

**GCPMED 2018**  
**International Scientific Conference "Global Challenges and  
Prospects of the Modern Economic Development"**

**INTEGRATED REPORTING INDICATORS: UNIFICATION AS  
THE BASIS FOR SUSTAINABILITY ASSESSMENT**

X.Yu. Kotova (a), T.V. Pashchenko (b)\*

\*Corresponding author

(a) Perm State University, Bukireva str. 15, 614990, Perm, Russian Federation, e-mail: k.kotova@bk.ru

(b) Perm State University, Bukireva str. 15, 614990, Perm, Russian Federation, e-mail: econ317psu@yandex.com

*Abstract*

The article considers the concept of sustainable development and systematization of its indicators of integrated reporting of enterprises. Integrated reporting is the element of corporate reporting that reflects the development of integrated thinking that is aimed on the effective allocation of capital, financial stability and sustainable development. Actuality of the research is the subject to the necessity of the development of the new approach to information representation in the annual report of the largest companies that could satisfy growing demands of stakeholders and provide compatibility of the data, that is used by the world capital markets. The aim of the article is to develop the structure and the content of integrated reporting. In writing the article used the following methods of scientific knowledge: system analysis and synthesis, comparison, comparison, monographic. The structure and indicators of the integrated reporting of the enterprises are offered. The approaches to data formation in the integrated reporting are developed, taking into account the special character of their activity on the financial markets and convergence with international tendencies in corporate reporting submission, particularly, in accordance with international standard for integrated reporting. This article represents the contribution to the development of theory and methodology of integrated reporting and indicators of sustainable development. It could be used by different organizations while preparing annual reports, as well as during the study process in Higher education institutions of the Russian Federation.

© 2019 Published by Future Academy [www.FutureAcademy.org.UK](http://www.FutureAcademy.org.UK)

**Keywords:** Sustainable development, management and integrated reporting, integrated reporting standard.



## 1. Introduction

The principles and structure of integrated reporting have been developed by IIRC (international Council for integrated reporting). It is an element of corporate reporting, reflects the development of integrated thinking aimed at the efficient allocation of capital, financial stability and sustainable development. Sustainable development is the organizing principle for meeting human development goals while at the same time sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend.

The development of economic relations is associated with a change in the subject composition of economic relations, the objects that have been the subject of such relations, the nature and content of the relationship. Accounting as a science that reflects these processes, at a minimum, includes the study of the economic content of the processes in which there is an organization, the definition of methods for the most objective reflection of such processes, and the development of ways to present the information received. Consequently, the development of accounting may be associated with both the technical aspect (accounting methods and methods of reporting) and the essential (content and economic meaning of the generated and presented information). In addition, it is advisable to highlight the regulatory aspect – the development of the order of legal regulation of accounting and reporting, which, in turn, is associated not only with the development of society and economic relations, but also with the development of theory and practice of the state and law.

Currently, neither in practice nor in theory there is a clear definition of the structure of the accounting system and its components. IFRS increase the importance of professional judgment of the accountant and assume convergence of accounting and analytical activity and financial function with the questions traditionally solved in system of financial management. Reporting should most objectively reflect reality, the choice of methodological and methodical methods of accounting of various objects should be justified, because all these factors affect management decisions.

## 2. Problem Statement

The new forms of financial reporting recommended by the Ministry of Finance have become more aggregated. Their analysis, from the point of view of the value of the results obtained, becomes difficult or useless without appropriate transcripts, explanations, characteristics of the results and description of the organizational structure of the enterprise or organizations belonging to the group of companies in all their diversity of relationships and tax systems.

The attitude of owners to reporting is changing, there is a need to increase its "transparency". On the one hand, financial statements reflect the current state of Affairs in the company, in this sense, is considered as a result of management, and on the other hand, is a prerequisite for the further development of the company, as determines the decisions made by internal and external users. Thus, the reporting allows to calculate various indicators – the rate of revenue growth, increase or decrease in turnover, profitability, etc., on the basis of which the creditworthiness of the borrower is estimated and the possibility of obtaining external financing is considered.

So, for external users providing the integrated report in which not only financial and economic activity of the organization is fully reflected can become relevant, but also information in the field of sustainable development, achievement of the enterprises of goals is in a complex opened, the vector of innovative development of the company is presented. Reporting of this sort is designed to become the information platform for conducting dialogue by all interested subjects of the market. The integrated reporting (IR) brings together financial and non-financial information and reflects ability of the organization to create and support the cost in short, average and long-term the period.

