

The main directions of social reporting in enterprises

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Annotation. The study explores the nature of social responsibility. Foreign experience in the formation of non-financial reports is studied. The advantages of external and internal social reporting are also detailed. The importance of social reporting has been explored. The stages of financial reporting were studied and relevant proposals and recommendations were developed.

Keywords: social responsibility, non-financial reporting, external social reporting, internal social reporting, social accounting, social responsibility

Introduction

The business environment is an integral part of the socio-economic development of any state, and the life of society, in turn, is strengthened through business relations. The rights, mutual obligations and responsibilities arising by business entities, which are the defining foundation in building the foundation of society, arouse in the members of society the interests and reasonable expectations of entrepreneurial activity in solving problems of social development and environmental security; reducing the negative consequences of the results of their activities, as well as enhancing the positive impact on society. A business that understands the importance of participation in public life can be called socially responsible.

Social responsibility of business (in the Western version - corporate social responsibility (CSR)), described as a relationship of a social nature, designed to reflect the level of obligations of enterprises in the field of social protection, appeared in the 70-80s of the twentieth century. In the twentieth century, it became a leading sector in the world economy, mainly in the West. The reasons for its emergence are: an increase in public negative attitudes towards business (environmental degradation, child labor, corruption, etc.), increasing the importance of corporate reputation, etc., a reduction in public spending on social needs (for example, Reagan's new federalism policy), the element of business value - the emergence of spiritual market value.

The disproportion of standard financial statements has developed due to the spread of ideas of sustainable development of companies and the position of the need to adhere to the principles of corporate social responsibility.

In this situation, the negative impact of the activities of many local companies on the life, health and well-being of the population, the issue of studying social accounting requires a deeper study. In recent years, business owners have gradually realized the need to run a socially responsible business and consequently prepare a social report.

Analysis of the relevant literature

To define the essence of corporate social reporting, it is necessary to refer to the content of the concept of "corporate social responsibility". To do this, it is necessary to consider the views of scientists and practitioners on the essence of the concept of "corporate social responsibility".

According to the U.S. Association of Leading Corporations Business for Social Responsibility, "Corporate social responsibility is, first and foremost, about achieving business success with respect for employees."

The Russian Chamber of Commerce and Industry defines corporate social responsibility as "an attempt to solve, in whole or in part, the social problems that arise through corporate action."

Economists N.A. Krichevsky and S.F. According to Goncharov, "Corporate social responsibility is a

sustainable way for an enterprise to work with its employees, their families, the local community and society as a whole to improve their quality of life. commitment to the concept of Islamic development ”.

Researcher GI Grekova wrote, "Corporate social responsibility is an activity that benefits society as a whole."

According to the Rossii Association of Managers, "Corporate social responsibility of business is a voluntary contribution of business to the social, economic and environmental development of society, directly related to the main activities of the company and beyond the legal minimum."

Economist R.N. "Corporate social responsibility is a concept in which, in addition to complying with the law and producing quality products / services, the business voluntarily assumes additional obligations to society," Kurenko writes.

Economist M. According to A. Eskindarova, "Corporate social responsibility is aimed at sustainable business development."

Almost all authors believe that corporate social responsibility of business should be implemented in a way that benefits the whole society.

Social reporting in the broadest sense is a report that contains information on the results of economic activity of the enterprise, as well as socio-environmental indicators.

Corporate social reporting is an open means of informing employees, shareholders and partners, as well as customers and the entire community. Corporate social reporting data reflects the order and speed of implementation of the goals set by the enterprise in the strategic development plans in relation to economic stability, social welfare, as well as environmental sustainability.

The Sustainable Development Report is called a non-financial report and covers the economic, environmental and social sectors of the enterprise, providing information on its non-financial initiatives and its contribution to the sustainable development of the world.

Corporate social reporting is a complex information system that reflects not only the company's charitable and sponsorship programs, but also other socially important aspects of the company's activities, which may have serious consequences for the company, government agencies, shareholders, consumers of its products, contractors or other groups determined. Thus, in the preparation of the social report, the following indicators are used:

- impact on the environment (waste, energy, raw materials, water and biodiversity and other factors);
- economic situation (suppliers, consumers, sources of capital, personnel, public sector and government);
- human rights (non-discrimination, strategy and governance, disciplinary practice, freedom of association and collective bargaining, child labor, the rights of indigenous peoples, forced labor);
- working conditions and decent work (employment, rights in the workplace, occupational safety, improving the quality of work, education, equal opportunities for all);
- responsibility for product quality (advertising, products and services, consumer health and safety);
- respect for personal inviolability;
- society (political activity, local communities, fight against bribery and corruption).

