

## РОЗДІЛ IV

# ЕКОНОМІЧНА СТАТИСТИКА, БУХГАЛТЕРСЬКИЙ ОБЛІК ТА АУДИТ

UDC 657

**Korol Svitlana,**

*Candidate of economic sciences, associate professor,  
Doctoral candidate of Accounting Department,  
Kyiv National University of Trade and Economics*

## ACCOUNTING KNOWLEDGE OF FACTS OF ECONOMIC ACTIVITY

*It is an important question to create a system of accounting that will serve as the basis for the information transparency of business enterprises, non-financial report preparation and effective management of socially responsible business. The purpose of the article is to justify and identify theoretical approaches to improving the methodology of accounting knowledge of the facts of economic activity (FEA) of a company as the basis of assessment of the state and social responsibility. One of the main principles of non-financial content determining is to provide information that has an impact on the decision. This includes information not only economic, but also ecological and social consequences of business enterprises. Instead, the accounting reflects the FEA excluding these aspects. So, it is not enough accounting information for the non-financial reporting preparation. It has been established that traditional definition of «the fact of economic activity» takes into account only the economic and legal aspects of the company. The logic of accounting of the FEA is focused only on those aspects. The analysis of the theory of FEA information layers revealed the possibility of their extension based on ecological and social aspects. This will create the prerequisites for reflection in accounting of economic, ecological and social consequences of business enterprises. Deficiencies and possibilities of FEA information layers theory adaptation to corporate social responsibility have been established. It has been proposed to extend the FEA information model, which will create conditions to get significant information to parties concerned. The FEA term has been defined, which takes into account the impact of economic activity on economic, natural and social environment. The role of information layers of the FEA as a criteria for selecting its accounting registration method has been defined. Prospects for further research in this area we see in the reconstruction of accounting methodology for registration and compilation data of corporate social responsibility in system of accounts.*

**Keywords:** *accounting; level of knowledge; corporate social responsibility; non-financial reporting; theory of information layers facts of economic activity; the fact of economic activity.*

### INTRODUCTION

Today the practice of management received new guidelines that require consideration of the principles of social responsibility in the choice of means and forms to achieve the goal of entrepreneurial activity. However, society demands the transparency of economic activity. Publication of not only financial, but non-financial reports contributes to this. However, it requires information support to reflect the facts of economic activity (FEA) of the company in the accounting system.

**Analysis of recent research and publications.** A significant contribution to the development and scientific substantiation of the accounting social responsibility theoretical principles and training of non-financial reporting was made by such leading foreign specialists: K. Basu (Basu, 2009) [1] A. Belkaoui (Belkaoui, 1975) [2], R.

Gray, J. Collison, James. Bebbington (Gray, Collison&Bebbington, 2000) [3], D. Owen, S. Adams (Gray, Owen & Adams, 1996) [4] M.R. Matthews, M.H.B. Perera [5] S. D'Souza (D'Souza, 2014) [6] and Ukrainian scientists: I. Zhyhley [7] J. Bogdanova [8], A. Gerasimenko [9] B. Deriy M. Deriy [10] S. Kuznetsova [11] P. Kutsyk [12] and others. In their research they use the traditional logical knowledge about FEA, which is limited by the calculation of the financial performance of the company. This information reflects some economic aspects of corporate social responsibility (CSR).

A particular attention to the content of FEA provided Russian scientist Ya. Sokolov [13] and his followers, including M. Pyatov [14; 15]. The theory of FEA layers provides understanding of the information subject of accounting, its economic and legal aspects. However, the social aspect of FEA is still unidentified.

Today it is necessary to answer the question of whether the accounting methodology allows creating an information base to assess the status and level of CSR. A positive answer to this question provides the possibility to know the facts of corporate social responsibility by means of accounting.

**The purpose of the article** is theoretical justification and identifying approaches to improving methodology of accounting knowledge of the facts of enterprise economic activities as the basis for assessment the state and level of its social responsibility.

