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Corporate social responsibility accounting and reporting of insurance companies in Nigeria (2007-2016)

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Abstract
The absence of an existing accounting standard generally accepted framework and theory in Nigeria for reporting on corporate social responsibility accounting has made organizations to adopt different approaches, policies, philosophies, methodologies and measurement of social responsibility reporting. The main objective of the study was to determine corporate social responsibility accounting and reporting of insurance companies in Nigeria. The research design adopted for the study is quasi- experimental research design. The population of the study consists of all the 40 companies quoted in the Nigeria Stock Exchange as at December 2016. A sample of 25 insurance companies was selected based on their size from the population of the insurance companies. Data for the study were obtained from annual reports for the period of ten (10) years ranging from 2007 to 2016. Cochran Q- test was employed to assess whether there is significant difference in the accounting and reporting among insurance companies. Findings show a significant difference between corporate social responsibility accounting and reporting of insurance companies in Nigeria. The implication of the findings is the variation in the companies' reporting which could be linked to lack of legal prescriptions. The study recommend that the FRC should come up with clearly defined regulatory frame work on how to go about social responsibility issues in Nigeria and should ensure its full implementations. The study concluded that insurance companies have existence of corporate social responsibility policy; varied nature of social responsibility activities which translated into the different ranges of coverage of social report, approach to corporate social accounting, areas of social initiative, furthermore none of the insurance companies stated their approaches to measurement of social contribution.

Keywords: corporate responsibility accounting, social accounting, reporting

Introduction

The history of corporate social responsibility (CSR) is perhaps as old as the history of business itself, though the concept was not formally formulated until recently. (Saeid, Zabihollah, & Zahra, 2015) [37]. However, it only became a serious academic discipline being taught in most business schools within the last decade. Almost, every company worth its name by developing some sort of CSR program to the society, since there seem to be no way to avoid CSR, in some of the developed nations; one cannot do business without being socially responsible. In their view, there is interdependence between business and the society meaning that they rely on each other for survival (Uwuigbe, Uwuigbe, & Ajayi, 2011) [40].

In the view of (Azubike, 2008) [5] the classical scenario of the business accounting for it activities to the stakeholders have more recently witnessed the appearance of interest groups. The interest groups include workers investors, the tax authorities, the host communities and non- governmental organizations. Thus, instead of only having a financial responsibility before its shareholders, it has moved towards a situation where a company has a social responsibility before its stakeholders. (Purnomo & Widianingsih, 2012) [35], argued that organization social responsibility is represented by a series of obligation to not only safeguard its own interest (economic an effect upon owners, employers, but to be accountable to society's well-being (local communities, environment, and national interests). (Osisioma, Nzewi, & Nwoye, 2015) [32] added that the survival of every business depends on the accomplishment of these objectives. The two broad categories of business objectives expected to be accomplished include economic objectives and social objectives. While economic objectives are the targets to be accomplished in the marketing efforts of an organization, social objectives are associated with the aims of an organization towards satisfying the interest of its shareholders, employees, and the general public. (Omoye, 2006) [31] avow that corporate social responsibility accounting (CSRA) is a contemporary issue of concern, which bothers on reporting on the social cost that is associated with corporate activities in a given financial year, (Nzewi, Nzewi, & Okerekeoti, 2013) [26] added that social accounting is the process of communicating the social effects of organizations' economic actions to particular interest groups within a society and to the society at large. Social responsibility accounting emphasizes the notion of corporate accountability and in this sense can be seen as an approach to reporting a firm's activities with emphasis on the identification of socially relevant behaviour. Nevertheless, CSRA is not new to the financial reporting arena, presently in Nigeria, companies in their directors' reports are required to provide in some circumstances information regarding environment of employee involvement in companies' affairs and donation of charitable nature (CAMA, 2004 S.342 part 1 ch 5).

(David, 2012) [8] stressed that CSRA goes beyond mere reporting on employees and charitable donations, to include for example costs incurred in complying with anti-pollution safety and health as well as the net impact of other socially beneficial requirement and endeavour to protect society. For example in countries like

Germany and United Kingdom, there are regulatory bodies involved in pushing for regulations of certain CSR practices.

In Nigeria, corporate social responsibility accounting gained importance in the 1990s as a result of the interest shown by the international communities in the conflict between oil and gas companies and their host communities (Oguntade & Mafimisebi, 2011) [27]. Today, most organization believes that business operations should go beyond the simple prospect of money making. Thus, managers try as much as possible to incorporate the interest of the employee, business partners, customers, shareholders and the society at large into their decision making which offers the best guarantee for consistent profitability.

Despite these importance CSRA is still at a slow paced, and the level of social disclosure among Nigeria companies is basically still low and at the embryonic stage which is mainly caused by various bottlenecks of environmental issues as opined by (Mamman, 2011; Nzewi, et. al., 2013) [21, 26]. In Nigeria, many organizations in one way or the other have show some levels of interest in their social responsibility but have not given the needed financial reporting touch to these expenses. Most of the disclosures are done via the director's report or notes to the accounts but they are not explicitly disclosed or made to be part of the financial statement. Also, Nigeria insurance companies are still uncertain about the benefits of social reporting and the use of social reporting information benchmark has not been widely practiced.

