FINANCIAL REPORTING DISCLOSURE PRACTICES AND ORGANIZATIONAL SUSTAINABILITY IN QUOTED MANUFACTURING COMPANIES IN OYO STATE OF NIGERIA

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Abstract
Financial reporting plays a significant role in the smooth running of an organization, financial report serves of bedrock of management and accountant decision. Financial reporting provides useful information to the government creditor, investor shareholder and the employees. The paper presented a theoretical examination of the financial framework of financial reporting in Nigeria, it still evaluates the sustainability of an organization through financial reporting information disclose. The study recommends that firm in Nigeria should invest reasonable amount of their earning on sustainability activities it was recommended that professional and regulatory bodies should do more to develop standards to regulate and guide financial reporting.
Keyword: Financial reporting, Sustainability, Financial reporting and Framework

Introduction
In any industry whether quoted manufacturing or service there are multiple departments which function day in day out to achieve organisation goals. The functioning of these departments may or may not be interdependent but at the end of the day they are linked together by one common thread, accounting and finance department, Olayinka & Temitope (2011) explained the accounting and financial aspects of each and every department are recorded and reported to various stakeholders. There are different types of reporting, financial reporting for various stakeholders and management reporting for internal management of an organization. Both this reporting is important and integral part of accounting and reporting system of an organization. Considering the number of stakeholders involved and statutory and other regulatory requirement, financial reporting is very important and critical task of an organization (Apah, 2011).

Lev (2004), explained objective of financial reporting is to provide information about the financial position and performance and changes in financial position of entities that is useful to a wide range of users in making economic discussions. User of financial information includes present and potential capital providers, employees, lenders, suppliers, customers and government. Elkington (2004) also expressed that financial reporting show the result of management stewardship for sustainability of quoted manufacturing company. Financial information contains assets, liabilities, equity, income and expenses, including gain and losses contribution by and distribution to owners in their capacity as owners and cash flows. Quoted Manufacturing Company remains crucial to the drive for rapid industrialization and economic growth in all countries of the world. Manufacturing in economic sense is the process of turning raw material into finished goods, therefore financial reporting play significant role in company sustainable in

term of proper keeping of books of account like ledger, trial balance, trading profit and loss account and balance sheet which show the financial position of the business. Through financial information it promotes the goodwill of the organization and enables the investors to inject into the business (Lev, 2004).

The sector is reputed to be an important engine for growth and antidote for unemployment, a creator of wealth and the threshold for sustainable development. Financial reporting is the preparation of published report for users of financial statements. The issues relating to financial reporting could be traced back to 1975 with the advent of what was then known as corporate report in England. In Nigeria, following the increasing demand for financial information on companies, financial reporting has now assumed an appreciable position because it provides information is useful to current and potential investors, creditors and other users in making rational investment, credit and other financial decisions. It also enables users to assess the amount timing, and uncertainty of prospective cash receipts about economic resources, the claims to those resources and the changes in them (Apah, 2011).

Juhamani (20I4) opined that, to achieve the basic objectives of financial reporting, there is need for an acceptable coherent framework. Financial reporting framework therefore, refers to fundamental accounting assumptions, principles and methods used to prepare, present, and report financial statements for a wide variety of entities, including publicly traded and privately - held companies, non-profit organizations, and governments. The framework for financial reporting include locally applicable accounting laws, regulations, rules and standards, that are determined-by regulatory authorities such as the Nigerian Accounting Standard Board (NASB), which operates under a set of assumptions, principles, and constraints. According to Yusuf (2006), accounting framework, which is commonly described as Generally Accepted Accounting Principles (GAAP), should not be seen as a constitution but mere guidelines to preparers of financial statements. To the preparation of financial statements the following are the basic reasons for financial reporting framework.

i. To identify the essential concepts underlying the preparation and presentation of financial statements
ii. To guide standard setters in developing new accounting standards and reviewing existing standards;
iii. To assist preparers in the preparation of financial statements and dealing with topics that are not covered by a specific international financial reporting standard (IFRS);
iv. To assist auditors in forming an opinion as to whether a set of financial statements conforms with IFRS;
v. To assist users in interpreting the financial information contained in a set of financial statements that comply with IFRS.

