



# IMPACT OF SUSTAINABILITY REPORTING ON THE QUALITY OF ACCOUNTING INFORMATION

(From Accredited External Auditors Perspective)

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## Abstract

**This study has been conducted to examine the impact of sustainability reporting on the quality of accounting information with regards to the basic characteristics of the accounting information (suitability and true representation). A field survey by distributing 180 questionnaires was conducted among the population consisting of the financial administration staff in banking sector and external auditors. The study highlighted that there has been a positive impact when applying sustainability reports on both characteristics (suitability and true representation). Besides, the impact of applying sustainability reports on the true representation is higher than the impact of applying sustainability reports on suitability according to the perspective of the financial management staff and external auditors.**

**Keywords: Sustainability Reporting, quality information, Jordanian, banks.**

## Introduction:

Corporate direction has increased at the global level towards adopting Sustainability reporting Corporate Sustainability report (CSR) given the importance of the role of the private sector in contributing to community activities and environmental responsibility along with productive activity, the established unit build Community, should share that responsibility with State institutions for triangulated configuration responsibility (community-corporate-State). The concept of sustainability as banking indicates that vision to build long-term growth strategies banks in management through sustainable profits for shareholders, and interrelationships with customers, develop the capabilities of workers in the framework of full

respect for environmental considerations and the surrounding community, where Affecting banks on sustainable development being the primary lender for all types of projects and business activities. Since delivering useful information to beneficiaries that are relevant to the decision that will be taken and therefore their impact on it by evaluating users for past, present and future events, or correct what has been previously evaluated and make decisions accordingly (convenience) and check the information secretariat, Reliability (reliability) are components of the basic characteristics of quality information. The quality of sustainability reports may contribute to delivering meaningful information top of beneficiaries through its financial and non-financial information in global interest in adopting the concepts of sustainable development as a strategic option comes this study to identify the role of the application of sustainability reports and their relationship to quality Accounting information banks operating in Jordan and Amman Stock Exchange listed.

## Problem of Study

In this study are there one main question to solve the problem through asking on details under below:

**What is the impact of sustainability reporting on the Quality of Accounting Information in Jordanian banks established in stakeholds of Amman market?** To answer this question created secondary questions under below:

- What is the relationship between the role implementing of sustainability reporting at environment dimension and the Quality of Accounting Information through a relevance

and transparency in Jordanian banks established in stokeholds of Amman market?

- What is the relationship between the role implementing of sustainability reporting at social dimension and the Quality of Accounting Information through a relevance and transparency in Jordanian banks established in stokeholds of Amman market?
- What is the relationship between the role implementing of sustainability reporting at economics dimension and the Quality of Accounting Information through a relevance and transparency in Jordanian banks established in stokeholds of Amman market?

**OBJECTIVE OF STUDY**

The objective of study is to analyze the impact of sustainability reporting and the Quality of Accounting Information through the relevance and transparency as the dimensions of environment, social and economics in Jordanian banks established in stokeholds of Amman market.

**HYPOTHESES OF STUDY**

**H0<sub>1</sub>:**There is no relationship between the sustainability reporting and the Quality of Accounting Information through the relevance and transparency in Jordanian

**banks established in stokeholds of Amman market.**

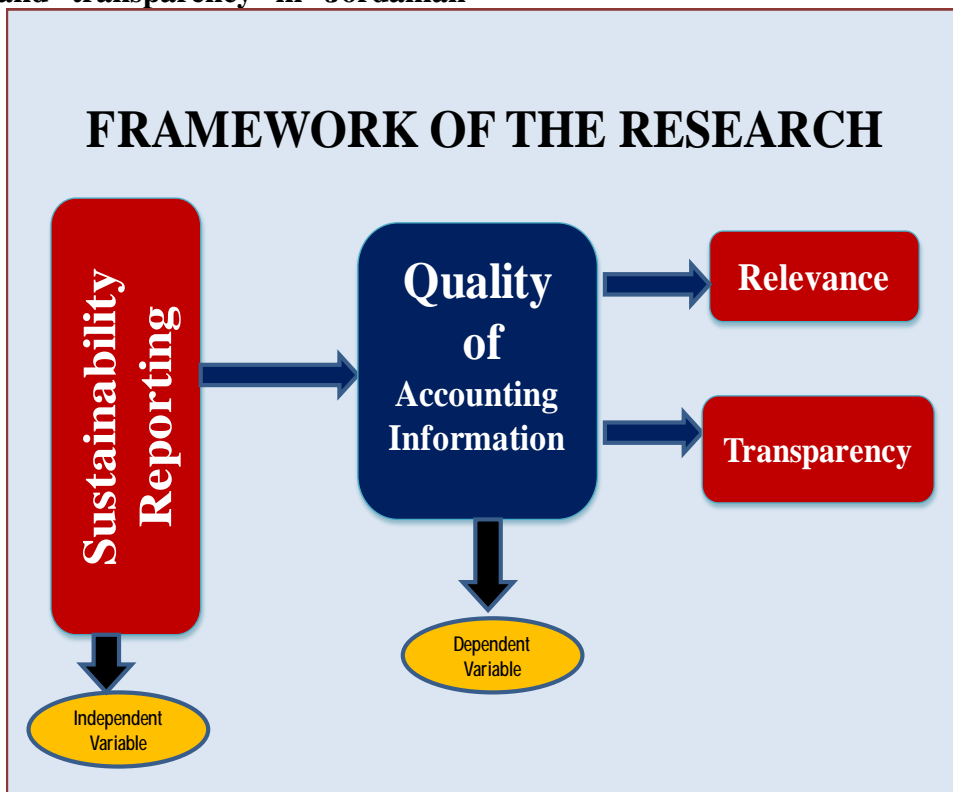
**H0<sub>1.1</sub>:**There is no relationship between the sustainability reporting at environment dimension and the Quality of Accounting Information through the relevance and transparency in Jordanian banks established in stokeholds of Amman market.

