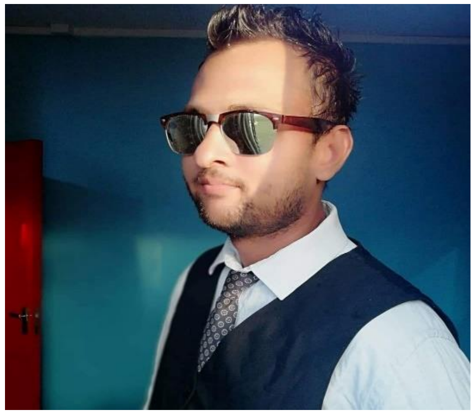
PREFACE

Disclosure Culture of Corporations in Fiji is a book that describes the current accounting disclosure status of the listed and non-listed entities in Fiji's Economy. Each chapter in the book focuses on aspects of Voluntary Disclosure with regards to the corporations in Fiji. The papers also provide extensive literature search to provide a comparative analysis of the Voluntary Disclosure culture in Fiji and abroad. The book also targets the impacts of market shocks on the disclosure culture. This book has a chapter dedicated to the impact of the COVID 19 pandemic on the Corporate Social Responsibility Disclosure Culture in Fiji' s listed entity financials. The studies in this book are current and unique. This book provides quality insights about the quality of accounting in Fiji and the role of regulatory authorities in disclosure culture.

About The Author



Sheikh Ali Tanzil is a Lecturer in Accounting at the University of the South Pacific (USP) which is the largest University in Fiji and a premier University in the South Pacific Region. Currently, Tanzil is teaching Management Accounting units to Bachelor of Commerce students.

Tanzil has received the following awards:

- Best Master of Commerce in Accounting- The University of Fiji.
- Gold Medal in Post Graduate Diploma in Professional Accounting- The University of Fiji
- Gold Medal in Post Graduate Diploma in Accounting- The Fiji National University
- Gold Medal and Best Prize for exemplary distinction in Post Graduate Diploma in Auditing Major- Auditor General's Office, Fiji
- Gold Medal for Best Undergraduate Student- Fiji National University

ACKNOWLEDGEMENT

First and foremost, I would like to thank God, the Almighty for giving me strength to compile this book. I also extend my heartiest thanks to my parents Mr. Sheik Zaid and Nazma Bibi for their endless support in my professional and family life.

Moreover, I would be indebted forever if I do not mention Dr. Nacanieli Rika who is the Head of School at the University of the South Pacific (USP). It is through his ideas and professional advice I have been able to compile this book.

Last but not the least, I express my sincere appreciation to my mentor and my guide, Professor Kieran James who is a Senior Lecturer at the University of West Scotland. It is through his continuous advice and feedback that has enabled me to develop professionally as an Accounting Academic.

TABLE OF CONTENTS

The Level of Voluntary Disclosure in Annual Reports by Listed Companies in Fiji

Sheik Al Tanzil[1]

Abstract

Purpose: The purpose of this exclusive research is to ultimately ascertain the level of voluntary disclosure by listed corporations in Fiji. It will also target the importance of voluntary disclosure to the related stakeholders and the corporation itself. It will intend to build on the previous research that has been done in this area on developing countries through identifying some of the critical yet vital factors which directly reflect to the situation in Fiji.

Design/Methodology/Approach: This research is based on a checklist that has been derived by the invigilator. The elements in the check-list are based on the voluntary codes sustainability monograph and the AICPA's guideline. Previous researches have been extensively referred to get other elements that made up the elements. All this is referenced in the bibliography. The researcher had to narrow the sample size as all the listed companies currently did not feature prominently for all the four consecutive years. The sample size of companies is narrowed to twelve to maintain consistency and to qualitatively compare the results. A professional structure has been maintained all throughout the research.

Findings: This well enhanced and latest research has unveiled that very low level of disclosure has been provided by listed companies in Fiji except for corporate governance information. Corporate Governance aspects have been inflicted by majority of the corporations. Other disclosures have reached a critical level and the trends are also very difficult to analyze and predict. The size of the capital market can be a variable that had remarkable influence on disclosure levels. Through comparison with other research, it can be said that size of the company and capital market had positive correlations with voluntary disclosure levels. Smaller the capital markets, the less the voluntary disclosure.

Recommendations: The perceptions of the people in the arena of corporate organizations need to change to bring about changes in Fiji's capital markets. More concerns can be shown by corporations if they try to attend all the workshops organized by the relevant authorities where these kinds of issues are raised. The underlying advantages of voluntarily disclosing should be known. Since there are separate bodies like Capital Markets Development Authority and Reserve Bank having enormous impact on corporate governance, disclosure in this area dominates. If other authorities are built up in other areas of concern then probably the disclosure can increase. Awareness by South Pacific Stock Exchange is needed through campaigns by guest speakers.

Keywords: Voluntary disclosure, Voluntary Codes, South Pacific Stock Exchange, General Information, Financial information, Non-Financial information, Future Information, Corporate Governance information, Shareholder Information, Social Responsibility Information.

Paper Type: Research Paper

---

[1] Sheikh is an Academic at the University of the South Pacific (Fiji) lecturing in Accounting courses.

1. Introduction

Voluntary disclosure is defined by Meek G. K., Roberts C. B., Gray S. J., as disclosures, principally outside the financial statements, that are not unequivocally required by Generally Accepted Accounting Principle (GAAP) or Securities and Exchange Commission (SEC) rule. Though not mandatory this information can have tremendous impact on the decision making of users of the company's annual reports. **(Meek G.K., 1995)**.Voluntary disclosure is carried out comprehensively by many companies all around the world, and has also been identified as a pivotal area in financial reporting research. Voluntary disclosures can include tactical information such as corporate characteristics and approach, nonfinancial information such as socially responsible practices, and financial information such as stock price information. **(Wikipedia, 2011)**.Voluntary disclosure benefits potential and existing shareholders, companies and the economy; for example, it helps investors make better capital distribution decisions and lowers firms' cost of capital, the latter of which also benefits all the economies. Chau and Gray (2002) also initiated support for the theory that voluntary disclosure assists reduce conflicts of interest in widely held firms. **(S.J., 2002)**.Firms, however, balance the benefits of voluntary disclosure against the costs, which may include the cost of providing the information to be revealed, and decreased competitive advantage. **(Wikipedia, 2002)**

For the duration of this study, the terminology disclosure refers to the communication of economic information of a corporation, whether financial or non-financial, qualitative or otherwise. Information is non-mandatory if corporations are not appreciative under a disclosure- legislating regime to disclose insofar as they are appropriate to them. Further, the revelation of mandated information is in the minimum standard of disclosure that reporting bodies in Fiji look forward to. Hence, other disclosure is well thought-out as non-mandatory.

However, in the context of a developing country such as Fiji, it is of a great concern and eagerness to actually investigate the extent to which companies in Fiji adhere to the voluntary code as per the FASB's [2]perception on the types of voluntary disclosures in the capital market. Voluntary Disclosure has huge potential as far as success is concerned. From a company's perspective it enhances both the financial aspects[3] and the Non-Financial aspects[4] and from an investors perspective it enhances transparency[5].The evidences from experiences has empirically proven in the context of corporate reporting and the subject of voluntary disclosure that it can be advantageous to a setting such as Fiji as earlier reiterated by the FIA[6] in its annual congress ending 2012.FIA also went on to release that these incorporations need a lot of time and awareness, as most of the firms do not seem to recognize the importance of voluntary disclosure. **(Fiji Institute Of Accountant Annual Congress, 2012)**

[2] FASB=Financial Accounting Standards Board
[3] Financial aspect :cost of capital is lower and profit and share price are high
[4] Non-Financial aspect: Better internal management and higher market share (growth)
[5] Transparency: helpful to investors for devising investment decisions and satisfying the objectives of disclosures.
[6] FIA=Fiji Institute of Accountants is the professional body that regulates the accounting profession in Fiji

In addition, over the years there has been a growing pressure on corporations to be accountable for their dealings to the larger general public **(Brown & Deegan, 1998; Neu et al., 1998; Guthrie & Parker, 1989; Cromier & Gordon, 2001; Wilmshurst & Frost, 2000)**. This makes corporations to operate in environmentally conscientious way **(Spiller, 2000; Brown & Deegan, 1998)**. The common route available for companies to converse social and environment responsibility is their annual financial reports **(Brown & Deegan, 1998; Zeghal & Ahmed, 1990).** However, there is the suggestion that such social and environmental reporting has remained principally a voluntary practice **(Wilmshurst & Frost, 2000).**

Moreover, focusing on the Fijian context, Social and environmental reporting is not mandatory under the Fijian Companies Act, 1983 **(Government of Fiji:Companies Act (Fiji), 1983)** and the Fiji Accounting Standards (FASs) but it is noted with a great degree of certainty that success are likely to entail if these disclosures are made**.** There has not been much to hear about the listed companies currently on the SPSE[7] but it is high time that Fiji initiates a new dimension in the accounting era and it does not undermine its status because of the title of developing country.

This qualitative research idea was initiated just because the urgency this topic deserves and previous knowledge available in this field of study is limited. It is still uncertain that what is the degree of compliance with the non-mandatory requirements and at this juncture it is pivotal to comprehend the latest developments that the listed companies are making as far as compliance is the main notion. An introspective question that always revolves around the accounting academic circle when the subject of 'voluntary disclosure' emerges is why voluntarily disclose if it is all okay without it. **(Kedner, 1999)** Guthrie & Parker in a journal state that if a reporting entity knew the advantages of voluntarily disclosing than it would try to comply with all the voluntary codes no matter what the cost for it was. **(Parker, 1999)**

Thus, this exclusive study will intend to coherently present the degree to which the listed companies are voluntarily disclosing information in their annual report and an enhanced capsule analysis will be dynamically presented so that trends can easily be ascertained and comprehended. For the ease of understanding, comparability and reliability purposes horizontal[8] analysis will be done for four consecutive years. A thorough explanation will be provided after each and every illustration. Based on the findings this paper will set its sight on the current situation in Fiji and make the necessary recommendation for a developing country like Fiji. The intention of the study is to clear all the ambiguity that exists currently as far as voluntary disclosure in annual reports of listed companies is concerned.

---

7 SPSE: South Pacific Stock Exchange: market where shares are traded.

Horizontal Analysis means analysis based on subsequent year

2. The Literature

2.1 The know How of Voluntary disclosure

Ho and Wong (2003) stated that, how information is shared among the participants intensely affects the function of capital markets **(Wong, 2001).** In business activities, investors need opportune and exact information to reach valuable investment decisions. This kind of information can be composed through many ways, and one of the most pivotal resources is the companies' annual reports. The most vital responsibility of annual reports is to provide pertinent, helpful and dependable financial information to investors, shareholders and other interested people about the financial position and performance of the business as well as its future prospects to help users in decision implementation. The information that is supplied by annual reports towards their stakeholders includes mandatory and voluntary information and mandatory disclosure is of more importance. Mandatory disclosure is a basic market demand for information that is required by various legislations and authoritarian bodies and has been ruled at national or international level through professional organizations or government system. On the contrary, corporate voluntary disclosure, being in surplus of requirements, represents free choices on the part of managers to provide information to users of the annual reports **(Yuen, 2003).** This voluntary information is disclosed to satisfy the using parties needs seem to be insufficiently supplied by the compulsory disclosure. There are substantial researches that concerned voluntary disclosure information in annual reports of companies and majority of them rooted in developed countries. There were quite a lot of studies that touched upon the voluntary disclosure in annual reports of developing countries.

2.2 FASB and voluntary disclosure

Companies can markedly enhance their business annual reporting by voluntarily disclosing more available information about which the investment community and shareholders have a keen interest. These matters include identifying factors pivotal to the financial success of the company, delineating management's tactics and strategies for managing those factors in the past and future, and specifying measurements used by administration to assess its efficacy in implementing those tactics and strategies. These were the primary recommendations in a broad report entitled Improving Business Reporting: Insights into Enhancing Voluntary Disclosures. The recommendations resulted from a two-year assignment supervised by 14-member Steering Committee of Financial Accounting Standards Board (FASB) constituents. The Steering Committee guided and intended for the activities of a group of more than 50 professionals representing the preparer, financial statement user, auditing, and scholarly communities who worked on the project. The objective of this report on voluntary disclosures is to help companies enhance their corporate reporting by providing proof that many leading organizations are making widespread voluntary disclosures and by listing examples of those disclosures. The examples serve to provide corporations with useful ideas on how to describe and explain their investment potential to investors. The basic idea underlying the Business Reporting Research Project is that improving disclosures makes the capital allotment process more efficient and decreases the average cost of capital. Some of the findings and recommendations noted in the report include that the significance of voluntary disclosures is expected to increase in the future because of the fast rate of change in the corporate environment, voluntary disclosures related to matters that are pivotal to the success of individual corporations are very essential, particularly disclosures of management's view of the company's 'critical success factors' and trends surrounding those factors, although some disclosures originate about unrecognized intangible assets, extra data about those assets would be beneficial because of the importance of intangibles to a company's value, voluntary disclosure should cover not only good quality news but also disappointing news. Disclosures are most useful if they report on formerly disclosed strategy and tactics and the results achieved in meeting those strategy and tactics, the metrics used by corporations to administer their operations and drive their business strategies often are very essential voluntary disclosures and those metrics should be explained and time and again disclosed from period-to- period to the extent that they continue to be pertinent to a corporation's success. **(Kolton, 2001)**

2.3 Positives of Voluntary Disclosure

A tactical use of the intangible resources might increase shareholder value. In particular, the voluntary disclosure regarding the nature of these relationships may enhance the trust and obligation of employees, give more external authenticity to the management's activities, draw the best partners and in general, enhance the corporations' status. **(Epstein, Elkingto Heshett KPMG, 1997-1999-2000)**

2.4 AICPA[9] and FASB's proposal on Voluntary disclosures in annual reports

1) Background about the company
   - Broad objectives and tactics;
   - Scale and explanation of business and properties;
   - Key trends and performance drivers;
   - Impact of industry organization on the company.

2) Information about administration and shareholders
   - Directors, administration, compensation, major shareholders, and transactions and dealings among correlated parties.

3) The investor and creditor thoughts
   - Voluntary revelation related to Financial Statement (Analysis, Ratios, Graphs, re-elaboration of prominent financial information);
   - High-level working data and performance measurements that organization uses to manage the business and in the decision-making;

[9] AICPA=American Institute of Certified Public Accountants

- Management’s analysis of business data;
- Forward-looking information: Opportunities and risks, including those resulting from future trends. Management’s plans, including critical success factors. Assessment of actual business performance to previously disclosed opportunities, risks, and management’s policy.
- Information on intangible assets: detection of strategic intangible assets market based, Investments on intangible assets, Intellectual Capital Statement, Target and objectives, Profitability analysis, Connection of the intangible assets with the other focuses of the business report.

4) The internal process perspective

A) Internal processes analysis:

- Quality
- Costs
- Timing
- Performance drivers

5) The innovation and learning perspective

b) Innovation processes:

- Quality
- Costs
- Timing
- Performance drivers

c) Feedback and forward processes:

- Quality
- Costs
- Timing
- Effectiveness (number of implemented employees’ suggestions, number of technical, organizational enhancements, etc.)

6) The customer perspective

- Characteristics of the relationship (number, sex, age, types, market segmentation, geography dislocation, etc.);
- Quality of the relationship (commitment, satisfaction, perceived quality, etc.);
- Effectiveness of the relationship (loyalty, re-purchase, timing, etc.);
- Other relevant operating and financial data utilized for the customer management decision-making, comprising new performance assessment measures and cost accounting analysis;
- Future trends, pertinent strategies and impact analysis of new tactics.

7) The employee perspective

- Characteristics of the relationship (number, education, age, sex, salary plans, turnover);
- Quality of the connection (litigation rates, commitment, competence, satisfaction, perceived empowerment);
- Effectiveness of the relationship (yield, competence);

- Other pertinent operating and financial data utilized for the human resource management decision-making, comprising new performance assessment measures and cost accounting analysis;
- Future trends, applicable strategies impact analysis of new strategies.

8) The supplier perspective
- Characteristics of the relationship (number, types, contracts conditions, geography displacement.);
- Quality of the relationship (obligation, trust, satisfaction, quality controls.);
- Effectiveness of the relationship (timing, partnerships, enhanced performances, cost saving analysis);
- Other pertinent operating and financial data utilized for the supply chain management decision-making, comprising new performance assessment measures and cost accounting analysis;
- Future trends, pertinent tactics impact analysis of new strategies.

9) The community perspective
a) Environmental reporting:
- Environmental impact (pollution, consumption of energy.)
- Environmental related goal and objectives
- Investments and tactics
- Prosperity of investment and tactics

b) Social reporting:
- Social impact (measurement of the Social Value Added)
- Social related targets and objects
- Investments and strategies
- Profitability of investment and tactics

c) Sustainability reporting:
- Sustainability policy and management obligation
- Sustainability connected to target and objectives
- Investments and tactics
- prosperity of investment and tactics

d) Other relevant operating and financial data utilized for the social and environmental decision making, comprising new performance assessment measures and cost accounting analysis;
e) Future trends, pertinent strategies that affect analysis of new strategies.

2.5 Role of voluntary disclosure in annual reports of listed companies

The annual reports have provided insufficient information to the users. Researchers conclude that the accessible information on the performance of corporations' annual reports is disastrous and the financial information demanded by diverse types of users is different. They also dispute that many items are poorly disclosed and there has been a vacuum amid the users' requirements of information and the real information supplied by corporations' annual reports. Some research also state that voluntary disclosure information in annual reports has improved. Nevertheless, Hooks et al. (2002) found that in reality many annual reports show inadequate quantity of information. A lot of voluntary items, which stakeholders believe to be pivotal or even necessary, are not being disclosed in the actual annual reports. Therefore, the agreement between the significance of relative items ranked by stakeholders and the actual disclosure level was small and there is a chance for increasing the extent and enhancing the superiority of voluntary disclosure information in annual reports of listed corporations.

2.6 Distinguishing Mandatory and Voluntary disclosure

Corporate disclosure can be separated into two broad categories, mandatory disclosure and voluntary disclosure. Mandatory disclosure is information exposed in the fulfillment of disclosure requirements of statute in the form of laws, professional regulations in the form of standards and the listing rules of stock exchanges. Voluntary disclosure is any information exposed in excess of mandatory disclosure. Voluntary disclosure can also include disclosure recommended by an authoritative code or body such as the operating and financial review. In addition, disclosure can differ between firms with respect to timing (for example, annual reports vs. quarterly reports); items disclosed (for example, quantitative vs. qualitative information); and types of news (for example, good vs. bad news disclosures).

2.6. Cost vs. Benefit Analysis of Voluntary Disclosure

Financial disclosure is any purposeful release of financial and non-financial information, whether numerical or qualitative, required or voluntary, or via formal or informal channels and mediums. There are various means for companies to disclose information such as annual reports, conference calls, analyst presentations, investor relations, interim reports, prospectuses, press releases and websites. The corporate annual report is well thought-out as a very pivotal official disclosure vehicle, although on its own is not sufficient in the capital market context **(Marston and Shrives, 1991)**, since other disclosure vehicles such as conference calls and interim reports can present more timely disclosure. There are other sources of disclosure about companies' performance including, for example, financial analysts' reports and the press.

Companies may gain from disclosing more information to the public through a drop in their cost of capital or an increase in the pure cash flows accruing to their shareholders, consequently increasing the shareholder value. However, disclosing information to the public is not a costless task. Among the costs of disclosure are the costs of information production and distribution; for example the extra costs of adopting an information system to collect, process data and report information about the company and the costs of hiring accountants and audits.

Moreover, competitors may make use of obtainable information about a corporation to their own advantages; for example information about product development disclosed by one company may be used for the benefit of a competitor company (**Verrecchia, 1983**). Furthermore, lawsuit costs might be incurred when a company is sued concerning its disclosure if the information subsequently turns out to be flawed (Skinner, 1994). Thus, a decision to provide more information to the public should, in theory be based on a cost-benefit analysis although detailed judgment of all costs and benefits is difficult (**Healy and Palepu, 1993**)

3. Methodology

Three mechanisms were developed to gauge the significant level of voluntary disclosure:

1.) Establishing a check list/item list of voluntary disclosure;

2.) Ranking the important level of each disclosure item;

3.) The degree of the actual disclosure of these items.

3.1. The items of voluntary disclosure

Marston and Shrives (1991) stated that followed Ceft (1961), many studies have gauged disclosure quality, but there is no tangible enlightenment or common conduct for the assortment of items to measure the degree of voluntary disclosure. Wallace and Naser (1995) defined disclosure as an abstract construct that one could not determine its strength or worth since it does not hold own natural distinctiveness. In general, voluntary disclosure is well thought-out as the primary importance of disclosure. For the purpose of this research, voluntary disclosure is understood as the financial and non-financial information through annual reports over and above the compulsory requirements, either with regard to the Fiji's company laws, professional accounting standards or any other relevant authoritarian necessities. The prior researches have been checked to develop a check list/ item list that corporation could willingly disclose.

Firstly, I've established a checklist of voluntary disclosure items. The checklist was drawn by referring to previous papers and then coming up with the items of checklist. Pertinent to establishing the disclosure items of this study, many previous studies on voluntary disclosure have been researched, especially in the developing countries such as India, South Africa, Nigeria, Mexico, Kuwait, Malaysia, Kenya and China **(Singhvi, 1968; Firer and Meth, 1986; Wallace, 1988; Naser et al., 2002; Chow and Boren, 1987; Hossain et al., 1994; Yusoff and Hanefaf, 1995; Barako et al., 2006 and Yuen et al., 2009)**. Both financial and non-financial items are included in the check list which listed companies may disclose could be applicable to investment decision-making. These items will be grouped in seven categories; general corporate information, financial information, non-financial information, forward-looking information/future information, corporate governance information, shareholder information, social responsibility and environmental policy information.

Since this research focuses on voluntary disclosures, the fundamental check list was considered to eliminate all the information that a company is compelled to disclose under the International Financial Reporting Standards. All these disclosure objects will be checked once more to decide whether they are voluntary objects or not. It should also be noted that due to time constraint it was difficult for the invigilator to get the check list verified by the other professional individuals in the economy who are familiar with the notional remarks of this research project. Though time limitation exists the invigilator has not filled the checklist individually but also sought advice from other professional individuals. On top of this Internet Research was done to get to the individual company websites and then make a judgment.

3.2 Sample Selection

The sample period for this research paper is four years that is from 2008 to 2011. Indeed it will be a daunting task to analyze four years data on a horizontal basis but thorough professionalism will be maintained by the invigilator for the duration of the compilation process. The reason for extending this research sample period to four years has its own particular consequences. Firstly, it will enable quantitative comparability which will enhance the decision making prosperity of the related stakeholders in Fiji and secondly in Fiji research in this area of study has been prominent but very less of the researches to date has tried to implicitly include four consecutive years as its sample period. Therefore, comparative analysis can depict the actual extend of voluntary disclosure by listed companies in Fiji under the SPSE[10] .As this will be one of the first research containing four year analysis company analysts can use this research paper as a guide when indulging in decision making.[11] Turning our heads to the other side of the coin it is very critical at this juncture to reveal the actual number of listed companies that this research paper will set sights on. Due to SPSE listing not being static it was not possible to include all the listed companies in this research paper. However some provisions have been made for this data limitation and the invigilator has sought professional advice from qualified individuals[12] to limit the sample of company to twelve companies rather than sixteen or seventeen. A consortium was reached that using of twelve companies as the sample size will not hinder the information much as majority of the listed companies will be included in the sample size for companies.

Table 1: Sample Size Selection of Listed Companies from the SPSE

Total Number of companies on the SPSE currently	16
Deduct the less prominent listed companies	4
Total Number of listed companies on the stock exchange that this research paper will set its sight on.	12

3.3 Individual Company websites, company brochures, Newsletter releases, Newspaper releases and Company pamphlets.

Due to time constraint and financial obstacles the invigilator was not able to go directly to the listed companies and ascertain the information but he had made all the necessary provisions for this limitation. Every listed company that is included in the research sample has its own company website and latest releases are updated as it happens and when it happens. Corporation websites also included information about the voluntary codes in the annual report which they disclose hence it was a critical aid in judging and filling the check list. Some companies publish their

[10] SPSE=South Pacific Stock Exchange; which is the stock market which accommodates for listed companies in Fiji. [11]Note: You can make your decision based on this paper but the invigilator will not be responsible for any mishaps that arise because of the decisions as some of the facets of this work contain the personal assumptions and perceptions of the invigilator.

brochures & pamphlets which contain critical voluntary disclosure codes such as environmental and social concerns, charitable concerns and corporate governance concerns. Some companies also have their own newsletter releases which include key voluntary disclosure such as donations to underprivileged, donations during disasters, social concerns, concerns towards environment and concerns towards the corporate governance codes set by CMDA[13]. Newspaper also contains corporate governance codes which have been referred to closely to ascertain data for compilation. All the sources are respectively acknowledged in the bibliography.

