Innovations

Assessment of Integrated Reporting System in Selected Companies on the Nigerian Stock Exchange (NGX)

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Abstract
This study evaluated the degree of compliance with an integrated reporting system for six manufacturing companies listed on the Nigerian Stock Exchange using content analysis as an evaluation method. Our main areas of focus are the business environment, governance, business model, risks and opportunities, strategy and resource allocation, outlook, and basis of the presentation. The study found that the average score of 83% was recorded with organizational overview, strategy, and resource allocation requirements, 89% average score with governance requirements, 75% average score with outlook requirements, 67% average score with outlook requirements, and 62% with presentation basis requirements of the 2013 integrated reporting framework developed by the International Integrated Reporting Council. The least average score was 53% compliance with business models. These results suggest that the chosen companies are fully aware of the benefits of improved accountability and transparency brought about by integrating financial, environmental, and social reporting. All stakeholders can greatly benefit from these reports. To better understand how different capitals interact, business models need to be reported more effectively.

Keywords: 1.*Governance, 2.Outlook, 3. Business model, 4.Risks and opportunities, 5.Stakeholders*

Introduction

Corporate reporting has been criticized over the past decades for concentrating heavily on the financial aspect of the business and excluding almost all other forms of capital such as natural, intellectual, social, and human capital. In order to meet the needs of various stakeholders, the International Integrated Reporting Council (IIRC) came up with a reporting framework that incorporates the strategy, governance, performance, and prospects of an organization within the context of its external environment as elements of a corporate reporting system. This reporting system will cater to the high levels of environmental uncertainty and reduce the pressure from numerous external stakeholders for information relating to corporate transparency. (Udofia et al. 2020).

In order to make informed investment decisions, potential financiers and other stakeholders need complete transparency regarding the company's use of all resources and the risks associated with those uses.The legitimacy of integrated reporting is often questioned, however, by stakeholders, hence, there is a need for a study to critically examine the contents of integrated reports of some selected companies quoted on the Nigerian stock exchange with a view to determine if the integrated reports provide a balanced picture of the organizations' performance. This study will also address the need for the management to incorporate control systems in their strategic corporate planning. The need for an organization to secure external assurances about their integrated reports will also be examined. This study focuses ontelecommunications, oil and gas, consumer goods, banking, and industrial companies that were chosen from those listed on the Nigerian Stock Exchange. These companies cut across different subsectors of manufacturing companies. As part of their mission, these companies provide essential goods and services to the people that are necessary for their welfare as well as aiding the country's economic development. There are people with vested interests in these businesses who expect full disclosure of the company's financial and operational details. They need access to a unified and complete reporting framework. This study is therefore expected to come up with unique results that are different from outcomes of other previous studiessuch as Udofia et al (2020; Umoren, Udo and George,(2015; Okaro and Okafor, (2016) on integrated reporting system. The study is structured into five sections, next to introduction is literature review, the third section isresearch methods, the fourth part deals with the results and discussion, and finally the fifth presents the conclusions and recommendations.

2. Literature Review

2.1 Conceptual Review

Integrated Reporting

By combining financial and non-financial information including social and environmental disclosures, integrated reporting attempts to understand and explain an organization's future value-creation objectives. That integrated reporting is on the rise and worthy of encouragement is a claim made by the International Integrated Reporting Council (IIRC) in 2013. Integrated reports should be easy to understand and complete in every relevant respect. It's important to give both the report's good and negative findings equal consideration**.**By being more accountable and open, practitioners may earn the trust of their stakeholders (Lozano & Huisingh, 2011, Stacchezzini, Melloni, & Lai, 2016).

Contents Elements of integrated reporting Framework

Organizational Overview and External Environment: This section describes the organization's activities and how it operates within its environment. The external environment and organizational structure, as well as the organization's operations, strategic positioning, market position, board structure, ethics, and values, should all be discussed. It is, therefore, critical to understand how the external environment and organizational structure influence performance. This information is typically disclosed in chairman's comments and director's reports.

Governance: The Integrated Reporting Framework requires organizations to explain how their governance arrangements enable them to create value in the short, medium, and long term. This section contains information about the company's beliefs, risk management approach, cultural and ethical values, and the Board of Directors' abilities and qualifications.

