SUSTAINABLE DEVELOPMENT PRACTICE ON INTERNATIONAL ACCOUNTING REPORTING STANDARD - THE JOURNEY SO FAR AND ITS EXPECTATION GAP

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ABSTRACT

The study conducted to investigate sustainable development practice on international accounting reporting standard - the journey so far and its expectation gap. The population of the study consisted of all members of staff of Akwa Ibom State Polytechnic, Ikot Asurua, Ikot Ekpene. The study adopted survey design, while random sampling technique was used in selecting one hundred and fifty (150) respondents. The structured questionnaire was used to elicit information from the respondents. Data collected were analyzed using Pearson analysis. The data was then organized, tabulated and analysed in frequency tables; and percentages with the help of the statistical package for social sciences (SPSS) software. It was concluded that closing the expectation gap requires sustained commitment, collaboration, and innovation to create a reporting framework that truly reflects the complex and interconnected nature of sustainable development in a rapidly changing world. While it was recommended that, innovation in reporting methodologies through the integration of technology, such as blockchain and artificial intelligence should be adopted. This can enhance the accuracy, transparency, and efficiency of sustainability reporting. Also, capacity building programs to enhance the knowledge and skills of reporting entities in sustainable development practices should be encouraged. This will empower organizations to align their reporting with evolving standards and best practices.

KEYWORDS: International Financial Reporting Standard (IFRS), IFRS Adoption, International Accounting Standards Board (IASB), Nigeria

Introduction

The worldwide corporate financial reporting scenario has changed dramatically in recent years, with an unprecedented number of nations and corporations throughout the world serving as the foundation for generating financial statements and so inheriting disparities in accounting methods. improved financial information comparability, quality, and openness (UNCTAD, 2008). The International Accounting Standards Committee was founded in 1973 by 16 specialized agencies from Australia, the United Kingdom, Canada, Mexico, Germany, Japan, the United States, the Netherlands, and France (IASC). Its goal is to create an internationally recognized standard known as International Financial Reporting Standards

(IFRS). The International Accounting Standards Committee (IASC) was reformed in 2001 to create the International Accounting Standards Board (IASB), which is in charge of creating IFRSs. However, when the European Union (EU) mandated that all listed firms in 17 member nations use IFRS in the production of consolidated financial statements beginning January 1, 2005, IFRS gained popularity. Similarly, China required public companies to apply IFRS to financial reporting from 2007, but Canada announced in 2011 that it would abolish local GAAP and replace it with IFRS (Larson and Street, 2004). In addition, the increase in earning IFRS with the US Securities and Exchange Committee (SEC) virtually, in fact, foreign companies had to adjust the US financial reporting as the US capital market criteria. The report is prepared according to IFRS according to IFRS, but must not match US GAAP. This development facilitates a smooth list of foreign companies in the US capital markets (Epstein and Jermakowicz, 2010). Traveling to the adoption of IFRS in December 2010, journey to the spread of IFRS after approval of Federal law, Nigeria (FRCN) financial reporting council (formerly known as Nigerian Accounting Standard (NASB)) designed a roadmap implementation for Bank and other important public listing companies adopt a broken standard in three stages expected to be created by December 31, 2012 based on IFRS. Phase 2 requires other public interest groups, and as of December 31, 2013, the third step is accepted by SME (SME) and is planned as of December 31, 2014. In addition, some challenges and difficulties such as low awareness, inadequate technical competence between financial statement preparers and users, weak enforcement mechanisms and inadequate capacity building, make the first stage smooth. It hindered the implementation. Very few listed companies comply with the directive. Based on the above, this study evaluates the achievements achieved so far, challenging encounters, and actions taken to ensure a smooth and successful implementation of the three phases.

1. To determine the level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria.

2. To examine the extent to which IFRS is adopted by service base firm operating in south south region of Nigeria.

3. To examine the extent to which IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria

Research Questions

The study will find answers to the following questions:

1. What is the level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria?

2. What is the effect of IFRS is adopted by service base firm operating in south south region of Nigeria?

3. What is the effect of IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria?

Research Hypotheses

1.   There is no significant relationship between level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria.

2.   There is no significant relationship between IFRS is adopted by service base firm operating in south south region of Nigeria.