**H0<sub>1.2</sub>:**There is no relationship between the sustainability reporting at social dimension and the Quality of Accounting Information through the relevance and transparency in Jordanian banks established in stokeholds of Amman market.

**H0<sub>1.3</sub>:** There is no relationship between the sustainability reporting at economics dimension and the Quality of Accounting Information through the relevance and transparency in Jordanian banks established in stokeholds of Amman market.

**RESEARCH METHODOLOGY**

The researcher used primary and secondary data. Primary data was collected through the questionnaires distributed to 412 external auditors in the Jordanian banks specialize in financial management category. The researcher is used the descriptive approach to analyze the data.



**Conceptual and Procedural Definitions:**

- ✓ **The environmental dimension of sustainability:** the impact of the Organization on the living and non-living natural systems, including land, air, water and ecosystems. Environmental category covers input effects) such as energy and water (and output) such as liquid and solid waste emissions. (In addition, it covers biodiversity, transport and effects on product and service in addition to environmental compliance and environmental expenditures. (Global Reporting Initiative, [www.globalreporting.org](http://www.globalreporting.org)).
- ✓ **Economic dimension of sustainability:** on the effects of the Organization to the economic conditions of their stakeholders and economic systems at local and national level and the global level, and terrifying focuses on the financial situation of the organization. (Global Reporting Initiative, [www.globalreporting.org](http://www.globalreporting.org)).
- ✓ **The social dimension of sustainability:** regarding caused by social systems

organization that operates within. Social category includes the following subcategories: employment and decent work practices, and human rights community, and product liability. (Global Reporting Initiative, [www.globalreporting.org](http://www.globalreporting.org)).

**Descriptive Analyses Of Study**

To indicate any more properties affected by disclosure of sustainability reporting in banks studied from the perspective of external audits checking lists of those banks, financial and working in those banks may use in t-test differences between Paired interrelated Samples binoculars-Mediterranean T-Test, So between the test value mean approval of the report on the impact of sustainability on convenience (4.0601) and standard deviation (0.4624), table (5:3) to test the difference between the medium degree of impact sustainability reports on relevance and faithful representation. Table (5:3) to test the difference between the medium degree of impact sustainability reports on relevance and transparency in speech

		Average	Sample	SD	df	T value	Sig.
Variables	Relevance	4.0601	74	0.46242	-0.3604	-2.25024	0.02745
	Transparency	4.0961	74	0.46174			

While as the average that influence transparency in width (4.0961) and standard deviation (0.4617); this means that the degree of influence the transparency in the display top (0.03604) and that was the difference between a simple test, however, this statistical significance difference worth the difference t (-2.25) versus statistical significance(0.02745).

So the researcher can reject the null hypothesis, according to which statistical significance difference between Middle-variables, you can accept the alternative hypothesis, namely that the vulnerability of transparency in accounting information display more ability relevance despite previous test ensuring that both average degree of normative influence expressed as the median scale (3).

**Results of the Study**

- 1- The results of the study showed up with appositve effect to apply sustainability reports on the quality of accounting

information of relevance and transparency representation of perspective of Auditors and financial management staff in the banks operating in Jordan and Amman Stock Exchange listed.

- 2- The results of the study showed that the degree of positive impact of applying sustainability reports on genuine representation property is higher than the degree of positive impact property of convenience.
- 3- The results of the study showed that application of the sustainability reports banks operating in Jordan and Amman Stock Exchange listed, but partially low which means that most guidelines for sustainability reports is not role implementing.

**Recommendations**

- a) For the banks to apply sustainability reports a positive effect on my own convenience and genuine representation of accounting

information quality in particular it includes aspects of governance and combating corruption and the involvement of stakeholders and therefore need to adopt Bank researcher recommends applying the concepts of sustainability reports.

- b) The researcher recommends banks that applied sustainability reports need publication through the website of the securities for the benefit of all users of the

financial statements being posted off through the Bank's website.

- c) The researcher recommends Jordanian universities for a conference about sustainability reports to promote a culture of sustainability concepts.

**Reference:**

Global Reporting Initiative-  
**[www.globalreporting.org](http://www.globalreporting.org)**