



Does Assurance Enhance the Value-relevance of CSR Disclosure?: Evidence from London Stock Exchange

การให้ความเชื่อมั่นช่วยเพิ่มความมีประโยชน์ต่อการตัดสินใจของ
การเปิดเผยข้อมูลความรับผิดชอบต่อสังคมขององค์กรหรือไม่:
หลักฐานเชิงประจักษ์จากตลาดหลักทรัพย์ลอนดอน

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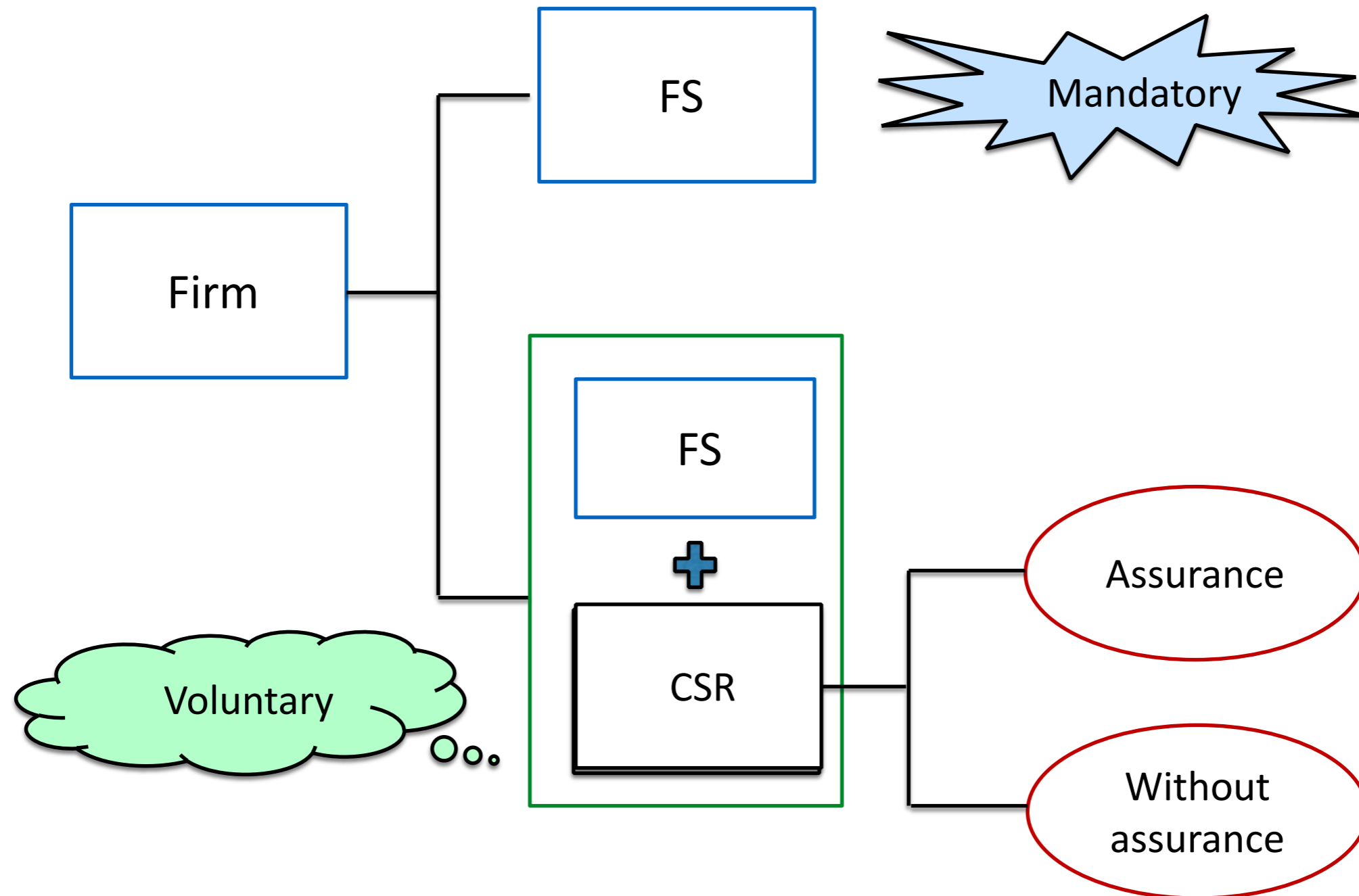


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INTRODUCTION

Financial and Non-financial Information Disclosure of a Firm





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Why focusing on “Corporate Social Responsibility” is interesting?

Trend of Corporate Social Responsibility (“CSR”)



Companies have currently more concerned about what the impact of their business operations have on the environment and the society.

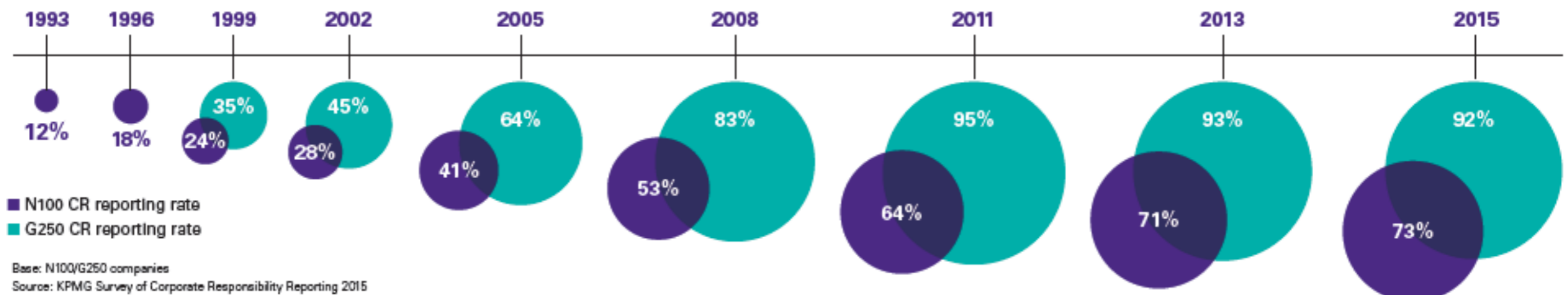


<http://corporate.bigyellow.co.uk/csr.aspx>

Voluntary Disclosure of Non-financial Information

- Stakeholders become aware that only the annual financial reporting cannot provide all salient information of the firm.
- Actually the non-financial information is also important and useful for stakeholders.
- There is a growing trend of regulations requiring companies to publish non-financial information (KPMG, 2015).
- Percentage in 2015 is a small rise from 2013, so it seems to be stable. This stabilization suggests that future growth in CR reporting is likely to occur in smaller increments unless driven by mandatory reporting legislation.