Integrated reporting has occurred as the result to solve the problem of lack of information about enterprise functioning from the part of stakeholders. Financial reporting couldn't fully show how successfully the enterprise is developing. There has been occurred the necessity to develop the report, that could include not only quantitative, but also qualitative indicators, information about risks and perspectives of development, and therefore could help managers, owners and suppliers of capital to take more weighted decisions taking into account sustainable development of the enterprise and socially responsible allocation of the resources.

### 3. Research Questions

Among the latest works we could mention Dilling & Harris (2018), Montecalvo, Farneti, & de Villiers (2018), Adams (2018), Gibassier, Rodrigue, & Arjaliès (2018), Rinaldi, Unerman, & de Villiers (2018), Lai, Melloni, & Stacchezzini (2018), Raut, Naoufel, & Kharat (2017), Yip & Bocken (2018), Gibson (2011) and Ramin & Reiman (2013). Overview of the ideas of these authors is represented in the table below.

**Table 01.** Researches in the field of integrated reporting

Source	Problem solved	Result of research
Dilling & Harris (2018)	To analyze longitudinal disclosure quality and quantity trends in reporting on long-term value creation of publicly traded companies. Content analysis was conducted in order to assess disclosure on long-term value creation in annual financial and sustainability reports	Reports were very diverse and very difficult to compare. The question is now: would this improve dramatically if mandatory regulated standards were to be implemented right now? Based on the analysis of the content of the annual financial and non-financial reports, it became evident that many public companies currently seem not to be in the situation to prepare an efficient long-term value creation report. At the same time, as mentioned above repeatedly, it seems the move towards regulation and standards is picking up and some regulators are very keen on getting started. On one hand, having a common framework would initially help making the reports easier to compare. However, this approach is not without drawbacks. Even though it was found that companies are increasingly conforming to reporting language of existing reporting guidelines over time, they also stated that the disclosures were «generic, rather than company-specific, and lack substance»

Montecalvo, Farneti, & de Villiers (2018)	To extend the understanding of IR in the public sector. Research question was: How has IR influenced the social and environmental (sustainability) disclosures	Initially coercive, then a combination of coercive, normative, and mimetic isomorphism motivated the disclosure of more sustainability information during the 15-year period analysed. However, this information did not cover all aspects of sustainability—in particular inter-generational equity. The adoption of IR was, in this case, largely driven by normative isomorphism
Adams (2018)	To stimulate debate on how integrated thinking and reporting can contribute to value creation for university stakeholders and help to achieve the UN's sustainable development goals (sdgs)	Non-financial reports need to be viewed with a degree of scepticism. Descriptions of processes (for example, in relation to materiality), quantified data, reporting of targets and performance against targets, reporting on governance processes and non-financial assurance add to the credibility of the data
Gibassier, Rodrigue, & Arjaliès (2018)	To analyze the process through which an International Integrated Reporting Council (IIRC) pilot company adopted “integrated reporting” (IR), a management innovation that merges financial and non-financial reporting	One of the most powerful myths shaping today's management practices is certainly that of “shareholder supremacy” – the myth according to which the ultimate goal of business organizations is to maximize shareholder value. There is clear evidence that neither the legal nor the financial systems comprise such requirements, yet corporate reporting continues to favor shareholder value at the expense of global performance, leading most management innovations to pursue the maximization of financial performance. Despite the importance of (shareholder supremacy) myths in the adoption of management innovations, research into the workings of these myths is scant
Rinaldi, Unerman, & de Villiers (2018)	To identify key challenges, opportunities, strengths and weaknesses experienced by the integrated reporting (IR) idea since the International Integrated Reporting Council (IIRC)'s Discussion Paper was published in late 2011	This paper extends IR accounting research by reconciling insights from an understandably fragmented emerging literature, by locating the prior literature in the five phases through which IR has moved. By following the IR idea from its formation to its dissemination and impact, this paper provides a multi-dimensional perspective on IR—highlighting the dynamics and interrelationships in the literature. This study identified gaps regarding the stages of the IR idea journey that have not been covered by the extant academic literature. This paper demonstrates how the idea journey framework can be used to shape and add coherence to the overall body of IR research
Lai, Melloni, & Stacchezzini (2018)	The purpose of this paper is to analyse how the preparers' mode of cognition influences the patterns of accountability associated with IR	It offers insights into how the implementation of IR can stimulate reconsiderations of and changes in corporate accountability. In particular, IR can enhance accountability by facilitating dialogue with various stakeholders, even if investors and other financial stakeholders remain the primary addressees. In this respect, this research contributes to the debate about the possibilities (and limits) of IR

