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The State of Integrated Reporting in Namibia: Perspectives of Report Preparers

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Abstract
The study aims to determine the perspectives of annual integrated report preparers for publicly traded companies in Namibia on the decision usefulness of those reports based on their preparation experiences and the challenges encountered in producing high-quality decision-useful integrated reports through interview of 12 NSX-listed integrated report preparers. Using thematic interpretative analysis, the usefulness of Namibian annual integrated reports was evaluated.

The results demonstrate a divide in Namibia between those who prepare annual integrated reports and those who receive them. Listed companies in Namibia may not meet the informational needs of their users, rendering their integrated reports ineffective for decision-making. The unwillingness of preparers to alter their compliance-heavy report preparation processes makes it challenging to develop an integrated thinking strategy. Despite these findings, the annual integrated reporting process is viewed as an improvement over Namibia's traditional reporting practices, with a focus on producing more balanced corporate reports that include social, governance, environmental, and sustainability performance measures to meet the needs of the various stakeholders.

The lack of IIRC framework awareness and demand for integrated reports from stakeholders may hinder Namibia's adoption. IIRC-defined superior corporate reporting, which combines financial and non-financial information, could boost Namibia's capital flows and the economic and social well-being of the Namibian society.

Keywords: integrated reporting, report preparers, decision usefulness, corporate reporting, Namibia
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1.0 Introduction

Organizational sustainability is becoming gradually more important, with an increasing emphasis on non-financial measures in general, as well as disclosures that demonstrates how companies combine financial, environmental, social, and governance performance measures to enable stakeholders to gain a better understanding of organisational sustainability (Nazari, Herremans & Warsame, 2015). As a result, companies are increasingly under pressure to provide balanced reports that combine financial and non-financial performance measures to varied stakeholders sometimes with conflicting informational requirements.

Early integrated reporters were mainly large, publicly listed corporations that were subject to social pressure and whose reporting could be justified convincingly by legitimacy drivers in the 1980s and early 1990s (Deegan, Rankin & Tobin, 2002; O'Donovan, 2002). Integrated reporters' profiles have since progressed to the point where believability is likely to be just one of many justifications for what they disclose in their reporting (Dienes, Sassen and Fischer, 2016a; Higgins, Stubbs and Milne, 2018). Since the mid- to late-1990s, sustainability reporting has grown to include a diverse range of businesses, with current growth coming from smaller companies such as small and medium-sized enterprises (SMEs), which are less capital intensive, more service-based, and less visible to society and pressure groups (Dias *et al.*, 2019). This is of particular importance in an emerging economy like Namibia where SMEs form a crucial sector of the economy. While the SME's sector in Namibia is widely recognized as providing income and employment for roughly one-third of the country's 2.5 million inhabitants, its total contribution to economic growth, development, and poverty reduction is considered negligible compared to the larger listed companies. These SMEs are not known to prepare annual integrated reports that could aid in enhancing decision making. It therefore means that that the country stands to benefit from the corporate reporting developments like integrated reporting taking place around the globe in the coming years as these changes are taking a quicker progress around the larger listed companies.

One of the reasons for the changes in global reporting patterns has been an expansion of the business case beyond its validity to include additional reporting disclosures of social, governance, environmental and other non-financial performance measures in addition to the current ones provided through financial reporting. These measures include marketing, which seeks to enhance competitiveness; social considerations, which seeks to prevent stakeholder problems; political, which seeks to minimize political and regulatory pressures ; and accountability, which emphasizes the company's responsibility in attaining sustainability objectives and demonstrating creation of value to stakeholders (Fortanier, Kolk & Pinkse, 2011; Jensen & Berg, 2012). However, new insights are required to motivate companies to prepare and issue decision useful corporate reports that would lead to real change rather than cosmetics improvements (Muttakin & Khan, 2014; Stubbs & Higgins, 2014).

As investor interest and participation in firms' performance and transparency on environmental, social, and governance (ESG) concerns have risen dramatically in recent times they have been accompanied by an increase in stakeholder activism and regulatory involvement on ESG concerns. These new developments are likely to present some potentially perplexing changes in the landscape of corporate reporting standards and initiatives. The proposed establishment of a Sustainability Standards Board by the International Financial Reporting Standards Board, the upcoming merger of SASB and IIRC to form the Value Reporting Foundation, and the EU Commission's proposal for a Corporate Sustainability Reporting Directive (GRI, 2021) have all occurred in the last six months. These trends could be attributed to a lack of proper corporate disclosures to incorporate reports that offer stakeholders the desired decision-useful information in specific fields. In management, the term "field" is used to define the environment in which managers operate. Teams and people engage with one another in fields, resulting in the development of norms and expectations in the environment. While 'fields' are often compared to 'industry' in institutional literature, they may also emerge in geographical areas and influence the activities anticipated in such sectors or communities.

