

**THE SUSTAINABILITY REPORTING ASSURANCE IN THE BIGGEST  
COOPERATIVES**

**Elies Seguí-Mas**

Profesor Contratado Doctor

**Helena-María Bolas-Araya**

Máster en Dirección Financiera y Fiscal

CEGEA – Centro de Investigación en Gestión de Empresas

Universitat Politècnica de València Camí de Vera s/n.

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## **SUSTAINABILITY REPORTING ASSURANCE IN THE BIGGEST COOPERATIVES**

### **Abstract**

Corporate Social Responsibility (CSR) has significantly risen within business management over the last decade. Nowadays, numerous firms have embraced the term by including it in their strategic management and in their disclosure. The need for credibility of such reporting has accelerated the development of relevant assurance frameworks. This analysis shows the late incorporation of the biggest cooperatives into Sustainability Reporting and Assurance Statements. The results also illustrate that the country-level and industry factors are significant to disclosure and to assurer sustainability reports, and they confirm that the quality of assurance statements of the biggest cooperatives depends on the type of provider.

## **LA VERIFICACIÓN DE LOS INFORMES DE SOSTENIBILIDAD EN LAS GRANDES COOPERATIVAS**

### **Resumen**

Actualmente, un gran número de empresas integran la RSC en su estrategia de negocio y divulgan informes de sostenibilidad que someten a verificación. La necesidad de aportar credibilidad a dichos informes, ha acelerado el desarrollo de estándares de verificación. El estudio realizado muestra la tardía incorporación de las grandes cooperativas mundiales a estas prácticas. Confirmando estudios previos en otros contextos, los resultados revelan que los factores 'país' y 'sector' son determinantes para que se verifiquen los informes de sostenibilidad. Así mismo, el análisis también indica que la calidad de la verificación depende del tipo de proveedor del aseguramiento.

## 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). Thus, numerous companies introduce Corporate Social Responsibility (CSR) into their business strategy and they disclose sustainability reports. This practice has quickly become the medium through which companies around the world communicate their environmental social governance performance to stakeholders.

In the past, there were no generally accepted standards to govern these disclosures, thus making them difficult to compare and less credible (Simnett, 2012). Today, some companies 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).

The number of sustainability reports has vastly grown over the last decade (Pflugrath et al., 2011). Nowadays, the GRI is the world's most widely used sustainability reporting framework and it has achieved widespread adoption for CSR reporting with 80 per cent of Global 250 (G250: the top 250 companies of the Fortune 500 index) and National 100 (N100: the top 100 companies in 16 countries where KPMG operates) (KPMG, 2011).

As sustainability reporting matures, the need for credible reported information in this area is critical. Voluntary assurance of CSR 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).

Previous studies have analysed the sustainability assurance of joint stock companies in several countries (Deegan and Rankin, 1999; Gray et al, 1995; Guthrie and Parker, 1990), but very few efforts have been made to develop a non-joint stock firm perspective on it; that is, a cooperative perspective on sustainability assurance which 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-joint stock entities (according to Emanuele and Higgins, 2000).

Our research focuses on the case of big cooperatives because of the significant link between cooperatives and social responsibility. In line with this, the coincidence between the definition of CSR by the European Commission's Green Paper (2001) and the ICA's cooperatives principles is clear. Likewise, the Statement on Cooperative Identity adopted at the 1995 General Assembly of the International Cooperative Alliance (ICA) declares that cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others (ICA, 1995). Three of these principles remind us explicitly of matters relating to CSR:

- The fifth principle (*education 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.

Therefore, the compromise of cooperatives with the community, workers and the environment (since it affirms the compromise with sustainable development) is clear (Carrasco, 2007).

We aim to identify what kind of information is disclosed by the biggest cooperatives about their CSR and whether this information is standardised. We also investigate about the communication channels used by companies to disclose this information. Furthermore, we compare the practices employed by credit cooperatives with bank practices in the sustainability area. For this purpose, we analyse public information of financial entities and their sustainability reports whenever they are available.