3.   There is no significant relationship between IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria

Overview of International Financial Reporting Standard

IFRSs are a set of accounting standards established by the International Accounting Standards Board (IASB). IFRS was to meet the objective of developing a single set of high quality globally accepted accounting standards premised on clearly articulated principles (Adeyemi, 2016). IFRS provide comprehensible, reliable, accurate and comparable accounting rules which can beexecuted across international boundaries. They are principles-based accounting standards which are developed to achieve the goal of harmonization of all accounting standards of different nations in order to foster comparability and quality of accounting information in general (Tanko, 2012). They result from the outcomes of growing multinational companies and they are increasingly replacing the national accounting standards of different nations.

Despite the fact that IFRS emerged in recent years, its origin can be traced to 1973 when different professional bodies from Germany, Holland, Canada, United Kingdom, Mexico, Japan, USA, Australia and France agreed to create an International Accounting Standard Committee (IASC). As a result of globalization and civilization, companies, business moguls, investors and policymakers are concerned with the implications of varying accounting standards among different countries. The desire to develop a set of global accounting standards led to the emergence of the International Accounting Standards (IAS) to unite all national standards and minimize the inconsistencies in international accounting principles and reporting standards (Umobong, 2015).

For several years, the efforts were actually geared towards unification which connotes minimizing the differences among accounting principles and reporting standards across the major countries of the world. In the 1900s, the notion of unification was replaced by convergence, that is, the development of a single set high-quality international reporting standards that will be acceptable across the globe.

By the year 2001, the International Accounting Standards Committee (IASC) was reformed into the International Accounting Standards Board (IASB) basically to bring convergence of international accounting standards and IFRS to high quality solution (Xu, 2014). The globalization of the world's economy and markets led companies and organizations to become key world players and more investments take place at the global scene. In 2005, the

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European Union Commission issued a legislation that all SMEs quoted at its stock exchange must comply with IFRS when preparing their financial statements. Also, countries such as Germany, France, United Kingdom and Italy have adopted IFRS earlier on (Barth, 2007). Currently, over 120 countries including Nigeria, have adopted IFRS as their accounting standards.

Implementation of International Financial Reporting Standard (IFRS) in Nigeria

There is growing evidence that the world economies are more interconnected and symbolic than anyone can really imagine and it is a glaring fact that Nigeria is indeed part of this globalization. Following the changes in accounting standards across the globe, Nigerian SMEs have been mandated to comply with IFRS starting from January 1st, 2012. The implementation of IFRS in Nigeria kicked off on 28th July, 2010, when the Federal Executive Council (FEC) approved January 2012 as the effective date for the convergence of the Nigeria Generally Accepted Accounting Practices (NGAAP) to IFRSs.

The decision of the FEC to fully adopt IFRS in Nigeria was followed by the promulgation of the Financial Reporting Council of Nigeria Act in 2011, which resulted to the transformation of the Nigerian Accounting Standards Board (NASB) to the Financial Reporting Council of Nigeria (FRCN). The NASB announced its roadmap to convergence with IFRS in September, 2010. Based on this roadmap, quoted companies and key public interest entities were mandated to comply with IFRS starting from 1st January, 2012 while other public interest entities weremandated to comply with IFRS starting from 1st January, 2013 and small and medium scale enterprises are required to comply with IFRS from 1st January, 2014. The report sought the amendment of relevant laws and regulations such as Companies and Allied Matters (CAMA) 1990, Banks and Other Financial Institution Act (BOFIA) 1991, Investment and Security Act 2007, etc. In addition, the report recommended for an early nationwide intensive capacitybuilding programs to enhance the process of adoption and the establishment of IFRS academy, an institutional platform for capacity building. This necessitated the review of CAMA and its amendments of 2020.

Benefits of International Financial Reporting Standard (IFRS) Adoption

The benefits of the adoption of IFRS cannot be undermined despite surfeit challenges that besetits implementation. Deloitte (2013) maintained that IFRS, as a single set of high quality global accounting standards, will simplify accounting procedures by allowing the use of a common reporting language. According to Madawaki (2014), Nigeria's adoption of IFRS will promote the collation of relevant data of reporting entities' performance for comparability and reliability, facilitate and enhance informed decision making process of investors and go a long way to attract foreign investments.

Adoption of IFRS brings about easy external financing to local companies, low cost of trans-border businesses, easy consolidation of financial statements of multinational companies as well as fostering easy regulation (Adeyemi, 2016). IFRS is a systematic approach that

promotes understandability, reliability, relevance and comparability, improves security value andresults into the accomplishment of higher market liquidity (Omoruyi, 2011). IFRS have the ability to improve the comparability of financial statements, fortify corporate transparency and enhance the quality of financial reporting (Ronald, 2017).

