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Auditing and organization of financial statements in the context of sustainable development: A comparative study on GRI and IFAC

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Abstract

The purpose of this study is to identify the added value of differentiation between the reporting standards developed by GRI and IFAC. It examines global approaches to financial reporting and auditing processes aimed at achieving sustainable development goals. It also aims to raise awareness of countries' current implementation of the principles of these two organizations. The standards developed by GRI and IFAC were comparatively examined, and countries' practices based on these two organizations were analyzed. This research relies on a qualitative assessment of existing literature. The analysis indicates that GRI and IFAC adopt divergent strategies when addressing sustainability. Originality of the Research: This study is one of the rare studies that directly compares GRI and IFAC standards regarding the auditing of financial statements within the framework of sustainable development. Furthermore, the practical implications of theoretical knowledge were evaluated by examining practices in different countries. Theoretically, the article advances previous studies by comparing relevant fields and presenting their roles in the global arena. Results: The research revealed significant structural differences between the GRI and IFAC's sustainability approaches and perspectives on financial auditing. Countries' practices vary in their level of adoption of these organizations' standards. This highlights the need for harmonization of global reporting and auditing standards. While GRI determines the content of reporting, IFAC ensures its reliability and accuracy. Considering both structures together is critical for establishing a robust financial reporting and auditing system that serves sustainable development. Conclusion: This study highlights the benefits of sustainable development while also demonstrating the need for auditing and financial statements to keep pace with global change.

Keywords: Auditing standards, Corporate sustainability, ESG, Accounting profession, Financial reporting, GRI, IFAC, Sustainable development, Transparency, accountability.

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1. Introduction

Global economic crises and economic and social crises are forcing businesses to transparently report not only their financial performance but also their sustainability levels. For institutions seeking to achieve this robust and sustainable development, the restructuring of financial reporting and auditing has become essential. Institutions must report not only their profit and loss statements but also their systems, computer systems, and other systems systematically and reliably.

Two globally recognized foundations in this process have been the GRI and IFAC. GRI sets the most widely used standards for sustainability reporting worldwide, demonstrating how and in what way other ESG disclosures are made. IFAC, on the other hand, stands out as a guiding body for the accounting profession, establishing professional standards, ethical principles, and auditing frameworks for the expansion, transparency, and auditability of financial reporting.

This article aims to comparatively analyze the details of financial reporting and auditing in line with the Sustainable Development Goals of GRI and IFAC. This will reveal how GRI's reporting processes will shape the organization's reporting process, and IFAC's auditing processes will shape these processes. This will develop a holistic perspective that will contribute to establishing a more sustainable, reliable, and accountable financial structure for the organization.

While the GRI and IFAC's founding roots, missions, and roles in global accounting and sustainability reporting differ, their purpose remains the same.

GRI is an independent organization that develops widely used standards in the field of sustainability. GRI's role in sustainability reporting is to ensure transparency, comparability, and accountability in reporting on data, social, and economic aspects [1].

Updated in 2021, the GRI Standards structure has a modular structure and consists of three main headings:

• GRI 1: Foundation: Determines the purpose, scope, and fundamental principles of reporting (materiality, stakeholder engagement, accuracy, transparency).

• GRI 2: General Disclosures covers aspects including organizational setup, governance framework, strategic orientation, ethical conduct, and workforce characteristics.

• GRI 3: Topic Standards: Specific standards specifically designed for significant environmental, social, and economic impacts. “For example, standards such as GRI 302 (Energy) and GRI 403 (Occupational Health and Safety) are included” [1].

GRI Standards can be implemented by organizations from all sectors upon request. Private sector companies, public institutions, universities, and non-governmental organizations use these standards to:

- Prepare corporate social responsibility (CSR) reports,
- Prepare integrated reporting documents,
- Organizations are expected to publish yearly sustainability reports [2]. Moreover, GRI is consistent with the EU’s CSRD and the IFRS sustainability reporting frameworks [3].

According to global research, approximately 73% of Fortune 250 companies base their sustainability reporting on GRI Standards [2]. International bodies, including the World Bank, UNGC, and OECD, acknowledge and promote the GRI framework [4].

This demonstrates the GRI's central role in ensuring companies comply with the principles of transparency, accountability, and social responsibility in line with sustainable development goals.