Business Model: A complete report should highlight the six most important capitals (financial, manufactured, natural, intellectual, social, and human capital), the activities undertaken by the organization, and the outcomes produced. The business model and capital focus of the firm will differ depending on the type of its activities. The Integrated Reporting Framework requires organizations to explain how their governance arrangements enable them to create value in the short, medium, and long term. This section contains information about the company's beliefs, risk management approach, cultural and ethical values, and the board of directors' abilities and qualifications.

Risks and Opportunities: An integrated report, according to the IIRC framework, should include major risks and opportunities particular to the organization as well as those that may affect the value creation process. Risks and opportunities should be thoroughly examined, as should how the business assesses their likelihood, potential impacts, mitigation methods, and ways to capitalize on them. The IIRC (2013) underlines the need of connecting major risks and opportunities to strategic objectives, plans, policies, and key performance indicators (KPIs).

Strategy and Resource Allocation: This section discusses the organization's long-term, intermediate-term, and short-term goals, the strategies it plans to use to achieve those goals, the methods it plans to use to achieve those goals, and the resources it plans to allocate to make those strategies a reality (The IIRC, 2013). The organization's aims are at the heart of its mission and its strategy.

Performance: According to the IIRC (2013), integrated reports should include information on how effectively the company succeeded in accomplishing its strategic objectives throughout the time. Key performance indicators (KPIs) are used to assess the performance of an organization. The ability of a company to achieve its desired strategic objectives can be disclosed using both financial and non-financial performance measures that consider the six capitals (manufactured, human, social, and relationship, intellectual, and natural) and how the company's activities affect the value of each capital.

Outlook: Wherever possible, the strategy report should include forward-looking information (FRC, 2014). According to the IIRC (2013), an integrated report should cover the problems and uncertainties that an organization may encounter, as well as the potential consequences on the enterprise's business model and future performance. The chairman's remark in Nigeria's annual report normally includes information on the company's prospects.

Basis of Presentation: Explanation of the steps involved in creating an integrated report, including how its success is gauged. The IIRC outlines seven guidelines that must be followed if you want your report to be considered integrated (2013). There are many aspects to take into account, such as a future-focused and strategic orientation, information connection, stakeholder linkages, materiality, conciseness, reliability, and completeness, and consistency and comparability.

2.2 Theoretical Literature

The Legitimacy Theory

Dowling and Pfeffer developed the legitimacy theory in 1975. According to legitimacy theory there is a contract between an organization and society which states that an organization owe the society an obligation to disclose its activities within the society. Legitimacy theory relies upon the notion that there is a "social contract" between the organization in question and the society in which it operates. Societal sanctions may be imposed if the organization fails to comply with societal expectations. It is a common practice for management to report activities voluntarily if they believed those activities were expected by communities where they operate. Companies use disclosure to legitimize themselves (Cho&Patten, 2007).

The Stakeholders Theory

Freeman put out this notion back in 1984. Stakeholder theorists argue that the key to improving a company as a whole is hearing and responding to the concerns of all of its stakeholders. Based on this idea, a company's intrinsic or extrinsic value is determined by a number of factors, including its financial performance, its contribution to society, and the level of happiness felt by its personnel. Corporate social responsibility and long-term financial stability are key to creating value for stakeholders. Stakeholders, as defined by Freeman, Wicks, and Parmmar

(2004), include anybody who has a vested interest in, or stands to gain from, the success of an organization's mission.

