm bell ringing”. ISAE 3000 was described by the interviewees as the standard “that is mainly [used] by auditors to perform these [kinds of] assurance reviews” (I5). AA1000AS and ISO 26000, on the other hand, were barely mentioned by the interviewees. When they addressed them, it was to disregard them as “proper” assurance standards. In sum, SA can only be taken seriously when an accountancy-based assurance standard is followed.

Apart from assurance standards, the assurers discussed different levels of assurance. The assurers view that albeit there is a will to obtain assurance, clients are unaware of what assurance level is optimal for them: “from having no assurance report at all, they start off by saying: ‘well, in order to have some more credibility on the [sustainability] report, we would like to have some kind of audit assurance on it’. They probably do not know what level they want” (I4). Complete and reasonable assurance levels were perceived uncommon because they are considered as the more expensive solution. Assurers, however, prefer reasonable assurance as it provides a better overview of the internal processes and the disclosed information.
Yet, limited assurance is preferred by approximately 80% of clients because it is cheaper and less in-depth. This implies that SASs do not cover the full picture of companies’ sustainability efforts, but only what the client selects to be audited. The scope of the SA is indeed entirely up to the client, a matter which I2 calls ‘cherry picking’ because clients’ are likely to merely audit aspects that they know to be positive. Once the ‘cherries have been picked’, i.e. the scope has been set, the assurer needs to make sure that he/she can perform the assurance according to the chosen reporting framework and assurance standard (usually ISAE 3000):

“After the client tells us: ‘we would like you to apply [the] GRI G4 option’, we (BDO) will then scrutinize with two pairs of glasses on; obviously the ISAE 3000 view that tells us exactly of how we should approach this engagement for non-accounting information including scrutinizing materiality, data verification processes and other critical issues raised in that report against the standard. The second view will be according to the chosen reporting framework e.g. GRI.” (I6)

Examining the data through two different lenses provides the assurer a broader perspective of the reported information. In the case described by interviewee I6, the client has produced their SR according to GRI G4 guidelines and therefore asks the assurer to keep that framework in mind. The assurer, on the other hand, examines the data materialized by the client through the ISAE 3000 assurance standards glasses. The two different perspectives allow the assurer to give an all-encompassing SAS.

4.2. Data Accuracy and Verification Challenges

Besides the characteristics and depth of the SAEs, the critical role of non-financial data for SA was highlighted. Its relevance extends beyond verification since data is evidence about whether client’s claims in the SR are warranted or not, whether the indicators have been calculated correctly or not, and finally, whether the assurance provider can issue a SAS for the client or not. The assurers were unanimous that collecting and disclosing data is one of the client’s key responsibilities, whereas
getting access to the relevant data is the responsibility of the assurer. In the words of one participant:

“It is your responsibility as an auditor to [...] tell the client what you want to see. You do not depend on disclosed matters. Once you determine the need for a certain document or information: you have to get it. If the client cannot provide it, they have to explain. They need to have a good reason why [they] cannot [provide that] if that is not limited to your scope.” (13)

As the quote illustrates, access to data was considered important because it enabled the assurers to confirm the veracity of the report and, in turn, enhance the comparability and credibility of the client’s SR. Most interviewees emphasized how it was their role to verify that the disclosed non-financial data was true and accurate. I6, in fact, described himself as kind of ‘Sherlock Holmes’ who seeks for evidence and is exclusively interested that this evidence is reliable and can be verified without reserve. The interviews, however, showed that assurers have difficulty finding reliable evidence because non-financial information is scattered across the client’s systems and the client may, accidentally or purposely, provide incorrect or misleading evidence, or withhold evidence from the assurers.

“[When] we look at relative versus absolute carbon for a coal-powered plant [...] history has shown that some companies are prone to massage the figures because they are afraid that they might look quite high compared to their competitors or in the eyes of key regulatory bodies. So, to complicate things some companies use sophisticated calculations or use obscure carbon ratios to calculate and present its footprints. It is up to diligent auditors, akin to forensic accountants, to go through all calculations and assumptions to verify statements or highlight discrepancies with the client. Where explanations are not congruent with the stated data good auditors will have no problems pointing this out and allowing for recalculations.” (16)

“The people that are hired to write the report, they are usually journalists. They put the information in the report [but] they do not have concerns about the veracity of that information. [...] This is sometimes a challenge because when you want to change something in the report, you are not only asking the client but also the journalist.” (15)
These quotes indicate how the assurers’ primary concern is data accuracy. They made a point of clarifying unclear and/or untrue issues in the SRs to avoid the disclosed information misleading someone. According to the interviewees, issues of unclarity and untruthfulness are common. Clients, for instance, tend to make numerical mistakes like faulty calculations or misspellings and sometimes their data collection methods cause errors. Interviewee I10, for example, explained how some clients use Excel to collect data and that the data collection method varies by employee. SRs may also have errors because the client has hired another company to prepare the SR and this company has not paid attention what kind of information they have disclosed (see previous quote). Yet, the assurers were rather understanding about such situations. Many described how they usually informed the client (or the other company) about the error and allowed them time to fix it since they would only render assurance on the final version of the SR. Indeed, there seemed to be a general understanding among the interviewees that clients struggle with pertinent non-financial data collection.