Fields may also be issue-based, such as in the case of the environment or workplace health and safety, in which people who are affected jointly discover and develop acceptable solutions to the problem. Quality circles and sustainability committees, for example, are examples of fields that may develop around techniques. Organizations that have a similar positioning, for example, based on quality or sustainability, may use comparable methods including reporting practices. Regulatory, normative, and cognitive constraints are all possible manifestations of institutional pressures (Scott 1995). Rules, regulations, and membership requirements are examples of regulatory institutional factors that exert coercive pressure and affect behavior adoption via the possibility of reward or punishment (Bhimani, Silvola and Sivabalan, 2016).

Rather than being planned by managers, organisational activities such as integrated reporting are seen as responses to evolving field-level expectations as a result of interactions with field workers over time. Regardless of whether managers are aware that institutional factors influence their behaviors, isomorphism occurs in their behavior (Bebbington, Higgins & Frame, 2009; van Bommel, 2014).

According to Ho & Wong, (2003), only a small proportion of financial reports preparers feel that existing disclosures are either successful or very effective at satisfying investor expectations, however only a small percentage believe that new financial reporting and disclosure requirements are necessary. Instead most financial report preparers suggested improving investor connections, enacting additional industry-specific disclosure rules, and increasing voluntary disclosure to close the communication gap and boost market efficiency (Ho & Wong, 2003). In addition, chief financial officers and chief executive officers are perceived to have more influence over corporate disclosure requirements and policies than chairpersons of boards and boards of directors in general (Ho & Wong, 2003).

Due to the realization that corporate reports often leave out essential information about a company, the need for disclosure of non-financial information has increased significantly in recent years (Van Der Lugt and Adams, 2018). The objective of this research is to examine both the integrated reporting process and the challenges companies face in the preparation of decision useful integrated reports.

2. Review of the Literature

2.1 Theoretical underpinnings of corporate social responsibility (CSR) and other non-financial reporting

Frynas & Yamahaki, (2016) collected an exhaustive list of the many hypotheses suggested to account for the CSR phenomenon in their effort to understand the theoretical underpinnings of CSR. They found that the most often used theory in CSR research is the stakeholder theory as developed by Freeman & Phillips, (2002), followed by institutional theory (Scott, Smith & Hitt, (2004) and then legitimacy theory (Burlea and Popa, 2013). Additionally, Frynas & Yamahaki, (2016) classified their perspectives on CSR efforts according to the external and internal forces that affected them. External-driver theories were categorized by Pfeffer and Salancik (1978) as stakeholder theory, institutional theory, legitimacy theory, and resource independence theory. Edith Penrose's resource-based viewpoint (Rugman and Verbeke, 2002; Lockett and Thompson, 2004) is an example of an internal-driver theory, as is Jensen & Meckling, (1976) agency theory.

A more precise description is that the resource-based approach believes that businesses acquire competitive advantages via efficient use of internal resource (e.g., specialized talents). Management engages in CSR, according to the agency theory, to educate stakeholders about a company's commitment to transparency (Frynas & Yamahaki, 2016). Because many of the external and internal-driver hypotheses are similar, integrating them rather than utilizing them individually would give a more comprehensive account of CSR occurrences (Reverte, 2009; Yamahaki & Frynas, 2016). Due to the study's objective of identifying broad patterns of CSR disclosure rather than identifying specific causes of CSR, it is not constrained by any theory or interpretation of CSR disclosure. Additionally, there is a discussion of the study findings in relation to the concepts of external and internal drivers.

2.2 Empirical research

In their most recent study of a major Swedish store, Frostenson, Helin & Sandström, (2012) discovered no new findings regarding the responsibility of corporate reports within an organisation. Internal stakeholders (workers from all critical business units) crafted the "most engaging narrative about the corporation's impact on sustainability" (Frostenson, Helin and Sandström, 2012). As previously found in prior studies, the communications group (normally the public relationship department) is responsible for the dissemination of all corporate reports including the annual integrated reports. Since there are usually no formal CSR departments or units in a number of organisations, a reporting steering committee and reference group comprised of many people from various departments will have been established to foresee such reports. The company annual integrated report is ultimately approved by the companies' board of directors in most cases, which is a prevalent practice in all non-financial reporting processes.