Against the above backdrop, this study is undertaken with a view to ascertain corporate social responsibility accounting and financial performance of insurance companies in Nigeria

Statement of the Research Problem

It is normal for a business organization to record expenses it incurs in the running of the enterprise. However, sufficient expenses may not be incurred by an organization to settle its daily economic, social and environmental problems. It is unethical for organizations not to incur or to incur insufficient expenses on such items as personnel safety and the destruction of the environment. It is also contrary to International Financial Reporting Standard (IFRS) on the disclosure convention for an organization to exclude social responsibility matters in annual reports. Presently, there is no existing accounting standard in Nigeria for reporting on corporate social responsibility accounting and this has made organizations to adopt different approaches, policies, and philosophies on social responsibility reporting. Although, with the adoption of IFRS more of social cost are being reported in the director's report and it is very scanty, less of quantitative information. The absence of a generally accepted theory of business roles in society has accounted for the impracticality, limited spread, public relation bias, and lack of consensus with respect to the objectives, methodologies and measurement of social cost accounting.

Objectives of Study

The main objective of the study is to determine corporate social responsibility accounting and reporting among insurance companies in Nigeria.

Research Questions

To achieve the specific objective of this study this research question was raised:

To what extent is accounting and reporting on social activities differs among insurance companies in Nigeria of insurance companies?

Review of Related Literature

Conceptual Review

Historical Origin of Corporate Social Responsibility (CSR)

The history of CSR can be traced back to 1700 years before Christ in which it was reported that Mesopotamian kings as of then introduced a code for innkeepers guidance on how to go about their jobs. Deviation from complying with the code led to severe penalty especially when the deviations harmed other citizens (Ogunkade, *et al*., 2011) [27].

Researches on corporate social responsibility were dates back to at least 1930s (Berle, 1931; Dodd, 1932) [6, 9]. Through the initial stages of CSR research often referred to as social responsibility, the literature was primarily at the institutional level (Uwuigbe, *et al*., 2011) [40] with the discourse being around the role of the firm in society (Bowen, 1953). However, clarity around the role of the firm and especially the conceptualization of CSR did not emerge and it became even less clear over the subsequent decades.

Corporate Social Disclosures and Proportion of Social Reports

Corporate social disclosures (CSD) have been studied for many decades. Some of the salient issues border on why organizations should report social practices to other stakeholders. A number of theories ranging from "agency theory, to institutional theory to shareholder theory to ethical theory have been used to underline the reason" (Onyekwelu, & Uche, 2014) [30] classifies these arguments under three heads. First, it has been argued that the social disclosures have a positive impact on the performance of an organization. Second, the disclosures may legitimize an organization's behavior by influencing the perception of other stakeholders. Third, voluntary disclosures signify the recognition of the organizations moral accountability. Various stakeholders perceive these disclosures as a strong signal of the company's commitment to social or sustainable practices. For instance, in the financial markets, investors do place a lot emphasis on social metric and as a result use corporate social report as a major tool of analysis (Global Reporting Initiative (GRI, 2007) [12].

Reporting Corporate Social Responsibility Practices

The ways in which corporate social practices have been reported have undergone changes over the years. In some sections in annual reports, more companies are now producing stand-alone report under the title of sustainability reports (KPMG, 2011) [16]. The methodologies of social reporting in the last 30 years have been classified based on whether the report talk about both inputs and outputs and also the number of indicators used (Nkanbra, et. al, 2007) [25] in the last five years institutions like the global reporting initiative (GRI) have come out with elaborate guidelines for preparing social or sustainability reports. These guidelines are for preparing social or sustainability reports.

In Asia, Japan has made significant strides in building such corporate social reporting initiatives, but other countries like India and china have a very limited number of companies, and that too in select industries like oil, chemicals and steel, providing social reporting (KPMG, 2011) [16].

However, the contents of such reporting, particularly in countries like Nigeria, remain understudies and fragmented. The focus of even academic literature when it comes to such studies has been on organizations in the developed world. This create gap that need be explored.

Accounting for Social Responsibility

1) Approaches to social responsibility accounting

(Glautier, Underdown, & Morris, 2011) [11] Identify three approaches to accounting for social responsibility as descriptive approach, cost outlay approach and cost benefit approach.

a) Descriptive approach

This approach advocate the listing of all corporate social activities which may be reported in from of short sections in the annual report to shareholders or in a separate publication dealing with corporate social responsibility. The disadvantage of the approach is that social responsibility not quantified to enable a good assessment of corporate responsiveness rewards its social responsibility.

b) Cost outlay approach

This approach lists corporate expenditure on each social activity undertaken, quantified in money terms. The advantage of this approach is that it makes comparison in achievement between successive years in level of financial commitment to social activities to be possible as cited in (Uwuigbe, Uwuigbe, & Ajayi, 2011) [40]. Cost out lay approach does not disclose the benefit made therefore does not comply with the matching concept. Another advantage of this approach may include inefficient programmes.

c) Cost benefit approach

This approach match's expenditure incurred on each social activity with benefits associated with it. It has the disadvantage in that it is difficult to quantify some element of benefits as they are qualitative (intuitive or psychic).