“The hardest thing is when they take some time to understand how they’ve calculated something; when it’s not clear for them. [...] Sometimes there’s so much data they’ve collected that they’ve forgotten how the process was, how they came to an end result. But then it usually takes time for them to work out what they’ve done.” (I9)

Interviewees I8 and I10 also described their own experiences with or hypothesized over finding untruths in the client’s non-financial data. They agreed that it is difficult for the assurer to detect an error because they are hired to audit the collected data: usually documents with numbers; not to go to all sites and verify whether or not the data is in accordance with reality across the company. I8 found this particularly true for environmental data and she illustrated the situation with the Volkswagen Dieselgate example. She said: “you have different people auditing this matter; you have the state, you have companies with delegated power, you have external audit, and you have CSR audit. Finally, no one actually sees the problem. [...] First, [it is] because you’re not an engineer, you’re not a specialist. [Second], they can tell you
anything [they] want on paper; you’re not going to open the car and see if there is a device that should not be allowed”. With respect to assurers’ lack of expertise in quantitative non-financial data, I7 and I12 described how they require the assistance of more technical colleagues or specialists to verify whether the data is true and correct. It seems that while assurers are perceived as experts in numerical verification of data, they struggle to understand what non-financial data is about. I7, for example, pointed out how SA requires a different mindset; “the main challenge, especially for me with my [audit] background, [is that] it’s completely different thinking and knowledge which is necessary [for sustainability assurance].”

Besides quantitative non-financial data, the assurers found the assurance of qualitative non-financial data challenging. The main challenge, according to the interviewees, was that qualitative data is difficult to verify. They viewed interviews and written documents as insufficient means to confirm the veracity of the qualitative data, especially because they make it possible for the companies to hide and misrepresent information. I2 told that he applies triangulation to the verification of non-financial (qualitative) data since it helps him to confirm what reality is and refrain from simply trusting someone’s word.

“Qualitative [audit] is in general just an interview. We don’t have very [many] documents or verification. It’s more like an interview, so you can say whatever you want. [...] we cannot see the truth.” (I8)

A majority of the interviewees underlined how they would terminate the contract if they would not receive the necessary information from the client or if the client would refuse to revise the disclosed information. They were steadfast about writing an assurance statement which would objectively inform stakeholders: “if we see that our work can be misleading somehow, we need to say to the client that it’s not possible to work like that or [that] we cannot issue a report if the attitude does not change” (I5). The assurance of inaccurate or incomplete SRs was depicted as hurtful not only for the assurer him- or herself, but also for the entire accounting profession. However, some interviewees (I1, I5, I6, I9) pointed out how being transparent about
the origin and content of the non-financial data is in the client’s interest because “otherwise they could either not do [the sustainability assurance] or pay someone else who does a lousy job” (I6). I4 and I10 also mentioned that assurers want to prevent that SRs with a multitude of deviations and SASs verifying such SRs are published. Thus, there is no conflict of interest as the assurer acts in good faith towards the client.

“I do not think [the client] has a negative attitude towards the audit because it is usually at this point a voluntary process. Everyone tries to do their best.” (I12)

4.3. The Interplay of Audit, Education and Assistance

Based on the interview accounts, SA follows the principles of the traditional accounting profession. First and foremost, this means that assurers are not allowed to advice or help the client in SR preparation and later conduct assurance over their own advice. This derives from the assurers’ requirement to be an independent third-party during the SAE. The interviewees primarily emphasized this aspect by comparing themselves to consultants: “you cannot be a consultant and an auditor at the same time; we are obliged to create a firewall between these two roles. I cannot advise them what they should do [...] that is the consultant’s role” (I6). This straightforward division suggests that our interviewees are aware of what they should and should not do as assurers of an accounting firm. I7, in fact, viewed that experience in financial audit is a competitive advantage in the SA market because it somehow guarantees that the client receives a true and fair assurance as the assurers need to be objective and independent.

“It could be that you find [a non-accountant assurer] in the Internet and you can see that they performed the preparation and in addition gave the assurance. That’s nothing we can or would do.” (I7)

Nevertheless, the interviewees were disunited to what extent they behaved ‘by the book’. One group (I2, I4, I6, I7, I9) was adamant that assurers should only conduct
the assurance, not help the clients with SR preparation. They still informed the client of errors and, within the limits of their profession, provided the client with different options on how to correct the issues. According to I4: "our job is to prevent a report [from] having a lot of deviations. It is important for us to get the client to change the report or to add information". With SASs, assureers are in the business of increasing report users’ confidence in the disclosed information. Thus, they should only verify SRs that are backed up by data or else the credibility of the service and the reputation of the firm and/or the profession is damaged. I6, for instance, explained that: "There have been instances around the world when e.g. big 4 auditors conduct audits that are not respecting the boundaries between the consulting and auditor role. When the [is] picked up the whole industry will face questions including: ‘how can we trust you?’". Hence, the assureers thought that they were only being of good support by providing the client with options on how to solve the error(s).