3.4 The Influence of Media and Press

Media and press played a critical role in instructing the invigilator of the latest follow-ups and the current happenings that surround the subject of this research paper. Through media a lot of statistical review and judgment of expert knowledge was made possible. Media and press information gave the current issues that the companies in Fiji are facing especially with close regards to the voluntary disclosure codes. For the purpose of this research both local and overseas media were closely followed to track the issues in the air and to ascertain the fact that has evolved over the years on the subject of voluntary disclosure. Time limitation has prohibited the invigilator to increase the variety of media sources and as result in some of the analysis results have been contextualized but it is rest assured that majority of the large capital markets has been covered and the dangers of outliers in the compilation process is quite limited.

3.5 Conference Proceedings

From the conference of Fiji Institute of Accountants (FIA) to the conference of Australian Accounting Standards Board (AASB) and International Accounting Standards Board (IASB), all have been caught by the invigilator just to add a dynamic and dimensional approach to this research. American Institute of Certified Public Accountants (AICPA) conferences were also closely monitored for the research duration. This was done because the AICPA has a lot of effects on international standard settings. International and national horizontal analysis was done to successfully compile this project so that it can be used as a comparative tool as well by the other prospective researchers.

3.6 Correlation as a Measure

During some instances the invigilator had to calculate the correlation co-efficient to ascertain the behavior of a variable in respect to the other variable. This was indeed helpful during the analysis phase of the research as several analyses depended on this notional effect of mathematics. A correlation co-efficient towards 1 indicates positive correlation between two variables while a correlation co-efficient closer to -1 indicates a negative correlation. AT this juncture it should be noted that correlation is not causation. Many researchers often confuse these principles and often come to contradicting consortiums.

---

[13] CMDA=Capital Market Development Authority; it is the organizational body in-charge of setting corporate governance codes for listed companies in Fiji.

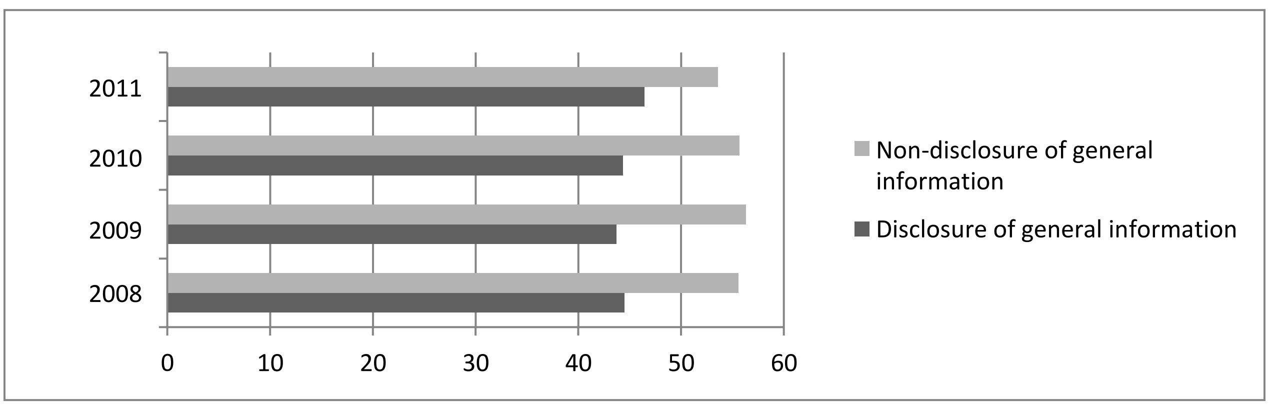
4.0 Data Analysis and Interpretation / Findings

4.1 Voluntary Disclosure: General Information

This section will evaluate how many corporations actually comply with the voluntary code of disclosing General Information. General information itself is a very broad category and is divided into seven facets for coherent understanding. For the purpose of check list implementation this seven facets were included under the heading of general information and it was checked against all the 12 annual reports (sample size) and a percentage was derived accordingly for inter-year comparisons. The seven categories that make up general information are: statement of corporate strategy, information on the principal product/projects, productive capacity, and an overview of industry, information on competitive environment, organizational structure and presenting annual reports in English with some other language.

Figure 1: Information Regarding Disclosure of General Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of general information	44.46%	43.72%	44.32%	46.43%
Non-disclosure of general information	55.54%	56.28%	55.68%	53.57%



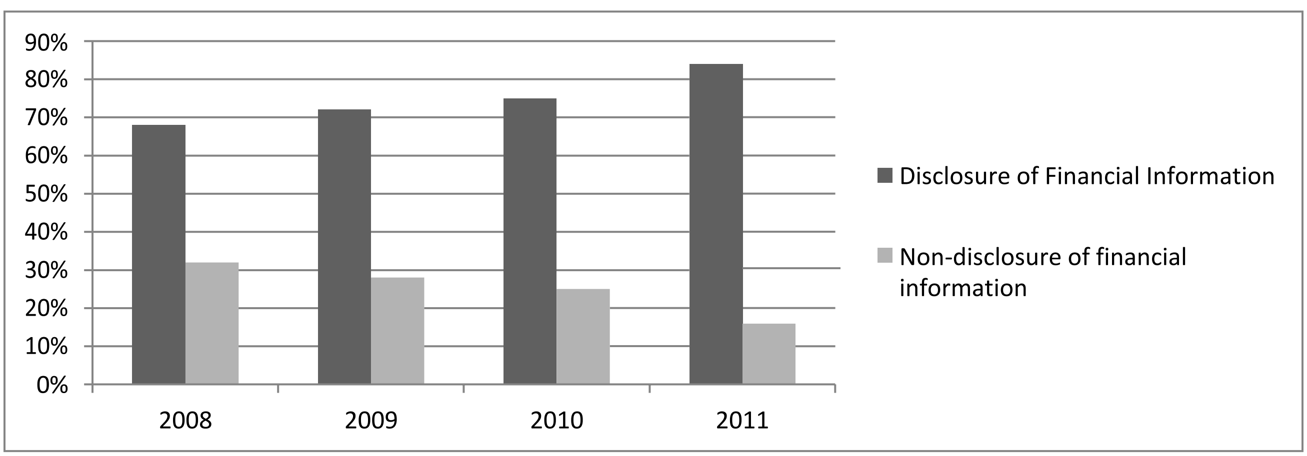
Indeed, it is despicable from the above comparative analysis that the Non-disclosure of general information has dominated disclosure of general information over the past four years. It reveals that in Fiji, listed companies are disclosing general information (not mandatory) inadequately as none of the past four years reveal that disclosure of general information is more than non-disclosure of general information. Just sharing light on one of the aspect will give us a clear picture o the ground. Majority of the voluntary information of general is provided in the Chairman's Report followed by the Chief Executive Officer's Report. There is, however, some quantity of repetition of information in these two reports. For all industries, the extent of voluntary disclosure typically appears in the Chairman's section of annual report. One of the points under the general information is presenting annual report in English with some other language and upon further investigation the invigilator came to a conclusion that only one listed company (Fijian Holdings Limited) is currently doing this. This gives us a clear picture of what is actually happening on the ground. When we interpret the percentages we get to ascertain that Fiji has experienced fluctuating trend. Despite this entire bleak preview still a glimpse of hope exists and if we closely monitor the gap between disclosure and non-disclosure of general information we notice that the gap in 2011 is the least of all the years. It can be a prosperous sign as there still exist a ray of hope that Fiji's listed companies are getting to follow the voluntary code of Disclosing General Information. This can be a direct result of companies taking part in seminar presentations organized by South Pacific Stock Exchange.

4.2 Voluntary Disclosure: Financial Information

The second voluntary practice that the invigilator identified to be of adequate importance is the disclosure of Financial Information. Financial information is of great importance as far as other stakeholder groups are concerned. Financial information itself consists of six capsule categories which are historical data and statistics for more than two years, any industry specific ratio, using charts, graphs or figures, reasons and effects of acquisition/disposals on corporate results, financial ratios disclosed and amount spent on training.

Figure 2: Information Regarding Disclosure of Financial Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of Financial Information	68%	72%	75%	84%
Non-disclosure of financial information	32%	28%	25%	16%



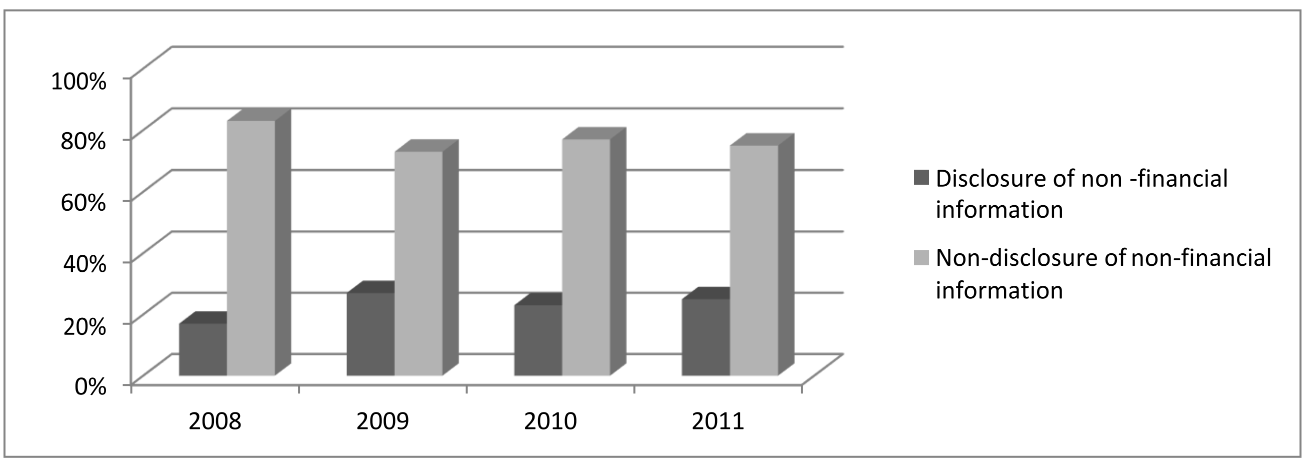
From the information given above, listed companies in Fiji are disclosing a lot as far as financial information is concerned. The percentages reveal an increasing and an exaggerating trend which is a good sign for the related stakeholder groups. This is also a positive to Fiji as in this facet Fiji is grubbing its shoulders with some of the prominent and developed stock market. Indeed a positive sign for Fiji as it was noted that majority of the try to give a sneak preview of what financial history has been for two or more years. Majority of the corporations were noted to using charts, graphs and figures in their annual report which is excellent for potential users of the annual reports. Some companies also opted to reveal the financial ratios in their annual reports which included profitability and leverage ratios and other vital ratios like liquidity ratio.

4.3 Voluntary Disclosure: Non- Financial Information

Non-financial information is another broad category deserving a lot of attention but is losing its value and credibility in the annual reports. People have a primitive thinking that only financial information is necessarily good but prominence is not given to non-financial information. In fact in some circumstances it should be noted that major decisions are based on non-financial information rather than financial information. Non-financial information itself is a broad category comprising of six branches namely market share, number of employees trained, companies policy on human resource and training of employee, research and development activities,, indicators of productivity, marketing network and the principal markets. From this preview one can now imagine how important this information can be to the related stakeholders and users of annual reports if this information is presented coherently.

Figure 3: Information Regarding Disclosure of Non-Financial Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of non -financial information	17%	27%	23%	25%
Non-disclosure of non-financial information	83%	73%	77%	75%



From the above data interpretation it is clearly evident that listed companies do not take keen interest in disclosing non-financial information in their annual reports. The tabular and graphical analysis reveals that very less disclosure is made by listed companies when it comes to disclosure of the non-financial information. If we closely interpret the graphs the gap between disclosure and non - disclosure is enormous and there is no sigh of that gap diminishing.

The current situation that we are facing is because if we analyze the annual reports of all the listed companies only a few percentage of each individual report contains disclosure of non- financial information.

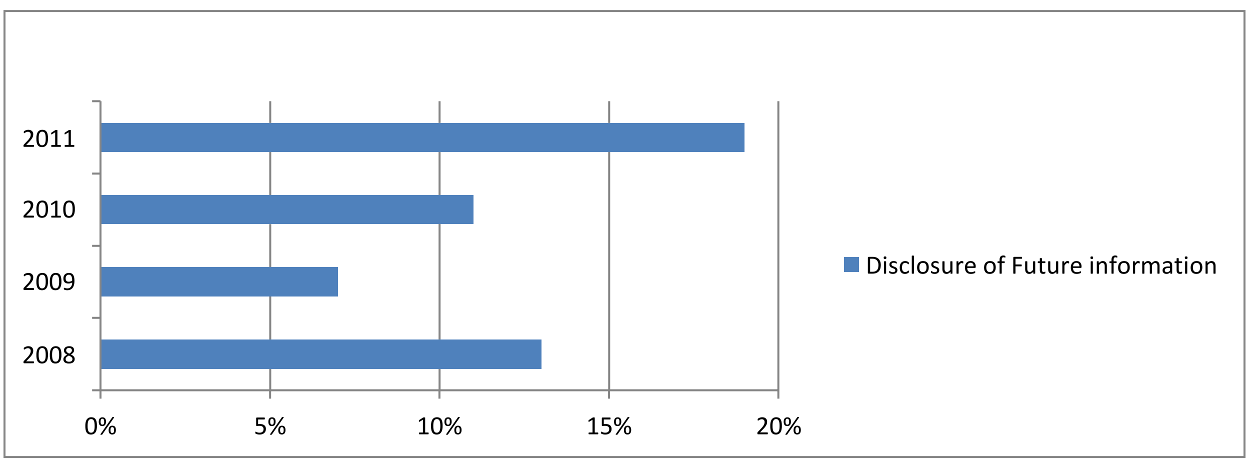
The percentage analysis and comparison also entails behind the notion of fluctuating results and the magnitude of these fluctuations is not much which clearly shows that nothing has been done to improve and enhance this area of voluntary disclosure as these little ups and downs in annual reports are a normal phenomenon and not an extraordinary thing to debate about.

4.4 Voluntary Disclosure: Future Information

As hypothesized and predicted the forward looking information (future information) has the lowest average over the four years (sample period). This broad category itself consists of effects of acquisition/disposals on future results, future expansion and capital expenditure, general discussion of future trends, information on earning or cash flow forecasts, information on production plan and capacity forecasts and information on market share forecasts. The disclosure of this information to a very less degree in Fiji is not extraordinary as this is the case in other developing nations as previous studies depict this.

Figure 4: Information Regarding Disclosure of Future Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of Future information	13%	7%	11%	19%



The above graphical analysis shows that listed companies in Fiji disclose very less as far as future or forward looking information is concerned. The results also show a fluctuating response as we see from the year 2008 to 2011 the future information disclosure has fluctuated. Currently no corporation is disclosing any information about the effects of acquisition which can attribute to the low percentage levels. Only a few listed companies have bothered to disclose information about future expansion and capital expenditure. When the invigilator did further study he ascertained the major reason behind non-disclosure of information regarding future expansion as fear of rival's actions. For instance, listed corporations are very susceptible to competition and they monitor their competitors closely and if a competitor comes to know the future plans of the other competitor than it will try to hinder that plan or try to follow that plan to gain success. So it becomes the part and parcel of the corporate game. They are in the perception that if it is all right not to disclose these information then why waste an enormous amount of time and resources on disclosing information which has no prospect of helping and guiding the reporting entity but it increases the risk of fierce competition from the rivals. Of the study period 2011 has scored the greatest percentage of 19% which is still characterized as very low by regional body of AICPA. Year 2009 saw the disclosure of future information heading towards a very less amount of 7% but from then on the disclosure of future information has taken an increasing trend which indicates improvement but it's nothing to be happy about since the magnitude of these increase in listed companies' annual report is very less. Though from 2009 it had shown an increasing trend when we integrate the whole information it clearly depicts that Fiji's listed corporations are disclosing far less than the benchmarks in these fields. A management forecast is the most common type of forward-looking information, which administration can voluntarily make available in annual reports, interim financials or elsewhere. This forward-looking information could be quantitative or qualitative. For instance, management earnings forecasts obtainable in the First Call database can take the following forms: point, range, one-sided directional, or confirming statements **(Hutton&Stocken, 2007)**. They can be verified through actual earnings realizations, and hence they facilitate researchers to build variables such as management forecasts accurateness. Management earnings forecasts have been used extensively in the accounting literature as a measure of disclosure eminence.

Information such as future forecasts is also very limited in the listed company's annual report over the last four years (sample period). Some corporations reveal in their websites that it becomes a hectic event to disclose future forecasts as it involves a degree of prediction and a lot of time and expertise knowledge is required.

However, some of the corporations in their website have ensured that they know the importance of these disclosures and they will intern look forward to increasing these information in their annual reports in the coming years.

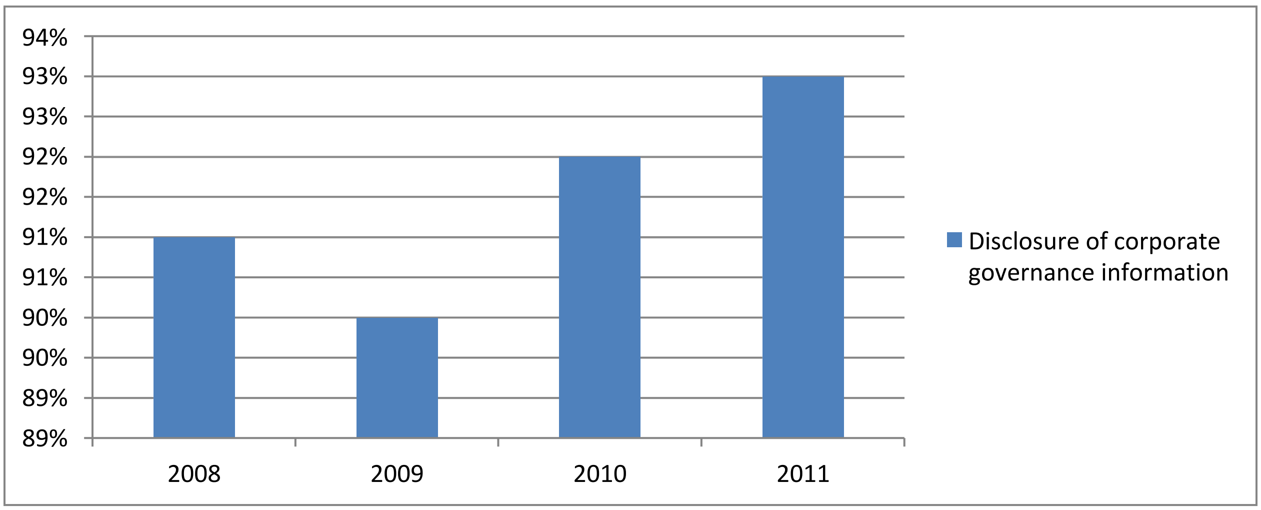
4.5 Voluntary Disclosure: Corporate Governance Information

Corporate governance in Fiji is set by the Capital Market Development Authority (CMDA) and Reserve bank of Fiji. Majority of the corporations in Fiji are abiding and disclosing when it comes to disclosure of corporate governance information but only a few corporations release the statement of corporate governance with their annual reports. The codes of corporate governance came into the field of play after the debacles of Enron, Adelphia, Royal Ahold and Tyco International. Since then these debacles are to a hold and to an extent corporate governance can be credited for this. In Fiji all listed companies abide by the corporate governance codes but the choice of whether how much to disclose these in the annual report lies heavily in the hands of companies.

Corporate governance information itself is divided into eight categories namely list of board members, picture of chairperson and/or other members, board member qualifications, number of shares held by members of the board, compensation policy for top management, information o audit committee and its members, corporate governance codes, policies, implementation extent and composition of board of directors (i.e. executives and non-executives).

Figure 5: Information Regarding Disclosure of Corporate Governance Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of corporate governance information	89%	90%	92%	93%



In Fiji, disclosure of corporate governance is at its par. It is obligatory for listed corporations to abide by the corporate governance code set by the authorities but the percentages only tend to slightly differ because the degree of disclosure from year to year vary.

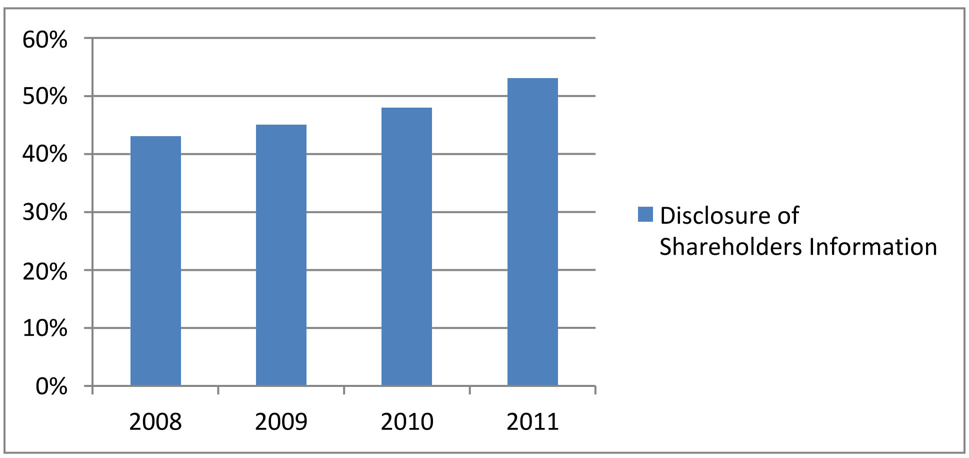
All listed corporations in Fiji disclose a qualitative amount of information as far as corporate governance is concerned. Data shows that from 2009 corporate governance disclosure is increasing just because from 2009 some companies have decided to prepare a separate statement of corporate governance which is accompanied in the annual reports. The related authorities and companies have very thoroughly realized the important role of corporate governance in preventing business debacles such as that of Enron in 2002. In Fiji there has been no corporate downfall and corporate governance code can take some credibility as far as reasoning is concerned.

4.6. Voluntary Disclosure: Shareholders Information

Shareholders information is a vital part of an annual report but still forms a non-mandatory requirement as there is no legal obligation on the reporting entity to disclose these information. Shareholders information itself consists of six categories each of which can have significant impact on the decision making of the related stakeholders. These six categories are composition of shareholding and majority shareholders, share performance; traded volume and value, share price information, factors affecting dividend policy, information on risk management and dividend per share compared with previous years.

Figure 6: Information Regarding Disclosure of Shareholders Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of Shareholders Information	43%	45%	48%	53%



It can be noted that the disclosure of shareholder information from 2008 to 2011 has followed a rising trend but the magnitude of these rises has not been much. At this juncture companies like the Flour Mills Of Fiji Ltd, Communications Fiji Ltd, Fiji Industries Ltd, Pleass Beverages and packaging Ltd, VB holdings Ltd and Amalgamated Telecom Holding Ltd has contributed a lot towards these percentages over the past 4 years(sample period).

The slow paced increases and below average disclosure can be attributed to strategically implemented corporate games as different corporations try to defer in annual reports as far as voluntary disclosure is concerned. Most companies were found to be disclosing the information about their composition of shareholding and majority shareholders but factors that are endogenous to the dividend policy. Some opted to give information on risk management while others, interestingly large corporations like Amalgamated Telecom Holdings, opted not to reveal much about risk management but evidences of it has sprinkled in their annual report over the sample period.