		<p>for enhancing corporate accountability, extending beyond the largely conceptual approaches that thus far have mainly investigated the shifting scope and content of the IIRF.</p> <p>The IR project facilitates “narrative-based reporting” (Beattie and Smith, 2013, p. 251), in opposition with the proliferation of (and threats associated with) calculative forms of accountability (Lowe et al., 2012; mckernan and mcphail, 2012). It thus clarifies that topics that are not traditionally addressed by financial reporting but that are central to the IIRF (e.g. Strategy, business model) can help force meaningful narratives of the company’s value creation story.</p> <p>The present research elucidates the role of preparers and reveals that their (narrative) mode of cognition can orient the content of the IR and address accountability tensions.</p> <p>This empirical analysis suggests that IR preparers do not feel particularly constrained by the guiding principles or content elements stated by the IIRF; they seek (and declare) their compliance, but the IIRC considers Generali’s IR compliance only partial, as detailed in footnote</p>
<p>Raut, Naoufel, &amp; Kharat (2017)</p>	<p>To develop an effective and integrated MCDM model for the evaluation of the sustainability practices in the banking services, employing a multi-stage, fuzzy MCDM model that integrates the Balanced Scorecard, fuzzy AHP and fuzzy TOPSIS. The approach aims to evaluate sustainability from the following four perspectives: financial stability, customer relationship management, internal business process and environmentfriendly management system</p>	<p>The performance evaluation criteria are grouped under the four dimensions of BSC: ‘FS: Financial Stability’, which includes Criteria FS1–FS8, ‘CRM: Customer Relationship Management’, which includes Criteria CRM1–CRM5, ‘IBP: Internal Business Process’, which is constituted of IBP1–IBP10 criteria, and ‘EFMS: Environment Friendly Management System’, which consists of the EFMS1–EFMS9 criteria</p>
<p>Yip &amp; Bocken (2018)</p>	<p>to explore business models for sustainability in the service industry, particularly banking. It explores the receptiveness of customers towards sustainable business models pursued by banks</p>	<p>A new set of archetypes articulated for the banking industry that facilitates further innovation and systematic analysis of sustainable banking practices.</p> <p>A methodology was formalized which can be repeated for categorizing sustainable business model archetypes in different industries.</p> <p>The findings of customer traction related to the archetypes help banks to focus on the most welcomed archetypes for achieving doing good and doing well</p>

In our country we have the Concept of Transition of the Russian Federation to sustainable development since 1996. It results in need of drawing up the integrated reporting.

In Russia since 2010 the discussion about the content and structure of integrated reporting has been supported by auditors and scientists – theorists. We can mention among them Akhmetshin & Osadchy (2015), Vahrushina & Tolcheeva (2017), Get'man (2014), Kamordzhanova (Safonova, 2015), Kogdenko & Mel'nik (2014), Sheremet (2017), Sheshukova & Kolesen' (2011), Horuzhij & Tryascina (2017).

In the late decade in Russian Federation there are irreversible changes in preparation and submission of corporate data for different users of information, that are related with the changes of approaches in accounting and reporting regulation, extension of stakeholders and increasing of the value of data represented in reporting. Distinctive contribution to the development of integrated reporting theory belongs to Malinovskaya (2016). Main concepts of Russian scientists are represented in the table below.