“We can talk about what possibilities you have–A, B [and] C–but it’s your choice. I can’t do the work for you and say ‘your choice should be A and I [will] write this text for you’.” (I7)

Another group of interviewees (I2, I4, I5, I10) perceived the assurance engagement as means to educate clients about sustainability. In the firm of I5, for example, they began to offer clients a training course on sustainability to help them “see the real problem: what they need to address when they start doing the [sustainability report]”. She is also of the opinion that SA is a process which enables the client to understand itself better as a company. Likewise, I4 expressed that SA “could be an eye-opener to the management how [sustainability] works” and I2 spoke about assureers’ being conduits between the ‘field’ and the management. With conduits, he meant that assureers see how clients work with sustainability across the company and they are able to pass that information all the way to the top where senior managers may be clueless of what happens in the lower hierarchical levels. His experience has an educative element to it because the client is likely to make changes in terms of sustainability as a consequence of the SAE. Lastly, in the case of I10, she decided to issue the client a strict first conclusion since she saw that they were not in
accordance with the assurance standard. This was a way for her to push the client to comply with the standard.

The third group (I3, I5, I8, I12), on the other hand, expressed some situations when they had gone beyond assurance or education in SAEs. For example, I12 talked about giving the client direct advice on how to fix an error in the SR (see quote), whereas I3 explained how they review whether and how clients implement the given recommendations and possibly agree to change the recommendations if there are problems. These cases suggest that SAEs are not mere transactions; there is a human element to these engagements. Clients perceive assurers as experts in sustainability and thus seek advice from them, which puts assurers between a rock and a hard place since their profession expects them to not give advice even if it would facilitate the SAE. As a matter of fact, I5 and I8 both described situations which are clear breaches of assurer independence. I8’s firm, for example, occasionally makes an exception and helps small clients to correct errors in the non-financial data since they lack the time or the will to do it. In the financial world, this would be illegal. I5, in turn, perceived that her independence makes her recommendations to the client better because she can see matters from another angle and, as the quote below shows, she considered it admissible to assist the client with improving the SR.

“We need to show the client that we are there to make an assurance on the [sustainability] report, but we are also there to help them to address if they have some doubts on how to write or how to look for the information to get to [some] indicator. This is strange but sometimes you need to be like a consultant to help the client to write the report in a better way.” (I5)

“If we audit, we are not going to give as much advice as we would do as a consultant because we have to stay independent from the [client]. But if people come up and say ‘well, we have this problem and we intend to solve it by doing this or that, what do you think?’, it is much easier to say we agree or no we challenge your way of doing things because we think you should take this or that into consideration.” (I12)
4.4. Of Influence: Sustainability Reports versus Assurers

The interviewees described that SAEs are not always as straightforward as they should be as clients may attempt to exert control over the SAE in order to receive a favorable SAS. Two kinds of influence were mentioned: the balance of SR information and influence on the assurer. To begin with, for the SR to be balanced, the client needs to be transparent about their sustainability efforts to their stakeholders because transparency is crucial: "if you’re not transparent, perception rules and for many people perception is reality" (I1). However, the interviewees experienced SRs to be unbalanced and inaccurate as they tend to focus on positive aspects and hide negative information. I2 explained of a situation where the client wanted the assurer to audit information which could not be verified due to its inaccuracy:

“When we first started, we were asked by an Indian company [if we] could do a little exercise on them and provide them with some assurance on discrimination at one of their sites in India. And they said ‘please can you not look at cast and sexual preference?’ And we said ‘no, we either do it properly or not do it at all’ and their legal team refused to accept. [...] We were not prepared to put our name to a condensed form of non-discrimination.” (I2)

A point in case is when the disclosed SR information is “massaged” to appear more positive and the client hopes to receive assurance over such unbalanced claims. For example, I4 and I10 explained about situations where the client had not achieved the goals set in the previous SR and they did not want to disclose this shortcoming and/or provide a clarification of how they are to remedy the situation. Another interviewee (I2; see quote above) explained how a client wanted to limit the scope of the SAE in order to purposely leave out negative issues and obtain a favorable SAS. To this, I6 provided an explanation why companies may be reluctant to discuss their shortcomings and other issues: "in some countries no news is good news, but reporting bad news is really bad in terms of stakeholder perception and company reputation”. The assurers perceived auditing incomplete or inaccurate SRs as a "magnifying glass to separate talk from those companies which can actually
demonstrate their sustainability priorities, measurements, performance, and strategy” (I6). SA was also perceived as a tool to prevent SRs from becoming marketing or public relations mechanisms: “if we don’t have any independent assurance over that, they will just use it as a marketing exercise and all show really rosy results and maybe stretch the truth a little bit and that won’t help with the trust and confidence” (I11). Overall, the balance of the SR was thought to enhance the transparency of the client to external stakeholders. In the words of I4:

“The overall picture of the report, when reading it, should be balanced. Even if it is not wrong; is it balanced enough? Then we can say that this was not an issue of them hiding away information but more a balance issue.” (I4)

Attempts to influence the SAE extend beyond the balance of the SR. According to the second influence type, clients sometimes try to influence the assurer him- or herself. Two of the interviewees (I8, I10) were, for example, warmly welcomed, invited out for dinner, taken to museums, or bought gifts by the client (see quote below). Besides these explanations, influence of the assurer was not widely discussed among the interviewees. Only I6 highlighted that offers of hospitality should be declined (see quote below). Thus, the fact that assurer influence did not emerge in other interviews could either indicate that such influence rarely happens in the SA market or that assurers perceive it as a taboo.

