

SUSTAINABILITY ASSURANCE ON THE BIGGEST COOPERATIVES OF THE WORLD: AN ANALYSIS OF THEIR ADOPTION AND QUALITY

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ABSTRACT

Sustainability Reporting (SR) is increasing worldwide. SR standards are based on principles such as stakeholder inclusivity and Assurance Statements find to enhance their credibility among them. Cooperatives are highly susceptible to CSR but there is an interesting research gap regarding SR in that companies. We use mixed research methods (statistical and content analysis) to study SR practices of the top 300 cooperatives worldwide. Paradoxically, our results show scarce or late SR adoption, and country-level and sector sensibility do not affect SR adoption significantly. Conversely, country-level and sector sensibility influence the choice of the assurance provider. Finally, findings reveal that country-level and industry factors, and also the assurance provider, do affect assurance statements' quality.

1. INTRODUCTION

Nowadays, enterprises operate in a changing business context as they face the pressure to respond to some of the most complex and far-reaching issues of our time, including environmental challenges, social issues and persistent concerns about governance and responsibility (Simnett, 2012). The increase in accountability pressures on companies and the growing demand for transparency about corporate behaviour (Kolk, 2008) by stakeholders has led companies to introduce sustainability into their business strategy. Therefore, communication is a key component of sustainability (Illia et al., 2010) and it is a way to legitimise the company among its stakeholders (Deegan and Rankin, 1999).

Stakeholder theory understands companies as a part of a wider social system in which their commercial activities affect and they are affected by other stakeholder groups within society (Deegan, 2002; Freeman, 1983). Additionally, Freeman (1983) categorized the development of the stakeholder concept into a corporate planning and business policy model and a sustainability model of stakeholder management.

In this sense, stakeholder's acknowledgment requires not only to be able to meet their needs, but also an information policy that allows visualizing the assumption of such commitments (Archel, 2003). Thus, numerous companies issue CSR or sustainability reports, which has quickly become the medium through which companies around the world communicate their environmental, social and economic performance to stakeholders.

In the past, there were no generally accepted standards to govern this kind of reports, making them difficult to compare and less credible (Simnett, 2012). Today, some organisations have published standards for sustainability reporting which ensure the homogeneity of sustainability reports. They have boosted the employment of a common international framework in the development and disclosure of non-financial information. The two most widely used reporting standards currently in practice are the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and the AA1000 AccountAbility Principles Standard (AA1000APS). Both highlight the concepts of accountability and transparency, and are based on the stakeholder inclusiveness' principle. According to GRI (2011), sustainability reporting is

the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Accountability obliges an organisation to involve stakeholders in identifying, understanding and responding to sustainability issues, and to report, explain and be answerable to stakeholders for decisions, actions and performance (AccountAbility, 2008).

As sustainability reporting matures, the need for credible reported information in this area is critical. Voluntary assurance of sustainability reports enhances the credibility of the information provided (Adams and Evans, 2004). Independent experts providing assurance on the content and structure of sustainability reports is a common method used to improve the relevance, reliability and comparability of these reports and, therefore, to enhance their overall credibility (Simnett, 2012). The voluntary adoption of assurance can be explained by the companies' willingness to enhance this credibility facing stakeholders (Perego and Kolk, 2012).

The need for credibility of such reporting has accelerated the development of relevant assurance frameworks (FEE, 2004). The two standards that are predominantly applied by assurance providers in performing assurance engagements on sustainability reporting are the AA1000 Assurance Standard (AA1000AS) of AccountAbility and the ISAE 3000 Assurance Engagements of the International Auditing and Assurance Standards Board (IAASB). The combination of both is likely to provide enhanced results because they are complementary in terms of providing a comprehensive and robust assurance process that should satisfy the needs of both management and other stakeholders (Accountability and KPMG, 2005).

Previous studies have analysed the sustainability assurance in stock companies in several countries. However, very few efforts have been made to develop a non-stock firm perspective on it; that is, a cooperative perspective that identifies an interesting research gap has not been bridged. In this sense, and from an empirical perspective, Cornelius et al. (2008) argued that CSR is a key consideration for all social enterprises (such as cooperatives). Therefore, it is timely to investigate their practices and whether they are subject to the same requirements as capitalist, firms in terms of the different degrees of internal and external CSR in non-stock entities (Emanuele and Higgins, 2000).