## MAIN FINDINGS

In the context of sustainable development it is important to provide information about the contribution (influence) that the company does or intends to do in the future, the improvement or degradation of the economic, environmental and social conditions and trends of development processes at local, regional and global levels. According to the materiality principles and completeness of the report in the area of sustainable development [16] significant impact on the economy, environment and society must be disclosed. According to international guidelines stakeholders define the materiality of such information and the company provides its receipt.

The possibility to provides specific information has two aspects: determining the location data of the economic, environmental and social consequences of business enterprises in the information system of accounting; determining the methodological tools that ensure the collection, recording, summarizing and providing relevant information to users.

Feature and benefits of accounting as an information management system is associated with uninterrupted continuous observation of its economic activity. Its discrete perception leads to research of FEA.

The concept of «the fact of company economic activity» has received the following definition: «...the elementary time of economic process that alters or confirms the composition of the company assets or its source or funds and sources at the same time» [13, p. 11]. In other words, FEA is an event that can change the opinion of stakeholders on the financial position [14].

This interpretation of FEA was reflected in the theory of information layers of facts of the economic activity of Ya. Sokolov [13]. According to the author, information about each of them consists of «core», which remains unknown, and multiple layers of data. Each layer reveals certain characteristics or aspects of semantic knowledge about FEA. Starting from the unknown nucleus, scientists identified the following layers: (1) the natural-substantive nature (using natural and labor gauges), (2) a financial nature (use of cost measure), (3) the subject-legal aspect (the nature of property rights), (4) obligations and legal aspects (the nature of the obligations and legal relations between the economic entities of the process), (5) the administrative and legal (intra) aspect of the relationship, and (6) information and (7) time character of data.

Each of these information layers, as A. Lukanina observed [17, p. 66], from different sides reveals the essence of the FEA. Knowledge about FEA associated

with consistent penetration through these information layers from the periphery to the core and defining its economic and legal content. Ya. Sokolov characterized this process as an ascent from abstract to relatively specific and clearly called the conceptual reconstruction of the facts [13]. For such reconstruction the scientist suggests to use accounting records that indicate their inherent bond with the FEA layers of data.

Let's take the information structure of FEA as the basis in order to analyze its impact on the assessment of the corporate social responsibility.

Traditionally cost measurement (layer 2) is seen as a prerequisite of FEA reflected in accounting. Other FEA layers remain outside the system of book keeping balance. Among them are those that have essential economic, environmental and social consequences for stakeholders.

Natural-subject characteristic (layer 1) is a single quantitative characteristic for such FEA. If the content of the event does not allow applying any measurers it can be registered as an isolated fact that has a significant impact on the assessment of the CSR Thus it is necessary to carry out a simple calculation of the amount of the reporting period (for example, the number of cases of emission of gases into the atmosphere or hit sewage into water bodies of the rivers and lakes).

The nature of property rights (layer 3) can be identified by a group of stakeholders (shareholders, employees, suppliers, buyers and customers and other entities for which the company has committed itself) and the company's resources as economic goods used to meet their economic interests and obligations.

The nature of the obligations and legal relations between the subjects of the economic process (layer 4) are considered as a way to reflect changes or legal obligations (occurrence, increase or decrease) to display them in the accounting system (payments to participants, employees, suppliers, for received advances and loans, as well as providing benefits, discounts, irrevocable financial and material assistance, goods, professional services free of charge, education and training, improving working conditions and recreation, etc.).

Administrative and legal (intra) aspect of the relationship (layer 5) allows each FEA to show the person who is responsible for the fulfillment of their obligations to the stakeholders interests.

According to Ya. Sokolov, ponderability of the FEA (layer 6) depends on whether it is a surprise to information users. In order to evaluate the CSR, in our opinion, the ponderability of the FEA should depend on the materiality of the user information about its economic, environmental or social consequences. This characteristic will determine the appropriateness of FEA accounting and its reflection in the non-financial statements. Unlike other characteristics, it is not so obvious. Its determination requires the analysis of FEA circumstances. For example, upon receipt of inventory or goods by the supplier it is necessary to analyze the qualitative characteristics of the obtained reserves, the method of delivery (the influence of the used vehicle on the environment, transportation distance), the availability of evidence of compliance with the supplier of the principles of corporate social responsibility etc. Thus, the data of layer 6 are particularly important as a criterion for making a decision on

registration of FEA in the accounting system.