“Sometimes we have companies that are very into communication so, they insist for us to visit a museum [with them]. This is at least 50 % of the audits. They try to offer valuable gifts, jewellery, shoes.” (I8)

“It should always be a professional and if possible, warm, respectful relationship. [...] But I would advise against any questionable actions such accepting hospitality offers e.g. dinner or receiving/giving any gifts. This is illegal in most countries, so at BDO we reject this as a matter of policy.” (I6)

Interviewee I8 provided a further elaboration of her experiences with clients that try to influence her and her work:
“In general, in CSR audit we go with just one person or two persons, meaning that the client only sees me, or me and someone else. [...] We [talked for] a very long time, so we bonded and at the final moment before going to the company, this lady said ‘oh, the CEO asked me to buy you gifts’. I would say ‘oh my god, no, we cannot accept gifts’ [and] they [respond] ‘oh, don’t worry, it’s just local specialties’. [...] Of course we’re human and she’s a very nice lady and we don’t want to make her sad, so we say ‘okay, okay’. I think that’s very natural even if it’s very small gifts; you want to be nice to her. And you want to be nice to the company, you want to be nice with the CEO.” (I8)

This quote shows how the client attempts to influence the assurer–client relationship by decreasing the parties’ personal distance with a small act of providing gifts. Even though the assurer stated that she cannot accept gifts, she budged and eventually accepted the gifts. In another example, I8 described that a client tricked her to take gifts by presenting them well. She did not experience the offer as a gift until it was too late and she had accept to take some games home with her. When we asked her whether she felt influenced by the client, she denied that she would be influenced by such efforts but acknowledged that other assurers could be influenced depending on their personality. Moreover, I8 described that because SAEs are usually conducted individually or in small teams, clients may be more prone to try to influence the assurer(s). She illustrated how she tends to have lunch with the client because she is alone on the site, whereas audit teams always eat together because they are such a big group. However, by lunching with the client, she decreases the social distance between her and the client. The fact that assurers are influenced when conduct audits individually or in pairs is troubling because all our interviewees work in a small sustainability (assurance) team. Do small assurance teams make audits more vulnerable to external influence than large teams? This is an interesting avenue for future research.

“I joined our sustainability team two years ago. We are not that many people and there is no one with sustainability reporting on a daily basis.” (I4)
4.5. **Collaboration Requires Reciprocity**

The interview accounts revealed that the cornerstone of assurer-client relationships is collaboration. When the interviewees talked about collaboration (or cooperation), they referred to agreeance over the assurance scope, the client’s willingness to hand over relevant information and the client’s readiness to help with inquiries. Yet, as the quote below demonstrates, collaboration only characterizes what the assurers deemed necessary to finalize the SAE, i.e. write the SAS.

“It needs to be almost as if you would be sitting in a room with somebody, but obviously in two separate rooms. Usually, they’re sitting in their own workplace and I’m here, but it needs to work as though you were sitting together. So, it should be a backward and forwards conversation.” (I9)

In this quote, collaboration is the act of “work as though you were sitting together”. It indicates that carrying out the SAE is a joint, yet somewhat reserved effort. The client and the assurer need to work together to finalize the SAE but each have a distinct role to play. This perspective was brought up in a number of interviews (I3, I5, I6, I7, I8, I9, I10). As the earlier mentioned collaboration examples show, the client is responsible for determining the terms of the assurance, providing information and helping out with any unclarities. The assurer, on the other hand, is responsible for carrying out the assurance with regard to the specified scope, given data and client’s clarifications. In other words, the client’s role is characterized by transparency and openness, whereas the assurer’s role is characterized by objective professional practice.

“A fundamental principle is that we can trust our client in this kind of engagement. We get the information that we want to see and that they let us see it, and that they are transparent in how they are gathering this information and from where. [...] We are the ones auditing the firm but at the same time, in order to make assurance, we need to have full cooperation [from] the client.” (I4)

Apart from the client being open and transparent and the assurer performing his/her job objectively, the interviewees described how there needs to be effective
communication between both parties. Effective communication permits that information flows well in both directions; the assurer knows the assurance scope and obtains data and answers to inquiries in a timely manner, and the client receives a representative SAS in due time. For instance, interviewee I12 described such communication as a win-win situation. It was also noted how communication helps assurers and clients solve issues: “if you can keep them up to date, they will come back to you, give you their view, [then] you explain and they understand. Technically, there is no problem in such a case” (I3).

Yet, interviewee (I8) explained of few situations where the information flow towards her was monitored by the client. Once she was accompanied by a Communication Officer of the client throughout the SAE (see quote below). This made her feel uneasy because such direct observation during an external SA is uncommon. On other occasions, she encountered influential client representatives who “sometimes want to watch us just to make sure we don’t ask too many questions” or her SA-related inquiries were met with counter questions about why she was interested in that information. Her account shows that some clients consciously try to monitor what information the assurer accesses during the SAE, especially when it comes to additional requests.