This paper reports on the characteristics of the biggest cooperatives' assurance reports presented from 2001 to 2012. Specifically, the quality of those reports is analysed based on a set of items disclosed. The following section presents a review of the literature in the area, followed by the methodology and the development of research hypotheses, results and conclusions.

## 2. LITERATURE REVIEW ON SUSTAINABILITY ASSURANCE

The need for credibility of such reporting has accelerated the development of relevant assurance frameworks. 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 Other Than Audits or Reviews of Historical Financial Information of the International Auditing and Assurance Standards Board (IAASB). The combination of both is likely to provide enhanced results. Both standards are not conflicting and are not substitutes, rather 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).

Assurance of sustainability reports is on the increase. Approximately 45% of G250 companies use assurance as a strategy to verify and assess their corporate responsibility information (KPMG, 2011).

Some academics have attempted to identify the factors that explain why companies assure their sustainability reports (Simnett et al. 2009; Kolk and Perego, 2010; Sierra et al., 2012; Zorio et al., 2012). The decision to submit the sustainability report to external assurance depends on certain financial variables. Simnett et al. (2009) found that size and profitability is significant with voluntary decision to assure CSR reports. In contrast, Sierra et al. (2012) indicate that assurance also depends on the company's leverage. It also seems that country-level factors are noteworthy drivers of sustainability assurance (Simnett et al. 2009; Kolk and Perego, 2010; Ballou 2012). Alternatively, a significant relationship has been reported between assurance and industry (Simnett et al. 2009; Zorio et al., 2012).

Otherwise, previous studies have explored how companies adopt assurance practices. Moreover, they have evaluated the quality of assurance reports. O'Dwyer and Owen (2005) provided a framework to evaluate the quality of assurance statements. 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 broadvariability in the adoption of assurance practices.

Previous research works have shown that approaches in sustainability assurance differ significantly between accountants and consultants (Ball et al., 2000; O'Dwyer and

Owen, 2005; Manetti and Becatti, 2009). Hasan et al. (2005) identified the determinants of the level of assurance and they reported differences between the former Big 5 and the non-Big 5 audit firms. Deegan et al. (2006) found considerable variability in presentation formats and contents across assurers within both particular regions and across European countries. Mock et al. (2007) indicated that different characteristics inherent to the level of assurance provided are positively associated with the type of assurance provider. Pflugrath et al. (2011) noted that financial analysts in the USA give more credibility to the CSR assurance undertaken by auditors as opposed to consultants. Moroney et al. (2011) found that Australian companies seem to prefer consultant assurers, which can be considered to be in line with the evidence put forward by Perego (2009). Perego and Kolk (2012) revealed that quality of assurance is highly dependent on the type of provider. 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 (Sierra et al., 2012; Zorio et al., 2012).

Hodge et al. (2007) aimed to study the impact of assurance reports on user confidence in sustainability reports. They noted that as far as standard ISAE 3000 is concerned, the terminology or the name used to indicate levels of assurance (reasonable and moderate) cannot translate the expected level and can, therefore, contribute to a verification expectation gap. They showed that given the wording of the headings of the levels of verification given by the ISAE 3000, the degree of confidence that the user gives the sustainability report is affected by the designation of these different levels.

Furthermore, some researchers have assayed to ascertain current levels of stakeholder engagement and involvement in 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 with a sample of 20 accountant and consultant assurers to reveal varying levels of stakeholder engagement in these practices.

### **3. METHODOLOGY**

The aim of this paper is twofold: to shed light onto determinants to issue Assurance Statements; to investigate how the biggest cooperatives and mutual enterprises around the world develop the quality of their assurance in sustainability reports.

As mentioned before, we focus on cooperative and mutual companies because they are highly susceptible to CSR 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 cooperatives 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 across a range of economic sectors. The Global300 List categorises cooperatives into eight 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 checked the GRI's Sustainability Disclosure Database and we visited corporate websites. We took the reports available from the year 2001 to 2012, and we explored them in order to search for assurance statements.