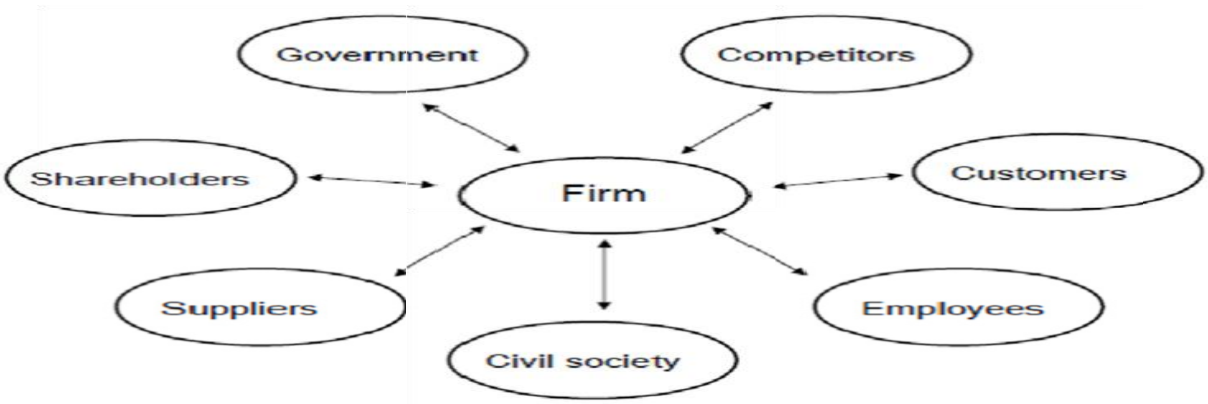

Figure 2. Stakeholders' theory model

Source: Resource gate (2019).

This study hinges on legitimacy and stakeholders' theory. It is important that organization must justify its existence in the corporate world by ensuring compliance with environmental, social and economic performance reporting system. Also, it is of utmost important that the interest of all the stakeholders must be taken into consideration in the evaluation of the business performance. It can be concluded that organizational performance is a multi-faceted phenomenon.

2.3 Empirical Review

According to Umoren, Udo, and George (2015), Nigerian quoted companies need to integrate their Economic, Social, Governance (ESG) reporting practices. Over the course of two years, 2013-2014, forty (40) companies were selected for the study. Size, profitability, and auditor type were used as proxies for ESG determinants. Return on equity (ROE) measured profitability, while auditor type was measured by a dummy variable (1, 0). Based on the findings, the environmental disclosure score was 7%, the social score was 66%, and the governance score was 81%. It implies that the most pertinent information was related to governance, while the least important was related to the environment. Moreover, the study found that ESG disclosure practices were influenced by the auditor type rather than the company's size or profitability. Based on the results of this study, Nigerian companies need to improve their integrated reporting in order to make better decisions that will benefit the company and other stakeholders.

Disagreement exists as to whether integrated reporting has advanced integrated thinking within company practices, supported decision making, increased accountability, and enhanced corporate reporting, which was the impetus for the study by Moolman, Oberholzer, and Steyn (2016). Therefore, the authors assessed whether or not integrated reporting has improved the connection between business strategy and the threats and opportunities it faces. High-level implementation managers at South African businesses in need of integrated reporting were surveyed by sending them online questionnaires. These findings suggest that firms and other stakeholders who prepare integrated reports have begun to think more holistically about the interplay among strategy, risks, and opportunities. Furthermore, using text analysis methods, they assessed whether the top 100 JSE businesses' risk and opportunity disclosures have been affected by integrated reporting. In compliance with the International Framework for Disclosure Standards, it was reported that most companies disclose risks and opportunities (IIRC 2013). The results of this research suggest that organizations can benefit from integrated reporting because it promotes a culture that values risk management and helps ensure that the organization's plan is in line with key risk indicators.

Using the Global Reporting Initiatives (GRI) index as a proxy for sustainability and return on assets as a measure of performance, Chikwendu, Okafor, and Jesuwunmi in 2016 determined the real-world performance impact of sustainability reporting with a sample size of twenty selected Nigerian companies over a period of five years. The purpose of this research is to ascertain whether or not disclosing economic, environmental, and social performance has an effect on ROI. Secondary data was gathered from the analyzed companies' annual reports. The authors conducted a multiple regression study and found that while disclosures of economic and environmental performance had no effect on return on assets, disclosures of social performance did. Therefore, higher economic and environmental disclosures resulted in a marginally positive return on investment, while increasing social disclosure significantly reduced return on assets. The research advised implementing an obligatory localized reporting system in line with worldwide best practices to promote sustainability reporting.