As a rule, non-financial reports are specifically designed for a wide range of stakeholders and are of a public nature, i.e. they are external. However, businesses can also prepare internal reports that target a narrow group of stakeholders, such as employees, and are only available to that target audience.

Thus, a non-financial report can be prepared both in a free form and in accordance with certain guidelines and standards. Businesses can use any guidelines and recommendations or multiple guidelines at the same time to prepare reports, allowing them to communicate and present important topics more clearly to the user.

Research methodology

The study used methods such as observation, data collection, generalization, grouping, and comparison. Also, based on the research of local and foreign scholars on the problems of the social nature of accounting, the laws governing the field, the study of regulatory documents, scientifically based conclusions and recommendations are formed.

Analysis and discussion of results

The most widely used reporting system today is the Global Reporting Initiative (GRI).

Businesses also apply the AA1000 series of standards and the principles of the UN Global Compact in their reports.

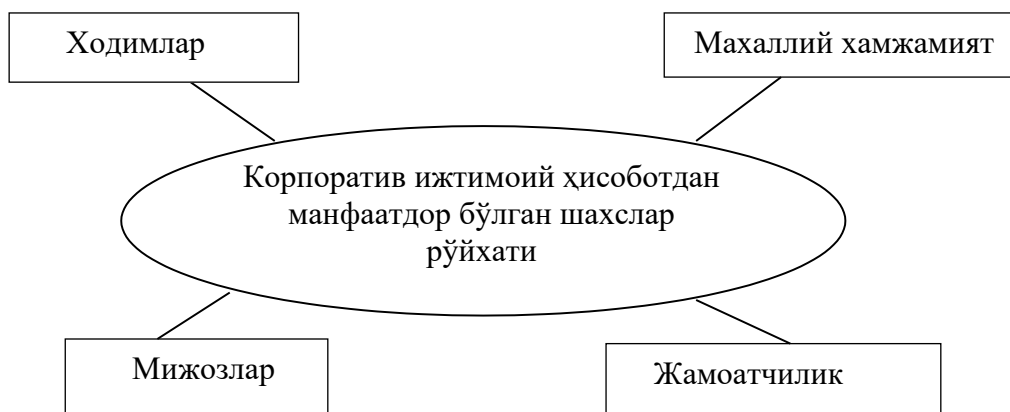
The interactions and differences between external and internal social reporting are shown in Table 1.

Table 1
 External and internal social reporting

№	Ташқи (корпоратив) ижтимоий ҳисобот	Ички ижтимоий ҳисобот
1.	Ташқи ижтимоий ҳисобот миссия ва стратегик мақсадларни ижтимоий масъулиятли фаолият орқали амалга ошириш натижаларини ифодалайди	Ички ижтимоий ҳисобот айнан ижтимоий сиёсатни амалга оширишнинг оралик натижаларини ифодалайди
2.	Ҳисоботлар ҳамма учун очикдир	Ҳисоботлар фақат корхона раҳбарияти ва ходимларига тақдим этилади
3.	Ҳисоботларни нашр қилишдан ташқи бизнес ва давлат тузилмалари манфаатдор	Тугалланган ижтимоий иш ва хайрия харажатлари ҳақида тезкор ҳисоботлар
4.	Ҳисобот унинг мазмуни, тузилиши, маълумотларни йиғиш ва қайта ишлашини аниқлайдиган халқаро стандартларга мувофиқ тузилган. Ижтимоий ҳисоботлар қуйидагиларни акс эттиради: <ul style="list-style-type: none"> • ижтимоий сиёсатнинг мақсадлари; • уни амалга оширишни мувофиқлаштириш ва бошқариш воситалари; • корпорацияларнинг меҳнат муносабатлари, меҳнат хавфсизлиги, ходимларнинг соғлиғини муҳофаза қилиш, атроф-муҳитни муҳофаза қилиш ва тиклаш, ташқи дастурлар билан алоқалар бўйича ижтимоий дастурларнинг мазмуни тўғрисидаги умумий маълумотлари 	Ҳисобот корxonанинг ишнинг молиявий ва ижтимоий натижаларини умумлаштириш учун зарур бўлган стандартларга мувофиқ тузилади
5.	Кадрлар бўлими (ижтимоий бўлим) ёки жамоатчилик билан алоқалар бўлими томонидан тузилади	Ижтимоий бўлим томонидан тузилади
6.	Ижтимоий кўрсаткичлар, саломатлик, хавфсизлик ва атроф-муҳит кўрсаткичларини ўз ичига олади	Ижтимоий кўрсаткичларни ўз ичига олади
7.	Инвесторларга таваккалчиликни тўлиқ таҳлил қилиш имконини беради ва корхонага ҳамда унинг лойиҳаларига сармоя киритиш эҳтимолини оширади	Корхона раҳбариятига қисман кадрлар сиёсати бўйича оператив қарорлар қабул қилиш имконини беради