2) Measurement of social contribution

There is a general acceptance of the concept of social responsibility. However, the problem of measure as it is difficult to quantify expenditure incurred and some benefits derived (Nkanbra & Okorite, 2007) [25]

Management of social contribution is dependent on who determines what social responsibility is. (Imoh-Ita, 2013) [14] Recommends five methods or techniques for giving values to quantitative social responsibility matters, surrogates valuation, survey method, appraisal method, court decisions method and analysis method.

1. Surrogate valuation technique

This is assignment of value of an activity similar to the social activity in diction to the value of that social activity. (Azubike, 2008) [5] Explains that the technique entails where an oil spillage occurs in a particular locality in the Niger Delta and the amount of loss cannot be immediately determine in the village. To determine or fix the amount of the loss, a similar past occurrence any other location which has been determined through decided court cases can be surrogated to that of the current oil spillage, after necessary adjustments.

2. Survey Method

This method determines value of social activity by obtaining information through a survey of those within the society who make the sacrifice, example, those ravaged by oil spillage or those who receive the ability, example of gas turbine (Nkanbra & Okorite, 2007) [25].

3. Court Decision

Paying for damage as determine by courts of law (Uwalomwa, & Ben- Caleb, 2012) [39] identify an example of this method the case of some oil communities in Bayelsa State that took shell Petroleum Company to court over some environmental problems, which the court ruled in favour of the Bayelsa communities.

4. Analysis Technique

Azubike, (2008) [5]. State that the method involved the analysis of available economic and statistical data with the aim of placing value.

3) Social responsibility reporting

(Bello, 2012) [7], report that there are five concept on the manner in which social responsibility may be reported. The methods include net profit contribution, human resources contribution, public contribution, environmental contribution as well as product and service contribution.

a. Net Profit contribution method

This concept is of the view that profit maximization goal satisfies both organization goals and social responsibility goals. It therefore, advocates that companies should state in the financial statements the net profit contribution to social responsibility (Uwuigbe, Uwuigbe, & Ajayi, 2011) [40]. The concept assumes an interdependence between profit and social responsibility as a conducive social environment will enhance profitability, some of which should be ploughed back to the community for social development.

(Leyira, Uwaoma, & Olagunju, 2011) [18] Observe that the independent relationship is lacking or seemingly, absent between the oil companies and their host communities and why the oil companies are having problems. Since oil companies are only interested in the profit they will make, they give very little consideration to the social consequences. As a consequence of this, oil companies often have their pipelines blown up and vandalized and their workers often held hostages. The concept of net profit consideration is to draw attention to the circumstances under which the profit has been produced.

b. Human Resource contribution method

These methods advocate that the impact of a firm's activities on the people that constitute the human resources or manpower should be reflected or affirm, therefore, star its contribution on:

- The job training for it employees
- The employment opportunities\job security\promotion
- Appealing remuneration packages

- Conductive working condition, staff school, canteen services, training school, etc.
- Drug and alcohol counselling, and
- Job enrichment (Nkanbra & Okorite, 2007) [25].

The recommendations of accounting standards steering committee (ASSC, 1975) on the need for employment report partially satisfies this concept, through there is need for better and more detailed disclosure. The employment report currently being disclosed in Nigeria is not adequate (Onyekwelu, & Uche, 2014) [30]

c. Public contribution method

The concept view that a firm's social responsibility accounting should be in relation to that firm's contribution to the public, that is, in its involvement in activities that will benefit the entire community (Glautier *et al*., 2011) [11]. The activities as identified by Glautier & Underdown, include: general philanthropy or charities, public transportation, health services, housing education in form of scholarship grants, building of school, classrooms, hostels etc. any voluntary activity.

d. Environmental contribution

This involves the organization's contribution towards the alleviation, elimination or prevention of environmental pollution. Some oil companies in Nigeria seem to care less about the environmental pollution caused by their activities in the country, contrary to local and international environmental law. (Onyekwelu, et. al., 2014) [30] Report that prominent Nigerians have died while trying to insist that oil companies should comply with environmental laws.

e. Product and service contribution method

(Glautier et. al. 2011) [11] Identify this method to include

- Maintenance and promotion of the quantity of goods being produced by a company
- Good packaging and labelling
- General production safety, and
- Responsiveness to consumers' complaint.

Communication of Social Responsibility Contribution

There are two approaches to the communication of social contribution information. (Uwalomwa, et. al., 2012) [39] Identify the two approaches as integrated report approach and separate approach. Social responsibility accounting is incomplete without social responsibility audit and the communication of the audit report to the shareholders

1. Integrated report approach

This approach suggests that social contribution information should be integrated with the traditional corporate financial reporting format. This is based on the assumption that social responsibility accounting is an extension of corporate financial.

2. Separate report

This approach states that there should be two separate reports for an organization. These should include traditional financial report and corporate social responsibility reports. This is based on the argument that traditional income statement and social responsibility accounting are different and should be report as such. The approach also suggests that the two statements should be compared.

(Uadiale, & Fagbemi, 2011) [38] argue that there will be a problem of comparing the two statements if they are not prepared on the same basis. The traditional corporate financial report is quantified in naira and is prepared based on fundamental accounting concept and principles. Unless social corporate responsibility reports are also prepared along the same premise, comparison will be difficult. The general tendency, however, is towards the integrated approach (Ojo, 2012) [28].

