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Enhancing Sustainable Financial Reporting Quality in Emerging Markets: The Role of Professional Accounting Qualifications

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ABSTRACT: This study examined how professional accounting qualifications influence the quality of sustainable financial reporting in organizations in Ogun State, Nigeria. The research was grounded in Agency Theory and Stakeholder Theory; qualitative methods was used. Researchers collected primary data through structured questionnaires from 400 qualified accounting and finance staff across private, public, and audit or consulting organizations. Instrument validity was ensured through pilot testing, and reliability was confirmed with a Cronbach's alpha of 0.85. They also used secondary data from financial statements and sustainability reports. The analysis involved descriptive statistics, correlation, and multiple regression. The findings showed that the quality of sustainable financial reporting in emerging markets was generally low, with problems in transparency, reliability, completeness, and compliance with standards. There were strong positive relationships between professional accounting qualifications and all ESG areas, especially governance disclosure. Additionally, organizations with more professionally qualified accountants experienced measurable economic advantages, such as cost savings and enhanced brand reputation, due to higher accuracy and ethical compliance in reporting. Regression analysis found that professional accounting qualifications had a significant positive effect on environmental, social, and governance disclosures, accounting for much of the variation in reporting quality. Organizations reported greater accuracy, ethical compliance, and consistency. The study concluded that enhancing professional accounting qualifications is fundamental to improving ESG disclosure, which, in turn, supports long-term sustainable development objectives in emerging economies. Therefore, advancing professional capacity in accounting is not only beneficial to individual organizations but also creates a multiplier effect that drives broader economic growth and ethical development within the market in Ogun State.

KEYWORDS: Sustainable financial reporting; Professional accounting qualifications; ESG disclosure; Emerging markets; Financial reporting quality.

1.0 INTRODUCTION

Sustainable financial reporting has become more popular in recent years as stakeholders have become more vocal about their demands for openness about environmental, social, and governance (ESG) policies (Solaimani, 2024). This trend is a reflection of global efforts to address issues like social inequality and climate change as well as a rising understanding of the significance of sustainability for long-term corporate performance. The standard of sustainable financial reporting, however, differs greatly throughout economies, and emerging markets in particular sometimes face unique difficulties because of their less developed regulatory frameworks, scarce resources, and uneven levels of competence.

Credentials in professional accounting are essential for guaranteeing the accuracy and caliber of financial reporting. Adhering to regulatory obligations, maintaining ethical standards, and accurately capturing and reporting financial data are all made possible by qualified accountants' unique knowledge and abilities. These qualities take on much more significance when considering sustainable financial reporting. According to Raghavan (2022), they give professionals the tools they need to evaluate sustainability risks, include intricate ESG criteria into financial statements, and effectively communicate them to stakeholders.

Emerging markets offer a distinct environment where there is a particularly strong demand for skilled accountants. These marketplaces frequently struggle with a lack of rigorous control systems, a paucity of competent workers, and inconsistent application of international accounting rules. Because of this, sustainable financial reporting in these areas sometimes lacks the depth and consistency needed for insightful analysis. Professionally competent accountants could help to alleviate these problems by adding credibility and experience to the reporting process, which would improve the overall quality of disclosures.

Furthermore, there is increasing pressure to follow best practices in sustainability reporting as emerging markets integrate more fully into the global economy. Companies are under increasing pressure from international investors and regulatory agencies to furnish accurate and thorough ESG data. Because of this, it is essential for businesses in emerging areas to improve their reporting systems and make sure their disclosures adhere to global norms. Professionally trained accountants, who provide the required technical know-how and ethical foundation, might act as catalysts in this transition.

The study aims to investigate how professional accounting credentials affect the standard of sustainable financial reporting in developing economies. This study aims to give empirical evidence on the significance of professional qualifications in increasing openness and accountability by analyzing the relationship between the number of trained accountants and the caliber of ESG disclosures. In addition to adding to the body of knowledge in academia, the findings will be useful for policymakers, academic institutions, and business executives operating in emerging markets. They will highlight the importance of funding professional accounting education and certification programs in order to enhance sustainable financial reporting practices.

Statement of the Problem

Ensuring the accuracy, integrity, and reliability of sustainable financial reporting presents challenges for emerging markets. Sustainability is now central to corporate governance. However, many businesses in these markets use inconsistent and inadequate reporting processes. This can undermine stakeholder confidence and hinder sustainable development. One major factor is the variation in professional credentials among accountants preparing these reports. Differences in training and certification may cause inconsistencies in reporting quality. Accountants who are underqualified or lack proper training may not have the expertise to integrate sustainability into financial statements. This research assesses how professional accounting credentials influence the quality of sustainable financial reporting in developing economies.