Investors often see the relevance and use of financial report data as inadequate. Empirical research confirms the dissatisfaction, demonstrating that financial information, especially earnings, is losing its ability to accurately reflect business success, predict future performance, and explain share prices and returns. Numerous finance professionals believe that financial reporting has 'devolved' into a more rigorous 'compliance exercise,' rather than an educational one (Lev, 2018). Thus, integrated reporting may be utilised to convey to stakeholders a company's value relevance.

According to a study, preparers place a higher premium on fulfilling the information needs of external institutional financing providers than on meeting the information needs of individual investors, financial analysts, and stockbrokers (Ho & Wong, 2003; Kamotho, Moloi & Halleen, 2022). The stock market, the Company Act, and the local accounting standards regulator (Public accounts and auditors board of Namibia (PAAB)) are all external organizations with more authority than external auditors and the Namibia Stock Exchange (NSX).

Ho & Wong, (2003) results indicate that comprehensive and broad disclosure of this kind of information is still lacking in the sample businesses, and that disclosure procedures vary considerably by industry and company size. Non-financial information about businesses is published in several ways, including via required NSX regulations and through other sources such as investor marketing materials and corporate websites, with the most often revealed data related to market share and innovation (Dienes, Sassen & Fischer, 2016).

According to the study's results, accounting professionals' overall knowledge of CSR reporting is deficient. Accountants who have undergone non-financial reporting training have a much different attitude regarding mandatory CSR disclosures than those who have not. The study contributes to the body of knowledge by analyzing a broad sample of accountants working in a relatively unfamiliar institutional setting. Additionally, it may serve as a springboard for further research on accountants' participation in non-financial CSR disclosures (La Torre *et al.*, 2020).

New earnings-centric valuation methods, like the ones used in the late 1930s, should be abandoned in favor of a systematic assessment of a company's strategic assets (patents, brands, customer franchising), no matter what modifications to reporting requirements are made. Financial statements were designed to act as a 'great equalizer,' leveling the playing field for all investors. Individual investors bear the brunt of opaque and uninformative financial reporting. Significant increases in their expenditure in alternative information research and analysis, as well as privileged access to management, may enable big money and fund managers to compensate for some of the reports' shortcomings while significantly compromising the interests of all other investors. In this case, sensible investors would naturally choose index funds or other alternative investments over actively managed funds. Given these negative effects, as well as the lack of viable alternatives to pertinent financial reports, a concentrated effort should be made to restore their use and efficacy, which is the primary objective of this study.

Due to increased demand from many stakeholders to be more open about their business transactions, big publicly traded businesses have been compelled to go beyond the mandatory income statement and to reveal more information about the social and environmental effects of their operations. While most CSR reporting is voluntary, several nations have enacted legislation making CSR disclosure obligatory. Governments and stock exchanges have a critical role to play in encouraging more companies to meet non-financial reporting requirements. They are responsible for enacting relevant laws and regulations relating to obligatory CSR disclosures.

The increasing popularity of the stakeholder approach, which has resulted in widespread awareness that a company's interactions do not end with shareholders, has exacerbated the need for better disclosures. Additionally, there are other stakeholder groups which have a right to information regarding the impact of the company's activities. Thus, dissatisfaction with mandated disclosures and a desire for more stakeholder reporting have spawned initiatives in almost every nation and pushed companies to improve their stakeholder reporting.