The value of the time aspect is also important (layer 7). It must take into account the date of or a date limit of the obligations of the enterprise to the interested parties or the validity of permits, or something else that should be taken into account for the control and analysis of the CSR. That is, the time response of FEA is important to reflect in accounting and execution of structural and contingent obligations to stakeholders under FEA and for the creation of appropriate reserves and control of their use.

In the process of learning FEA is subjected to the analysis of its performance on the eligibility criteria that are the basis for determining how it is registered with the system of accounts. Modern paradigm of accounting provides the registration of FEA information on synthetic and analytical level by double entry method and on the non-balance accounts by simple way to record. In fact, the data of layer 2 (as a condition of double entry), 5 (a condition reflected in the balance sheet or non-balance accounting) and 6 (as a condition of all recording) determine the need for and method of recording of the FEA in accounting. In addition, synthetic accounting require data about (3) legal- subject, (4) obligatory- legal and (7) time nature of the FEA. (1) Natural-objective aspect is also important for the organization of analytical accounting and (3) subject-legal aspect of FEA for the organization of off-balance sheet accounting. The relevance of off-balance sheet accounting used to reflect the significant environmental and social consequences of business enterprises (layer 7) is very important, which in the absence of financial characteristics (layer 2) cannot be displayed on synthetic accounts.

The analysis of report indicators in sustainable development showed that the analytical data compilation of broader focus is more necessary for it than for financial statements. The above confirms the needs to improve knowledge about the FEA. In addition to the existing system of FEA layers we offer to introduce an information layer 8 «Economy-ecology-social aspect». The introduction of this layer will display matching of the FEA principles for the implementation of which the company has committed itself to (UN Global Compact, sustainable development, etc.).

Furthermore, none of the information layers of the FEA reflects the impact on specific accounting items. In fact, their definition is related to the introduction of another layer of knowledge – FEA 9 «Object Identification». This layer is the basis of knowledge of all FEA layers. Its submission to the periphery of the information model FEA corresponds to the logic of its knowledge.

As a result, we get nine layers of FEA model that takes better into account the main aspects of the basic unit of economic activity. If the theory of FEA information layers has economic and legal interpretation, the proposed model creates a comprehensive picture of its economic, ecological and social impact on parties concerned.

Taking into account the results it is necessary to review approaches to the «fact of economic activity» definition. As each FEA can have not only economic but also ecological or social impact, offering fact of economic activity is seen as a basic point of the economic process that can be exclusively economic or both environmental

and social consequences. This definition of FEA takes into account the impact on economic, ecology and social environment. «Multi-layer» data about FEA takes on new meaning in connection with the need to obtain information to assess the level of SAP and non-financial reporting. Introduction of new information layers can significantly expand the boundaries of FEA knowledge. However, the content of financial statements depends not only of the FEA measurement, but also the methodology of accounting. M. Pyatov remarked, "it is up to accounting methodology to determine what substantive aspects of the fact will be reflected in the relevant news, with the help of what indicators, kinds of assessments etc. In general we can say that the methods of accounting determine what concerned user will be able to learn about the economic facts that form the financial position of the firm's accounts. Moreover, the methodology of calculation actually selects the facts of economic activity of the company, which will be and which will not be reflected in its statements "[15]. Consequently, the urgent question of compliance is methodological potential accounting task and information services of all stakeholders.