Today, business has become more global and thus lost a significant part of its national identify. A number of Nigerian Companies have raised capital from international' capital markets; some have established significant presence in other jurisdictions. Also, a good number of Nigerian entities hold the securities of non-Nigerian issuers. Therefore to make better decisions about the flow of economic capital in Nigeria, it makes sense to have global financial reporting

benchmarks. In recent times National Accounting Standard Board (2010), revealed that Foreign Direct Investments (FDI) In Nigeria have been declining. The trend shows that the value declined from $6.9 billion in 2007 to about $4.602 billion in 2008 and $3.94 billion in 2009 primarily due to the perception of investment risk in Nigeria, which in part, is attributable to the limited financial reporting and disclosures made by reporting entities in Nigeria. This is so because most of these entities do not provide investors with sufficient economic information in their financial reporting system that will enable them to understand the risk profiles of such entities and permit informed judgments and decisions. In view of the above, investment analysts, commercial enterprises, government regulatory agencies, financial reporting professionals and many others, advocate the need to integrate the framework of financial reporting in. Nigeria with the global financial reporting system through the adopting of the International Financial Reporting Standards (IFRS). Although 1[s1] January, 2012 was set as the commencement date for corporate entities in Nigeria to adopt IFRS, certain issues must 'be addressed to enhance its effective adoption. The purpose of this paper therefore, is to examine the benefits, issues and challenges of IFRS as the framework for financial reporting in Nigeria.

Financial Reporting Framework

There are substantial number of alternative assumptions, principles and methods available to a reporting entity in the preparation and presentation of its financial statements. For example, there are many ways of calculating depreciation such as straight-line, reducing, balance; sum of year's digit, and revaluation, inventory valuation could be done through First In First Out, Last 1n First Out, and averages. It is therefore worthy to note that the assumption, principle and method adopted by a reporting entity significantly affects its results of operations, financial position and change thereof. To minimize such disparities in financial reporting, the General Accepted Accounting Principles (GAAP) was adopted, which is described as the framework of financial reporting. Henderson & Pearson (2004) confirms that the provisions of GAAP differ somewhat from the international financial reporting standards. The scope of the existing financial reporting framework deals with the objectives of financial statements; qualitative characteristics of financial statements, element of financial statements, recognition of the elements of financial statements and the concepts of capital and capital maintenance (NASB, 2010).

The concept of sustainability reporting views as important both the traditional concern of business organization strategies for profit maximization, diversification, product differentiation as well as globally assessing a firm's performance on its environment. However the evolution of strategic thinking underscores the need to include activities that seek to integrate social and environmental issues into business decision making process, more so as firms that properly integrates their environment and people are viewed as socially responsible Elkington (2004). Businesses development has social and environmental impacts those results in social problems, globally warming, actual disaster and pollution. Therefore, many business organizations take much responsibility for social and environment issues as they do for economic issues. One reason for this is that business entities are reflecting growing social expectations and stakeholders concern. Responsibility is reflected in disclosure made by these companies or business concerns known as corporate social and environmental responsibility reporting. Henderson and Pierson (2004) explained that social and environmental reporting is an aspect of sustainable development reflecting concerns about environmental protection, inter-generational equality, the Earth and its

resources. When people come together to establish a firm, they do so to allocate their resources for the purpose of a common goal and such may be to earn profit. To achieve this goal, they also interact with the society. On the basis of their motives stakeholders and groups that keep interest in the operations of the organization. Stakeholders include the customers, workforce, lenders, suppliers, government and local communities and even the environment. Many scholars are trying to understand how sustainability accounting affects the financial performance of firms. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate resources.