Theoretical Framework

Stakeholders Theory

Stakeholder theory, states that a company owes a responsibility to a wider group of stakeholders, other than just shareholders. A stakeholder is defined as any person/group which can affect/be affected by the actions of a business. It includes employees, customers, suppliers, creditors and even the wider community and competitors.

Edward Freeman, the original proposer of the stakeholder theory, recognized it as an important element of Corporate Social Responsibility (CSR), a concept which recognizes the responsibilities of corporations in the world today, whether they be economic, legal, ethical or even philanthropic. Nowadays, some of the world's largest corporations claim to have CSR at the centre of their corporate strategy. Whilst there are many genuine cases of companies with a "conscience", many others exploit CSR as a good means to improve their image and reputation but ultimately fail to put their words into action

The stakeholder concept was first used in 1963 internal memorandum at the Stanford Research Institute. They defined stakeholders as "those groups without whose support the organization would cease to exist." The theory was later developed and championed by Freeman in the 1980s. Since then it has gained wide acceptance in business practice and in theorizing related to strategic management, corporate governance, business purpose and corporate social responsibility (Phillips, Freeman, & Wicks, 2003) [34]

Review of Empirical Studies

(Ramaprakash, & Rajaram, 2017) [36] Examines an analysis of corporate social responsibility initiative of selected manufacturing companies in Karanataka. India's top 500 companies' reports were selected for this study. A total of 14 manufacturing companies from Karanataka figured in Dun and Brad Street's report were use for the study. Data were analyzed using Predictive Analysis Software Statistics 18 and Cochran's Q test. Findings show that there is significant difference in the orientation of corporate social responsibility initiative of the selected manufacturing companies in Karanataka. The study concluded that the new companies Act 2013 has redefined the way companies operate in India as against the previous practices where companies were focusing on increasing the value of shareholders.

(Ngwakwe, 2009) [23]. Investigated the relationship between firms‟ social responsibility practices and their performance in Nigeria. The study focuses on the manufacturing industry and concluded that a positive relationship exists between the social responsibility practice of firms and their performance.

(Akano, *Jamiu, Yaya, & Oluwalogbon*, 2013) [32] examined the various types of social responsibility activities information that were disclosed by Nigerian commercial banks and the factors that determine the level of disclosure in their annual reports and accounts. The sample size consists of thirteen commercial banks that have been licensed to operate in Nigeria by Central Banks of Nigeria and are quoted on the Nigerian Stock Exchange as at 2009. Out of these, twelve banks are Nigerian banks and one is international. The data used for this study was collected through "content analysis" of annul reports of these banks and results of descriptive statistics indicate that the banks disclosed more information on human resources and community involvement and very low information on environmental, product quality and consumer relation. The outcome of multivariate analysis suggests that value of total assets have positive relationship and statistically significant with the level of corporate social responsibility activities disclosure. Gross earnings and number of branches are positively and significantly related with Corporate Social Responsibility Disclosure (CSRD) level.

(Hosseyn, Kobra, & Ali, 2012) [13] Carried out a study on the assessment of social reporting on behalf of accepted corporations listed in Tehran stock Exchange in Iran. The study employed a descriptive and inferential statistical technique, conducting research on a number of companies listed in Tehran Stock Exchange 451 companies; only 356 companies traded on the Stock Exchange were open. Conclusions of research indicate that factors such as lack of appropriate accounting information system, lack of awareness of managers about the social cost and nonexistence of legal standards and high social reporting costs causes the avoidance of social reporting on behalf of Iranian corporations.

(Adebayo, *Oluwatoyosi, Elizabeth*, 2012) [1] explored the meaning and practice of corporate social responsibility in relation to its impact on profitability (return on assets and return on equity) by using regression and product moment correlation. The result of the study revealed that indigenous firms perceived and practice corporate social responsibility as corporate philanthropy. It was also discovered that the performance and reporting of social responsibility has a positive correlation with the profitability, that is, return on assets of the banks. It was also revealed that the performance of corporate social responsibility reporting has no correlation with return on equity. The study concluded that performance and reporting of social responsibility goes a long way in boosting the reputation, sales and profit level of the firms. (Amaeshi, Adi & Amao, 2011) [4] Sought to find out whether there was a Nigerian brand of corporate social responsibility or were Nigerian companies imitating the practice in the western countries. The question was put as to how Nigerian companies perceive and practice corporate social responsibility. Their finding was that Nigerian companies perceive and practice corporate social responsibility as corporate philanthropy aimed at addressing socio-economic development challenges. The import of this finding is that corporate social responsibility is a localized and socially embedded construct as the waves, issue and motives identified reflect the companies' response to their social-economic context.

(Uwuigbe, et. al., 2011) [40] studied was on Corporate Social Responsibility Disclosures by Environmentally Visible Corporations. A total of 30 selected listed firms in the Nigerian stock exchange market were used. The study utilized a disclosure index to measure the extent of corporate social responsibility disclosure made by companies in their corporate annual reports for the period 2006-2010. The simple regression analysis was used to test the research propositions in this study. The study found that there is a significant association between the corporate environmental visibility and the level of corporate social responsibility disclosures among listed firms in Nigeria.