However, under the methodological accounting potential we understand the existing and potential accounting for the collection, processing and provision of information to users through the use of its methodological tools. In practice, potential accounting methodology is implemented in the process of identifying, measuring, recording, storage, compilation, storage and transmission of information about the company to users. For a given stage of the process we have certain methodological procedure. Thus we use document method for initial registration of the facts of economic activity; by means of accounts and double entry method performs clustering and storage of relevant information; finally, generalization of the saved information we do in the form of balance sheet and other financial statements. Information result of accounting methods depends on the adopted rules, principles and norms. If such rules, principles and standards no longer meet the legitimate demands of users of accounting information, contrary to the principle of its essentiality, they will be priority subject to revision. Only on the basis of this analysis we can infer information about the ability of accounting to perform its tasks.

With the emergence of each accounting FEA there is a problem before the accounting associated with the need to display it. In any case, such a task requires "conceptual reconstruction" and becoming a business operation. This transformation is associated with the ability of FEA standard perception: its penetration through informational layers, obtaining basic unit of data about the object knowledge, their organization by signs of the chosen system of classification.

The structure of non-financial performance reporting (report in the area of sustainable development) takes into account economic, ecology and social aspects of the FEA. However, in accounting they are poorly formalized. Traditional logic of FEA accounting knowledge does not meet the principles determining the content of the report in the area of sustainable development. It needs such renovation, which will provide the specific information.

The problem is related to the necessity of

accounting facts that has not monetary evaluation and does not affect the financial capital of the company, but is essential for its decision-making managers and / or stakeholders. However, such perception of information requires from the accountant going beyond the traditional knowledge boundaries and using adequate methodological tools.

Because of this, the methodical accounting methods need special attention which are used during the primary objective knowledge of reality. The result of FEA knowledge of objective reality is reflected in the original document, subject to further analysis of the semantic context. Thus, the general idea of the possibility or impossibility CSR accounting depends on whether it is reflected in the primary documents. But provided that the traditional data on the social and environmental consequences of economic activity are not considered «useful», nobody demands relevant information from accounting. Currently, its creation requires a statement of objectives for the organization of primary knowledge, registration, synthetic and analytical accounting, synthesis and provision users. In particular, it is necessary to identify and bring original documents «formal signs» – information that can not only identify the documents but also collect and accumulate data about a semantic component of business enterprises as its social responsibility.

Since not all FEA enterprises are subject to accounting registration, it is extremely important to select criteria that are worthy of recording.

The result of the selection procedure of the facts to the further registration in the system of accounts is a

database of business processes. Will it include information that reflects the environmental and social aspects of the enterprise depend on the set for the accounting tasks. The fundamental problem is its interpretation of the content of business processes using appropriate category-conceptual apparatus.

## CONCLUSIONS

Current economic conditions require theoretical study and improvement of the collection and methodological procedure of FEA registration in the accounting system data that are needed to assess the status and level of CSR. Traditional logic of accounting knowledge and the theory of FEA information layers reveals only its economic and legal aspects. The FEA structure has been analyzed in order to identify prospects of information provision of assessing the level of social responsibility of the company. Deficiencies and opportunities to adapt this theory to the concept of social responsibility have been established. The proposed nine-layer information model of FEA that reveal its economic and legal aspects as well as environmental and social impact creates conditions for significant information to interested parties. The role of FEA information layers as criteria for selecting the method of its accounting registration has been defined. Prospects for further research in this area we see in the reconstruction of accounting methodology for registration and compilation system of accounts.

