

Exploring the Institutional and Cognitive Adequacies to Support the Implementation of Sustainability Reporting Standards in Nigeria

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ABSTRACT

The Board for Sustainability Reporting under the auspices of the International Accounting Standards Board recently released the Sustainability Reporting Standards to guide reporting entities in the preparation of holistic financial reports. This was in response to stakeholders growing concerns about the impact of certain qualitative variables, such as environmental degradations and upheavals, social dynamics, governmental policies and economic metamorphosis on the operations of these reporting organizations. The impacts of these variables on the establishment have hitherto not been properly measured by the traditional financial reports, being qualitative in nature, they could not be ascribed money measuring parameters. Their impacts however remain undeniable substantial and in many instances, overrun the profitability of these enterprises. This study adopts the qualitative strategies of narrative essay to explore participants' views with regard to perceptions, cognitive and institutional adequacies of Nigerian practitioners in effectively implementing sustainability reporting standards in Nigeria. In tandem with qualitative approach, open ended interviews was conducted among faculties of universities and colleges in Nigeria, and the two dominant professional accounting bodies and training institutions in Nigeria. The interview protocols was administered in 3 Federal universities and specifically the faculty of management and business studies in north central Nigeria, state controlled universities and privately owned universities in Abuja, the federal capital. A further administration of the survey protocol was done at the mandatory professional workshop of the Association of National Accountants of Nigeria. This workshop annually brings together over 2000 professional accountants from all over the country. The survey was administrated to 55 participants purposely selected to represents the sampling frames of the population of interest. These were all professional accountants in the public and private practices. Purposeful sampling as opposed to randomization is one of the features of the qualitative design. This is to avail the researcher targets sample that are information-rich in context of the phenomenon under study. Results indicate that Nigerians were prejudicial to the implementation of sustainability reporting as a practice, as participants had perceptions that standard is stereotyped as neo colonialism and lacking in indispensability. Participants further held the views that the board for sustainability is skewed against African membership and targeted to undermine the growing relevance of African economy by using environmental degradation as a negating factors. Participants furthers asserted that Nigeria do not have competent and skilled manpower to drive successful adoption of SR. The study recommended for more advocacies and professional development in the area of sustainability reporting and engaging stakeholders towards soaring up membership of Africans in international bodies.

Keywords: Sustainability; Financial Reporting; Environmental Degradation

INTRODUCTION

The Board of the International Accounting Standards recently expanded the scope of corporate reporting to entitles' sustainability reporting. According to IFRS foundation (2020) sustainability reporting exclusively deals with both qualitative and quantitative information bothering an environmental, social, and economic and governance (ESG) issues. This is the disclosure that communicates information on environmental, social and governance (ESG) goals of the entity. Sustainability standards are therefore developed by the Sustainability Standard Board, (a proxy of IFRS foundation) to promote investors' and company's understanding, and avail investors useful globally comparable sustainability related information disclosures that meets their needs. In

September 2020, IFRS foundation took steps in their strategic procedure review, to publish a consultation paper to determine among the following:

- ✚ If there was a need for global sustainability standards.
- ✚ If IFRS foundation should handle the task of developing such standards themselves or through some proxy agencies.
- ✚ The scope of their role if any.

According to IFRS foundation (2021) feedback gotten from the consultations confirmed the urgent need for a global sustainability reporting standards, as such the whole of 2021, the foundation tirelessly worked towards creating a new standards setting board within the ambit of the IFRS foundation structure. This intention was contained in the trustee's February 2021 announcement, IFRS foundation (2021). By March 2021, the trustee had set out the strategic direction for the new board. A summary of the feedback from the 2020 consultation announcement was published in April 2021. The trustees followed up by issuing an exposure draft towards amending the existing IFRS foundation constitution to accommodate the creation of International Sustainability Standards Board (ISSB). The exposure draft began receiving comments and was to closed by July 29th 2021.

At the COP 26 conference in November 2021 the IFRS foundation trustee led a number of work-streams to determine certain key requirements to be met before finalizing the creation of the new board of sustainability standards. A revised constitution was published and announced formally following the feedback gotten from respondents to the exposure drafts. The revised constitution set out the formation of the sustainability standards board (SSB) under the governing structure of the IFRS foundation.

The Need for Sustainability Reporting

According to IFRS foundation (2020) in its consultation paper, of September 2020, there was growing demands for sustainability reporting among stakeholders. These include investors, preparers of financial reports, Central Banks, regulators, public policy makers, auditing firms and other service providers. It is such informal engagement that elucidated clearly the need for sustainability reporting. The common concerns from stakeholders were that, there was an urgent need to improve consistency and comparability in sustainability reporting and the only way to achieve this is to standardize the practice. This is aimed at building trust among business communities by promoting more transparency in reporting. Standardized sustainability reporting will help investors and the general business communities respond appropriately in a context that ensures the combatting of climate change is achieved.

Purpose of the Study

The purpose of this study is an exploration of the value relevance of sustainability reporting in financial reporting and to carry out an institutional and cognitive adequacy check necessary to support the implementation of the new reporting standards. Ogbenjuwa (2023) argued that the adoptions of international financial reporting standards and internationals public sector reporting standards in Nigeria were marked with wobbling attempts due to institutional inadequacies. Ogbenjuwa (2023) noted that the state of institutional unpreparedness resulted in several shifts in the adoption timelines by Nigeria government. It is therefore a serious concern to the researcher that while Nigerian scholars are still battling with smooth adoption of the parent global standards (IFRS, IPSAS), they are to be now bugged with another new dimension. Scholars recently are dismayed at the mention of sustainability reporting, to the extent that renowned accountants expressed total lack of awareness of sustainability reporting, years after the issuance of the standards. The objective of the study therefore is to examine the institutional and cognitive structures to moderate the implementation.

Research Problem

In 2010, the Nigerian government formally announced the adoption of the global reporting standards. The government of President Goodluck Jonathan followed up by repealing the Nigerian Accounting Standard Board

ACT and in its place the national assembly passed the Financial Reporting Council into law, which was promptly assented by the president. According to FRCN (2011) the move was to enhance the institutional and regulatory requirements for a seamless transition from the local standard (Statements of Accounting Standards) to the new global reporting framework.