“We have a very well-known company on an international level which is very known for [its] aggressive communication position. [...] Every time we go to an on-site audit, we are always accompanied by [a] Communication Officer. Always. This is quite weird because we are CSR auditors. In general, if someone accompanies us, it’s the Sustainable Officer. So, you don’t feel comfortable even if the Communication Officer is very nice to you. You don’t feel safe as an auditor because you feel like you are very watched.” (I8)

As previously mentioned, the interviewees perceive assurer–client relationships as both collaborative and reserved. I5, I10 and I12, however, provided an alternative explanation to the extent of collaboration and reservation in the relationships. They explained how clients tend to see them as auditors which, in turn, lead them or certain client representatives to either enhance the collaborative or the reserved
aspect of the relationship. In the words of I10: “I can say that the company feels you as an auditor. So, they are more respectful (laughs), they are more free in communication, they give better responses to the requests [on] information and the data. At the same time, they can put things in secret and they can be more closed [in] the interviews”. In similar vein, I5 described how “it's [usually] a very good relationship but they sometimes see us as auditors. (laughs) So, as we talk with people inside the company, there are some that are more open to discuss and show [or] change what is not correct, but others are more resistant”. These quotes indicate how being perceived as an auditor is a double-edged sword to assurers. On the one hand, it can facilitate their access to data and information as well as enhance effective communication. On the other hand, it can make the client more reserved or secretive, complicating the SAE. The interview quotes also show how the assurers laugh when they describe this feature of the assurer–client relationship. This may indicate that regardless of similarities between SA and financial audit, assurers perceive themselves dissimilar to auditors.
5. ANALYSIS

This master's thesis is an exploratory interview-based research which studies how assurers describe SAEs and characterize assurer–client relationships. More specifically, the research aims to answer the following questions: (1) what are assurers experiences of and views on sustainability assurance engagements? and (2) how do assurers characterize assurer–client relationships? This section discusses the empirical findings together with existing literature.

5.1. The Unbalance and Inaccuracy of Sustainability Reports

This research illustrates that clients face difficulties with the preparation of SRs and assurers struggle with the verification SRs. Similar to Sandberg and Holmlund (2015), we find that clients enjoy considerable freedom regarding what and how they disclose information in the SR. We also identified that the voluntary nature of sustainability reporting is the origin of SR unbalance and that clients' challenges with data collection influence the accuracy of the disclosed information. Thus, while the purpose of SRs is to mitigate the information asymmetries between companies and stakeholders (Manetti and Becatti, 2009), SRs provide an overly positive and erroneous picture of companies' sustainability efforts. Thus, a complete picture creates transparency which is desired by stakeholders (e.g. Edgley et al., 2010; Hahn and Lülfs, 2014).

“The fact that the company would go through the process of having [an] assurance report is for me the guarantee that the information that is presented is accurate.” (I12)

Because assurers view that today's SRs are, to some extent, unbalanced and inaccurate, we affirm Sandberg and Holmlund (2015), Talbot and Boiral (2018), and Hahn and Lülfs’ (2014) discussions of OIM tactics. We find that non-financial information is sometimes obfuscated or excluded to provide a more positive
perception of the SR. This reflects the OIM tactics of praise and positive writing style (Sandberg and Holmlund, 2015) which are linked with a number of research results (e.g. Cho et al., 2012; Boiral, 2013; Talbot and Boiral, 2018). Praise means to present matters in an overly positive way, whereas the positive writing style gives an unbalanced account of aspects (Sandberg and Holmlund, 2015). As previously mentioned, assurers also encounter inaccurate SRs. While the inaccuracy typically stems from issues in clients’ data collection, client may try to obfuscate and/or manipulate data to their advantage. In other words, assurers should not blindly trust the information that the client provides. Moreover, the detection of data errors may be hampered by assurers’ lack of technical expertise and/or unpracticed verification of non-financial information. The data analysis shows that assurers are particularly concerned about the unbalance and inaccuracy of non-financial information because they do not want SRs or SASs to be a marketing exercise. Instead, these documents ought to accurately present the client’s sustainability efforts that have taken place. This contradicts Boiral et al. (in press) who state that SR balance was not of focus to assurers and thus unimportant to SAEs.

“People [are] only to show good information and not bad information. So the main tension has been [that] you have talked about these things here that are really good, but what about this part of your operation which hasn’t gone well and has kind of failed? You have just been completely silent on that part, so the balance of reporting is a challenge area.” (111)

5.2. Restricted and Limited, Yet Accurate Assurance Statements

The assurance of SRs continues to be a voluntary act for companies (Fuhrmann et al., 2017). O’Dwyer et al. (2011) argue SA to be subject to market forces and indeed various organizations (e.g. GRI, IAASB) have issued recommendations and control mechanisms to encourage and standardize the adoption of third-party SA (e.g. Sierra et al., 2013; Gillet-Monjarret, 2015). Accordingly, the SA market is filled with various guidelines, standards and assurance providers, and research has shown that this is but one reason why SAEs and SAS are so heterogeneous (e.g. Deegan et al., 2006b; Bepari and Mollik, 2016). Another known reason is that assurers and clients
jointly determine SAE terms (Hummel et al., in press), meaning that most engagements are to some extent ad hoc. Our findings are in line with these results. Not only did the interviewed assurers view the SA market complex and occasionally confusing, they also explained how clients usually go about sustainability differently (see quotes below).

