Auditor in Deal with The Demand for Sustainability Services: Are they ready yet?

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Abstract

This paper is aimed to discuss the role of auditors as profession not only provide financial statement auditing services, but also contribute to providing confidence in the sustainability of financial reporting from the Global Financial Crisis, making the company's life and sustainable growth the main goal of the company. The role of the auditor in sustainability services starts from the definition of the Going Concern (GC) assumption seen from an academic and regulatory perspective, to continue the auditor's assessment standard on this principle. Furthermore, investors' perspectives on the role of auditors and stakeholders when the auditor issues a Going Concern Opinion (GCO). Previous research related to the consequences of GCO and the role and function of auditors in the financial reporting environment, that there is a need to improve reporting assurance. Social audits pursued this endeavor but failed in practice due to the lack of specific regulations regarding it. Therefore, the need to develop a specific framework on social and incident audits is urgently needed.

Keywords: Auditor, financial sustainability reporting, sustainability services

Introduction

An assumption underlying the accounting process is that the reporting company will continue as a going concern and several researchers have the same opinion on the importance of this assumption (Hopwood et al., 1994). This means that an entity is considered capable of maintaining its business in the long term and will not be liquidated. Financial statements measure information about an entity's financial position and results of operations. The auditor's report adds a qualitative dimension to the information. The auditor is an intermediary between the provider of financial statements and the users of the report.

The issue of sustainability in accountability is mandatory when relying on business decisions to participate in nature conservation. There are important reporting requirements to support this accounting report, because it requires hard work and the role of companies that integrate accounting and the valuation environment into their work for the sustainability of their profession.

Sustainability accounting is an approach or method used in organizations to improve sustainability. Sustainable development was defined in 1987 by the United Nations Commission on Brundtland. One of the main challenges in accounting is sustainability, which starts with a lack of understanding of definition of sustainable development. Another challenge

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is that it is difficult to combine control and enterprise as the goal, because, as usual, usually as a corporate tradition, it must achieve profit maximization, so it can be seen as a capital investment of capital for the sake of understanding. While several studies have shown that sustainable business practices can catch up to promote greater long-term profitability, maintain a visible real relationship, and that agreement is important, both organizations need to consider factors that are considered increasingly important.

In the audit process, the auditor not only assesses the fairness of the presentation of the financial statements but is also responsible for evaluating the viability of the company. Auditors must decide whether they believe that the company will be able to survive in the future. This assessment can be done by evaluating the impact of each transaction that has a significant effect on the company's operational activities. The results of this assessment contain information that will be used as a reference in decision making by third parties, whether stakeholders, shareholders, and regulators.

In the current environment, to avoid the problems associated with the lack of stakeholders, satisfaction, the role of auditors plays a fundamental part. Rajan & Zingales (2001) show that better accounting increases the level of investment and growth in the country where it is applied. However, due to several financial scandals occurring in the past, auditing standards, and in particular, GC and GCO assumptions standards were revised to increase the requirements and attention of auditors. While these amendments contribute to increased transparency and stakeholder satisfaction and assurance, more work is needed regarding audit procedures for sustainability reporting. Indeed, the possibility for companies to achieve the SDGs by 2030 is subject to proper definition and implementation of audit procedures on sustainability reports.

Are all auditors ready for a change in a more serious assessment of the viability of the company? If it is based on regulations, then there is no word unprepared for the auditor profession. However, how will the implementation be in the field, if the infrastructure, the availability of human resources and most importantly the willingness and openness of the client to accept an assessment not only on the fairness of the financial statements, but also the viability of the company. This study aims to determine the opinion of auditors in non-capital Jakarta who in fact still have fundamental problems related to client non-compliance in the presentation of financial statements and consider auditing an administrative requirement only.

Theoretical Framework

1. Going Concern assumption: Academic and Regulatory Perspective

Going concern is the viability of a business entity and is an assumption in the financial reporting of an entity so that if an entity experiences the opposite condition, the entity becomes problematic. Going concern is also referred to as continuity which is an accounting assumption that predicts a business will continue in an indefinite period. The going concern assumption means that a business entity can maintain its business activities in the long term and will not be liquidated in the short term. The concept of going concern is defined by the Association of Chartered Certified Accountants (ACCA) as follows:

> *"The concept of going concern is an underlying assumption in the preparation of financial statements, hence it is assumed that the entity has neither the intention, nor the need, to liquidate or curtail materially the scale of its operations. If management conclude that the entity has no alternative but to liquidate or curtail materially the scale of its operations, the going concern basis cannot be used and the financial statements must be prepared on a different basis (such as the 'break-up' basis)."*

Understanding the concept of going concern assumption means that there are also responsibilities of each related party, namely management and auditors. These internal and external parties must be able to realize their respective positions when dealing with the company's business continuity.