The proclamation of sustainability standards is received with mixed feelings by Nigerian scholars who expressed dismay at the unfamiliar diction associated therewith. Okwuosa and Amaeshi (2018) held that there is low motivations for Nigerians to engage in sustainability reporting due to lack of public awareness and incoherence of most industrial cases for sustainability. Poor knowledge of sustainability reporting remains a daunting challenge to accounting practitioners in Nigeria. Ogbenjuwa (2023), argued that off shares initiatives such as the current efforts of Sustainability Standards Board, do not always take cognizance of cultural peculiarity of Africans. Agama & Zubairu (2022) argued that the system of reporting does not give room for local realities.

In view of these, it is envisaged that the adoption of the sustainability reporting in Nigeria will take slow, long pace and may at best be done half hazardly. This will undermine the original intentions of promoting corporate transparency by the IFRS foundation. This study therefore is set to examine the curriculum adequacy of the two professional bodies of accountancy in Nigeria, ANAN & ICAN, as sufficient or otherwise, to train practitioners towards implementing sustainability reporting in Nigeria.

METHODOLOGY AND METHODS OF THE STUDY

Methods are the tools used to select a research technique while methodology is all encompassing, to include the analysis of all the methods and procedures of the investigation. Methodology is a systematic and theoretical approach to collect, evaluate and analyze data throughout the research process. Methodology defines the alignment between the research problem and methods of investigation. Methodology rests squarely on the philosophical assumptions of the study and the researchers' ontologies. It determines the choice of design, methods, strategies, methods of analysis, nature of study, approaches to be adopted, the nature of data and the instrumentation in the study.

Broadly speaking there are three philosophical foundations undergirding the methodologies, strategies of inquiry, methods and strategies of analysis, which are:

- **Post-Modernism/Constructivism.** This is a philosophy undergirding studies where knowledge is shared or constructed in a qualitative environment. The study focus on shared individual's meanings and points of view. This philosophy aligns squarely with qualitative studies.
- **Positivism** apply a deductive and objective reality anchored on truth that can be measured by applying experiment and controllability.
- Pragmatism as a worldview adopts the mixed method approaches to answer research question, triangulating the various strategies inherent in both the qualitative and quantitative designs. Depending on the world views of the researcher, diverse, appropriate approaches are adopted to answer the research questions.

This study is a qualitative research therefore post-modernism/constructivism defines the philosophical landscape.

Types of research

Qualitative research: is driven by inductive, post modernism and constructive philosophies. The research is more open ended and subjective, targeting at shared knowledge and learning from the participants views, with the aim of identifying themes, categories and patterns from the participants responses. The nature of studies is descriptive and approaches varies from grounded theory, phenomenological, case study, ethnography, narrative essay, or participatory action research.

In this study I adopt the narrative case study, which enabled me to examine the level of practitioners' preparedness to implement sustainability reporting in Nigeria. A narrative case study is an approach that analyzes stories of life experiences and the meanings people make of such experiences. Ogbenjuwa (2012) held that case study examines a particular event, occurrence, or phenomenon in its natural context and to understand factors influencing behavior of cases.

My broad approach is qualitative design. According to Creswell (2007) a qualitative narrative essay helps the researcher to learn from lived experiences of participants in a told oral history or lived experience conveyed in memos, journal or diaries. Narrative researcher focus on individual stories, arranging them sequentially into meaningful classes, using a variety of practical analysis from lived experience and told stories.

Creswell (2007) argued that qualitative research is situated within a natural setting with unique characteristics of inductiveness, interpretiveness, holistic account, multiple sources of data collection, enable participants meaning, emerging designs, working through theoretical lens and researchers as data collection instruments. Qualitative research is appropriate to enable me explore in an inductive, open ended strategies, to examine the views of Nigerian accounting practitioners about sustainability reporting. Frankford Nachmias and Nachmias (2008) held that qualitative researchers seek to understand persons and institutional behaviours, through personal contacts, as the methods of data collection is more closely associated with research individuals through participants.

Data collection

Data was collected by administering interview protocol drawn to elicit participant reactions to sustainability reporting standards in Nigeria. The interview protocols was administered in 3 Federal universities and specifically the faculty of management and business studies in north central Nigeria, state controlled universities and privately owned universities in Abuja, the federal capital. A further administration of the survey protocol was done at the mandatory professional workshop of the Association of National Accountants of Nigeria. This workshop annually brings together over 2000 professional accountants from all over the country. Finally, interview protocol was administered among the members of the academic staff of the Nigeria College of Accountancy, Jos. The college is the training arm of the Association of National Accountants of Nigeria and is the only such training institution of postgraduate professional college in Africa, patterned after the college of Accountancy in Scotland. The college host students who are graduates of Accountants from all states of Nigeria and neighboring countries of Benin, Togo, Cameroon, Niger, Chad, Gambia, etc:

Subsidiary to the interview protocol a detailed literature annotation was carried out to sample the views of scholars on the emerging standards. As opposed to quantitative design where reliability and validity of design enables the integrity and generalizability of outcomes, in qualitative design, the emphasis is on credibility, and dependability of the design. Lincoln and Guba (1985) argued that qualitative strategies include prolonged engagement with data, persistent observation of phenomenon, triangulation of findings, debrief findings and analysis with peers and thick description. Outcomes are organized according to emerging themes, narratives, patterns and categories.

Twenty questions were asked in the protocol aimed at identifying patterns in reaction to the proclamation of sustainability reporting.

The question specifically addressed the following key areas:

- The desirability of sustainability standards and its congruence with Nigerian reporting cultures
- General perception of Nigerian accountants towards the standards and the standard board
- Adequacy of competencies and skills in preparing the statements.
- The adequacy of regulatory framework to enforce implementation.

- The overall benefits of sustainability reporting to entities & its impact on the improvement in the quality of financial reports.