The assurance statements were analysed to determine their quality. For this purpose, we applied the content analysis method using the coding rules of Perego and Kolk (2012). However, we added other aspects taken from Fonseca (2010) or Fernández-Feijoo et al. (2012). Thus we included 22 ranking criteria in all (see the Appendix). Our evaluative framework is adapted from previous studies like O'Dwyer and Owen (2005, 2007), FEE (2002), IAASB (2003), GRI (2006) and AccountAbility (2008).

To ensure reliability in the content analysis, we followed Neuendorf's guidelines (2002). The coding procedure involved a team of coders formed by the authors of the paper. Reliability, the extent to which a measuring procedure yields the same results on repeated trials, translates into inter-coder reliability when human coders are involved in the content analysis. Following Neuendorf (2002), reliability needs to be assessed at two timepoints. Pilot reliability is to be established on a random sub-sample before the study begins. For this purpose, a random sub-sample of assurance statements was drawn from the 27 statements available in our panel and content was separately analysed. This preliminary content analysis revealed that only some improvements had to be made to the codebook. Accordingly, the coding rules for some variables were slightly modified as compared to the original approach in O'Dwyer and Owen (2005) in

order to avoid bias. Based on the revised codebook, an extended random sub-sample of 30 other assurance statements was obtained and independently content analysed by both coders. This analysis resulted in the proper training of the coders that translated in high levels of agreement, so the robustness of the codebook was established. The content analysis of the remaining statements was then performed independently by the two coders.

The codebook and the accompanying coding rules used for the content analysis are included in 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 represents the lowest and 31 the highest quality level.

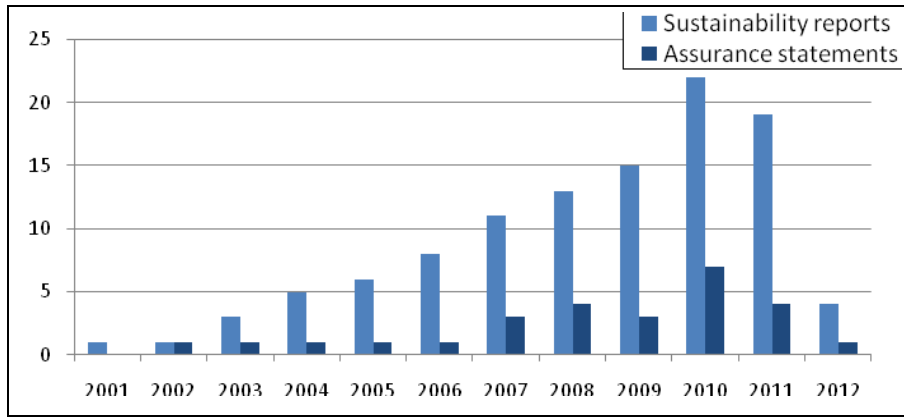
Neuendorf (2002, p. 149) noted that per cent agreements between coders is appropriate in such instances “wherein each pair of coded measures is either a hit or a miss”. The final level of agreement between the two coders was 100% for nine items, and above 85% for the other measures. The threshold for a satisfactory level of inter-rater reliability was 80% for the simple percentage agreement suggested by Neuendorf (2002). The few instances of conflicting codes were eventually reconciled by re-examining the text in the assurance statements with the involvement of the lead researcher. Such a high reliability level should not be surprising given the limited amount of words that comprises an assurance statement (rarely exceeding one page), in combination with the use of standardised and technical jargon that tends to reduce a subjective interpretation in the coding procedure.