Given the lack of previous studies, our research focuses on the special case of cooperative and mutual companies because of the significant link between this kind of entities and sustainability. In cooperatives, the partners/owners act also as customers, suppliers and employees. Therefore, the strong correlation between the stakeholders and cooperative management and the management towards sustainability is clear (Server and Capó, 2011).

This paper reports on the characteristics of the top 300 cooperatives' assurance reports presented from 2001 to 2013. Specifically, the quality of those reports is analysed based on a set of items disclosed. We seek to determine whether the factors for external assurance posited by existing literature have an impact on these companies to assure their sustainability reports and to select their assurance provider and whether these factors influence the assurance quality.

The paper is organized as follows. First, we present a review of the literature review. In the following section, we describe the research method employed and the sample studied. Then, we discuss the results of our analysis. Finally, we expose our conclusions.

2. LITERATURE REVIEW

2.1. Sustainability in cooperatives

The sustainability literature on cooperatives has developed significantly in the last few years and deals with a wide range of topics. Therefore, a 'Cooperative discourse' on sustainability exists, with special characteristics linked to historical, social, economic and political facts (Carrasco, 2007; Vargas and Vaca, 2005).

Cooperatives have a path taken in the area of sustainability and it stands them at a better strategic position (Collado, 2006). They are entities with a characteristic legal nature in which sustainability is fundamentally important in the way they operate. Thus, the definition of Cooperative Identity adopted by the International Cooperative Alliance (ICA) in 1995 is a first approximation to the cooperatives socially responsible behaviour (Server and Capó, 2011).

Sustainability represents an integral part of the cooperative values (Belhouari et al., 2005): self-help, self-responsibility, democracy, equality, equity and solidarity. Since the beginning of the cooperative movement, members believe in the ethical values of honesty, openness, social

responsibility and caring for others. In fact, it is definitely on the cooperative principles where we can see more clearly the relationship between sustainability and the cooperative movement (Mozas and Puentes, 2010). Especially, three of these principles remind us explicitly of matters relating to CSR. The fifth principle (education, training and information) says that cooperatives have to provide education to their partners and workers. The sixth principle (cooperation between cooperatives) says that cooperatives serve their partners as efficiently as possible by working in local, regional, national and international structures. The seventh principle (concern for community) specifies that cooperatives work for the sustainable development of their communities. Therefore, the compromise of cooperatives with the community, workers and the environment (since it affirms the compromise with sustainability) is clear (Carrasco, 2007). Sustainability has numerous common points with the cooperative values and principles (Server and Capó, 2011) and, therefore, constitutes an inherent ideology of cooperatives (Mozas and Puentes, 2010).

2.2. Assurance of sustainability reports

The number of sustainability reports has vastly grown over the last years (Kolk, 2004; O'Dwyer and Owen, 2005). The GRI Sustainability Guidelines are the most widely used reporting framework and it has achieved widespread adoption with 82% of Global 250 (G250: the top 250 companies of the Fortune 500 index) and 71% of National 100 (N100: the top 100 companies in 16 countries where KPMG operates) (KPMG, 2013).

On the other hand, assurance of sustainability reports is on the increase. Approximately 59% of G250 companies use assurance as a strategy to verify and assess their sustainability information (KPMG, 2013). However, a number of scholars are highly critical of current sustainability reporting assurance and have argued that the practice is subject to 'capture' by powerful managerial and professional interests such that public accountability is not adequately served (Ball et al., 2000; O'Dwyer and Owen, 2005, 2007). The argument is that 'dominant groups' (Bebbington, 1997) such as senior company management or professional associations, tend to take control of or 'capture' sustainability reporting assurance policy and practice by

appropriating the language and processes in order to meet their own commercial and professional objectives (O'Dwyer, 2003; Power, 1991).

Some academics have attempted to identify the factors explaining why companies assure their sustainability reports. Likewise other research works have analysed determinants of choice of assessor. Simnett et al. (2009) affirmed that large companies were more likely to have their sustainability reports assured. Findings also showed a significant positive association between company size and choice of a member of the auditing profession as an assurance provider. In addition, Sierra et al. (2013) indicated that assurance also depended on the company's leverage, while Simnett et al. (2009) found that members of the auditing profession were more likely to be assurance providers of companies with less leverage. It also seems that country-level factors are noteworthy drivers of sustainability assurance. In accordance with Simnett et al. (2009) and Kolk and Perego (2010), companies in stakeholder-oriented countries were more likely to have their sustainability reports assured and to choose assurance from the auditing profession. Similarly, Perego (2009) found that firms domiciled in weaker legal systems were more likely to choose a large accountant as their assessor. Moreover, Simnett et al. (2009) and Zorio et al., (2013) reported a significant relationship between assurance and industry.