## REFERENCES

1. Basu S. K. Fundamentals of Auditing. – India: Dorling Kindersley Pvt. Ltd, 2009. – 368 p.
2. Belkaoui A. The Whys and Wherefores of Measuring Externalities // The Certified General Accountant, January – February, (1975). – 29 p.
3. Gray R., Collison D., Bebbington J. Social and Environmental Accounting & Reporting // The Centre for Social and Environmental Accounting Research, University of Dundee. – 2000.
4. Gray R. H., Owen D. and Adams C. Accounting and Accountability. – London: Prentice Hall, 1996.
5. Met'yus M. R., Perera M. X. B. (1999). Teory`ya buxgalterskogo ucheta. – M.: YuNY`TY`. – 663 p.
6. D'Souza S. Social accounting – an analysis // Journal of Commerce & Management A Peer Reviewed International Journal.– 2014. – Volume 1, Issue 4. – p. 11-15.
7. Жиглей І. В. Бухгалтерський облік соціально відповідальної діяльності суб'єктів господарювання: необхідність та орієнтири розвитку: монографія / І. В. Жиглей. – Житомир: ЖДТУ, 2010. – 496 с.
8. Bohdanova Zh. A. (2013). Razvytye sotsyal'nogo ucheta: opredelenye osnovnykh ponyaty // Innovatsiynna ekonomika. – 7 (45). – pp.293-296.
9. Herasymenko O. Sotsialnyi oblik ta nefinansova zvitnist yak instrument realizatsii sotsialnoi vidpovidalnosti / O. Herasymenko // Visnyk Kyiv. nats. un-tu imeni Tarasa Shevchenka. Ekonomika. – 2012. – № 137. – p. 39-42.
10. Derii V. A. Oblikovyi ta analitichni komponenty nefinansovoi zvitnosti ta yikh rol v ekonomichnii systemi / V. A. Derii, M. V. Derii // Zbirnyk naukovykh prats Vinnytskoho natsionalnogo ahrarnoho universytetu. Serii: Ekonomichni nauky. – 2014. – P. 95-103.
11. Kuznetsova S. A. Perspektyva bukhgalterskogo obliku: stratehichnist, elektronna komertsii ta sotsialna spriamovanist / S.A. Kuznetsova // Yevropeyskyi vector ekonomichnogo rozvytku. – 2014. – № 1 (16). – s. 73-83.
12. Kucy`k P. O. Positive accounting theory: Present and prospect / P. O. Kucy`k // Visn. nacz. un-tu L`viv. politexnika. – 2009. – № 647. – P. 411-415.
13. Sokolov Ya. V. Accounting as the sum of the facts of economic activity. – M.: Magy`str; Y`NFRA M, 2010. – 224 s.
14. Pyatov M. L. Theory layers fact of economic activity in the works of Ya. Sokolov / M. L. Pyatov // Fy`nansovuy`by`znes. – 2011. – № 2. – S. 163-173.
15. Pyatov M. L. Accounting Philosopher: the 75th anniversary of the birth of Y. Sokolov [Electron resource]. – 02.18.2013. – Access: <http://buh.ru/articles/documents/15022/?tpl=print>
16. G4 Sustainability Reporting Guidelines. URL: [www.globalreporting.org/standards/Pages/default.aspx/](http://www.globalreporting.org/standards/Pages/default.aspx/).

17. Lukany`na A.V. Theory layers facts of economic life as the basis of the principle of substance over form// Vestny`k ChelGU. 2014. #15 (344). – Access: <http://cyberleninka.ru/article/n/teoriya-sloev-faktov-hozyaystvennoy-zhizni-kak-osnova-printipsa-prioriteta-soderzhaniya-nad-formoy/>.