As a result, researchers frequently create their own checklists when evaluating companies' stakeholder management efforts, and there is no clear consensus on the types of information companies should disclose in their Social and Environmental Reports (SER) and annual reports to evaluate their efforts. On the one hand, such reporting frameworks have the potential to improve the comparability and uniformity of organizational reports across sectors. Organizational reports, on the other hand, may devolve into a series of repetitive reports that are driven by factors other than organizational responsibility. Therefore, this study emphasizes the necessity for accountability metrics and reporting standards, rather of the existing general internal reporting standards, for enhancing organizational reporting processes, rather than the existing general internal reporting standards.
Research studies have investigated how companies make announcements after using internal reporting systems (Solomon & Maroun, 2012; Flower, 2015; Melloni, 2015; Setia *et al.*, 2015). Techniques such as case studies (e.g. Higgins, Stubbs and Love, (2014), interviews and surveys (e.g. Higgins, Stubbs and Love, 2014; Steyn, 2014; Atkins & Maroun, 2015), and content analyses (e.g., Atkins and Maroun, 2015) were used. A few researchers (Carels, Maroun and Padia, 2013; Coe *et al.*, 2014; Atkins and Maroun, 2015; Melloni, 2015; Kamotho *et al.*, 2022) found that managers viewed IR as a tool for strategic storytelling and the purpose of making good on commitments. IR, according to Steyn, (2014), provides a boost to a company's reputation and credibility.

Eccles & Krzus, (2010) found that companies that disclose additional non-financial indicators and use stakeholder engagement platforms achieve market and accounting returns. New interpretative study affirms the financial justification for integrated reporting, while also strengthening the case for companies striving to address long-term sustainability issues (Solomon & Maroun, 2012; Setia *et al.*, 2015; Lopes & Coelho, 2018), corporate investment companies and the centrality of organizational legitimacy (Atkins & Maroun, 2015).

Additionally, industry norms have a substantial impact on the bulk of company reporting (Solomon & Maroun, 2012). South Africa's mining industry has an impact on the quality of corporate environmental and worker health initiatives, as well as the information that is included in integrated reports (Carels, Maroun & Padia, 2013; Mcnally, Cerbone & Maroun, 2017). As a result, Stakeholder involvement has become very important.

According to the JSE's social responsibility index and the Ernst and Young Sustainability Reporting Survey, Solomon & Maroun, (2012) assert that corporate rankings based on firm processes are reliable (Sukhari & de Villiers, 2018). Sociocultural norms, different institutions, and industry-related expectations are all important factors in South African mining ESG reporting (Carels, Maroun & Padia, 2013).

As Maroun, Coldwell & Segal, (2014) demonstrate, integrated reporting is only one tiny part of a long legitimization process. Bews and Rossouw, (2002) finds that more and more research show that those who report on ESG are more credible (Higgins & Walker, 2012; Brennan & Merkl-Davies, 2014; De Villiers & Alexander, 2014).

Many corporate disclosures are about proof of compliance, and not the way businesses are really tackling sustainability issues (Solomon & Maroun, 2012) (Mcnally, Cerbone & Maroun, 2017). Although context-specific research has been done, the bulk of findings have come from users and report preparers. Thus, the goal of this study is to offer an early assessment of the opinions stated by report preparers in respect to Namibia's annual integrated reports.

3. Methodology

Our questions were intended to collect information on sustainability in general and sustainability reporting, and to this end they have served the purpose. A wide range of questions were given to evaluate the manager's knowledge of sustainability, as well as the social and environmental problems that are most urgent for the business and for other stakeholders in society. As a result of our focus on institutions, the definitions of fields, and institutional constraints, we looked at viewpoints that may indicate the presence of a field. We created the interview questions using a literature study on sustainability, environmental reporting, and institutional theory.

The process of developing the integrated report is time consuming and must be carefully planned to ensure that it serves its intended purpose. A qualitative study is used to shed light on the annual integrated report preparers' perceptions on the most recent sets of annual integrated reports produced by Namibian corporations. Ideally one representative of selected companies was to be interviewed to assess the process they take in preparing the integrated reports. However only 12 interviews took place because several NSX listed companies are headquartered outside of Namibia while few others were not available for the interviews. This number was adequate for the study as smaller sample sizes are usually used in qualitative analysis like this one. However, it should be broad enough to elicit opinions on the majority, if not all, views. Once expectations have been saturated, the findings would not add any new insights or facts (Glaser & Strauss, 1967). Morse (1994) recommended 30–50 participants and interviews, as well as at least 6 for phenomenological studies, while Creswell (1998) recommended just 20–30 for interviews and 5–25 for phenomenological studies. `This study is based on the usefulness phenomenon and therefore 12 interviews met the minimum sample required for such studies. The 12 interviews participants represented all the sectors of companies listed on the NSX. In addition to the interviews, enquiries as to actions taken by the companies to provide decision useful information was made.

