

Financial Reporting Towards Integrated Reporting Perspectives and Sustainability Disclosures

Dr. Neungruthai Petcharat

ABSTRACT

According to the International Financial Reporting Standards (IFRS), financial reporting comprises of relevance, reliability and quality of accounting information, accounting standard setting and application, and financial statement analysis for external users. External perspectives have become more concerned about financial and non-finance information in one report for more useful-decision corporate reporting. Global Reporting Initiatives (GRI) introduced a full version of reporting guideline in 2000 to incorporate three areas of performance – economic, environmental, and social well-being in a sustainability discourse. As a result, research topics focused on financial reporting reflecting the three areas including fundamental changes in corporate reporting, financial reporting becoming integrated reporting, and financial reporting guiding to sustainability reporting. In 2013, the International Integrated Reporting Council (IIRC), a non-profit organization, introduced an integrated reporting framework consisting of financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. However, the external perspectives towards integrated reporting aligning six capitals of integrated reporting and covering sustainability reporting concepts for long-term value creation has received little attention in the academic literature. While external perspectives are still focusing on integrated thinking of a firm with needling on sustainability disclosures for useful-decision corporate reporting, the research topics are not much done. Research focuses on integrated reporting perspectives and sustainability disclosures should be further conducted on how leaders connect the dots in their organizations between integrated reporting practices and external perspectives. The relationship between integrated reporting and a company's sustainability drives sustainable value as a whole to satisfy information needs of stakeholders. And to what extent integrated reporting principles and concepts bring together cohesion and efficiency to the reporting systems of a company. The intended results of the research is to bring more transparent information in integrated reporting, more effective sustainable development of firms, and more decision-useful corporate reporting thus satisfying information needs of external users and public.

Keywords: financial reporting, integrated reporting systems, integrated thinking, sustainability reporting, corporate reporting