In a related study, (Uwalomwa, *et al*., 2012) [39] examines corporate social responsibility disclosures in Nigeria in the listed financial and non-financial firms. Annual reports for the period 2008 was utilized as the main source of data collection for the sampled 41 listed firms, the multiple regression analysis was employed as a statistical technique for analyzing the data collected. Findings were that firms' corporate financial performance and the size of audit firm have a significant positive relationship with the level of corporate social responsibility disclosures. Also, that a significant negative relationship existed between firms' financial leverage and the level of corporate social responsibility disclosures.

(Fiori, & Izzo, 2007) [10] investigate the impact of voluntary disclosure of CSR on stock prices of Italian listed companies over the period of 2002-2007.data were analyzed by ANOVA, the results show that the disclosure of CSR policies (especially those referred to employees) leads to higher stock prices because of the prevalence of a good perception of the market.

(Lungu, Chiraţa, & Dascalu, 2011) [19] examined the relationship between reporting companies‟ characteristics and the importance assigned to social and environmental disclosure, by using statistical correlations based on content analysis of sustainability reports of the largest 50 companies classified by Global Fortune in 2009 data was analyzed with regression in order to address the research hypotheses. The results show that size characteristics measured by assets and revenues cannot be correlated to the extent of CSR reports published by companies, but there is a significant negative correlation between change in revenues and return on equity and social and environmental disclosure for the sampled companies.

(Onyekwelu, et. al., 2014) [30] studies corporate social Accounting and the Enhancement of Information Disclosure among selected quoted firms in Nigeria. Questionnaires were used to collect data that were analyzed and tested using One-Way ANOVA and Chi-square statistical tools. The study findings were that corporate accounting reports as an additional but distinct report in the annual statements significantly enhance information disclosure to stakeholders. The study also found out that most companies in Nigeria presently disclose social accounting information in their annual reports via the Directors' Report, Chairman's Statement and Notes to the Accounts while these report are shown with very short/scanty qualitative information.

(Ali, Rehman, Yilmaz, Nazir & Ali, 2010) [3] analyzed the behaviour of Pakistan consumers and find that the corporate social performance of producers does not motivate consumers to buy a product from cellular industry in Pakistan. Therefore, there is no significant relationship between awareness of CSR activities, consumer satisfaction, purchase intention, and consumer retention in Pakistan.

In another very related study, (Nzewi, *et al*., 2013) [26] appraised corporate social responsibility accounting in Non-bank quoted companies in Nigeria to determine the extent of their corporate social reporting and the similarities or otherwise of the corporate social responsibility accounting among the individual companies. Stratified sampling technique was used in selecting the ten industrial groups used for the study. Content analysis of the annual report and accounts was carried out. Cochran Q test for dichotomous nominal scale data was used to test whether there is significant difference in the social responsibility reporting of the individual companies. Findings show that the companies to a large extent adopted integrated reporting and a combination of descriptive and cost outlay approach in communicating their social reports. Findings also reveal that none of the companies disclosed its means of assessing its social contribution and that the proportion of pages in their annual reports to the shareholders devoted to social reports ranged between 0.3% to 7.5%. Furthermore, it was found that social responsibility expenditure as a proportion to turnover and profit before tax were on the average 0.05% and 0.65% respective. Finally, it was established that there was significant difference in the accounting and reporting of social activities among the companies.

Scholtens (2009, 2011) provide a cross sectional analysis framework in order to study 32 banks and 153 insurance companies across Europe, North America and Asia Pacific regions with respect to CSR. European and Japanese insurance companies in these studies outperform North American counterparts in most of the CSR aspects researched. However, different CSR policies are not implemented into business activities at a same degree, namely, when it comes to donations/ sponsoring or voluntary work, insurers perform significantly better than in environmental aspects (Scholtens, 2011). Engagement in CSR activities is positively correlated with size of insurance companies, which might be explained by increased attention from stakeholders related to company growth (Waddock and Graves, 1997). Otherwise, on an industry basis banks show notably superior performance in every single CSR aspect observed both in Europe and North America. Clearly, there is a considerable room for further research with respect to corporate social responsibility. Diversity of the empirical studies presented above demonstrates complexity of the concept and motivates further research in this regard in order to supplement gaps in existing literature by identifying and measuring impact of various features of corporate governance and social responsibility on financial performance in European insurance companies simultaneously.

In a related study by (Saeid, Zabihollah, & Zahra, 2015) [37] on Corporate Social Responsibility and Its Relevance to Accounting corporate social responsibility. We examine the development of CSR by both reviewing the evolution of the conceptual framework and models of CSR and discussing social responsibility accounting and auditing. We conclude that both business and academic communities worldwide should pay closer attention to CSR and its components of economic, social, and environmental performance. Business organizations worldwide are just starting to recognize the importance of quality as it relates to CSR and the link between profitability and social behavior. Justifications for CSR are fulfilling moral obligations, maintaining a good reputation, ensuring sustainability and licensing to operate, and creating shared value for all corporate stakeholders.

Methodology

Research Design

The research design adopted by the study was quasi-experimental research design. The population of the study consists of all the 40 insurance companies quoted by Nigeria Stock Exchange as at December 2016 are shown in appendix 1.