It is the corporate social report that should reflect the actual facts of the enterprise's activities. This report should include information intended for specific individuals (Figure 1).

Thus, the corporate social report includes information intended for employees (about occupational safety and health), for customers (about products and services), for the local community (impact on the external environment, financial results, investments, number of jobs created, etc.) for the general public (fulfillment of government orders, trade with "enemy countries", extortion, fines).

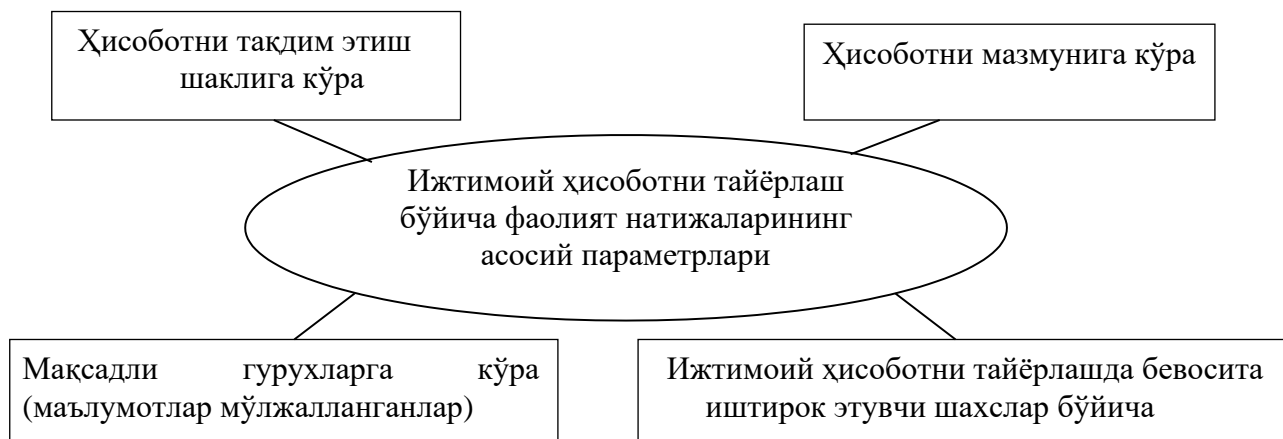


1–расм. Корпоратив ижтимоий ҳисоботдан манфаатдор бўлган шахслар рўйхати¹

The main point is that the one-time formulation of social reports does not lead to the desired effect: an important idea of such social reports is the consistent publication of the results achieved and new plans. Before publishing a social report, the main task of the enterprise is to accurately convey the collected information to the user, to clearly understand why and for whom it is done. The report should be in demand and resonate as a means of constructively disclosing information about the sustainable development of the enterprise. As a result, social reporting attracts the attention of all stakeholders, as well as influencing the image of the enterprise and its capitalization.

At the same time, corporate social reporting is a link in the chain of interaction between business and government, containing reliable and accurate information about the social activities of corporations. In accordance with international standards, social reports prepared by corporations reflect the means of coordinating and managing its implementation; the goals of their social policy; reflects general information on the activities of corporations related to the content of social programs on labor protection, labor relations, protection and restoration of the environment, protection of employee health, interaction with enterprises. The largest enterprises in the world, since the late 90s of the last century, began to publish reports not only on financial activities, but also on the results of non-financial (social) activities of the enterprise.