Furthermore, IFRS have some unique benefits which are better quality, easy access to foreign investment, enhanced comparability and transparency in financial reporting (Tanko, 2012). The benefits of IFRS adoption as outlined by Abata (2015) include decreased cost of capital, efficient capital allocation, international capital mobility, capital market development, increased market liquidity and value, enhanced comparability, cross border movement of capitaland improved transparency of results.

According to Street and Gray (2012), the general benefits of IFRS include reduced investment risk and saving in the cost of capital of entities for sound decisions; allowing multinational SMEs to lower the accounting standards compliance cost around the world; promotion of international investment opportunities; ensuring efficient cross-border capital allocation; improving the comparability of reported financial information by entities; bringing accessibility to foreign capital financing and cross-border stock exchange listing; making financial information more transparent to stakeholders; and optimization of tax planning.

Deloitte (2013), in addition stated that, IFRS fosters the comparability of entities and provides more accurate and consistent financial information; enables entities to have a clear understanding of the global marketplace, access to world capital market and promotion of new businesses; allowing investors and other stakeholders to compare the performance of their companies with competitors in the local, national and international scene; fosters additional and quality information for shareholders and supervisory authorities; easier regulation of financial reporting of entities in Nigeria; easy consolidation of financial information of the same company with offices in different countries; allows entities to have a competitive advantage in negotiations with credit institutions and reduces the cost of borrowing; helps companies to make advantage of alternative forms of finance; results in more accurate risk evaluations by lenders and to a lower risk; assurance of useful and meaningful decisions on investment portfolio in Nigeria; and the promotion of the compilation of meaningful data on the performance of various reporting entities at both private and public level in Nigeria thereby encouraging comparability, efficiency, reliability and transparency of financial reporting in Nigeria.

Adoption of International Financial Reporting Standards

IASB, 2009 said that IFRS is designed for SMEs and it is a self-contained standard of 230 pages, designed to meet the needs and capabilities of Small and Medium sized Entities (SMEs), which are estimated to account for over 95 per cent of all the companies around the world. Nobes (2004) said that due to the problems associated with worldwide accounting diversity, attempts to reduce accounting differences across countries have been ongoing debates for decades and as a result of the advantages it provides for countries and

multinational companies, many countries adopt International Financial Reporting Standards. Although many argued that much of the disclosures and information required by full financial statements is regarded as not relevant to small and medium enterprises. Again the needs of the users of financial statement are not the same for big and small organizations, especially in Nigeria where SMEs is merely family business and some do not have accounting records. The costs of SMEs reporting financial statements in IFRS should be high, the resulting statements would not meet the objective of decision-usefulness. Many SMEs in Nigeria keep incomplete records in their book keeping. Some do not have nor see reasons for keeping accounting records yet they contribute immensely to the development of the economy. SMEs do not have "public accountability" hence they do not need to disclose as much information as the listed companies do. Again, the application of IFRSs by SMEs would not be beneficial for them from the view of the cost involved. SMEs generally have limited staff and resource and they will face significant costs while adopting IFRSs. Goh/Holt (2006) define this as "a unique financial burden" that is placed on SMEs because they must pay a proportionally higher cost than big companies for the same benefit. The users of SME financial statements would be creditors, suppliers, employees and the tax authorities may focus on different information compared with the users of financial statements of listed companies. They may be more interested in short term cash flows, liquidity and interest coverage (Sivaram, 2006). However, Cheney (2004) mention the goal of IFRS for SMEs project of the IASB as: to reduce the burden of disclosure for smaller companies, while preserving the recognition and measurement principles of international standards. Iyoha and Faboyede, 2011; Apostolos et al., 2010) also maintain that adoption of IFRS has a number of important benefits for a wide range of stakeholders such as, increased comparability of consolidated accounts, increased levels of transparency, better access to the global capital markets and other stakeholders would benefit from overall better reporting and information. The secondary research made in less developed countries such as South Africa, Turkey, Kenya, Ghana (Bohušova, 2011) found out that the adoption of the IFRS for SMEs would improve their access to financial funds, would help them to penetrate foreign markets and thus their financial situation and performance would be improved. Therefore, Nigeria would not be exceptional to this case. Arsoy, Sipahi, (2008) made it clear that the adoption of IFRS for SMEs in Turkey changed the accounting system and met the needs of the users of SME financial statements, although the adoption process was complex, because of the corporate structure of SMEs and the limited education opportunities about IFRS.