Okafor and Okaro (2017) researched corporate governance and placed IR as the natural consequence of shifting focus from shareholders' money to the interests of all stakeholders. According to the authors, "integrated reporting" is the practice of addressing societal and environmental concerns in conjunction with financial reporting. The principles that integrated reporting follows are as follows: materiality; brevity; dependability; completeness; consistency; and comparability. A strategic emphasis and orientation supplement these norms. The content parts of IR are discussed, and an overview of the field is provided. This overview discusses the essential principles of IR, such as the idea of value creation. Included are an executive summary, company model, risks and opportunities, strategy and resource allocation, governance, performance, outlook, and a foundation for presenting the report. As a means of ensuring the long-term viability of a company's operations, the authors proposed the Triple Bottom Line (TBL) idea, which integrates the financial, social, and environmental outcomes of a company's actions into traditional accounting practices. They noted that there are problems with regulation, the environment, and the infrastructure in implementing the new reporting framework in Nigeria. The reporting framework's optionality, measurement challenges, and increased subjectivity in assurance were singled out for special emphasis. Because of its novel approach to corporate responsibility and governance and the sheer force of globalization that necessitates disclosure and transparency, the author concludes that integrated reporting in Nigeria has a bright future despite the obstacles it must overcome.

Akhter and Ishihara (2018) investigated the gap between integrated reporting and contemporary corporate reporting in the United Kingdom by studying the integrated reports of many early adopter businesses. To achieve this purpose, the integrated reports of five firms were compared to a disclosure checklist based on the International Integrated Reporting Council's (IIRC) Framework. Their research revealed that disclosure rates ranged from 51% to 70%. In a regulatory context where integrated reports are not needed, this range implies a modest level of compliance. As long as the disclosures are related to soft information, generic information is required for regulatory purposes. The disclosure rate is considerable in some content parts; in others, such as future outlooks, opportunities, or material obstacles, just a little amount of information is disclosed. To varied degrees, the reports frequently lack connectivity. The authors provided stakeholders and policymakers with insight into how integrated reporting is affecting the UK's corporate reporting landscape as an early study of integrated reporting in the UK.

By analyzing the integrated reports of certain early adopting corporations, Akhter and Ishihara (2018) analyzed the gap between integrated reporting and contemporary corporate reporting in the United Kingdom. To accomplish this goal, the integrated reports of five corporations were analyzed against a disclosure checklist based on the International Integrated Reporting Council (IIRC) Framework. Their analysis discovered a range of disclosure rates ranging from 51% to 70%. This range represents a moderate level of compliance in a regulatory environment where integrated reports are not required. For regulatory purposes, generic information is required as long as the disclosures relate soft information. In some content elements, the disclosure rate is significant; in others, such as future outlooks, opportunities, or material difficulties, just a tiny quantity of information is provided. The reports often lack connectivity to varied degrees. As an early study of integrated reporting in the UK, the authors offered stakeholders and policymakers with some insight into how integrated reporting is shaping the UK's corporate reporting landscape. A further contribution to the literature was the empirical demonstration of the association between forward-looking disclosures and female directors of companies. However, this study is limited to forward-looking disclosure as an element of integrated reporting.

Akparhuere (2019) performed a comparative analysis of ethical, economic, and discretionary social responsibility reporting practices to ascertain whether these variables have a significant impact on firm performance (as measured by total assets) of Nigerian listed oil and gas firms and consumer goods firms. The assessments were carried out using the annual reports and accounts of the sampled companies. Each of the mentioned sectors was represented by three companies in the study. Mobil Oil and Gas, MRS Oil Nig plc, and Total Nig plc were picked from the oil and gas industry while Nestle Nig plc, Nigerian Breweries plc, and Dangote Flour Mills were selected from the consumer products sector using a purposeful sampling method. In Nigeria, both oil and gas corporations and consumer products firms reported discretionary social responsibility practices (donations and gifts) that had a direct impact on their performance. The performance of oil and gas businesses is unaffected by ethical social responsibility reporting practices. Company economic and social responsibility reporting policies have a substantial impact on their success. Economic and ethical social responsibility have no discernible impact on the performance of manufacturing enterprises. The report suggests focusing discretionary social responsibility practices to reduce restiveness in the areas in which corporations operate. In addition to adding to information, the study shed light on the comparison of two industries (oil and gas companies and consumer products companies) and the conclusions reached from the comparison. This study looked at two different industries. A study that spans more than two industries is required.