Otherwise, previous studies have explored how companies adopt assurance practices and they have evaluated the quality of assurance statements. O'Dwyer and Owen (2005) provided a framework to evaluate assurance practice, which was based on aspects of the guidance issued by AccountAbility, FEE and GRI. Perego and Kolk (2012) investigate how evolving auditing practices, specifically diversity of assurance standards and type of assurance providers, shape the quality of sustainability assurance statements. Their results illustrate a large variability with firms in specific countries showed a regular improvement while the rest exhibited an irregular trend. The assurance quality was also different depending on the industry with higher results referred to more polluting sectors, although food and beverages firms got the highest quality. In the financial services industry there was a great diversity, with some brilliant scores and other extremely low.

Other research works have shown that approaches in sustainability assurance differ significantly among assessors. Deegan et al. (2006) found considerable variability in presentation

formats and contents across assurers, Mock et al. (2007) indicated different characteristics inherent to the level of assurance provided positively associated with the type of assurance provider, and Perego and Kolk (2012) reveal that the quality of assurance depends on the type of provider. According to O'Dwyer and Owen (2005), the assurance process performed by consultants created more value for the stakeholders and it is discussed that accountants might rely too much on their brand. In the same sense, Moroney et al. (2011) found that Australian companies seem to prefer consultant assurers.

In opposition, Pflugrath et al. (2011) noted that financial analysts in the USA give more credibility to the sustainability assurance undertaken by auditors as opposed to consultants. Perego (2009) provide evidence that Big-4 audit firms positively affect assurance quality in terms of reporting format and assurance procedures. In contrast, the quality of the recommendations and opinions in a sustainability assurance statement is positively associated with non-accountant assurance providers. According to Sierra et al. (2013) and Zorio et al. (2013), the Big-4 firms dominate the sustainability assurance market in Spain and the decision to hire an auditor to perform assurance sometimes depends on the industry. Lastly, Hasan et al. (2005) identified the determinants of the level of assurance and they reported a slightly lower percentage of confidence to a moderate assurance engagement as compared to non-Big 4 audit firms.

Hodge et al. (2009) aimed to study the impact of assurance reports on user confidence in sustainability reports. They noted that users placed more confidence in the sustainability reports where the level of assurance provided is reasonable/high, and when a top tier accountancy firm provides such assurance, rather than when a specialist consultant provides the assurance. No such difference was found when the level of assurance provided was limited/low for either type of assurance provider group.

About stakeholder engagement, the results indicate a continuing trend reflecting a lack of stakeholder involvement in assurance (Adams, 2004; Adams and Evans, 2004; O'Dwyer and Owen, 2005; 2007; Manetti and Becatti, 2009; O'Dwyer et al., 2011). The literature has given clear indications regarding the need to increase stakeholder involvement and participation in sustainability reporting processes (Manetti and Toccafondi, 2012). O'Dwyer and Owen (2005)

raised many doubts on the intention of assurance providers to involve stakeholders in the assurance processes. O'Dwyer and Owen (2007) revisited the problem of assurance quality and found, among others, a continuing absence of a stakeholder involvement and a tendency to minimize expectations through extensive scope limitations. Edgley et al. (2010) analysed the level of stakeholder inclusivity of assurance processes, revealing varying levels of stakeholder engagement in these practices. Conversely, Manetti and Toccafondi (2012) confirms that stakeholders are being incorporated increasingly into all stages of the sustainability reporting assurance process, despite the emergent nature of such stakeholder inclusivity.

The aim of this paper was twofold: to shed light onto determinants to adopt assurance in the biggest cooperatives and mutual enterprises around the world, and to determine the quality of their assurance statements. Accordingly, we formulated the following research questions:

RQ1: Is the assurance adoption associated with the country orientation where the cooperative is located and the industry sensibility?

RQ2: Is the choice of assurance provider associated with the country orientation and the industry sensibility?

RQ3: Are there differences in assurance quality across countries, industries and providers?

3. METHODOLOGY

3.1. Sample and data collection

As mentioned before, we focus on cooperative and mutual enterprises because they are highly susceptible to sustainability and its disclosure. Therefore, the main hypothesis to verify is whether their social character influences the decision of assuring and the quality of assurance engagement.