The Challenges in Adopting International Financial Reporting Standards

In spite of the enumerated benefits of IFRS, there are several challenges that limit its effectiveness in different countries. The characteristics of local business environments and institutional framework to a large extent determine the form, structure and content of accounting standards (Iyoha & Jimoh, 2010). In a country, where there is good and effective governance structure, IFRS adoption is likely to be less attractive as good governance represents highquality and the cost of switching to IFRS may not be justifiable. However, many developing countries are beset with weak institution, which is one of the strategic determinants of IFRS adoption (Luez, 2010).

Duh (2009) contended that the challenges of IFRS adoption are timely interpretation of standards, continuous amendment to IFRS, accounting knowledge and expertise possessed by financial statement user, prepares, auditors and regulators as well as managerial incentive. Although IFRS has the potentials to enhance cross-border comparability, increase reporting transparency, decrease informational costs, reduce information asymmetry and increase in the functionality of financial markets; Armstrong (2007) however opined that cultural, political and business differences may also continue to impose difficulties in the progress towards a single global financial reporting standard because a single set of accounting standards cannot reflectthe differences in national business practices arising from differences in culture and institutions. Odia and Ogeidu (2013) contended that, IASB financing, staffing, governance structure and consistent adoption; compliance issues and enforcement mechanisms especially in jurisdictions with weak institutions; and application and regulatory review, can also constitute challenges. Ball (2015) argued that most IFRS adoptions are in labels and with various versions which are inconsistent with IASB's prescription.

Furthermore, Madwaki (2014) and Abata (2015) stated that cost of adoption, includingthe cost of restructuring, accounting system, staff training and consultancy fees; difficulty in implementation, as some of the standards do not meet the local accounting needs of some countries; the entire internal control system to ensure compliance; the need for the services of reputable audit SMEs (especially the Big Four); Staff training and adoption; and the need to consider local regulation, which demands certain reports that are not in line with IFRS; etc can also pose problems to companies' complying with these standards.

Theoretical Framework

Stewardship Theory

Stewardship theory posits that managers are good stewards of their SMEs and as such they are totally accountable to the shareholders of the company. Cornelissen, and Kim, (2016) contended that managerial opportunism is relevant and that stewardship theory are primarily developed to examine the situation in which executives as stewards are only motivated to act in the best interest of the shareholders. Political cost theory states that if a company records huge amount of profits, this might be used as a causal reason for trade unionism or lobby groups to take action for an increase in a share of that profit (by demanding for higher wages), therefore companies may adopt income-decreasing accounting methods (Leenders, & Van den Berg, 2013). Agency theory describes the relationship between the shareholders and managers. The theory views managers as the agent of the shareholders and they are required to act in the best interest of the shareholders. Sometimes, managers are motivated to act in their own best interest and create a conflict between the interest of shareholders and managers. However, it is believedthat directors may sometimes take decisions which may conflict with the interest of the shareholders. The theory provides insight into systems of information, outcome uncertainty, risk and incentives (Davies, & Fraser, 2011).

Research Methodology

Introduction

Research methodology is a systematic way to solve a problem (Rajasekar, Philominathan, & Chinnathambi, 2013). It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are known as research methodology (Rajasekar et al., 2013). Its aim is to give the work plan of research.

Research Design

According to Cooper and Schindler, (2006) a research design is a strategy for study and the plan by which the strategy is to be carried out specifying the methods and the procedure for the data collection, measurement, and analysis of data. This study employed a descriptive survey design as a method of collecting information by administering a questionnaire to a sample of individuals.

Population of the study

A population is the aggregate of all the elements that share some common set of characteristics and that comprise the universe for the purpose of the research problem (Burns & Bush, 2010). The actual population can be any size and is usually referred to as the target population to which a researcher would like to generalise (Fraenkel & Wallen, 2006). The population of this study consisted of staff of Akwa Ibom State Polytechnic, Ikot Asurua, Ikot Ekpene.

Sample and Sampling Techniques

Sampling technique refers to how cases are selected for observation Mugenda and Mugenda, (2009). It provides a detailed explanation of the subject to be involved in the investigation and how these are selected from the target group. The Sample sizes of 150 respondents were in the study area**.** The sample size was statistically determined using the sample fraction of Krejcie, and Morgan, (1970).