Adegboyegun et al. evaluated the performance of Nigerian money deposit institutions between 2009 and 2018. (2020). The public outcry over environmental deterioration caused by corporate activities served as the principal motivator for the study throughout its duration. As a result, such outcries were not heard since companies did not include environmental information in their annual reports, rendering them unaccountable. Profit after tax was utilized as a dependent variable in the study, while the IR index, which is a combination of financial and sustainability reporting, the debt-to-equity ratio, and total assets were used as independent factors. Using the classical ordinary least squares and panel co-integration methodologies, IR has a substantial link with firm performance over the long run but has no significant impact on corporate performance in the short run. It was suggested that reporting agencies, such as the FRCN, mandate firms to follow the IR standard outlined in South Africa's King's Code of Governance in order to develop such long-term connections. Non-financial information should also be included in corporate reports in order to educate relevant parties about the company's long-term prospects and ability to continue in the foreseeable future.

Udofia, Fagboro, and Adeyemi (2020) studied Nigeria's readiness to embrace Integrated Reporting by analyzing the level of conformity of Nigerian quoted businesses' annual reports with the International Integrated Reporting Council (IIRC) IR framework (IR). From 2013 to 2017, 90 firms were chosen from the Nigerian Stock Exchange. Based on the disclosure index developed by Kilic and Kuzey (2018), each of the sampled companies was assigned an IR Disclosure Score (IRDS) based on their annual reports. Nigerian listed firms' reports meet more than 75% of the requirements of the IR framework. Manufacturing, extractive industries, and other sectors were the most compliant, followed by financial firms. Performance had the least quantity of IR content disclosed across all industries. Companies were unable to describe the extent to which their organizational objectives had been attained using key performance indicators (KPIs). The authors found that multidimensional reporting should take into account financial, nonfinancial, social, and environmental elements.

Adelowotan and Udofia (2021) investigated the consequences of applying the diffusion of innovation theory to the deployment of Integrated Reporting (IR). Primary data for the inquiry was gathered through a survey of 485 users of business reports. The data received via a questionnaire was analyzed using statistical methods. A purposeful sampling approach was utilized to choose the sample for the investigation. Company governance, financial performance, corporate qualities, and the influence of stakeholders in the external environment all have a substantial impact on the dissemination of IR. Despite the fact that users recognize the benefits of IR adoption, three primary factors are impeding its spread. Among them include increased regulatory oversight, the exposing of confidential information, and the high expense of applying these precautions. It is recommended that corporate organizations in Nigeria explore progressive deployment of IR across various economic sectors rather than mandated implementation. They should also provide technical and infrastructure support to publicly traded companies prior to implementing mandated IR to alleviate some of the issues associated with IR adoption. Integrated reporting has been identified as a valuable tool for holding organizations accountable to stakeholders for their progress toward attaining their long-term vision.

It can be deduced from the empirical literature that none of the studies specifically provided answers to the research questions raised in this study about the credibility of integrated reports. In the light of this, the researchers will critically evaluate the compliance level by the selected companies with integrated reporting according to the guidelines of IIRC (2013) using content elements analysis for financial and non-financial performance of companies through the information provided in the annual reports thus providing a balanced picture of an organization performance. The second question that deserve a concrete answer is that should management control systems incorporate sustainability and integrated objectives into their strategic planning? And finally, are organizations required to secure external assurances about their sustainability and integrated reports? Through a critical evaluation of the level of compliance with integrated reporting by the selected companies as stated in their annual corporate reports, this study aims to answer these questions.