For this purpose, we took the 300 biggest cooperative and mutual enterprises in the world listed in the Global300 Report 2010, prepared by the International Cooperative Alliance (ICA). This report includes cooperatives from 25 countries and categorises them into 8 economic sectors (Agriculture/Forestry, Banking/Credit Unions, Consumer/Retail, Insurance, Workers/Industrial, Health, Utilities and Others). To check whether these companies disclose a sustainability report, we employed the GRI Sustainability Disclosure Database and we visited

their corporate websites. We took the sustainability reports available from the year 2001 to 2013, and we checked if they include an assurance statement.

As shown in Table 1, the Global300 List comprised most cooperative and mutual enterprises from the United States (30%), followed at a distance by France (16%), Italy (10%), Germany (8.67%), the United Kingdom (6%) and the Netherlands (5%). However, our data indicate that firms coming from the Netherlands (18.45%), Finland (16.02%) and the United Kingdom (12.14%) were more active in sustainability reporting. This is against the general results from the GRI (2011), which pointed out that the top 10 reporting countries were the United States, Spain, Sweden, Brazil, China, the Netherlands, Germany, Australia, Switzerland and Canada. Similarly, the assurance adoption was more commonplace in the Netherlands (22.03%), followed by the United Kingdom and Italy (18.64%). In relative terms, Austria assured 100% of their two reports. In general, a very few cooperatives assured their sustainability reports during the study period.

Table 2 reveals that cooperatives operating in the agriculture and forestry sector represent the higher percentage (33.67%) in the Global300 List, followed by cooperatives from the consumer and retail sector (24%) and the insurance sector (19.33%). However, consumer and retail cooperatives occupied the first position in terms of sustainability disclosure (28.16%), while agriculture and forestry cooperatives (25.73 %) and cooperatives banks and credit unions (22.82%) occupied the second and the third positions, respectively. This is against results from GRI (2011), which pointed out that the Financial Services sector was the most active sector. The assurance adoption was more frequent in the consumer and retail sector (30.51%), followed by the banking and credit unions sector (25.42%) and the agriculture and forestry sector (20.34%). In relative terms, workers and industrial cooperatives assured 100% of their sustainability reports.

3.2. Methodology and variables measurement

First, we aimed to study the associations between assurance adoption and (a) the country where the company was located and (b) sector, and the associations between choice of assesor and the same factors, by means of cross tabulations and Pearson's chi-square.

Thus, the ASSURANCE variable indicated whether a sustainability report was assured. It took the value '0' if it was not assured and '1' if it was assured.

The ASSUROR variable pointed out the type of firm that provided external assurance. It took a value of '0' if the assurance provider did not belong to the accounting profession (including engineering firms and small consultancies/boutique firms) and a value of '1' when the assurance provider was an accountant.

Due to the disparate propensity among countries towards assuring sustainability reports, we converted the COUNTRY variable in a dummy variable named LEGAL. Consistent with Ball et al. (2000) and Simnett et al. (2009), this variable showed whether the country where the reporting organisation was located was a common law country or a code law country. Firms in common law countries have a more shareholder-orientated corporate governance model, while firms in code law countries have a more stakeholder-orientated model. Hence, this variable took a value of '0' for a common law country and '1' for a code law country (Table 1).

Table 1 – Sample description per country

Country	Legal	Number of firms	% of firms	Number of sustainability reports	% of sustainability reports	Number of assurance statements	% of assurance statements	% of assurance statements per report
Austria	Stakeholder	1	0.3	2	1.0	2	3.4	100.0
Brazil	Stakeholder	1	0.3	2	1.0	1	1.7	50.0
Canada	Shareholder	8	2.7	18	8.7	0	0.0	0.0
Finland	Stakeholder	10	3.3	33	16.0	4	6.8	12.1
France	Stakeholder	48	16.0	3	1.5	0	0.0	0.0
Germany	Stakeholder	26	8.7	12	5.8	5	8.4	41.7
Italy	Stakeholder	30	10.0	17	8.3	11	18.6	64.7
Netherlands	Stakeholder	15	5.0	38	18.4	13	22.0	34.2
Norway	Stakeholder	4	1.3	6	2.9	0	0.0	0.0
Spain	Stakeholder	2	0.7	7	3.4	4	6.8	57.1
Sweden	Stakeholder	5	1.7	15	7.3	6	10.2	40.0
Switzerland	Stakeholder	7	2.3	19	9.2	2	3.4	10.5
United Kingdom	Shareholder	18	6.0	25	12.1	11	18.6	44.0
United States	Shareholder	90	30.0	9	4.4	0	0.0	0.0
Others*		35	11.7	0	0.0	0	0.0	0.0
Total		300	100.0	206	100.0	59	100.0	

* Australia, Belgium, China, Denmark, India, Ireland, Japan, Korea, Malaysia, New Zealand, Singapore and Taiwan.