#### **4. RESULTS**

First of all, we can see how the sustainability reporting is scarce in the 300 biggest cooperatives of the world. Thus, the number of sustainability reports increased considerably from 2001 (1 report) to 2010 (22 reports), but drastically dropped in the two 2years. Only in 2010 and 2011, more than 5% of the Global300 Ranking issued a Sustainability Report (SR). Moreover, the impact of assurance statements (AS) in these cooperatives was even worse (only exceeded 2 percent in 2010). In the same sense as the SR, the number of assurance statements accompanying these reports grew in these years, but fell in 2011 and 2012.

Figure 1 - Evolution of the sustainability reports and assurance statements in Global300





Source: The author's own.

As shown in Table 1, the panel of 300 firms comprises most companies from the United States (30%), France (16%), Italy (10%), Germany (8.67%), the United Kingdom (6%) and the Netherlands (5%). However, our data indicate that the adoption of sustainability reports in the panel was more marked in the United Kingdom (17.59%), followed by the Netherlands (16.67%), Canada (13.89%) and the United States (9.26%), with a total amount of 108 reports. Conversely, cooperatives and mutual enterprises from other countries (Australia, Belgium, China, Denmark, India, Ireland, Japan, Korea, Malaysia, New Zealand, Singapore and Taiwan) did not present any report. Furthermore, assurance statements were more commonplace in the United Kingdom and the Netherlands (22.22%), followed by Italy and Sweden (14.81%), with 27 statements available during the period observed. Nevertheless, it is noted that in Austria and Germany, 100 per cent of sustainability reports were assured.

Table 1 - Aggregate statistics per country

Country	Companies	% of firms	Number of SR	% of SR	Number of AS	% of AS	% of AS per SR
United States	90	30.00%	10	9.26%	1	3.70%	10.00%
France	48	16.00%	4	3.70%	0	0.00%	0.00%
Italy	30	10.00%	6	5.56%	4	14.81%	66.67%
Germany	26	8.67%	2	1.85%	2	7.41%	100.00%
United Kingdom	18	6.00%	19	17.59%	6	22.22%	31.58%
Netherlands	15	5.00%	18	16.67%	6	22.22%	33.33%
Finland	10	3.33%	8	7.41%	0	0.00%	0.00%
Canada	8	2.67%	15	13.89%	0	0.00%	0.00%
Switzerland	7	2.33%	8	7.41%	1	3.70%	12.50%
Sweden	5	1.67%	8	7.41%	4	14.81%	50.00%
Norway	4	1.33%	5	4.63%	0	0.00%	0.00%

Spain	2	0.67%	2	1.85%	1	3.70%	50.00%
Austria	1	0.33%	1	0.93%	1	3.70%	100.00%
Brazil	1	0.33%	2	1.85%	1	3.70%	50.00%
Others	35	11.67%	0	0.00%	0	0.00%	0.00%
<b>Total</b>	<b>300</b>	<b>100.00%</b>	<b>108</b>	<b>100.00%</b>	<b>27</b>	<b>100.00%</b>	

Source: The author's own.

Table 2 reveals that, despite social features, it is a paradoxical how the biggest cooperatives of the world used less Sustainability Reporting than the big stock companies. The data seem to show the late incorporation of the biggest cooperatives into Sustainability Reporting. In this sense, the country-level factors were significant to disclosure sustainability reports. Thus, the most relevant countries in the Global300 Ranking (United States and France with 30 percent and 16 percent respectively) had lower levels of disclosure than others such as the United Kingdom (6 percent), the Netherlands (5 percent) or Canada (2.67 percent). These countries were the most active areas to disclose non-financial information.

Consequently, a similar situation arises with the impact of country-level factors in Assurance Statements. Regarding AS, the most important countries in the Ranking (United States and France) only issued one and zero AS, respectively. We can also find the United Kingdom, the Netherlands, Sweden and Italy (with a weight from 14.8 percent to 22.2 per cent in relation to the total AS issued). In relative terms, Germany and Austria assured 100 percent of their SR (but they issued only 2 and 1 reports, respectively). Italy is a special case with 66.67 percent of their SR assured (4/6) because big Italian cooperatives issued few sustainability reports. Sweden (4/8), Spain (1/2) and Brazil (1/2) assured 50 per cent of their SR. Finally, it is important to note the important cases of the Netherlands (6/18) and the United Kingdom (6/19) and, for other reasons, the surprising Canadian case (0/15). This was one of the most active countries in sustainability disclosure, but it did not assure SR. This marked contrast between Sustainability Reporting and Assurance Statements also occurred in Finland (0/8), Norway (0/5) or Switzerland (1/8).