CR reporting stabilizes at a high level



Source: The KPMG Survey of Corporate Responsibility Reporting 2015

G250 = 250 largest companies based on Fortune Global 500 (G250) ranked by total revenue

N100 = Top 100 companies from each of 34 countries

CSR Disclosure and Firm's Value-relevance

- Non-financial information is useful and provides value relevant to the firm.
- Holder-Webb et al. (2008) perform the survey of 750 retail investors.
Their results show that investors pay attention to non-financial information (i.e. industry cohort, governance and CSR information) and also use such information in their investment decision making.
- Berthelot (2012) reveals that **investors positively value CSR reporting.**
- Several existing studies find the **association between CSR disclosure and firm value** (e.g. Plumlee et al, 2015; Luo et al, 2006).
- Clarkson et al (2013) also show that **voluntary environmental disclosures can increase firm value.**

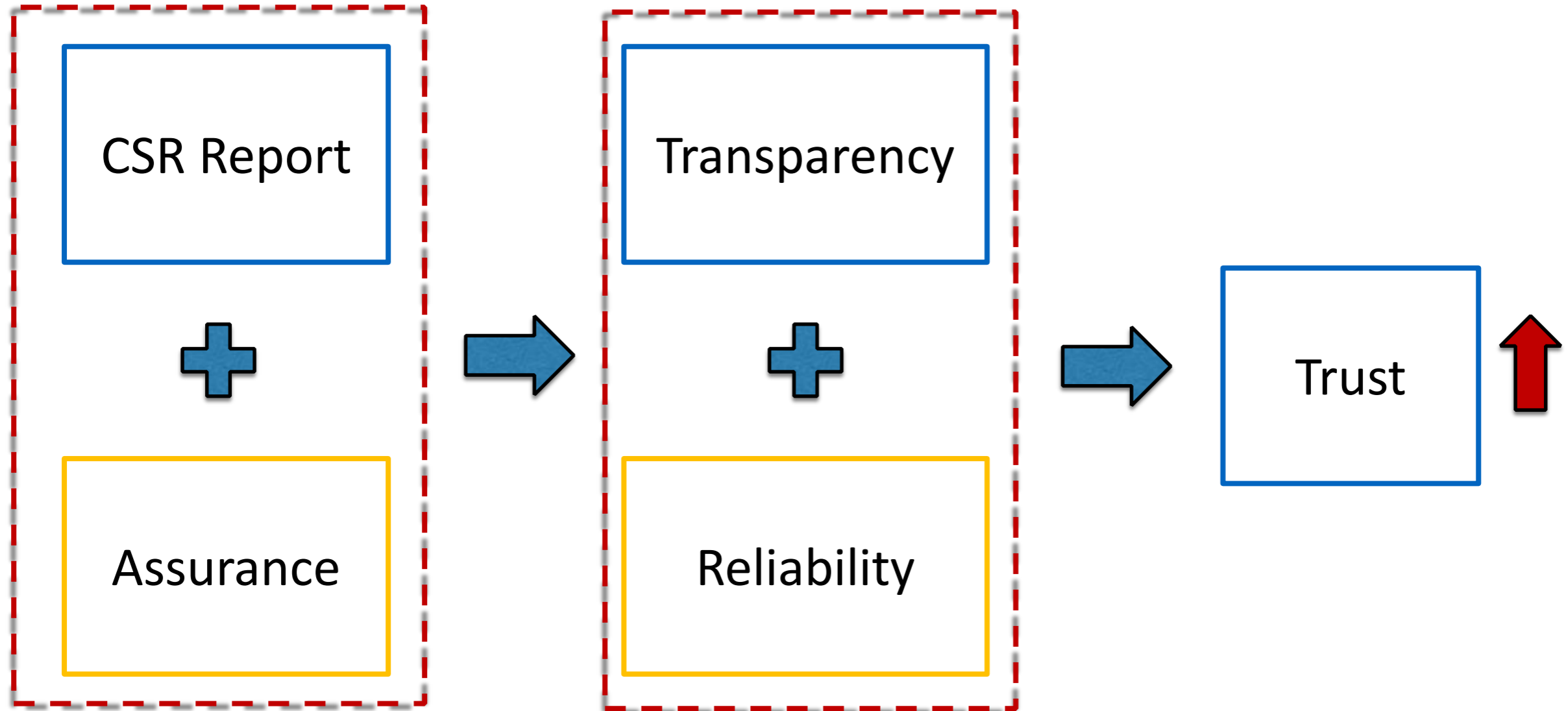


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“Assurance”, a tool to enhance the value relevance of CSR Disclosure

Role of Assurance for CSR Disclosure



GRI, 2013:

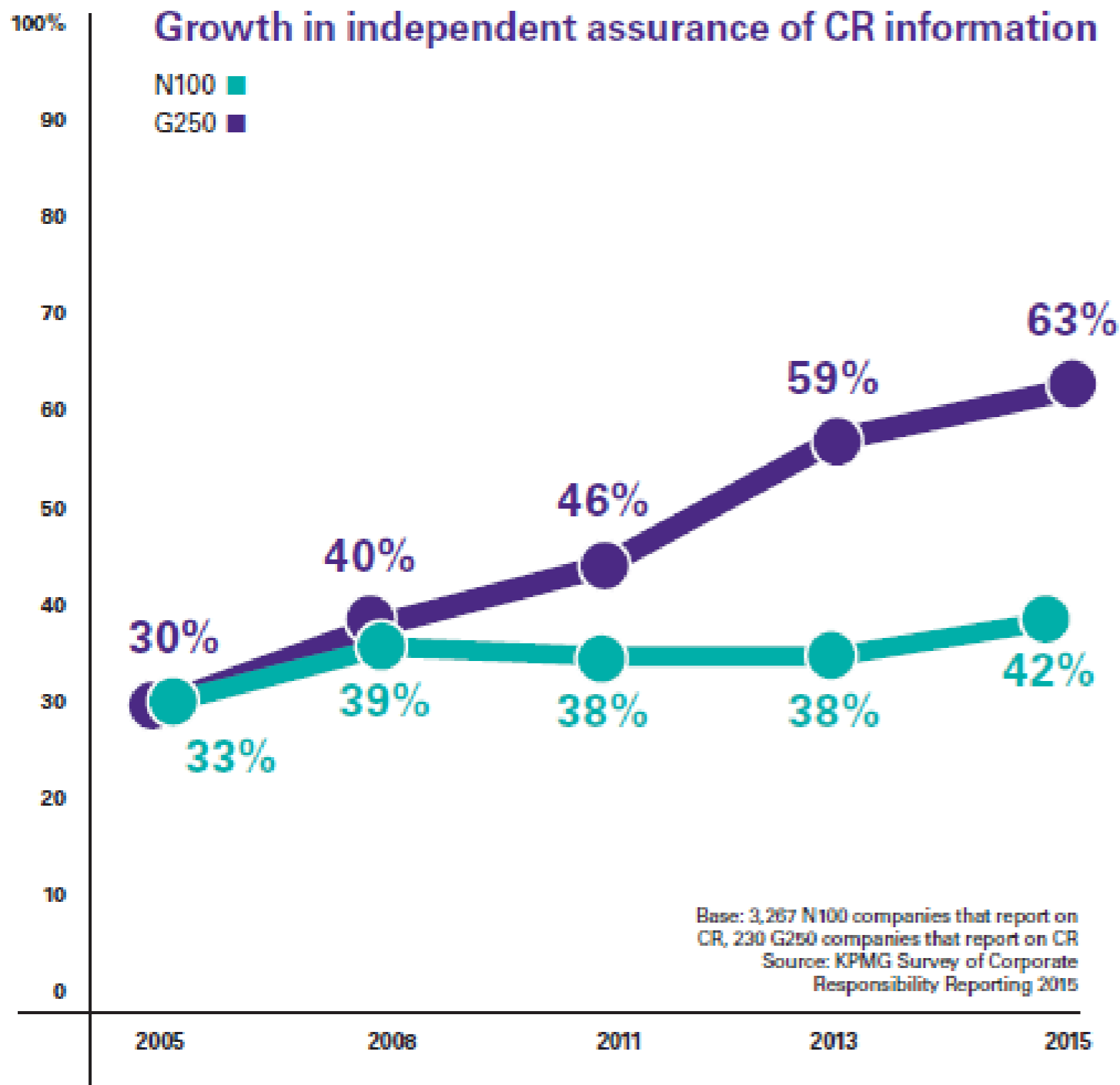
“The use of external, independent reviews of management processes and final disclosures is intended to increase the robustness, accuracy and trustworthiness of disclosed information.”

Role of Assurance and its Value-relevance

- Assurance is important, **the data must be higher quality to be reliable and relevant to decision making**. Benefits of assurance are to (1) increase recognition, trust and credibility; and (2) reduce risk and increased value (GRI, 2013).
- Assurance statements have to provide the information that “stakeholders are legally or morally entitled to receive, even if the company chooses not to disclose all” (Adams & Evans, 2004).
- Peters and Romi (2015) suggest that the value-relevance of CSR assurance is increasing over time. Auditor can help the investor believe that the data quality has been verified.
- **CSR assurance is required for investors to value CSR investments when managers are compensated for their firm’s CSR performance** (Brown-Liburd and Zamora, 2015).

- Similar to the publishing of a separate CSR report, the assurance of these reports is also generally voluntary.
- There is little evidence of companies' internal efforts to ensure high quality of CSR disclosures (Trotman, 2015). So, ***assurance mechanism are needed***.

Trend of Assurance for CSR Disclosure



- External assurance statements improve the external credibility and, by examining the internal control process, the internal credibility of the CSR information.
- The greatest growth in assurance of CR information has been in the annual report, rather than in stand-alone CR reports (KPMG, 2015).

Scope of CR assurance

50% Whole report assurance

34% Specific CR indicators

11% Combination of chapters and CR indicators

5% CR chapter only

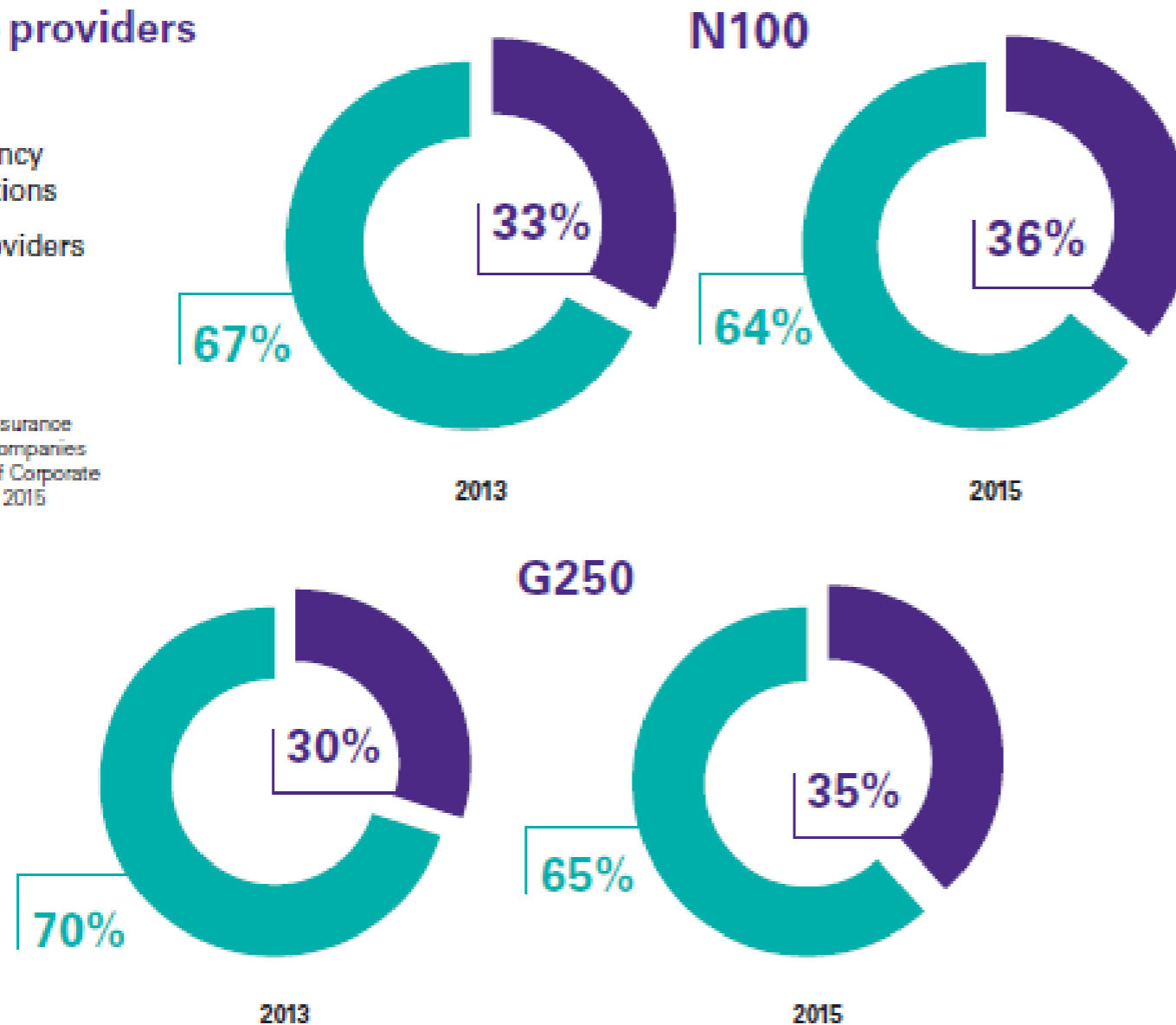
Source: The KPMG Survey of Corporate Responsibility Reporting 2015