LITERATURE REVIEW

Sustainability reporting helps to measure and disclose accounting information to users about the impact of environmental, social, economic and governmental dynamics on the organizational performance. Agama and Zubairu (2022) opined that sustainability reporting (SR) has elicited recent contemporary scholarly discuss among practitioners but that the level of commitment of stakeholders to SR is yet to be seen. According to Agama & Zubairu (2022) the new reporting system does not align with local realities in providing solutions to reporting problems. This is in tandem with Ogbenjuwa (2016) who argued that such Western initiatives crafted offshore would always suffer shallow implementation commitment at home. Pistikou, Flouros, Deirmentzoglou and Agoraki (2023) consented that sustainability reporting has attracted recent attention and growing interest among scholars and researchers, but noted that there are limited literature on the phenomenon. They cited the global energy crises, the Russian-Ukraine war and the COVID 19 Pandemic, as trends which give value relevance to sustainability reporting initiatives. Big multinationals have the onus to report on the impact of such environmental, social-economic and governance crisis on their organizational performance. For the past decades companies' financial reports were situated within only economic factors and hardly revealed the impacts of environmental, social and governance crisis which have become today's realities. Business can no longer ignore the impact of environmental factors. The promulgation of sustainability standards by the recently created Sustainability Reporting Standards Board is a call to action by the IFRS foundations, in order to address the fluid and unstable external factors, which had ruined and ruining many business operations globally. With SR, companies are hitherto forced to disclose not just their financial information but their initiations concerning social-environmental adversities. According to Pistikou et al, in the last three decades companies have began to align their reports to the three dimensions of sustainability which are economic, social and environment. The evolution of sustainability reporting has given birth to some companies developing sustainability reports, while others produce corporate social responsibility (CSR) reports, environmental, social and governance reports (ESG), a clear improvement on past reporting practices. It is therefore incumbent on accounting practitioners to be abreast with this daunting responsibilities of integrating environmental, social and governance factors in their annual reporting framework.

In a systematic literature review on determinant of sustainability reporting, Arkoh, Costantini & Scarpa (2023) explored the evolution of research on sustainability reporting and suggested that further research efforts should focus on non-listed companies, environmentally sensitive industries and underexplored geographical areas.

This study is significant in Nigeria as a country hosting large mineral exploration, exploitation and mining activities, all susceptible to environmental and social dynamics and degradation. The growing demand for sustainability reporting in recent years is a consequence of stakeholders' awareness, inter-connection between business, community and the environment. Investors are increasingly becoming averse to environmental risk inherent in operations in certain climes and demand a fore tell in the financial reports. According to Arkoli, costantini and Scarpa (2023), even customers, employees, and creditors are concerned about a company's sustainability performance so as to take rational decisions.

Kazemi, Elamer, Theodosopoulos and Khalib (2023) posited that environmental deterioration, social inequalities and depletion in resources are the crystal forces that spanked the growing concerns for a more sustainable society and economy. There is a growing awareness to sustainability reporting by investors of many companies. Despite the growing concerns and the IFRS foundations initiatives in this regard, scholars contend that there is huge ambiguity around the topic as literature on the integration of approaches to sustainability and how to measure, monitor and report on the indices are still scanty. The increased interest for sustainability is anchored on growing demand for business transparency, accountability and involvements by stakeholders.

A dominant feature of sustainability reporting, is its futuristic landscape. Kazemi et al (2023) asserted that sustainability is futuristic endeavors aimed at meeting both current and future needs of concurrent generations.

It refers to ways society will imbibe economic, social and environmental issues over time. Kazemi et al argued that sustainability ensures balances between economic, social and environmental performance.

Elkington, (1999); Isaksson, & Steimle, (2009); Pham & Tram, (2020) in Kazemi et al (2023) propounded the four 'Ps' of sustainability as **Profit, People, Planet and Price**. Benvenuto, Aufiero & Viola (2023) posited that sustainability reporting may prove to be useful in availing users to financial reports, adequate economic business reflection and inspire future research trajectories in the new phenomenon. They held that business disorders and uncertainty is attributable to multiple interdependent and complex challenges arising from environmental, social, economic and governance crisis, which often are unpredictable, using the backward-looking traditional reporting framework. The study by Benvenuto, Aufiero & Viola (2023) was sandwiched within legitimacy theory, which supports the economics relevance of a business in relation to its communities of stakeholders. Using the voluntary disclosure theory as a framework. Benvenuto et al asserted that, implementing sustainability reporting requires a great deal of information disclosure and companies should reduce information asymmetries.

Benvenuto et al (20223) however argued that implementing sustainability reporting is feasible if only the benefits outweigh the cost. Zharfpeykan & Askarany (2023) examined the relationship between sustainability reporting and four factors of: industry, size, structure of ownership and organizational perspective, using institutional theory, legitimacy theory, stakeholder theory and theory of planned behavior as lenses. Using the global reporting initiative, they reported that, ownership structure affected sustainability reporting compliance significantly as public sector entities revealed more sustainability information than privately owned companies. Zharfpeykan & Askarany (2023) further held that from industrial perspective, there were no significant differences between environmental sensitivity and sustainability reporting of these companies. According to Zharfpeykan & Askarany (2023) large sized companies provide more details in their reports and that company size does not significantly affect the sustainability reporting practices. The study by Zharfpeykan and Askarany (2023) showed that organizational perspective however influence sustainability reporting.

Sustainability reporting provides both qualitative and quantitative information on the environmental, social, economic and governance issues and helps organization assess performance and risks. According to IFRS foundation (2020) a typical sustainability report should include the following:

- A sustainability vision statement
- Issues to address
- Current sustainability state of play
- Goals and objectives
- Clear strategy
- Key Performance Indicators (KPIs)
- Governance structures & implementation
- C.E.O statement

The foundation identified steps to writing a comprehensive sustainability report as:

- Identify material sustainability issues
- Define your sustainability goals and metrics
- Gather and analyze data
- Tailor the reporting framework
- Engage with stakeholders
- Write the sustainability report

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- Bonus step
 - Conclusion

As at time of this study, no prior literature succinctly examined the cognitive coherence and institutional adequacy of Nigerian Accountants to handle sustainability reporting.

Data Presentation and Analysis

The study adopts narrative essay and case studies in a triangulation of qualitative strategies. According to Creswell (2007) case study researchers investigate issues while narrative essay researchers focus on individual stories to form a meaning, using a variety of practical analysis from lived experience and told stories.

The interview protocol was administered to 55 respondents randomly selected to represent strata of interest. Janesick (2011) posited that certain questions resonate with the techniques and approaches used in a qualitative research. According to Ogbenjuwa (2016) a qualitative researcher is obligated to fully describe their theoretical postures, all through the stages of the research process. Every researcher is substantially influenced by their philosophical stand points, which is the world views that shapes the investigation process and the imported ontologies brought into the inquiry.

Common errors of many researchers and peer reviewers is to judge an article from a contrary world views from that of the researchers. A qualitative researcher is influenced by philosophical assumptions of post modernism and constructiveness while the quantitative researcher adopts a positivism philosophy. A pragmatic approach is the integration of both the post modernism, constructivism and positivism as philosophical or ontological landscape. This is mixed method approach to research. The approaches, strategies, test, reliability/validity and credibility, methods of data analysis, nature of data instrumentalism and the nature of studies vary in accordance with the types of research.