IFAC plays a crucial role in regulating the accounting profession worldwide, establishing ethical principles, and enhancing professional competence. The standards developed by the boards affiliated with IFAC contribute to the provision of reliable and comparable financial information at the global level. This situation shows that IFAC is effective in the Accounting Profession [5].

IAASB, a division of IFAC, ensures the transparent, consistent, and high-quality conduct of independent audits through the publication of International Standards on Auditing (ISAs). These standards contribute to strengthening investor confidence and ensuring stability in capital markets [6].

IPSAS, prepared for the public sector, enhances the accountability of governments and public institutions and supports sustainable public finances [7].

The International Education Standards (IES), developed by IFAC, regulate the education, professional qualifications, and lifelong learning processes of professional accountants [8]. According to the World Bank [9] these standards assist professional bodies and universities and are reinforced by capacity-building initiatives to enhance accounting education, especially in developing nations.

IFAC's ethical principles are one of the most powerful contributions to the accounting profession. The IESBA Code of Ethics and Conduct is based on the principles of integrity, objectivity, competence, confidentiality, and professional behavior [10]. These rules ensure the prevention of unethical practices, particularly in independent auditing processes, and uphold the principle of public interest.

As a general assessment, IFAC makes a holistic contribution to the accounting profession not only through technical standards but also through ethical values, educational policies, and a public interest perspective. It ensures the harmonization of accounting practices globally, enhances investor confidence, and supports sustainable development.

GRI has developed the most widely used set of standards for sustainability reporting since the early 2000s. GRI Standards aim to ensure that companies report their ESG performance clearly and systematically [1]. IFAC also offers standards based on the principles of ethics, transparency, and accountability in accounting and auditing. International standards published by IFAC-affiliated bodies such as the IAASB, IPSASB, and IESBA ensure the reliability and auditability of financial information [5]. The key difference between GRI and IFAC lies in their focus. While GRI determines sustainability content by answering the question "what should be reported," IFAC establishes audit and reliability mechanisms by focusing on the question "how should reported information be verified?" [2]. These two structures are not alternatives; rather, they complement each other.

GRI and IFAC operate in distinct yet complementary areas, ensuring that corporate reporting and the accounting profession contribute to sustainable development goals. Both structures contribute to transparency, accountability, and sustainability goals. GRI builds the content of reporting, while IFAC builds its credibility. The combined evaluation of these two structures forms the basis of a holistic reporting and auditing infrastructure that serves the vision of a sustainable economy. GRI and IFAC make significant contributions to achieving a transparent, comparable, and accountable structure in corporate reporting processes globally. Both organizations highlight the social, environmental, and economic responsibilities of companies and public institutions by promoting the integration of sustainable development principles into accounting and auditing systems. This contributes to meeting stakeholders' information needs more comprehensively and strengthening accountability. Furthermore, the adoption of international standards and ensuring consistency in practice will enhance the quality of sustainable auditing. GRI is a leader in sustainability reporting, guiding organizations to systematically and standardize their ESG performance. Through this, companies can disclose to the public not only their financial outcomes but also their social and environmental effects. GRI's standards, in conjunction with the European Union and other international organizations, establish a unified global language for reporting. IFAC stands out with its international standards that strengthen the ethical, technical, and structural aspects of the accounting and auditing profession.

2. Literature Review

Humphrey, et al. [11] emphasize that IFAC makes an indirect but effective contribution to sustainability by providing a systematic structure to international auditing processes. It evaluates IFAC's impact on the global development assistance agenda. IFAC has increased the global influence of the accounting profession by shaping capacity-building activities in developing countries. The engagement of the global accounting profession in capacity-building activities with international development agencies illustrates its strong commitment to serving the public interest [11].

For every organization, the adoption of Integrated Reporting takes place through a different and unique pathway. Integrated Reporting, an evolutionary continuation of the traditional accounting approach, aims to mature over time, enabling reporting to become multidimensional and strategically more holistic, responsive, meaningful, and relevant. Two global bodies stand out in this regard: GRI and IFAC. It discusses the opportunities integrated reporting presents for Australian nonprofit organizations. By combining financial and non-financial disclosures, integrated reporting is regarded as a more holistic and strategically oriented reporting practice [12].