Instrumentation/Research Instrument

The research instrument used for the study was self-structured questionnaire. The questionnaire was used to obtain data on the independent and dependent variables Likert (1932) scale was used in the study. Because of its quantitative nature, survey was conducted through use of questionnaires with relatively higher degree of subjectivity thus, to minimize its effects; the researcher triangulated the answers with other sources, and also posed clear questions using simple language in the whole process.

Method of Data Analysis:

The study employed Ex-post Facto analysis by use of means, percentages, and frequencies. Qualitative data that was obtained from the open ended sections of the questionnaire was analyzed using the thematic approach. The data was then organized, tabulated and analysed in frequency tables; percentages and independent t-test analysis with the help of the statistical

package for social sciences (SPSS) software. Thus, the data obtained were analyzed using Pearson moment correlation analysis was used to analysed the hypotheses.

Data Presentation and Analyses

The data are arranged and analyzed in tables following the research questions and hypotheses:

Research Questions Analysis

Research Question One

What is the level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria?

Table 1: Percentage analysis of the level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria

Extent	Frequency	Percentage
Very high extent	56	37.33
High extent	44	29.33
Low extent	29	19.33
Very low extent	21	14
Total	**150**	**100**

Source, field Survey 2023

The above table 1 presents the percentage analysis of the level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria, the table show that there is very high level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria. Therefore, the result causes the research question to be significant.

Research Question Two

What is the effect of IFRS is adopted by service base firm operating in south south region of Nigeria?

Table 2: Percentage analysis of the effect of IFRS is adopted by service base firm operating in south south region of Nigeria

Extent	Frequency	Percentage
Very high extent	56	37.33
High extent	49	32.67
Low extent	21	14
Very low extent	24	16
Total	**150**	**100**

Source, field Survey 2023

The above table 2 presents the percentage analysis of effect of IFRS is adopted by service base firm operating in south south region of Nigeria, the table shows that there is high effect of IFRS is adopted by serJice base firm operating in south south region of Nigeria. Therefore, the result causes the research question to be significant.

Research Question Three

What is the effect of IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria?

Table 3: Percentage analysis of the effect of IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria

Extent	Frequency	Percentage
Very high extent	57	38
High extent	48	32
Low extent	22	14.67
Very low extent	23	15.33
Total	**150**	**100**

Source, field Survey 2023

The above table 3 presents the percentage analysis of the effect of IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria, the table show that there is high effect of IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria. Therefore, the result causes the research question to be significant.

Hypotheses Testing

Hypothesis One

There is no significant relationship between level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria.

In-order to test the hypothesis independent t-test analysis was used in comparing the mean score of the two groups. (See table 4)

TABLE 4: Independent t-test analysis of the relationship between level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria.

Variable	N	X	SD	t
High	89	12.01	1.30	
				21.45*
Low	61	15.15	0.71	

*Significant at 0.05 level; df=148; N=150; critical t-value = 1.96

The above table 4 presents the obtained t-value as (21.45). This value was tested for significance by comparing it with the critical t-value (1.96) at 0.05 level with 148 degree of freedom. The obtained t-value (21.45) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there is significant relationship between level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria.

Hypothesis Two

There is no significant relationship between IFRS is adopted by service base firm operating in south south region of Nigeria.

In-order to test the hypothesis independent t-test analysis was used in comparing the mean score of the two groups. (See table 5).

TABLE 5: Independent t-test analysis of the relationship between IFRS is adopted by service base firm operating in south south region of Nigeria.

Variable	N	X	SD	t
High	88	12.07	1.34	
				18.31*
Low	62	15.00	1.09	

*Significant at 0.05 level; df= 148; N= 150; critical t-value = 1.96

The above table 5 presents the obtained t-value as (18.31). This value was tested for significance by comparing it with the critical t-value (1.96) at 0.05 level with 148 degree of freedom. The obtained t-value (18.31) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there is significant relationship between IFRS is adopted by service base firm operating in south south region of Nigeria.

Hypothesis Three

There is no significant relationship between IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria.

In-order to test the hypothesis independent t-test analysis was used in comparing the mean score of the two groups. (Table 6)

TABLE 6: Independent t-test analysis of the relationship between IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria.