Sustainable financial reporting, particularly the disclosure of environmental, social, and governance (ESG) information, is now integral to corporate accountability and long-term value. Investors, regulators, and other stakeholders rely on high-quality sustainability disclosures. These disclosures help assess firms' risk exposure, ethical conduct, and long-term viability (Solaimani, 2024). Despite global emphasis on sustainability reporting frameworks such as the Global Reporting Initiative (GRI) and Integrated Reporting, reporting quality in emerging markets is often inconsistent and inadequate.

In many emerging economies, sustainability reports lack transparency, comparability, and reliability. They also overuse narrative disclosure with little quantitative or verifiable data (Hahn & Kühnen, 2013; Adegbite, 2015). These shortcomings erode stakeholder confidence, hinder informed investment, and increase reputational and regulatory risks. Weak institutional frameworks, poor enforcement of reporting standards, and limited organizational capacity make these issues worse (Elaigwu et al., 2024).

A key, but underexamined, factor in sustainable financial reporting quality in emerging markets is the variation in professional accounting qualifications and skills among those responsible for disclosures. Professional accountants should meet high standards of objectivity, integrity, competence, and ethics. Yet many organizations assign complex ESG reporting tasks to inadequately trained staff (Ngo & Nguyen, 2024). As a result, timely sustainability disclosures often fail to meet accuracy standards. Most empirical studies focus on firm characteristics, governance, or regulations. Few consider the human capital factor, such as the effect of professional accounting qualifications (Raghavan, 2022). There is also little evidence on whether having more qualified accountants improves reporting quality in emerging markets.

Objectives of the Study

To examine the role of professional accounting qualifications in enhancing sustainable financial reporting quality among organizations in Ogun State, Nigeria.

Specific Objectives

1. To assess the level of sustainable financial reporting quality among organizations in Emerging Markets.
2. To examine the effect of professional accounting qualifications on sustainable financial reporting quality in Emerging Markets.
3. To determine whether the proportion of professionally qualified accountants influences sustainable financial reporting quality in Emerging Markets.

Research Questions

What role do professional accounting qualifications play in enhancing sustainable financial reporting quality among organizations in Ogun State within emerging markets?

Specific Research Questions

i. What is the level of sustainable financial reporting quality among organizations in emerging markets?

ii. How do professional accounting qualifications affect sustainable financial reporting quality among organizations in emerging markets?

iii. Does the proportion of professionally qualified accountants within an organization significantly influence sustainable financial reporting quality in emerging markets?

Research Hypotheses

H_{01}: The level of sustainable financial reporting quality among organizations in emerging markets is not significantly high.

H_{02}: Professional accounting qualifications do not have a significant effect on sustainable financial reporting quality among organizations in emerging markets.

H_{03}: The proportion of professionally qualified accountants does not significantly influence sustainable financial reporting quality among organizations in emerging markets.

2.0 LITERATURE REVIEW

Recent studies show that holding professional accounting qualifications is strongly associated with better sustainability reporting in developing countries. As sustainability becomes increasingly important in how companies are run, accountants are under greater pressure to ensure their reports are trustworthy.

Ngo et al. (2024) state that professional accounting credentials are essential for high-quality financial reporting. Accountants certified by organizations such as ICAN, ANAN, or ACCA are more likely to produce accurate and transparent reports. Integrating environmental, social, and governance (ESG) factors into financial statements is central to sustainability reporting. Professional accountants have the expertise to manage these disclosures, ensuring reports clearly reflect a company's sustainability performance and comply with international standards.

Elaigwu et al. (2024) argue that in developing countries, the lack of clear reporting rules, insufficient training, and weak supervision often lowers the quality of sustainability reporting. Many organizations hire accountants who lack the necessary qualifications or experience, leading to reports that are inconsistent and fail to meet global standards. Weak rules also make companies less likely to hire qualified staff or use strong sustainability practices. On the other hand, when accountants hold professional qualifications, financial reports are more likely to follow international standards such as the Integrated Reporting Framework and the Global Reporting Initiative. Examples from countries like South Africa, where the King IV Report on Corporate Governance focuses on sustainability, show that professional qualifications can improve reporting.

Sustainability Reporting

Sustainability reporting refers to firms disclosing non-financial information about environmental, social, and governance (ESG) aspects. It strives to present a full view of a company's sustainability effects and performance. The sustainability report goes beyond standard financial reporting by giving non-financial information on environmental, social, and governance (ESG) aspects. This contains information on environmental and social implications, governance challenges, human rights, supply chain management, and diversity, among other things (Adekanmi, 2022). It is intended to provide a more comprehensive assessment of a company's performance and its consequences by considering non-financial factors. Sustainability reporting means tracking, sharing, and making both internal and external stakeholders responsible for how a company performs in meeting sustainable development goals. Abed et al. (2022) view it as participation in the evaluation, transparency, and accountability to internal and external stakeholders regarding the firm's overall performance.

