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Research Article

THE PURPOSE AND OBJECTIVES OF THE FORMATION THE INTEGRATED REPORTING AGRIBUSINESS FIRMS

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Abstract:

The article proposes the author's approach to defining the goal and objectives of forming integrated reporting in agribusiness firms based on the value approach in the economic, social and environmental aspects of sustainability and development of economic entities. The purpose and objectives of reporting are one of the determining factors of the methodology. For agribusiness firms, this is particularly relevant due to the special nature of production, the focus of agribusiness firms on innovation in organizational, technical and technological aspects to maintain competitiveness and interconnection with society. Therefore, it is important for modern agribusiness firms to present financial and non-financial information in a single form about their activities in accordance with the values that determine normal economic activity in interactions with society in the short, medium and long term, which implies the need to formulate such goals and objectives its achievement, which align reporting with consistent steps to ensure the information needs of its interested users. For agribusiness firms, the goal of forming integrated reporting is to provide interested users with information on the direction and results of the firm's development in economic, social and environmental aspects in order to meet the needs of the population with agricultural products and domestic products, improve and increase the productivity of land and other natural resources used in agriculture. ecosystem restoration and development of rural areas. Accordingly, to achieve the goal of forming integrated reporting of agribusiness firms, such tasks as: informing about the economic, environmental and social effectiveness of the organization; Demonstration of corresponding relationships between the values of the organization and the values of society; representation of the management of the organization's resources and capital in enhancing the competitiveness of the organization and its products (works, services); control of factors affecting the implementation of the selected business model in enhancing the innovativeness of the organization and its products (works, services).

Key words: value added, reporting users, development, strategy, value.

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INTRODUCTION:

We define the period of inception of reporting from 476 AD. and associate with the emergence of market relations in society [14]. Initially, the text of the report was short, succinct, understandable for anyone who can read. As the market developed, reporting improved in accordance with the demands of society. So there were consecutive transitions from the epigraph to the receipt and expenditure statements, then to the centered model - the balance sheet and accounting statements, after - to the models of segmented statements (financial, managerial, specialized, social). But at the present stage of development of the market, which can be described as a fully saturated stage, all previously proposed reporting models do not justify themselves.

Firstly, modern firms are not things in themselves, any of their interactions with other market actors leads to a change not only in settlement obligations and capital is modified not only due to production and financial activities, completely dependent on management. Modern firms are complex systems within a complex system of the world, they operate on several levels simultaneously, together with society solving economic, environmental and social problems of sustainable development [2]. The report on social activity in conjunction with the accounting (financial) statements aroused public interest in reporting on compliance with the principles of sustainable development, but in combining the two reporting users that need information to external users, there was also external reporting that did not show the development directions of the company. Management clarifications, a report on corporate governance, management and specialized (industry) reporting are sent to inquiries from internal users, but the goals of their formation are aimed at improving the economic performance of the company and little concern development issues in interaction with society. Developed in the XXI century. studies on adaptability, network organization, fractals, show that the successful functioning of the company is possible only in the relationship of internal and external development goals [7; 9; 12], and, accordingly, in the reporting to the shareholders, it is advisable to present the indicators characterizing the results of activities and the direction of development of the company in the network of its interactions [5; 9]. This feature provides integrated reporting; it combines financial and non-financial information about the transformations of various types of capital used [4; 6; 15].

Secondly, the focus of agribusiness firms on innovation in organizational, technical and

technological aspects to maintain competitiveness in a saturated market requires focusing on the methodology of forming reporting principles that ensure innovation, competitiveness and the relationship of the company with society.

In the works of L. Wittgenstein [1], M. Gilbert [2], R. Harre [13], J. Shotter [11] showed that communication is complete only when demonstrating understanding between the participants. Only mental accompaniment of the action is not enough for its understanding, but it is necessary that the interlocutor enter the statement intended for him into the development of the structure of the events. "The key difference lies in the previous behavioral acts, through which a certain mutual obligation of group members gives rise to "We "...," points out R. Harre [13]. General knowledge does not automatically lead to a multiplicity of subjectivity [2].

From this point of view, the definition that is interesting and does not contradict the definition of an international standard is given by N.V. Malinovskaya [6]: "integrated reporting is a continuous process that allows not only to form the company's vision of its future in the medium and long term, but also to develop an action plan to achieve it". But in the presented formulation, the goal of the process approach to reporting formation is not traced. The purpose of the formation of integrated reporting, which is proposed by other scientists [4; 5] as an increase in the investment attractiveness of a reporting company for investors is also difficult to accept, because if the purpose of forming an organization's statements is defined solely as attracting investments, then the concept of financial reporting is enough for us. Does not solve the problem and goal setting through the integration of management and management accounting [15], as well as the integration of the business model and financial reporting [3; 4], since then information will be provided on the consolidation of the internal structures of the organization to achieve intracorporate values, but not on the values and development efficiency of a company integrated with society.