Trend of Assurance for CSR Disclosure

Assurance providers

- Major accountancy organisations
- Other providers

Base: Total number of assurance reports for N100/G250 companies
Source: KPMG Survey of Corporate Responsibility Reporting 2015

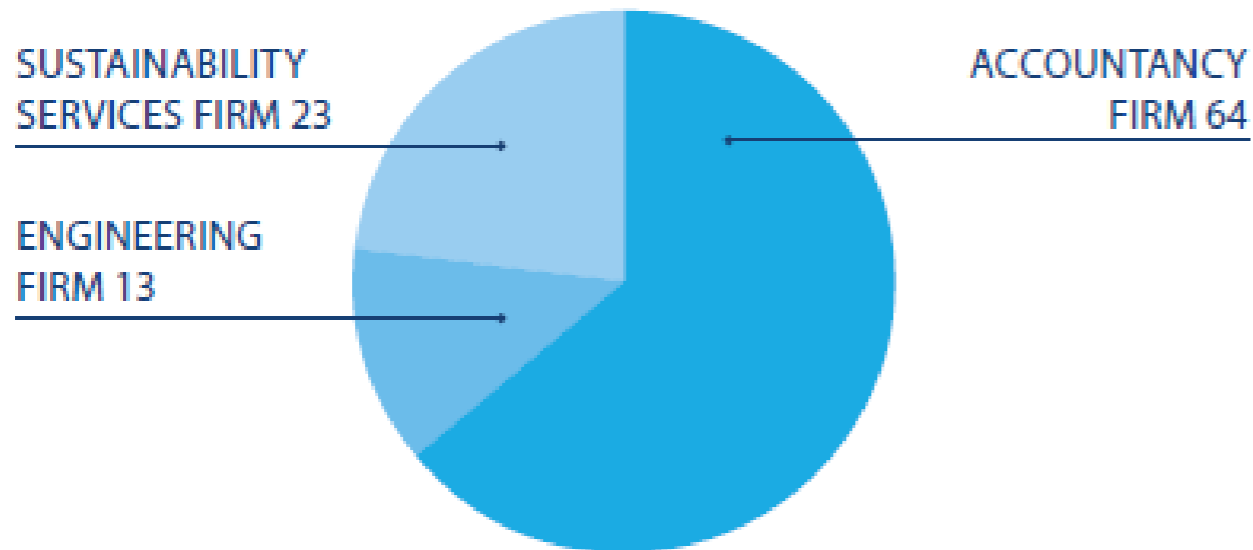


- There is the difference in approach and perspectives between accounting providers and specialist consultants.
- Accountants tend to focus on techniques and output (i.e. assurance provided on the numbers in the statements).
- Non-accountants perceive one of their primary objectives to be changing clients' organizational practices so as to render them 'more sustainable'.

The KPMG Survey of Corporate Responsibility Reporting 2015

Trend of Assurance for CSR Disclosure

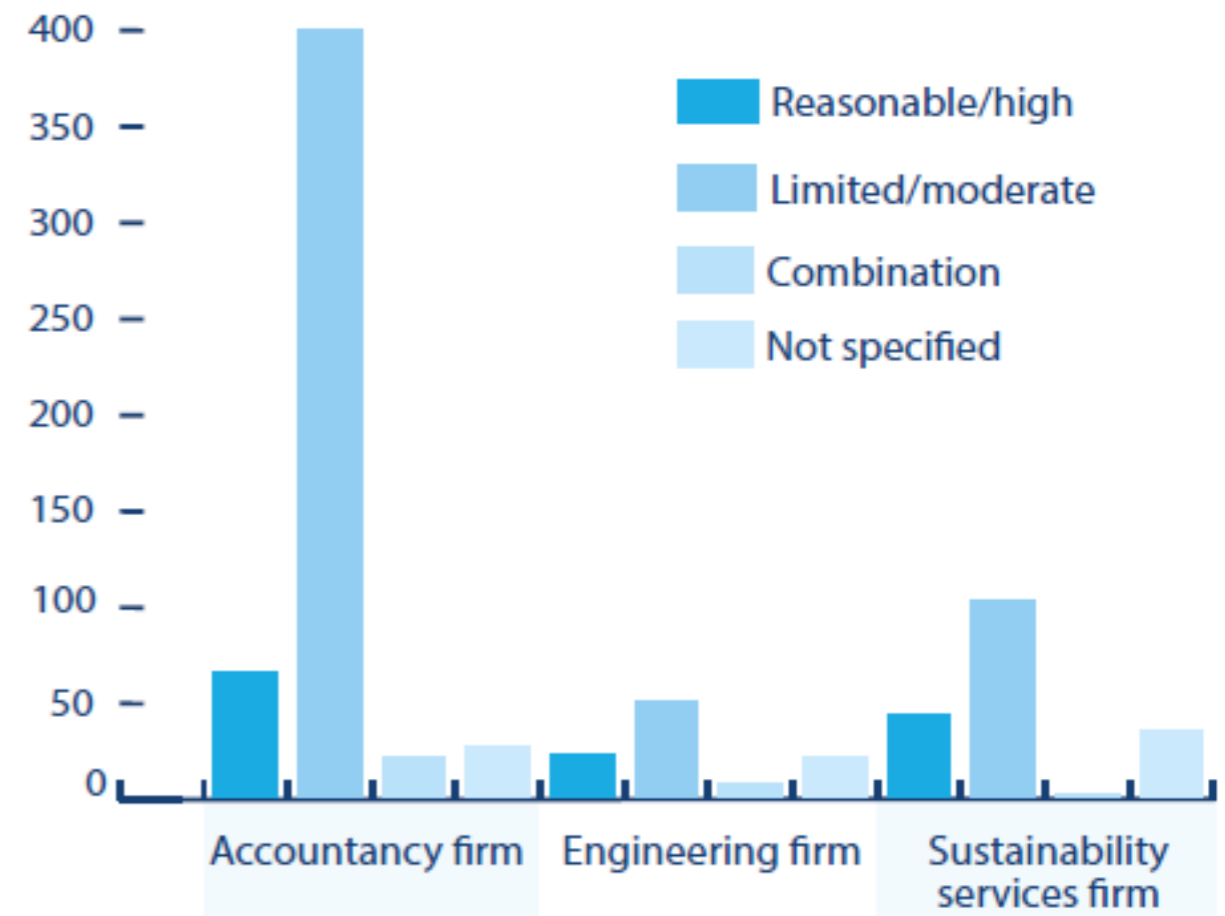
FIGURE 2: PROVIDERS OF EXTERNAL ASSURANCE OF GRI REPORTS PUBLISHED IN: 2012 (%)²⁰