In the social report, the results of the activities are grouped according to the parameters shown in Figure 2.



2–расм. Ижтимоий ҳисоботни тайёрлаш бўйича фаолият натижаларининг асосий параметрлари²

In other words, the business sees the need to disclose information about its management practices in the social report, as well as the opportunity to display the results of its activities and establish contacts with an expanded range of users of the report. Thanks to the social report, it will be possible to comprehensively present the economic, social and environmental results of the enterprise to the general public. Thus, it is possible to evaluate the performance of the enterprise according to these three requirements. At the same time, the social report is to communicate with all stakeholders, determine their assessments and

¹ Муаллиф томонидан ишлаб чиқилган.

² Муаллиф томонидан ишлаб чиқилган.

assumptions, avoid potential charges, gain additional competitive advantages, shareholders, employees, customers, partners, authorities, media, enterprise development to lay the groundwork for a strategy and build the trust of local communities.

Socially responsible business today is seen as a business that fully understands the importance of participating in solving social development and environmental security problems and strives for maximum efficiency both in minimizing the negative consequences of its activities and optimizing its positive impact on society.

Thus, a non-financial report (social report, sustainable development report) is a set of documented data reflecting the scope of the enterprise, the principles and methods of cooperation with affected groups, environmental aspects of society, economic, environmental and social performance.

The Global Reporting Initiative, as defined by an independent international organization, means a report that covers the economic, environmental and social aspects of an enterprise.

The Global Reporting Initiative reporting principles can be divided into four main groups (Figure 3).



3-расм - ГТХ3 стандарти бўйича ҳисобот бериш тамойиллари³

Thus, a closer look at GRI reporting principles reveals that:

- The main principles of preparing a social report are transparency, stakeholder participation, verification;

- The principles that determine what should be included in the social report, the context of sustainable development (economy + ecology + social sphere), as well as the completeness of decisions;

- The principles of ensuring the quality and reliability of social reporting include proportionality, objectivity, comparison, accuracy;

- Principles related to the availability of social reporting describe the timeliness and accuracy.

It should be noted that the social reporting standards provide for the use of IFRS, in particular, the Sustainable Development Report Guide developed by GRI contains requirements for the preparation of economic indicators and social reporting based on the relevant IFRS and their interpretations.

In accordance with International Financial Reporting Standards, social reports prepared by corporations should include:

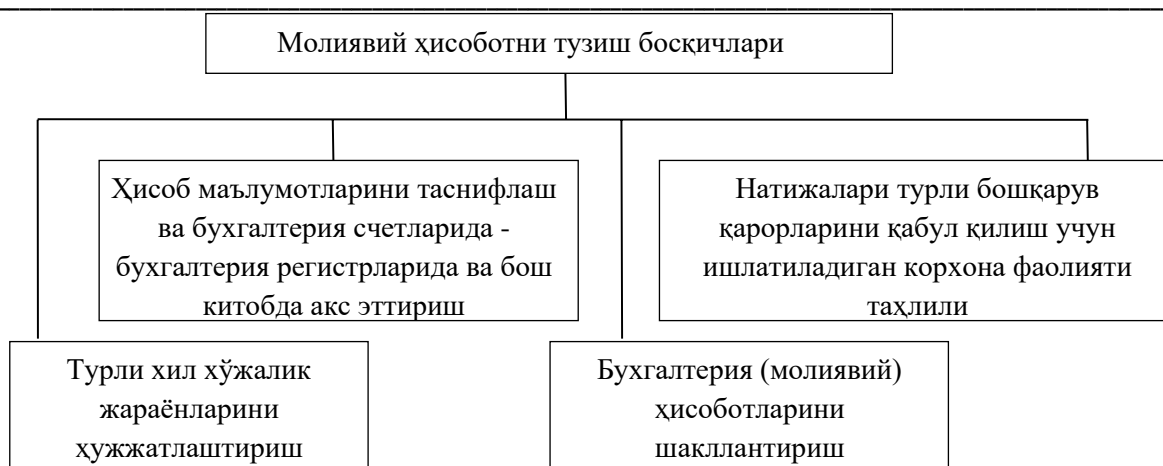
- corporate goals in relation to social policy;

- system of coordination and management of its effective activity;

- General indicators of corporations on workplace safety, labor, labor relations, environmental protection and rehabilitation, the content of social programs for cooperation with external counterparties, labor organization and protection of employee health.