“I see lots of different things happening, but nothing happening really centrally. And partly that is because what is [considered as] sustainability? Which framework are we talking about here? Is it UN SDGs, is it GRI, is it integrated reporting, you know? What is the framework, what is the reporting and what is happening? And because of that providing assurance over [sustainability reports] is quite difficult.” (11)

“At the moment we have to be quite ad hoc, it’s never the same. Yes, there is the same overarching framework, but every company seems to have different drivers doing at the moment; it is not really like the financial world.” (12)

Our findings also corroborate with studies about assurance process depth. We show that clients typically decide the scope and the level of the SA, whereas the assurer dictates which assurance standard and information collection techniques are used. Gillet (2012) and O’Dwyer and Owen (2005), among others, demonstrate similar results. More specifically, our findings affirm that (a) clients prefer not to audit the entire SR, (b) assurers primarily use the assurance standard ISAE 3000 and (c) clients opt for an acceptable level of risk and negatively worded SASs which means that (d) assurance levels are typically limited. The restrictiveness of the assurance scope has also been shown by Hummel et al. (in press) who found that only 7% of companies audit the entire report, while 31% audit numerical values or qualitative statements and the remaining 61% audit both. In our study, the price of the service was named as a possible reason for the prevalence of partial audits, a notion shared by Hummel et al. (in press, p.4): “more intensive assurance services are associated with higher costs”. Regarding the assurance level, other researchers indicate that moderate (AA1000AS) and limited (ISAE 3000) are preferred options (Seguí-Mas et al., 2015; Bepari and Mollik, 2016), albeit our findings indicate the predominance of limited assurance levels because the interviewed assurers primarily apply the ISAE
3000 standard. “We as auditors always [or] in 99 % of all the cases use the guideline of [ISAE 3000] to do [the assurance]” (16). The employment of ISAE 3000 is indeed common for assurers working in accounting firms since the standard was issued by the IAASB which, in turn, is supported by the IFAC (Gürtürk and Hahn, 2016; Hummel et al., in press).

ISAE 3000 is known for its focus on data accuracy (e.g. O'Dwyer and Owen, 2005; Manetti and Becatti, 2009), which our research findings confirm. Firstly, the assurers stressed the need to verify the veracity and accuracy of the data and secondly, they underlined the need to make sure that the SR or assurance statement would not mislead stakeholders. These needs led the assurers to obtain additional information via interviews and documents to corroborate the SR’s claims. In similar vein, Gillet (2012) notes how interviews and other documents are used to confirm what is disclosed in SRs. Many interviewees in fact highlighted how they could not merely trust clients’ words and the documents they provide because errors are common due to data collection issues and miscalculations. Some clients may even purposely obfuscate data. While the role of reporting companies’ data collection techniques has not been discussed in the SA literature, Bepari and Mollik (2016) show how most SAS recommendations tend to cover weaknesses in data management, data capture and data comparability. In other words, there are notable shortcomings in how clients collect, manage and interpret non-financial data.

“*The hardest thing is when they take some time to understand how they’ve calculated something [...] Sometimes there’s so much data they’ve collected that they’ve forgotten how the process was, how they came to an end result.*” (19)

Nevertheless, clients are not the only ones struggling with non-financial data. The analysis indicates that assurers sometimes lack the technical expertise to assess quantitative non-financial data, whereas with qualitative data the difficulty lies in the verification of information. Indeed, while accountant assurers are thought to provide superior audit quality, non-accountants tend to be sustainability experts and their SASs are deemed more informative and complete (Deegan et al., 2006a;
Perego, 2009; Hasan et al., 2003). Assurers’ lack of sustainability expertise combined with the audits’ focus on secondary information may, according to our findings, lead to the oversight of mistakes and perversion of data in SRs (see quote below). This is problematic as the assurers shared a general understanding that they would not give SASs to inaccurate and/or misleading SRs. They would rather recuse themselves and/or lose a client than put their (firm’s) name to a statement that could later backfire.

“I think PricewaterhouseCoopers has a few problems because they did the [ExxonMobil] verification but they did not see that ExxonMobil lied about close to 20 billion barrels of fuel. That’s a big miss.” (I8)

“At a certain level, the professional practitioner should look at himself and say: ‘what are we prepared to put our name to and what are our personal values here?’. Particularly, [when] we [are] not too sure how they [are] going to use the report.” (I2)

5.3. Data Transparency + Collaboration = Assurance Statement

Previous works on auditor–client relationships show that audit-related relationships tend to be rather close due to low social distance (Perreault et al., 2017). The closeness of the auditor and the client enables the audit tasks to be completed in an efficient manner which is the interests of both parties. Our findings affirm that collaboration is a critical characteristic of assurer–client relationships. Collaboration was viewed crucial by the assurers because it meant that they could finalize the SAE and issue a SAS to the client. In other words, collaboration facilitates the completion of the SAE.

Besides close collaboration to execute the SA, the findings indicate a certain level of distance between the assurer and the client. This distance, based on our empirics, stems from the distinctiveness of the roles. The client is responsible for the preparation of the SR and the transfer of relevant information, whereas the assurer is responsible for auditing the disclosed and asked for information as well as for issuing a SAS. These roles are relatively established in both SA and financial audit markets (e.g. Zadek et al., 2004; World Bank, 2011). However, even though the client
has hired the assurer to conduct the SA, accountant assurers like our interviewees are subject to accounting profession principles and accordingly, they are independent and do not answer to the client (e.g. Bepari and Mollik, 2016). Beattie et al.’s (2001, p.16) analogy of auditor–client (or assurer–client) and buyer–seller relationships is thus impaired because the auditor (or assurer) is not accountable to the client as sellers typically are to buyers. Instead, assurers are accountable to audit principles and the chosen assurance standard.