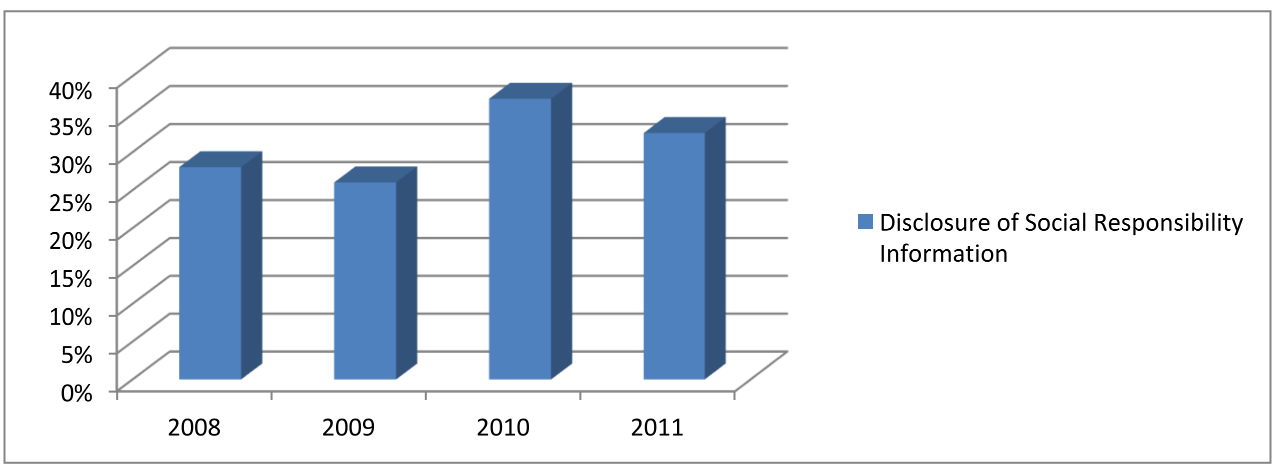
Share performance and share price information is always a contagious issue in any capital market not only in Fiji. Dividend per share has also remained a controversial issue over the past years after the great debacles of Enron, Tyco International and WorldCom. If this information had been relayed to the stakeholders in a much transparent way then many stakeholders would not have counted their eleventh star on the day of the down fall of these corporations. Thus we see that the importance of the disclosure indicates that this disclosure deserves to be recognized as a mandatory tool from stakeholder perspective but from the company perspective, they still have a lot of flexibility in these sectors as disclosure of shareholder information is still a non mandatory practice till date. As the notion goes that for everything there is a reason, and upon further investigation the invigilator ascertained that this has also some underlying reasons especially making this disclosure mandatory can bring about hindrances and complications in the capital market. Relevant authorities also affirm that these disclosures may become mandatory if they see it appropriate and if they perceive that the capital market participants are prepared to take these changes.

4.6. Voluntary Disclosure: Social Responsibility Information

The information on social responsibility is an indicator of corporations concern towards society as a whole with particular emphasis on the environment and people. Businesses like to disclose this information as these are the things that catches the sight of the general public and establishes a great client relationship. Social responsibility information involves seven key breakdowns namely environmental information, community involvement, charitable donations and sponsorships, health and safety information, significant events calendar, information on customer service and award and ratings received and attempts to get or sustain it.

Figure 7: Information Regarding Disclosure of Social Responsibility Information by listed Companies in Annual Reports

Years	2008	2009	2010	2011
Disclosure of Social Responsibility Information	28%	26%	37%	32.50%



The close interpretation of the above information gives a fluctuating response which gives no information or clue as to where we are heading to. It becomes very difficult to make out some things from this information. With these kinds of outcomes it is also difficult to forecast anything as the past experiences prove that information is unpredictable and to an extent it is not extraordinary as we cannot expect much from this as social responsibility information is also a voluntary disclosure.

Distinct companies such as Flour Mills Of Fiji Ltd have disclosed the rating which they have received as a result of high standard in their products. These rating are commonly known as International Organization for Standards **(ISO 9000/9001).** This is a huge achievement and this makes it internationally accredited. Disclosure of such information has indeed increased the sales as far as FMF is concerned.

On the other hand Amalgamated Telecom Holdings Ltd and some other listed companies like Communications Fiji Ltd has been disclosing information regarding its charity and donor ship work. Some scholarship has been provided by the ATH foundation and CFL Ltd and they have been disclosed in the relevant year annual reports respectively. Other areas disclosed by the firms were towards health of underprivileged children as there is evidence in ATH annual reports over the past four years that they have financed some trips to India, Australia and New Zealand for surgical treatments related to cardiovascular diseases. They have disclosed it as a program which they name it as 'giving back to the society'.

Disclosure of some other information was noted from this category which stressed mainly on Eco Management & Audit Scheme (EMAS) and Environmental Management System (EMS).In some of the annual reports principles concerning the human rights labor and the environment.

Despite all this, Fiji's capital market has experienced below average disclosure levels in disclosing social responsibility information. When we compare the situations overseas probably in UK or New York stock exchange, the result is contradictory to the Fiji's situation. The level of information regarding social responsibility is really high as the general public demands it but in Fiji hardly do we hear in the media about these concerns thus corporations do not bother to waste time on these necessities of the annual report.

According to International Accounting Standards Board (IASB) this is not just the case in Fiji but it is a global phenomenon. It can be attributed that a very less percentage of companies first of all indulge in social responsibilities and even if they do some of them are reluctant to publish I the annual reports. Yes, it indeed has positive implications from the perspective of customers and such stakeholders but it might have negative repercussions on the behavior of potential and existing shareholders as many of the investors do not want their monies to be spent on social responsibilities. In this kinds of scenarios accountants of listed companies are faced with a serious dilemma of whether to disclose social responsibility information or not. Professional Judgment is done to iron out this dilemma.

Recommendations

Voluntary disclosure can prove to be an ornamental factor that can drive corporations towards success not only in one perspective but from all perspective. In Fiji there is an outright adoption of International Financial Reporting Standards (IFRS) whereby listed companies are compelled to produce their financial reports in line with standards issued by the International Accounting Standards Board (IASB). As Fiji is a developing country and implementation of such standards to a developing country can result in both positive and negative outcome because there is no such provision in IFRS that has separate standards for developed and developing countries. IFRS has provisions for voluntary disclosure whereby companies are given flexibility as to disclose or not to disclose certain information.

Many in the capital market arena have a perception that voluntary disclosure is of least importance and it is possible that analyst can make a reliable decision without it. On the contrary, most of the well known financial analysts have also come to conclusions that voluntary disclosures can sometimes be as helpful as compulsory disclosure when it comes to decision making. Thus, it prompts a lot of concern for developing countries like Fiji to strictly consider the adherence of voluntary codes.

As this research has just unveiled the areas of concern for Fiji's capital market as far as voluntary disclosure is concerned. Just having a glimpse of the findings on disclosure of general information, it reveals that a lot of concern should be on statement of corporate strategy, full information should be relayed of the primary products and organizational structure is also vital. Presentation of annual reports in other language other than English should also be of a concern as currently only Fijian Holdings Ltd is presenting its financial statement in English and blending some essence of Fijian language in it.

It's high time that Corporations in Fiji come to the consortium and try to include as much as possible voluntary aspect with the non voluntary aspect so that changes can be ascertained. There have been evidences that a lot has been done but statistical review also depicts that there is still enormous room for improvement. Just sighting some of the advanced and relatively successful corporation's reports from the New York stock exchange or the NASDAQ stock exchange give a small hint of how much Fiji's corporation are doing and how much they have the potential to do. It is indeed understood that all this things will need time and expertise knowledge but at this juncture it should also be understood that Fiji's capital market can do it provided its capacity and it's overwhelming confidence that it is gaining. Interested parties can take the appropriate feedbacks from this exclusive research and make appropriate decisions.

Conclusion

In conclusion, significant non-mandatory information is not well reported in annual reports of listed companies in Fiji that has almost outright adoption of IASs since 2006. The voluntary disclosure tended to rise and fall from period to period with no noticeable trends of growth or otherwise being visible if not in most but all instances. More precisely, objective and inclusive information is pivotal for development in developing countries like Fiji. Absolute acceptance of IASs is not a move in a totally correct direction even though the worth of it to the multinationals is deeply recognized.

The complete importance of an entity and administration in developing countries has a lot of effect on what needs to be disclosed. The low to very low level of disclosure on a non-mandatory basis in developing countries is attributed to this. Well-known entities are treated with reverence in developing countries emanating from the level of reliance and confidence the society has on them. These entities posses authority themselves and one who associates with these entities, to some extent, inherits these powers. The large power remoteness that is established therefore does not demand disclosure of any more information than required, thus, the low level of disclosure. In such scenarios, only stringent regulations can bring about greater transparency and precision in terms of sharing of information.

The size of the reporting entity also plays a vital role in the level of disclosure. In developing countries like Fiji, due to small entities and a small capital market, low altitude of disclosure may at first be justified. There are, however, moral and ethical arguments for greater responsibility. The familiar users for financial reports are well documented in conceptual framework.

The outcome of this exclusive research present a resource for individuals/ organizations wanting to understand or appreciate what induces reporting entities to willingly reveal non- mandatory information in their annual report. Influences of society, market attentiveness and harmonization of accounting standards have not rendered more disclosure of non- mandatory information than that of those perceived essential by the listed corporations. This research increases our understanding of non- mandatory disclosure and represents an addition to international literature engaged in efforts to understand the reasons for such disclosure. Managers do not disclose more information than those they think is essential.

Now it is up to the related stakeholders on how they take up these critical aspects and how they react to the major concerns that have been expressed through the medium of this research. The way this research has been initiated and presented has given it the capability to have a tremendous effect on the decisions and perceptions of the analysts and decision makers.

Bibliography

Ahmed, Z. a. (1990). Accounting,Auditing and Accountability Journal, Vol. 3 No.1. *Comparision of social responsibility information disclosure media used by Canadian firms* , 38-53.

Barako, D. (2007). Determinants of voluntary disclosures in Kenyan companies annual reports. *African Journal of Business Management 1:5* , 113-128.

Ceft, A. (1961). *Corporate reporting and Investment Decisions.* The University of California Press.

Chow, C. (1987). Voluntary financial disclosure by Mexican corporations. *The Accounting Review 62:3* , 533-541.

Deegan, B. &. (1998). The public Disclosure of Environmental Performance Information-A dual Test of Media Agenda Theory ad Legitimacy Theory. *Accounting and business research Vol. 29 No.1,pp. 21-41.*

Epstein, Elkingto Heshett KPMG. (1997-1999-2000). *Introduction to Social Accounting.*

Fiji Institute Of Accountant Annual Congress. (2012). *Accounting In Action.* Suva.

Fiji Institute of Accountants Suva Fiji. (2002). *Fiji Institute of Accountants 5-Information to be disclosed in Financial Statements* .

Firer. (1986). Information Disclosure in Annual Reports in South Africa. *The International Journal of Management Science 14:5* , 373-382.

Gordon, C. a. (2001). Auditing and accountability Journal Vol.14 No.5. *An examination of Social and Environmental reporting Strategies* , 587-616.

(1983). *Government of Fiji:Companies Act (Fiji).* Suva,Fiji: Government Printery.

Hancock, P. (n.d.). Factors influencing Voluntary corporate disclosure by Kenyan companies . *Corporate Governance:An International Review 14:2* , 107-125.

Hossain, M. (1994). Voluntary disclosure in an emerging capital market:Some emperical evidences from companies listed on the KLSE. . *International Journal of Accounting* , 334-351.

Hossain, M. (2009). Volutary disclosure in the annual reports of an emerging country:The case of Qatar. *Advances in Accounting,Incorporating Advances in International Accounting 25:2* , 255-265.

Hutton&Stocken. (2007). *Effect of Reputaion on the Credibility of Management Forecasts.* Retrieved February 26, 2013, from http://ssrn/abstract=817108

Kedner, H. (1999). Voluntary vs Non voluntary. *Annual Report Reviews* , 58-79.

Kolton, P. (2001). *FASB,Report on Voluntary Disclosure,Improving Business Reporting:Insights into Enhancing Voluntary Disclosures.* America: www.fasb.org.

Marston, C. (1991). The use of disclosure indices in accounting research:A review article. *British Accounting Review 23:3* , 195-210.

Meek G.K., R. C. (1995). Voluntary Annual Disclosures By U.S. & U.K. and Continental European Multinational Corporations. *Journal of International Business Studies 26 (3)* , 555-572.

Naser, K. (2002). Empirical evidence on the depth of corporate information disclosure in developing countries. *International Journal of Commerce and Management 12:3* , 122-155.

Neu. (1998). Accounting organisations and society. *Managing public impressions:Environmental Disclosures in Annual Reports* , Vol. 23 No.3,pp.265-289.

Parker, G. &. (1999). A look at Accounting Reports. *Acconting report Phenomenon* , 117-132.

S.J., C. G. (2002). Ownership Structure and Corporate Voluntary Disclosure. *The international Jounal of Accounting* , 247-265.

Singhvi, S. (1968). Characteristics and implications of inadequate disclosure. *International Journal of Accounting 3:2* , 29-43.

Wallace, R. (1995). Firm specific determinants of the comprehensiveness of mandatory disclosure in the corporate annual reports on the stock exchange of Hong Kong. *Journal of Accounting and Public Policy 14:4* , 311-368.

Wikipedia. (2002, April 07). Retrieved February 11, 2013, from Wikipedia: en.wikipedia.org/wiki/voluntary_disclosure#cite_note-CG2002-4

Wikipedia. (2011, July 17). Retrieved February 11, 2013, from Wikipedia: http://en.wikipedia.org/wiki/corporate_social_responsibility

Wilmshurst. (2000). Accounting,Auditing & Accountability Journal,Vol.13,No. 1. *Corporate Environmental Reporting:A test of Legitimacy Theory* , 56-63.

Wong, H. &. (2001). Voluntary Disclosure. In *Voluntary Disclosure in Developed Countries* (pp. 113-117).

Yuen. (2003). Voluntary Disclosure. In Yuen, *Disclosure in Developing countries* (pp. 19-23).

Yusoff, N. (1995). Malaysian institutional investors’ annual rports information needs. *Malaysian Management Journal 1:2* , 41-49.

Checklist

		KGF	FIL	ATH	PBP	CFM	VBH	BCN	FTV	FGP	FHL	RBG	FMF
1	General Information												
1.1	Statement of corporate strategy												
1.2	Information on the principle products, projects												
1.3	Productive capacity												
1.4	An overview of industry												
1.5	Information on competitive environment												
1.6	Organizational structure												
1.7	Presenting Annual Reports in English with some other language												
2	Financial Information												
2.1	Historical data and statistics for more than two years												
2.2	Any industry specific ratios												
2.3	Using charts graphs or figures												
2.4	Reasons & effects of acquisition												
2.5	Financial ratios disclosed												
2.6	Amount spent on training												
3	Non financial information												
3.1	Market Share												
3.2	Number of employees trained												
3.3	Company policy on HR & employee training												
3.4	Research and development activity												
3.5	Productivity indicator												
3.6	Marketing network the principal markets												
4	Future information												
4.1	Effects of acquisition												

4.2	Future expansion & capital expenditure												
4.3	General Discussion of future trends												
4.4	Information on earning or cash flow forecasts												
4.5	Information on production plan and capacity forecasts												
4.6	Information on market share forecasts												
5	Corporate governance information												
5.1	List of board members												
5.2	Picture of chairperson & or other members												
5.3	Board member qualifications												
5.4	Number of shares held by the members of the board												
5.5	Compensation policy for top management												
5.6	Information on audit committee and its members												

5.7	Corporate governance codes, policies, implementation extent												
5.8	Composition of board of directors												
6	Shareholders information												
6.1	Composition of shareholding & majority shareholders												
6.2	Share performance												
6.3	Share price information												
6.4	Factors affecting dividend policy												
6.5	Information on risk management												
6.6	Dividend per share compared with previous years												
7	Social responsibility information												
7.1	Environmental information												
7.2	Community involvement												
7.3	Charitable donations and sponsors												
7.4	Health and safety information												
7.5	Significant events calendar												
7.6	Information on customer service												
7.7	Awards received												

The Level of Voluntary Disclosure in the Annual Reports of Listed Corporations in Fiji; a Case Study of South Pacific Stock Exchange Listed Corporations

Dr. Sheikh Ali Tanzil [1]

Phone: (+679) 9716658

E-mail: sheikhaltanzil@gmail.com

[1] Sheikh Tanzil is an Academic Lecturer at the University of the South Pacific in Accounting. He also has vast experience teaching Accounting at Secondary level with the Ministry of Education, Fiji and at tertiary level with the Fiji National University.

Abstract

This paper investigates the level of voluntary disclosure by listed Corporations of South Pacific Stock Exchange (SPSE). The major objective of the paper is to contribute towards the literature on level of voluntary disclosure in a developing country context. The focal point of the research was to use the empirical data from the twelve of the 2019 audited listed company annual reports from the SPSE. This research is informed by organizational legitimacy theory. The paper finds that the level of voluntary disclosure in SPSE companies have increased from the previous study of Khan et al, (2013) and Sharma & Davey, (2013). However, the increase is not substantial. The paper finds that corporations who do not have monopoly power fear about their social contract and disclose more voluntary information in order to legitimize their activity. Corporations with monopoly power do not care about their social contract as they are certain that the society has no choice but to accept them as they are the only one in the market, so they do not legitimize their activity to a great extent. Legitimacy theory holds true for non-monopoly firms and does not hold true for monopoly firms.

Keywords: Voluntary disclosure, legitimacy theory, Developing Economics, South Pacific Stock Exchange.

1.0. **Introduction**

This paper focuses on evaluating the level of voluntary disclosure in the Annual Reports of listed corporations in Fiji. The objective is to devise a voluntary disclosure checklist and evaluate the level of voluntary disclosure. Then the paper will find the pattern in disclosure level by comparing with prior studies of Sharma & Davey (2013) and Khan et al. (2013).

Firstly, Financial Disclosure takes two forms namely mandatory and voluntary disclosure. According to Nasir 2004, Corporate Voluntary Disclosure is an optional and additional requirement which provides liberty on the part of the management to provide information to the annual report users. Comprehending and understanding as to why voluntary information is important is useful for both the management (producers of annual reports) and users of accounting information (Meek et al. 1995). Disclosure acts as a link between the management and shareholders as it provides important information to the shareholders. Shareholders are the most important stakeholders but there exists other stakeholder group who receive gains from financial disclosure. According to Fang and Jin, 2012, these groups are creditors, employees, suppliers and Government. Voluntary disclosure strengthens this bridge and creates a sense of trust between the corporation and stakeholders by involving them with corporations' life. The motivation for increased voluntary disclosure is rooted in the legitimacy, stakeholder, agency, signaling and capital need theory.

Delving further, according to Deegan et al., 2002, Corporate Annual Reports are the major medium through which a Corporation discloses information to the stakeholders while other sources include forums, website, advertisements, Billboards and Company E-mail. Over the recent years, there has been increasing pressure on Corporations to be more responsible for their actions to the greater society and also to show voluntary information in their Corporate Annual Report (Brown and Deegan, 1998; Neu et al., 1998; Wilmshurst and Frost, 2000; Guthrie and Parker, 1989). These pressure forces Corporations to operate in socially and environmentally responsible manner (Brown and Deegan, 1998; Spiller, 2000). As far as environmental issues are concerned, most of the Corporations in developed economies have environmental management system and as a result they have adapted to environmental reporting within the Corporate Annual Report (CAR) (Wilmshurst and Frost, 2000; Deegan and Rankin, 1996).

In a recent study, Samaha and Dahawy (2011) state that there are only few studies that have investigated the disclosure practices of Corporations in developing countries. The current paper investigates the level of voluntary disclosure presented by listed Corporations on SPSE. The South Pacific Stock Exchange (SPSE) has 12 listed corporations on its stock market and it is the responsibility of SPSE to monitor the listed corporations in Fiji. These listed corporations have high shareholder concentration thus this could have a considerable influence on the level of voluntary disclosure that the corporations listed on the SPSE are making.

Moreover, majority of the studies that have investigated Voluntary Disclosure practices of Corporations have analyzed Voluntary Corporate Disclosure as non mandatory information that is made available to match the information needs of the stakeholder group (Hassan et al., 2006; Hossain et al., 1995; Cooke, 1991).

Voluntary Disclosure of information by Fiji's corporations has been the subject of two latest prior studies. Sharma and Davey (2013) initiated their research on " Voluntary disclosure in the annual reports of Fijian Companies" while Khan et al., (2013) studies "the Impact of Ownership Structure on Voluntary Corporate Disclosure in Annual Reports: Evidence from Fiji." However, no such studies have been initiated after that, so there is a vacuum as far as validity of the findings is concerned. There was an immediate need for a research to be initiated on the level of Voluntary Disclosure in Fiji's Annual Report so that the literature and findings are current. A lot of things have changed since 2013; especially a major revolution saw a new Companies Act in 2015 together with a more robust Annual Reports Competition rubric and the role of Fiji in Cop 23 as climate change advocate. Fiji's experience would definitely be different from other countries research finding because of the environment in Fiji, the legislative requirements, the size and structure of the firms, the background and type of the products and the ownership saturation and structure.

As far as developing countries like Fiji is concerned, there is considerable lack of literature on voluntary disclosure (Lodhia, 2000). One of the major aims of this paper is to extend the literature on Voluntary Disclosure of information in the context of developing country. It is inadequate to generalize the results of studies in developed countries to less developed countries like Fiji so there is an immediate need for this study. This study will also embark on filling the gap in the literature.

The present study focuses on the general level of voluntary disclosure in the Annual Reports of SPSE listed Corporations and adopts legitimacy theory argument to explain why firms disclose voluntarily in the Annual Reports. Chapter 1 of the paper will concentrate on Introduction, Background and Context, Research Problem and Motivation for the study. Chapter 2 will focus on the **Theoretical Background** while chapter three will be **Literature Review**. Chapter 4 will be **Methodology**; Chapter 5 will be **Analysis and Discussion** followed by Chapter 6 which will include **Summary, Limitation and Future Research & Way Forward.**

1.1. Background and Context

This paper will investigate the level of voluntary corporate disclosures done by listed firms in Fiji. The South Pacific Stock Exchange (SPSE), currently highly inactive with only few firms listed on the exchange, is responsible for monitoring these listed firms in Fiji. These listed firms have high shareholder concentration that could have a substantial effect on the level of voluntary corporate disclosures the firms make.

The South Pacific Stock Exchange was previously known as Suva Stock Exchange. In Fiji, it is the only licensed securities exchange. Since its establishment in 1979, it has been a fully owned subsidiary of the Fiji Development Bank (FDB). From 1993 onwards, the shareholder base was broadened to allow for the participation of other corporate financial institutions in the growth of the capital markets.

In Fiji, active trading of shares began on the SPSE when a call market was established on 1st of July 1996. In November 2000, the Suva Stock Exchange was named as South Pacific Stock Exchange which was a result of shift in the vision of the Stock Exchange Market. The emphasis shifted from Fiji to the region. Electronic Trading Platform now accommodates (ETP) for the trading at the South Pacific Stock Exchange.

The primary function of the South Pacific Stock Exchange is to enable a corporation to raise its funds via the issue of new shares to the public through a prospectus. The corporation must first submit details of its business activities and the proposed share issue to the Reserve Bank of Fiji (RBF) for prior approval. Upon meeting the Official Listing Requirements of the South Pacific Stock Exchange and the RBF, the corporation will be listed. Once a corporation is listed, the Corporation is mandated to present all ongoing reforms and meaningful information to the market as mandated under SPSE Listing Legislations. The South Pacific Stock Exchange makes regular market releases and announcements of all the essential information about the listed company to the public at large.

1.2. Research Problem

There is a literature gap as far as Voluntary disclosure level in Annual Reports of listed corporations in Fiji is concerned. After the study of Sharma & Davey (2013) and Khan et al. (2013), there has not been any latest study focusing on voluntary disclosure level in the annual reports of listed corporation in Fiji. Thus, there is an immediate need for this research to find out the current level of voluntary disclosure in the annual reports of listed corporations in Fiji.

1.2.1 Objective

The objective of this paper is to investigate the level of voluntary disclosure in the Annual Reports of Listed Corporations in Fiji. The paper will also investigate whether legitimacy theory holds true as far as voluntary disclosure of information in Annual Corporate reports of listed corporations is concerned.

1.2.2. Research Questions

1. **What** is the level of voluntary disclosure in the annual reports of listed corporations in Fiji? These levels will be determined by the voluntary disclosure checklist which is devised in accordance with the Fijian environment.

2. **Does** legitimacy theory affect voluntary disclosure in the annual reports of listed corporations in Fiji?