The going concern concept is particularly relevant in times of economic hardship and in some situations, management may determine that a profitable enterprise may not survive, for example because of significant cash flow difficulties. It is important to understand that it is the responsibility of management to make an assessment as to whether the use of the going concern accounting basis is appropriate, or not, when they prepare the financial statements. Meanwhile, from the auditor's point of view, as previously mentioned, it is not the auditor's responsibility to determine whether, or not, an entity can prepare its financial statements using the going concern basis of accounting; this is the responsibility of management. The auditor's responsibility in accordance with ISA 570 is to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements, and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern. a concern.

GC is one of the most important underlined assumptions for the preparation of financial statements: several authors ((Hospodka, 2018; Moonitz, 1961) consider this principle an accounting necessity. Sapori (1970) asserts that the GC principle was introduced in the Middle Ages due to the repetition of trade trips, to allow continuity in business transactions. Indeed, GC is designed to influence an indefinite succession of transactions (Fremgen 1968), meaning that economic entities have an indefinite life in the environment. This conclusion has several implications for accounting; in fact, the accrual basis, the historical cost-based asset evaluation, the matching principle, the mechanism for allocating costs among different periods (i.e., for depreciation) are justified by the GC assumptions (Fremgen, 1968; Venuti, 2007). On the other hand, Sanders et al. (1938) although they consider GC as an important principle, they do not use it to justify the application of other accounting principles.

Other authors have criticized the GC assumption for its implicit weaknesses. In fact, many years ago, Edwards and Bell (1967) when the concept of GC conflict with the unstable environment and encountered problems if the old production cycle is modified in a fast cycle, placed in a dynamic business environment. However, although academics describe these considerations, accounting standards consider only two possible conditions over the life of the entity: GC and liquidation, wherein the latter is adopted only when there is no possibility of the entity to continue its activities for subsequent months. More deeply, the latest version of the Conceptual Framework for Financial Reporting (IFRS, 2018) asserts:

> *Financial statements are normally prepared on the assumption that the reporting entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to enter liquidation or to cease trading. If such an intention or need exists, the financial statements may have to be prepared on a different basis. If so, the financial statements describe the basis used.*

The great consideration of GC assumptions is also confirmed by another set of rules issued by the Financial Accounting Standards Board (FASB), which in 2014 issued a special Accounting Standards Update (hereinafter ASU 2014) entitled “Presentation of Financial Statements”—Going On (Subtopic 205- 40). This confirms:

> *Under generally accepted accounting principles (GAAP), the continuation of a reporting entity as a going concern is considered as the basis for preparing financial statements unless and until liquidation of the entity is imminent. The preparation of financial statements under this assumption is commonly referred to as the going concern basis. When liquidation of an entity is imminent, financial statements*

must be prepared under a liquidation basis of accounting in accordance with Subtopic 205-30, Presentation of Financial Statements- Liquidation of Accounting Basis

In addition, ASU 2014 stated that it is management's duty to evaluate whether certain events or conditions, which are considered as aggregates, may raise substantial doubt about the entity's ability to continue as a GC within 1 year after the issuance date of the financial statements. The update stipulates that there is substantial doubt when there are events that increase the likelihood that the entity will be unable to meet its obligations as they fall due within the period under consideration for the GC being evaluated.

The definitions summarized above demonstrate the relevance of GC assumptions across all legislation (under both, principles-based standards, and rules-based standards). Finally, clarification of management's duties is important to determine differences in terms of responsibilities for managers and auditors. Indeed, the auditor is called upon to verify the GC maintenance of the entity under investigation

What if the auditor is faced with a situation where he must meet the requirements in a going concern assessment? When faced with such a requirement, the auditor should be careful not to list general audit procedures, but rather to identify and highlight factors from scenarios that could call into question the entity's ability to continue as a going concern. Once these factors have been identified, the auditor should then be able to think of a procedure that can be adopted by the auditor to determine whether these factors constitute a going concern accounting basis in the circumstances, or not.

