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INTEGRATED REPORTING OF ENTERPRISES AS AN ELEMENT OF SUSTAINABLE DEVELOPMENT OF SOCIETY

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Global competition, economic risks and the development of new, integrated versatile projects set new requirements for the quality of management and reporting on socioeconomic processes in developing enterprise. The decision of these issues is on the agenda of the leading countries, integration associations and corporations.

In these circumstances, integrated reporting has become an attempt to reflect the value of business in qualitative categories, combining information about the environmental and social component, without which it is impossible to assess the

market value of the enterprise authentically, its prospects, the impact on society and the environment.

The concept of «integrated reporting» presented by different scientists is considered for a better understanding of the process of creating integrated reporting in the enterprise.

The most common is the interpretation of integrated reporting which combines financial and non-financial indicators in a single format. However, it does not reflect the full sense of the process described, therefore, in our opinion, integrated reporting is a presentation of financial and non-financial information in a form that is accessible to users and highlights the main aspects of financial-economic, social and environmental activity of enterprises, and provides an opportunity evaluate the correctness of the decisions made in the strategic development of the organization.

It should be noted that a certain trend is formed among investors which clearly outlines that they tend to see more and more non-financial data in the financial statements. Skepticism around this has brought to nothing: in a survey by an authoritative auditing company Ernst & Young Global Limited, the number of respondents who state that non-financial disclosures «rarely have a significant effect on finance» dropped dramatically from 60% in 2013 to 12% in 2017 [1]. Obviously, that the interest in integrated reporting is increasing (table 1).

Table 1

Analysis of the distribution of integrated reporting in the world

Indicator	Year					
	2012	2013	2014	2015	2016	2017
1	2	3	4	5	6	7
Integrated reporting	28	42	121	208	256	334
Absolute increment	x	14	79	87	48	78
Growth rate, %	x	150	188	171	123	131
Increase, %	x	50	88	71	23	31

According to the International Corporate Reporting website [2], only 28 companies submitted this form of reporting in 2012, but there is a further increase in the number of reports, and in 2017, 334 integrated reports were submitted in the world. This fact confirms the growing interest in compiling integrated reporting by enterprises in all countries of the world.

The analysis of countries that implement and develop integrated reporting in the world has shown that Japan is the leading country in this process with 21% in 2017, Spain – 9%, the Netherlands – 8%, Brazil – 7%, the United States – 6% Great Britain – 5%, Australia – 5% and other countries of the world [3].

The publication of the documents «One Step to Integrated Reporting: A New Approach in the 21st Century» (2011) and «An International Integrated Reporting format» (2013) was the impulse for further development of the concept of the integrated reporting system. These documents declared the need for the transformation of the existing reporting system, described the possible options for construction and the benefits of its implementation.

The main disadvantage of the old model is the lack of necessary attention to the factors of the enterprise development. The developers of the new integrated reporting model believe that the inclusion of «non-financial» components in the reporting system will improve its quality, and will reflect the significant impact of these factors.

The main differences of the integrated accounting system from the usual financial for us are accessibility, high adaptability, processing approach, system structure, orientation towards the future, control over financial, production, personnel, intellectual and other funds, time frame (short, medium and long term).

Today, in our opinion, the process of forming integrated reporting is impossible without the basic economic information, which is formed in the accounting reports. Possible ways to distinguish additional information that can be integrated with the reporting and take into account all economic and legal issues, taking into account the division of capital in accordance with the requirements of the

International Standard for Integrated Reporting on production, human, financial, socially-reputable, natural and intellectual.

Integrated reports in Ukraine are not legally established, so the organization itself determines the indicators required for it at the current stage. The basic principles of forming complex integrated reporting are strategic orientation, coherence of information, orientation towards the future, reliability, essentiality and clarity.

The effectiveness of personnel management, the organization of the enterprise, projects carried out in the great of social, environmental and charitable activities are attributed to non-financial indicators of integrated reporting of the enterprise. Such information is usually formed and analyzed within the limits of management accounting. Therefore, we offer an algorithm for the formation of accounting information for integrated accounting, taking into account the present existing information management and financial accounting in the enterprise.

The effect that ensures the implementation of integrated reporting at an enterprise is manifested in:

I. For the society: improvement of the ecological, social and economic component at the cost of more responsible management of business organization; increasing information limpidity; reduction of corruption; creating a positive investment climate.

II For organization: 1) that is provided by interaction with the external environment: improvement of competitiveness; attraction of financial capital on more favorable conditions for the enterprise; increasing the market value of capital, by improving business reputation. 2) provided by the internal environment: the development of the model of enterprise taking into account risks and opportunities; improvement of management efficiency; increasing the effectiveness of internal control and economic information; improvement of corporate structure.

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