Anonymity of the participants was guaranteed throughout the whole process. One week before the interview, each participant was given a description of the study's goals, as well as a list of open-ended questions. These questions focused on the rationale and process for producing annual integrated reports, including the determination of materiality, how stakeholders use integrated reports to make decisions, and any anticipated challenges associated with the production and use of the businesses' annual integrated reports. In June 2020, two academics at the author's institution piloted the interview agenda to check that it matched the study's objectives. No significant modifications to the questions were made as a consequence of the pilot research.

There were no formal interviews performed in this session, just an interview agenda to guide the process and ensure that all important topics were covered. Responses to the semi-structured interviews were given uninterrupted time to address any issues that were raised by the interviewers. Additional questions were asked as they occurred, often in reaction to interviewees' observations. While the order in which the problems were discussed and the level of depth with which each respondent addressed them varied somewhat, each interview covered the same territory and began with the same point, namely the use of integrated reports for decision making.

The interviews lasted between 30 and 45 minutes. Due to the risks presented by the Covid-19 pandemic, the ensuing covid-19 travelling restrictions, and other limitations, the researchers conducted all interviews in Windhoek, Namibia. These interviews were conducted face to face (four) or over the phone (eight) between June 30th and August 31st, 2020. Following the conclusion of the interviews, the tapes were transcribed as soon as possible.

Initial notes were compared, and a "data mind map" was built to represent important themes, categories, and linkages (Leedy & Ormrod, 2001). Initially, the information was organized according to the questions asked using headings and subheadings (codes). A further in-depth examination of field notes and previous literature showed the need for interview material categorization and code refining or addition, culminating in an iterative data analysis procedure. Each note was given a unique number that was cross-referenced to a "code register" or "legend" to facilitate data processing and minimize mistakes. We split codes with few or no allocations into groups in order to classify them.

After reviewing all transcripts, they were divided into "pools" of information that were individually tagged and categorized according to a predefined set of codes. The end result was a "summary table" for each transcript in which the material was effectively "allocated" to various "pools" of information (adapted from studies by Silverman, 2005; and Maroun & Atkins, 2014).

4 Results

4.1 Representatives of the companies and their functions

The study focused on the financial managers and controllers who are in charge of preparing annual integrated reports. In certain cases, however, finance managers and controllers assigned the interviews to other senior employees, primarily senior accountants. All of the interviewees worked in the finance and accounting departments of the listed companies and were largely responsible for the firms' financial reporting. As a result, the annual integrated report was prepared in accordance with accounting reporting cycles and its initiation coincides with the start of annual financial reporting preparations.

4.2 The determination of materiality and the content of the reports

The report's authors state that the content of annual integrated reports is regulated by a variety of laws, standards, and frameworks. The IIRC framework, the Namcode, and the King IV corporate governance code all have a substantial influence on the structure and substance of Namibian reports. The IIRC integrated framework provides the concepts and content components required in reports, while the Namcode provides the structure and important issues required in reports, such as risk assessments. (.... The IIRC integrated framework establishes the concepts and content components that must be included in the report, while the Namcode defines the report's structure and essential components...).

The preparers confirmed that material problems are defined mainly in terms of financial performance; for example, events and transactions with a material effect on financial performance are emphasized in the reports. Additionally, the board's interests, objectives, and preferences are taken into account, as are information requests from key stakeholders like as regulators and tax authorities. Due to the lack of defined criteria for evaluating the materiality and content of reports, companies used a variety of methods that were not necessarily consistent among similar companies.

4.3 The Identification of Users.

When preparing reports, it is critical that the target audience is identified to guarantee that the information being communicated is aimed to the correct users with the proper need of the information. One of the primary guiding concepts in the preparation of the integrated report, according to the IIRC framework, is stakeholder relationships. The identification of the company's stakeholders is an important part of this relationship, because providing information to unknown users or stakeholders would not be useful for any purpose.

Even though a few companies have sophisticated stakeholder identification processes as demonstrated in their reports, the findings of the interviews shows that other companies are still struggling with stakeholder’s identification and strategies. Consequently, the integrated reports do not address any specific informational needs of any stakeholders. The most commonly mentioned stakeholders in the interviews were customers, employees, and regulators as the main audiences for companies reports ".... stakeholders like employees, fund managers, regulators, and customers are our key audience.......". Communities were also identified as part of the integrated reports audience, but the respondents were quick to dismiss them as far as their participation in the report production was concerned. This means that communities are seen as a company's corporate social obligation rather than a participatory stakeholder. “...communities are unified under the corporate social responsibility, and as a result, they are more of giving than taking...”. Responded were all in agreement that before the report is compiled, the audience and stakeholders' needs should be collected, however the interviews revealed that this is not an exhaustive process for majority of the companies. Only one firm was found to have a stakeholder needs identification framework in place (e.g., stakeholders' workshops and forums).