**Table 02.** Analysis of Russian scientists' research in the field of integrated reporting results

Source	Problem solved
Vahrushina & Tolcheeva (2017)	The role of management accounting for sustainable development reporting and integrated reporting preparation; competence, which should have a modern specialist in management accounting; organizational problems that need to be solved for the development of integrated reporting
Get'man (2014)	Requirements for the structure of integrated reporting; information's materiality criteria for disclosure in integrated reporting; principles of integrated reporting; approaches to disclosure of capital of different terms of use
Kamordzhanova (Safonova, 2015)	Questions of reporting, organization and accounting methodology for the preparation of integrated reporting; the interests of users as a basis for the formation of integrated reports; issues of reflection in the integrated reports of individual objects
Kogdenko & Mel'nik (2014)	Integrated reports' formation and analysis methods in comparison with financial statements; types of financial and non-financial capital and the algorithm of business value analysis
Malinovskaya (2016)	Reasons and stages of integrated reporting development; integrated reporting principles and elements; assessment of integrated reports' formation and presentation effect; conceptual framework for the formation of integrated reporting
Plotnikov & Plotnikova (2018)	The concept of business accounting and quality indicators reflection in the integrated reporting; characteristics and requirements to the information presented in the integrated reports; valuation of business and liabilities issues as integrated reporting element
Sheremet (2017)	Method of company integrated assessment based on a set of economic, social and environmental indicators presented in the integrated reporting
Horuzhij & Tryascina (2017)	Non-financial reporting preparation's principles; problems of economic entities' public non-financial reporting comparability; list of General and specific industry key indicators; information base for integrated reporting in the system of financial and management accounting; composition of non-financial reports

The common result for all these studies is the following three aspects:

1) to provide the possibility of compatibility of different reports there is the necessity to develop the unique approach to the structure of integrated reporting, that could be realized through standardization of procedures of integrated reporting preparation;

2) to provide the possibility of sustainable development assessment there is the necessity to use sectoral indicators that could reflect both the level of sustainability of enterprise development in this sector and the influence of this enterprise for the sustainability of the territory development;

3) to prevent disruption in submission of the data of integrated reporting there is the necessity to develop methodology of integrated reporting audit.

The wide range of legal entities and individuals who will be able to estimate probability of risks and prospects of an investment of own means is interested in the reporting of the large companies. Thus, selection, justification and development (if necessary) of the indicators meeting information requirements of all interested parties becomes one of the major tasks.

The following information can be provided in the integrated report:

- strategy, purposes, problems of activity;
- general concept of development;
- philosophy, values of the organization;
- key indicators of activity;
- etc.

As a result users of the integrated reporting will be able to receive not only assessment to a financial condition and financial results of activity of the participant of the market, but also will see effective use material and a manpower, will be able to estimate the level of social responsibility of owners and heads of the organizations.

Focusing on resources which the company consumes and creates: financial, production, human, intellectual, natural, etc. is one of characteristic features of the integrated reporting. Therefore an important stage on the way of introduction of the integrated reporting is reasonable selection of a financial and natural indicators.

In the Standard on the integrated reporting, published in December, 2013, are opened elements of the integrated report contents:

- the Organization and External Environment Review
- Management
- Business Model
- Risks and Opportunities
- Strategy and Distribution of Resources
- Activity Results
- Future Prospects

Industry features, business model of the organization, reflecting the specifics of business and financial management, determine the practice of accounting and reporting information to external users.

We agree with the opinion of Efimova (2014) that today, when developing the company's reporting, we should focus not only on the needs of internal users, but also take into account the needs of

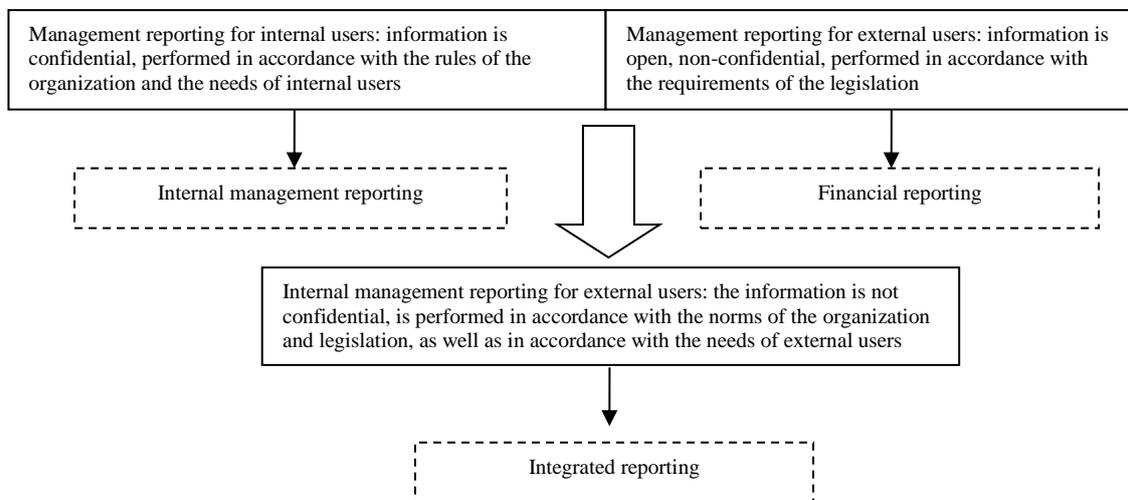
external users. In her articles Efimova (2014) examines the relationship of reporting with the sustainable development of the company. Sustainable development is a long-term strategy based on the analysis and integrated management of the most important financial and non-financial factors of the company's value creation, which are the result of its interaction with stakeholders (stakeholders). Efimova (2017) notes that the problem of sustainable development can not be solved without appropriate information and analytical support, which allows, on the one hand, the company itself to assess the degree of achievement of financial and non-financial goals of long – term development, and on the other-allowing all interested users to assess the intentions and success of the company's efforts to ensure its long-term sustainability.