In contrast to the approach of classical and neoclassical theories that for the successful functioning of economic entities there is no need to take into account the needs of society, the institutional theory includes the assumption that there is a transfer of interests between economic entities belonging to the same industry or complex of industries [14]. Regardless of the degree of accounting and reporting, there is a phenomenon of shared values shared by interacting entities in

economic stability, social and environmental security. In addition, there is a specificity of agro-industrial production, which is advisable to take into account when generating statements. Therefore, with all the value of the results of the research, it should be noted that the awareness of the goals and objectives of the formation of integrated reporting by agro-industrial firms in the structure of the tasks facing the society will help both to inform about the development strategy and the creation of sectoral identity.

The purpose of the study is to determine the purpose and objectives of the formation of integrated reporting by agro-industrial firms.

MATERIAL AND METHODS:

The company's strategy in the development and creation of added value is of interest to many stakeholders. According to the criterion of interest in the development of the company, integrated reporting is important for the users listed below: shareholders, investors, creditors, wholesale and retail consumers of products (works, services), suppliers of goods and services (at federal, regional and local levels), government bodies and organizations regulating the industry, local communities (population, youth, environmental and other public organizations, organizations of indigenous and minority peoples) in the regions of activity of the organization, institution professional education, providing training for the organization, the organization's leaders, the organization's personnel and its associations (trade unions, work collective councils, general meeting of participants, etc.), stock exchanges, the press, audit and consulting companies, experts (evaluating, recommending and modeling characteristics of the reporting firm, affecting its reputation in the market).

We offer to classify interested users of integrated reporting of agribusiness firms by interest in the development of the company into two groups: those directly interested in the development of the company's users and indirectly interested in the development of the company's users. Directly interested in the development of the company are groups of users of financial statements that have the ability to implement actions regarding the production, distribution and consumption of economic, social and environmental benefits in the organization's business space: shareholders; investors; creditors; organization leaders; wholesale and retail consumers of products (works, services); suppliers of goods and services; stock exchange; public authorities and organizations regulating the industry; local communities in the regions where the organization operates. By indirectly interested in the development of the reporting firm, it is advisable to include the personnel of the organization and its associations, audit and

consulting companies, the press, vocational education institutions engaged in training personnel for the organization, experts. Since these groups of users, having no direct influence on the direction of the firm's development, operate within the network of interactions of the reporting firm, so they can be grouped together.

RESULTS AND DISCUSSIONS:

From requests that are interested in developing the organization of reporting users, it is advisable to single out the informational, unifying and controlling reporting functions. The information function is important for presenting the results of activities, the control function is important for ensuring the control of factors affecting the realization of the organization's potential, and in integrated reporting it is not a restrictive and suppressive control, but a process aimed at solving strategic tasks. The unifying function is important insofar as the reporting organization can demonstrate agreement and support for sustainable development by positioning and recognizing the sectoral identity in solving the tasks facing the Russian agro-industrial complex.

Accordingly, from the functions of integrated reporting (informational, unifying, control) we determine the characteristic features of integrated reporting:

- it is a system of elements that characterize the value of an organization from various sides of the global process of changes in the characteristics of the economic, social and environmental performance of a company, and therefore integrated reporting is a representation of the activity and demonstrates the competitiveness of the company and its products, works, services;

- it is a system showing the association of a company and a society by common values, which ensures the interrelation of organization and society;

- the interrelation of elements ensures the control of factors influencing the realization of potential development opportunities in accordance with the adopted strategy in order to ensure the innovativeness of the company and its products, works, and services.

The definition of integrated reporting results from its definition: integrated reporting is a system for informing interested users about the directions and results of a firm's development in economic, social and environmental aspects of common values with society.

The purpose of the formation of integrated reporting, based on our definition, it is advisable to define as a presentation to interested users of information on the directions and results of the development of a company in economic, social and environmental aspects for the well-being of living and future

generations. Then the goal of forming an integrated reporting of an agribusiness company is to provide interested users with information on the directions and results of the company's development in economic, social and environmental aspects in order to meet the needs of the population with agricultural products and domestic food, improve and increase the productivity of land and other natural resources used in agricultural production, ecosystem restoration and rural development.