The sample for the study was by applying statistically the Taro Yamane formula in determining 25 companies out of the 40 insurance companies

The instrument for data collection used by the researcher was the secondary source of data. This includes the annual reports and accounts of the random selected insurance companies on the Nigeria Stock Exchange. These are;

Table 1: list of selected insurance companies

S/n	Name of Company	S/n	Name of Company
1	Allco Insurance American Inter. Plc	14	NEM Insurance plc
2	Consolidated Hallmark Insurance Plc	15	NPF Micro Finance PLC
3	Continental Reinsurance plc	16	Niger Insurance Plc
4	Cornerstone Insurance Plc	17	Prestige Insurance Plc
5	Custodian & Allied Insurance plc	18	Regency Alliance Insurance Plc
6	Equity Assurance Plc	19	Royal Exchange Insurance Plc
7.	Guinea Insurance Plc	20	Sovereign Trust Insurance Plc
8	International Energy Insurance Plc	21	Staco Insurance plc
9	Lasaco Assurance Plc	22	Standard Alliance Insurance Plc
10.	Law Union & Rock Insurance Plc	23	Unic Insurance Plc
11	Linkage Assurance plc	24	Unity Kapital Assurance Plc
12	Mansard Insurance Plc	25	Wapic Insurance Plc
13	Mutual Benefits Assurance Plc		

***Source*:** Nigeria Stock Exchange 2016

The data collected was for the period of ten (10) years ranging from 2007 to 2016.

Method of Data Analysis

Cochran Q- test for dichotomous nominal scale

The Cochran Q- test for dichotomous nominal scale was use for testing the hypothesis, there is no significant difference in the accounting and reporting of social activities among the insurance companies in Nigeria.

The Cochran Q-test is employed. It in an experiment involving repeated observations, or blocks in which the variable of interest is dichotomous, meaning that it can assume one of the two possible outcomes where one of the two values is considered a success and the other a failure. (Oyeka, 1990) [33].

Under the null hypothesis that the probability of a success is constant across all the groups, the test statistics Q is approximately distributed as Chi- square with C-1 degree of freedom, and hence can be with an approximate critical chi-square value for a rejection or acceptance of Ho

$$Q = \text{statistic} = C - 1\ \frac{\sum_{j=1}^{C} T_j^2 - \left(\sum_{j=1}^{C} T\right)^2 {}^2/_C}{\sum_{j=1}^{J} B_j \ - \sum_{j=1}^{J} B_j \ {}^2/_C}$$

Data Presentation and Analysis

Corporate Social Responsibly Accounting and Reporting

The data and analysis of individual company's corporate social responsibility accounting and reporting are shown in table

Table 2: Analysis of Corporate Social Responsibly Accounting and Reporting

S/n	Name of Company	Existence of CRS Policy	Nature of Report	Coverage of CRS in the Report	Area of CRS Initiative	Approach to CRS Accounting	Approach to measurement of social Contribution
1	Allco Insurance American Inter. Plc	Yes	Integrated Report	0.14 page	-Education -Less Privilege -Community -Welfare & Health -Sport Development	Combination of descriptive & cost outlay	Not Stated
2	Consolidated Hallmark Insurance Plc	Yes	Integrated Report	0.48 page	- Education -Health, Safety & environment -Employee welfare -Community development & training	Combination of descriptive & cost outlay	Not Stated
3	Continental Reinsurance plc	Yes	Integrated Report	0.23 page	-Youth development -Education -Health & Safety -Sport -Environment	Combination of descriptive & cost outlay	Not Stated
4	Cornerstone Insurance Plc	Yes	Integrated Report	0.11 page	Community & Environment -Education - Less Privilege	Combination of descriptive & cost outlay	Not Stated
5	Custodian & Allied Insurance plc	Yes	Integrated Report	3 pages	- Sponsorship -Education -Health - Community development	Combination of descriptive & cost outlay	Not Stated
6	Equity Assurance plc	Yes	Integrated Report	0.33 page	- Education - Health & Safety - Less privilege	Combination of descriptive & cost outlay	Not Stated
7	Guinea Insurance Plc	Yes	Integrated Report	0.12 page	No	Descriptive Only	Not Stated
8	International Energy Insurance plc	Yes	Integrated Report	0.48 page	- Health & safety -Employee Training -Humanitarian -Environment	Combination of descriptive & cost outlay	Not Stated
9	Lasaco Assurance Plc	Yes	Integrated Report	0.33 page	Youth & Sport -Health & Safety -Welfare -Education	Combination of descriptive & cost outlay	Not Stated
10	Law Union & Rock Insurance Plc	Yes	Integrated Report	0.12 page	-Scholarship -Education -Health & Safety -less privilege	Combination of descriptive & cost outlay	Not Stated
11	Linkage Assurance plc	Yes	Integrated Report	0.48 page	-Health & safety -Employee welfare - less privilege -Training	Combination of descriptive & cost outlay	Not Stated
12	Mansard Insurance Plc	Yes	Integrated Report	0.48 page	-Less Privilege -Community -Environment	Combination of descriptive & cost outlay	Not Stated