Environmental Sustainability

Environmental sustainability protects natural resources so future generations can also meet their welfare needs. It ensures today's development does not harm tomorrow's society. Companies can disclose their environmental sustainability in different ways, such as sharing data on their carbon footprint, water use, or waste, or by describing their sustainability and social responsibility policies (Vender & Cauwenberge, 2022). Environmental sustainability disclosure involves making public information about a company's environmental impact and policies (Hafiz et al., 2022). This information is usually shared through annual or sustainability reports and other public statements, giving stakeholders a look at the company's approach to sustainability (Yen & Wang, 2021). The goal of environmental disclosure is to encourage openness and accountability, helping stakeholders understand how a company performs across areas such as carbon emissions, water use, employee relations, community involvement, and ethical practices. By sharing this information, companies can build trust and credibility with investors, customers, and other stakeholders (Wulan, 2022).

Social Sustainability

The social dimension of sustainability concerns how organizations manage relationships with employees, customers, communities, and society. Social sustainability proxies include labor practices, employee health and safety, diversity and inclusion, human rights protection, community development initiatives, and customer relations (Carroll, 1999; Matten & Moon, 2008).

Prior research indicates that robust social disclosure enhances stakeholder trust, employee commitment, and organizational legitimacy (Dhaliwal et al., 2011). Firms with strong social responsibility practices are more resilient to reputational risk and better positioned to achieve sustainable competitive advantage. Nevertheless, social reporting in emerging markets is often narrative-driven and less standardized, limiting its comparability and decision usefulness (Hahn & Kühnen, 2013). Scholars emphasize that professional accounting expertise is critical in transforming social disclosures from symbolic narratives into measurable, verifiable sustainability indicators.

Governance Sustainability

The governance dimension addresses corporate leadership structures, ethical conduct, transparency, and accountability mechanisms. Governance proxies commonly include board size and independence, audit committee effectiveness, ownership structure, executive remuneration, internal controls, and risk management systems (Jensen & Meckling, 1976; Aguilera et al., 2008).

Strong governance structures are consistently associated with higher-quality financial and sustainability reporting (Bushman & Smith, 2001). Effective governance mitigates agency problems, constrains opportunistic managerial behavior, and enhances disclosure credibility. This dimension is particularly critical in emerging markets, where weak institutional frameworks and enforcement gaps increase the risk of financial misreporting and sustainability “greenwashing” (Adegbite, 2015). International governance principles promoted by the Organisation for Economic Co-operation and Development and integrated reporting guidelines advanced by the International Integrated Reporting Council underscore governance as the foundation of credible ESG disclosure.

Theoretical Review

Agency Theory

Jensen and Meckling (1976) argue that separating ownership from management creates information asymmetries and conflicts of interest. Managers may then act in their own interests rather than in those of shareholders and stakeholders. High-quality sustainable financial reporting lowers information gaps by increasing transparency and credibility. Professional accounting qualifications help solve agency problems by enforcing reporting discipline and ethics. Better reporting quality builds investor trust and accountability.

Application to the Study: Agency theory supports the role of professional accountants (agents) in mitigating agency risk by promoting transparent, standardized sustainability disclosures. These practices enhance the quality of financial reporting beyond traditional financial data.

Stakeholder Theory

Founders: Freeman (1984); Donaldson & Preston (1995) The main idea is that companies should create value for everyone involved, such as employees, customers, suppliers, communities, and regulators, not just shareholders. Success depends on meeting and balancing these different interests. Stakeholder theory stresses the need for transparency and accountability in all types of reporting. Good sustainability reports help stakeholders judge a company's legitimacy, ethics, and future outlook. As more people ask for environmental, social, and governance (ESG) information, companies work to make their reports completer and more reliable.

As stakeholders continue to expect more, organizations focus on providing high-quality reports. Professional accounting skills help make these reports more accurate, relevant, and useful for stakeholders.

Empirical Review

Adekanmi (2022) studied the corporate characteristics and sustainability reports of listed non-financial companies in Nigeria. Of 113 companies, 76 were selected for the study using the Taro Yamaha method. Data was sourced from audited financial statements. The analysis drew on panel data and employed multiple least squares regression. Results revealed a significant positive relationship between profitability, firm size, and liquidity, whereas asset tangibility had a significant negative relationship. Although firm age had a negative effect on STR, this effect was not significant. Growth rate, financial leverage, free cash flow, and business risk all had positive but insignificant relationships with STR.

Pimente et al (2022) investigated the impact of sustainability on earnings quality, using a survey research design. This study found that the role of accounting professionals in academia is important in improving the quality of financial reporting through appropriate training.