Source: Data from ICA (2011) and GRI database (2014).

Equally, we converted the SECTOR variable in a dummy variable named SENSITIVE SECTOR, following Sierra et al. (2014). The variable referred to the sector sensibility to adopt assurance on their sustainability reports. It took the value of '0' if the sector was no-sensitive,

that is, if the percentage of cooperatives assuring their sustainability reports was lower than 20%, and the value of ‘1’ if the sector was sensitive, that is, if the percentage was higher than 20%. Thus, the sensitive sectors were agriculture and forestry, banking and credit unions, and consumer and retail, while no-sensitive sectors were insurance, workers and industrial, health, utilities and others (Table 2).

Table 2 - Sample description per sector

Sector	Sensitive	Number of firms	% of firms	Number of sustainability reports	% of sustainability reports	Number of assurance statements	% of assurance statements	% of assurance statements per report
Agriculture / Forestry	Yes	101	33.7	53	25.7	12	20.3	22.6
Banking / Credit Unions	Yes	34	11.3	47	22.8	15	25.4	31.9
Consumer / Retail	Yes	72	24.0	58	28.2	18	31.0	31.0
Health	No	6	2.0	0	0.0	0	0.0	-
Insurance	No	58	19.3	35	17.0	8	13.7	22.9
Other	No	4	1.3	7	3.4	0	0.0	0.0
Utilities	No	16	5.3	0	0.0	0	0.0	-
Workers / Industrial	No	9	3.0	6	2.9	6	10.2	100.0
Total		300	100.0	206	100.0	59	100.0	

Source: Data from ICA (2011) and GRI database (2014).

Secondly, we aimed to determine the quality of the assurance statements by means of coding rules of Perego and Kolk (2012) content analysis. For this purpose, we used the), which are based on the evaluative framework provided by O’Dwyer and Owen (2005) that include the recommended minimum elements of assurance statements indicated by FEE, GRI and AccountAbility. However, we added other aspects, such as inclusivity, limitations to the scope and recommendations, which were taken from Fonseca (2010) or Fernández-Feijóo et al. (2012). We included 22 items in all (see the Appendix). As can be derived from the codebook, the possible range of scores obtained from the content analysis was 0 to 31, whereby 0 represented the lowest quality level and 31 the highest quality level. In order to ensure reliability in the content analysis, we followed Neuendorf’s guidelines (2002). The coding procedure involved a team of two coders formed by the authors of the paper. We drew a random subsample of 6 assurance statements and we analysed their content separately. The level of agreement between the coders was 100% for 18 items and above 90% for the others. We re-examined the assurance statements to reconcile the few instances of conflicting codes. Then, we analysed the remaining statements.

4. RESULTS

As regards the assurance adoption, if we consider the country-level factor, Table 3 reveals that the percentage of assured reports was higher in stakeholder-oriented countries (31.2%) than in shareholder-oriented countries (21.2%). However, in both cases most of sustainability reports were not assured. As it can be derived from the Chi-square tests, there was no significant association between the country orientation and the decision to assure ($p > 0.05$ and $p > 0.10$).

Considering the industry factor, most of cooperatives decided not to assure their reports. The percentage of assured reports was almost the same in no-sensitive sectors as in sensitive sectors (29.2% and 28.5%, respectively), as we can see in Table 4. Chi-square tests confirms that the assurance adoption was no associated to the sector sensibility ($p > 0.05$ and $p > 0.10$).