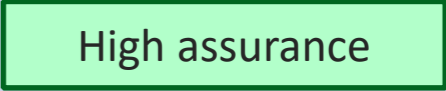
²⁰ GRI Sustainability Disclosure Database. Accessed 2 May 2013. Available at database.globalreporting.org

Source: The external assurance of sustainability reporting (GRI, 2013)

FIGURE 3: LEVEL OF ASSURANCE BY ASSURANCE PROVIDER OF GRI REPORTS PUBLISHED IN: 2012 (%)²²



Assurance Standards for CSR Disclosure

	AA1000AS	ISAE3000
Organization	AccountAbility	International Federation of Accountants (IFAC)
Framework	AA1000 Assurance Standard (AA1000AS) 2008	International Standard on Assurance Engagements (ISAE) 3000 (Revised 2013), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"
Provider	All assurance providers	Accounting professional providers
Emphasis on	whether the organization and its sustainability reporting respond to stakeholder concerns	comprehensive procedures for evidence gathering processes & assurer independence
Level of Assurance	High level 	Reasonable 
	Moderate 	Limited 

Source: The external assurance of sustainability reporting (GRI, 2013)

Example of Assurance Opinion

Opinion Statement

High assurance

We conclude that the 2014 CSC Corporation Social Responsibility (CSR) Report Review provides a fair view of the CSC programmes and performances during 2014. We believe that the 2014 economic, social and environmental performance indicators are fairly represented.

High assurance

(i) Reasonable Assurance (✓R)

	Unit	Page
Number of new cases of noise induced hearing loss (NIHL) diagnosed	No. of cases	56
Number of cases of noise induced hearing loss (NIHL) compensated	No. of cases	56
Number of contractor and Employee Fatalities	No. of people	54

Our conclusion

Low assurance

On the basis of the work performed, nothing has come to our attention that causes us to believe that Intu's Corporate Responsibility Report 2015 is not prepared, in all material respects, in accordance with the GRI Principles for Defining Report Content and Principles for Ensuring Report Quality.