El-Rahman (2019) investigated the characteristics that influence the quality of sustainability reporting. The relationship between these features and QSR was tested/evaluated in 500 reports, representing the five-year sustainability reports of Global Fortune firms from 2011 to 2015. Employing ordinal dependent variables (QSR) and using OLS regression, the study found that regulatory compliance, external assurance of the report, board independence, and the type of information have a significant influence on sustainability reporting quality.

Sebrina et al (2023) investigated the impact of sustainability reporting quality on corporate social responsibility of companies listed on the Indonesia Stock Exchange from 2016 to 2019. To ensure the quality of individual reporting from a sustainable development perspective, disclosures of three main components (economic, environmental, and social) were studied by Sebrina et al (2023), who examined how the quality of sustainability reporting affects corporate social responsibility for companies listed on the Indonesia Stock Exchange from 2016 to 2019. They measured reporting quality using economic, environmental, and social disclosures and found that all variables significantly impact corporate social responsibility.

Hodair (2023) examined how sustainable accounting affects the quality of financial reporting in Indonesia, using a sample of 300 listed Egyptian companies. The study used surveys distributed to managers, accountants, and auditors, and found that sustainable accounting elements significantly improve financial information quality.

Alhassan et al (2021) analyzed the relationship between sustainability and financial performance in Nigerian industrial product companies. Using time-series and cross-sectional analyses, along with data from news reports and financial statements, they found that sustainability reporting, measured by economic, environmental, and social indicators, has a significant positive effect on return on assets, return on equity, and earnings per share at the 5% significance level. Data was analyzed using correlation and regression analysis techniques. Results indicate that sustainability reporting positively affects the market value of listed manufacturing firms in Nigeria.

Owolabi et al. (2023) examined the effects of sustainability reporting on the value of accounting data for listed deposit money banks in Nigeria from 2004 to 2018. The researchers used an ex post facto research design. Of the twenty-one listed deposit money banks, thirteen were selected as the sample. Annual reports served as the data source. Multiple regression analysis was applied to interpret the findings. The study discovered that sustainability reporting metrics significantly and positively influence the relevance of accounting.

Furthering the discussion, Zimon et al. (2022) studied how sustainability reporting and corporate reputation moderated CEO opportunistic behaviour. The study gathered information from the annual reports of 173 companies listed on the Tehran stock exchange. The findings revealed that NFSR improves corporate reputation. Additionally, ESR, SSR, ETSR, and GSR all have a beneficial impact on corporate reputation. Furthermore, CEO authority influences the link between NFSR/ESR/SSR/ETSR and corporate reputation.

Abosede and Ishola (2022) examined sustainability reporting as a panacea for corporate profit management in listed manufacturing firms in Nigeria from 2015 to 2019. The study employed an ex post facto research design, and nine manufacturing firms were selected using a purposive sampling technique. A content analysis approach was adopted to analyze individual sustainability reports and annual reports of other companies to obtain sustainability disclosure indicators. The study data were analyzed using multiple regression.

Quality of Professional Accountant and Financial Reporting Quality

Objectivity and Financial Reporting Quality

The objectivity principle states that all certified accountants must be impartial, truthful, and free from conflicts. Additionally, they have to make sure that their professional judgment is not hampered by any prejudices or unrelated variables. Upholding the highest standards of professionalism, achieving optimal performance, and generally ensuring that the needs of the public interest are met are the objectives of the accounting profession, according to the IFAC code of ethics for professional accountants. This means maintaining transparency, providing accurate financial information, and abiding by ethical standards in order to promote public trust in financial reporting and decision-making. It was claimed that accountants who value objectivity in their work and those who compromise it would produce higher-quality financial reports (Ogbonna & Ebimobowei, 2012).

Integrity and Financial Reporting Quality

Professional accountants are bound by the integrity principle, which requires them to act honorably and truthfully in all of their business and professional interactions. Financial statement manipulation has sparked questions about the accuracy of the company's financial data and the integrity of the accounting profession (Ahinful et al., 2017). A professional accountant should steer clear of any reports, returns, communications, or other material that they suspect contains materially false or misleading statements. Ogbonna and Ebimobowei (2012) assert that an organization's performance is significantly impacted by its ethical culture.

Confidentiality and Financial Reporting Quality

Professional accountants are expected to respect the principle of confidentiality, which means they must not divulge private information they have learned from business or professional interactions with clients, unless there is a legal or professional obligation to do so. A professional accountant should not divulge confidential information obtained through business and professional relationships to third parties or use it for their own gain. A professional accountant should maintain confidentiality even in social situations (Ogoun & Epibayerin, 2020). Al-Dmouret al. (2018) discovered that establishing a solid system foundation that encompasses availability, security, integrity, confidentiality, and privacy can enhance the overall quality of financial reports.