1.3. **Motivation for the Study**

A lot of quality prior research has been done in the area of voluntary disclosure contextualized to overseas countries such as Cooke (1991) which studied voluntary disclosure from Japanese Companies, Hossain (1995) studied New Zealand listed corporations, Meek et al (1995) studied United States and United Kingdom, Hassan (2006) concentrated on Egypt and Qu et al (2013) studied Chinese listed Companies. With vast amount of research in voluntary disclosure internationally there was a motivation for a similar type of research with legitimacy approach but directed towards the listed corporations in Fiji. Successful culmination of this research paper will fill a vague in the literature as far as studies on Voluntary Disclosure of listed corporations in Fiji are concerned. This paper will enhance and enrich the current literature on voluntary disclosure levels from a Fijian perspective.

The second motivating factor behind this study is that there has not been any latest study on voluntary disclosure levels of listed corporations in Fiji after Sharma & Davey (2013) and Khan et al. (2013). A lot has changed since then thus the results of this latest study will indeed be very interesting especially after a more robust annual report competition criterion. This research aims to fill in the literature gap by providing a latest picture of the current voluntary disclosure levels by listed corporations in Fiji.

Moreover, another key motivation for this study is to evaluate whether corporations in Fiji legitimise their activity through the use of voluntary disclosure or not. It has to be studied that whether corporations in Fiji value their social contract or not. Through this research we will also be able to investigate whether the results of international research are consistent with Fiji's results or not.

2.0. Theoretical Framework

This paper is based on the organisational legitimacy framework. According to Shehata (2014), the legitimacy theory is based on the primacy that a corporation has no right to exist until its values are perceived as accepted values by the society it operates in. Sehata (2014), states that since legitimacy theory is based on society's perception, the management is compelled to disclose information that would change the perception of the users of annual reports of their Companies.

An et al., (2011) states that Legitimacy theory is a theory which is concerned with the relationship between the organization and society at large. The organizations should continuously seek to ensure their operations lie within the bounds and norms of their respective communities so as to be perceived as "legitimate" by various stakeholder groups in society (Deegan and Rankin, 1996). Legitimacy is considered as very important for the going-concern of an organization. Deegan (2006), implied that legitimacy theory suggests a social contract with due respect to the status of organizational legitimacy between the organization and the wider society in which it operates.

The social contract concept of legitimacy theory states that the corporation should conduct its operations within the expectations and norms of the wider society at large, rather than just be oncerned about its investors' expectations and norms. An et al. (2011) states that society will only allow the organization to continue its operation if it perceives that the organization is complying with the expectations and norms of the society.

A Corporate Annual Report provides a corporation with opportunities to assert the congruence of its values with those of society. According to the legitimacy theory, the management of a corporation will react to public demands over corporate actions by increasing the level of corporate disclosures if they think that their legitimacy is threatened by the demands of the public (Brown and Deegan, 1998).

An et al., (2011) states that Legitimacy theory further develops the stakeholder theory and posits that corporations should not only conform to the societal expectations while operating (or show their accountability) but also need to provide assurance that they are perceived to be complying with societal expectations and norms by various stakeholder groups in the wider society (or signal their organizational legitimacy to the wider society).

Qu et al., (2013), initiated a study of voluntary disclosure of listed Chinese firms. In their study they agree that the major motivation behind disclosure of voluntary information in the Corporate Annual Report is to ensure that their operations are deemed to be legitimate and Corporations are wary of their social contract. Failure to meet the information needs of the wider stakeholder group and the society can result in revoking of their social contract. Saha and Akter., (2013), in their paper Corporate Governance and Voluntary Disclosure Practices of Financial and Non-Financial Sector Companies in Bangladesh also agree with Qu et al., (2013) that the major reason behind Corporations of Financial and Non-Financial nature reporting voluntary information in their annual report is legitimacy theory. Corporations want to be viewed as legitimate in the eyes of the society.

According to Wang et al., (2013) voluntary disclosure has both been discussed extensively in theory and practice. Legitimacy theory is considered one of the vital theories that encourage corporations to disclose sufficient information not only to users but also to wider stakeholder group as legitimacy theory requires corporations to show and encourage society that their operation is permissible and have contributed to societal expectations. According to Rousseau (1975) corporation have a social contract with society, and in order for the corporations to fulfill this contract, their actions and operations have to be legitimized to enhance social welfare.

The major limitation of legitimacy theory is that it does not hold true for monopolies (Sharma and Davey, 2013) because monopolies are not worried about societal expectation as society does not have a choice. How the Vodafone Fiji has completely revolutionized its operation after losing its monopoly power with inclusion of Digicel and INKK mobile is a real example of the limitation of legitimacy theory. During their monopoly phase, Vodafone was rarely concerned about legitimacy with average customer care support. After losing its monopoly stature, its services have remarkably improved. Another real example is how the programs in Fiji TV have changed after it losing its free to air monopoly to Mai TV and FBC TV.

Briefly, literature on legitimacy theory suggests that the level of voluntary disclosure in the annual reports is likely to be related to how management thinks about the societal concern from a legitimacy point. The focus behind this research is to examine the level of voluntary disclosure of information by listed corporations in Fiji. If the level is high than we can conclude that the major driving factor for increased disclosure level is legitimacy theory and it would also illustrate us whether the management of these listed corporations in Fiji reacts to the social contract or the community expectations.

3.0. Literature Review

3.1 Definition of Voluntary Disclosure

Financial Disclosure takes two forms; Mandatory and Voluntary. Corporate Voluntary disclosure has been defined in many contexts and dimensions by the researchers. Nasir (2004) in his study states that voluntary disclosure is optional and is the extra information to the compulsory requirements. He went on to state that it is at the will of managers as to whether they want to provide this information to annual report users or not. Healy & Palepu (2001), also base their definition in similar fashion. According to them, voluntary disclosure in corporate annual reports means provision of information that is beyond the required content by the regulators. They add that voluntary disclosure simply means additional disclosure to the required disclosure which is solely based on the incentives of the management or the organizational culture.

Hossain et al (1995), on the other hand in their study on voluntary disclosure of information in New Zealand's listed corporation state that voluntary disclosure is additional to the required disclosure and state that management is driven by the incentives of agency theory to disclose these information.

In similar contexts, Qu et al. (2013) defines voluntary disclosure as the information that is not explicitly required by the governing bodies of the stock exchange. This definition is in-line with FASB (2001), which states that voluntary disclosure should be construed as the disclosure of information that is primarily outside the financial statements which is not compulsory requirement of the relevant rule or stock exchange regulatory body. Meek et al. (1995) in their paper give similar dynamics about voluntary disclosure as disclosure made in access of the required disclosure. According to them, there is certain information which management may find important for the users to know. This information is disclosed in order to enhance the reputation of the entity. However, the definition of voluntary disclosure takes a very interesting stance in this context. Meek et al. (1995) tried to inflict the idea that management ask accountants to disclose all good voluntary disclosure and the bad ones will not be disclosed. A very important point expressed by this definition is that corporations tend to disclose only good voluntary disclosure and do not focus on bad voluntary disclosure. This is indeed in line with the assumptions of the legitimacy theory that firms only voluntarily disclose to look good in the eyes of the society they operate in as they want to feel accepted, but the society might still not know that management chose to show what was good and they have hidden some bad voluntary disclosure which could have risked the legitimacy of the firm.

3.2. Categories of Voluntary Disclosure

Previous researches like Cooke (1991), Meek et al. (1995), Hossain et al. (1995), Sharma & Davey (2013), Qu et al. (2013) and Khan et al. (2013) have all agreed on at least seven different categories of voluntary disclosure to study the voluntary disclosure levels in the annual reports of listed corporations. The current study also utilizes these seven categories to find the level of voluntary information disclosure in the annual reports of listed corporations in Fiji. These seven categories are delineated below with explanation:-

3.2.1. General Information

According to Hossain et al. (1995) and Qu et al. (2013), General information that is not a requirement but corporations might voluntarily disclose are statement of corporate strategy, information on the main product or project, the productive capacity of the firm, industry overview, information on competitive environment, organizational structure and most importantly presenting annual reports in English with some other language.

3.2.2. Financial Information

Financial Information means information that contains monetary values but is in access of the required information. Meek et al. (1995), Hossain et al. (1995) and Sharma & Davey (2013) in their separate studies on voluntary disclosure historical data and statistics for more than two consecutive years, industry specific ratios, usage of charts, graphs and figures, reasons and effects of acquisition if there was any, financial ratios disclosed and the amount of funds spent on training.

3.2.3. Non-Financial Information

Contrary to financial information, non-financial information are information that does not have a monetary value attached to it. Some non-financial information that has been part of the previous study voluntary disclosure index include market share, number of employees trained in the fiscal year, the corporations policy on HR and employee training (Cooke, 1991), research and development activity, productivity indicator and marketing networks of the principal products Meek et al. (1995), Hossain et al. (1995) and Khan et al. (2013).

3.2.4. Future Information

Previous studies on voluntary disclosure levels in annual reports of corporations express future information as forward looking and excess to the requirements (Hossain et al., 1995, Meek et al., 1995 and Qu et.al., 2013). In their separate studies they further divided future information into sub-categories like future expansion & capital expenditure, general discussion of future trends, Information on earning or cash flow forecasts, Information on production plan and capacity forecasts and information on market share forecasts. Meek et al. (1995) has indeed added an interesting proposition by stating in their study that since the disclosure of these elements are voluntary, management chooses to disclose on good information but not the bad ones. Qu et al. (2013) also argues that this voluntary disclosure should not be the only factor that should be used to assess the legitimacy of the corporation because the society is only getting those information which the management wishes to show.

3.2.5. Corporate Governance Information

Previous studies on voluntary disclosure levels have given lot of priority to corporate governance. Governance means decision making process. Some of the important things researchers looked for in the corporate reports to study for voluntary disclosure levels were List of board members, Picture of chairperson & or other members, Board member qualifications, Number of shares held by the members of the board and the compensation policy for top management if there exists any (Cooke, 1991, Hossain et al., 1995, Meek et al., 1995 and Qu et al., 2013)

3.2.6. Shareholder Information

Several studies in the past have given importance to shareholder information as far as voluntary disclosure is concerned. Al-Shammari, B. (2013) and Fang & Jin (2012) in their study include the following factors in their list which include Composition of shareholding & majority shareholders, Share performance, Share price information, Factors affecting dividend policy, Information on risk management and Dividend per share compared with previous years.

3.2.7. Corporate Social Responsibility Information

A lot of prior studies (Deegan & Gordon, 1996, Deegan and Rankin, 1996, Brown & Deegan 1998, Guthrie and Parker, 1989, Neu et al., 1998, Wilmshurst and Frost., 2000) have studied voluntary disclosure in terms of corporate social responsibility information. Some key information included underneath this index included environmental information, community involvement, charitable donations and sponsors, health and safety information, significant events calendar, information on customer service and awards received**.**

3.3. Benefits of Voluntary Disclosure

According to Hawashe (2019), voluntary disclosure can be used by corporations to increase their capital at the least possible cost. This reduces information asymmetries between the company management and the wide stakeholder group. Voluntary disclosure also increases transparency. Hawashe (2019), through studies on Libyan commercial banks found out the following advantages of voluntary disclosure. Firstly, voluntary disclosure is seen as enhancing the reputation of the commercial bank, gives positive impressions of a banks prospects, gaining the trust of stakeholders, improved investor relationship and investor confidence and voluntary disclosure is seen as lowering the average cost of capital.

According to Wang et al (2013), corporations voluntarily disclose information to get the competitive edge. According to their study on China, they described the value relevance of voluntary disclosure during a financial crisis. During financial crisis, the risk factor is very high. If stakeholders are given more information, it will boost their confidence and reduce the risk at the market place. Indeed, COVID 19 is another example of crisis and how the corporations in Fiji react to this crisis in their 2020 annual report will be interesting but that is beyond the scope of this paper.

3.4. Factors Restricting Voluntary Disclosure

According to Healy and Palepu (2001), the very first reason for discouraging voluntary disclosure is that management might think that if they disclose voluntary information this year, than the expectation of the stakeholders will be that in the coming years the business will also disclose voluntary information. Management think once they state with the culture of voluntary information disclosure than there is no backing off.

Furthermore, management wants to save on litigation costs so they do not disclose voluntary information especially the forward-looking information (Healy and Palepu, 2001). Another reason identified by Hossain et al. (1995) is that firms might lose their competitive edge if they disclose too much voluntary information. According to Deegan and Rankin (2002), management might think that voluntary disclosure is increasing the complexity of the annual reports and cause problems to stakeholders in interpreting and making decisions from the annual reports.

Healy and Palepu (2001) and Trang & Phuong (2015) perspective on stakeholder demands is relevant to Fiji as well. Stakeholders know that they expect a lot of disclosure from some corporations while they also know that some corporations will just provide for compulsory disclosure. These stereo-types exist in stakeholder minds because of previous experience.

4. METHODOLOGY

4.1. Research Paradigm

This research will use a **Post Positivist** paradigm because this study is similar to Case Study and validity is of high concern. To ensure this, biasness had to be eradicated. Case Study is a method where both quantitative and qualitative approaches can be used. This research uses a mixed approach to improve the validity of the research. Prior studies have also utilized a post-positivism paradigm to evaluate voluntary disclosure such as that of Fang & Jin (2012) and Samaha & Dahawy (2011).

4.2. Research Design

4.2.1. Research Approach

This research used a Mixed Approach design which is combination of both quantitative and qualitative approach. Annual Reports of all the 12 listed corporations were thoroughly reviewed word by word against a voluntary disclosure checklist step by step. The information in the annual report was thoroughly scrutinized against each and every voluntary disclosure item and ticked in the table if it was present or crossed in the table if it wasn't present. This is where this research gets its qualitative nature.

After the tables were generated by using the qualitative approach, calculations were performed to ascertain the percentages so that analysis and discussion becomes meaningful and valid. This is where the research gets its quantitative approach. Thus, a combination of qualitative and quantitative methods gives this paper a Mixed Approach.

4.2.1.1. Justification for the use of Mixed Method

The use of mixed method will add versatility and validity to the outcome of the research paper. Use of the qualitative method ensured that all 12 annual reports were thoroughly reviewed and information of qualitative nature can be checked like words and sentences. Use of quantitative approach enabled the research to quantify the qualitative data by performing calculations to calculate percentages. These percentages assisted in making the analysis and discussion meaningful and added validity to the results.

4.3. Research Instrument and Justification

4.3.1. Archival Data/ Documentary Analysis and Justification

The major source of data used in this research is the annual reports of 12 publically listed corporations on SPSE. The reports were retrieved from the SPSE website and these are credible because they are audited by the independent auditors and checked by the Capital Marketing Development Authority of Fiji before being published. Use of this credible data in research means credible and valid results.

4.3.2. Voluntary Disclosure Checklist and Justification

This research uses a checklist to analyze the information in the Annual reports. Prior studies which are similar also use checklist methods such as Meek et al, (1995), Hossain et al. (1995), Hassan et al, (2006), Qu et al, (2013) and Saha et al, (2013). The checklist used in this paper has been contextualized to Fijian context to make the results more credible thus some components of the checklist had to be amended as all the capital markets are governed by a different governing body. The guidelines of Capital Market Development Authority (CMDA) of Fiji were thoroughly reviewed to complete this comprehensive checklist.

This comprehensive checklist divides voluntary disclosure under seven distinct categories. Each item in the checklist was checked against each of the 12 Annual Reports to gauge the exact percentage level of voluntary disclosure in annual reports of listed corporations in Fiji and the result has been tabulated with comprehensive discussions. Tabulated calculations are trustworthy because they have been generated using Microsoft Excel package.

The checklist method of analysis has proved to be very credible and successful in prior studies and that is the reason why it was adapted to analyze data in this research. Checklist is also a very easy way to analyze large amount of qualitative data without compromising the validity and reliability of the information. Checklist also enables easy quantification of qualitative data as in this case qualitative data was used to calculate percentages and then these percentages were used in the analysis and discussion.

4.4. Sample Selection and Justification

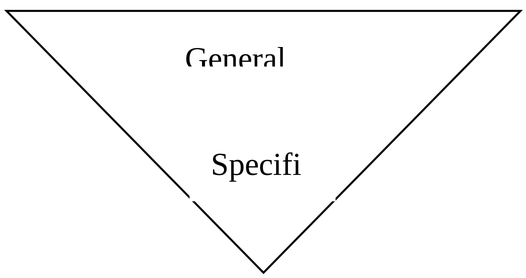
This research paper uses 100% sampling method because of two reasons. This means that all the 12 companies which currently have their annual reports listed on SPSE are studied. The first reason is that 100% sampling will give accurate results as there will be no generalizations or false assumptions made. The second reason is that the sample size was small. Similar studies have used random sampling and even snow ball sampling but the total sample size was very big. Empirical evidences suggest that the greater the percentage of sampling, the more accurate the result and the less the generalization. In the case of this study, there would be no generalization at all.

4.5. Ethical Considerations

This paper has had an ethical approach as far as its outline is concerned. Confidential Information has been kept confidential and not publicized because it can have negative implications once this paper is published. This paper maintains good value all throughout as images of listed corporations are not portrayed in a negative manner. Names of individuals or staffs are not mentioned anywhere in this paper due to stringent ethical considerations.

4.4. Inverted Triangle Structure and Justification

Fig: 1. Demonstration of Deductive Technique



This research utilizes an inverted paradigm structure which means going from general to specific. In research terminology this is referred to as deductive approach. This paper uses legitimacy theory to explain the voluntary disclosure patterns and it will conclude by stating whether corporations listed on SPSE take legitimacy theory seriously or not.

Using deductive approach is good because the theory is already there. The theory is organized body of knowledge which has already been tested and used so many times. Thus using legitimacy theory to come to specific reasoning and conclusions will add validity and reliability to the research paper.

5. ANALYSIS AND DISCUSSION

Voluntary Disclosure was broken down into 7 different categories in the checklist that has been designed to study the voluntary disclosure levels in Fijian Context. In the analysis section, tables were extracted to ascertain percentage disclosure levels. This section intends to thoroughly explain the tabulated analysis by connecting it with the theoretical framework and literature findings.

5.1. Disclosure of General Information by 12 Listed Corporations on SPSE

Table 1 in appendices includes an in-depth analysis of the percentage of Companies that actually disclose general information in their annual reports. The first index that was scrutinized under general disclosure was statement of corporate strategy and its indeed promising that 10 out of 12 companies are writing a corporate strategy statement. Moving further, all of the companies are now disclosing something about their primary product or service. However, it was noted that Fiji Television, Vision Investments Limited and Fijian Holding Limited disclosed this information in very detail using as much as 2 pages. Information about productive capacity was poorly disclosed by most of the corporations and has not changed much since Sharma & Davey (2013) thus not in line with the assumptions of legitimacy theory.

However, on a positive note 10 out of 12 companies are now disclosing the overview of the industry in which they are operating in. There are very less corporations actually opting to disclose information on the competitive environment. The major reason behind this can be fear of competition and stakeholder retaliation (Hossain et al., 1995). On a discouraging note, only 5 out of 12 listed corporations in 2019 disclosed their detailed organizational structure.

The final disclosure code shows that only Fijian Holdings Limited is disclosing their annual report in English language and some the i-Taukei language. This means that the other 11 companies listed on South Pacific Stock Exchange are just presenting their annual reports in English language. This result is consistent with prior studies of Sharma & Davey (2013), Khan et al. (2013) and Prasad et al. (2016). Managements of some top companies believe that disclosing in other language can mean increase in their cost of annual report preparation. Some told that disclosing in other language can cause confusion as there are some words in English that might not have a direct substitute in other languages. Some managers replied that:-

“if we practice it this year, than it will become a norm and the stakeholders and the wider society will always expect us to present our annual reports in other languages”.

The overall analysis reveals that the average percentage of General Information disclosed by 12 listed firms in year 2019 was 63.09 %. This result indeed shows that there has been some improvement in disclosure of General Information after the prior study of Sharma & Davey (2013), Khan et al. (2013) and Prasad et al. (2016). However, the improvement has not been at a significant level as 36.91% firms on average do not disclose general information. It can also be noted that Fiji is an emerging economy and management understand that the expectation of society is changing as such they are responding to the demands of the society slowly.

5.2. Disclosure of Financial Information by 12 Listed Companies in SPSE

There were 6 indexes that were scrutinized under the Financial Information which are voluntary information (table 2 of Appendices). Analysis reveals that only 7 out of 12 companies disclose historical data and statistics for more than 2 years. It was also noted that all companies disclose at-least one industry specific ratio which is a promising sign however, this 100% result does not mean that all the firms are disclosing this information in adequate amounts.

Moreover, 7 out of 12 companies used charts, graphs and figures in their annual report. However, Vision Investments Limited and Fijian Holdings turn out to be the leaders in this section. They both show detailed information with the use of colorful bar graphs and pie charts. Hossain et al. (1995) on a study of New Zealand listed corporation also found similar trend in NewZealand.

The next index, reasons and effects of acquisition was poorly disclosed by all the companies. Management perceives that disclosing such information can have negative implication on the going-concern of the company. Also very few actually experienced acquisition so they did not disclose much in this area. On a pleasant note, all the firms disclosed at-least one financial ratio. This area has seen significant improvement after Sharma & Davey (2013) and Khan et al. (2013). Management perceives that stakeholder demands are fast changing and they are trying their best to minimize the information asymmetry gap, however, they admit that more disclosure often comes at a cost. They also say that disclosure decisions are not easy and majority directors must agree before there is a new information disclosure in the annual reports.

Training the Human Resource is important and stakeholders do look for this information. Sadly, only 3 companies disclosed the amount of money they spent on training of their staff. When management was asked, than majority of the management agree that they do spend significantly on the training of their human resource but the cost of this is charged to the departments where these employees belong so the actual amount spent is very hard to disclose. That’s why many firms failed to disclose this information.

On a general overview**,** average percentage of financial information disclosed by 12 listed firms in year 2019 show approximately 61% of the times companies do disclose financial information that are voluntary in nature. This is an improvement from the prior study of Sharma & Davey (2013). Disclosure in this area has experienced increasing trend especially after the introduction of more robust Annual Report Competition criterion by the South Pacific Stock Exchange.

5.3. Disclosure of Non-Financial Information by 12 Listed Companies in SPSE

The disclosure of non-financial information which is voluntary in nature is quite less (Table 3 of the Appendices). From the analysis, it is revealed that 6 out of 12 firms have not disclosed anything about the market share information thus the result is consistent with Sharma & Davey (2013). Indeed it's interesting to see companies like BSP, FMF, KFL and even RBG not wishing to disclose anything with regards to market share in their annual reports.

Furthermore, 3 corporations provided the number of employees that they have trained in the financial year which is quite low. ATH, PDM and VIL were the three entities who disclosed this information. It was investigated that other firms also have internal policies of employee training but they are again hesitant to disclose things. While some corporation financial culture believes that increased information disclosure will reduce the information asymmetry, others believe that increased disclosure can sometimes mislead the stakeholders as well. Some entities believe that disclosure on the number of employees trained is a bad voluntary disclosure which can have negative perception of the society rather than positive (Shehata, 2014). Legitimacy theory formulates an idea that corporations will only disclose good voluntary disclosures and not the bad ones. For instance if a very big corporation discloses that they have trained 2 employees during a fiscal year, the information gives a negative impression rather than a positive impression to the society.

Moreover, 25% of the annual reports listed on SPSE state that they have separate HR policy on employee training. For instance, FHL has provisions for its workers to study and undertake training in their areas of expertise provided the employee is to use this training at his workplace through a contracting agreement. Other company managers revealed that some of them do have in-house training arrangements in association with the Fiji National University but they assess this on a need-basis thus they have not made this part of their HR-Policy.

There are 5 corporations who are currently disclosing information regarding the research and development activity they are doing. This is in line with the global trend (Al-Shammari, 2013) & (Prasad et al. 2016).

On a positive note, productivity indicator information is widely disclosed by the firms on SPSE. Productivity means how well an organization can use its input in the production process to enhance its output. Firms believe that enhancing productivity will improve the cost of production structure of the firm, thus the firm can supply the good to the society at a very reasonable price (Meek et al., 1995). All the corporations have mentioned principal markets for their products. While some have included more and others less, but this information was present in all the annual reports.

5.4. Disclosure of Future Information by 12 Listed Companies in SPSE

The analysis and discussion of disclosure of future information is based on table 4 of the Appendices. Three listed corporations disclosed information on effects of acquisition. Upon enquiry, it was investigated that other firms did not disclose this effects of acquisition information because they had no future plans to acquire any entity as of yet. Around 67% of the entities listed on SPSE had some information regarding future expansion and capital expenditure which is an indication that corporations are trying to improve their disclosure level in this area as previously disclosure has been quite low (Sharma and Davey, 2013).