Opinion

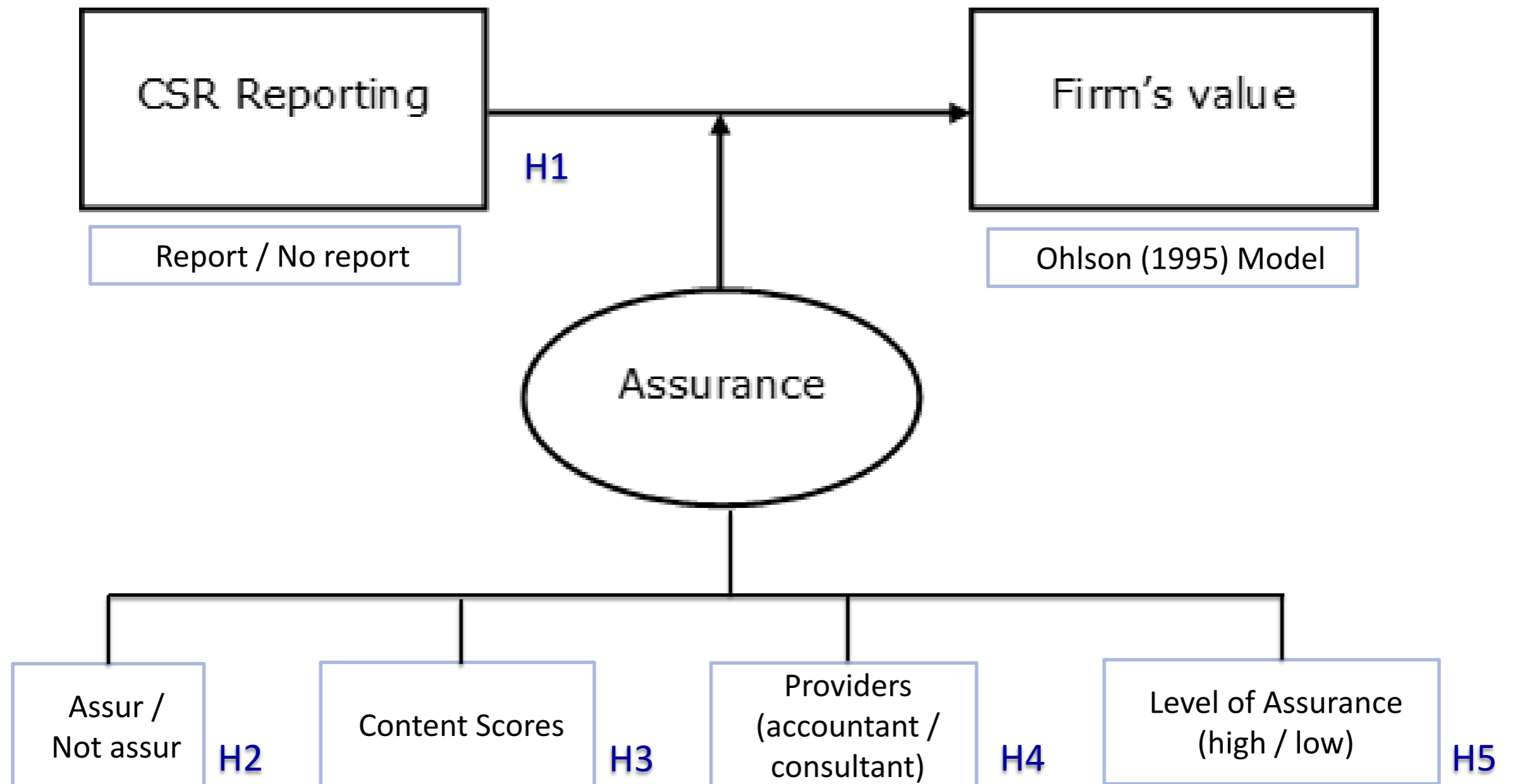
Low assurance

On the basis of the work undertaken, we provide a moderate level of assurance over the 2015 CRH Sustainability Report. DNV GL believes that the Report provides a reliable and fair representation and that it meets the Principles as described under Observations below. Nothing came to our attention to suggest that performance data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. We believe that the report is in line with the "Core" requirements of the GRI G4 Guidelines. Further conclusions and observations on the adoption of reporting principles and specified performance information are made below.

Research Objectives:

- This research aims to explore the research on corporate social responsibility (“CSR”) disclosure by emphasizing the role of assurance in increasing the value-relevance of CSR disclosure.
 - 1) to investigate whether CSR disclosure is relevant to a firm’s value;
 - 2) to investigate whether assurance enhances the relevance of CSR disclosure to a firm’s value;
 - 3) to further explore the content of assurance statements to determine whether the value investors place in the content of assurance statements includes:
 - type of assurance providers
 - level of assurance

Research Framework





Research Questions

- 1) Does corporate social responsibility report provide value relevance to the firm's value?
- 2) Does assurance statement enhance the value relevance of corporate social responsibility report to the firm's value?
- 3) Do investors give value to the content in assurance statement?
- 4) Do investors give value to the assurance provided by accounting profession rather than consultants?
- 5) Do investors give more value to the higher level of assurance?



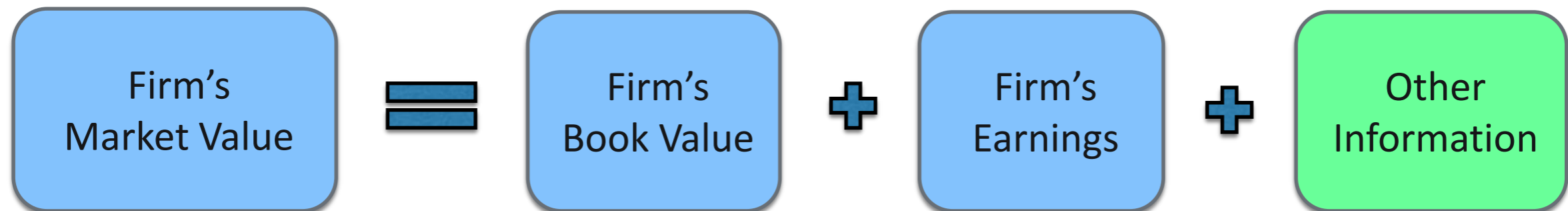
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RESEARCH DESIGN

Value-relevance Concept

- To examine the relationship between accounting information and a firm's market value.
- The theoretical concept of value-relevance predicts **how accounting information (e.g. earnings and the book value of equity) and other information relates to the market value of a firm (Beaver, 2002).**
- This research applies the concept of value-relevance to examine whether CSR disclosures and its assurance influence investors' decisions by examining its relationship with firm market value.



Value-relevance Model

- This research use Ohlson (1995) Model to examine the value-relevance of CSR reports and assurance in this research.
- This is similar to several previous studies. For example, Xu et al., 2007; Al Jifri and Citron, 2009; Lourenco et al., 2011; and Bose et al., 2016.

Ohlson's model is generally applied to find out the effects of other accounting information that also affected the firm's market value (stock price).

$$P_{it} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 (\text{Other information}) + \varepsilon_{it}$$

where

P_{it} = the stock price of firm i at the end of year t

BV_{it} = book value of firm i at the end of year t

e_{it} = net earnings of firm i for year t

Other information = accounting information which affects the stock price

ε_{it} = error term of firm i for year t

Models for Hypotheses Testing

Hypothesis	Model	Predicted result for variable coefficient
H1: Among the firms listed in FTSE, CSR disclosure will relate to the firm's market value.	$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 CSR_{it} + \beta_4 ANNU_{it} + \beta_5 (Control V) + \varepsilon_{it}$	Coefficient of CSR and ANNU are expected to be significant and positive.
H2: Among the firms with CSR disclosure, assurance statement will relate to the firm's market value.	$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 ASSUR_{it} + \beta_4 (Control V)_{it} + \varepsilon_{it}$	Coefficient of ASSUR is expected to be significant and positive.
H3: Among the firms with CSR assurance, content of assurance statement will relate to the firm's market value.	$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 ASSUR_CONT_{it} + \beta_4 (Control V)_{it} + \varepsilon_{it}$	Coefficient of ASSUR_CONT is expected to be significant and positive.
H4: Among the firms with CSR assurance, type of assurance providers will relate to the firm's market value.	$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 PROV_{it} + \beta_4 Control V_{it} + \varepsilon_{it}$	Coefficient of PROV is expected to be significant and positive.
H5: Among the firms with CSR assurance, level of assurance will relate to the firm's market value.	$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 LEVEL_{it} + \beta_4 Control V_{it} + \varepsilon_{it}$	Coefficient of LEVEL is expected to be significant and positive.

Sample Selection and Data Collection

Samples

- Listed companies on FTSE (London Stock Exchange)
- Period 2011-2015

Data Collection

- DataStream, Bloomberg
- CSR disclosure, from companies' website (hand-collection)

H1	Value-relevance of CSR disclosure	Full sample
H2	Value-relevance of assurance statement	Firms with CSR disclosure
H3, 4, 5	Value-relevance of assurance content, providers, and level of assurance	Firms with CSR disclosure and assurance

Dependent Variable

- Dependent variable of all models is firms' market value four month after the fiscal year ended, collected from DataStream.
- According to the “Disclosure Guidance and Transparency Rules Sourcebook” or called FCA handbook, the firms listed in London Stock Exchange main market “must make public its annual financial report at the latest four months after the end of each financial year” (Chapter 4.1.3).
- Therefore, using the four-month after fiscal year ended market value will ensure that CSR reports are available to investors so this information can be reflected in the company valuation (Xu et al., 2007; Al Jifri and Citron, 2009; and Berthelot et al., 2012).