Professional competence, due care and Financial Reporting Quality

A professional accountant has an obligation to continuously update and maintain their knowledge and abilities in accordance with the latest developments in practice, rules, and procedures. A certain level of industry expertise is needed of accountants. This competence requires a deep understanding of relevant technology, laws, and accounting rules. Regularly keeping up with this expertise ensures that accountants can provide accurate and reliable financial information to their clients or companies. Eginiwin and Dike (2014) assert that the quality of financial reporting is positively impacted by professional competence and proper care. Consequently, it is undeniable that achieving and preserving professional competence raises the standard of financial reporting.

3. METHODOLOGY

This research utilizes a survey approach to examine the influence of professional accounting qualifications on the quality of sustainable financial reporting in Nigerian organizations. Both statistical analysis and contextual insights are provided to assess the impact of professional expertise on sustainability and financial reporting practices. An exploratory research design is adopted, which is suitable for analyzing relationships among variables at a single point in time. The study population comprises professionally qualified accounting and finance personnel employed in medium-to-large organizations in emerging markets, specifically those engaged in financial reporting, sustainability reporting, auditing, and governance. Membership statistics from recognized professional bodies (ACA, ANAN, ACCA, CPA, and CFA) estimate the nationwide population of qualified professionals at approximately 115,000, which defines the relevant study population. The Yamane (1967) formula, with a 5 percent margin of error, was applied to determine a sample size of 400 respondents, accounting for potential non-response and incomplete questionnaires. The organization serves as the unit of analysis, while the unit of observation includes chief financial officers, financial controllers, sustainability officers, and senior accounting staff. Data collection involved both primary and secondary sources. Primary data were obtained through structured questionnaires administered to qualified accounting and finance professionals. Secondary data were sourced from audited financial statements, sustainability reports, corporate websites, and regulatory filings. The core independent variable, Professional Accounting Qualifications (PAQ), was measured by possession of recognized certifications, with only fully qualified members included. Data analysis comprised descriptive statistics and multiple regression techniques, with diagnostic tests conducted for multicollinearity, heteroskedasticity, and overall model fitness. Expert review ensured validity and reliability, and Cronbach's alpha was 0.85. Ethical protocols, including confidentiality, anonymity, and voluntary participation, were rigorously maintained throughout the research process.

Model Specification

The study models Professional Accounting Qualification (PAQ), measured by possession of certifications such as ACA, ANAN, ACCA, CPA, or CFA, as a function of Environmental, Social, and Governance (ESG) reporting dimensions. ESG reporting is defined as organizational disclosure of environmental practices, social responsibility, and governance structures in emerging markets.

Functional Model

The functional relationship is expressed as:

$$\mathrm{PAQ} = f(\mathrm{ENV}, \mathrm{SOC}, \mathrm{GOV})$$

Where:

PAQ = Professional Accounting Qualification

Sustainability Financial Reporting Quality Proxies

ENV = Environmental disclosure dimension

SOC = Social disclosure dimension

GOV = Governance disclosure dimension

Econometric Model

The explicit econometric form of the model is specified as:

$$\mathrm{PAQ}_i = \beta_0 + \beta_1 \mathrm{ENV}_i + \beta_2 \mathrm{SOC}_i + \beta_3 \mathrm{GOV}_i + \varepsilon_i$$

Description of Variables

PAQ: Professional accounting qualification index, measured by the number, diversity, or weighted score of professional accounting certifications (e.g., ACA, ANAN, ACCA, CPA, CFA) held by accounting staff within firm *i*.

ENV: Environmental disclosure score, reflecting the extent and quality of environmental reporting (e.g., emissions, energy use, waste management, sustainability initiatives).

SOC: Social disclosure score, capturing reporting on employee welfare, community engagement, health and safety, and social responsibility practices.

GOV: Governance disclosure score, measuring transparency in board structure, audit committee effectiveness, risk management, and ethical compliance. β_0: Intercept term. β_1–β_3: Coefficients measuring the effect of each ESG dimension on professional accounting qualifications. ε_i: Stochastic error term.

4.0 ANALYSIS AND INTERPRETATION

Table 4.1: Demographic Profile of Professional Accountants (N = 400)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	260	65.0
	Female	140	35.0
Age Group (Years)	Below 30	60	15.0
	30–39	150	37.5
	40–49	120	30.0
	50 and above	70	17.5
Professional Qualification	Institute of Chartered Accountants of Nigeria (ACA)	150	37.5
	Association of National Accountants of Nigeria (ANAN)	90	22.5
	Association of Chartered Certified Accountants (ACCA)	70	17.5
	Certified Public Accountant (CPA)	50	12.5
	Chartered Financial Analyst Institute (CFA)	40	10.0
Years of Professional Experience	Less than 5 years	80	20.0
	5–10 years	140	35.0
	11–15 years	110	27.5
	Above 15 years	70	17.5
Employment Sector	Private Sector	180	45.0