2. Sustainability Reporting in Indonesia nowadays

The implementation of Sustainability Reporting in Indonesia has received support from the Financial Services Authority and this form of support has also collaborated with various organizations that publish the Sustainable Financial Roadmap. This roadmap collaboration will encourage financial institutions to provide an injection of funds for sectors that support sustainability such as renewable energy, agriculture, infrastructure, MSMEs and others. The practice of Sustainability Reporting in Indonesia is driven by six factors, namely a sustainable financial roadmap, initiatives from the global business world, global reporting initiatives (GRI), integrated reporting, investor pressure and the SRI-Kehati stock index.

The trend of sustainability disclosure in Indonesian companies is still low (Harymawan et al., 2019). This happens because there are no standard regulations that require companies in Indonesia to issue sustainability disclosures such as the rules for publishing financial reporting to companies (Adriana & Uswati Dewi, 2019). According to previous literature, good corporate governance can influence companies to disclose their sustainability practices (Michelon & Parbonetti, 2012). Many of them understand that the costs that will be incurred by implementing sustainability will be a burden for the company. This is what drives innovation for companies to survive in the fierce competition in the modern world. Whereas stakeholders, commissioners, directors, employees must work together to create corporate value, which can then create innovations for sustainable purposes. Currently, the company has made innovations to the community through its corporate social responsibility program, which is a form of the company's concern for the community, and this has a significant impact on the company's survival (Amran et al., 2014). Companies can meet the information needs of stakeholders by disclosing corporate social responsibility activities, thereby indirectly providing assurance and trust to outsiders regarding sustainability (Hapsoro & Fadhilla, 2017). Sustainability is closely related to three things: profit, people, and planet (Palmer & Flanagan, 2016). Thus, sustainability requires more corporate innovation because the basis of sustainability is how a company is not only able to create profits for the company and can provide added value to the community through community awareness and empowerment programs, but also more importantly, how companies can contribute in the conservation of nature and the environment.

Research Method

This paper is qualitative descriptive research. This paper is described or painted facts or a visible condition or symptoms and describes or depicts the objects of the researchers based on facts that appear or are as they are. Research method is to conduct a literature research and interview on role of auditor when deal with sustainability service as the consequences of global financial crisis. This paper tried to illustrate the phenomenon of auditing sustainability reports in Indonesia. The method of data collection consists of literature research, interview, and observations.

The resource persons in this study are auditors and public accountants who have at least 5 years of experience in providing audit and assurance services. Some of the interviews were conducted online due to the COVID-19 pandemic situation, which although it was felt that it had subsided, some of the interviewees kept themselves from making direct contact. The advantage of using the semi-structured interview method, even though it starts with open-ended questions, allows the researcher to provide follow-up questions and elaborate on the main questions. The list of sources can be seen in Table 1 below.

Tabel 1
Source data demographic

No.	Name (disguised)	Position	Domicile	Audit experience (in year)
1.	DHN	Partner (CPA)	Denpasar	7 years
2.	AR	Partner (CPA)	Makassar	8 years
3.	WD	Partner (CPA)	Palembang	9 years
4.	EM	Supervisor Auditor (ACPA)	Denpasar	8 years
5.	AD	Supervisor Auditor	Denpasar	5 years

Research Analysis

1. Going concern and auditing standard: The Implementation

In the audit process, the auditor not only assesses the fairness of the presentation of the financial statements but is also responsible for evaluating the viability of the company. Auditors must decide whether they believe that the company will be able to survive in the future. This assessment can be done by evaluating the impact of each transaction that has a significant effect on the company's operational activities. An assumption underlying the accounting process is that the reporting company will continue as a going concern. This means that an entity is considered capable of maintaining its business in the long term and will not be liquidated. Financial statements measure information about an entity's financial position and results of operations. The auditor's report adds a qualitative dimension to the information. The auditor is an intermediary between the provider of financial statements and the users of the report.

The term going concern can be interpreted in two ways, the first is going concern as a concept and the second is going concern as an audit opinion. As a concept, the term going concern can be interpreted as the company's ability to maintain its business continuity in the long term. As an audit opinion, the term going concern indicates that the auditor has doubts about the company's ability to continue its business in the future.