So back in 2016, the author Nazarova, et al. [13] spoke about the need to apply the principles of the SDGs in management accounting and reporting in Kazakhstan. The application of a systematic and comprehensive approach to the problem required involving developments not only in business accounting, but also in economic analysis, operational and strategic management, economics, and mathematical modeling [14].

And already in 2024–2025, the authors Kogut, et al. [15] write about the application of SDG principles in the financial reporting of Kazakhstan. The studies emphasize the importance of reliable financial reporting and found optimal methods for identifying distortions in financial reporting when comparing data from different countries.

De Villiers, et al. [16] note that the GRI has enabled firms to measure both financial and social responsibilities. Their study critically evaluates the evolution of the GRI, outlines its present role, and proposes directions for future research.

The study by E-Vahdati and Aripin [17] conducted a bibliometric analysis of research on sustainability reporting related to the GRI from 1999 to 2020. Highlights previous research patterns and foresees a rise in publications in this area during the next decade, shaping how future researchers approach the topic.

Mougenot and Doussoulin [18] by tailoring developed-country experience to developing-country constraints, the GRI principles are argued to offer substantial capacity for addressing environmental management and sustainability concerns. The analysis further juxtaposes trends in the GRI literature between developed and developing economies. Bibliometric methods reveal the global impact of the GRI and the differences in its implementation.

The authors Zharfpeykan and Akroyd [19] evaluate the overall effectiveness of the GRI's transition processes. The effectiveness of GRI transitions over the years demonstrates that implementers have produced mixed results in terms of both transparency and sustainability performance. This study evaluates the impact of the GRI transition from G3.1 to G4 and subsequently to GRI Standards. It analyzes how companies responded to these transitions and the changes in reporting quality.

Hossain and Kibria [20] examine corporate responsibility through sustainability reporting disclosures. Through semi-structured interviews with various stakeholders, the motivations, challenges, and impacts of reporting practices are analyzed.

According to Breliastiti, et al. [21] the implementation of GRI standards within the service sector is systematically examined. It has been noted that service sector companies place greater emphasis on economic indicators than environmental indicators in the implementation of GRI standards [21]. The level of GRI implementation and challenges encountered are analyzed using selected companies from the healthcare and finance sectors.

Ismail, et al. [22] assessed the CSR reporting practices of companies in Pakistan through the lens of the GRI principles. Content analysis was conducted using six quality criteria: balance, comparability, accuracy, clarity, reliability, and timeliness.

The article by Ali, et al. [23] examines the challenges of developing sustainability reporting standards, with a particular focus on the role of GRI. It also assesses the roles of standard setters, the challenges they face, and the development of sustainability reporting.

Ahmed, et al. [24] this study developed a dataset to harmonize the GRI and the ESRS. This dataset is used to enhance the information retrieval capabilities of the ESGLLM.

Petera and Wagner [25] in this bibliometric analysis examine trends and prominent authors in the GRI-related literature through a systematic review of frequently cited studies and prominent authors. The goal is to understand the development and trends of research in the GRI-related literature and to identify areas that could be used for future research.

According to Adams, et al. [26] the development and implementation of the GRI Standards raise several practical and policy-related challenges. They discuss the structural and practical challenges these standards pose for policymakers and practitioners. They highlight the challenges encountered in implementation and offer policy-level recommendations on how to overcome these challenges.

In this bibliometric analysis, Petera and Wagner [25] examine trends and leading authors in the GRI-related literature through a systematic review of frequently cited studies and prominent authors. The goal is to understand the development and trends of GRI research and to identify areas that could be used for future research.

As a result, scholars widely agree that the GRI and IFAC are central to establishing the institutional basis for sustainable development. However, it is also emphasized that these bodies need to work more integrated and their standards harmonized in the future [3].

2.1. Comparative Analysis of the Impact of GRI and IFAC on Sustainability and Financial Reporting

The importance of corporate reporting in line with sustainable development principles is increasing, and in this context, two fundamental structures stand out at the global level: GRI and IFAC. While both organizations aim to mainstream sustainability into corporate and financial disclosure practices, they operate with different focal points and standards systems.