Independent Variables

Variable	Type	Definition	Source
Book value (BV)	Independent v.	the book value as of the end of the year	DataStream
Current earnings (e)	Independent v.	net earnings for the year	DataStream
CSR report (CSR)	Independent v. (H1)	dummy variable which is equal to 1 if a firm discloses separate CSR report	Hand-collection
Annual Report (ANNU)	Independent v. (H1)	dummy variable which is equal to 1 if a firm includes CSR information in annual report	Hand-collection
Assurance statement (ASSUR)	Independent v. (H2)	dummy variable which is equal to 1 if a firm has assurance statement for CSR report	Hand-collection
Content of assurance statement (ASSUR_CONT)	Independent v. (H3)	quantitative scores using the content analysis of assurance statement	Hand-collection, content analysis to calculate scores
Assurance provider (PROV)	Independent v. (H4)	dummy variable which is equal to 1 if accounting professional is the assurance provider	Hand-collection
Level of assurance (LEVEL)	Independent v. (H5)	dummy variable which is equal to 1 if level of assurance is reasonable level or high level	Hand-collection

Independent Variables

Variable	Type	Definition	Source
Leverage (LEV)	Control v.	end-of-year total debt divided by end-of-year total assets	DataStream
Industry (INDUS)	Control v.	dummy variable which is equal to 1 if a firm is in the environmental concerned industries (i.e. oil and energy industry, mining industry)	FTSE website, DataStream
Environmental, social and governance rating (ESG)	Control v.	ESG rating score for firms listed in FTSE main market, which evaluated by FTSE Russell	FTSE Russell website
Independence of assurance provider (INDEP)	Control v.	dummy variable which is equal to 1 if the financial statement auditor and CSR assurance provider is not the same firm. (only added for model testing of Hypothesis 4)	Hand-collection



Coding Rules – Content of Assurance Statement

- Content of assurance statements was measured as quantitative scores.
- This research adopts the coding rules developed by Perego and Kolk (2012) with 2 additional criteria (total scores = 29)
 - 1) Recommendations
 - assurance provider should provide useful information for stakeholders, especially investors, that efficiently support their decision-making processes.
 - 2) Limitations
 - assurance provider should disclose any limitations of the work performed to the users of such report.
- The total scores of this content analysis = 29

Coding Rules – Content of Assurance Statement

Ranking criteria	Definition	Scale (Total = 29 points)
8. Independence of assurator from reporting organization	Statement expressing the independence of the two parties involved (a 1 is assigned as soon as the word(s) independent or independence appear anywhere in the assurance statement or its title. Thus, remarks such as “this is an independent opinion...” already qualifies for a 1)	<p>0 No reference</p> <hr/> <p>1 Reference or mere statement expressing that independence can be looked up on the internet</p>

Our independence

We have implemented measures to comply with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1². Ernst & Young’s independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm’s policies.

We confirm annually to BP whether there have been any events, including the provision of prohibited services, that could impair our independence or objectivity. There were no such events or services in 2015. Our assurance team has been drawn from our global Climate Change and Sustainability Services Practice, which undertakes engagements similar to this with a number of significant UK and international businesses.

Ernst & Young LLP, London

16 March 2016

Coding Rules – Content of Assurance Statement

Ranking criteria	Definition	Scale (Total = 29 points)
Criteria No.20 and No.21 are added for this study, as follow:		
20. Recommendations	Description of any suggestions raised to the management to improve the quality of their disclosure	0 No reference 1 Reference
21. Limitations	Description of limitations, restrictions and drawbacks that may hinder the quality of the assurance engagement	0 No reference 1 Reference

The limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ISAE3000 Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

Our work did not include physical inspections of any of BP's operating assets.

We recommend that CRH use updated conversion factors for calculation of group CO₂ emissions in 2016, and review these annually in line with good practice. It is noted that cement plants, which are the most material contributor to emissions, use updated conversion factors based on site-level measurement and testing.



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EMPIRICAL RESULTS

Sample Description

Panel A – Sample Selection of London Stock Exchange Market Firms from 2011 to 2015

Number of firm-years	2011	2012	2013	2014	2015	Total	%
Initial sample ⁽¹⁾	569	569	569	569	569	2,845	100%
<u>Less</u>							
Outliers	(14)	(16)	(14)	(36)	(13)	(93)	3%
Sample with unavailable / incomplete data	(282)	(128)	(131)	(130)	(118)	(789)	28%
Final sample	273	425	424	403	438	1,963	69%

Panel B – Sample Breakdown

Item	Description	2011	2012	2013	2014	2015	Total	%
CSR	Issue CSR Report	88	113	118	127	126	572	29%
Disclosure	Include in Annual Report	138	205	213	203	223	982	50%
	Total disclosed firms	226	318	331	330	349	1,554	79%
	None	47	107	93	73	89	409	21%
	Total sample	273	425	424	403	438	1,963	100%
Assurance	Assured	34	42	47	49	50	222	14%
	Not assured	192	276	284	281	299	1,332	86%
	Total disclosed firms	226	318	331	330	349	1,554	100%

⁽¹⁾ Samples consisted of the survival firms listed in London Stock Exchange Market from 2011 through 2015, excluded firms entered London Stock Exchange Market during 2011 to 2015.

Descriptive Statistics

Voluntary firms having CSR disclosure and assurance are the firms focused in their management performance of environment, social, and governance.

Panel A: Variables for Hypothesis 1 - Full sample

Variable	N	Min	Max	Mean	SD
MV (pound)	1,963	-0.82	7.09	3.03	0.99
BV (pound)	1,963	0	9.93	5.80	1.03
e (pound)	1,963	0	9.03	4.18	2.05
LEV (times)	1,963	0	1.59	0.23	0.18
ESG (scores)	1,963	0	96.64	49.01	37.57

Panel B: Variables for Hypothesis 2 - Firms disclosed CSR information

Variable	N	Min	Max	Mean	SD
MV (pound)	1,554	-0.82	7.09	3.11	0.91
BV (pound)	1,554	0	9.93	5.84	0.97
e (pound)	1,554	0	9.03	4.23	2.03
LEV (times)	1,554	0	1.59	0.23	0.18
ESG (scores)	1,554	0	96.46	53.58	36.18

Panel C: Variables for Hypothesis 3, 4, 5 - Firms disclosed CSR Assurance Statement

Variable	N	Min	Max	Mean	SD
MV (pound)	222	1.8	7.09	3.84	0.76
BV (pound)	222	4.19	9.93	6.60	0.82
e (pound)	222	0	9.03	4.72	2.27
ASSUR_CONT (scores)	222	4	23	16.78	3.46
LEV (times)	222	0	0.67	0.28	0.13
ESG (scores)	222	0	96.46	78.54	26.40

Average assurance content scores are 16.78 out of 29.00 (58% of total scores) which is over half of the total scores.