What is considered as weakness and impediment to validity in quantitative research is actually the strength of qualitative design. For instance, a quantitative researcher selects large enough sample size, which are representative of the population to enhance the external validity of the design and to be able to make valid generalization but a qualitative researcher on the other hand, selects few samples that are information-rich to be able to mirror on emerging themes and categories (Ogbenjuwa, 2016). A qualitative researcher asks questions that are inimical to quantitative investigation, such as leading and subjective problems. The questions of a qualitative research are more open ended, inductive and freelanced than that of all quantitative. The respondents are allowed to speak freely and the researcher listens to build common patterns, themes and categories therefrom. The researcher freely combine interviews, survey questionnaire, and documentary review to gather his data in a qualitative design.

In this study I employed an open ended survey questionnaires comprising of 20 question and conducted interviews with 5 participants. The survey was administrated to 55 participants purposely selected to represents the sampling frames of the population of interest. Purposell sampling as opposed to randomization is one of the features of the qualitative design. This is to avail the researcher target sample that are information-rich in context of the phenomenon under study.

Interview Protocol and the Survey Instrument

The following questions were asked participants, to elicit their general perceptions and observation about sustainability reporting standards promulgated by the SSB arm of the FRS foundation. The 5 participants were drawn from accounting departments of:

- Federal universities 3 participants,
- States controlled universities 1 participant, and
- Privately owned Universities 1 participant.

The universities are:

- ✓ University of Jos
- ✓ Abubakar Tafawa Belewa university Bauchi
- ✓ Nnamdi Azikiwe university Awka
- ✓ Plateau state university Jos
- ✓ Bingham university Jos

The distribution of the survey instrument was administrated to 55 participants who are all professional accountants in the public and private practices. Thirty of the questionnaires were administrated at the Mandatory Professional Continued Development Program (MCPD) of the Association of National Accountancy of Nigeria at Dutse, North West Nigeria. The MCDD program is an annual program of the professional association aimed at reequipping members with contemporary issues and providing cutting edge skills to be at breast with the ever dynamic demands of the practice.

Nigeria is host to two professional accounting bodies. The Institute of Chartered Accountants Nigeria (ICAN) and the Association the National Accountants of Nigeria (ANAN). Okwuosa and Amaeshi (2018) admitted to have sampled only members of ICAN, being the senior of the two associations in Nigeria. This obviously amounted to sampling error as there was no statistical basis of excluding members of ANAN from their study. The two bodies are members of the International Federation of Accountants (IFAC) and have equivalent enabling laws to regulate the practice of accountancy in Nigeria. ANAN was admitted a member of the association of the professional bodies of Nigeria on the December, 2010. Both ANAN and ICAN are members of the Financial Reporting Council of Nigeria, the body charged with the responsibility of domesticating and converging all international standards for local use, and for developing local standards in Nigeria. ANAN is the only body of accounting with a post graduate college of accountancy and in Africa and second in the world.

ANAN has more than 53775 members and over 50,000 Students as at December, 2023. It behooves on objective researchers set to examine cognitive adequacy of the Nigerian accountants, to sample opinions of members from the two professional associations. ICAN boost membership of 63000 as at May, 2024, having been established in 1965 and indeed dominated practice in the private sector, while ANAN dominates practice in the public sector of Nigeria.

The sampling of Okwuosa and Amaeshi (2018) therefore is biased and skewed toward only ICAN, a body they belong as members. Objectivity is therefore compromised by the sampling bias. It is for these reasons that the study purposely sampled the opinion of members from the two professional bodies in Nigeria.

Twenty-five of the questionnaires were exclusively targeted at ICAN members both in the private and public practices. The questionnaires were administrated and collected back, after a lead period of two to seven days. The interviews were conducted face to face.

RESULTS & FINDINGS

Thirty probing questions were administered to 55 selected participants, ten out of which were face to face interviews, and twenty were administered by unstructured open ended questionnaire. After collecting the responses, they were organized into themes and categories of:

- Perception and altitudes
- Non availability of skilled and competent manpower
- Non desirability and benefits of S.R to corporate performance
- Inadequacy of institutional and regulatory framework to drive the implementation of S.R
- Incongruence of S.R to financial reporting of Nigeria business environment.

The details of responses included opinions that sustainability reporting was a neo-colonialist initiative, inadequate curriculum to support the teaching of S.R, strange concepts, unskilled and incompetent. Accountants, poor regulatory and institutional framework, non-envisaged economic benefits to reporting entities, incongruence with Nigeria financial reporting culture, non adequate African representation on the board of SR, non alignment of environmental social and governance variables with accounting concepts; absence of sufficient legal framework, absence of implementation timeline in the country, absence of clear guidelines from the office of the accountant general of the federation, and absence of adequate training of public sector accountants and auditors. These responses were organized into the five themes of perceptions and altitudes, skilled manpower, desirability and benefits, inadequate institutional and regulatory framework and cultural incongruence.

The variables were scaled from 1 to 5, indicating 5 as the highest score and 1 as the lowest score. Since the questions were unidimensionally negative, a high score is an impediment to smooth implementation of S.R and confirmation that the implementation of sustainability reporting in Nigeria would suffer major setbacks.

Descriptive statistics was conducted using SPSS and yielded the tables below.

Table 1: Participants by Professional Affiliation and Occupation

| Participant | ICAN member | ANAN Member | Non Professional Accountants | Total |
|--------------------------|-------------|-------------|------------------------------|-------|
| Prof. / Ass. Prof | 2 | 5 | - | 7 |
| Lecturers | 2 | 4 | 1 | 7 |
| Public sector accountant | 3 | 7 | 2 | 12 |
| Private sector account | 4 | 3 | 3 | 10 |
| Public sector auditors | 1 | 5 | - | 6 |
| Regulators | 2 | 2 | 2 | 6 |
| External auditors | 3 | 4 | - | 7 |
| Valid No (Like wise) | 17 | 30 | 8 | 55 |