Furthermore, around 83% of the entities have discussed about the future trends in the industry however these future trends ignores the major economic downturn that the global economy would face because of the pandemic, Corona virus. As this is part of future information, the corporation did not know in advance that Corona will become a pandemic.

Moreover, only 33% of the listed entities disclosed information on earnings and cash flow forecast. The management informed that cash flow predictions are very difficult especially in a susceptible economy like Fiji thus they wish not to disclose as it would be misleading the users of financial statements. Healy & Palepu (2001), add to this reasoning by stating that organizations disclose voluntarily to minimize the information asymmetry and in this regard when future information is very hard to ascertain it’s better not to disclose as it will increase the asymmetry rather than decrease thus conforming to legitimacy theory outcomes.

Information on production plan and capacity forecast and information on market share forecast are moderately disclosed by the listed entities on SPSE. Almost half of the corporations are actively disclosing this information and the disclosure have slightly increased since the previous research (Sharma and Davey, 2013).

5.5. Disclosure of Corporate Governance Information by 12 Listed Companies in SPSE

The analysis and discussion in this section is based on table 5. The lists of board members are being disclosed by all of the entities on SPSE. This is consistent with Sharma & Davey (2013) and Khan et al. (2013) thus concurrent with the assumptions of the legitimacy theory (Hawashe, 2019). However, only half of the entities include pictures of Chairperson and other board members. FHL, FTV and VIL in particular have included high resolution photos of their board members in action.

According to Trang & Phuong (2015), board member qualification has drastic effect on the legitimacy of an organization. It is the board that will make all major decisions which will in turn depict the profitability of the entity. The more qualified and experienced the board members, the more the shareholder confidence and the more the organization is deemed to be legitimate (Hossain et al., 1995, Prasad et al., 2016 and Samaha & Dahawy, 2011). Only 3 listed entities are successfully disclosing board member qualifications on SPSE which include FTV, FHL and KFL.

Three entities also go beyond the requirement to state the number of shares held by the board members. Indeed if shares are held by the board members, they will always make decision in the interest of shareholders as they are shareholders themselves (Meet et al., 1995 and Saha & Akter, 2013). RBG, RCF and VIL have stated their compensation policy for top level management and all of them have these tied to the organizational performance in-order to encourage management to improve the business performance.

In addition, only 3 entities namely ATH, FTV and FHL disclosed information about its audit committee. Since CMDA is enforcing this, all the entities have disclosed the corporate governance principles. All of the entities are also disclosing the composition of board of directors with the exception of BSP only. This is an improvement after the prior studies of Sharma & Davey (2013).

5.6. Disclosure of Shareholders Information by 12 Listed Companies in SPSE

Analysis and discussion in this section is based on table 7 of the appendices which reveal that around 58% of the listed entities are disclosing their composition of shareholding and majority shareholders while 75% of listed corporations disclose their share performance. All the entities have disclosed share price information to the public in their annual reports whereas only 50% disclose information on factors affecting the dividend policy. This is in-line with literature as we see similar results in prior studies Hossain et al. (1995), Nasir (2004) and An et al. (2011).

Furthermore, all the corporations have included something about risk management in their annual reports. While some have given detailed analysis others have given a brief over view of risk management policies and practices. For instance, FHL, FTV and VIL have shown in detail their risk management practices. However, none of the corporations mention about big crisis management especially like the events of COVID 19 where even the big economies such as America is stuttering. However, the scenarios like COVID 19 do send green lights to corporations to include crisis management in order to look legitimate to the public.

Lastly, only 5 out of 12 entities are disclosing information about dividend per share compared with previous years. This is consistent with Sharma & Davey (2013). It is a global trend to increase these form of information so that the corporation can legitimize its activity to the existing and potential investors (Fang & Jin, 2012).

It has to be noted, while some entities deemed not necessary to disclose some parts of shareholder information 3 entities disclosed every portion of shareholder information. These entities are APPC, FTV and FHL. This reveals that some entities are really taking voluntary disclosure seriously and is a good sign for an emerging capital market like SPSE. It also gives an indication that corporations are aligning their annual reports to annual reports of some of the biggest stock exchange markets like NASDAQ, Dow Jones and New York Stock Exchange which is indeed a positive move and thus it will drive out information asymmetry and ensure legitimacy to the general public.

5.7. Disclosure of Social Responsibility Information by 12 Listed Companies in SPSE

Deegan & Rankin (1996) state that out of all the voluntary information, corporations like to use social responsibility information to legitimize their activity. This has been proven through prior studies on Malaysia by Nasir (2004) and study on China by Qu et al (2013). Indeed it would be interesting to see how the scenario is in SPSE listed companies. The analysis and discussion in this section is based on table 8 in the appendices.

Only 33% of the listed companies actually disclosed environmental information in their annual reports. According to Neu et al. (1998), organizations can make good public impressions by disclosing environmental information but analysis reveal that SPSE listed corporations are not taking impression management seriously. Wilmhurst & Frost (2000) in their research named Corporate Environment Reporting, a test of legitimacy theory study only environmental disclosure to investigate whether firms disclosure culture are influenced by legitimacy reasons or not. Our analysis reveal that SPSE listed corporations are not disclosing environmental information appropriately thus in-line with Sharma & Davey (2013).

Moreover, 50 % of the corporations actually show some sort of community involvement in their annual reports. Vision Investment Limited (VIL) was the premier in this section as they disclosed community involvement together with the pictures. They had a theme of empowering rural women by providing free sewing training to the people who will not be able to afford a formal training. Courts which subsidiary of Vision renewed their partnership with South Pacific Business Development for the 6th consecutive year and Courts also had incentives for members in recognition of building rural communities. They also had a picture of them supporting the Senior Citizens Fathers Law Home. In community engagement, courts also assisted Tavolea & Sons Bakery as a community project. Than courts also sponsored the IDC soccer and disclosed it in the annual report by way of a picture. VIL has indeed disclosed this entire information in their annual reports thus overtaking FHL’s stand as the best listed company annual report. VIL is indeed becoming a trend setter and has overtaken FHL in this regard. Indeed the more community engagement the organization does, the more the organization is perceived to be legitimate in the eyes of the public (Deegan and Rankin, 1996).

Furthermore, actively donating and involving in charity can improve the social contract and legitimacy of the entity (Wilmhurst & Frost, 2000). Three entities listed on SPSE have disclosed this information extensively in their annual reports. These include FHL, VIL and ATH. For instance, FHL has helped Tamavua Hospital in the construction by providing concrete blocks free of charge through its subsidiary Standard Concrete Industries Limited. Indeed when people see this information, they will have good impression about FHL and its donations like this which further enhances the legitimacy of the Corporation thus keeping up the social contract (Deegan & Rankin, 1996). ATH has shown through its ATH Vodafone Fiji Foundation it has given grants and charities to Schools, clubs and societies around the nation amounting to $402001. Indeed a substantial amount to the society in which they operate in and in doing this, they strengthen their social contract thus they are able to legitimize their activity. VIL has also shown that it has donated to the charity that has assisted in many community projects and donations to uplift the standard of soccer in Fiji by sponsoring the IDC tournament with a cash amount of $120 000. Indeed these corporations disclose this so that they can create good image in the minds of the public as they want to feel accepted in the environment they operating in. According to Wilmhurst & Frost (2000), corporations donate and disclose also to wipe out any bad impression that people had previously about the firm.

In addition, only 4 firms disclosed how they have contributed to the health and safety of the society in which they operate in. VIL in particular, for instance have disclosed pictures which portray cancer awareness, wellness screening, meal preparation, yoga awareness and the fight against NCDs, sports fun run. Only VIL has included a significant events calendar in their annual report while only ATH and VIL have included information on customer service which is very low and in consistent with the results of Sharma & Davey (2013).

Finally, the SPSE awards for SPX listed company of the year went to VIL with listed company achiever of the year going to also VIL's Mr. Niraj Bhartu (SPSE, 2019). The VIL has included 2 big pictures of the Attorney General, Hon. Aiyaz Sayed Khaiyum handing over the prize to VIL representatives. These awards further motivates the winning company and also encourages the other listed companies to follow suit and disclose comprehensively so that they can also win awards in the coming years. These type of achievements are viewed positively by the society and the stakeholders thus strengthening the social contract and legitimizing their activity (Deegan & Rankin, 1996).

According to prior researches such as Hossain et al. (1995), Meek et al. (1995), Samaha & Dahawy (2011) and Wang et al. (2013); all have a similar believe that the greater the social responsibility information, the stronger the social contract and the greater the legitimacy. However, SPSE listed corporation show very less level of social responsibility information disclosure. In fact, social responsibility information received the lowest overall percentage in our analysis of 26% which is against the findings of Wilmhurst & Frost (2000) who state that corporate social responsibility is a place where organizations can increase disclosure to get the maximum legitimacy.

6.0 Summary, Limitation and Future Research & Way Forward

The current study investigates the level of voluntary disclosure by the twelve listed corporations of SPSE for the financial year ended 2019. The study reveals that voluntary disclosure has improved significantly after the study of Sharma and Davey (2013) however; the overall level is still very low thus contradicting with the assumptions of legitimacy theory.

The study uses legitimacy approach to investigate the voluntary disclosure level. It was noticed that firms which do not have monopoly power tend to increase voluntary disclosure as they are aware of the "social contract" and they know that if they don't legitimize their activity, the public will substitute them. Thus the legitimacy theory holds for these Companies. However, very less levels of voluntary disclosure were seen from Companies who have monopoly status in the Economy as they are very well aware that even if the public does not like them, the public has no choice and they feel that it's not that important to legitimize their activity thus they are not concerned about the "social contract". In this scenario, we investigate that the assumptions of the legitimacy theory does not hold true.

Moreover, due to time constraint, this paper was not able to do trend analysis and only took archival data for year 2019. Future research can concentrate on trend analysis as it will tell us in which direction we are headed to. Due to time limitation, majority of the analysis and discussion is based on archival data only but in future research other data collection methods like interviews and conference proceedings can be used to give a more vibrant picture. Future research can also categorize corporations into similar activities and then analyze voluntary disclosure by industry types as the current study has generalized the results due to the time constraints. Future study can also focus on the impact of voluntary disclosure on stakeholders using a legitimacy approach.

Bibliography

An, Y., Davey, H., & Ian R C., (2011) “Towards a Comprehensive Theoretical Framework for Voluntary IC Disclosure” *Journal of Intellectual Capital, 12*(4), 571-585.

Brown, N, and Deegan, C, (1998) “The Public Disclosure of Environmental Performance Information – A Dual Test of Media Agenda Theory and Legitimacy Theory,” *Accounting and Business Research*, 29(1), 21-41.

Cooke, T E, (1991) “An Assessment of Voluntary Disclosure in the Annual Reports of Japanese Corporations,” *The International Journal of Accounting,* 26 (3), 174- 189.

Deegan, C, and M Rankin, (1996), “Do Australian companies report environmental news objectively?” *Accounting, Auditing and Accountability*, 9 (2), 50-67

Deegan, C, Rankin, M., & Tobin, J., (2002) “An Examination of the Corporate Social and Environmental Disclosures of BHP from 1983-1997; a test of Legitimacy Theory” Accounting, *Auditing and Accountability Journal*, 15(3), 312-343

Fang, H, & Jin Y. (2012) “Listed Corporations' contribution to non-shareholders Stakeholders: Influencing Factors and Value Relevance of Voluntary Disclosure.” International Conference on Management Science and Engineering (19th) Dallas USA

FASB (2001), “FASB Issues Report On Voluntary Disclosures, Improving Business Reporting: Insights Into Enhancing Voluntary Disclosures.” [Online] Available at: <https://www.fasb.org/news/nr012901.shtml> [Accessed 28 May 2020].

Guthrie, J E, and Parker, L D, (1989), “Corporate social reporting: A rebuttal of legitimacy theory.” *Accounting and Business Research*, 9 (76), 343-352.

Hassan, O, Giorgioni, C & Romilly, P (2006), “The extent of accounting disclosure and its determinants in an emerging capital markets: The case of Egypt.” *The International Journal of Accounting, Auditing and Performance Evaluation, 3(1), 1- 30*

Hawashe, A A, (2019), “Voluntary Disclosure in the Annual Report: Benefits and Costs, Preparer’s Views.” *International Journal of Research in Business Studies and Management,* 6 (1), 1- 16

Hossain, M, Perera, M.H.B, & Rahman, A R, (1995) “Voluntary Disclosure in the Annual Reports of New Zealand Companies.” *Journal of International Financial Management and Accounting,* 6 (10), 69- 87

Khan, I, Chand, P V., Patel, A, (2013), "The Impact of Ownership Structure on Voluntary Corporate Disclosure in Annual Reports: Evidence from Fiji." *Journal of Accounting & Taxation*, (5)1 222-248

Lodhia, S K, (2000) "Social and environmental reporting in Fiji: a review of recent corporate annual reports", *Social and Environmental Accounting,* 20 (1), 15-18.

Meek G K, Roberts C B, Gray S J (1995), "Factors influencing voluntary annual report disclosures by US, UK and Continental European multinational corporations." *Journal of International Business Studies*, 26(3), 555-572.

Nasir, N M (2004). "Voluntarily disclosure and corporate governance among financially distressed firms in Malaysia." Monash University Malaysia. Selangor Darul Ehsan, Malaysia

Neu, D, H Warsame, and K Pedwell, (1998) "Managing Public Impressions: Environmental Disclosures in Annual Reports", *Accounting, Organizations and Society*, 23(3), 265-289.

Prasad, A., Green, P., & Heales, J (2016) "Do organisations in developing economies legitimise their level of profit? Evidence from Fiji" *Accounting Research Journal*, *29*(1), 59-80.

Qu, W, Leung, P, & Cooper, B (2013) "A study of voluntary disclosure of listed Chinese firms - a stakeholder perspective." *Managerial Auditing Journal*, *28*(3), 261-294

Saha, A K., & Akter, S (2013). "Corporate governance and voluntary disclosure practices of financial and non-financial sector companies in Bangladesh." *Journal of Applied Management Accounting Research*, *11*(2), 45-61.

Samaha, K. & Dahawy, K (2011) "An Empirical Analysis of Corporate Governance Structures and Voluntary Corporate Disclosure in Volatile Capital Markets: The Egyptian Experience," International Journal of Accounting, Auditing and Performance Evaluation, 7(1), 61-93.

Sharma, U, & Davey, H (2013) "Voluntary Disclosure in the Annual Reports of Fijian Companies." International Journal of Economics and Accounting, 4(1), 184-208.

Spiller, R (2000) "Ethical business and investment: a model for business and society", *Journal of Business Ethics,* 27(1), pp.149- 160.

SPSE (2019), "*SPSE Annual Report Awards Competition Presentation And Content*." [Online] Available at: <http://www.spse.com.fj/getattachment/About-SPSE/Annual-Awards/2019-Annual-Awards/Assessment-Criteria.pdf.aspx> [Accessed 28 May 2020].

SPSE Annual Reports (2019), Retrieved 28 May 2020, from http://www.spse.com.fj/Company-Information/Listed-Companies-Annual-Report/2019-Annual-Report.aspx.

Trang, V T T, & Phuong, N C (2015) “The Disclosure in the Annual Reports by the Listed Companies on the Ho Chi Minh Stock Exchange.” International Journal of Business and Social Science, 6 (12), 117-126.

Wang, Z., Muhammad, J A., & Al-Akra, M (2013) “Value relevance of voluntary disclosure and the global financial crisis: Evidence from china.” *Managerial Auditing Journal, 28*(5), 444-468.

Wilmshurst, T D and Frost G R (2000) "Corporate Environmental Reporting: A Test of Legitimacy Theory", *Accounting, Auditing and Accountability Journal*, 13(1), 56-63.

APPENDICES

Table 1 Disclosure of General Information by 12 Listed Corporations on SPSE

		ATH	**APPC**	**BSP**	**FTV**	**FHL**	**FMF**	**KFL**	**PDM**	**RBG**	**RCF**	**TTL**	**VIL**	**Total Ticks over total sample size**
1	**General Information**													**Percentage of companies disclosing social responsibility information**
1.1	Statement of corporate strategy	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	10/12 x 100 = **83.33%**
1.2	Information on the principle products, projects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12= **100%**
1.3	Productive capacity	✓	✓	X	✓	✓	X	✓	✓	X	✓	X	✓	8/12 x 100= **66.67%**
1.4	An overview of industry	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	✓	10/12 x 100 = **83.33%**
1.5	Information on competitive environment	✓	✓	✓	✓	✓	X	X	X	X	✓	X	✓	7/12 x 100 = **58.33%**
1.6	Organizational structure	✓	**X**	X	✓	✓	X	✓	X	X	X	X	✓	5/12 x 100 = **41.67%**
1.7	Presenting Annual Reports in English with some other language	**X**	**X**	X	X	✓	X	X	X	X	X	X	X	1/12 x 100= **8.33%**
	Percentage of General Information Disclosed by each Firm	**6/7 x 100= 85.71%**	**5/7 x100= 71.43%**	4/7 x100= **57.14%**	6/7 x 100= **85.71%**	7/7 x 100= **100%**	2/7 x 100= **28.57%**	5/7 x 100= **71.43%**	4/7x 100 = **57.14%**	1/7 x 100 = **14.29%**	4/7 x 100 = **57.14%**	3/7 x 100 = **42.86%**	6/7 x 100 = **85.71%**	
	Average Percentage of General information Disclosed by 12 Listed Firms in year 2019[2]	**85.71% + 71.43% + 57.14 % + 85.71 % + 100% + 28.57% + 71.43% + 57.14% + 14.29 % + 57.14 % +42.86% +85.71% = 757.13** $\frac{757.13}{12} = 63.09\%$												

[2] The Average percentage of General Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 2 Disclosure of Financial Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
2	Financial Information													**Percentage of companies disclosing Financial information**
2.1	Historical data and statistics for more than two years	✓	**X**	X	✓	✓	X	✓	✓	✓	X	X	✓	7/12 x 100 =
2.2	Any industry specific ratios	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100 =
2.3	Using charts graphs or figures	✓	**X**	X	✓	✓	X	✓	✓	✓	X	X	✓	7/12 x 100 =
2.4	Reasons & effects of acquisition	✓	**X**	X	X	✓	X	X	X	X	X	X	✓	3/12 x 100 =
2.5	Financial ratios disclosed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100 =
2.6	Amount spent on training	✓	**X**	X	X	✓	X	X	X	X	X	X	✓	3/12 x 100 =
Percentage of Financial Information Disclosed by each Firm		6/6 x 100 = 100%	**2/6 x 100= 33.33%**	2/6 x 100 = 33.33%	4/6 x 100= 66.67%	6/6 x 100 = 100%	2/6 x 100 = 33.33%	4/6 x 100 = 66.67%	4/6 x 100= 66.67%	4/6 x 100= 66.67%	2/6 x 100= 33.33%	2/6 x 100 = 33.33%	6/6 x 100= 100%	
Average Percentage of Financial information Disclosed by 12 Listed Firms in year 2019[3]		**100% + 33.33 % + 33.33 % + 66.67 % + 100% + 33.33% + 66.67 % + 66.67% + 66.67 % + 33.33% + 33.33% + 100% =733.33** $\frac{733.33}{12} = 61.11\ \%$												

[3] The Average percentage of Financial Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 3 Disclosure of Non-Financial Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
3	**Non financial information**													**Percentage of companies disclosing non-financial information**
3.1	Market Share	✓	✓	X	✓	✓	X	X	X	X	X	✓	✓	6/12 x 100= 50%
3.2	Number of employees trained	✓	**X**	X	X	X	X	X	✓	X	X	X	✓	3/12 x 100= 25%
3.3	Company policy on HR & employee training	✓	**X**	X	X	✓	X	X	X	X	X	X	✓	3/12 x 100= 25%
3.4	Research and development activity	✓	X	X	✓	X	X	✓	X	✓	X	X	✓	5/12 x 100= 41.67%
3.5	Productivity indicator	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/12x100= 91.67%
3.6	Marketing network the principal markets	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100= 100%
Percentage of Non-Financial Information Disclosed by each Firm		6/6 x 100= 100%	2/6 x 100= 33.33%	2/6 x 100 = 33.33%	4/6 x 100 = 66.67%	4/6 x 100 = 66.67%	2/6 x 100= 33.33%	3/6 x 100= 50%	3/6 x 100= 50%	3/6 x 100= 50%	2/6 x 100= 33.33%	3/6 x 100 = 50%	6/6 x 100= 100%	
Average Percentage of Non-Financial information Disclosed by 12 Listed Firms in year 2019[4]		**100%+33.33%+33.33%+66.67%+66.67+33.33%+50%+50%+50%+33.33%+50%+100% = 666.66** $\frac{666.66}{12} = 55.56\ \%$												

[4] The Average percentage of Non-Financial Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 4 Disclosure of Future Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
4	**Future information**													**Percentage of companies disclosing Future information**
4.1	Effects of acquisition	✓	X	X	X	60		X	X	X	X	X	✓	3/12 x 100 = 25%
4.2	Future expansion & capital expenditure	✓	X	X	✓	✓	✓	✓	X	✓	✓	X	✓	8/12 x 100 = 66.67%
4.3	General Discussion of future trends	✓	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓	10/ 12 x 100 = 83.33%
4.4	Information on earning or cash flow forecasts	**X**	X	X	✓	✓	X	X	✓	X	X	X	✓	4/12 x 100 = 33.33%
4.5	Information on production plan and capacity forecasts	✓	✓	X	✓	✓	✓	X	X	X	✓	X	✓	7/12 x 100= 58.33%
4.6	Information on market share forecasts	✓	✓	X	✓	✓	✓	X	X	X	X	X	✓	6/12 x 100 = 50%
Percentage of Future Information Disclosed by each Firm		5/6 x 100= 83.33%	3/6 x 100 = 50%	1/6 x 100= 16.67%	5/6*100= 83.33%	6/6 x 100 = 100%	4/6 x 100 = 66.67%	2/6 x 100 = 33.33%	1/6 x 100 = 16.67%	1/6 x 100= 16.67%	3/6 x 100 = 50%	1/6 x 100= 16.67%	6/6 x 100 = 100%	
Average Percentage of Future information Disclosed by 12 Listed Firms in year 2019[5]		**83.33%+50%+16.67%+83.33%+100%+66.67%+33.33%+16.67%+16.67%+50%+16.67%+100% = 633.34** $\frac{633.34}{12} = 52.78\ \%$												

[5] The Average percentage of Future Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 5 Disclosure of Corporate Governance Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
5	Corporate governance information													**Percentage of companies disclosing Corporate governance information**
5.1	List of board members	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100 = 100%
5.2	Picture of chairperson & or other members	✓	X	X	✓	✓	X	✓	✓	✓	X	X	X	6/12 x 100 = 50%
5.3	Board member qualifications	**X**	X	X	✓	✓	X	✓	X	X	X	X	X	3/12 x 100 = 25%
5.4	Number of shares held by the members of the board	**X**	✓	X	X	✓	✓	X	X	X	X	X	X	3/12 x 100= 25%
5.5	Compensation policy for top management	**X**	X	X	X	X	X	X	X	✓	✓	X	✓	3/12 x 100= 25%
5.6	Information on audit committee and its members	✓	X	X	✓	✓	X	X	X	X	X	X	X	3/12 x 100= 25%
5.7	Corporate governance codes, policies, implementation extent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100 = 100%
5.8	Composition of board of directors	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/12 x 100= 91.67%
Percentage of Corporate Governance Information Disclosed by each Firm		5/8 x 100 = 62.5%	4/8 x 100 = 50%	2/8 x 100 = 25%	6/8 x 100 = 75%	7/8 x 100= 87.5%	4/8 x 100= 50%	5/8 x 100 = 62.5%	4/8 x 100= 50%	5/8 x 100= 62.5%	4/8 x 100 = 50%	3/8 x 100= 37.5%	4/8 x 100= 50%	
Average Percentage of Corporate Governance information Disclosed by 12 Listed Firms in year 2019[6]		**62.5%+50%+25%+75%+87.5%+50%+62.5%+50%+62.5%+50%+37.5%+50% = 662.5** $\frac{662.5}{12} = 55.20\ \%$												

[6] The Average percentage of Corporate Governance Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 6 Disclosure of Shareholders Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
6	Shareholders information													**Percentage of companies disclosing Shareholder information**
6.1	Composition of shareholding & majority shareholders	✓	✓	X	✓	✓	✓	✓	X	X	X	✓	X	7/12 x 100= 58.33%
6.2	Share performance	✓	✓	✓	✓	✓	✓	✓	X	X	X	✓	✓	9/12 x 100= 75%
6.3	Share price information	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100= 100%
6.4	Factors affecting dividend policy	**X**	✓	✓	✓	✓	X	X	X	X	X	✓	✓	6/12 x 100= 50%
6.5	Information on risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12/12 x 100= 100%
6.6	Dividend per share compared with previous years	**X**	✓	X	✓	✓	X	X	X	✓	X	X	✓	5/ 12 x 100= 41.67%
Percentage of Shareholder Information Disclosed by each Firm		**5/6 x 100=** 83.33%	6/6 x 100= 100%	4/6 x 100 = 66.67%	6/6 x 100 = 100%	6/6 x 100= 100%	4/6 x 100= 66.67%	4/6 x 100= 66.67%	2/6 x 100= 33.33%	3/6 x 100 = 50%	2/6 x 100= 33.33%	5/6 x 100= 83.33%	5/6 x 100 = 83.33%	
Average Percentage of Shareholder information Disclosed by 12 Listed Firms in year 2019[7]		**83.33%+100%+66.67%+100%+100%+66.67%+66.67%+33.33%+50%+33.33%+83.33%+83.33%= 866.66** $\frac{866.66}{12} = 72.22\ \%$												

[7] The Average percentage of Shareholder Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Table 7 Disclosure of Social Responsibility Information by 12 Listed Companies in SPSE

		ATH	APPC	BSP	FTV	FHL	FMF	KFL	PDM	RBG	RCF	TTL	VIL	
7	Social responsibility information					63								**Percentage of companies disclosing social responsibility information**
7.1	Environmental information	✓	X	X	X	X	X	X	✓	✓	X	X	✓	4/12 x 100 = 33.33%
7.2	Community involvement	✓	X	X	✓	✓	X	✓	✓	X	X	X	✓	6/12 x 100 = 50%
7.3	Charitable donations and sponsors	✓	X	X	X	✓	X	X	✓	X	X	X	✓	4/12 x 100 =33.33%
7.4	Health and safety information	✓	X	X	X	✓	X	X	✓	X	X	X	✓	4/12 x 100 =33.33%
7.5	Significant events calendar	**X**	X	X	X	X	X	X	X	X	X	X	✓	1/12 x 100 =8.33%
7.6	Information on customer service	✓	X	X	X	X	X	X	X	X	X	X	✓	2/12 x 100 =16.67%
7.7	Awards received	**X**	X	X	X	X	X	X	X	X	X	X	✓	1/12 x 100 =8.33%
Percentage of Social Responsibility Information Disclosed by each Firm		**5/7 x 100 = 71.43%**	0/7 x 100= 0%	0/7 x 100= 0%	1/7 x 100= 14.29%	3/7 x 100= 42.86%	0/7 x 100 = 0%	1/7 x 100 = 14.29%	4/7 x 100= 57.14%	1/7 x 100 = 14.29%	0/7 x 100= 0%	0/7 x 100= 0%	7/7 x 100 = 100%	
Average Percentage of Social Responsibility information Disclosed by 12 Listed Firms in year 2019[8]		**71.43%+0%+%+14.29%+42.86%+0%+14.29%+57.14%+14.29%+0%+0%+100% =** $\frac{314.3}{12}$ = 26.19 %												

[8] The Average percentage of Social Responsibility Information disclosed by 12 Listed Firms in year 2019 was calculated by adding all the individual Firm percentages and dividing by the total sample size of 12.