The study further finds that the IIRC framework assist the companies in determining the report's materiality and content elements. A few respondents lamented that the framework is however too generic to assist in the actualisation of the process. Other companies indicated that they have stakeholder forums where their reports are tabled for discussions, and deliberation inputs is incorporated into the following cycle report.

4.4 Dissemination, readability, and feedback mechanism

The integrated report framework is familiar to all of the firms that were interviewed. Furthermore, the substance of their integrated reports was influenced by the international integrated reporting framework's requirements. Further, the NSX has a substantial role in whether matters should be included in the report. This is because they are responsible for the issuance and implementation of listing requirement at the NSX.

The findings show that firms with established committees submit their draft integrated report to several levels of reviews before disseminating it. The review process is vital since it determines the report's substance and usefulness to users. In this respect, one respondent stated, "...the team that is preparing the integrated report will present it to several teams, such as the audit committee, for interrogation..." Another respondent stated, "...as per the IIRC framework (content components), there is minimal information that must be disclosed within an integrated report and that is strictly adhered as a baseline..."

Stakeholder needs have a significant impact in establishing the report's content, according to the study findings. ".... we feel that what would make our stakeholders pleased ought to be in the report...", said one respondent. The content of the report is seen as any information that might help investors make an informed decision regarding the performance of the reporting entity.

The findings also show integrated reports are prepared to meet the minimum regulatory and legislative requirements i.e., integrated reports prepared by companies must be prepared in a way to meet certain minimal standards. When putting together the integrated report, businesses must have processes that ensures these standards are met. These requirements also serve as a reference for the report's content and presentation format. Almost all respondents said that they included information that regulators often seek or demand as a top priority for the report. This implies that this important stakeholder group has a substantial effect on the preparation and output in the integrated reports.

As the integrated report serves as a communication tool between the firm and its audience (stakeholders), a two-way movement of information is required as a communication principle. The company's system must anticipate this and put in place a process to ensure that information is disseminated, and feedback is received. According to the firms that were interviewed, the NSX's basic listing requirement is for companies to print numerous physical copies of the report, as one interviewee stated, "...when you are listed on the NSX, you must follow the reporting requirement..." "...NSX demands that you print a particular number of reports and ensure that you post them to shareholders", according to another company representative.

The reporting requirement indicated above acts as a benchmark for ensuring that the report is widely distributed. Companies, on the other hand, have their own methods for increasing report dissemination that are unique to them. To reach a wider audience and increase readability, summary reports, which are a reduced version of the bigger report, are produced.

These condensed/summarised reports are essentially financial reports with commentary from management. The reports are also published on the NSX news network, with each firm receiving a link to post on their own websites.

Most businesses create electronic versions of their documents, which they then post on their websites. A summary of the study's principal findings is published in local newspapers in addition to the electronic version, with a link to the complete report on the website.

In this regard, the respondents agreed that newspaper and website publications are more successful than other kinds of dissemination; nevertheless, one respondent said, "...the efficacy depends on the audience, however the website and daily publications are more effective...". This scenario emerges from a desire to receive more summarised versions of the reports, which are hundreds of pages long. However, it was highlighted that the summary versions of the report were mostly financial in nature, and so did not present a fair picture of the company's information.

Companies use the following strategies to increase readability:

- making announcements to the public, thus informing them of the existence of the report; publishing the main findings on a full page in a local daily newspaper to attract attention.
- participating in stakeholders' workshops where the audience is required to provide feedback (this would mean that the audience is required to read the integrated report to be able to provide feedback); and

- using fancy editorials on the cover page and inside with lots of graphics.

However, it was found that some respondents were unconcerned about the readability of their reports, as shown in the following quote: "...the readability is not a significant issue for me as long as I cover what I should have covered..."

A clear illustration that preparers often supply information about what they believe the stakeholders require without consulting them. Most businesses give telephone numbers and email addresses for customers to contact them for information. None of the businesses mentioned if they offer a toll-free number, which in most circumstances can encourage users to phone in and provide feedback.