**Король Світлана Яківна**

#### **БУХГАЛТЕРСЬКЕ ПІЗНАННЯ ФАКТІВ ГОСПОДАРСЬКОГО ЖИТТЯ**

*Актуальність проблеми обумовлена необхідністю створення системи бухгалтерського обліку, яка слугуватиме основою для інформаційного забезпечення прозорості господарської діяльності підприємства, підготовки нефінансового звіту та ефективного управління соціально відповідальним бізнесом. Метою дослідження є теоретичне обґрунтування та визначення підходів до удосконалення методології бухгалтерського пізнання фактів господарської життя (ФГЖ) підприємства як основу оцінки стану та рівня його соціальної відповідальності. Одним з основних принципів визначення змісту нефінансового звіту є надання інформації, яка є суттєвою для прийняття рішення. Це стосується відомостей не тільки про економічні, але й про екологічні та соціальні наслідки господарської діяльності підприємства. Натомість, в бухгалтерському обліку відображають ФГЖ без урахування цих аспектів. Отже, бухгалтерської інформації недостатньо для складання нефінансової звітності. Встановлено, що традиційне визначення поняття «факт господарського життя» враховує тільки економічний та юридичний аспекти діяльності підприємства. Логіка бухгалтерського пізнання ФГЖ орієнтована на розкриття тільки цих аспектів. Проведений аналіз теорії інформаційних шарів ФГЖ дозволив встановити можливість їх розширення з урахуванням екологічного та соціального аспекту. Це дозволить створити передумови для комплексного відображення в бухгалтерському обліку економічних, екологічних і соціальних наслідків господарської діяльності підприємства. Встановлено недоліки та можливості адаптації теорії інформаційних шарів ФГЖ до концепції соціальної відповідальності бізнесу. Запропоновано розширити інформаційну модель ФГЖ, що дозволить створити умови для отримання суттєвої для заінтересованих сторін інформації. Дано визначення ФГЖ, яке враховує триєдиний характер впливу господарської діяльності підприємства на навколишнє економічне, природне і соціальне середовище. Визначено роль інформаційних шарів ФГЖ як критеріїв вибору способу його облікової реєстрації. Перспективи подальших розвідок у цьому напрямі бачимо у реконструкції методології бухгалтерського обліку для забезпечення реєстрації й узагальнення даних про соціальну відповідальність підприємства в системі рахунків бухгалтерського обліку.*

**Ключові слова:** бухгалтерський облік; рівні пізнання; соціальна відповідальність бізнесу; теорії інформаційних шарів фактів господарського життя; факт господарського життя.

**Король Светлана Яковлевна**

#### **БУХГАЛТЕРСКОЕ ПОЗНАНИЯ ФАКТОВ ХОЗЯЙСТВЕННОЙ ЖИЗНИ**

*Актуальность проблемы обусловлена необходимостью создания системы бухгалтерского учета, которая будет служить основой для информационного обеспечения прозрачности хозяйственной деятельности предприятия, подготовки нефинансового отчета и эффективного управления социально ответственным бизнесом. Целью исследования является теоретическое обоснование и определение подходов к совершенствованию методологии бухгалтерского познания фактов хозяйственной жизни (ФГЖ) предприятия как основы оценки состояния и уровня его социальной ответственности. Одним из основных принципов определения содержания нефинансового отчета является предоставление информации, которая является существенной для принятия решения. Это касается сведений не только об экономических, но и об экологических и социальных последствиях хозяйственной деятельности предприятия. В свою очередь, в бухгалтерском учете отражается ФГЖ без учета этих аспектов. Итак, бухгалтерской информации недостаточно для составления нефинансовой отчетности. Установлено, что традиционное определение понятия «факт хозяйственной жизни» учитывает только экономический и юридический аспекты деятельности предприятия. Логика бухгалтерского познания ФГЖ ориентирована на раскрытие только этих аспектов. Проведенный анализ теории информационных слоев ФГЖ позволил установить возможность их расширения с учетом экологического и социального аспекта. Это позволит создать предпосылки для комплексного отражения в бухгалтерском учете экономических, экологических и социальных последствий хозяйственной деятельности предприятия. Установлены недостатки и возможности адаптации теории информационных слоев ФГЖ концепции социальной ответственности бизнеса. Предложено расширить информационную модель ФГЖ, что позволит создать условия для получения существенной для заинтересованных сторон информации. Дано определение ФГЖ, которое учитывает триединый характер влияния хозяйственной деятельности предприятия на окружающую экономическую, природную и социальную среду. Определена роль информационных слоев ФГЖ как критериев выбора способа его учетной регистрации. Перспективы дальнейших исследований в этом направлении видим в реконструкции методологии бухгалтерского учета для обеспечения регистрации и обобщения данных про социальную ответственность предприятия в системе счетов бухгалтерского учета.*

**Ключевые слова:** бухгалтерский учет; уровне познания; социальная ответственность бизнеса; теории информационных слоев фактов хозяйственной жизни; факт хозяйственной жизни.

Одержано 06.06.2016 р.