The procedure for preparing a financial statement consists of several steps (Figure 4).

³ Муаллиф томонидан ишлаб чиқилган.



4–расм. Молиявий ҳисоботни тузиш босқичлари⁴

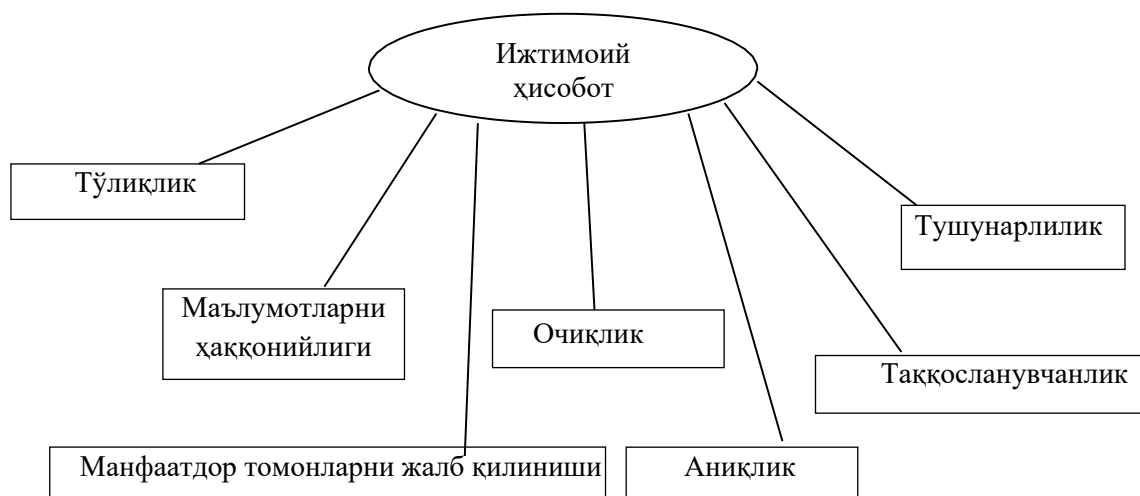
The preparation and publication of corporate social reports show that these are only operational reports on social work and charitable expenses. At the same time, along with the preparation of the report, work is underway to change the social activities of the corporation, which is based on the principles of expectations and interests of its business partners and other counterparties.

It should be noted that the social reporting itself implies the improvement of financial and management accounting, as well as IFRS. For example, the first social report in Russia was prepared in 2002 by British American Tobacco, and in 2003 such reports were prepared by Alfa-Bank, Fia-Bank, Yukos, Sibneft.

There are many examples of social reporting today. For example, JSC Norilskiy Nickel has been publishing social reports since 2005 to inform the general public about the principles, goals, practical results and prospects of the company's activities in areas related to sustainable development. The annual practice of preparing social reports and KIM reports allows to develop the corporate social reporting system in accordance with international standards, the effectiveness of corporate governance, a new perspective and increase the company's policy in the field of corporate social responsibility. Information about the company's activities in the field of environmental protection, environmental safety and resource conservation, socio-economic development of the region is of great interest to the public.

Taxes paid by corporations to different levels of budgets; participation of corporations in regional social programs; assistance to war and labor veterans; participation in youth education; information on sports and physical education support and charitable activities is of interest to the public. The introduction of modern management systems that ensure the formation of social reporting in local business activities leads to the need for scientific justification of the concept of accounting and reporting in the system of corporate social responsibility and non-financial reporting.

The basic principles of social reporting include the following areas (Figure 5).



5–расм. Ижтимоий ҳисоботнинг тамойиллари⁵

⁴ Муаллиф томонидан ишлаб чиқилган.

Conclusions and suggestions

Based on the above, we consider it necessary to separate the independent scientific and practical direction - social accounting, taking into account the non-financial indicators used to compile the social report.