GRI focuses on sustainability reporting, encouraging companies to transparently report their ESG performance. GRI's primary objective is to enable companies to share their sustainability impacts with their stakeholders and to raise awareness of accountability [1].

In contrast, IFAC focuses on accounting and auditing standards and professional ethics. IFAC's primary focus is to ensure that professionals produce reliable financial information globally and that this information is auditable [5]. With their modular design, the GRI Standards guide organizations in evaluating and disclosing sustainability performance. GRI 1, GRI 2, and the subject-based GRI 3 series, organizations can systematically report the environmental and social impacts of their activities [1].

IFAC, on the other hand, ensures the reliability and accuracy of financial reporting through International Standards on Auditing (ISA), International Ethics Standards (IESBA Code), and Public Sector Accounting Standards [6, 7].

GRI is implemented in over 100 countries, and 73% of Fortune 250 companies use GRI Standards in their reporting [2]. GRI's compliance has also been officially recognized with the European Union's new corporate sustainability reporting directive, CSRD [3].

IFAC represents more than 180 accounting organizations in more than 130 countries worldwide and has an effective structure, especially in capital markets, investor confidence, and public sector reporting [5].

Table 1.
Differences in Reporting between GRI and IFAC.

Criterion	GRI	IFAC
Focus	Sustainability Reporting	Financial Auditing and Accounting
Standard Type	GRI 1, 2, 3 Modular Reporting Standards	ISA, IPSAS, IESBA Code of Ethics
Organizational Structure	Independent Non-Profit Organization	Global Professional Federation
Area of Use	Corporations, NGOs, Public Institutions	Accountants, Auditors, Public Sector
Sustainability Focus	Direct ESG Reporting	Indirect – Through Ethics and Auditing Quality

Note: Compiled by the author based on data from IFAC and GRI [1-10, 27-31].

The GRI and IFAC, as shown in Table 1, are two significant structures that differ in both scope and purpose. The GRI and IFAC's sustainability approaches differ significantly in both purpose and methodology. GRI adopts a direct, clear, and comprehensive approach. It fundamentally identifies ESG (Environmental, Social, and Governance) dimensions and ensures that their distribution across these areas is measured and reported transparently. In other words, GRI organizes and integrates sustainability activities, and directly asks questions like, "What activities do you have?" This demonstrates GRI's direct focus on sustainability. Therefore, while GRI focuses directly on sustainability reporting, IFAC focuses more on financial auditing, accounting standards, and ethical principles.

GRI's standard structure is modular (e.g., GRI 1, 2, and 3), while IFAC addresses sustainability indirectly, not directly, but through ethics and audit quality. It works with standards such as ISA, IPSAS, and the IESBA Code of Ethics. While it doesn't have as clear a sustainability claim as GRI, it contributes to this area of improving auditing.

Being an independent and non-profit organization also provides GRI with its corporate standing. Its sustainability plan is quite clear: it focuses directly on ESG criteria. IFAC, on the other hand, is a body established for the global accounting profession.

The GRI framework serves a wide range of stakeholders, including NGOs and public institutions, by guiding integration of sustainability into organizational reporting. The situation is somewhat different on the IFAC side. IFAC, a global professional federation, is primarily aimed at accountants, auditors, and public sector professionals.

Overall, GRI has a sustainability-focused structure that appeals to a more diverse user base, while IFAC has a more professional and technical perspective. One, based on direct reporting, provides an indirect contribution through fragmented ethics and standards. These differences demonstrate that the two sides are complementary. In this context, GRI says, "Prepare sustainability reports." IFAC, on the other hand, focuses on issues such as adherence to ethical principles, transparency in financial reporting, and audit integrity. This indirectly contributes to sustainability because a good audit system promotes corporate accountability and sustainable business records that can be maintained for long periods. Therefore, we see that IFAC should have a direct outcome, such as ESG reporting. In short, while GRI sees sustainability as a primary objective, IFAC presents it more as an indirect benefit within professional standards and codes of ethics. GRI says, "Report for sustainability." IFAC says, “To be sustainable, you must audit correctly.”

Table 2.
Comparative Analysis of Institutional Structures and Functions of IFAC and GRI.

