

INTRODUCTION

At present, a characteristic phenomenon of the business world is the deepening of mutual integration between enterprises and their economic, social and external environment. This has caused a change in thinking about the way enterprises¹ communicate with external entities; there is a need for a new approach to the shape and scope of the business reporting system. The answer to this challenge was the introduction of many new legal regulations and environmental standards (concerning, among other things, accounting, auditing, corporate governance, ethics). These regulations and standards have both local (national) regional (EU) and international coverage. Their common feature is that their goal is to strive to meet the information needs of corporate stakeholders as best as possible.

The shape of new regulations regarding accounting and corporate reporting is a consequence of the expectations regarding the content of company reports prepared for their stakeholders and the possibilities to meet these expectations – including technical, organizational and human resources capabilities.

The evolution of legal regulations as well as the accounting and reporting standards, as well as their theoretical foundation (in the form of new concepts, principles, definitions, and classification) is not a completed process. Nevertheless, several dominant directions of changes can be mentioned. They are:

- dissemination of the application of international financial reporting standards;
- giving international standards a leading role in the process of evolving EU regulations on corporate reporting;
- inclusion of social and environmental issues in the thematic scope of the reports;
- development of reporting systems integrating the financial content and non-financial issues;

¹ In this monograph, the term “enterprise” is used interchangeably with the terms “undertaking,” “company” or (business) entity. This is due to the fact that in the English-language subject literature and legal acts referred to in the monograph, all these terms are used to name a business entity that maintains accounting and reporting. Unification of terminology in this area would cause, among others, the necessity of interfering with the original texts cited in the work, and the author wanted to avoid them.

- standardization at the international level of the business audit system;
- inclusion of the issues related to corporate reporting in the scope of corporate governance and ethics codes.

In most cases, there is a consensus regarding the validity of these directions. However, some are controversial and raise doubts. This has become one of the inspirations for the writing of this monograph.

Its aim is to present and evaluate the theoretical assumptions as well as legal regulations and standards of corporate reporting that reflect the new directions of development of a comprehensive system of communication of enterprises with the environment, based on the procedure of reporting business achievements.

The considerations undertaken in the monograph were conducted in a sequence, which – as was the author’s intention – is to facilitate the readers’ understanding of the accounting and reporting of enterprises through the prism of regulations in force and – if it was justified – the phenomena accompanying their application in practice. In particular, the considerations concerned:

1. The theoretical basis and regulations governing the financial accounting; it was recognized that it is necessary to brief on the historical and theoretical judgment of the main issue which is the reporting of enterprises in the overall system of accounting and financial reporting.
2. The general concept of financial reporting of enterprises.
3. International and EU regulations on the financial reporting of enterprises.
4. International, EU and Polish regulations for reporting of non-financial issues.
5. The concept of the integration of the financial and non-financial information in one report.
6. Business policies in the field of financial reporting, with particular emphasis on the practice of shaping the economic values disclosed in the reports.
7. The supervision and control of reporting system of enterprises.

The objects of the monograph include financial and non-financial statements of enterprises. Both Polish and international as well as regional (EU) regulations and standards for reporting economic achievements were considered. In the subjective scope, there are enterprises obliged by law to keep account books and to prepare financial statements and to report information of non-financial nature.

The monograph was prepared on the basis of the literature on the subject, legal acts as well as accounting and reporting standards. Another source of the data is reports of selected organizations that have been published and which

present the results of research on problems undertaken in this work. The monograph presents the legal status as at 31 December 2018.

The purpose of the work determined the content and sequence of the main issues in it, which has been reflected in its structure. It consists of seven chapters.

The first chapter is devoted to the presentation of the essence of financial accounting, including the concept, its functions, principles, type of users of the accounting system and financial reporting. This chapter deals extensively with the Polish provisions governing this system, in particular with those of the Accounting Act.

The second chapter explains the nature of the financial statements, their purpose, the principles underlying preparation of this kind of report, the required quality of the financial statements and their structure (on the basis of the Polish regulations).

The third chapter presents the process of harmonization of financial accounting and contains analyses of financial reporting regulations. In particular, the standards developed by the International Accounting Standards Board, European Union regulations, and a common approach to the reporting of the International Accounting Standards Board and the US Financial Accounting Standards Board are shown.

Chapter four is devoted to the reporting of non-financial issues, and presents the standards developed by various international organizations for example the United Nations and the Organization for Economic Co-operation and Development. Most of this chapter is devoted to the discussion of EU and Polish regulations regarding this issue.

In turn, the fifth chapter is devoted to presenting the model of integrated reports, combining financial information and non-financial information in one comprehensive document. This chapter presents standards for this type of reporting developed by the International Integrated Reporting Council and the Global Reporting Global Reporting Initiative.

Chapter six examines an enterprises' policy regarding the preparing of financial reporting. In particular, it demonstrates the right of choice in accounting, the essence and kind of accounting policy, and explains the essence of creativity in accounting and the counterfeiting of the financial statements.

In Chapter seven the system of supervision and control of financial reporting and financial audit is characterized. An important part of the chapter is a discussion of the principles of corporate governance and ethical norms. Examples of American, European and Polish practice were shown.