Journal of Accounting and Social Interests "Scientific Journal"
Alzahra University- Faculty of Social Sciences and Economics
Accounting and Social Interests, VOL. 13, NO. 3, Fall 2023, Pages 13-16

The Relationship of Social Responsibility Disclosure on Corporate Audit Operations[1]

Hanieh Hekmat[2], Shokoufeh Alizadeh[3], Vahid Heydarzadeh Khalife Kandi[4]

Received: 2022/06/26
Accepted: 2022/09/06

Research Paper

INTRODUCTION

Auditing in society's main task and role are to accredit companies' financial statements. If investors and stakeholders have doubts about auditors' independence, in such a situation, financial statements cannot be credible. If the audit is done effectively, the probability of a reporting occurrence has decreased. In addition to the reliability, such a situation enhances the validity of financial statements, which makes investors' confidence in financial statements, reduces the cost of capital, and increases the efficiency of the capital market in the collection of resources. The issue of corporate social reporting is one of the important accounting approaches that, if implemented, can provide important information to users, especially investors. Stakeholders as one of the main groups are user information and financial statements.

---

1. DOI: 10.22051/jaasci.2022.40535.1708

2. Assistant Professor, Department of Accounting, Faculty of Social Sciences and Economics, Alzahra University, Tehran, Iran. (h.hekmat@alzahra.ac.ir).

3. M.Sc. Department of Accounnting, Faculty of Social Science and Economics, Alzahra University, Tehran, Iran. (Corresponding Author). (Alizadeh.ACC90@gmail.com).

4. M.Sc. Department of Auditing, Payame Noor University, Tehran, Iran. (Vahidheydarzadeh1122@gmail.com).

Disclosure of social responsibility can be regarded as an interface between the company and the stakeholders, which attracts investors and their investments. By increasing stakeholders' awareness about corporate social responsibility, the company's obligations and ethical obligations to society, the issue of the necessity and need to disclose social responsibility has increased. Auditors can benefit from corporate reporting and disclosure of corporate accountability through the accreditation services .In this way, stakeholders and users have more confidence in financial statement information and use it to make decisions.

MATERIALS AND METHODS

This research is descriptive and correlational and can be effective and practical in the decision-making process of investors. To collect data, first from the library method and then the statistics presented by the Tehran stock exchange organization are used. This research is a type of capital market research, and the researcher wants to know whether there is a relationship and correlation between the two groups of information or not. If there is a relationship, it seeks to examine the extent and how (positive or negative) of the independent variable on the dependent variable. The present study is analytical and correlational. This research is also quantitative research based on the nature and characteristics of the data used to analyze the hypotheses.

RESULTS AND DISCUSSION

The results of the first hypothesis showed that the disclosure of corporate social responsibility has a significant positive effect on the type of statement submitted by the company auditor. Considering the test results of the first hypothesis, it can be concluded that the higher the disclosure of corporate social responsibility, the more it can increase the quality of financial statements, which will lead to an unadjusted comment by the auditor. Policymakers and producers of theoretical foundations of financial reporting and financial standards pay special attention to the discussion of social responsibility reporting and have tried to strengthen it. By offering different dimensions of social responsibility and introducing the benefits to companies, and providing the necessary mechanisms for social responsibility, they encourage companies to undertake social responsibility. In such a situation, the impact of corporate social responsibility on firm characteristics will ensure the quality of financial reporting, and finally, the auditors ' opinions are tangible. The results of the second hypothesis were investigated by disclosure of social responsibility of companies and delay in providing audit reports. The findings indicate a significant relationship between the two variables. Considering the results obtained from testing the second hypothesis, it can be argued that the higher the level of disclosure of social responsibility, it is expected that the auditor will spend more time reviewing and analyzing to ensure the accuracy of the financial statements provided by the company .And so, it is likely that the auditor will submit the audit report with a longer delay. According to the results, audit report timeliness is often related to the effectiveness of the audit, which focuses on the auditors ' competence in performing their tasks to provide comments that represent the correct image of the company's operation.

CONCLUSION

We concluded that social responsibility disclosure directly affects the auditor's opinion and indicates that the more corporate social responsibility disclosure, the higher the quality of financial statements. Disclosure of social responsibility delays in submitting an audit report shows a Positive and significant relationship. Finally, the results of this study contribute to the literature by highlighting the role of the social responsibility disclosure in the audit operations and judgment and decision-making in accounting.

Keywords: Social Responsibility, Disclosure Information, Audit Delay, Auditor's Opinion.

JEL Classification: G41, M42.