The need to change the current account was noted in November 2010 by participants of the VIII World Congress of Accountants and Auditors in Malaysia. Representatives of Congress concluded that they should radically reconsider their approach to accounting (financial) reporting by expanding the information included in the report to a comprehensive report.

The essence of this transition is based on the expansion of the data included in the report. It should include not only indicators describing the financial condition and financial results of the enterprise, but also to analyze and evaluate the natural indicators of efficiency of use of material and labor resources, to inform users about the level of social responsibility.

It is not possible to prepare a social report without maintaining a social account: social reporting data is created on the basis of accounting data. On the other hand, the requirements set by social reporting compilers have already predetermined the accounting paradigm: currently, accounting data is insufficient to form social reporting, and accounting cannot be the most important provider of data for social reporting.

It should be noted that the social indicators of entrepreneurial activity in Russia should be taken into account in the most serious way in making management decisions. In our opinion, the main motivation of domestic companies in compiling social reports is the desire to become international enterprises. Thus, the number of enterprises that compile social reports may increase, primarily due to large holdings planning to enter international markets. At the same time, running a socially responsible business can help prevent social problems from turning into a crisis that can negatively impact enterprise performance. This requires the development of an integrated system of accounting for social and environmental indicators. Thus, given the Russian model of corporate social responsibility, it can be said that at present it is aimed at the state, employees and owners, but when society matures, local communities, consumers and other stakeholders are involved. In Russia, the approach to corporate social responsibility should be broader and more pragmatic.

Social reporting is required for:

- informing the general public about the results of the economic, environmental and social nature of the enterprise;
- Carrying out an independent assessment in the above areas;
- liaison with all groups of stakeholders, identify their interests, assessments and expectations;
- prevention of possible charges;
- have a competitive advantage;
- Increasing the trust of employees, shareholders, partners, customers, the local community, authorities, the media.

Adherence to the principles of fairness and social responsibility, which are reflected in specific initiatives in social reporting based on international social standards, testifies to the potential for business development. In this way, businesses can do the best they can, creating innovations that will help save our planet.

Often, businesses have a well-developed branch network, which makes it difficult to maintain social records. However, the fact that branches are usually located in different areas can distort the idea of social spending. In this case, one region may need some social programs, the other region may need more than others. Implementing effective governance accounting requires the development of a universal approach to the preparation of internal social reporting.

The social balance can be considered as a mass means of informing stakeholders about the scope and dynamics of the enterprise's activities to develop economic stability, social welfare and ecological balance in the society, but first of all it is an internal management report on the enterprise's social expenditures.

The social balance is formed on the basis of accounting data. In the accounting, social expenditures should be reflected in the relevant account in the section of expenditure items, ie enterprises should maintain an additional analytical account of each item of planned social expenditures. Branches of the enterprise summarize the costs for each cost item and transfer the generated data to the head office using the "In-Farm Accounts" account.

⁵ Муаллиф томонидан ишлаб чиқилган.

For the reporting period, all branches must compile a social balance sheet in which the amount of expenses for each expense item is shown. To analyze the economic activity of the enterprise, it is necessary to include in the social balance sheet a section that reflects the information on planned expenditures. This will allow you to see which programs have not been implemented and eliminate the causes of their failure or reconsider the cost planning for this item. Based on the information obtained in the main section, the overall social balance for the enterprise is formed. The corporate social responsibility report is a practical aspect of measuring and disclosing information to external and internal stakeholder groups. Different definitions of the term “corporate social responsibility” are one of the synonyms that reveal the essence of the report, and its content simultaneously covers the economic, social and environmental aspects of the enterprise.

Lack or lack of information about the enterprise's social programs, voluntary participation in solving social problems of the local community puts business at risk of falling into the trap of high expectations of the population, changing the state in the social sphere.

Businesses have to work hard to make information about their social activities available to the public. To this end, journalists can be involved in discussions on corporate social responsibility, cooperation with well-known public enterprises and associations. Creating and disseminating a social report is an effective way to promote information about an enterprise's social responsibility. According to public opinion, it is important that the report is provided by an independent external entity. From the publication of booklets about veterans and the disabled, reconstructed hospitals and colorful children's nights, we need to move to systematic coverage of social responsibility, i.e. adherence to international standards of social reporting.

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