					-welfare & training		
13.	Mutual Benefits Assurance Plc	Yes	Integrated Report	0.48 page	-Sport Development -Community -Education -Health & Safety	Combination of descriptive & cost outlay	Not Stated
14	NEM Insurance plc	Yes	Integrated Report	0.45 page	-Education -Charity & Less Privilege -Environment -Community	Combination of descriptive & cost outlay	Not Stated
15	Niger Insurance Plc	Yes	Integrated Report	1 page	-Charitable - Education -Health, Safety & welfare -Employee development & training	Combination of descriptive & cost outlay	Not Stated
16	NPF Micro Finance Bank Plc	Yes	Integrated Report	0.08page	Health & Safety – Education - Less privilege	Combination of descriptive & cost outlay	Not Stated
17	Prestige Insurance Plc	Yes	Integrated Report	4 pages	-Orphanage -Education -Health & welfare - Welfare	Combination of descriptive & cost outlay	Not Stated
18	Regency Alliance Insurance Plc	Yes	Integrated Report	1 page	-Health & Safety -welfare -Education	Combination of descriptive & cost outlay	Not Stated
19	Royal Exchange Insurance Plc	Yes	Integrated Report	0.33 page	- Sponsorship -Education -Health -Empowerment -Less Privilege	Combination of descriptive & cost outlay	Not Stated
20	Staco Insurance plc	Yes	Integrated Report	0.33 page	-Community & Environment -Education -Welfare -Less Privilege	Combination of descriptive & cost outlay	Not Stated
21	Standard Alliance Insurance Plc	Yes	Integrated Report	0.33 page	-Education - Care for less Privilege - Community	Combination of descriptive & cost outlay	Not Stated
22	Sovereign Trust Insurance Plc	Yes	Integrated Report	0.18 page	-Community - Environment -Education -Health Safety -Less Privilege	Combination of descriptive & cost outlay	Not Stated
23	Unic Insurance plc	Yes	Integrated Report	0.12 page	- Health & safety -Education	Combination of descriptive & cost outlay	Not Stated
24	Unity Kapital Assurance Plc	Yes	Integrated Report	0.08page	- Health & Safety – Education - Less privilege	Descriptive & cost outlay	Not Stated
25	Wapic Insurance Plc	Yes	Integrated Report	4 pages	-Community -Environment -welfare & training -Education	Combination of descriptive & cost outlay	Not Stated

***Source*:** Researchers' compilations (2018)

From the analysis from table 2 above, it is clear that all the sampled insurance companies are conscious of their responsibility to their host environment and communities. Also revealed is that the companies to a large extent adopted integrated approach in the communication of their social responsibility. The implication is that they regard social responsibility accounting as a mere extension of corporate financial reporting as in none of the cases was a free-standing report on social contributions made.

The data further revealed that the proportion of pages of the annual report devoted to social responsibility accounting range between 0.08 and 4 pages with a mean of 0.23 (23%) this does not suggest adequate coverage attention to CRS and may be indicative of a general cover summarization of social activities in the reports

The study revealed that their approach to social responsibility accounting is predominantly a combination of descriptive and cost outlay in reporting of their activities in the period under review with the exception of Guinea Insurance Plc which adopted descriptive approach. Apart from the listing of social activities, projects, the expenditure on each of them is quantified in monetary terms. Of very significance is the fact that none of the companies adopted cost benefit approach which matched expenditure on each social project to the benefit associated with it. Also none of the companies disclosed its means of assessing its social contribution which can be measured either by surrogate valuation, survey, court decision or analysis method. This is indicative of the elementary stage of social responsibility accounting among the insurance companies in Nigeria.

Further revelation is that the areas of social responsibility initiatives are largely in education, employee development, welfare, health, and sports development. This is contrary to the previous believed that it is only companies whose activities adversely affect the environment are to involve in CRS.

Testing of Hypothesis

Ho: There is no significant difference in the accounting and reporting of social activities among the insurance companies in Nigeria

The data for testing the above hypothesis is as detailed in table 3.

Table 3: Analysis for Cochran Q Test for insurance companies

Companies	Approach to CSR Accounting	Existence of CSR Policy	% to CSR Report to Annual Report	CSR Expenditure as % N. Profit	B_j
Allco Insurance American Inter. Plc	1	0	1	0	2
Continental Reinsurance Plc	1	1	0	1	3
Consolidated Hallmark Insurance Plc	1	1	1	0	3
Cornerstone Insurance Plc	1	1	0	0	2
Custodian & Allied Plc	1	1	1	1	4
Equity Assurance plc	1	1	0	0	2
Guinea Insurance Plc	1	0	0	0	1
International Energy Insurance plc	1	1	0	0	2
Lasaco Assurance Plc	1	1	0	1	3
Law Union & Rock Insurance Plc	1	1	0	0	2
Linkage Assurance	1	1	0	1	3
Mansard Insurance Plc	1	0	1	1	3
Mutual Benefits Assurance Plc	1	0	1	1	3
NEM Insurance	1	1	0	0	2
Niger Insurance Plc	1	1	0	1	3
Prestige Assurance Plc	1	1	0	0	2
Regency Alliance Insurance Plc	1	0	1	0	2
Royal Exchange Assurance	1	1	0	0	2
Staco Insurance Plc	1	1	1	0	3
Standard Alliance Insurance Plc	1	1	0	0	2
Sovereign Trust Insurance	1	1	0	0	2
Unity Kapital Assurance Plc	1	0	0	0	1
Universal Insurance Plc	1	0	0	0	1
Wapic Insurance Plc	1	0	1	0	2

Source: Researchers' compilations (2018)