	Public Sector	140	35.0
	Audit/Consulting Firms	80	20.0
Area of Practice	Financial Accounting & Reporting	160	40.0
	Audit & Assurance	100	25.0
	Taxation	80	20.0
	Sustainability/ESG Reporting	60	15.0

Source: SPSS Field Survey Output (2025)

Interpretation of Results

The demographic analysis shows that the accounting workforce in the study is predominantly male (65%), with a significant female presence (35%). Most respondents are aged 30–49, representing a highly productive group, and 80% have over five years of professional experience. The sample includes professionals with both Nigerian (ACA, ANAN) and international (ACCA, CPA, CFA) qualifications, reflecting strong local and global influences. Private sector accountants make up the largest group (45%), followed by the public sector (35%), with only 15% specializing in sustainability/ESG reporting—indicating this is still an emerging field. Overall, the sample is diverse, experienced, and qualified, providing a solid basis for evaluating how professional accounting credentials impact sustainable financial reporting quality.

Table 1: Descriptive Statistics for Sustainable Financial Reporting Quality in Emerging Markets

S/N	Questionnaire Item	Mean ($\bar{x}$)	Standard Deviation (SD)
1	Organizations in emerging markets generally do not produce high-quality sustainable financial reports.	3.88	1.01
2	The quality of sustainable financial reporting among emerging market organizations is often inadequate.	3.82	1.04
3	There is a significant lack of reliability in sustainable financial reporting by organizations in emerging markets.	3.76	1.07
4	Most organizations in emerging markets do not adhere to high standards of sustainable financial reporting.	3.80	1.03
5	Sustainable financial reports from organizations in emerging markets frequently lack transparency.	3.93	0.97
6	The completeness of sustainable financial reporting in emerging markets is not at a satisfactory level.	3.69	1.09
7	Emerging market organizations tend to provide insufficient information regarding their sustainability performance in financial reports.	3.86	1.00
8	Stakeholders cannot rely on the quality of sustainable financial reporting from organizations in emerging markets.	3.73	1.06
9	The sustainable financial reporting practices of organizations in emerging markets are not significantly better than average.	3.67	1.08
10	The level of sustainable financial reporting quality among organizations in emerging markets is not significantly high.	3.84	1.02

Source: SPSS Field Survey Output (2025)

Interpretation of Mean Scores

All questionnaire items received mean scores above 3.00, indicating general agreement that sustainable financial reporting quality is low in emerging markets. Respondents identified lack of transparency as the most significant weakness, followed by poor quality, insufficient sustainability information, and low adherence to reporting standards. The findings indicate that organizations in emerging markets struggle with transparency, reliability, completeness, and compliance in sustainability reporting. Standard deviation values show moderate variability, suggesting some consensus on key issues but also notable differences, likely due to industry or organizational factors. Overall, weak sustainable financial reporting is widely recognized, though its extent varies by context.

Table 2: Descriptive Statistics on Professional Accounting Qualifications and Sustainable Financial Reporting Quality

S/N	Questionnaire Item	Mean ($\bar{x}$)	Standard Deviation (SD)
1	Accountants with professional qualifications are more likely to ensure the accuracy of sustainable financial reporting.	4.12	0.84
2	Professional accounting certifications improve the reliability of sustainability disclosures in financial reports.	4.05	0.88
3	Organizations employing professionally qualified accountants demonstrate higher transparency in sustainable financial reporting.	4.08	0.86
4	Having accountants with professional qualifications enhances compliance with sustainability reporting standards.	4.15	0.81
5	Professional accounting qualifications contribute to the integrity of sustainable financial reporting processes.	4.10	0.85
6	Financial statements prepared by professionally qualified accountants better reflect sustainable business practices.	3.98	0.92
7	Professionally qualified accountants are more effective in identifying and disclosing sustainability-related risks in financial reports.	4.02	0.90
8	The presence of professional accountants in an organization leads to higher stakeholder trust in sustainable financial reports.	4.18	0.79
9	Professional accounting training increases the quality and consistency of sustainability information reported in financial statements.	4.09	0.87

Source: SPSS Field Survey Output (2025)

Interpretation

All questionnaire items yielded mean scores significantly above the neutral benchmark of 3.00, with values ranging from 3.98 to 4.18. This pattern reflects a strong consensus among respondents regarding the importance of professional accounting qualifications in enhancing the quality of sustainable financial reporting. The highest mean score, 4.18, was for increased stakeholder trust in sustainability reports, suggesting that professionally qualified accountants substantially enhance the credibility of these disclosures. Similarly high mean scores were observed for compliance with sustainability standards (4.15), reporting accuracy (4.12), and transparency (4.08), underscoring the perceived association between professional qualifications and superior reporting practices. These findings indicate that organizations employing professionally certified accountants are perceived to produce sustainability reports that are more accurate, transparent, reliable, and compliant with established standards. The standard deviation values, ranging from 0.79 to 0.92, indicate low to moderate variability in responses. Lower standard deviation values indicate strong agreement on the positive impact of professional accountants, whereas slightly higher values may reflect minor differences in opinion attributable to organizational or sectoral factors. In summary, the limited variation in responses reinforces the conclusion that professional accounting qualifications contribute positively to sustainability reporting.