Internal audit effectiveness and the using of generalized audit software to detect material misstatements, control deficiencies and fraud, a review of literature

Author: Mr. Sheikh Ali Tanzil [1]

School of Accounting and Finance
The University of the South Pacific
Phone: (+679) 9716658

E-mail: sheikhaltanzil@gmail.com / sheik.tanzil@usp.ac.fj

---

1 Mr. Sheikh is an Academic at the University of the South Pacific teaching Accounting

ABSTRACT

The current study reviews prior literature to analyze its findings and presents the results in a thematic analysis pattern to make comprehension of findings convenient. The paper makes important contributions by investigating the connections between the General Auditing Software (GAS) and the audit benefits as perceived by the auditors. The paper also assessed the effectiveness of internal audits and the determinants of audit effectiveness. One of the important findings of this paper is that use of GAS by the Internal Auditors (IA's) will greatly enhance the Internal Auditor effectiveness however; GAS is not the only factor affecting the auditor effectiveness. The study has reviewed papers and listed the other factors that greatly affect auditor effectiveness.

Keywords: General Auditing Software (GAS), Internal Auditors (IA), Audit Effectiveness

1.0 Introduction

When governance and operation of an organization are at stake, Internal Audit (IA) is often considered as a vital tool (IIA, 2010)[2]. The definition and scope of IA has evolved over the years due to the changing complexities of the accounting and auditing profession. IIA (2017)[3] state the most recent definition of IA as

> "…*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes*" (IIA, 2017) [3].

According to Reynolds 2000[4], IA is seen as a vital link in the business and the financial reporting processes of a corporation. The practitioners of internal audit, the internal auditors play a pivotal role in the monitoring of a company profile and then identifying areas to improve risk management practices.

The KPMG (2019)[5] paper reflects on the effective internal audit function and states that it can have a positive effect on the control environment of the entity and the design and implementation of internal control. It is the responsibility of the audit committee to regularly evaluate the effectiveness of the internal audit function so that the benefits can be maximized (KPMG, 2019)[5].

Furthermore, there is a common notion in the auditing arena that the use of Generalized Auditing Software (GAS) makes the work of internal auditors much easier in finding material misstatements, control deficiencies and fraud. GAS is being used in many companies to perform routine audit procedures. It's package software that has to be purchased and the company selling this software does allow for customization as all the corporations are diverse in some aspects.

Moreover, the expectation of user of financial statement has evolved over the years and they expect the auditor to check for not only material misstatement but also control deficiencies and fraud. The manual auditing is lurking far behind considering the computerized accounting

---

[2] IIA. (2010). *Measuring Internal Audit Effectiveness and Efficiency. IPPF Practical Guide Institute of Internal Auditors (IIA) Report*

[3] IIA. (2017). "*International Standards for the Professional Practice of Internal Auditing." Institute of Internal Auditors (IIA) Report*

[4] Reynolds, M.A. 2000, 'Professionalism, Ethical Codes and the Internal Auditor: A moral Argument', *Journal of Business Ethics*, 24: 115–24.

[5] KPMG, 2019, *Effectiveness of Internal Audit Function,* the Audit Committee Questions; Audit Committee Institute KPMG International Cooperative Report Paper

systems of the modern day. Thus, a Generalized Audit Software package can be a key driver for success for the auditors in detecting material misstatement, internal control deficiencies and a potential fraud.

This qualitative paper intends to use prior literature and investigate the effectiveness of the internal control function and the use of generalized audit software in detecting material misstatements, control deficiencies and a possible fraud. The paper will use thematic analysis so that interpretations of ideas are well comprehended. As the accounting system is getting more sophisticated as the economies evolve, there always comes an argument whether the auditing role is on par with these evolvements and developments or its lurking behind. Especially the users of financial statements want to evaluate that the assurance they getting from the auditors are free from anomalies. GAS is often seen as a barrier bridging tool so that Audit expectation gap is minimized.

2.0 Findings

2.1. Audit Benefits of Generalized Audit Software (GAS) as perceived by the Auditors

2.1.1. Makes Auditing Easy

Most auditors' first response will be that a GAS makes auditing easy. When auditing becomes easy, IA's have more time to focus and test more transactions. Substantive testing and analytical tests are easily performed by the software if the auditor is able to feed the data correctly (Bradford et al., 2020)[6]. The software can also perform sophisticated computations and calculations and pick out material misstatements and in instances, it can pick potential fraud as well.

The GAS has a user friendly interface so that auditors can quickly and easily understand how to use it. The GAS also comes with intuitive guide so any auditor can get started with it within no time. From fetching the data to report generation, everything is intuitive (Bradford et al., 2020)[6]. To make things more realistic, auditors even don't need any technical knowledge to implement the auditing tool.

2.1.2. Standardize Any Type of Audits

One instrumental benefit of GAS is that it can be used to standardize any type of audit however; there are many types of software available in the market. Auditors believe that the GAS that helps them with all type of audit is the best. The management believes that if the company is investing in zero paper based automated system, than the GAS should be able to perform all type of audit (Debreceny et al., 2005)[7].

When choosing the GAS package there are certain features that the IA's want the software to have in order to provide standardized audits. These basic features are Compliance Management, Environmental Health and Safety Management, Quality Management and Inspection Management (Debreceny et al., 2005)[7].

2.1.3. Improves the Performance

Internal auditors perceive that paper based audits are very challenging and is getting more complex due to complexity of the accounting packages. In paper based auditing, the auditor is

---

[6] Bradford M., Hendersen D., Baxter R. J., Navarro P. (2020), "Using Generalized Audit Software to Detect Material Misstatements, Control Deficiencies and Fraud", Managerial Auditing Journal, 35(4) 521-547

[7] Debreceny, R., Lee, S., Neo, W. and Toh, J. (2005), "Employing generalized audit software in the financial services sector: challenges and opportunities", Managerial Auditing Journal, 20 (6), 605-618.

required to manually write data thus it takes a lot of time, effort and financial resources (Bradford et al., 2020)[8]. Since it is perpetuated by humans, it is prone to have errors.

GAS provides auditors with a tool to manage their complete auditing data; manual error is minimized due to lack of manual operations, the audit automation tools assist the IA in driving data driven decisions. Finally, auditors tend to be happier when working with the GAS rather than with manual system thus the performance of the auditors is further improved due to greater employee satisfaction.

2.1.4. Strengthens the Data Security

In paper based system, there are probabilities that the paper might get lost or even destroyed in unforeseen circumstances. The GAS strengthens data security as it stores data on cloud. These data can be retrieved any time at auditors' convenience.

2.1.5. Eliminates Human Errors

There is always a probability that human errors will unintentionally creep in and the internal auditors know this. Using a GAS, the tracking of audits automatic so there is no chance of errors in reports.

2.1.6. Generates Reports Faster

Manual system does not support on demand reports but the GAS does and this is why IA's prefer GAS more than the manual system. The GAS is able to generate even the most sophisticated reports super fast. Once, data is fed into the GAS, the automated system takes no time to generate the report. The report generated by the GAS is intuitive and of a professional standard which assists in data-driven decisions (Bierstaker et al., 2014)[9].

2.1.7. Generates Visual Statistics

In manual system, auditors had to feed the manual data into Microsoft ® Excel software and then generate graphs for interpretations which are itself a lengthy process. The GAS comes in-built with a dashboard where auditors can rapidly check regularly familiarize themselves with the statistics of the auditing reports (Bierstaker et al., 2014) [9].

The GAS is able to provide visual representation of auditing data using graphical illustrations, trending information and the pivot tables all just by a click of a button. This feature greatly assists the internal auditors in their understanding on how to best apply certain processes and how to improvise.

---

[8] Bradford M., Hendersen D., Baxter R. J., Navarro P. (2020), "Using Generalized Audit Software to Detect Material Misstatements, Control Deficiencies and Fraud", Managerial Auditing Journal, 35(4) 521-547

[9] Bierstaker, J., Janvrin, D. and Lowe, D.J. (2014), "What factors influence auditors' use of computer assisted audit techniques?", Advances in Accounting, 30(1), 67-74.

2.1.8. Speedy Auditing on Mobile

The latest GAS packages allow integration with mobile devices as they have programs on both platform Android ™ and iOS™. This allows the IA's to access audits on their tablet or mobile and add data to the auditing which automatically updates the cloud storage. On an impressing note, the IA's can also generate reports on their mobiles and can share with the whole of the audit team via e-mail or other communication sites (Bierstaker et al., 2014)[9]. The GAS also has provisions of sending advanced reminders to the IA's straight on their mobile devices through avenues such as mobile notifications.

2.1.9. Economical

Since manual based auditing takes a lot of time and labor it is more costly. In businesses time and labor equates to obligation of financial resources. Moreover, a GAS does not come with any additional hardware requirements and can be installed in any new generation computer (Bierstaker et al., 2014) [9]. Therefore, it is just a one-time investment of just buying the GAS and a little customization costs and the Auditors are good to go as it's very easy to adapt to.

2.2. Internal Audit Effectiveness

The internal audit function of an entity plays a vital role in assisting organizations achieve its goals. Empirical evidences suggest that organizations with an effective internal control activity are more successful at identifying risks and process inefficiencies and assisting in continuous improvement.

The internal audit effectiveness is a primary issue for interested parties in internal audit (Khaled & Mustafa, 2016)[10]. These interested parties include the board of directors, the Audit Committee, Senior Management, External Auditors and the internal auditors themselves. The expectations of all of these interested parties are different thus; there are confused articulations about the term IA effectiveness.

2.2.1. Factors Affecting Internal Audit Effectiveness

There has been several prior studies studying factors that affect internal audit effectiveness and interestingly their findings do not exactly match due to the methods of their research, the sampling techniques they acquire and the environment in which they choose to initiate their study on.

[10] Khaled A.E. and Mustafa M.H. (2016), "Internal Auditor Characteristics, Internal Audit Effectiveness, and Moderating Effect of Senior Management", Journal of Economics and Administrative Sciences, 32(2): 160-176.

In a study which was financed by IIA itself, Albrecht et al. (1988)[11] ascertained 15 criteria utilized by a sample of 13 large private organizations to evaluate the effectiveness of internal Audit. They conclude their study by stating that effectiveness is determined by the fit between the audit work and the objectives set by the managers, the internal auditor qualifications and the support for the internal audit staff by the senior management of the concerned entity.

Furthermore, six years on, Lampe and Sutton (1994)[12] did a study on factors affecting IA effectiveness and find 15 factors that contribute to an effective audit. Interestingly they further categorized these factors in 3 stages of the auditing process namely planning, fieldwork and reporting and review. In a more recent study Ziegenfuss (2000)[13] has immensely developed 84 criteria's for effectiveness categorized into the environment of internal audit, input into audit, the audit process and the results of the audit process.

2.2.1.1. Private vs. Public Sector as a Determinant of Auditor Effectiveness

Prior studies reveal that the sector in which entity comes from determines the auditor effectiveness. The private sector is generally concerned with maximizing of profits while the public sector is concerned with improving their services. According to Goodwin (2004)[14] public sector agencies operate in special framework where the entities operation is informed by the legislative requirements. Goodwin (2004) [14] states that since private sector motive is to increase profits, they might not employ a lot of resources into thorough internal auditing as this will increase operation cost and minimize profits thus minimize shareholder wealth. On the other hand, public sector is more service oriented and accountability is of major concern. Thus, there is a need for thorough internal audit hence a lot of resources is allocated to ensure this. Since, the public sector is accountable to larger group in society; it is bound to provide more reasonable assurance. Goodwin (2004) [14] also states that the risk of material misstatement and a potential fraud is higher in a public sector than in private sector. Even the internal control of any entity has weakness and it is prone to be tested more in public sector thus tests of controls on regular basis should form part of key internal audit objective (Goodwin, 2004) [14].

2.2.1.2. Professional proficiency of internal auditors

Al-Twaijry et al. 2003[15], states that number of staff in internal audit team, the qualification of audit staff and the management of internal audit staff reflect the effectiveness of the internal audit.

---

[11] Albrecht, W.S., Howe, K.R., Schueler, D.R. and Stocks, K.D.1988, *Evaluating the Effectiveness of Internal Audit Departments*, Institute of Internal Auditors, Altamonte Springs, FL.

[12] Lampe, J.C. and Sutton, S.G. 1994, *Developing Productivity in Quality Measurements Systems for Internal Audit Departments,* The Institute of Internal Auditors Research Foundation, Altamonte Springs, FL.

[13] Ziegenfuss, D.E. 2000, 'Measuring Performance', *Internal Auditor,* February: 36–40.

[14] Goodwin, J. 2004, "A Comparison of Internal Audit in the Private and Public Sectors", *Managerial Auditing Journal*, 19: 640–50

[15] Al-Twaijry, A.A.M., Brierley, J.A. and Gwillian, D.R. (2003), "The Development of Internal Audit in Saudi Arabia: An Institutional Theory Perspective", *Critical Perspectives on Accounting*, 14: 507–531.

2.2.1.3. Organizational Independence

According to Van Peursem (2004)[16], internal auditors are expected to help management with their jobs and simultaneously evaluate management effectiveness. Often there is role confusion and their ability to perform their job may be compromised because they might be hesitant to thoroughly investigate the management's assertions as they work with them on occasions as well. However, if independence is maintained, audit effectiveness will be improved drastically.

2.2.1.4. Quality of audit work

Bradford et al., (2020) [8] in their study find out that that performance of internal audit work is enhanced if auditors stringently comply with internal auditing standards prescribed by IIA.

2.2.1.5. Career and Advancement

Goodwin (2004)[14] states that if auditors are concerned about their own profession, career and advancement and not biased towards the interest of the firm which employs them, the optimum audit effectiveness is achieved.

2.2.1.6. Top Management Support

Empirical evidences suggest the higher the support of top management towards the internal audit function, the more credible is the work of internal audit and the optimum level of audit effectiveness.

[16] Van Peursem, K.A. 2004, 'Internal Auditors' Role and Authority – New Zealand Evidence', *Managerial Auditing Journal*, 19: 378–93.

3.0 Conclusion

The current qualitative research has indeed presented the notion of internal audit effectiveness as there is already a rich variety of literature. The paper also highlighted the key aspects about the determinants of the audit effectiveness. However, due to time constraints and limitations posed by the researcher, the paper was not able to carry out a case study to investigate the practicality of Audit Effectiveness literature in Fiji's practical industries. Future studies can concentrate in this area as the results will be interesting because there is indeed a literature gap in this area on studies contextualized to Fiji.

The current paper has further explored the GAS and its operations and highlighted the underlying benefits of GAS as perceived by the Internal Auditors. To enhance the presentation, the current paper has used thematic analysis. The results show that the use of GAS by internal Auditors can indeed improve the audit effectiveness of the internal audit team because of its several advantages to the internal auditors. The wide use of GAS by the auditors can in general enhance the auditing profession and its role because it generates confidence in the works of an auditor and how the stakeholders perceive about the assurance and assertions that the auditors are providing.

The use of GAS and its wide adoption can be an easy alternative to improved internal auditor effectiveness as the cost of implementation is less compared to the benefits it promises to the IA's. After the major corporate collapses of Enron, WorldCom, Tyco and ABC Learning, the work of auditors as assurance providers has been questioned specially after the collusion of Arther Anderson with Enron where auditor independence was hugely compromised. It is the breakthroughs like the GAS which promises to revive and rejuvenate the lost confidence of stakeholders on the work of Auditors as it is a promising tool to improve internal auditor effectiveness.

Bibliography

Albrecht, W.S., Howe, K.R., Schueler, D.R. and Stocks, K.D.1988, *Evaluating the Effectiveness of Internal Audit Departments*, Institute of Internal Auditors, Altamonte Springs, FL.

Al-Twaijry, A.A.M., Brierley, J.A. and Gwillian, D.R. (2003), “The Development of Internal Audit in Saudi Arabia: An Institutional Theory Perspective”, *Critical Perspectives on Accounting*, 14: 507–531.

Bierstaker, J., Janvrin, D. and Lowe, D.J. (2014), “What factors influence auditors’ use of computer assisted audit techniques?” Advances in Accounting, 30(1), 67-74

Bradford M., Hendersen D., Baxter R. J., Navarro P. (2020), “Using Generalized Audit Software to Detect Material Misstatements, Control Deficiencies and Fraud”, Managerial Auditing Journal, 35(4) 521-547

Debreceny, R., Lee, S., Neo, W. and Toh, J. (2005), “Employing generalized audit software in the financial services sector: challenges and opportunities”, Managerial Auditing Journal, 20 (6), 605-618.

Goodwin, J. 2004, “A Comparison of Internal Audit in the Private and Public Sectors”, *Managerial Auditing Journal*, 19: 640–50

IIA. (2010). *Measuring Internal Audit Effectiveness and Efficiency. IPPF Practical Guide Institute of Internal Auditors (IIA) Report*

IIA. (2017). “*International Standards for the Professional Practice of Internal Auditing.” Institute of Internal Auditors (IIA) Report*

Khaled A.E. and Mustafa M.H. (2016), “Internal Auditor Characteristics, Internal Audit Effectiveness, and Moderating Effect of Senior Management”, Journal of Economics and Administrative Sciences, 32(2): 160-176.

KPMG, 2019, *Effectiveness of Internal Audit Function,* the Audit Committee Questions; Audit Committee Institute KPMG International Cooperative Report Paper

Lampe, J.C. and Sutton, S.G. 1994, *Developing Productivity in Quality Measurements Systems for Internal Audit Departments*, The Institute of Internal Auditors Research Foundation, Altamonte Springs, FL.

Reynolds, M.A. 2000, ‘Professionalism, Ethical Codes and the Internal Auditor: A moral Argument’, *Journal of Business Ethics*, 24: 115–24.

Van Peursem, K.A. 2004, ‘Internal Auditors’ Role and Authority – New Zealand Evidence’,*Managerial Auditing Journal*, 19: 378–93.

Ziegenfuss, D.E. 2000, ‘Measuring Performance’, *Internal Auditor*, February: 36–40.

The Impact of COVID 19 on the Corporate Social Responsibility (CSR) Reporting of Listed Corporations in Fiji: A Case of South Pacific Stock Exchange

Abstract

This paper investigates the Impact of COVID 19 on the Corporate Social Responsibility (CSR) Reporting of Listed Corporations in Fiji. The paper utilizes a post- positivist paradigm since it's based on a case study of ten listed corporations on the South Pacific Stock Exchange. The paper uses a mixed design mechanism as the analysis includes both the qualitative and quantitative analysis approaches. The paper uses audited reports to add credibility and further enhances comprehensiveness by using a comparative analysis of 4 years of annual reports. One of the key objectives of the paper is to ensure that current literature and study is available in a developing country context, Fijian context. The focal point of the research was to use the empirical data from the ten of the 2020 audited listed company annual reports from the SPSE. This research is informed by legitimacy theory. The paper finds that legitimacy theory plays an important role in Corporate Social Responsibility disclosure. The paper also evaluated that corporations who do not have monopoly status disclose CSR extensively in their audited corporate report. We also investigated that the impact of COVID 19 was reflected in the CSR disclosure in the annual reports of 50 percent of the sample size. However, we evaluated that the other 50 percent of the firms did not include COVID 19 in their CSR disclosure in their 2020 annual reports.

Key Words: Corporate Social Responsibility (CSR), COVID 19, Legitimacy Theory, South Pacific Stock Exchange (SPSE)

1.0 Introduction

COVID 19 has taken the whole world by surprise and the economies are struggling with the massive loss of economic activity due to lockdowns. The COVID 19 has indeed brought health crisis to the world and its negative implications squirrels down to the global economy. The trend globally has seen tourism and hospitality sector being impacted the most. Kramer (2020) states that due to the impact of COVID 19 on both private and public sectors, the corporate environment has been put to test as far as embracement of Corporate Social Responsibility (CSR) is concerned. Carroll, 1999 suggests that the concept of CSR is not a fixed concept as over the years the CSR has revolutionized dynamically.

The current paper intends to investigate prior literature on CSR and review the impact of natural disasters on CSR reporting through a case study method of research. The paper will be qualitative in nature and will focus on South Pacific Stock Exchange (SPSE) which is regulated by the Capital Markets Development Authority (CMDA). This paper intends to answer the two major research questions. Firstly, how has CSR changed after the onset of COVID 19? The second research question is that whether the assumptions of legitimacy theory hold true or not. Deegan and Rankin (1996) suggest that organizations will increase the CSR if there is any natural disaster in order to maintain its social contract and to gain legitimacy in the eyes of the general public.

The paper intends to add credibility to the existing literature and it intends to give contextual behavioral analysis of the corporate environment in listed entities in Fiji. According to Taleb (2008) and Grech (2020), previously the world has responded to natural and man- induced disasters. It is believed that COVID 19 pandemic will also result in the corporate environment responding with increased CSR as per the predictions of the legitimacy theory. There is an immediate need for this research because of the changing circumstances in the economy due to COVID 19. There is a literature gap as to how the CSR of the listed entities on SPSE have changed after the effect of the virus on Fiji's economy. No research has been done about COVID 19 and its effect on CSR in the stock market in Fiji, thus this is the main motivating factor for the initiation of this research paper.