Table 2 - Aggregate statistics per sector

Sector	Companies	% of firms	Number of SR	% of SR	Number of AS	% of AS	% of AS per SR
Agriculture/Forestry	101	33.67%	17	15.74%	3	11.11%	17.65%

Consumer/Retail	72	24.00%	28	25.93%	8	29.63%	28.57%
Insurance	58	19.33%	32	29.63%	5	18.52%	15.63%
Banking/Credit Unions	34	11.33%	22	20.37%	7	25.93%	31.82%
Utilities	16	5.33%	0	0.00%	0	0.00%	0.00%
Workers/Industrial	9	3.00%	4	3.70%	4	14.81%	100.00%
Health	6	2.00%	0	0.00%	0	0.00%	0.00%
Other	4	1.33%	5	4.63%	0	0.00%	0.00%
<b>Total</b>	<b>300</b>	<b>100.00%</b>	<b>108</b>	<b>100.00%</b>	<b>27</b>	<b>100.00%</b>	

Source: The author's own.

Moreover, the industry characteristics were also relevant to disclosure and to assure sustainability reports. Thus, the most important sectors in the Global300 Ranking, like Agriculture/Forestry (33.67 per cent of the Ranking), had no impact in terms of sustainability disclosure (only 15.74% of the SR issued). The consumer/retail sector was the second most relevant (24%) and it maintained the same status in the SR issued (25.93%). However, other sectors like insurance or banking had more weight in Sustainability Reporting (29.63% and 20.37%, respectively) than in the Global300 Ranking (11.33% and 19.33%, respectively). These three sectors were the most active to disclose sustainability information.

In relation to AS, the relevance of the Consumer/Retail sector continued to increase (up to 29.63%) and the second most active industry regarding AS was Banking (with 25.93%). Conversely, the Agriculture/Forestry sector lost more weight (up to 11.11%). Two sectors displayed a particular behaviour: Insurance and Workers/Industrial. The first was very active in SR (29.63%), but its importance as regards AS decreased (18.52%). Furthermore, workers cooperatives were of less relevance in the Global300 Ranking (3%) and in disclosing sustainability reporting (3.7%), but had considerable weight in relation with AS (14.81%).

In relative terms, the Workers/Industrial sector assured 100 percent of their SR (but they issued only 4 reports). In order of relevance, the Banking sector followed and assured 31.82% of their SR (7/22), then the Consumer/Retail sector appeared with 28.57% (8/28), followed by the Agriculture/Forestry sector with 17.65% (3/17) and the Insurance industry with 15.63% (5/32).

Table 3 - Data per sector and country

Country	Agriculture / Forestry	Banking / Credit Unions	Consumer / Retail	Insurance	Workers / Industrial	Total
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Austria		1				1
Brazil	1					1
Canada						0
Finland						0
France						0
Germany	1		1			2
Italy					4	4
Netherlands		6				6
Norway						0
Spain			1			1
Sweden				4		4
Switzerland	1					1
United Kingdom			6			6
United States				1		1
<b>Total</b>	<b>3</b>	<b>7</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>27</b>

Source: The author's own.

Due to limited cases of cooperatives' AS, several relations are found between the country and industry factors. Thus, some sectors belong mainly to one country. For example, all the Workers/Industrial reports belong to Italian cooperatives, and the majority of Banking reports (6/7) and Insurance reports (4/5) come from the Netherlands and Sweden, respectively.