Table 3: Descriptive Statistics on proportion of Professional Accounting Qualifications and Sustainable Financial Reporting Quality

S/N	Questionnaire Item	Mean ($\bar{x}$)	Standard Deviation (SD)
1	Professionally qualified accountants contribute significantly to the accuracy of financial reporting in emerging markets.	4.15	0.82
2	The presence of more professionally qualified accountants improves the transparency of financial statements.	4.08	0.85
3	A higher proportion of qualified accountants enhances the reliability of sustainability disclosures in financial reports.	4.12	0.84
4	Organizations with more professionally qualified accountants are less likely to experience financial reporting errors.	4.10	0.88
5	Sustainable financial reporting quality is positively affected by the expertise of professionally qualified accountants.	4.17	0.81

6	The ethical standards of professionally qualified accountants promote better sustainable financial reporting practices.	4.19	0.79
7	The proportion of qualified accountants in a firm influences the consistency of sustainability information disclosed in financial reports.	4.06	0.90
8	Professionally qualified accountants are more effective in implementing international reporting standards for sustainability.	4.13	0.83

Source: SPSS Field Survey Output (2025)

Interpretation of Mean Scores

All questionnaire items recorded mean values above 4.00, indicating a high level of agreement among respondents that professionally qualified accountants play a critical role in enhancing sustainable financial reporting quality in emerging markets, the highest mean score (Mean = 4.19) was recorded for the item relating to ethical standards, suggesting that respondents strongly believe ethical discipline embedded in professional accounting qualifications significantly improves sustainable reporting practices, and high mean scores were also observed for: Expertise improving overall reporting quality (Mean = 4.17), Accuracy of financial reporting (Mean = 4.15), Reliability of sustainability disclosures (Mean = 4.12), and Effective implementation of international sustainability reporting standards (Mean = 4.13).

These results indicate that respondents perceive professional accounting qualifications as fundamental to improving accuracy, transparency, reliability, ethical compliance, and standards adoption in sustainability reporting.

Interpretation of Standard Deviation

The standard deviation values range from 0.79 to 0.90, reflecting low dispersion and a high degree of consensus among respondents, Items with lower SD values (e.g., ethical standards, SD = 0.79) show strong uniformity in responses, indicating widespread agreement on the ethical influence of professional accountants, and Slightly higher SD values (e.g., SD = 0.90 for consistency of sustainability information) suggest minor variations in perception, possibly due to differences in organizational size, sector, or level of exposure to sustainability reporting frameworks.

Overall, the low variability confirms that respondents share consistent perceptions regarding the positive role of professionally qualified accountants.

Inferential Analysis

Correlation Results (N = 400)

Table 1: Correlation Between Professional Accounting Qualifications and ESG Indices

Variable	PAQ
Environmental Disclosure Index (EDI)	.48**
Social Disclosure Index (SDI)	.52**
Governance Disclosure Index (GDI)	.61**

Note: $p < .01$ (2-tailed)

Interpretation

Professional accounting qualifications show strong, positive, and statistically significant relationships with all ESG dimensions. The strongest association is observed with governance disclosures, reflecting the regulatory and technical nature of governance reporting.

Multiple Regression Results

Table 2: Regression of ESG Indices on Professional Accounting Qualifications

Dependent Variable	β (PAQ)	t-value	p-value	R^2
EDI	0.29	6.14	< .001	0.21
SDI	0.33	7.02	< .001	0.27
GDI	0.41	8.56	< .001	0.36

Interpretation of Regression Findings

Environmental Disclosure (EDI):

Professional accounting qualifications help improve the quality of environmental reporting. Accountants with formal training are more able to identify, measure, and report environmental costs and risks.

Social Disclosure (SDI):

Professional accounting qualifications also improve how organizations report on employee welfare, diversity, and community involvement. This shows that professional skills help make reporting in sensitive social areas more transparent. Social disclosure (SDI) means sharing this information with stakeholders.

Governance Disclosure (GDI):
The governance disclosure area has the strongest impact. Qualified accountants are especially important for audit committee reports, risk management, internal controls, and compliance.
Composite ESG Disclosure (CSDI):
Overall, professional accounting qualifications account for 34% of the differences in how well organizations report on sustainability, showing they have a strong influence.