Table 3 – Country * Assurance

			Assurance		Total	Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
			Not assured	Assured					
Legal Shareholder	Count	41	11	52	Pearson Chi-Square	1.908 ^a	1	.167	
	% within Legal	78.8%	21.2%	100.0%					Continuity Correction ^b
Stakeholder	Count	106	48	154	Likelihood Ratio	1.989	1	.158	
	% within Legal	68.8%	31.2%	100.0%					
Total	Count	147	59	206	N of Valid Cases	206			
	% within Legal	71.4%	28.6%	100.0%					

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 14.89.

b. Computed only for a 2x2 table

Table 4 – Industry * Assurance

			Assurance		Total	Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
			Not assured	Assured					
Sensitive sector	No-sensitive	Count	34	14	48	Pearson Chi-Square	.008 ^a	1	.927
		% within Sensitive sector	70.8%	29.2%	100.0%				
Sensitive sector	Sensitive	Count	113	45	158	Likelihood Ratio	.008	1	.927
		% within Sensitive sector	71.5%	28.5%	100.0%				
Total	Count	147	59	206	N of Valid Cases	206			
	% within Sensitive sector	71.4%	28.6%	100.0%					

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 13.75.

b. Computed only for a 2x2 table

Regarding assurance providers, accountants were chosen in 64.4% of cases, as shown in Table 5. Considering the country-level factors, in shareholder-orientated countries, most of

cooperatives (63.6%) preferred a non-accountant firm to assure their sustainability reports, while in stakeholder-orientated countries, most of cooperatives preferred an accountant firm. In this line, results of Chi-square tests show a significant association between the country orientation and the choice of the assurance provider ($p < 0.05$).

If we differentiate per sector, 100% of cooperatives belonging to no-sensitive sectors preferred accountants to assure their reports, while among cooperatives from sensitive sectors 53.3% preferred a provider from the accounting profession and 46.7% from outside (Table 6). Chi-square tests highlight a significant association between the sector sensibility and the choice of the assesor ($p < 0.05$).

Table 5 – Country * Assuror

			Assuror			Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
			Non-accountant	Accountant	Total				
Legal	Shareholder	Count	7	4	11	Pearson Chi-Square	4.638 ^a	1	.031
		% within Legal	63.6%	36.4%	100.0%	Continuity Correction ^b	3.257	1	.071
	Stakeholder	Count	14	34	48	Likelihood Ratio	4.453	1	.035
		% within Legal	29.2%	70.8%	100.0%				
Total		Count	21	38	59	N of Valid Cases	59		
		% within Legal	35.6%	64.4%	100.0%				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.92.

b. Computed only for a 2x2 table

Table 6 – Industry * Assuror Crosstabulation

			Assuror			Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
			Non-accountant	Accountant	Total				
Sensitive sector	No-sensitive	Count	0	14	14	Pearson Chi-Square	10.144 ^a	1	.001
		% within Sensitive sector	.0%	100.0%	100.0%	Continuity Correction ^b	8.210	1	.004
	Sensitive	Count	21	24	45	Likelihood Ratio	14.640	1	.000
		% within Sensitive sector	46.7%	53.3%	100.0%				
Total		Count	21	38	59	N of Valid Cases	59		
		% within Sensitive sector	35.6%	64.4%	100.0%				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 4.98.

b. Computed only for a 2x2 table

Following tables summarise results of the content analysis. It should be noted that we had some limitations because 4 assurance statements were not available, then we analysed 55 in all.

Table 7 – Ranking Criteria in the Content Analysis

	Criteria	% of assurance statements
1	Title	100.0%
2	Criteria used to asses evidence and reach conclusion	100.0%
3	General conclusion/opinion	100.0%
4	Report date	96.4%
5	Scope of the assurance engagement	92.7%
6	Assurance standard used	92.7%
7	Responsibilities of reporter	90.9%
8	Responsibilities of assurator	90.9%
9	Summary of work performed	90.9%
10	Name of assurator	83.6%
11	Level of assurance	70.9%
12	Addressee	69.1%
13	Independence of assurator from reporting organization	56.4%
14	Competences of assurator	50.9%
15	Impartiality of assurator towards stakeholders	47.3%
16	Recommendations / Opportunities for improvement	45.5%
17	Extent of stakeholder participation in the assurance process (inclusivity)	36.4%
18	Materiality (from a stakeholder perspective)	34.5%
19	Responsiveness to stakeholders	30.9%
20	Location of assurator	21.8%
21	No Limitations to the Scope	16.4%
22	Completeness	9.1%

Table 7 represents a relation of the elements included into the assurance statements. It is shown that assurers referred to their independence from the reporting organisation in 56.4% of cases, 47.3% made reference to their impartiality towards stakeholders and 50.9% to their competences. Moreover, in 90.9% of assurance statements there is some reference to reporter and assurator's responsibilities.

On the other hand, 90.9% of assurance statements summarised the work undertaken and 92.7% made some reference to the scope of the assurance engagement.