Field	**IFAC**	**GRI**
Full Name	International Federation of Accountants	Global Reporting Initiative
Objective	Unifying global accounting professional bodies and developing standards	Ensuring transparent reporting of organizations’ sustainability impacts
Field of Activity	Accounting, auditing, ethics, public finance, and CFO roles	Sustainability, ESG reporting, environmental and social performance
Beneficiaries	Accountants, auditors, finance professionals	Companies, SMEs, NGOs, public institutions
Related Institutions/Standards	IAASB (Auditing), IESBA (Ethics), IPSASB (Public Sector), PAIB (Business)	GRI Standards (universal, subject-specific, and sector-based standards)
Membership	Professional accountancy organization	Organizations engaged in corporate reporting
Related Transactions	Financial reports, codes of ethics, and auditing guidelines	Sustainability reports, ESG performance reports
International Role	Enhancing the global quality of the accounting profession	Expanding transparency in global sustainability reporting

Note: Compiled by the author based on data from IFAC and GRI [1-10, 27-31].

IFAC and GRI are interconnected organizations working in different areas that share the same path. Within this framework, the general definitions of IFAC and GRI, their founding purposes, areas of activity, beneficiaries, related institutions, stakeholders, standards, membership status, related transactions, and necessary explanations for their role in the international market are presented in Table 2.

IFAC guides its member organizations. These are the corporate professional chambers, institutes, and associations operating in the accounting and finance fields of countries. GRI, on the other hand, requires individual participation in training. However, its members are companies that conduct corporate reporting.

IFAC Financial reports, codes of ethics, and audit guidelines. GRI Sustainability reports, ESG performance reports.

IFAC's International Role: The aim is to enhance the universal quality of the accounting profession. To this end, it implements professional ethics, transparency, and reliability at the international level. GRI ensures that companies prepare transparent and measurable reports on ESG issues.

Therefore, although IFAC and GRI are two international organizations serving different areas, they play complementary roles in sustainability reporting [27, 28]. IFAC develops professional standards in areas such as auditing, ethics, and public financial management, while GRI guides how this information should be reported transparently and sustainably [29]. The implementation of the standards of these two bodies by institutional actors not only ensures financial credibility but also allows for greater visibility and auditability of environmental and social responsibilities [30]. Given the rising value of ESG (Environmental, Social, Governance) criteria, integration with IFAC and GRI standards has now become a necessity for modern businesses.

Table 3.
Responsible Institutions and Application Areas of Sustainability Reporting by Country.

Country	Institutions in Charge	Application Areas
Turkey	TÜRMOB; SPK; KGK	BIST Sustainability Index; GRI-compliant reports of companies
Kazakhstan	Kazakhstan Chamber of Professional Accountants; Kazakhstan Financial Auditing Agency; Kazakhstan Ministry of Finance; Accounting and Auditing Methodological Institute	Samruk-Kazyna National Wealth Fund; Kazakhstan Stock Exchange (KASE); Kazakhstan Ministry of Environment, Geology and Natural Resources
Europe	Accountancy Europe; ESMA; CEAOB	European Commission; EFRAG; Stock Exchanges; Civil Society and Audit Institutions
United States	AICPA; SEC; PCAOB	SASB; ISSB; GRI North America Office

Note: Compiled by the authors based on sources [1-10, 27-31].

Table 3 presents a comparative overview of the institutional structures and areas of application related to sustainability reporting in Turkey, Kazakhstan, Europe, and the United States. The institutions responsible for reporting in each region and the areas in which these institutions operate are detailed. This provides a clearer picture of which institutions drive regional sustainability practices and in which areas they are implemented.

Table 3 presents a comparative overview of the institutions related to sustainability reporting in different countries, their affiliated structures, and standard application areas. This was established to contribute to the economy of each country in a global context. In Turkey, institutions such as TÜRMOB, SPK, and KGK play a decisive role in this area (KGK). These institutions encourage companies to prepare reports compliant with the BIST Sustainability Index and GRI (Global Reporting Initiative). In other words, they ensure that these reports are transparent in both financial and environmental and social dimensions. In Kazakhstan, the process is largely carried out by public audit bodies and institutions affiliated with economic management. Important institutions include the Kazakhstan Chamber of Professional Accountants, the Kazakhstan Financial Auditing Agency, and the Auditing Methodology Institute affiliated with the Ministry of Finance (Ministry of Finance of the Republic of Kazakhstan). Institutions such as the Samruk-Kazyna National Wealth Fund, the KASE (Kazakhstan Stock Exchange), and the Ministry of Environment, Geology and Natural Resources (Samruk-Kazyna) constitute the application areas of sustainability reporting (ESMA).