Similarly to prior classifications among the assurance providers examined (CorporateRegister, 2008), we distinguished among four categories, namely accounting firms, specialists (both broader and specialist consultants), certification bodies and others (including academic institutions, non-governmental organisations, stakeholder panels, and individual auditors).

Table 4 - Aggregate statistics per assurator

	Accountants	Specialists	Certification bodies	Others
<b>Number of assurance statements</b>	15	4	6	2
<b>% of assurance statements</b>	55.56%	14.81%	22.22%	7.41%
<b>Countries</b>				
<b>Italy</b>	4			
<b>Spain</b>			1	
<b>Brazil</b>			1	
<b>Switzerland</b>			1	
<b>Sweden</b>	4			

<b>United States</b>			1	
<b>Netherlands</b>	6			
<b>Germany</b>	1		1	
<b>Austria</b>			1	
<b>United Kingdom</b>		4		2
<b>Germany</b>				
<b>Industries</b>				
<b>Agriculture / Forestry</b>			3	
<b>Banking / Credit Unions</b>	6		1	
<b>Consumer / Retail</b>	1	4	1	2
<b>Insurance</b>	4		1	
<b>Workers / Industrial</b>	4			

Source: The author's own.

Regarding assurance providers, most AS were made by accountants (55.56%) followed by certification bodies (22.22%). However when considering the country-level factors, all the Dutch, Italian and Swedish reports were prepared by accountants, while the Spanish, Brazilian, Swiss, North American and Austrian reports were prepared by certification bodies. Finally, all the AS provided by specialists or others were British.

For assurance providers according to industries, it is important to note that some sectors like Banking, Insurance or Workers preferred accountants. However, the Consumer/Retail sector preferred specialists, and agriculture cooperatives showed a preference for certification bodies as assurance providers.

The next table summarises the results of AS quality by means of content analysis. As a general trend, Table 4 indicates an improvement in the quality of sustainability assurance statements over time. The average score in 2002 (13.00) was significantly lower than that in 2012 (26.00). It should be noted that the average score increased in the first years when only one AS was issued. However, with more assurance statements being issued by cooperatives, their quality decreased throughout the 2008-2011 period.

Table 5 - Quality of assurance statements per year

<b>Year</b>	<b>Number of AS</b>	<b>Mean</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
2001	0	-	-	-	-
2002	1	13.00	-	13	13
2003	1	13.00	-	13	13
2004	1	21.00	-	21	21
2005	1	20.00	-	20	20
2006	1	23.00	-	23	23
2007	3	19.33	5.51	13	23

2008	4	19.25	7.23	13	26
2009	3	17.00	6.93	13	25
2010	7	15.29	5.77	6	25
2011	4	15.25	8.30	6	26
2012	1	26.00	-	26	26

Source: The author's own.

The quality analysis by countries gave higher scores in Brazil (26), the United Kingdom (24.67) and the Netherlands (19) (see Table 5). Conversely, lower scores were obtained by Spain (6) and the United States (6). Nevertheless, except for UK, all these countries only issued one AS report.

The quality of the AS from the Netherlands and the United Kingdom improved throughout the analysed period, while the Assurance Statements from Germany, Italy and Sweden conserved the same quality over the years.

Table 6 - Quality of assurance statements per country

Country	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Number of AS	Mean	SD	Min	Max
Brazil	-	-	-	-	-	-						26	1	26,00	-	26	26
United Kingdom	-	-	-	-	-	23	23	26	25	25	26		6	24,67	1,37	23	26
Netherlands	-	13	13	21	20	-	22	25					6	19,00	4,94	13	25
Austria	-	-	-	-	-	-	-	-	-	18	-	-	1	18,00	-	18	18
Germany	-	-	-	-	-	-				16	16		2	16,00	0,00	16	16
Switzerland	-	-	-	-	-	-				16			1	16,00	-	16	16
Italy	-	-	-	-	-	-	13	13	13	13			4	13,00	0,00	13	13
Sweden	-	-	-	-	-	-		13	13	13	13		4	13,00	0,00	13	13
Spain	-	-	-	-	-	-					6		1	6,00	-	6	6
United States	-	-	-	-	-	-				6			1	6,00	-	6	6

Source: The author's own.