3. Research Method

The sample for this study was drawn from the list of publicly traded companies on the Nigerian Stock Exchange. Five companies from various industries were utilized to allow us to analyze their degrees of compliance with integrated reporting standards. This study makes use of an integrated report from the previous year. The integrated reports are self-declared using the IIRC Framework. A qualitative content analysis will be used to analyze these companies' reports. The most often used technique for assessing the quantitative and qualitative quality of corporate reports is content analysis (Milne & Adler, 1999). As a result, our coding instrument or Disclosure Checklist is based on the "Content Elements" of the IIRC Framework. The narratives of the "content indicators," whether they relate to performance measures or particular matters, are attentively read. The "components" are used to build a disclosure item.

4. Results and Discussion

The credibility of integrated reporting: Evaluation of Compliance level of the selected companies with Integrated Reporting

Content elements

Content element one: Organizational overview and external environment.

The disclosure and non-disclosure status of the companies chosen for investigation were evaluated in this component. The beginning point is whether or not the organization's mission, vision, values, and culture are disclosed. Other components evaluated include primary activities and market disclosure, ownership and operating structure, competitive hallmark and market positioning, and disclosure of significant quantitative information such as personnel count, revenue, and number of countries in which they operate. Another critical component is the disclosure of key external environmental elements in the contexts of companies' legal, social, commercial, environmental, and political reactions. This element's average score is 83%. GTCO and 11 Plc (Mobil) received 90%, while MTN Nig Plc, Dangote Cement Plc, Unilever Plc, and Guinness Plc received 80%. All of these organizations clearly have enough disclosure of the organization's overview and external environment.

Content element two: Governance

The average score is 89%. From the individual company's assessments, all the companies used in the study have 89% scores. This is a confirmation of a greater degree of compliance with governance disclosure in compliance with integrated reporting standards.

Content element three: Business model.

The average score of all companies is 53%. MTN Nig. Plc has the highest score of 75% followed by GTCO with a score of 67%. The lowest score is 33% by Unilever Plc and Mobil. The major area in which compliance level is low is on full compliance on disclosure relating to a simple diagram highlighting key elements. Also, noticeable aspect is on interdependencies and trade-off between the capitals. There was no disclosure in this area by Dangote, Unilever and Mobil Plc. GTCO, MTN, Guinness either disclosed the key elements of with diagram or narrative. Full disclosure requires disclosure with both diagram and narratives.

Content element four: Risks and Opportunities

This element's average score is 83%. GTCO and 11 Plc (Mobil) received 90%, while MTN Nig Plc, Dangote Cement Plc, Unilever Plc, and Guinness Plc received 80%. All of these organizations clearly have acceptable disclosures regarding the organization's overview and external environment.

Content element five: Strategy and resource allocation.

This is the information about how far environmental and social concerns had been integrated into the organization's strategy. Only GTCO gave the exact details of stakeholders and received a 2 for stakeholder engagement in establishing strategy and resource plans. Other businesses merely assigned a 1 to the connected stakeholders. This element's average score is 83%. GTCO, MTN, and Guinness Plc received the highest score of 90%. Unilever received a 70%, while Dangote and Mobil received 80%.

Content element six: Performance. This heading provided answer to what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals. Quantitative indicators with respect to targets and risks and opportunities. There was a disclosure on this aspect by all the companies sampled. However, there was no disclosure with trends.The average score is 80% while the highest score is 90% by GTCO and Guinness Plc. The lowest score is 70% by Unilever and Mobil. Dangote and MTN scored 80%.

Content element seven: Outlook. Thereis a need for a disclosure on organization's expectation about the external environment. There was a general disclosure by all the sampled companies with a mark of 1. Organization specific disclosure was made by GTCO, MTN, Dangote and Unilever. There was disclosure on organization's preparedness for the future uncertainties and comparisons of actual performance to previously identified targets. The average score is 75%. The highest score is 87% by GTCO and MTN.

Content element 8: Basis of presentation. All of the sampled companies have made a declaration about the reporting boundaries and how they were determined. The companies evaluated also disclosed frameworks and procedures for quantifying material matters. There was insufficient transparency about the impact of significant matters on the value development process of the company. There was little information available in the area. Surprisingly, no information about stakeholder involvement in determining materiality was supplied. All of the companies in the sample received a score of 0. This element's average score is 62%. When each company is evaluated individually, they receive a score of 62%.