There are two main tasks of preparation of information reports of the enterprise :

1) for internal users – is the construction of a system of value drivers (financial and non-financial), which contributes to the constant coordination and coordination of actions both within the company and in ensuring interaction with the environment (investors, creditors, competitors, government agencies, the public);

2) for external users – is the implementation of effective information dialogue with key stakeholders about the strategy in the field of sustainable development, the results of the actions taken, comparing the results with the results of other companies.

Figure 01 shows the relationship between management reporting for internal and external users.



**Figure 01.** Management reporting relationship for internal and external users

To ensure that internal reporting meets the needs of managers, it is necessary to strive to eliminate the following shortcomings:

- information is often not addressed to those who really need it;
- generalization of information is often not related to the real needs of managers;
- reporting is often overloaded with data, or is characterized by their lack;
- the different level of training of employees contributes to the lack of understanding of the information provided.

- in reporting it is necessary to include only those indicators that are controlled by the Manager of the responsibility center;
- information on deviations from the set parameters of the control action shall be provided in the reporting.

The content of integrated report's elements are disclosed below (table 03).

**Table 03.** Elements of integrated report's content and their disclosure in accordance with the IO Standard

Content elements	Information disclosure
Overview of the organization and the external environment	Subject of organization activity and conditions of its work, mission and strategy, impact of legal, commercial, social, political aspects
Management	Description of the organization's governance structure and ability to create value in the short, medium and long term
Business model	Description of the system (process) of resources transformation in the process of commercial activity into specific products and results aimed at achieving strategic goals
Risks and opportunities	Specification of risks existing in the organization, their assessment and risk management actions
Strategy and resource allocation	Directions and ways of organization development in the short, medium and long term
Activity result	The fact and forecast of quantitative and qualitative business activity results (for example, in the form of a balanced scorecard)
Future prospects	Potential difficulties and uncertainties in the implementation of the strategy, options for their impact on the organization
Basic principles of IO preparation and presentation	Description of the business materiality determining process, reporting boundaries, methods used to determine the assessment of material factors
General recommendations for IO preparation	Description the factors nature without disclosing data that could harm its competitive advantage. Disclosure information on types of capital

The main methodological problem is the lack of indicators of sustainable development and a format of their representation.

The System of Ekological and Economic Account has been offered by Statistical department of the Secretariat of the UN in 1993. The purpose of System of Ekological and Economic Account is accounting of an ecological factor in national statisticians.

The System of Ekological and Economic Account raises the questions of inclusion in a national wealth along with the capital made by human work, the natural capital and also gives the chance to estimate ecological expenses (exhaustion and impact on quality of natural resources). The natural capital includes renewable resources (for example, the woods), and not renewable (the soil and subsoil assets) and also ecological services. Expansion of ecologically corrected macroeconomic units happens due to consideration of natural assets: adjustment not only GDP, but also the net value added and a national wealth is possible.

And let's see if the largest companies are publish such reporting? In our investigation we have seen integrated reporting of Gazprom, Sberbank, Norilsk Nickel, T Plus group, General Motors, TOYOTA, Procter & Gamble.