Assurance quality also differed substantially per sector examined, as summarised in Table 6. The highest score went to the Agriculture/Forestry sector (19.33), but with only three reports (with a very heterogeneous quality). Banking industry (18.86) and Consumer/Retail (16.69) occupied the second and the third positions in the AS Quality Ranking, with more dispersion in Banking. The Insurance sector showed the worst quality AS.

Table 7 - Quality of assurance statements per sector

Sector	Number of AS	Mean	SD	Min	Max
Agriculture / Forestry	3	19,33	5,77	16	26
Banking / Credit Unions	7	18,86	4,53	13	25
Consumer / Retail	8	16,69	3,60	16	26
Workers / Industrial	4	13,00	0,00	13	13
Insurance	5	9,70	1,75	9,50	13

Source: The author's own.

Table 7 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, accountants only occupy third position (15.6) behind specialists (25.5) and others (23.0). Certification bodies offer the worse quality in cooperative's sustainability reports (14.67).

The quality of AS by specialists and others was homogeneous and these reports can be associated with higher scores (between 23 and 26 points). The AS by accountants and certification bodies were very heterogeneous. Thus, the quality indicators went from 13 to 25 points for accountants, and from 6 to 26 points for certification bodies.

Table 8 - Quality of assurance statements per assessor

Assessor	Number of AS	Mean	SD	Min	Max
Specialists	4	<b>25,50</b>	0,58	25	26
Others	2	<b>23,00</b>	0,00	23	23
Accountants	15	<b>15,60</b>	4,19	13	25
Certification	6	<b>14,67</b>	7,66	6	26

Source: The author's own.

## 5. CONCLUSIONS

Despite their social features, it is a paradox how the biggest cooperatives in the world use Sustainability Reporting less than big stock companies. The data seem to show the late incorporation of the biggest cooperatives into Sustainability Reporting.

Secondly, the country-level factors are significant to disclosure and to assurer sustainability reports. Thus, the United Kingdom, the Netherlands, Sweden and Italy are the most active countries. It is also important to note that relevant countries like the United States and France obtained very low levels of disclosure and assuring. Moreover, the data reveal a clearly strong contrast between sustainability reporting and Assurance Statements in some countries like Canada, Finland, Norway or Switzerland.

Third, the industry factor is also relevant in terms of disclosing and assuring sustainability reports. Thus the Consumer/Retail and the Banking sectors come over as the most active to disclose and assure sustainability reports. However, other important sectors like Agriculture had no impact on these terms. Nevertheless, the Insurance and the Workers/Industrial sectors show particularly behaviour as they were the first to be very active in SR, but they lost importance regarding AS. Finally, workers cooperatives proved less relevant in disclosing sustainability reporting, but gained considerable weight in AS.

This work confirms that the quality of assurance statements of the biggest cooperatives depends on the type of provider. In general, the trend of AS quality over the last decade is positive, despite their quality decreasing in recent years.

In relation to the country-level factor on the assurance provider, the quality analysis shows higher scores in Brazil, the United Kingdom and the Netherlands, and lower ones in Spain and the United States. Moreover, the quality of the AS from the Netherlands and the United Kingdom has improved during the study period.

Assurance quality also differs substantially according to industry because the Agriculture / Forestry sector achieved the highest score but with a very heterogeneous quality. Banking industry and Consumer/Retail are the second and the third sectors in the AS Quality Ranking. The insurance sector clearly offers the worst quality in their AS.

Lastly, the quality results according to assurance provider show specialists and others obtain higher scores, and they offer more homogeneous reports. Accountants only occupy the third position, while certification bodies offer the worse quality in cooperative's sustainability reports (both providers with very heterogeneous scores).

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