

Factors that Influence GHG Assurance Provider Quality Perceptions

Wendy Green*
School of Accounting
Australian School of Business
University of New South Wales
Australia
(Contact Author)

and

Stuart Taylor
School of Accounting
Australian School of Business
University of New South Wales
Australia

Dr Wendy Green is an associate professor in the School of Accounting of the Australian School of Business at the University of New South Wales, Australia.

Dr Stuart Taylor is a lecturer in the School of Accounting of the Australian School of Business at the University of New South Wales, Australia.

Abstract

Purpose: This study investigates the key factors that influence preparers, users and assurers perceptions of greenhouse gas (GHG) assurer quality.

Design/methodology/approach: A survey questionnaire was completed by 53 participants, including all three parties to the GHG assurance relationship (preparers, users and assurers of GHG emissions reports) who rated the importance of 34 factors to their perception of assurer quality. Consistent with prior financial statement audit quality research, the factors assessed quality along three dimensions, assurance firm factors, assurance team leader factors and assurance team factors.

Findings: Results indicate that perceptions of assurer quality in the GHG setting, is primarily influenced by the ethics and integrity of the assurer as well as the assurance, GHG emissions and regulatory knowledge of the assurance team leader and the assurance team. Less importance was placed on the experience and industry specific knowledge of the assurer and on the degree of communication between the assurer and the client. It is also found that the factors influencing the perception of GHG assurance provider quality differ between preparers, users and assurers.

Practical implications: This study will inform GHG assurers as to the factors that preparers and users believe are most important to their assessment of assurer quality, allowing them to change their business to respond. It will also inform the GHG assurance standard setting process.

Originality/value: This is the first study to directly examine the perceptions of assurer quality in the GHG assurance space.

Keywords: Assurance, Assurance Quality, Audit Quality, Environmental Assurance, Sustainability Assurance, Greenhouse Gas Assurance, ISAE3410, Carbon Price, ETS, Emissions Trading Scheme