Previous studies have shown that 51% (50/98) of stakeholders said they always provide input on the IR report after reading it. This illustrates those stakeholders who read the report use the feedback tools to communicate with the firms.

4.5 Assurance Mechanisms

Finally, the respondents discussed the critical nature of user trust in reports via assurance (Simnett & Huggins, 2015; Maroun, 2017; Goicoechea, Gómez-Bezares, & Ugarte, 2019). According to conversations with preparers, businesses take assurance seriously and are developing innovative methods to guarantee the integrity of annual integrated reports. This finding is aligned with previous research conducted in other countries (Atkins & Maroun, 2015; Gürtürk & Hahn, 2016).

The governance team is accountable for producing the integrated report and explaining to users how they ensured it offers a credible picture of how the business produces value (see also IIRC, 2014a; 2015). The auditor's main responsibility is to provide an opinion on the presented financial statements. Thus, management and the board of directors are equally and severally responsible for the annual integrated reporting process, according to the businesses' representatives questioned. Management then reviews and corrects the report before submitting it to the audit committee for discussion and deliberation, and finally to the board of directors for approval.

External auditors examine the non-financial reports in a few instances before they are authorized by the board to verify that there are no discrepancies in the financial report. This internal assurance process is unregulated, and its primary goal is to verify that the information included in the report is accurate and internally consistent with the information the business wishes to disclose to its stakeholders. However, no formal report is issued identifying any inconsistencies between the financial statements and the integrated report's pertinent material, in order to avoid the integrated report's appearance being guaranteed. Additionally, the financial statement audit opinion should be mutually exclusive with any non-audit assurance engagement views (if any).

As a result, all preparers acknowledged that external auditors do not provide written assurance on non-financial elements of annual integrated reports. External auditors did, however, provide assurance reports on the financial component of the annual integrated reports in accordance with internationally recognized auditing standards. Additional material included in an integrated report is deemed complementary and does not need formal assurance due to its cost-benefit analysis (see IIRC, 2014a, 2014b). Consequently, the reports' value is restricted by a lack of assurance standards and consistent industry practices.

Companies and investors expect the annual integrated reports to be reliable. However, there has been no research conducted to determine if users of these reports need guaranteed integrated reporting (Atkins and Maroun, 2015). In general, respondents agreed that integrated reports need assurance and that an assurance roadmap tailored to industry-specific standards should be created for this purpose. In certain businesses, when formal assurance is performed, the engagement is carried out by an independent auditor, and this is contingent on different kinds of assurance being performed on the other content in an integrated report. Internal controls, greenhouse gas emissions, and GRI compliance are all examples of assurance engagements performed under ISAEs in some subsidiaries of multinational parent corporations.

It is difficult to make a judgment on the fair presentation of yearly integrated reports because to the inherent trade-off between dependability and decision-usefulness. While the aim of this study is not to determine how integrated reports can be assured to include meaningful, forward-looking financial and non-financial information, there is an urgent need to create alternative assurance methods to those presently used in financial reporting.

Given the inherent difficulties in ensuring the integrated report's reliability, proponents of a constrained assurance model believe that those responsible for governance should be accountable for developing the integrated report and communicating to users the steps taken to ensure the report's reliability. Any assurance engagement should have as its goal and scope to provide an opinion on the financial statements.

If the limited assurance approach is to be adopted, these engagements must be seen as "independent of the audit opinion." This kind of report is written with a particular objective in mind: to express an opinion on a well-defined and unique set of facts. As a consequence of this scenario, the auditor is unable to connect them to the audit opinion on the financial statements or to make any other reference to the integrated report. The authors leave it up to the readers to draw their own judgments. The auditor should not express or give the impression of having an opinion on the integrated report.

Additionally, respondents supported a limited assurance approach, stating that the costs of expanding auditor reporting responsibilities would outweigh the advantages. In this instance, the value placed on a comprehensive report was proportionate to the quantity of time spent by the auditors on the assurance services If non-financial data are useful for informing investment analysis and appraisals (Atkins, Atkins, Thomson, and Maroun, 2015; Marcia, Maroun, & Callaghan, 2015; de Klerk & de Villiers, 2012), or if they are required to manage stakeholder expectations and avoid regulatory scrutiny of the companies(e.g., Atkins, Atkins, Thomson, & Maroun, 2015; de Klerk & de Villiers, 2012; Atkins & Maroun, 2015).