Value-Relevance of CSR Disclosure on Firms' Market Value

Table 12: Results from Ordinary Least Squares (OLS) Regression Examining
the Value-Relevance of CSR Disclosure on Firms' Market Value

$$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 CSR_{it} + \beta_4 ANNU + \beta_5 (Control V) + \varepsilon_{it} \quad (1)$$

Model Partition (Hypothesis)	1 Full sample (H1)		
	Coefficients		P-values
(Constant)	-1.437	***	.000
BV	0.628	***	.000
e	0.098	***	.000
CSR	0.101	***	.000
ANNU	0.093	***	.000
LEV	0.185	***	.000
ESG	0.006	***	.000
INDUS	-0.061		.154
N	1,963		
Adjusted R ²	0.838		

- Investors positively value CSR report.
- The disclosure of CSR information by including in annual report also provides value-relevance to firm's market value.
- Hypothesis 1 is supported

Value-Relevance of Assurance Statement on Firms' Market Value

Table 13: Results from Ordinary Least Squares (OLS) Regression Examining the Value-Relevance of Assurance Statement on Firms' Market Value

$$MV_{it+4} = \alpha_0 + \beta_1 BV_{it} + \beta_2 e_{it} + \beta_3 ASSUR_{it} + \beta_4 (Control V)_{it} + \varepsilon_{it} \quad (2)$$

Model Partition (Hypothesis)	2 CSR = 1, ANNU = 1 (H2)		
	Coefficients		P-values
(Constant)	-1.190	***	.000
BV	0.610	***	.000
e	0.093	***	.000
ASSUR	0.084	***	.006
LEV	0.164	***	.004
ESG	0.006	***	.000
INDUS	-0.106		.016
N	1,554		
Adjusted R ²	0.817		

- Hypothesis 2 is supported.
- Assurance statement for CSR disclosure tends to have a significant positive impact on firm's market value.
- This implies that CSR assurance provides value-relevance for investors.

Value-Relevance of Assurance Contents, Assurance Providers and Level of Assurance on Firms' Market Value

	Panel A			Panel B			Panel C		
Model	3			4			5		
Partition	ASSUR = 1			ASSUR = 1			ASSUR = 1		
(Hypothesis)	(H3)			(H4)			(H5)		
	Coefficients		P-values	Coefficients		P-values	Coefficients		P-values
(Constant)	-2.089	***	.000	-1.772	***	.000	-1.687	***	.000
BV	0.707	***	.000	0.719	***	.000	0.726	***	.000
e	0.080	***	.000	0.077	***	.000	0.076	***	.000
ASSUR_CONT	0.032	***	.000						
PROV				0.210	***	.000			
LEVEL							0.012		.892
LEV	0.543	***	.003	0.652	***	.001	0.637	***	.001
ESG	0.002	***	.010	0.002	*	.089	0.002	**	.023
IND				0.032		.493			
INDUS	0.009		.909	-0.003		.970	0.049		.561
N	222			222			222		
Adjusted R ²	0.803			0.794			0.781		

Value-Relevance of Assurance Contents, Assurance Providers and Level of Assurance on Firms' Market Value (Cont.)

- **Hypothesis 3 is supported.**
- This implies that not only the availability of assurance statement (as tested and discussed in H2), the contents of assurance statement also tend to have a significant positive impact on firm's market value.
- The investors not only value the availability of assurance statements, but that investors also value the content indicated in assurance statement.

- **Hypothesis 4 is supported.**
- Investors more highly value assurance statements provided by accountants who seem to be the leader in the assurance provider market (Bose et al.,2015; Perego and Kolk, 2012).
- Investors positively react to the non-financial assurances provided by accounting professionals, rather than consultants. Because accounting professionals seem to be highly skilled in the professional skepticism and independence (Zorio et al.,2013).

Value-Relevance of Assurance Contents, Assurance Providers and Level of Assurance on Firms' Market Value (Cont.)

- Hypothesis 5 is not supported.
- It appears that investors not value the level of assurance used by assurance providers.
- This may be due to the lack of knowledge regarding the assurance standard for CSR report which is a type of non-financial information.
- Investors may be aware of the standards, but may not possess the required knowledge and the thorough understanding of the standards.
- The lack of knowledge leads to the unclear investors' understanding and variation of investors' awareness about the level of assurance used by assurance providers.
- The prior studies of level of assurance mostly were experimental designs investigating the affect of investors' perceptions and judgments by assurance. However, none of these studies tested whether participants understand assurance standards (Dilla et al., 2014; Hodge et al., 2009; Plumlee et al., 2015).



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CONTRIBUTIONS, LIMITATIONS & FUTURE RESEARCH

Contributions

1. To demonstrate that CSR disclosure provides relevance to a firm's market value, and also demonstrate the importance of assurance by demonstrating that CSR reporting with assurance statements provides more relevance to a firm's market value.
2. To reveal that investors value substance as well as form. The investors not only value the availability of assurance statements, but investors also value the content indicated in assurance statements. This adds to the current literature of the assurance for CSR disclosure.
3. To reveal that investors more highly value those CSR reports that are assured by accounting professionals. This implies that investors perceive the assurance statement as more valuable when it is provided by accounting professionals.
4. For regulators (i.e. standard-setters) in countries without mandatory CSR reporting and without the assurance of CSR reporting, these results can inform choices regarding which regulatory approach might be best applied to nonfinancial reporting.

Limitations

1. The data set of CSR reports was hand-collected from the website of companies listed on the London Stock Exchange between 2011 and 2015. Therefore, certain samples were omitted due to the unavailable disclosure of the companies' website.
2. Certain companies disclosed information or prepared their CSR report in other languages (e.g. in Chinese), and these samples have also been omitted.



Possible future studies

1. To explore in depth for the investors' perception and their understanding of assurance standards and the difference of level of assurance.
 - The lack of knowledge leads to the unclear investors' understanding and variation of investors' awareness about the level of assurance used by assurance providers.
2. To explore in depth for types of assurance engagements (i.e. integrated assurance, compliance assurance, formative assurance, and social assurance).
3. To investigate the association between the quality of assurance statement and assurance fee.



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