In Europe, this process is guided by organizations such as Accountancy Europe and the CEAOB ESMA. Institutions such as the European Commission and EFRAG also establish sustainability reporting standards and support the compliance of civil society and audit organizations in this area (EFRAG). In the United States, the process is overseen by institutions such as the AICPA and the PCAOB. Sustainability standards are also implemented through the SASB, the ISSB, and the GRI North America Office. These arrangements demonstrate that firms bear responsibility for both their economic results and their social and environmental consequences. In short, while institutional structures vary across countries, the fundamental purpose of sustainability reporting remains the same: it aims to enable businesses to transparently disclose and be accountable for their economic, environmental, and social responsibilities. To this end, companies contribute to the economy through a constantly updated framework.

3. Methodology

This study was designed using qualitative research methods. The main aim of this study was to conduct a comparative analysis of international financial statement auditing standards from the perspective of sustainable development.

Secondary data sources were used in the research. Standards, guides, and reports published by GRI and IFAC were used as a basis. Furthermore, relevant academic literature and publicly available examples of countries' practices were examined.

The data was analyzed using document analysis. The approaches of GRI and IFAC to financial reporting and auditing within the context of sustainable development were comparatively evaluated. Countries' practices based on these two institutions were also classified thematically.

The comparative analysis method aims to understand the approaches of international organizations such as GRI and IFAC and to reveal their differences in the context of sustainable development. The qualitative method allowed for an in-depth analysis of these differences. Thus, the literature review analyzed the impact of two international organizations contributing to financial reporting and auditing processes within the context of sustainable development on sustainability, transparency, accountability, and financial auditing. This methodological approach yielded comprehensive and realistic results based on both theoretical knowledge and field data. In this context, GRI strengthens the content of reporting, while IFAC ensures its ethical, verifiable, and reliable nature. Both literature and field data demonstrate the need for an integrated approach to both structures.

4. Findings

Based on international standards in the field of sustainable auditing and reporting, the published standards, examples of publicly available practices from countries, and key findings highlighted in the literature are as follows:

- The inclusion of ESG criteria in audit processes has become increasingly important for the long-term risk management and sustainability of institutions. ESG indicators are no longer considered supplementary to auditing, but rather a core element.
- Integrated reporting practices increase transparency and contribute to decision-making processes by ensuring the combined presentation of financial and non-financial information.
- Stakeholders demand that audit reports be publicly available, thereby increasing corporate accountability and trust.
- The use of artificial intelligence and digital tools increases the accuracy and effectiveness of sustainability audits. However, auditor training is required for the effective use of these technologies.
- Adoption of international standards increases comparability and reliability in reporting. The research identified structural differences between the GRI and IFAC auditing standards regarding sustainability.
- While the GRI requires detailed disclosures, particularly in voluntary environmental and social impact reporting, IFAC emphasizes global principles and ethical rules for professional accountants.
- While the GRI contributes to sustainability (ESG), IFAC provides an indirect benefit to accountants and auditors.
- An examination of country examples reveals that GRI practices are widespread in European Union countries, while professional audit practices based on IFAC are more dominant in countries with Anglo-Saxon systems. It has also been noted that some countries use both institutions as references.
- The contributions of GRI and IFAC are central to combining financial and non-financial metrics in the framework of integrated reporting.
- In addition to phenomena characterized solely by numerical data in reporting, GRI has quantified the responsibilities of social events, which are verbal formations.
- By harmonizing the reporting applied to developed countries, the GRI has facilitated its use in developing countries.

The findings demonstrate that IFAC's impact on the accounting profession and the GRI's focus on sustainable reporting for reporting demonstrate the mobilization of economic, social, and cultural resources and strategies it pursues to support its goals of global economic development. They also reveal the fundamental interactions between GRI and IFAC's focus on international development and change in accounting.