**Table 04.** Disclosure of information on the activities of enterprises in the published annual reports 2016-2017 years

Content elements	Gazprom	T Plus group	Norilsk Nickel	Sberbank	General Motors	TOYOTA	Procter & Gamble
External environment		+	+	+			
Market position			+	+			
Priority areas of activity (business model)			+	-			
Strategic objective	+	+	+	+	+		
Corporate management, including:	+		+	+	+		
- information about transactions (large or in respect of which there is an interest)				+			
- report on payment of declared (accrued) dividends				+			
- main provisions of the remuneration policy				+			
Risk management				+			
Financial statements, performance, audit report	+		+	++			+
Distribution of resources (financial, industrial, intellectual, human, social and reputational, natural capital)				+	+	+	
Staff and social responsibility	+	+	+	++	+		+
Technology platform				++			
Development prospect			+	+			
Information on the amount of energy resources used			+	-		+	+
Control system				+			

The implemented comparison of corporate reporting indicators allows us to make the following conclusions.

#### 4. Purpose of the Study

In general, integrated reporting improves the quality of information for the suppliers of financial capital and facilitates the objectivity augmentation of their estimation. In reports there is a sufficiently full disclosure of position of bank in sector, priority directions of development and information about risk-management.

Nevertheless, there is lack of attention to the description and interconnection of different kinds of capital. Also, there is important to mention several aspects:

- lack of sustainable development concept. Enterprises are independent to develop indicators and forms of reporting of sustainable development. Thus impedes interenterprise comparison and analysis.

- requirements to the content of integrated reporting according to the international practice are not developed. Lack of unified regulating standard allows enterprises to make disclosure not fully.
- The form of annual reports does not have definite structure. The volume of reporting of enterprises varies significantly from the scope of business action, the level of data detailing about the society functioning, amount of chapters in report, etc. (from 50 up to 400 pages).
- Bank business-model. Under business-model we understand a complex of methods and techniques of value creation in short and long term. Business-models are not described exactly, but contain the definition of different directions of its activities – corporate and retail business, operations on financial and stock markets, affiliate network, etc. Particularly, there is less information about the sources of financing operations, other kinds of capital and their interrelation. This is connected with lack of unique approach to the definition of business-model in Russian practice on the level of regulation, insufficient scientific elaborations in this sphere in bank sector and lack of concrete requirements to disclosure in needed aspects.
- Lack of established development strategies. Lack of strategic aims in quantification format, lack of information about its achievement (for example, BSC – Balanced Scorecard could be used as indicator)

Problems of software adaptation and implementation of technological platform corresponding to necessary requirements are not exposed.

## 5. Research Methods

While preparation of this article the authors have been trying to apply creative, logical and complex thinking that could contribute to comprehensive information assessment. To reach the aim of the research, the directions of changes in preparation and reflection of information in reporting have been observed, preconditions for integrated reporting appearance have been identified. The principles and structure of integrated reporting developed by IIRC (International Council for Integrated Reporting) have been learnt. The analysis of annual reports of the largest companies was held from the position of compliance of disclosing information to the international requirements.

## 6. Findings

As the requirements to disclosure are of recommendatory nature, organizations, including banks do not publish information about “unpopular” measures that are accepted and realized to achieve the maximum financial effectiveness. These measures can be related with, for example, staff reduction, financing of ecologically unsafe projects and disclosure of the other “weaknesses” (technological gap, lack of effective system of internal control, decrease of liquidity). In integrated reporting companies are represented from the best side.

We have mentioned this fact earlier (tables 01, 02): Russian and foreign scientists repeatedly express concerns about the possibility of such manipulation. Not only the range of indicators is important, but the whole behavior model of the reported company, based on principles and ethics respect. Formally,

this can be expressed in consistency determination while formatting the integrated reporting.

All the considered reports contain only a description without a clear structure and a constant set of indicators. therefore, it is almost impossible to make any comparison or analysis.

In our study, we suggest using the indicators shown in table 05.