Table 1: Summary of Scores by Sampled Companies

	Disclosure Items	GTCO % Score	MTN Nig. % Score	Guinness Nig. Plc % Score	Dangote Cement Plc % Score	Unilever Nig Plc % Score	11Plc Mobil % Score	Average % Score
Content element 1	Organizational Overview and External Environment	90	80	80	80	80	90	83
Content element 2	Governance	89	89	89	89	89	89	89
Content element 3	Business Model	67	75	58	50	33	33	53
Content element 4	Risks and Opportunities	71	71	71	71	60	60	67
Content element 5	Strategy and Resources Allocation	90	90	90	80	70	80	83
Content element 6	Performance	90	80	90	80	70	70	80
Content element 7	Outlook	87	87	62	75	75	62	75
Content element 8	Basis of Preparation and Presentation	62	62	62	62	62	62	62

Source: Authors' Computation (2022)

The need for Incorporating sustainability and integrated reporting objectives in Management Control Systems

The integrated reporting process should not rely on routine procedures and last-minute information gathering. Companies must incorporate sustainability and integrated goals into their management control systems. Along with allowing sustainability and integrated reporting, these tools will be utilized to promote actions that support the organization's sustainability goals. Similar to those who supply accounting information, sustainability assurance providers should insist on obtaining, keeping, and regulating proof of claimed events. Management control systems for sustainability and integrated reporting are projected to institutionalize more as a result of these demands for auditable data. Accountants should be heavily involved in creating and implementing management control systems related to sustainability and integrated reporting through their assurance practice..

Assurance Reports on Sustainability and Integrated Reporting

Organizations use integrated reporting to promote their image in addition to influencing public impressions (Cho 2009Users are aware that businesses typically highlight the positive while underplaying or exaggerating the negative. People might not always believe the information in these reports as a result. As a result, businesses respond confidently to increase the trustworthiness of the results (Cho et al., 2014). Assurances are expected to increase as they become more widespread and the public's awareness of a firm's disclosure biases, sustainability, and integrated report grows. Corporate responsibility business reports are now assured for 63% of the 250 largest firms in the world and 42% of the top 100 corporations across 45 countries, according to KPMG (2015). (i.e., 4,500 companies in total). According to KPMG (2015), corporate responsibility business reports are now guaranteed for 63% of the world's 250 largest organizations and 42% of the top 100 corporations across 45 countries (i.e., 4,500 companies in total). These proportions have risen over time. These firms provide approximately two-thirds of the assurance services given by major accounting firms to the top 250 worldwide enterprises and the top 100 companies in each country (KPMG, 2015). In the future, assurance companies will increasingly offer standardized packages of assurance and management consulting services (Maroun, 2017).

5. Conclusions and Recommendations

We concentrate on integrated reporting for two key causes: In addition to analyzing the organization's effects on the environment, society, and economy, integrated reporting also focuses on a larger range of stakeholders, particularly those that supply financial resources and have a longer-term perspective. Consequently, it has a comprehensive reporting system for the businesses**.** This study concludes that Integrated reporting is a means of incorporating accountability and transparency in the annual reports prepared by management for stakeholders. The outcomes of this study may be useful to industry regulators like Security Exchange Commission (SEC), Financial Reporting Council of Nigeria (FRC) in formulating policies on integrated reporting system. Other stakeholders will find the results of this study useful in taking appropriate decisions most especially invested decisions. In view of the outcomes of this study, the following recommendations are proposed on the integrated reporting system.

(i) There should always be a follow up to the policies made by the regulators to ensure compliance with the integrated reporting systems in such a way there it will encourage and motivate the companies and organizations to comply and report the social, environmental and economic activities which promotes accountability and transparency in the business activities of the reported companies.

(ii) It is imperative that companies incorporate sustainability and integrated objectives into their management control systems. Besides supporting sustainability and integrated reporting, these systems will also be used to encourage behaviour that complies with the organization's sustainability goals.

(iii) There is a need to encourage assurance reports on sustainability and integrated reporting to be provided by reputable Accounting and Auditing firms. This will boost the confidence of the stakeholders in the integrated reporting by the organization.

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