Regarding the level of assurance, it was declared by 70.9% of providers. Among these ones, 59% applied the limited or moderate level, while 23.1% applied a reasonable or high level and in 17.9% of the cases selected issues were assured to a reasonable or high level and other only to a limited or moderate level. Focusing on the standards, 92.7% of providers followed the

ISAE 3000, the AA1000AS, the GRI guidelines or a combination of them to apply the assurance process.

With reference to principles of AccountAbility’s AA1000 Assurance Standard, we found references to materiality issues in 34.5% of sample, 36.4% of assurance statements referred to the stakeholder participation (inclusivity), 30.9% of them referred to the responsiveness, and only 9.1% included references to completeness.

Concerning the conclusions, 65.5% consisted in a mere statement expressing the opinion of the assurator containing one sentence, while 34.5% consisted in an explanatory statement containing more than one sentence. Finally, only 45.5% of assurance statements include observations or recommendations.

As regards to the assurance statements quality, it followed an irregular trend over the time. The average score in 2001 (17.00) was almost the same as the 2013 average (17.70), although in 2001 we found only one report and in 2013 there are 10 reports. The highest score was in 2006 (20.00), while the lowest was in 2002 (10.00). In both cases there is only one report.

The quality analysis by countries gave the highest average score to shareholder-oriented countries (20.818), as we can see in Table 8. However, Brazil (a stakeholder-oriented country) occupied the first position with an average of 26.00, followed by the United Kingdom and Italy with an average of 20.818 and 19.182, respectively. Conversely, the lowest score was obtained by Spain, with an average of 7.00.

Table 8 - Quality of assurance statements per country

Legal	N	Mean	Std. Deviation	Minimum	Maximum
Shareholder	11	20.818	5.9130	10.0	26.0
Stakeholder	44	16.568	5.2712	7.0	26.0
Total	55	17.418	5.6164	7.0	26.0

Assurance quality also differed substantially per industry, as it is shown in Table 9. The highest average score went to the sensitive sectors (18.634). Specifically, agriculture and forestry sector (21.00), banking and credit unions (18.818) and consumer and retail sector (16.944) occupied the first, second and third position, respectively, in the quality ranking. The insurance sector showed the worst quality (13.250).

Table 9 - Quality of assurance statements per industry

Sector	N	Mean	Std. Deviation	Minimum	Maximum
No-sensitive	14	13.857	1.8752	12.0	18.0
Sensitive	41	18.634	5.9572	7.0	26.0
Total	55	17.418	5.6164	7.0	26.0

Table 10 presents the quality results according to assurance providers. Despite their consolidated expertise in assuring financial statements and their higher penetration in the sustainability assurance market, the assurance statements by accountants got a lower quality (15.794) than assurance statements by non-accountants (20.048).

Table 10 - Quality of assurance statements per assuor

Assuor	N	Mean	Std. Deviation	Minimum	Maximum
Non-accountant	21	20.048	7.2421	7.0	26.0
Accountant	34	15.794	3.5657	10.0	25.0
Total	55	17.418	5.6164	7.0	26.0

5. DISCUSSION

Sustainability Assurance is increasing worldwide from year to year as a mechanism of enhancing the Sustainability Reporting credibility among their stakeholders. Despite social features and to be a supportive environment for sustainability, the sustainability reporting is scarce among the top 300 cooperatives of the world. It is a paradoxical how these companies used less sustainability reporting than the big stock companies. The data show their late incorporation into sustainability reporting. Thus, the most relevant countries in the Global300 List (United States and France) had lower levels of disclosure than other countries such as the Netherlands, Finland or the United Kingdom, which were the most active areas to disclose non-financial information. Regarding the industry, consumer and retail cooperatives occupied the first position in terms of sustainability disclosure, while agriculture and forestry cooperatives and cooperatives banks and credit unions occupied the second and the third positions, respectively. These three sectors were the most dynamic to disclose sustainability information.

As regards the assurance adoption, the Netherlands, the United Kingdom and Italy are the most adopter countries, however both shareholder-oriented and stakeholder-oriented countries

mostly did not assured their sustainability reports. Therefore, the country-level factor was no significant to adopt assurance, which is against Simnett et al. (2009) and Kolk and Perego (2010).