“Once you feel like you are no longer independent, we have internal policies that require you to recuse yourself from [the] engagement.” (I3)

According to our findings, assurers and clients’ respective SAE duties also define their dominant characteristics. This means that assurers are characterized by their responsibility to review information skeptically and conduct the assurance objectively, while clients are characterized by their responsibility to prepare and provide all the necessary information as well as be transparent about these steps. The most stressed characteristic of assurer–client relationships across all the interviews was the provision of information. The importance of information (or data) has been noted in other works as well. Golen et al. (1997), for example, demonstrate how omission of information can be a barrier to auditor–client relationships and Hawkins and Owens (2017) show how auditor commitment is influenced by the timing of inconsistent information provision. In the latter study, auditors were more committed to the audit when the client provided the inconsistent information in the beginning of the engagement. In similar vein, our study indicates that assurers are appreciative of clients’ efforts to be transparent about data and to admit when they have misunderstood or incorrectly done something. The findings also suggest that the interviewed assurers think about the client’s transparency concerning data as an axiom; assurers will report all detected errors to the client and the client will have the chance to correct them before the SR is audited. Thus, assurer–client relationships are fundamentally proactive because
the assurer and the client generally need to maintain a dialogue about what information is missing or incorrect, how has the client calculated or otherwise obtained certain information and so forth. This is similar to McCracken et al.’s (2008) findings of the interaction between CFOs and auditors.

“Usually, it is an open conversation [when a client does not want to publish some information]. We have to find a middle ground to what is reasonable to meet the opinion of the auditor and which fits to the desire of the [client].”

(112)

5.4. Discussion

The main purpose of this master’s thesis was to create an understanding of how assurers perceive SAEs and assurer–client relationships. Thus, the first research question was to investigate: what are the assurers experiences of and views on sustainability assurance engagements?

Based on the interviews, assurers encounter a fair number of unbalanced and inaccurate SRs in their SA work. This issue stems from the unregulated nature of sustainability reporting and the differing guidelines (e.g. Sierra et al., 2013; Fuhrmann et al., 2017). Unbalance usually manifests in the form of hiding or obfuscating negative information, whereas inaccuracy is caused by problems in how the client collects and interprets the non-financial data. These findings are not only in line with, for example, Cho et al. (2012) and Boiral (2013) results, but also relate to the OIM tactics of praise and positive writing style as explained by Sandberg and Holmlund (2015).

Data analysis showed that the assurers found the inaccuracy of data particularly challenging because they lack the technical expertise to understand quantitative non-financial data on a deeper level and because they consider the verification of qualitative non-financial data difficult. The assurers’ struggles to confirm the disclosed information corroborates with literature on accountant assurers and their prevalence in using ISAE 3000. Firstly, accountant assurers are not considered
sustainability, but audit experts (Deegan et al., 2006a). Secondly, accountants are by profession required to use ISAE 3000 to conduct non-financial assurance engagements (e.g. Fuhrmann et al., 2017). And lastly, the ISAE 3000 follows accountancy-based principles and focuses on data accuracy (O’Dwyer and Owen, 2005). In other words, the SAEs conducted by our interviewees draw attention to and address the accuracy of the disclosed information because their profession as an accountant assurer requires them to do so.

The assurers viewed data accuracy so important that they opt not to issue a SAS if the SR contained inaccurate or incomplete information. Especially one’s own signature and the firm’s name played a role: “Yes, you are paid for this service but at the same time you are the one who is giving the conclusion and this conclusion is written under your name and with your signatures” (I10). The assurers viewed that signing a SAS which does not provide an accurate account is a risk which can backfire both on a personal and firm level. Yet, the fact that the assurers lack technical expertise and/or struggle to verify qualitative non-financial data, indicates that mistakes are possible. “Actually it’s been years since we saw this indicator and no one paid attention to that it was not what was said [in the sustainability report]. […] And of course it’s our fault. This is the kind of thing we have to check” (I8). And as the quote illustrates, these mistakes are considered the assurer’s fault if they do not point these out to the client in time.

The second research question of the thesis, on the other hand, sought to examine how do assurers characterize assurer-client relationships? Here, the findings illustrate how the assurers think of collaboration as the key to completing SAEs and issuing SASs in an efficient manner. The success of the SAE thus depends on whether or not the assurer and the client collaborate towards the common goal of auditing the SR. Perreault et al. (2017) too finds that financial audits are relatively close with low social distance. Collaboration, however, is only possible if the assurer and the client fulfill their duties: to audit the disclosed information and issue a SAS, and to provide (additional) information and assist with inquiries, respectively. These duties also characterize assurers and clients’ roles during SAEs. Zadek et al. (2004)
and the World Bank (2011) also find these roles of service performer and information provider relatively established in both SA and financial audit. These roles are relatively established in both SA and financial audit markets (e.g. Zadek et al., 2004; World Bank, 2011). Lastly, our findings demonstrate that the assurers presume clients to want to be transparent and open about data because it enables them to receive a SAS in the end. They do not think that hiding or obfuscating information is necessary because the assurer is sort of on the client’s ‘side’.
6. CONCLUSION