Variable	N	X	SD	t
High	87	12.41	1.65	
				10.96*
Low	63	14.98	0.83	

*Significant at 0.05 level; df= 148; N= 150; critical t-value = 1.96

The above table 6 presents the obtained t-value as (10.96). This value was tested for significance by comparing it with the critical t-value (1.96) at 0.05 level with 148 degree of freedom. The obtained t-value (10.96) was greater than the critical t-value (1.96). Hence, the result was significant. The result therefore means that there are significant relationship between IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria.

Summary of Findings

The result of the data analysis in table 4 is significant due to the fact that the obtained t-value (21.45) was greater than the critical t-value (1.96) at 0.05 level with 148 degree of freedom. This result implies that there is significant relationship between level of awareness of IFRS guidelines amongst service base firm operating in south south region of Nigeria. The significance of the result caused the null hypothesis to be rejected while the alternative one was accepted.

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The result of the data analysis in table 6 is significant due to the fact that the obtained t-value (10.96) was greater than the critical t-value (1.96) at 0.05 level with 148 degree of freedom. This result implies that there is significant relationship between IFRS knowledge affects adoption by service base firm operating in south south region of Nigeria. The significance of the result caused the null hypothesis to be rejected while the alternative one was accepted.

Conclusion

The journey of integrating sustainable development practices into International Accounting Reporting Standards (IARS) has made significant strides, marking a transformative shift in the way businesses and organizations report their financial performance. The implementation of sustainability reporting within the framework of IARS has bridged some of the expectation gaps that previously existed. Stakeholders now have access to a more comprehensive and transparent view of an entity's performance, including its environmental and social impact. This has not only improved accountability but has also contributed to a more holistic understanding of an organization's value creation.

However, challenges persist, and the expectation gap has not been entirely closed. Issues such as the lack of standardized metrics, variations in reporting practices, and the absence of a universally accepted framework continue to hinder the effectiveness of sustainable development reporting. There is a pressing need for concerted efforts from standard-setting bodies, regulatory authorities, and businesses to work collaboratively in refining and standardizing reporting mechanisms. Looking ahead, the expectation is that the journey towards sustainable development within the realm of international accounting reporting will gain further momentum. Stakeholders are likely to witness continued efforts to harmonize reporting standards, increased emphasis on materiality, and the integration of technology to enhance data accuracy and transparency. The evolving landscape presents an opportunity for all stakeholders to actively participate in shaping the future of sustainable development reporting, fostering a global business environment that values not only financial success but also societal and environmental well-being.

In essence, while significant progress has been made in incorporating sustainable development practices into international accounting reporting standards, the journey is

ongoing. Closing the expectation gap requires sustained commitment, collaboration, and innovation to create a reporting framework that truly reflects the complex and interconnected nature of sustainable development in a rapidly changing world.

Recommendations

The progress made in incorporating sustainable development practices into International Accounting Reporting Standards (IARS) is commendable. The increasing awareness of environmental, social, and governance (ESG) factors has led to a paradigm shift in the way organizations approach their reporting obligations. The incorporation of frameworks such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) has provided a structured approach to disclosing non-financial information, contributing to a more comprehensive understanding of a company's overall performance.

However, despite the notable advancements, there exists a discernible expectation gap between what stakeholders anticipate from sustainability reporting and the information currently disclosed. Bridging this gap requires a concerted effort from regulatory bodies, standard setters, and reporting entities alike. Therefore, this study has suggested the following as is believed will serve as valuable recommendation:

1. Efforts should be directed towards creating a harmonized set of reporting standards that facilitate consistent and comparable information across industries and regions.

2. Relevant regulatory bodies are encouraged to play a more active role in overseeing the implementation of sustainability reporting standards.

3. Emphasis should be on engaging investors, consumers, and communities, to better understand their expectations and incorporate their perspectives into reporting frameworks.

4. It is as well recommended that innovation in reporting methodologies through the integration of technology, such as blockchain and artificial intelligence. This can enhance the accuracy, transparency, and efficiency of sustainability reporting.

5. Capacity building programs to enhance the knowledge and skills of reporting entities in sustainable development practices should be encouraged. This will empower organizations to align their reporting with evolving standards and best practices.

Thus, the journey towards sustainable development practices on International Accounting Reporting Standards has been transformative, but there is still work to be done to close the expectation gap. By adopting these recommendations, we can collectively contribute to the development of a robust and effective framework that aligns with the evolving needs of stakeholders and fosters a more sustainable and responsible business environment.

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