Discussion of Findings

The study's results support this hypothesis. Sustainable financial reporting quality in emerging markets is still low. Respondents pointed out ongoing problems with transparency, reliability, completeness, and compliance with reporting standards. This shows that sustainability reporting practices are still developing and often vary between organizations.

These results also show ongoing challenges in the institutional and regulatory environments of emerging markets. Weak enforcement, limited use of international sustainability frameworks, and not enough qualified professionals all play a role. Poor oversight and information gaps lead to low-quality disclosures, and limited pressure from stakeholders means there is less motivation to improve sustainability reporting.

The study rejects the earlier hypothesis and finds that professional accounting qualifications clearly improve sustainable financial reporting quality. Organizations with qualified accountants usually produce reports that are more accurate, transparent, reliable, and compliant.

Qualifications from professional bodies like the Institute of Chartered Accountants of Nigeria, the Association of National Accountants of Nigeria, and the Association of Chartered Certified Accountants make sure accountants have the right ethics, skills, and training. These qualities help make disclosures more credible, close information gaps, and show the value of professional expertise.

The research also rejects this hypothesis, showing that organizations with more professionally qualified accountants make clear improvements in sustainability reporting. These firms show stronger ethics, more consistent and accurate reporting, and better alignment with international standards.

Overall, the study suggests that having enough professional accountants, not just a few, is important. More qualified professionals improve internal controls, increase shared responsibility, help meet stakeholders' information needs, and lower agency costs.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusion

This study looks at how professional accounting qualifications affect the quality of sustainable financial reporting in organizations in Ogun State, Nigeria, as an example of emerging markets. The results show that the quality of sustainable financial reporting is generally low, mainly because of issues like lack of transparency, weak regulations, and not enough qualified professionals. Still, organizations with more certified accountants create reports that are more reliable, transparent, and meet standards, especially in governance. The research highlights the importance of having skilled accountants to improve sustainability reporting. In summary, improving accounting education and building workforce skills are crucial for better ESG reporting and supporting sustainable development in emerging economies.

Recommendations

Based on the objectives and empirical findings of the study, the following recommendations are proposed:

1. **Building Professional Accounting Expertise**
   Organizations in emerging markets should make it a priority to hire, keep, and support professionally qualified accountants. By growing the number of skilled accounting professionals on their teams, companies can boost ethical standards, improve the accuracy of their reports, and deliver better sustainability disclosures. Leaders should treat investing in accounting talent as a smart strategic move, not just as another regulatory requirement.
2. **Empowering Professional Accounting Associations**
   The professional bodies ICAN, ANAN, CPA, CFA, and ACCA play a vital role. They should ramp up their efforts in training, certification, and ongoing professional development, with a greater focus on sustainability accounting, ESG measurement, and integrated reporting. This support will help accountants stay up to date and equipped to tackle the evolving demands of sustainability reporting.
3. **Making Sustainability Reporting Part of Everyday Practice**
   Organizations should weave sustainability reporting into the heart of their accounting, auditing, and governance activities. By doing so, sustainability disclosures will benefit from the same rigorous standards, controls, and ethical oversight as traditional financial reports, leading to more trustworthy and valuable information for stakeholders.

6.0 CONTRIBUTIONS TO KNOWLEDGE

This study provides valuable insights into accounting, sustainability reporting, and finance in emerging markets. One of its key contributions is to show, with strong evidence, that having professionally qualified accountants is crucial to improving the quality of sustainable financial reporting in these markets. While much of the existing research focuses on company characteristics, regulations, and corporate governance, this study highlights the importance of skilled accounting professionals as the primary driver of better environmental, social, and governance (ESG) disclosures.

Another important contribution was the use of Agency Theory and Stakeholder Theory to explain its findings. It shows that professional accounting qualifications help reduce information gaps and agency issues by promoting transparency, ethical behavior, and accurate reporting. At the same time, these qualifications help organizations respond better to stakeholder demands for trustworthy ESG information. By combining these two theories, the study offers a stronger explanation for why sustainable financial reporting works as it does in places with weak regulations.

The study also breaks new ground by examining the ESG aspects of sustainability reporting separately, rather than treating them as a single category. It finds that professional qualifications have the biggest impact on governance reporting, giving us a clearer picture of why technical expertise matters most in this area.

On the methodological side, the research doesn’t just examine whether organizations have qualified accountants, but also how many they have. The results show that the quality of sustainability reporting goes up when there’s a critical mass of professional expertise within an organization, underscoring the value of building strong, skilled teams.

Finally, by focusing on Ogun State, Nigeria, this study fills a gap in the literature on sustainability accounting in sub-Saharan Africa and makes the findings more relevant to other emerging markets worldwide.

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