Source: 2024 SPSS field Bukuru

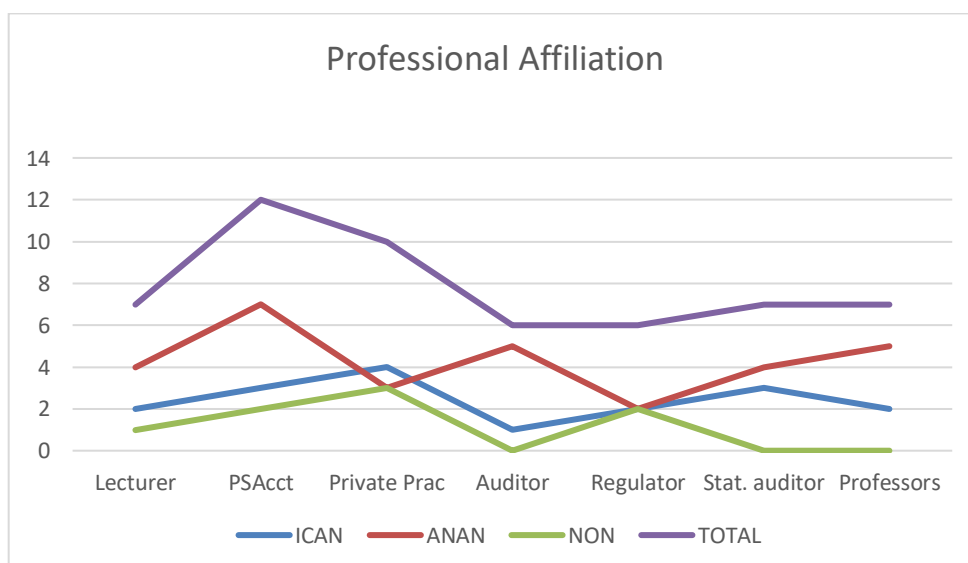


Table one shows the distribution of both the (interview and questionnaire) survey.

47 participants representing 85% of the entire samples, hold the membership of accounting professional associations, while 8 persons representing 15% did not belong to accounting professional association, yet 6 of the categories had accounting certifications. This indicates that the participants have sufficient knowledge of accounting and financial reporting. The merit of qualitative purposeful sampling is that it allows the researcher to select samples that are information rich in the phenomenon under investigation.

Table 2: Descriptive Statistics on Perception and Altitude Scale

| SN | Cases | Lowest score | Highest score | Mean | Std.. error |
|--|-------|--------------|---------------|-------|-------------|
| SR is neo-colonialism | 55 | 1 | 5 | 4.328 | .8952 |
| SR is a strange concept | 55 | 1 | 5 | 4.275 | .8750 |
| SR does not align with our reporting culture | 55 | 1 | 5 | 3.275 | .9375 |
| SR duplicates oil & gas accounting syllabus | 55 | 1 | 5 | 3.228 | .8420 |
| SR board constitution & skewed against Africa | 55 | 1 | 5 | 4.752 | .8325 |
| Social, governance concepts are not accounting | 55 | 1 | 5 | 4.335 | .7529 |
| Practitioner are negatively reception to SR | 55 | 1 | 5 | 4.982 | .7524 |
| Valid N (Listwise) | 55 | | | | |

Source: SPSS 2024 field survey Ogbenjuwa dataset

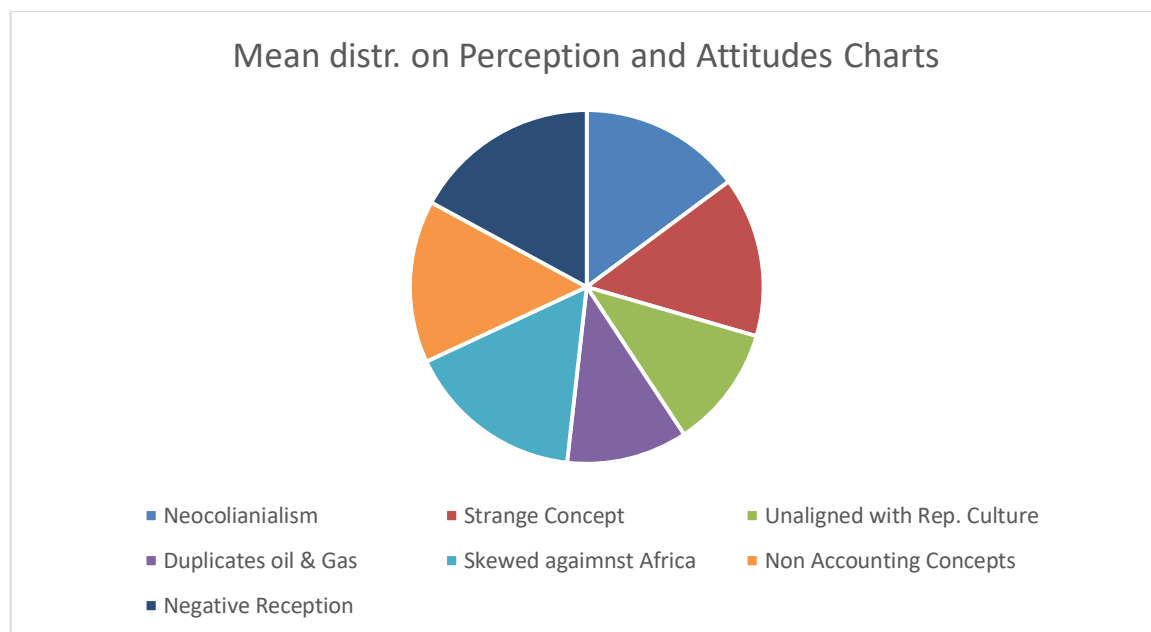


Table 2 above is the distribution of responses on the perception/altitude scale.

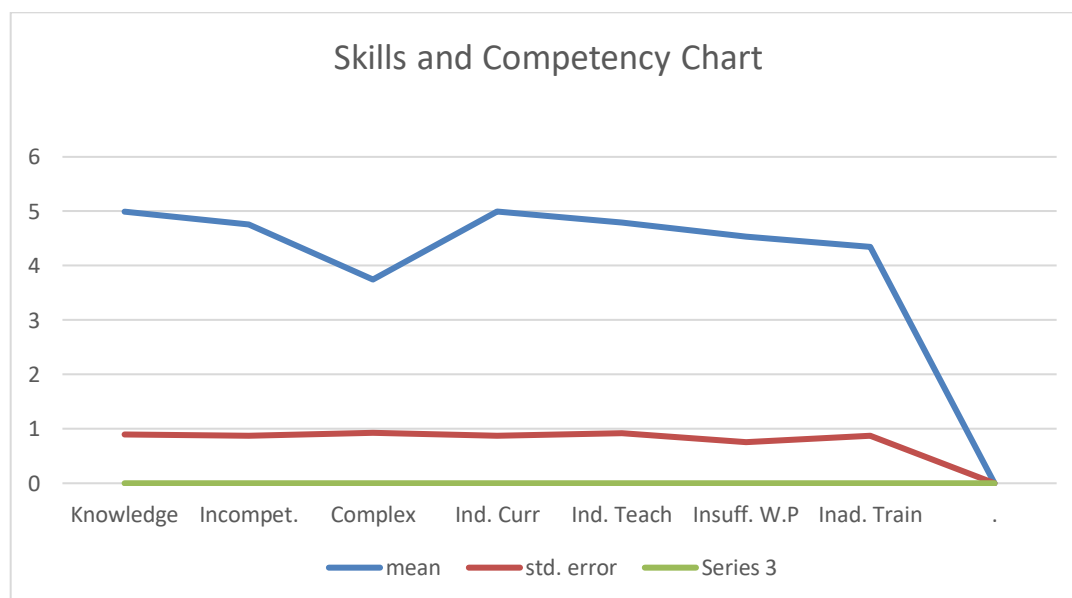
Negative reception to sustainability reporting by practitioner has the highest mean score followed by the reaction to the unfavorable constitutions of the sustainability reporting standard board, against African representation.