The success or failure of companies in the conditions of the sustainable economy is influenced by the particularities in which their corporate social responsibility *is* manifested. It reflects the direction in which the available resources are mobilized under the conditions of national and regional environmental regulations (Olayinka &Temitope, 2013). It can be said that the information in sustainability reports differs depending on the type of stakeholder, and affects certain activities or their performance. Both practitioners and theorists agree that companies engage in CSR activities, and they decide what activities they will engage in in the future for sustainability reporting, in order to increase their reputation and financial performance. Much of the leadership of companies and stakeholders perceives sustainability reporting as part of the company's annual report that helps it to measure environmental performance and develop its own corporate sustainability measures. In other words, sustainability reporting should not only be seen as an instrument of public relations, but as an instrument capable of helping companies to become aware of their strengths and weaknesses and identify certain interdependences within them.

At the same time, efforts to reduce information asymmetry and to improve stakeholder engagement and relationships have led to discussing the credibility and accountability of financial information. Thereby, researcher has heavily concentrated on the quality and credibility of companies' financial reporting systems for two main reasons. First, the quality of traditional accounting information has been defined in terms of financial reporting systems and frequently measured through financial indicators. Second, non-financial information has gained prominence, and stakeholders and future investors have been included as new counterparties along with shareholders and present investors for corporate communications and relations (Apah, 2011).

Increasing the impact of sustainability by gathering a wealth of information and measuring social and environmental impacts helps organizations improve their operational efficiency and natural resource management, which remains important to shareholders, employees, and other stakeholders. Among the drivers that determine whether companies report or not are shareholder and stakeholder pressure, compliance with legislation, competitive advantages, and public image. Social reporting generates benefits in terms of the direct effects on the assessment and communication of the conditions, wherein different entities act but also contribute to build internal and external credibility. In a climate dominated by the distrust of others, it is difficult for organizations to prove their financial, social, and environmental performance and, for this reason; an appropriate endeavor is to focus on social and environmental reporting practices (Onyekwelu & Ugwuanyi, 2014).

Financial performance reporting addresses a relatively narrow scope, in terms of the limited nature of, financial information, and is mandatory, while sustainability reporting appeals to an increased number of outside users because of the diversified nature of economic, environmental, and social aspects and is still voluntary. As such, according to the Global Reporting Initiative's (GRI's) "Report or Explain: A smart EU policy approach to non-financial information disclosure" and EY's "Value of sustainability reporting", environmental, social, and governmental data are delivered through terminals as thousands of transactions, i.e., 95% of all issues reported in the sustainability reports.

In the current economic situation in Romania, corporate social responsibility (CSR) is considered a real instrument, even in the banking sector. Banking institutions that have implemented CSR have certain advantages such as better economic efficiency, an improved reputation, more loyal employees, improved communication with society, a better ability to attract new opportunities, and increased organizational commitment (Juhamani 2014). The result of the study will be of immense advantage to the government in seeing ways of improving its regulations on sustainability reporting of corporations. Based on the analysis of data and, the findings, the study concludes that sustainability accounting has impact on the financial performance of firms in the "Nigeria brewery industry.

Conclusion

Financial reporting has a strong external (on shareholder) and internal (on employee productivity) impact. Through financial information the growth of business is visible and enables the management of an organization account for their stewardship, also it enhances the organization to know the performance of each department, it even serve as a useful instrument in conflict resolution.

Suggestions

1. Firms should adopt financial accounting initiatives to enable them identify allocate and measure environmental and social cost affecting the business and provide managers with strategies and techniques for managing corporate environmental social and economic performance.
2. Financial reporting system should be developed within the national industry and firm level context to enable Managers Account for specific costs of operations affecting them.
3. The implementation of financial accounting in organizations would enable managers identify products with greater environmental and social costs to the Organization; these could become useful measures of departmental performance evaluation and product profitability assessment.
4. A necessary step for reasonable disclosure of sustainability related concerns in the reports of organizations could serve as useful instruments in Stakeholders conflict management.
5. Professional and regulatory bodies should do more to develop standards to regulate and guide financial reporting.

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