In analyzing and testing the data presented above the Cochran Q-test for dichotomous nominal scale was used where the variable of interest can assume only one of two possible values; and one of the value is considered a success and code with ''1'' and the other is considered a failure and coded with ''0'' (Onyeka, 1990) In the absence of acceptable benchmarks, we develop our model using four critical variables:

1. Approach to corporate social responsibility accounting – here we adopted a combination of descriptive and cost outlay which involves listing of corporate social activities together with expenditure quantified in monetary terms is scored ''success'' while mere listing of or non-listing of social activities is scored '' failure''
2. Existence of corporate social responsibility accounting policy – here the existence of policy is scored ''success'' and non- existence is scored '' failure''
3. Proportion of the number of pages in the annual report that management devoted to social reports – here we adopted any scores above the mean score of all the sampled companies as ''success'' and scores below as '' failure''
4. Corporate social responsibility expenditure as a percentage of net profit – here the scores above the mean score for the sampled companies are adjudged ''success'' and scored below are regarded '' failure''

Applying the Cochran Q- test we obtained the result in table 3

Table 4: Result of Cochran Q Test output in SPSS

Frequencies	
	Value

	0	1
Standard Alliance Insurance Plc	2	2
Niger Insurance Plc	1	3
Linkage Assurance	1	3
Custodian & Allied Plc	0	4
Consolidated Hallmark Insurance Plc	1	3
Staco Insurance Plc	1	3
NEM Insurance	2	2
Continental Reinsurance Plc	1	3
Law Union & Rock Insurance Plc	2	2
Sovereign Trust Insurance	2	2
Prestige Assurance Plc	2	2
Royal Exchange Assurance	2	2
Cornerstone Insurance Plc	2	2
Lasaco Assurance Plc	1	3
Allco Insurance American Inter. Plc	2	2
Regency Alliance Insurance Plc	2	2
Mansard Insurance Plc	1	3
Guinea Insurance Plc	3	1
Wapic Insurance Plc	2	2
Unity Kapital Assurance Plc	3	1
Mutual Benefits Assurance Plc	1	3
Universal Insurance Plc	3	1
Equity Assurance plc	2	2
International Energy Insurance plc	2	2

Table 5

Test Statistics	
N	4
Cochran's Q	19.075[a]
Df	23
Asymp. Sig.	.697
a. 1 is treated as a success.	

The result of the test statistic Q above is approximately distributed as chi-square with 4-1 degrees of freedom and hence may be compared as appropriate critical chi-square value for a rejection or acceptance of H0.

Where the calculated Q statistic is greater than the tabulated Q statistic the null hypothesis is rejected.

Since Q=19. 08 >11.35 =X.99.3, we reject the null hypothesis and conclude that there is significant difference in the accounting and reporting of social activities among the insurance quoted companies in Nigeria

Discussion of Findings

The study found that the Hypothesis shown that there is significant difference in the accounting and reporting of social activities among the insurance as the Cochran Q test (Q=19, 08. >11.35 =X.99.3). This result is in support with (Nzewi, *et al*, 2013) [26], who appraised corporate social responsibility accounting in Non-bank quoted companies in Nigeria and established that there was significant difference in the accounting and reporting of social activities among the companies. The findings which revealed a significant difference in the accounting and reporting of social activities among the insurance companies in Nigeria has some implications. It is possible that the variation in the companies' reporting could be linked to lack of legal prescriptions and ignorance of the benefits of social accounting and reporting. The evidence of conscious effort of the companies to discharge their social responsibilities suggests that the theory, the investigated firms are beginning to behave as good corporate citizens but on the whole, the thoughts appeared basically low and still at the embryonic stage (Umalomwa & Uadiale, 2011) [38]. The revelation of adoption of integrated report as nature of report and descriptive and cost outlay as approach to CRS accounting in the communication of social responsibility activities by the focused companies has some undertone of projecting to the public that they are committed to social responsibility. But in reality, their investment in social projects was extremely small compared to the huge profit generated from the environment. This finding is confirmed by the results of the study executed by Amaeshi, Adi, and Amao, (2011) [4] when they found out that Nigerian companies practice and perceive corporate social responsibility as corporate philanthropy. This brings to false the deficiency in the acclaimed commitment to corporate social responsibility.

Another finding that the insurance companies focused on education, employee development, welfare, and health and sports development implies that they seemed to remedy the negative effects of the business activities in their host communities. The policy implication is that since the companies appear not to have committed tangible financial resources to these areas, there is need for the regulatory authorities to compel them to be much more committed to their responsibilities.

Given the aforementioned findings and implications, we conclude that insurance companies quoted in the Nigerian Stock Exchange have varied nature of social responsibility activities which translated into the different ranges of coverage of social report in the annual report and account, approach to social accounting and areas of social initiative

Conclusion

Sequel to the hypothesis testing, data analyses and the findings the study reveal that there is evidence of conscious effort of the sampled insurance to discharge their social corporate Responsibilities.

Recommendations

Based on findings, the study recommends that the Financial Reporting Council (FRC) should come up with clearly defined regulatory frame work on International Financial Reporting Standard (IFRS) and amendment of relevant sections of Companies and Allied Matters Acts (CAMA) on how to go about social responsibility issues in Nigeria and should ensure its full implementations.

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