5. Conclusion and Recommendations

The integrated report is interpretative in character and contains a higher percentage of qualitative and quantitative data than the traditional report. Rather than focusing only on historical changes in financial capital, however, it is meant to provide more subjective and forward-looking perspectives on the organization via the lens of various types of capital transformation (Maroun & Atkins, 2014). A formal judgment on an integrated report cannot be made using traditional assurance techniques because of this. As a result, the ISAs and ISAEs' traditional assurance techniques are not always appropriate for this purpose (Cohen & Simnett, 2015; Chersan, 2015; Atkins & Maroun, 2015; Simnett & Huggins, 2015).

The proposal to introduce annual integrated reports for businesses listed on the Namibian Stock Exchange (NSX) has been met with enthusiasm by the country's integrated report preparers in general. Respondents agreed that there has been a gradual change in the focus placed on ESG issues in corporate reporting, which has aided in the adoption of the new reporting standard.

According to most of our respondent's, integrated reports are starting to highlight the linkages between financial and non-financial data, and report preparers are starting to include traditionally "soft issues" into the reports. These include key non-financial performance measures mainly using the much more developed GRI standards. Our findings support the IIRC's (2011, 2013) and IRCSA's (2011) claims that integrated reporting would usher in a complete reporting philosophy and an integrated way of thinking about company operations, as well as an integrated way of thinking about corporate reporting (Adams, 2017). It will take time, however, before integrated reporting can be considered a complete and consistent approach for conveying organizational performance and sustainability to a broad range of stakeholders. According to institutional investors, many reports include a variety of issues, such as excessive length, repetition, and difficult-to-follow frameworks, among other things.

In the same way, not all preparers "internalize" the integrated reporting method to its full extent. When this is combined with an over-reliance on consultants and key personnel within the companies responsible for the preparation of the annual integrated reports that may result in the reports' relevance being diluted, and the growth of the integrated reporting effort may be stymied. Our respondents provided many suggestions for how to enhance integrated reporting in order to achieve this noble objective.

First and foremost, the reports should be concise, and they should concentrate on the most significant financial and non-financial variables that influence an organization's performance and long-term viability. Accordingly, the majority of preparers advocated for board participation in the preparation, design, review, and assurance of reports prior to their release as a means of accomplishing this goal.

While it is critical to assure the reports through auditing to guarantee the use of integrated reports for effective decision making, this must be balanced against the need to provide forward-looking assessments based on management's best estimates. Most importantly, proactive strategies must be developed to identify and engage all primary and secondary stakeholder groups to identify pertinent information requirements and ensure that integrated reports contain decision-useful information rather than generic disclosures on environmental, social, and governance metrics that are occasionally cross-referenced to financial results and key performance indicators for compliance's sake.

More studies are required to understand how companies use content, language and visuals in their integrated reports to manage stakeholder expectations, as well as to determine whether or not different sectors of organizational examination should be allowed or restricted in order to manage stakeholder expectations (Tregidga et al., 2014). It is necessary to do an in-depth investigation of how businesses manage stakeholder perceptions in the future, particularly regarding distinguishing information in integrated reports from organizational behaviours and procedures (Meyer and Rowan, 1977; Kamotho et al., 2022).

The study's limitations include its focus on integrated report preparers rather than users. Listed companies in Namibia must produce an annual integrated report in accordance with the Namcode as opposed to the IIRC framework. To investigate the function and perception of integrated reports viewpoint from a larger spectrum of stakeholders which include users, investors, regulators, and external auditors may be necessary, further study is needed. An intriguing topic of research in general might be how various stakeholders' expectations differ and how conflicting information requirements influence the content and structure of integrated reports prepared in Namibia.

Finally, our findings represent a first step toward including integrated report preparers in the process of improving the decision-making usefulness of Namibian publicly listed firms' integrated reporting, which is now underway. In addition, the study adds on the current global debate on corporate reporting and particularly the role of integrated reports in enhancing corporate disclosures for decision making.

This is the first study of its kind in Namibia, a country with underdeveloped capital markets and little academic research, according to the researchers. The paper provides insights into corporate reporting practices in an emerging economy and its recommendations will help companies improve the decision usefulness of their integrated reports as well as offer insights to preparers and regulators in finding solutions of integrated thinking.

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