**Table 05.** Indicators of sustainable development in integrated reporting

<b>Domains of sustainable development</b>	<b>Elements of the domain</b>	<b>Indicators of the element</b>
Ecology	Keeping of clean air and water	the cost of sewage treatment plants emissions to air and water
	Zero waste	volume of waste
	Ecological justice	amount of penalties for violation of environmental legislation
	Healthcare	costs for voluntary medical insurance of employees the cost of paid permits for sanatorium treatment of employees
	Climate change control	amount of harmful emissions into the atmosphere
	Saving of biodiversity	expenses for environmental preservation charitable payments for the preservation of animal world
Society	Employment	number of jobs
	Professional development	expenses for professional development number of employees aimed at professional development
	Business ethics	availability of codes of ethics
	Respect for human rights	the presence of a trade union organization the number of labor disputes the number of allegations of violation of labor rights
	Investments into non-profit organization	participation in non-profit organizations expenses for charity
Economics	Investments	costs for acquisition and modernization of fixed assets costs for creation of intangible assets and intellectual property
	Risk-management	availability of risk assessment system
	Expansion	marketing costs market share number of new distribution areas
	Effective use of resources	material consumption rates
	Producing according to sustainable development principles	existence of the concept of sustainable development
	Product lifecycle management	availability of the product update program taking into account innovative development

The above indicators are not without criticism, but this list can become the basis for further research, search for new forms of data presentation on sustainable development in accordance with the content of this process.

## 7. Conclusion

Perhaps, in the future the problem of a format will be resolved by use of the XBRL format, what in their work wrote Ramin & Reiman (2013). However it confirms need of development of the system of indicators even more. The proposed indicators can be supplemented with ideas from the works of Barbier (2014) and Scerri & James (2010). The report could include indicators, calculated in the system of BSC – Balanced Scorecard.

The offered format of integrated reporting provides complex vision and comprehensive estimation of business activity, it includes financial and non-financial information, reflects the actual situation and the perspectives of development, takes into account international approaches and requirements of Russian regulatory acts. This structure allows to understand, how the management plans to develop business will influence the level of profit and dividends in medium-term period and to estimate more objectively considerable part of shareholder value, so in total, to form more objective vision of organization.

Thereby, integrated reporting is the new format of report, that facilitate the expansion of investment activity of enterprises and search of new sources of capital. It is aimed to reduce the gap between the real content of corporate reporting and the expectations of investors. Stakeholders need more transparent information about the strategy, business-models, risks and development perspectives. Existing prescriptions are not enough for objective estimation of business. Organizations disclosure just that part of their activity, that describes them from the best side, disregarding the significant information to be taken into account by stakeholders. So the generally accepted principles of reporting formation, and integrated reporting, particularly, are disrupted.

The solving of these problems will contribute to the prosperity of integrated reporting formation culture and to implementation of integrated thinking, directed on effective and productive allocation of capital, encouraging financial stability and sustainable development of economy as the basis of business practices.

## Acknowledgments

The author expresses gratitude and deep appreciation to Prof., Doc. of Economics, scientific supervisor accounting, audit and economic analysis department Perm State University Tatiana G. Shesukova for advice and valuable comments during the research.

## References

- Adams, C.A. (2018). Debate: integrated reporting and accounting for sustainable development across generations by universities. *Public Money & Management*, 38(5), 332-334. <https://dx.doi.org/10.1080/09540962.2018.1477580>.
- Akhmetshin, E.M., & Osadchy, E.A. (2015). New requirements to the control of the maintenance of accounting records of the company in the conditions of the economic insecurity. *International Business Management*, 9(5), 895-902. <https://dx.doi.org/10.3923/ibm.2015.895.902>.
- Barbier, E.B. (2014). *Natural resources and economic development*. New York, NY: Cambridge University Press.
- Beattie, V., & Smith, S.J. (2013). Value creation and business models: refocusing the intellectual capital debate. *British Accounting Review*, 45(4), 243-254.