This variable had a mean score of 4.752 while perception of SR as neo colonialism and opinions that social, economic and governance concepts are not in tandem with accounting scored means of 4.328 and 4.335 respectively. The least negative perception index is the opinion that SR duplicates oil & gas accounting syllabus from the analysis. It is clear that perception and altitudes towards SR is highly negative.

Table 3: Descriptive statistics on skill & competency scale

| | Cases | Lowest score | Highest score | Mean | Std. error |
|--|-------|--------------|---------------|-------|------------|
| Accountants & Auditors do not know much of SR | 55 | 1 | 5 | 4.988 | .8920 |
| Practitioners are not competent to handle SR | 55 | 1 | 5 | 4.752 | .8725 |
| SR is complex to comprehend | 55 | 1 | 5 | 3.750 | .9270 |
| The academic curriculum is not adequate to support SR implementation | 55 | 1 | 5 | 4.995 | .8734 |
| The professional association are not adequately teaching SR | 55 | 1 | 5 | 4.789 | .9225 |
| There are no sufficient illustrative work paper on SR | 55 | 1 | 5 | 4.528 | .7530 |
| There are no adequate training on SR | 55 | 1 | 5 | 4.350 | .8743 |
| Valid N (List wise) | 55 | | | | |

Source: 2024 SPSS field survey.



Analysis of themes emerging from participants' views on adequacy of skilled and competent practitioners to drive the successful implementation of sustainability reporting in Nigeria. From table 3 above, participants were heavily of the views that academic curriculum in Nigeria is not adequately aligned to the teaching of SR in the country, scoring a mean of 4.995 and standard deviation below 1 at .8735; participants also opined that accountants and auditors in Nigeria do not have much knowledge of SR.. All the variables on the skill and

competency scale scored above mean average of 2.50, indicating that there is paucity of skilled and competent practitioners to implement sustainability report in Nigeria.

Table 4: Description Statistics on the Desirability and Benefits Scales

| | Cases | Lowest score | Highest score | Mean | Std. error |
|---|-------|--------------|---------------|-------|------------|
| SR has no impact on the quality of fin. Rep | 55 | 1 | 5 | 3.257 | .8750 |
| SR has no economic benefit to reporting. Entities | 55 | 1 | 5 | 2.750 | .6854 |
| SR does not strengthen transparency in reporting | 55 | 1 | 5 | 2.550 | .9820 |
| SR is not accounting function | 55 | 1 | 5 | 3.250 | .7853 |
| SR has no social economic benefit to communities | 55 | 1 | 5 | 3.850 | .8930 |
| SR does not address social, cultural & environmental peculiarity in Nigeria | 55 | 1 | 5 | 4.500 | .8735 |
| Valid N | 55 | | | | |

Source: 2024 SPSS field survey.

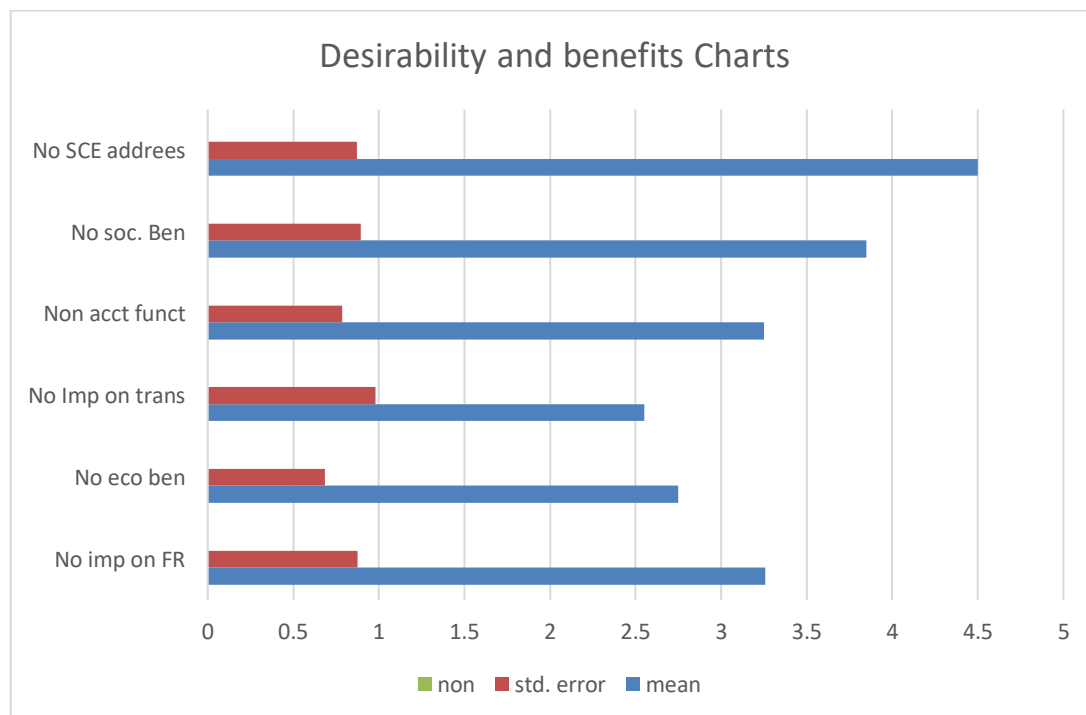


Table 4 is the descriptive statistics on the responses of participants on the benefits and desirability of sustainability standards in Nigeria. On the scale of 1 to 5, the highest negative score against the desirability of SR was that SR does not address socio cultural and environmental peculiarity of Nigeria, with a mean score of 4.500 and standard deviation of .8735. . All other variables on the desirability and benefits scale have low mean scores, ranging between 2.550 and 3.850 indication that participants are of the views that SR has no significant benefits to the economy, hence all variables on this scale had mean score above average of 2.5.