Various auditor problems in the regions

The implementation of this going concern opinion can be seen in the audited financial statements of publicly listed companies and state-owned enterprises, most of which are based in big cities in Indonesia. How is it applied in non-big cities? Has this going concern issue also touched non-go public companies and what about the services provided by auditors in non-big cities? The questions that are sub-sections of the big questions of this research are answered in the following excerpts of interviews with various sources.

Regarding the external auditor's role in sustainability reporting, DHN, who is the youngest public accountant among the speakers in this study, gave his views to researchers based on his experience so far.

> “The concept of sustainability reporting is good. It's just that many businesses will not be able to afford it, especially those that are small and still funded by bank loans." (DHN)

DHN, who has been working in the audit services world for a long time, who started his career as an auditor until now is able to open his own public accounting firm in Denpasar (Bali), sees and understands that in the field, companies are still experiencing difficulties in capital, instead of implementing the concept of sustainability until now. carry out sustainability reporting. This affects the services provided by DHN for its clients.

> “During my practice, I have never given a going concern opinion to a client because I feel it is not necessary. The client also only knows whether his opinion is unqualified. At the most extreme, I gave an unfair opinion” (DHN)

Considering the problems of clients in the regions as stated by DHN, there are still capital constraints in their business, so it can be said that they are not ready to implement sustainability services. The same thing was expressed by WD who practices as a public accountant in Palembang, West Sumatra. WD feels that the same problems faced by its clients are not only the problem of capital to maintain their business, but also the limited ability of their human resources to produce financial reports that are in accordance with generally accepted accounting standards.

> “If we are in this area, we are grateful to get a client whose audit only makes conditions for tenders. Having a financial report, at least a balance sheet and profit and loss, we are happy public accountants. We cannot expect more from them to make reports other than financial statements. For them it will add to the burden of costs.” (WD).

Public accountants who are domiciled in the regions provide more services related to auditing financial statements. When asked about their views on readiness to provide sustainability services, WD feels that they are not ready for this, as excerpted from WD's views below.

> “Personally, I admit that I have never attended any training or certification such as the Certified Sustainability Reporting Assurer (CSRA). So, it's not ready to provide Sustainability Service yet.” (WD).

For WD, obtaining Sustainability Reporting examiner certification such as CSRA is very important as capital to be able to provide sustainability services, especially for auditors who feel they are ready to provide opinions regarding the business continuity of the clients being audited, in addition to the main services of auditing financial statements. Especially for auditors who issue opinions related to business continuity.

Implementation in the field is indeed still unique because the problems faced by clients of public accounting firms in the regions are still focused on the problem of data availability to support audits of financial statements, audits that are still considered as administrative requirements, weak literacy regarding business continuity, and problems of difficulties. capital owned by clients of local public accounting firms. The findings from this interview provide information that the client's situation also has an impact on the services provided by auditors through public accounting firms in their respective regions.

If the audit is still an administrative requirement, is it possible for a CPA firm to provide sustainability services?

The complex is more complicated because the scope description and related site selection decisions can be very helpful in assessing some clients to limit the scope and eliminate certain areas from the examination. In the case of clients in the regions, public accountants who pay through their answers summarized in interviews face the fact that audit reports are an administrative requirement for credit to banks, participating in tenders and the entry of new investors to show the 'face' of their good company - fine. For example, a client may only want assurance in areas that can demonstrate positive performance; hence, the importance of assessing data trends carefully.

> “Some of my clients do not understand well the purpose and intent of our external audit. Don't expect them to realize the importance of business continuity or make a sustainability report, if the problem of understanding this audit has not been resolved.” (AR)

There is a pessimistic feeling shown by AR who practices as a public accountant in Makassar for 8 years, that there is no significant development of his clients' understanding of the actual audit. From his statement, AR does not believe that sustainability services will be possible to be provided in his area if the characteristics of his clients still consider auditing to be not too important.

> "I have 1-2 clients, who openly ask for a clean opinion because the company is borrowing money from the bank and says that the audit report is only a requirement, and the bank also asks that the opinion be without exception." (EM)

There is a lot of homework that local auditors need to complete, especially their efforts to keep educating their clients about the true understanding of financial statement audits. They understand that business continuity is a matter that must be the main concern when carrying out their audit procedures and their assessment of the client's business continuity becomes a very important point for introspection from their clients. However, what happened in the field was the opposite. They continue to do education while providing services and their hope is that they can 'level up' in providing services other than auditing financial statements, which is related to sustainability services.