- Dilling, P.F.A., & Harris, P. (2018). Reporting on long-term value creation by Canadian companies: a longitudinal assessment. *Journal of Cleaner Production*, 191, 350-360. <https://dx.doi.org/10.1016/j.jclepro.2018.03.286>.
- Efimova, O.V. (2014). Sustainable development report as a new form of corporate reporting. *Audit Statements*, 8, 36-47. [in Rus.].
- Efimova, O.V. (2017). Matrix approach to the formation and disclosure of information about resources in the integrated reporting of the organization. *Audit Statements*, 3, 23-34. [in Rus.].
- Get'man, V.G. (2014). About the conceptual framework and the structure of the international standard for integrated reporting. *Accounting. Analysis. Audit*, 1, 74-85. [in Rus.].
- Gibassier, D., Rodrigue, M., & Arjaliès, D.-L. (2018). Integrated reporting is like God: no one has met Him, but everybody talks about Him: the power of myths in the adoption of management innovations. *Accounting, Auditing & Accountability Journal*, 31(5), 1349-1380. <https://dx.doi.org/10.1108/AAAJ-07-2016-2631>.
- Gibson, C.H. (2011). *Financial reporting & analysis: using financial accounting information*. Mason, South-Western: Cengage Learning.
- Horuzhij, L.I., & Tryascina, N.YU. (2017). The formation of the sustainable development information in the integrated reporting of agricultural enterprises. *Accounting in Agriculture*, 4, 58-69. [in Rus.].
- Kogdenko, V.G., & Mel'nik, M.V. (2014). Integrated reporting: the issues of formation and analysis. *International Accounting*, 10, 2-15. [in Rus.].
- Lai, A., Gaia, M., & Stacchezzini, R. (2018). Integrated reporting and narrative accountability: the role of preparers. *Accounting, Auditing & Accountability Journal*, 31(5), 1381-1405. <https://dx.doi.org/10.1108/AAAJ-08-2016-2674>.
- Lowe, A., Locke, J., & Lymer, A. (2012). The SEC's retail investor 2.0: interactive data and the rise of calculative accountability. *Critical Perspectives on Accounting*, 23(3), 183-200.
- Malinovskaya, N.V. (2016). Methods of integrated reporting. *Accounting in Construction Organizations*, 4, 58-68. [in Rus.].
- McKernan, J.F., & McPhail, K. (2012). Editorial – accountability and counterability. *Critical Perspectives on Accounting*, 23(3), 177-182.
- Montecalvo, M., Farneti, F., & de Villiers, Ch. (2018). The potential of integrated reporting to enhance sustainability reporting in the public sector. *Public Money & Management*, 38(5), 365-374. <https://dx.doi.org/10.1080/09540962.2018.1477675>.
- Plotnikov, V.S., & Plotnikova, O.V. (2018). Qualitative characteristics of integrated reporting information. *Accounting. Analysis. Audit*, 1, 6-17. [in Rus.].
- Ramin, K.P., & Reiman, C.A. (2013). *IFRS and XBRL: how to improve business reporting through technology and object tracking*. Chichester, UK: Wiley.
- Raut, R., Naoufel, Ch. & Kharat, M. (2017). Sustainability in the banking industry: a strategic multi-criterion analysis. *Business Strategy and the Environment*, 24(7), 550-568. <https://dx.doi.org/10.1002/bse.1946>.
- Rinaldi, L., Unerman, J., & de Villiers, Ch. (2018). Evaluating the integrated reporting journey: insights, gaps and agendas for future research. *Accounting, Auditing & Accountability Journal*, 31(5), 1294-1318. <https://dx.doi.org/10.1108/AAAJ-04-2018-3446>.
- Safanova, F. (2015). Methodology of integrated reporting. In N.A. Kamordzhanova (Ed.), *Development of an integrated system of accounting: methodology and practice* (pp. 153-163). Moscow, Russia: Prospect. [in Rus.].
- Scerri, A., & James, P. (2010). Accounting for sustainability: combining qualitative and quantitative research in developing 'indicators' of sustainability. *International Journal of Social Research Methodology*, 13(1), 41-53. <https://dx.doi.org/10.1080/13645570902864145>.
- Sheremet, A.D. (2017). Analysis and audit of indicators of sustainable development of the enterprise. *Audit and Financial Analysis*, 1, 154-161. [in Rus.].
- Sheshukova, T.G., & Kolesen', E.V. (2011). Economic potential of the enterprise: essence, components, structure. *Vestnik of Perm University. Series: Economy*, 4(11), 118-127. [in Rus.].
- Vahrushina, M.A., & Tolcheeva, A.A. (2017). Corporate reporting as a result of the evolution of accounting information of a company. *Vestnik of Perm University. Series: Economy*, 2, 297-310. [in Rus.].
- Yip, A.W.H., & Bocken, N.M.P. (2018). Sustainable business model archetypes for the banking industry. *Journal of Cleaner Production*, 174, 150-169. <https://dx.doi.org/10.1016/j.jclepro.2017.10.190>.