Delving further, research has claimed both normative and positive reasons for increasing CSR in case of natural disasters like the COVID19. Donaldson and Preston argue that companies should be responsible socially as they have responsibility to the society they operate in. Jensen (2002) on the contrary gives a normative view that CSR is instrumental in enhancing firm performance and value creation. Over the past decade, the definition of CSR has completely evolved (Carroll, 1999). Thus, the COVID 19 pandemic will also bring rapid changes to the definition of CSR. For instance, a corporation will be more interested in upgrading the health facility in the society rather than building a children's park in the society. Literature suggests that a Corporation will spend on CSR projects based on what the society is going through currently. This will enable them to gain more legitimacy and strengthen their social contract (Deegan and Rankin, 1996)

Moreover, after the onset of COVID 19, a lot of accounting research has been conducted. This has generated a lot of interest in the research area of the impact of COVID 19. The current paper is motivated by the fact that it will study the SPSE listed entities where there exists a research gap. The paper will focus on the behavior of listed entities in Fiji post COVID 19 and it will also perform a enhanced comparative analysis with the 2019 annual reports as this was the time when the impact of COVID 19 on Fiji just started. The CSR of companies will need time to respond thus the paper will also review the 2020 annual reports to investigate whether the corporate environment in Fiji has responded to the changing circumstances in the society.

Islam (2017) suggests that a lot of study has been conducted in the area of CSR in both developed and developing countries. However, he has mentioned that in developed country, the researchers have used theories to study the CSR culture in corporate environment. However, in developing countries, there is a lack of theorization as far as researching on CSR is concerned. Islam (2017) through a literature review research suggests that the use of legitimacy theory to study CSR is a formidable choice considering the results of the past literature that show clear relationships between the assumptions of the legitimacy theory and the level and type of CSR employed by the corporations. This is one of the reasons as to why the current study intends to use the legitimacy theory to investigate the impact of COVID 19 on CSR in a developing country context, Fiji. If the results of Carroll (1999) is true, than we shall find a difference in the CSR types as the current study will investigate the corporate reports of listed entities in year 2019 and in year 2020. The result of Carroll (1999) suggest that corporations respond to the natural disasters and pandemics thus it will be interesting to investigate whether the results of Carroll (1999) holds true in a developing country context or not. The latest research by Sheik (2020) concludes firms on SPSE which have monopoly power do not disclose a lot of voluntary information since they do not worry much about their organizational legitimacy as the society does not have a choice since they have the full market power. Sheik (2020) also states that firms which have competition are wary of their social contract and they disclose substantial amount of voluntary disclosure in the Annual Reports. Since CSR falls under voluntary disclosure, Sheik's (2020) study reveals some very important results which can indeed supplement the findings of this paper. However, it has to be noted that no prior studies have been conducted post COVID 19 on the SPSE listed corporations which makes this paper unique and the results would be very interesting.

The results of this current paper can become a very useful tool for the various stakeholder groups such as CMDA, SPSE, Listed corporations and the society as a whole since the theoretical lens used in this paper is legitimacy theory which puts society at the center of attention.

The current paper will be structured in chapter and the chapters will be as follows. The first chapter would be the introduction followed by literature review in the second chapter. Chapter 3 will be the Theoretical Framework while Chapter 4 will be Methodology. Chapter 5 will be made up of Analysis and Discussion while Chapter 6 will be Conclusion.

2.0 Literature Review

2.1. Background and Implications of COVID 19 on Fiji

The Economic and fiscal update supplement to the COVID-19 response budget address (2020) provides an enhanced analysis of the impact of this pandemic on the Fijian Economy and the Government Finances. According to the Economic and fiscal update supplement to the COVID-19 response budget address (2020), Fiji recorded its first positive case on 19th March 2020 and by 25th March 2020, the cases went to 5 after contact tracing and testing. The Fijian Government acted swiftly but stringently in its effort to minimize the impact of the virus on its citizen. All of the passenger flights to and from Fiji were suspended till further notice according to United Nations Socio-Economic Impact Assessment of COVID 19 in Fiji (2020).

The Economic and fiscal update supplement to the COVID-19 response budget address (2020) states that COVID 19 is envisaged to affect the domestic economy through a drastic drop in tourism earnings due to drop in visitor arrivals, disruptions to the supply chain, subdued trade flows, hundreds of unemployment due to layoffs as the business sector activities are slowing down. The United Nations Socio-Economic Impact Assessment of COVID 19 in Fiji (2020) report states that since COVID 19 is a global phenomenon, the remittance inflow has drastically decreased and lack of economic activity and stagnant sales has resulted in decreased Government tax collections by as high as two folds of what it actually was pre-COVID.

The Economic and fiscal update supplement to the COVID-19 response budget address (2020) state that the Fijian economy is expected to contract by a close to a massive 4.3 % in 2020 compared to a small growth in 2019 of 0.5 %. However, the United Nations Socio-Economic Impact Assessment of COVID 19 in Fiji (2020) report suggest that this is a world-wide phenomenon as powerful economies like USA are also reporting huge contractions in their economy.

The Economic and fiscal update supplement to the COVID-19 response budget address (2020) reports that closure of borders and travel restrictions will affect visitor arrivals from countries like Australia, New Zealand, and USA which represents three quarters of the total tourism numbers in Fiji. Lower revenues will not be only faced by Fiji Airways but the effect of these travel restrictions will trickle down to other dependent industries such as handicrafts, gift shops, travel agencies, tour guides and rental companies. Sandhana Sen (2020) states that a massive number of rental companies and tourism related tour businesses have already liquidated and several are on the verge of liquidation as highlighted by the Reserve Bank governor, Mr. Faizul Ariff Ali.

Investment Fiji (2020), reports that business activity is expected to further decrease following the global economic slowdown of 2019. Investment Fiji recorded a level low Foreign Direct Investment in a decade reports the United Nations Socio-Economic Impact Assessment of COVID 19 in Fiji (2020). Contraction in investment sector will lead to contractions in construction sector. The real estate sector is struggling with reduced sales noted. The UN report also states that the pandemic has halted business transaction due to decreased consumer demand. The primacy industries have also faced major setbacks as the major importers of woodchips and forestry primary products, Japan and China have decreased their demand for these products.

The major focus of the paper is change impact of COVID 19 on the CSR culture of listed entities. However, to gain more understanding of the Fijian context and the background of the implications of COVID 19 are key factors that need to be considered.

2.2 Defining Corporate Social Responsibility (CSR)

Mintzberg (1983) explains CSR as an ethical stance. Mintzberg (1983) gives four reasons for a corporation to indulge in CSR. The first reason was that the company perceives that it is their responsibility to do CSR and they do not expect anything in return from the society. This is also known as the most pure reason for CSR. The second reason is grounded in the self-interest theory which has a payback condition. In this type of CSR, companies believe that what they spend today on CSR will give them more returns in future. This is done with an intention to further increase the company wealth in future. Mintzberg (1983) stated that some companies view CSR activities as a sound investment activity which was referred as the third reason. The fourth reason was that some companies don't want the impact of political interferences, thus they wish to do CSR.

Some researchers believe that it is important for companies to do CSR without the expectation of a return while some researchers critique this notion and state that the business of business is business and corporations should not do any activity from which it does not expect do generate revenues. Jensen and Meckling (1976) used agency theory to explain that management is the agents and the shareholders are the principles. They believed that it was the responsibility of the management to increase the wealth of shareholders in every activity they do. The shareholders expect that all the decisions and actions of the management should be directed towards the self-interest of the shareholder which means increasing the company profit so that the dividend is maximized. However, if the management decides to indulge in CSR without having any pure expectation of a good return in future, than this will be in conflict with the agency theory (Jensen and Meckling (1976).

Furthermore, based on the notions of the agency theory, researchers have stated that CSR should be viewed as a business strategy. Friedman (1970) was a monetarist and stated that CSR is an avenue to increase shareholder wealth. According to Friedman (1970), the only responsibility of the business was to provide jobs, produce goods and services and increase their profits. Friedman (1970) stated that if a firm is maximizing its profit, it will positively affect the society. He used the example of employment to the society to explain this notion. If the business is doing well, the business will employ more people from the society they operate in and as a result the society will end up benefitting as well. Friedman (1970) believes that the use of shareholders fund beyond the means of making profit signifies the misuse of the shareholders fund.

The altruistic strategy suggests that the business is not responsible to the society but the obligation of the social responsibility falls on the managers (Carroll, 1979). Hemingway and Maclagan (2004), states that managers personal values and religious convictions play an important role in social responsibility that is beyond profit maximization. However, Hemingway and Maclagan (2004) were critiques of Friedman as they believed that the company should not expect anything in return for the CSR that it has indulged in.

2.3. Main Reasons for CSR

According to Sprinkle & Maines (2010), corporations engage in CSR activities for four reasons. Firstly, corporations might have altruistic intentions. Secondly, they believe that SR impress the stakeholder groups. New talented employees would be attracted to work in a company that is more aligned to the needs of the society. Lastly, the corporation wants to impress its current employees so that they are able to retain the trained personnel's.

Weber (2008) gives 5 primary areas where organizational CSR creates positive relations. Firstly, according to him, CSR positively affects an organizations image and reputation. It motivates the employee. It assists the organization in new recruitments and retention of the current employees. In the long run, he states that CSR is a cost saving tool. According to him, revenue figures increases due to increased sales and market share. CSR is also attributed as a risk management device.

Polonsky & Jevons (2009) also state reasons for CSR by the corporations. They believe an organization increasing its CSR activities results in improved financial performance of the entity. According to them, CSR contributes to the market value. They also state that CSR has more positive effects on societal stakeholders as the society perceives the corporation as legitimate. They also state that CSR creates a connection between the corporation and the consumers. CSR also enhances the product quality and creates a better image about the product in the society.

Bhattacharya & Sen (2004), states that CSR creates a quick outcome such as positive advertisement of the corporation from the members of the society to the other members of the society. The negativity of the corporation get covered up by the positivity that is brought by the CSR. According to Bhattacharya & Sen (2004), CSR also changes the attitudes of consumers towards the business positively.

Feldman & Vasquez-Parraga (2013) uses various literatures to summarize 6 reasons for CSR by the corporations. Firstly, they stated that CSR has an influence on the consumer's perception about a company and the products it sells. Secondly, they stated that CSR actions will attract and retain the customers. Thirdly, they mention that consumers sometimes ignore high price and low product quality if they know that the producing firm indulges a lot in CSR activities. They also state that the consumer's perception about the other aspects of companies operations are based on the CSR actions of the corporation. They further state that the consumer's perception between CSR actions and consumer interests affects the consumer understanding about the CSR activities of the corporation. Finally they believe that consumers who get information regularly about the CSR of the company have a positive attitude towards buying products from companies indulging in CSR actions.

2.4. CSR and COVID 19

In India under the Companies Act, corporations are required to spend 2 percent of their 3 year average profits on CSR (BusinessToday, 2021). The Government in India has announced that Corporations can spend their CSR funds for setting up makeshift hospitals and COVID care facilities as these expenses would be eligible to be classified as the CSR activity (BusinessToday, 2021). BusinessToday reports that before the COVID struck India, Corporations CSR was basically community projects and education empowerment schemes and it highlights that after the massive destructions of COVID, there is a shift in the perception of the Corporations as many of them are spending their CSR funds on things that can solve the obstacles of COVID 19.

Jones (2021), states that CSR is indeed an opportunity for the businesses to gain legitimacy in the eyes of the society as it strengthens the social bond and the contract that exists between the corporation and the society. Jones (2021) suggests that there should be a change in the CSR as the CSR should be prioritized based on the needs of the society. He suggests that currently, all the societies are in need of good COVID care facilities and makeshift testing facilities. If the corporation wants to exercise its CSR, it can invest funds in projects like a makeshift testing facility or a COVID care facility.

Jones (2021), also states that it is not necessary that companies have to use financial avenues to demonstrate its obligation to the society they operate in. He made this remarks because companies globally are struggling financially due to lockdowns and economic downturns. He gave examples that the corporation could use. One such example is that corporations can send some of its workers to help in COVID relief operations during work hours.

Hongwei and Haris (2020) state that in their study they investigated that many corporations have refrained from unethical business practices after the on-set of COVID 19. They also surveyed and investigated that corporations have more actively engaged themselves in a range of CSR activities especially in the areas where they can offer quick assistance in the fight against the COVID 19. They use the example of UK manufacturing corporations when the country faced lack of ventilators and other personal protective equipments, these factories stopped their usual production chain and started producing ventilators and the personal protective equipments. Some of these corporations donated this without even selling. They describe this as the pure form of CSR.

Furthermore, they also highlighted the CSR of the telecommunication leader, Vodafone as it introduced unlimited data for monthly pay customers without a single extra charge. Some supermarkets in UK had set up opening hours designed just for the elderly so that they are free from hustle and bustle. Some supermarkets also donated food to the charitable foundations that had a main aim of helping the ones affected by COVID 19. The commercial banks on the other hand also played their part by waving interest on loan for a period of time (Hongwei and Harris, 2020).

A firm’s genuine and authentic CSR will build stronger rapport amongst its stakeholder group especially the consumers, as they have built up expectation from leading brands during the COVID 19 crisis with regard to their efforts in fighting the virus. The Consumers would feel proud of their brands helping their society, donating cash and kind during the crisis. The image of the brand will remain so strong with the customer and it will have a lasting impact. Thus, COVID 19 pandemic offers a brilliant opportunity for corporations to actively indulge in CSR and make a lasting impact of the consumers and the society in which they operate (Hongwei and Harris, 2020).

However, Hongwei and Harris, 2020 also state that some corporations are struggling to remain in business due to lack of economic activity. These corporations, even if they want to indulge in CSR activity, unfortunately cannot as they are faced with financial obstacles. Hongwei and Harris (2020) states that these firms are not actually bad as they might want to help in combating COVID 19 but they do not have the financial resources. The society might also deem these entities as showing very less concern to the society in which they operate in. However, the actual scenario might be very difficult (Hongwei and Harris, 2020)

3.0. Theoretical Framework

This paper utilizes the legitimacy theory. The legitimacy theory has its foundations rooted in the theoretical paradigm of the political economy. Deegan et al. (2002) states that Legitimacy theory recognizes the power struggles existent in society and the diverse struggles that occur between various groups within society.

Legitimacy theory has been defined in so many different ways over the past years. Some interpret it as social attitude and values while others described it as something to deal with legislation and the care to the environment. Suchman (1995), states that legitimacy theory is used to measure the attitude of the society towards the corporations operation and activity. He believed that the organizational legitimacy is dependent on the values a society holds about the corporation and the acceptable behavior that the society deems appropriate. According to him, legitimacy is a condition that states that the corporation's value system is aligned to the value system of the society.

Communication is a tool that organizations use to gain legitimacy. There are various avenues in which an organization achieves this communication. Dowling and Pfeffer (1975) list advertising, public relation pamphlets, newsletters, online disclosures and annual reports as the major medium through which information is communicated to the stakeholders of the organization. Dowling and Pfeffer (1975), state that since the annual reports are audited, it is a credible document. Annual reports can be utilized to highlight the impression of a corporation and it serves as a legitimizing instrument.

Maurer (1971) used morality to explain legitimacy. He stated that legitimacy involves a justification process through which the organization aims to justify itself to the society that it has the right to exist in the society. Mourer (1971) adds that an organization is legitimate when it is assessed as just and worthy of socital support to exist. Suchman (1995) compares organizational legitimacy to money and states that legitimacy is a source that the business needs to operate. Suchman(1995) states that legitimacy theory is based on the fundamental concepts of acceptability in the society by the society and the approval to exist in the society.

CSR forms part of the annual report. CSR disclosure would mean that the organization is expected to disclose those information that enables the interested user to gauge the social and environmental consequences of the organizations action and gauge the effectiveness of the social and environmental plans of the corporation. It also informs that user as to how the organization indulges in its social responsibility (Niskala & Schadewitz, 2010).

Responsibility reporting such as CSR is a communication device that intends to reduce the information asymmetry between the stakeholders. Corporations utilize CSR as a communication technique to influence the perception of the society towards the organization (Niskala & Schadewitz, 2010). According to Niskala & Schadewitz (2010), corporations utilize CSR to uphold a strong relationship with the related stakeholder groups. This ensures the continuity and going concern for the corporation thus on a capitalist note, maximize the business profits in the years to come. It is suggested that in a diverse political and social context, CSR is interpreted as a means of obtaining the organizational legitimacy (Bachmann and Ingenhoff, 2016).

4.0. METHODOLOGY

4.1. Research Paradigm

This research uses a Post Positivist paradigm because it is similar to Case Study and validity is of high concern. To ensure this, biasness had to be eradicated. Case study is a method where both quantitative and qualitative approaches can be used. This research uses a mixed approach to improve the validity of the research.

4.2. Research design

4.2.1. Research Approach

This research used a Mixed Approach design which is combination of both quantitative and qualitative approach. Annual Reports of 20 listed corporations were thoroughly reviewed word by word to check for Corporate Social Reporting information. It was evaluated that out of 20 listed corporations, 10 were actually disclosing CSR information while the other 10 did not have any evidences of CSR information in their annual reports. The information in the annual report was thoroughly scrutinized and tables were generated to assess and compare CSR information over a 4 year time frame within one listed entity and with others through an inter- entity comparison method. This is where the research gets its qualitative nature.

After the tables were generated by using the qualitative approach, calculations were performed to ascertain the percentages so that analysis and discussion becomes meaningful and valid. One of the instrumental research questions was to ascertain the impact of COVID 19 pandemic on the CSR in listed corporations in Fiji. Thus a word count analysis was done to investigate the trend in CSR reporting over a 4 year period and to ascertain whether CSR reporting increased after the COVID 19 pandemic or it decreased. This is where the research gets its quantitative approach. Thus, a combination of qualitative and quantitative methods gives this paper a Mixed Approach.

Justification for the use of mixed method: The use of mixed method will add versatility and validity to the outcome of the research paper. To answer the research questions, both the methods had to be employed similar to the latest study by Hongwei and Haris (2020). Use of the qualitative method ensured that all selected entity annual reports were thoroughly reviewed and information of qualitative nature can be checked like words and sentences for CSR reporting. Use of quantitative approach enabled the research to quantify the qualitative data by performing calculations to perform word counts of CSR reporting in the annual reports. These word counts assisted in making the analysis and discussion meaningful and added validity to the results by being able to thoroughly answer the research questions of this paper.

4.3. Research instrument and justification

4.3.1. Archival data/documentary Analysis and Justification

The major source of data used in this research is the annual reports of the selected publically listed corporations on SPSE. The reports were retrieved from the SPSE website and these are credible because they are audited by the independent auditors and checked by the Capital Marketing Development Authority of Fiji before being published. Use of this credible data in research means credible and valid results.

4.3.2. Listed Entity Official Websites, SPSE Website and Justification

It has to be noted that listed entities cannot cover all the CSR information in the annual reports due to the timing differences. For instances, any interim measure by the entity that is targeted towards the CSR would be stated on the individual company websites but it might not be stated in the annual reports. The research paper utilized information from the company websites and SPSE website because the paper intends to add credibility to the results by not only focusing on one communication tool (annual reports) but also focusing on other communication tools for versatility in the results. The data relayed on websites are current and are factual data since it's sourced from the official websites of the listed corporations. For instance, Vodafone Fiji allowing its customers to download the Care Fiji Application freely from the Google and Apple App Store but this information is not present in the annual reports. However, these information can be easily be sourced from the websites of Vodafone Fiji.

5.0. Results and Discussion

Fig 1 – CSR Reporting by the Entities Listed on the South Pacific Stock Exchange.

Entities Listed on the SPSE	CSR REPORTING
Atlantic & Pacific Packaging Company Limited (APP)	X
Communications (Fiji) Limited (CFL)	X
Free Bird Institute Limited (FBL)	X
FMF Foods Limited (FMF)	X
Fiji Television Limited (FTV)*	X
Kontiki Finance Limited (KFL)	X
Kinetic Growth Fund Limited (KGF)	X
Pacific Green Industries (Fiji) Limited (PGI)	X
The Rice Company of Fiji Limited (RCF)	X
BSP Convertible Notes Limited (BCN)	X
Amalgamated Telecom Holdings Limited (ATH)	✓
FijiCare Insurance Limited (FIL)	✓
Paradise Beverages (Fiji) Limited (PBF)	✓
Pleass Global Limited (PBP)	✓
Port Denarau Marina Limited (PDM)	✓
RB Patel Group Limited (RBG)	✓
Toyota Tsusho (South Sea) Limited (TTS)	✓
VB Holdings Limited (VBH)	✓
Vision Investments Limited (VIL)	✓
Fijian Holdings Limited (FHL)	✓

KEY:

- ✓ **CSR disclosure in 2020 Annual Reports Available**
- X **No evidence of CSR disclosure in the 2020 Annual Reports**

The first step in this research was to evaluate how many corporations do actually do Corporate Social Responsibility (CSR) reporting. The above analysis was extracted from the 2020 annual reports where we searched for CSR data in the annual reports of listed entities one by one. We investigated that out of the 20 listed entities on SPSE, 10 listed entities had evidences of CSR disclosure in their annual reports while the other 10 did not disclose any CSR information. It has to be noted that in Fiji as per the SPSE and CMDA regulations, CSR disclosure is still categorized as a voluntary disclosure thus it is on a corporations free will whether they will disclose or not disclose these CSR information.

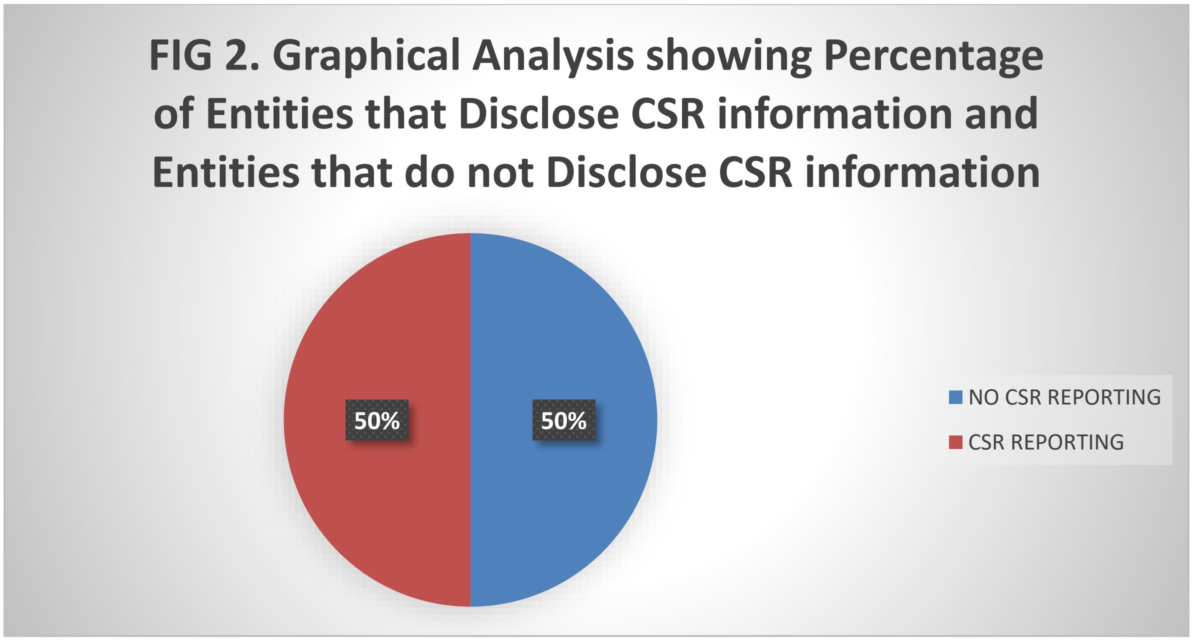


Fig 2 has been extracted from Fig 1 to give a pictorial view of how many entities actually report on CSR in their annual reports. This has given the researchers an opportunity to select the sample size. Since 10 out of 20 corporations disclose CSR information in their annual reports, this paper will study 4 years of data which relates to the 10 entities that actually disclose the CSR information in their annual reports.