Table 5: Descriptive Statistics on Adequacy of Regulatory Institutional Framework Scale

| SN | Cases | Lowest Score | Highest Score | Mean | Standard deviation |
|---|-------|--------------|---------------|-------|--------------------|
| There is no adequate regulatory framework | 55 | 1 | 5 | 3.752 | .7245 |
| There is no Law to support SR | 55 | 1 | 5 | 2.230 | .8770 |
| The FRCN is not Sufficiently knowledge of SR | 55 | 1 | 5 | 2.375 | .8930 |
| There are not timeline and implementation circulars | 55 | 1 | 5 | 4.750 | .7528 |
| The OAGF is still confused about SR | 55 | 1 | 5 | 4.320 | .8950 |
| SR is not mandatory | 55 | 1 | 5 | 2.105 | .7580 |
| Valid N | 55 | | | | |

Source: 2024 SPSS Field Survey

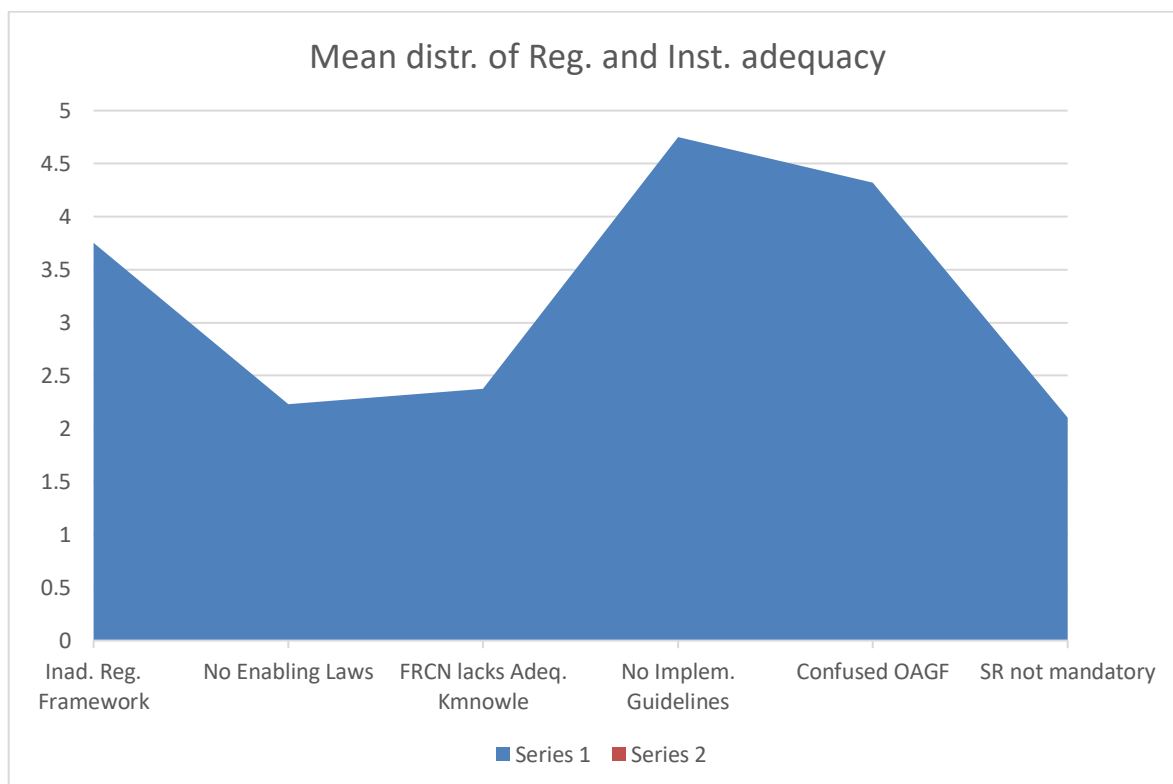
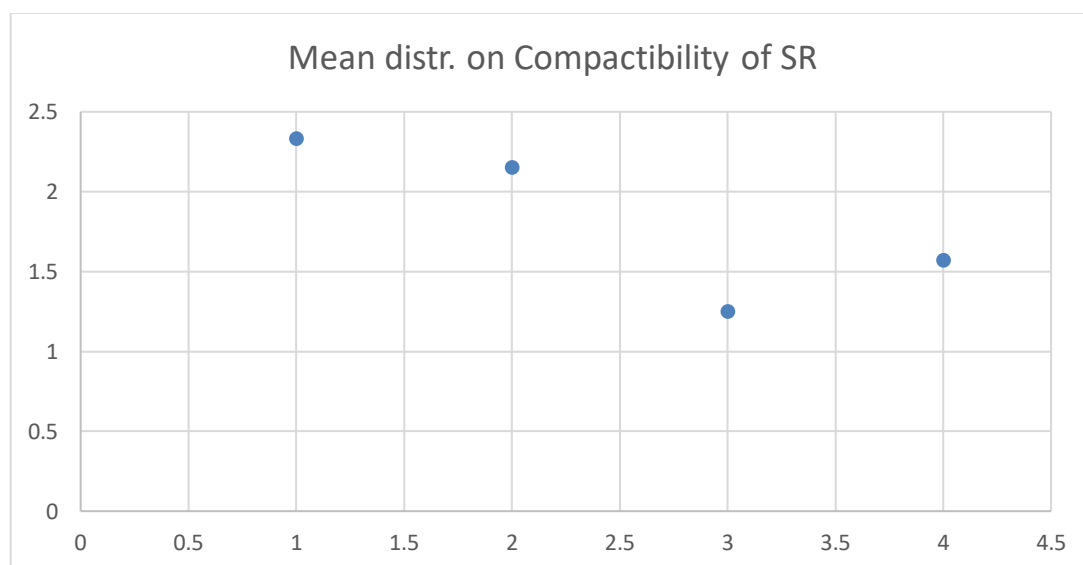


Table 5 revealed that participants are of the opinion that though, the regulatory institutions have not acted proactively on issuing implementation curtailers and guidelines, and with mean score at 4.320 and 4.750 it is not entirely true that the regulatory and institutional framework in Nigeria is not adequate to drive the implementation of sustainability reporting. This is in tandem with the recent restructuring of the passage of its enabling laws giving the council wide powers to drive compulsory adoption of IFRS and IPSAS in Nigeria.