This study analyzes the contributions of the financial structure to the economy, raising awareness of the processes that emerge to meet the needs of both firms and relevant stakeholders. Furthermore, the efforts of these two structures demonstrate the need for research in the accounting profession for economic development, with GRI prioritizing sustainable reporting and IFAC prioritizing financial auditing and accounting globally. It has been inferred that embedding sustainable development principles within accounting and auditing practices enhances the visibility of corporate and public sector responsibilities across social, environmental, and economic dimensions.

5. Discussion

Literature demonstrates that sustainable auditing plays a critical role in corporate strategies. ESG criteria are no longer considered non-financial information but are now central to businesses' performance and risk assessments [32].

Integrated reporting emerged as a response to criticism that traditional financial reports fail to reflect long-term environmental and social impacts [33]. These reports furnish stakeholders, including investors, with more detailed and wide-ranging information.

The transparency of audit reports enhances the credibility of institutions, especially in sectors with high environmental impact [34]. The integration of artificial intelligence and digital technologies into audit processes broadens the scope of auditing and enhances its objectivity. However, training programs need to be supported for auditors to adapt to these technologies [31].

The findings reveal that the financial audit approaches of GRI and IFAC within the scope of sustainability differ both structurally and at the application level. The findings reveal that both institutions have different strengths.

While the GRI offers a voluntary reporting system that prioritizes corporate transparency and stakeholder disclosure, IFAC focuses more on the ethical principles of professionals and the quality of audit processes. Therefore, GRI has gained widespread acceptance in sustainability reporting while being limited in auditing. IFAC, on the other hand, has been observed to lack sufficient detail in sustainability reporting. These two different structures are consistent with previous studies.

While some studies in the literature emphasize the positive impact of GRI practices on companies, the differences in GRI-IFAC adaptation across countries in this study demonstrate the need for universal harmonization of reporting standards. An examination of international practices reveals that GRI reporting is more prevalent in developed countries, while IFAC standards are used more in the field of independent auditing. These differences are explained by the countries' legal regulations, cultural background, and development levels. Therefore, integrating standards into legal regulations in European countries makes this situation more effective.

The findings indicate that auditors need both GRI and IFAC when evaluating sustainability reporting. In this respect, the effective use of both institutions increases the reliability of sustainability reporting.

The study's limitations, including certain limitations, should not be generalized to all sectors and countries. For future research, it is recommended that GRI and IFAC practices be examined in depth in different sectors and different countries, and that more scientific studies be conducted to ensure that sustainable reporting contributes positively to independent audit processes.

6. Conclusion

This study comparatively examined GRI and IFAC standards in the auditing of financial statements within the context of sustainable development. The findings indicate that both standards are strong in different respects, but cannot fully ensure the reliability of sustainability reports on their own. GRI primarily answers the question of "what should be reported," while IFAC addresses the question of "how should reports be verified and made reliable?"

While GRI is widely used as a framework for sustainability disclosures, its binding force in the auditing context is limited. In contrast, IFAC provides a strong and clear framework for auditing standards, but provides limited guidance on sustainability reporting. It falls short on specific details.

Cross-country comparisons revealed that GRI reporting is more widely used in developed economies, while IFAC standards are more prominent in independent auditing processes. This difference can be explained by national regulations, corporate governance approaches, and levels of economic development.

In light of the results obtained, the study suggests the following recommendations:

- Countries should be supported by legislation and policy regulations to adapt these standards and improve their auditing practices.
- Independent auditors should adopt a two-pronged approach that considers both the GRI and IFAC frameworks to increase the credibility of sustainability reports.
- Companies should increase investor confidence and contribute to sustainable development goals by complying with international standards in their reporting processes.
- Global harmonization should be achieved in the areas of sustainability and auditing.
- A hybrid reporting-auditing model can be developed by combining the strengths of the GRI and IFAC.
- Simplified, applicable standard sets should be developed for developing countries.
- It would be beneficial to support GRI-IFAC comparisons with more case studies in the academic literature.

As a result, a complementary evaluation of GRI and IFAC standards will strengthen both the reliability of sustainability reports and transparency in financial statement audits. Technological advancements, when supported by international harmonization and training processes, will contribute to the creation of a more reliable and transparent financial reporting structure. The use of artificial intelligence and digital audit tools will improve the accuracy and scope of audit processes. At the same time, the widespread adoption of training programs for these technologies will increase this.

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