2. Role of auditor: Going Concern during Audit Process

Several world scandals that have occurred, namely Enron, WorldCom, Lehman Brothers, Global Crossing and Permalat, as well as cases that occurred in Indonesia such as Garuda and SNP Finance, should serve as lessons for the business world and awareness of the important role that auditors have. Companies that are still classified as private sector and MSMEs do not have a complex accounting and internal control system like go public companies, but they need to think about the survival of their companies in a way that adapts to their situation and conditions. Auditors and public accountants have an important role as external parties who help maintain the health of the company.

Indeed, Statement of Auditing Standard 570 concerning “The auditor's consideration of the entity's ability to continue as a going concern” establishes the auditor's responsibility “to evaluate any substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time, not more than one year beyond the date of the audited financial statements.” This is based on Statement of Auditing Standards No. 570 issued by the Indonesian Institute of Certified Public Accountants which took effect on January 1, 2013 for issuers and January 1, 2014 for entities other than issuers, and disclosure of GC has been included in the bankruptcy law in Indonesia, which can be found in Articles 179 – 184 of Law Number 37 Year 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations. In addition, the Suspension of Debt Payment Obligations (PKPU) in principle has adopted the principle of business going concern itself, because the debtor is still authorized to take action to manage his assets as long as it is with the approval of the management. That is, PKPU is an application of the business going concern itself. The going concern assumption is also found in generally accepted accounting principles in Indonesia.

Following Audit Standard 570:

- The auditor shall verify whether the results obtained by performing audit procedures and considered in the aggregate indicate possible substantial doubt about the entity's ability to continue as a GC for a reasonable period. Any doubts there must be supported by appropriate audit evidence and potential mitigating factors to properly evaluate the auditor's doubts;
- In the presence of substantial doubt, the auditor should obtain information about management's plans and evaluate the possibility of actually implementing them;
- After evaluation of management's plans, the auditor shall assess the conclusion that there is substantial doubt about the entity's ability to continue as GC. When auditors conclude that there is substantial doubt, they should assess the adequacy of disclosures about the entity's inability to continue its activities for a reasonable period and join the paragraphs in the audit report on their conclusions. When auditors conclude that there is no substantial doubt, they may evaluate the need for disclosure of this information in the audit report.

On the other hand, as indicated by the Accounting Standard, ISA 570 (revised) considers the possibility of a management plan that can reduce doubts. The auditor should evaluate these plans, the likelihood of their effective implementation and their impact on events and conditions that give rise to substantial doubt. However, the level of testing and verification performed by the auditor in all these cases is related to the history of the previously evaluated entity. As highlighted by Mock et al. (2013) during the period following the 2008 financial crisis, regulators and others questioned the value of current audit reports and requested improvements in their audit reports. For this reason, standard setters and regulators are adopting a series of innovations to increase the level of transparency and reliability of audit report content. Among these, the most important novelty provided by the revised version of ISA 570 combined with ISA 700 (“Forming Opinion and Financial Reporting Statements”) is the provision of certain paragraphs in the assessment of information audit reports relating to the maintenance of GC assumptions.

In conclusion, a brief description of GC assumptions in auditing standards emphasizes its relevance during auditor verification to protect all stakeholders from harm and to prevent another scandal in the financial markets.

3. Consideration from previous literature: Role of Auditor in Prevent Damages for Investors

Auditors have an important role in ensuring reliable financial reporting. As in the events mentioned in the previous paragraph, when the auditor deviates from the principle of independence and, more generally, from professional requirements, the loss in the environment can have a considerable impact on all stakeholders and more generally, for the achievement of sustainable economic growth. required by the SDGs.

In explaining its mission, the Conceptual Framework for Financial Reporting (IFRS)

2018) are among the users interested in a transparent and trusted accounting language, with reference, investors. In the public interest, trust, growth, and long-term financial stability in the global economy are made possible by reliable financial disclosures that help investors make informed decisions to allocate capital. DeFond et al. (2002) underscore the important role that audit reports play in providing warnings of situations of financial distress and GC issues. Also, Church et al. (2008), investigated the literature prior to 2007 on the value relevance of audit reports, in concluding that they convey little information to users, including GC reports among market-relevant information. More generally, Christensen et al. (2014) in their research on the impact of audit reports containing Critical Audit Matters-paragraph (CAM-paragraph) showed that this type of disclosure, when it represents significant uncertainty, encourages investors to stop considering the company as a possible investment.