Table 6: Descriptive Statistics on Compatibility of S.R with the Nigeria Financial Reporting Culture.

| S/No. | | Cases | Lowest Score | Highest Score | Means | Standard Deviation |
|-------|---|-------|--------------|---------------|-------|--------------------|
| 1. | SR cannot address Nigeria's peculiar business practices | 55 | 1 | 5 | 2.330 | .8710 |
| 2. | SR is a against Nigeria's religious views on finances | 55 | 1 | 5 | 2.150 | .6845 |
| 3. | SR is not tailored to address Nigeria's environmental challenges | 55 | 1 | 5 | 1.250 | .7654 |
| 4. | SR is an offshore initiative with no regard to Nigeria's practices of Accountancy | 55 | 1 | 5 | 1.510 | .7255 |
| 5. | Valid List wise | 55 | | | | |
| | Source: 2024 SPSS Field Survey | | | | | |



Participant's opinions support the compatibility of sustainability reporting with Nigeria reporting culture, as all variables on this scale reported mean ≤ 2.50 , indicating the absence of any cultural or environmental prejudices to implementation of sustainability reporting in the country.

DISCUSSION, CONCLUSION AND RECOMMENDATION

Availability Statistics indicate that attitudes and perceptions of Nigerians are highly prejudicial to implementation of SR in Nigeria. The standard is stereotyped as neo colonialism. This view is more inflamed by the unfavorable African representative in the board of sustainability standard. As opposed to the structure of the International Accounting Standard Board which has 2 representatives from each continents, the board of Sustainability reporting standards had only the African representative, while other continents had 2 persons each as members. All indices on the perception scale indicate that SR is negativity perceived by practitioners in Nigeria. It is obvious from available statistic that Nigeria practitioners are intimidated by the perceived complexities of the sustainability reporting in the financial statement as indicated in table 3.

All indices on skilled and competent scale revealed the absence of skilled and competent manpower to prepare sustainability standard reports and to teach the reporting standard adequately. Nigerians also do not subscribe to the claim of environmental benefits flowing from sustainability reporting, as participants held contrary views that the initiative will not strengthen transparencies or of any socio-economic and environmental benefits to reporting corporate entities and communities around them. Statistics indicate that SR will not lead to improvement in the quality of financial report significantly.

Participants however do not support the assertion that sustainability reporting is incongruent with Nigerian financial reporting culture and that the regulating and institutional frame work is not adequate, to drive the implementation. From the forgoing, this study strongly recommends concrete action plans to be put in place by the offices of the Financial Reporting Council of Nigeria, spelling out the implementing time line and guidelines. The office of the Accountant General of the Federation should, as a matter of urgency, issue implementation circulars to all ministries and departments in Nigerian. The National Universities Commission and the board for technical education are encouraged to align the teaching curriculum in all accounting departments of Nigerian universities and polytechnics to reflect the teaching of S. R.

The two professional associations (ICAN AND ANAN), should urgently fast-track the training of practitioners in financial reporting and accord sustainability reporting the desired publicity.

It is yet to be justified why the appointed trustees of SSB should be so unfavorably spread against Africa membership which had only one member as against six trustees from Europe, America, Asia-Oceanic regions respectively. IFRS foundation is enjoined to address thislopsided imbalances so as to correct the negative perception about the board.

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ANNEXURES:

Annex 1: Interview protocol

1. What do you know about sustainably reporting standards?
2. Could you please, speak freely on the desirability and value relevance of the sustainability reporting standard in Nigeria?
3. What is your assessment of the availability of skilled and competent manpower to successfully drive the implementation of the new reporting frame work?
4. Could you please comment on the adequacy or otherwise of the regulating frame work in Nigeria?
5. Do Nigeria universities and polytechnics have coherence curriculum to support the teaching of sustainability standards in the country?
6. In what ways do you think the implementation of the sustainability reporting will benefit reporting entities in the country?
7. What are/is the anticipated effect on the qualities of financial information in Nigeria?
8. How much on the continuum of 0 – 10 is the aggregate knowledge on sustainability reporting standard in Nigeria?
9. In your view, is Africa sufficiently represented on the sustainability reporting standards board?
10. What impact do you envisage the new reporting standard will have on the curriculum of training and practitioners' manual of accountants in Nigeria?

This interview was conducted within 21 days exclusively among accounting teachers, and emerging themes, patterns and categories were documented.

The survey instrument served on participants were unstructured open ended questionnaires aimed at eliciting responses that are rich in content and enable the researcher to learn from participants' experience and reactions on the phenomenon of study.

Annex 2: Survey Instrument

Part A. Bio data

1. Rank/Position (of participant): _____
2. Duties/Responsibilities: _____
3. Institutional affiliations: _____
4. Professional membership: _____

Part B: Attitudes & Perceptions of Sustainability Reporting.

1. In your views, what informed the formulation of sustainability standards
2. What relationship has sustainability standards with other existing reporting standards?

3. Prior to this, there is environmental, oil & gas accounting as examinable subject by ANAN College, what is the handshake of SR with environmental oil & gas accounting as a subject taught at the professional class.
4. Are you aware and satisfied with the board constitution of sustainability reporting?, if not explain
5. What do you know about sustainability reporting standards?

Part C: Skills & Regulatory Framework.

1. How adequate is the curricular coverage of Nigerian academic institutions to teach sustainability reporting?
2. Explain your understanding of environment, social, economic and governance reporting in financial statements.
3. Describe how competent are Nigerian accountants to handle sustainability reporting
4. What is your assessment of the abilities Financial Reporting Standard Council of Nigeria in domesticating and implementing SR in Nigeria?
5. What in your opinion, should be done to equip Nigerian accountants in understanding SR?

Part D: Benefits & Desirability

1. What do you think are the impacts of S.R on the qualities of financial statements?
2. How does SR address our cultural, environmental and social peculiarity?
3. How does the implementation of S.R affect the performance of corporate entities in Nigeria?
4. What are social and governance variable you think S.R will address in its report?
5. Is it right to assume SR as accounting function?

Part E: Knowledge and Gaps

1. How often was S.R featured in topical discuss in your professional conference?
2. What has been the coverage of S.R in your professional journals?
3. Is sustainability reporting taught and examined by your professional body?
4. What has been the performance of students of your institute in S.R examination?
5. What professional advice will you give to the Financial Reporting Council and councils of both ANAN and ICAN with regard to S.R?