Focusing on the industry factor, consumer and retail cooperatives were the most active in assurance, although in general most cooperatives decided not to assure their reports during the period analysed, and there are no differences between sensitive and no-sensitive sectors. Thus, the assurance adoption was no associated to the sector sensibility, which is against Simnett et al. (2009) and Zorio et al. (2013).

On the other hand, the country-level factor affected the choice of the assurance provider so that in shareholder-orientated countries it is preferable a non-accountant firm to assure sustainability reports, while in stakeholder-orientated countries it is preferable an accountant firm, which is in line with Simnett et al. (2009). The sector sensibility also affected this choice, as revealed Simnett et al. (2009) and Zorio et al., (2013), so that all cooperatives belonging to no-sensitive sectors preferred accountants, while in the majority of cooperatives from sensitive sectors preferred an accountant professional.

In relation to the elements included into the assurance statements, assurers should make reference to their independence, impartiality and competences. Moreover, there is a lack of information in terms of materiality, stakeholder inclusivity, responsiveness and completeness, as pointed out Adams (2004), Adams and Evans (2004), O'Dwyer and Owen (2005, 2007), Manetti and Becatti (2009) or O'Dwyer et al. (2011). It should be better if they included more observations and recommendations to the reporting organisations so that they would improve their sustainability reports.

Finally, it seems that the country-level factor affected the quality of the assurance statements, finding the best results in shareholders countries, although the highest average score went to Brazil. It also differed substantially by industry, with the agriculture and forestry sector (a sensitive sector) reaching the highest score. Moreover, it depends on the type of provider, with non-accountants getting a better result than accountants.

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7. APPENDIX

Ranking criteria	Scale (total 31 points)	
Title	0	No reference
	1	Reference
Addressee	0	No reference
	1	Addressee is internal or “the readers”
	2	Stakeholder mentioned in the addressee
Name of assuor	0	No reference
	1	Reference
Location of assuor	0	No reference
	1	Reference
Report date	0	No reference
	1	Reference
Responsibilities of reporter	0	No reference
	1	Reference
Responsibilities of assuor	0	No reference
	1	Reference
Independence of assuor from reporting organization	0	No reference
	1	Reference or mere statement expressing that independence can be looked up on the internet
Impartiality of assuor towards stakeholders	0	No reference
	1	Reference (a remark that such a declaration can be made available on request or reference to an internet site already qualifies for a 1)
Competences of assuor	0	No reference
	1	Statement claiming competency (but no explanatory note) or mere reference to an internet site
	2	Explanatory statement of competencies based on prior experience / engagements
Scope of the assurance engagement	0	No reference
	1	Reference
Summary of work performed	0	No reference
	1	Reference
Criteria used to asses evidence and reach conclusion	0	No reference
	1	Reference to publicly unavailable criteria
	2	Reference to publicly available criteria (e.g., internally developed criteria that are published anywhere in the report or GRI)
Assurance standard used	0	No reference
	1	Reference to publicly unavailable criteria
	2	Reference to publicly available criteria
Level of assurance	0	Not applicable or no reference to level of assurance
	1	All issues under the assurance scope have been assured to a limited or moderate level
	2	Selected issues under the assurance scope were assured to a reasonable or high level, and others only to a limited or moderate level
	3	All issues under the assurance scope were assured to a reasonable or a high level
Materiality (from a stakeholder perspective)	0	No reference
	1	Reference limited to a broad statement (e.g. “covers all material aspects” or “. . . in all material respects. . .”) but also negative statements claiming that assuor has not undertaken any work to confirm that all relevant/ material issues are included
	2	Reference and explanation of materiality setting or reference limited to a broad statement and stakeholder perspective introduced (e.g. “issues material to stakeholders have been considered”)
	3	Reference, explanation of materiality setting and stakeholder perspective introduced
Extent of stakeholder participation in the assurance process (INCLUSIVITY)	0	No reference
	1	Reference
Completeness	0	No reference
	1	Reference
Responsiveness to stakeholders	0	No reference
	1	Reference
Limitations to the Scope	0	No reference
	1	Reference
General conclusion/opinion	0	No reference
	1	Mere statement expressing the opinion of the assuor (e.g., “XY’s report is a fair presentation of XY’s CSR performance”). A 1 is assigned only if the conclusion consists only of one sentence
	2	Explanatory statement (more than one sentence, but recommendations for improvement are not considered part of the conclusion)
Recommendations / Opportunities for improvement	0	Statement not includes observations/recommendations
	1	Statement includes observations/recommendations

Source: Adapted from Perego and Kolk (2012).