The following tasks are derived from the goal of forming integrated reporting for agribusiness firms:

- 1) informing about the economic, environmental and social performance of the organization;
- 2) a demonstration of the corresponding links between the values of the organization and the values of society;
- 3) the representation of the management of the organization's resources and capital in enhancing the competitiveness of the organization and its products (works, services);
- 4) control of factors affecting the implementation of the selected business model in increasing the innovativeness of the organization and its products (works, services).

To solve the first task - informing about the economic, environmental and social performance of a company, reporting must be prepared in accordance with the principles of its formation. One of the points that needs to be clarified separately is the deadline for the submission of integrated reporting. Legally, the deadline for the preparation of integrated reporting has not yet been established due to the novelty of the

question of the need to prepare such reporting. Based on the best practices of foreign countries, integrated reporting is sufficient to prepare once at the end of the calendar year. But since integrated reporting should contain elements of a forecasting nature, the deadline for submitting integrated reporting is objectively later than for accounting (financial) reporting, but earlier than holding a general meeting of shareholders in open societies. It is advisable to designate the period from April 1 to July 1 of the year following the reporting year, with the right to choose the reporting date for the reporting organization itself. Accordingly, I propose the format of the presentation of indicators of integrated reporting with a focus on the comparison of actual and target performance indicators for a medium-term period of three years in length for the possibility of an objective assessment of performance.

To solve the second task - to demonstrate the corresponding relations between the values of a firm and the values of society, it is advisable to rely on special groups of information. The selected values determine the system of semantic axes of the firm's activity. The values of the economic entity can be divided into intellectual, industrial, biological, environmental, social, financial values in the areas of economic activity. But since values are asymmetric, multiple and multidirectional, information about the direction of the firm's activities in terms of sustainability, development (acceptance of opportunities) or degradation (perception of threats) is important, which requires an appropriate accumulation of resources (Table 1).

Table 1: The relationship between values with aspects of sustainable, development and degradation in the activities of agribusiness firms

Values	Sustainability aspects	Development aspects	Aspects of degradation
Industrial	Maintenance of operational properties of the necessary machinery, equipment, buildings and structures; uninterrupted production; quality and competitiveness of products, works, services; occupational safety	Modernization of the performance properties of the necessary machines, equipment, buildings and structures	The use of physically and morally outdated machines, equipment, buildings and structures
Biological	Supporting the quality, quantity and other properties of biological assets	Innovations in quality and other properties of biological assets	Decreased quality, non-optimal amount of biological assets
Financial	Optimal turnover of financial resources; uninterrupted business financing	Increasing the turnover of financial resources	Reduced turnover of financial resources
Social	Taxes to the budget and extra-budgetary funds, charitable and sponsorship transfers, participation in social events	Increasing the organization's share in the budget and extrabudgetary funds, participation in social events	Shadow activities, concealment of income, tax evasion, refusal to participate in social events

Ecological	Maintain normal properties of ecology; ecological purity of products	Restoration and improvement of ecology	Pollution of the environment, lack of attention to waste
Intellectual	Maintaining a share of intellectual property	Increasing the share of intellectual property	Reducing the proportion of intellectual property objects

To solve the third task - the representation (from representatif - provision) of managing the organization's resources and capital in improving the competitiveness of the organization and its products (works, services) it is advisable to group information about resources in a special way. Resource allocation to support sustainability of activities, as well as development directions in a modern fully saturated market, including innovations in the production of goods (works, services) and organizational and economic conditions for expanded reproduction, increased responsibility in economic, social and environmental issues to saturate the domestic market domestic agricultural products and the risks of such distribution on the one hand, and various types of capital from economic, ecological and social spheres, on the other hand, represent the characteristics of the organization.

To solve the fourth task - controlling the factors affecting the implementation of the selected business model in enhancing the innovativeness of the company and its products, works, services in the indicators of integrated reporting, it is advisable to show the transparency of business activities, ensuring fair interests of individuals directly and indirectly interested in the development of an organization, presentation of inflows and the outflow of values, capital modifications in the process of managing resources and capital.

To solve the above tasks, not the past expediency of the internal activity of the external environment should be presented, but the ability to follow the selected values in the internal and external environment.

CONCLUSION:

The purpose of forming integrated reporting of agribusiness companies is to provide interested users with information on the directions and results of the organization's development in economic, social and environmental aspects in order to meet the needs of the population with agricultural products and domestic food, improve and increase the productivity of land and other natural resources used in agricultural production ecosystems and rural development.

The tasks of forming the integrated reporting of agribusiness firms include: informing about the economic, environmental and social performance of

the organization; Demonstration of corresponding relationships between the values of the organization and the values of society; representation of the management of the organization's resources and capital in enhancing the competitiveness of the organization and its products (works, services); control of factors affecting the implementation of the selected business model in enhancing the innovativeness of the organization and its products (works, services).

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