The purpose of this interview-based study was to examine how assurers describe SAEs and characterize assurer–client relationships. Our findings show that despite increasing standardization in sustainability reporting, assurers regularly encounter unbalanced and inaccurate SRs in their SA work. The assurers especially perceive the inaccuracy of data challenging. Firstly, because SA requires technical expertise and the verification of qualitative information, which assurers sometimes find difficult. And secondly, because assurers prefer to use ISAE 3000 which focuses on data accuracy. If assurers are unable to verify the veracity of the disclosed sustainability information or the client will not make the necessary changes, assurers will not issue a SAS as it might mislead stakeholders or backfire on the assurer or his/her firm. The issuance of a SAS is also dependant on the assurer–client relationship as assurers view collaboration critical to the success of the SAE. If assurers and clients cannot fulfill their audit performer and information provider roles, respectively, the relationship will lack collaboration which will complicate the assurer’s SA work. In summary, assurers and clients continue the SAE until the SR discloses (reasonably) true and accurate information, allowing the assurer to issue a SAS without qualifications.

Our findings contribute to the literature by revealing what takes place in SAEs and the embedded assurer–client relationships from the perspective of the assurer. They also indicate why assurers find data accuracy an important, yet a difficult element in assurance engagements; how assurers go about enhancing data accuracy; and how data inaccuracy influences the assurer–client relationship and the assurance engagement. The findings may also be helpful to regulators and standard-setting organizations, when designing recommendations or guidelines for independent third-party SA. We show that SAEs are restricted in scope and positively worded assessments, and that assurers are mainly driven by data accuracy. It is also noteworthy that assurers need the technical expertise of non-accountant specialists.
to verify some parts of the disclosed information. These findings have further implications with regard to how clients choose an assurance provider and how assurers cope with SA shortcomings.

Future research should look into regulatory environments to examine whether assurer rotations impede the integrity of the assurer. Do stringent country-level regulations affect how concerned assurers feel about losing (future) clients and does this, in turn, influence to what extent the assurers conduct assurance over SRs? It would also be interesting to investigate if advanced regulatory environments facilitate the adoption of SA more than environments which stress voluntariness. Researchers could, for instance, conduct comparative case studies between different regulatory environments. Future studies could additionally analyze whether auditors’ self-image or mindset changes when they move from financial audit to SA. Our notion of the assurers laughing, when talking about how clients perceive them as auditors, would suggest so.
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Martínez-Ferrero, J., Rodríguez-Ariza, L. and García-Sánchez, I.-M. (2017). The strength of the board on sustainability assurance decisions: The moderating role of


APPENDICES

Appendix 1. Study participants.

Anonymous. France (Skype, April 2018).
Anonymous. South Africa (Skype, April 2018).
Bauer, Viviene. Partner at BDO Brazil (WhatsApp, April 2018).
Borcherding, Nils. Senior Manager at BDO Germany (Skype, April 2018).
Buckby, Timothy. Business Advisor in Grant Thornton Sweden (Skype, April 2018).
Chomuhakata, Rameck. Audit Manager at Mazars Tanzania (Skype, April 2018).
Dräger, Henning. Global Partner Integrated Reporting and Sustainability at BDO International (Skype, April 2018).
Fischer, Deborah. Partner at RSM Belgium (Skype, May 2018).
Fisher, Craig. Chairman and Audit Partner at RSM New Zealand (Skype, May 2018).
Gustafsson, Martin. Partner at Mazars Sweden (Skype, April 2018).
Karmel, Richard. Partner - Business and Human Rights at Mazars UK (Skype, April 2018).
Yakhnina, Valentina. Manager of Sustainability International Department at Grant Thornton Israel (Skype, May 2018).

Written answer:
Arevalo, Sergio. Assurance Partner at Grant Thornton Mexico.
Appendix 2. Interview outline.

**GENERAL LEVEL**
1. Please tell me about yourself.
2. Please explain what your work at [firm] includes.
3. Can you describe what it is like to work with sustainability assurance engagements?
   a. You mentioned about [aspect x]. Could you elaborate more on this?

**DESCRIPTIVE LEVEL**
1. Please describe a typical sustainability assurance engagement.
   a. You mentioned about [aspect x]. Could you elaborate more on this?

**Relationship aspects**
2. Please tell me about your interactions with clients during sustainability assurance engagements.
   a. Based on your experiences, what are the typical attributes of client relationships during sustainability assurance engagements?
   b. Based on your experiences, what are the typical challenges of client relationships during sustainability assurance engagements?
3. Based on your experiences, how do you see your role as an assurer during sustainability assurance engagements?

**Impression management**
4. Based on your experiences, how do you see the role of clients during sustainability assurance engagements?
   a. Describe whether and how the client can try to influence the relationship to receive a favorable sustainability assurance statement.
   b. Describe how your relationship with the client would change if the client would exert excessive control over the sustainability assurance engagement.
5. Is there anything else about your experiences with sustainability assurance engagements that you would like to share with me?
Appendix 3. Transcription protocol.

The below transcription instructions have been adapted from Ruusuvuori and Nikander (2017) and Saunders et al.’s (2016) suggestions.

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Exclude
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- Fillers
- Pauses
- Utterances
- Gestations
- External noises
- ... and the like