However, although GC audit disclosures can be included among CAMs, there are separate regulations for GC audit reports (both under PCAOB and IAASB) standards). These considerations are the basis for clearly motivating increased research on the value relevance of GC reports for investors and more generally, for stakeholders.

Bédard et al. (2018) found that GC audit reports cause market reactions only by the presence of weaknesses in GC disclosures in financial statements. Myers et al. (2018) discussing the existence of a confounding effect when GC modifications are issued with earnings announcements concluding that the informational benefits of reporting GC modifications are significantly smaller than previously thought. Therefore, also considering recent research on this issue, Bèdard et al. (2016) the conclusions about the need to increase the level of information contained in audit reports remain valid.

4. Moving Forward through The Social Audit

Based on this study, social auditing is a series of processes within an organization to assess and report on economic, social, and environmental aspects. Social auditing is a term used in measuring the social performance of an organization. So social auditing is not a separate auditing science but rather a form of evaluation or monitoring of the social impact of a policy or organizational activity which will be outlined in the form of a social report. The presentation of the social report can be part of the annual report or a separate report. The social report itself will later be verified or assured by external parties to maintain the credibility of the report so that it can be used by stakeholders.

The scope of social auditing broadly covers the internal social aspects of the organization and the external social aspects of the organization. Internal aspects of the organization include, among others, human resource management, occupational health and safety, organizational change, environmental and natural resource management. While the external aspects of the organization include, among others, local communities, business partners, suppliers, consumers, human rights, and global environmental concerns. When using the global reporting initiative approach, the scope can be grouped into economic, social, and environmental aspects.

The benefits of social auditing are of course to assess how far the impact of the organization's social performance on stakeholders. In addition to being used as a report to stakeholders, social auditing is also useful for organizations in further improving social performance so that it is a continuous process.

Following Bowen (2013) definition, and the general meaning of audit, (as a series of verifications carried out by an external and independent individual (or group of individuals)), doubts arise about the respect for auditor independence. For this reason, there is a need to define more rules. Some authors draw social audit close to financial audit. Chapple & Mui (2015) try to apply the established responsibility regime for financial audits also in the case of failed social audits. Indeed, they define a social audit as the "non-financial equivalent of" an audit of general-purpose financial statements and the results of both reports (i.e. disclosure and audit) are made generally available by the client firm that commissioned them." Even if this juxtaposition of ideas seems correct, Adams & Evans (2004) conclude that social audits are completely different from financial audits for several reasons: Social auditing is not a legal requirement, there is no set of rules to be respected, stakeholder interests are interested in social audits. reports can contrast between them, and much of the data adopted in social reports is qualitative rather than quantitative. All these considerations are fundamental to determining the specific set of rules and requirements for sustainability reports, which can represent the basis for developing a specific framework as well as for conducting useful and relevant social audit procedures.

Final Remarks and Conclusion

As known, auditing plays a fundamental role in the contribution to realize reliable and truthful financial reporting disclosures. Even if it is not able to prevent directly financial losses, it can help stakeholders to take more safety decisions to decrease damages to them and to the environment. Especially considering the current economic situation and the additional demand to improve sustainable development through greater accountability and good governance (as highlighted during the debate on SDGs), the attention to audit procedures, and the possibility to adopt them in other situations, arise.

On the other hand, disclosures relevant to stakeholders are also represented by sustainability reports. Albeit their diffusion in recent years is evident and in line with the requirement of SDGs, its application is not regulated properly. Indeed, literature cited in this chapter shows as some regulators tried to define legal requirements for social audit, however without a correct implementation. Moreover, at this stage, social audit received several criticisms among academics. All these issues clearly display the necessity to define more rules on that discipline and in a concrete manner. As shown among the chapter, transferring rules from financial audit to social audit is not possible due to differences between these two practices. Sustainable economic growth starts from proper use of different resources in each organization, passing across sustainable reporting procedures to conclude with a specific set of rules to control the respect of the requirements of SDGs. Finally, there is the necessity to develop more precise rules to standardize sustainability reports. Only in this way will be the possibility for regulators a concrete definition of a specific set of guidelines to perform useful procedures of audit on these reports.

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