Fig 3 . Word Count Analysis of CSR in the Annual Reports of 10 listed Entities

Name of Entity	2017	2018	2019	2020
Amalgamated Telecom Holdings Limited (ATH)	1413 words	1752 words	1322 words	1948 words
FijiCare Insurance Limited (FIL)	0 word	129 words	128 words	128 words
Paradise Beverages (Fiji) Limited (PBF)	130 words	1530 words	1919 words	637 words
Pleass Global Limited (PBP)	642 words	567 words	467 words	0 word
Port Denarau Marina Limited (PDM)	0 word	0 word	355 words	642 words
RB Patel Group Limited (RBG)	0 word	21 words	21 words	21 words
Toyota Tsusho (South Sea) Limited (TTS)	158 words	137 words	169 words	142 words
VB Holdings Limited (VBH)	202 words	192 words	373 words	470 words
Vision Investments Limited (VIL)	0 word	63 words	73 words	102 words
Fijian Holdings Limited (FHL)	1330 words	1075 words	783 words	963 words

The above tabular analysis was generated to investigate the trend of CSR disclosure in the annual reports of 10 prominently listed entities on SPSE. The table was extracted to give a view as to how the firms have adopted to CSR after COVID 19. The 2020 results show the post COVID results. Word count means how many words were dedicated to CSR in the annual reports of the entities. This paper will present a firm by firm analysis of the CSR disclosure using word count analysis.

<u>Fig 4 Line Graph Showing the No. of words used for CSR Reporting from 2017 to 2020</u>

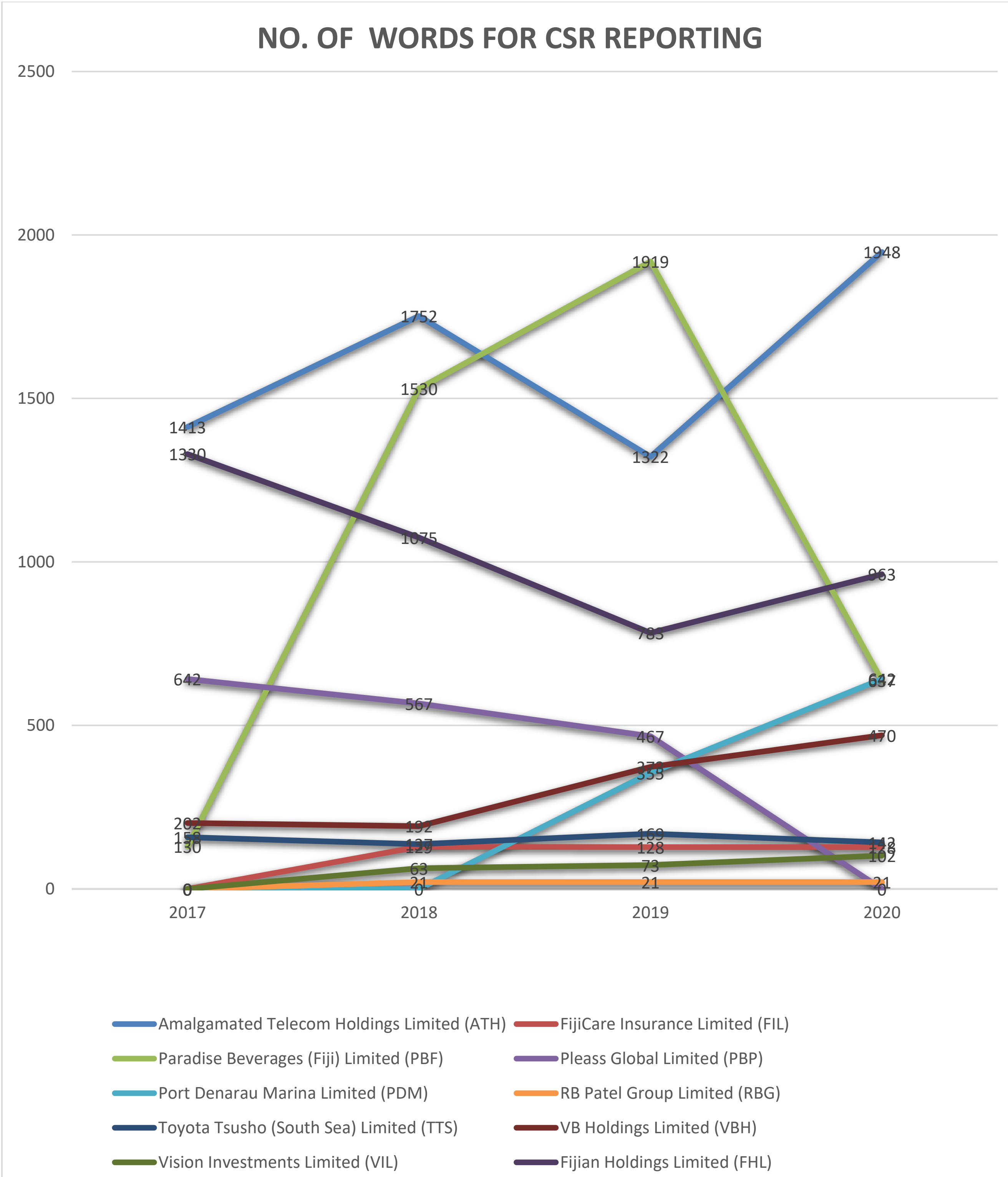


Fig 4 is extracted from fig 3 and it shows the word count analysis of CSR in the 10 listed entities on the SPSE who actually disclose CSR information. Fig 4 shows that graphical analysis which has assisted us in making comparative analysis between entities and the years. A word count analysis is simply not enough to state that the firms reacted to the COVID 19 pandemic. According to Bachmann and Ingenhoff, 2016, some corporations will change their CSR activities of what they were doing during pre-crisis and what they are doing post – crisis. Thus a word count analysis cannot fully show that which firms have reacted to the COVID 19 pandemic and which firms has not. Thus based on this phenomenon, the paper will both evaluate the word count analysis and also investigate the corporations who have used priority and changed their CSR activity based on the immediate needs of the society rather than what they usually do in pre- crisis time frame.

The above word count analysis from the annual report of Amalgamated Telecom Holdings Limited (ATH) for the year's 2017 to 2020 reveal that CSR information disclosure has drastically increased in the year 2020. This is consistent with Suchman (1995) and Deegan et al. (2002) who states that CSR disclosure increases when the corporations perceive that the need for CSR activities has to increase due to the increasing expectations of the society. When the society is faced with a natural disaster, the corporations should react by increasing their CSR activities. This is done to strengthen the social contract thus the assumptions of a legitimacy theory holds true in ATH's case.

Niskala & Schadewitz 2010, state that corporations also change their CSR activities based on what the society expects during that period of time. They state that this will enhance the social contract to a great extent and this will also ensure that the shareholders fund will be best used if it is directed to what the society needs at that point in time. They state that the major role of CSR is to uphold the social contract that exists. How efficiently they are able to keep the society happy strengthens the social contract. For instance they use the example of a milling corporation and state that if the road condition in the society in which it operates is very bad and this corporation fails to keep the road in operating condition but instead invests its CSR funds in the village solar scheme will not be looked as a good CSR activity. It has to be noted that the society urgently needs a good road facility and than other things like solar. So that corporation would best be able to win the societal legitimacy by investing in maintaining of the village roads. Bachmann and Ingenhoff, 2016 mention this in their study too. They use the concept of prioritizing by the corporations. They state that the corporation should be able to prioritize what the society needs the most and then spend the CSR funds based on the priority areas.

Consistent with the findings of Bachmann and Ingenhoff, 2016, we noticed that CSR disclosure had drastically increased post COVID in the year 2020. Not only did the number of words dedicated to CSR increased, but also there was a shift in priority areas where the CSR funds were used. It was stated that Vodafone Fiji Limited had solely devised data plans at a very exclusive price just for the society so that people can work from home in this trying times. This ensured that people in the society could afford to have internet to work from home easily. The ATH Ltd through its foundations and collaborations with MOH, Fiji invested in consumables for the COVID 19 lab testing staffs. This is indeed a direct response to the crisis brought by the COVID 19 pandemic. This result is consistent with the assumption of Bachmann and Ingenhoff, 2016 who state that corporations prioritize based on what the society needs at that particular point in time.

The results are also consistent with Tanzil (2020) who concludes that corporations who do not have monopoly status in the economy tend to do more voluntary disclosure than corporations who have monopoly status. It is indeed evident that ATH has a lot of competition from other telecommunication providers and Internet Service Providers. As such, they do fear their organizational legitimacy thus they invest a significant amount on CSR every fiscal year.

The FijiCare Insurance Limited (FIL) started CSR disclosure in annual reports in year 2018 and their average CSR word disclosure over the past 3 years has been 128 words. Since we found no word increase post COVID, we investigated on the priority areas in 2020 compared to priority areas in 2018 and 2019. In doing this, we found out our result to be consistent with Bachmann and Ingenhoff, 2016 and Sprinkle & Maines (2010) who all write that firms respond to the changing societal needs when it comes to the decision as to how a corporation should spend its CSR budget. We found that FIL has donated to Prime Minister's Relief fund in 2020. The Prime Minister's Relief fund has been set up with a sole goal of assisting the needy in times of natural disasters and COVID 19 required many relief packages to the people of the country. The Fijian Government utilizes the PM's relief fund to help those who need relief during COVID 19 pandemic. Thus we can infer that FIL has contributed towards the relief of the society from the negative implications of the COVID 19 pandemic. The results also are consistent with Tanzil (2020) who state that non-monopoly firms will disclose more voluntary information compared to monopoly firms. This is because, monopoly firms have the full market share and they are not afraid to lose their market power whereas a competitive firms fears that they might lose market share if they do not indulge in increased CSR activities. In Fiji's economy, there are a lot of insurance service providers currently which provide same services as to what FIL is providing and FIL is aware of this competition thus they are very cautious about their CSR spending choices.

Paradise Beverages (Fiji) Limited (PBF) is the only corporation who has extensively mentioned a lot of COVID 19 response in their CSR disclosure. They mentioned that during the COVID pandemic their main aim shifted to the well being of their people and safety of their employees and all the related stakeholder groups. They mentioned that their priority was to have robust programs in response to COVID 19 and implemented to all of their sites to protect all the stakeholders against potential future outbreaks. To support Paradise Beverages' employees during the financial challenges in 2020, the business issued $300 food vouchers to any employee who had been without work and unpaid for 4 days or more. In addition, PBF hosted a Paradise Fair where employees and their families were able to sell items and make money for the sustenance of their own families. The PBF remarkably demonstrated their CSR by producing and supplying 25000 litres of hand sanitiser to protect the vulnerable communities and the frontline workers. They did it for free on their own will. At a time when the sanitiser prices hiked in the national economy, PBF made it possible for the poor and vulnerable to have access to good quality sanitiser at no cost to them. They also state that the outbreak of the COVID 19 pandemic in Fiji has prompted them in putting aside some community projects that were not important and prioritizing CSR funds on COVID relief and containment efforts. It also has been working with the Ministry of Health and Ministry of Defense to assist the front line workers with consumable in relation to COVID 19. The results of PBF CSR disclosure are consistent with the study of Bachmann and Ingenhoff, 2016 and Sprinkle & Maines (2010) who state that firms will shift their priorities based on what the society currently needs. It is mentioned that PBF CSR includes phrases like "changes in priorities due to COVID 19 pandemic". The results are also consistent with Tanzil (2020) who states that voluntary disclosure will be more reactive and higher in a non- monopoly entity than a monopoly entity due to the differences in the market power. PBF has a non-monopoly stature in our economy because there are other sellers of the similar products (close substitutes) from even abroad as well.

Pleass Global Limited has had a declining trend as far as CSR disclosure is concerned. Interestingly, they did not disclose any CSR information in 2020 which was post COVID. Pleass Global Ltd has a lot of competition both in the Fijian Economy and also in the international economy. Deegan et al. (2002) suggest that corporations who are faced with lots of competition always fear their organizational legitimacy and hence one major way of strengthening organizational legitimacy is through increased CSR disclosure and disclosure directed towards the immediate needs of the society. Non disclosure of CSR in 2020 might signify a lot of things for Pleass Global Limited. We can infer that due to the COVID 19 pandemic, the corporation shelved its entire existing community project to concentrate on COVID related projects. However, the evidences and reporting of these initiatives are expected to be disclosed in 2021 financial reports.

Moreover, the Port Denarau Marina Limited (PDM) started with CSR information disclosure in 2019 with a word count of 355 words while in 2020 the word count significantly increased to 642 words. The word count analysis reveal that CSR disclosure has increased significantly post COVID 19 pandemic. However, we did not notice a shift in the CSR activity as we saw in case of Paradise Beverages (Fiji) Limited. Thus we infer that the increase in CSR disclosure is not because of COVID 19 as none of the CSR disclosure activities is directly linked to COVID 19. This result is inconsistent with Deegan et al. 2002 as they state that a corporation should shift their CSR priority areas based on the societal needs. However, the results are consistent with Tanzil (2020) who state that non-monopoly firms will try to increase CSR activities thus disclose more CSR information because these non-monopoly firms fear that they might lose their market share if they do not partake in CSR activities.

The RB Patel Group (RBG) started with CSR information disclosure in 2018 and just discloses an average of 21 words since 2018 to 2020. These 21 words are usually based on how much fossil fuels the entity has saved by using electricity generated from the solar systems. However, they do not list any information about how they have reacted and prioritized during COVID 19 pandemic. Therefore, there is no link between their CSR disclosure and COVID 19 pandemic. Thus the results are inconsistent with Deegan et al. 2002 and also the most recent studies like Bachmann and Ingenhoff, 2016 and Sprinkle & Maines (2010) who all state that Corporations do prioritize their CSR disclosure based on the societal needs at that point in time. However, our investigations reveal no such priority shift in the CSR activity of RBG. The results are also inconsistent with Tanzil (2020) as it is a non- monopoly firm but its CSR disclosure has not increased and remained very low. This signifies that RBG is not worried about the market share. However, the supermarket sector in Fiji has attracted a lot of competition recently as the supermarkets operate in the perfect competition structure and entry and exit is very easy.

Toyota Tsusho (South Sea) Limited (TTS) has had an average of around 151 words dedicated to CSR in the annual reports over the past 4 year period. There is no clear mentioning of COVID 19 in their 2020 annual reports however, it is mentioned that the company donated some funds to the Ministry of Health through its ASCO foundation for disease containment measures. Thus we can infer a small shift in the priority as far as CSR activities are concerned. The results are consistent with Deegan at al. (2002) as they state that corporations should respond to the changing societal needs.

In addition, investigations of VB Holdings Limited (VBH) annual reports reveal that in 2020 they disclose the most CSR information with a word count of 470 words. Again, this increased number of CSR disclosure is not directed towards COVID 19 pandemic. They mostly focus on donating of computer sets to the schools around Vitilevu. While the word count analysis reveals that CSR disclosure increased Post COVID 19 pandemics, we cannot make any relationship with these increased disclosure to the COVID 19 pandemic itself. This is because there is no mentioning of COVID 19 in their 2020 annual reports. Thus, the result of this paper is inconsistent with Bachmann and Ingenhoff, 2016 and Sprinkle & Maines, 2010 who state that corporation will shift its CSR budget to what the society currently needs as in this way they would be able to keep the majority society members happy thus strengthening their social contract.

Delving further, Vision Investments Limited (VIL) started disclosing CSR information in 2018 and in 2020 we investigated that their CSR disclosure was highest amongst the 4-year comparative analysis. The VIL 2020 annual report information about CSR disclosure gives evidence that their CSR activities have now shifted priorities. They state they assist in charitable activities and donations to Government doe relief to the community. It has a program known as ‘Kelping our communities” through which it has helped the poor and vulnerable who have lost their jobs during the COVID-19 pandemic. The results suggest favoring the findings of Deegan et al. 2002 and also the recent studies of Bachmann and Ingenhoff, 2016 and Sprinkle & Maines, 2010 that organizations tend to divert their CSR activities based on what the society currently needs.

The word count analysis shows that Fijian Holdings Limited (FHL) disclosed their CSR activities extensively over the 4 year time frame. In 2020, we investigated that FHL had 963 words dedicated to CSR activities. While we noticed that some activities were regular activities, there was also mentioning of some new activities which are directly attributable to the COVID 19 pandemic.

After the COVID 19 pandemic, the Fiji Times reported about a very heart toughing case. The case was about a family that consisted of two sisters and their uncle who was visually impaired. The story stated that the family was finding a lot of difficulty in meeting their ends need. The story also included that family was residing in a very small structure not worthy of being called a house. The story touched the heart of the FHL Company and thus they decided to make a new two bedroom house for the family in the Lami settlement. This is a direct response to the COVID 19 pandemic as FHL played its small part in helping a family which was poverty stricken because of the state of the economy due to the COVID 19 pandemic. The results of FHL is consistent with Hongwei and Harris, 2020 as they state that corporations should be very cautious and spend their CSR budget very cautiously based on the immediate needs of the Society during the COVID 19 pandemic. In their study, they mention that corporations can get leads from the media organizations and other government and non- governmental agencies regarding which area is of a great concern in the economy. In FHL's case they took the story from Fiji Times, which is the leading media news provider in Fiji.

6.0. Conclusion

This research comes at an opportune time when COVID 19 is taking its toll on the Global Economy. In the midst of the time, even the most develop countries are shaken by the economic and socio- economic impact of the Pandemic. Fiji, a developing country has also paid a hefty price due to this pandemic. With the borders shut, the tourism numbers plummeted to a level low which resulted in massive unemployment in the local economy.

Globally, some of the countries who have CSR as a compulsory regulation for some of its corporations ordered them to divert the CSR funding to COVID relief measures. The media in India reported that the Government ordered businesses that their CSR funds can be used to set up COVID facilities. However, in Fiji there was no such order as CSR is still voluntary as per the CMDA regulations.

Moreover, it was interesting to investigate how corporations in Fiji have responded to the COVID 19 with their CSR funds. It was interesting because in Fiji, CSR has been a voluntary activity. We noticed that majority of the firms from the sample of 10 firms opted to spend their CSR funds in order to help the society amidst the COVID 19 pandemic. Firms like ATH, PBF and FHL show extensive shift in their CSR budget following the COVID 19 pandemic.

We also investigated that prior studies of Deegan et al. 2002, Bachmann & Ingenhoff, 2016, Sprinkle & Maines (2010) and Hongwei and Harris, 2020 all shared same perspective about the shift in the CSR spending budget once there is a disaster like COVID 19. Consistent to this prior study, we found that majority of the firms did change their CSR spending budget to help the economy from the negative shocks brought by the COVID 29 pandemic. However, we also noticed that some firms like RBG, PBP and VBH did not show any shift in their CSR spending budget thus the findings are inconsistent with Bachmann & Ingenhoff, 2016, Sprinkle & Maines, 2010 and Hongwei and Harris, 2020. However, Niskala & Schadewitz, 2010 state that some companies will not increase their CSR budget during pandemics or disasters because their own businesses are running in losses due to the economic impact of the disaster. We can assume that in Fiji, the corporations who did not spend on COVID 19 relief measures as part of their CSR activity, maybe their business was affected the most during this pandemic.

In addition, due to the lockdowns, travel restrictions and work from home imposed by the second wave of COVID 19 out-break in Fiji, our efforts to reach to the Managers and Board of Directors remained futile. This can be attributed to the major limitation of this paper. However, the results of this paper are highly reliable because the audited annual reports have been analyzed and interpreted to form conclusions. This gives credibility to our paper. There is a lot of scope for future research in this area as our research was until 2020 annual reports as that was the latest when this paper was compiled. However, it would indeed be interesting to see how the CSR disclosure culture is revolutionizing after the economy wide impact of the deadly COVID 19 pandemic.

Bibliography

Bhattacharya, C., & Sen, S. (2004). Doing better at doing good: when, why and how consumers respond to corporate social initiatives. *California Management Review, 47, 9-24*

Business Today (2021), COVID-19: Setting up makeshift hospitals to be considered CSR activity. Available at: https://www.businesstoday.in/current/economy-politics/covid-19-setting-up-makeshift-hospitals-to-be-considered-csr-activity/story/437296.html

Carroll AB (1999), Corporate social responsibility: evolution of a definitional construct. Business & Society 38(3): 268–295

Carroll, A.B. (1979), "A three dimensional conceptual model of corporate performance", Academy of Management Review, Vol4 No. 4, pp. 497-505

Deegan, C. and Rankin, M. (1996), Do Australian companies report environmental news objectively? An analysis of environmental disclosures by firms prosecuted successfully by the environmental protection authority, Accounting, Auditing and Accountability Journal, 9(2): 52-69

Deegan, C., Rankin, M. and Tobin, J. (2002), An examination of the corporate social and environmental disclosures of BHP from 1983-1997, Accounting, Auditing and Accountability Journal, 15(3): 312-343

Donaldson T. and Preston L. (1995), The stakeholder theory of the corporation: concepts, evidence, and implications. Academy of Management Review 20: 65–91

Dowling, J. and Pfeffer, J. (1975), Organizational legitimacy: social values and organizational behavior, Pacific Sociological Review, 18(1): 122-136

Feldman, P.M., & Vasquez-Parraga, A.Z. (2013), Consumer social responses to CSR initiatives versus corporate abilities, Journal of Consumer Marketing, 30, 100 – 111

Friedman, M. (1970), "The Social Responsibility of Business is the increase its profits" New York Times Magazine, September 13, pp 32-33

Grech, Victor (2020). "Unknown unknowns – COVID-19 and potential global mortality", Early Human Development, 144, May 2020, doi.org/10.1016/j.earlhumdev.2020.105026

Hemingway, C. A. and Maclagan, P. W. (2004), "Managers' personal values as drivers of corporate social responsibility", Journal of Business Ethics, Vol. 50 No. 1, pp 33-44

Hongwei H. and Harris L. (2020), The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy, Journal of Business Research, 116 (2020): 176-182.

Islam, Muhammad (2017), CSR Reporting and Legitimacy Theory: Some Thoughts on Future Research Agenda. Available at SSRN: https://ssrn.com/abstract=2947527

Jensen M.C. (2002), Value maximization, stakeholder theory, and the corporate objective function, Business Ethics Quarterly 12(2): 235–256.

Jensen, M. C and W.H. Meckling (1976), "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure," Journal of Financial Economics, Vol. 3, pp. 305-360

Jones A. (2021), Giving Back: The Importance of CSR Efforts during COVID- 19 Restrictions. Available at: https://theundercoverrecruiter.com/csr-efforts-covid-19

Kramer M.R. (2020), Coronavirus is putting corporate social responsibility to the test. Harvard Business Review Online. Available at: https://hbr.org/2020/04/coronavirus-is-putting-corporate-social-responsibility-to-the-test

Maurer, J.G. (1971), Readings in Organizational Theory: Open System Approaches, Random House, New York, NY

Ministry of Economy (2020), The Economic and fiscal update supplement to the covid-19 response budget address (2020). Available at: http://www.parliament.gov.fj/wp-content/uploads/2020/03/SUPPLEMENT-TO-THE-COVID-19-RESPONSE-BUDGET-ADDRESS.pdf

Mintzberg H. 1983. The case for corporate social responsibility, The Journal of Business Strategy 4(2): 3–15.

Niskala, M., & Schadewitz, H. J. (2010), Communication via responsibility reporting and its effect on firm value in Finland, Corporate Social Responsibility and Environmental Management, 17(2): 96-106

Polonsky, M., & Jevons, C. (2009), Global branding and strategic CSR: an overview of three types of complexity. *International Marketing Review, 26, 327-347.*

Sadhana S. (2020), COVID-19: Personal Reflections from Fiji. Available at: https://devpolicy.org/covid-19-personal-reflections-from-fiji-20200401/?print=print

South Pacific Stock Exchange (2021), Listed Entity Financials, Available at: https://www.spx.com.fj/Investing/Already-a-Shareholder/Listed-Entity-Financials

Sprinkle, G.B., & Maines, L.A. (2010). The benefits and costs of corporate social responsibility, *Business Horizons*, *53, 445-453*

Suchman, M. C. (1995), Managing Legitimacy: Strategic and Institutional Approaches, The Academy of Management Review, 20(3): 571-610

Taleb, N. (2008). The Black Swan: The Impact of the Highly Improbable. London: Penguin

Tanzil, Sheik (2020), The Level of Voluntary Disclosure in the Annual Reports of Listed Corporations in Fiji: A Case Study of South Pacific Stock Exchange Listed Corporations. Available at SSRN: https://ssrn.com/abstract=3646998 or http://dx.doi.org/10.2139/ssrn.3646998

United Nations Pacific (2020), United Nations Socio-Economic Impact Assessment of COVID 19 in Fiji (2020), Available at: https://www.undp.org/content/dam/fiji/docs/SEIA%20Fiji%20Consolidated%20Report.pdf

Weber, M. (2008), The business case for corporate social responsibility: a company level measurement approach for CSR. *European Management Journal*, *26, 247-61*