

THE ISSUES OF SUSTAINABLE DEVELOPMENT INFORMATION MANAGEMENT IN COMMERCIAL ORGANIZATIONS

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Abstract: The publication of the standards of the IFRS-Sustainability series, and in particular the IFRS-S standards, which came into force on January 1, 2024, set new requirements for financial information management, in particular, setting the problem of identifying the risks and opportunities of activities formed by the main provisions of the concept of sustainable development.

However, the information formed in the account registers of commercial organizations with traditional information flows is essentially retrospective and does not take into account sustainable development goals in the foreseeable future. Therefore, the formation of a new management structure acquires primary importance, which, in the opinion of the author, should target the application of accountability approaches that correspond to the organization's sustainable development goals and the appropriate measurability resulting from it.

The article presents the transformation from an information system with traditional, retrospective nature and operational goals to an integrated financial information flow management system

aimed at the foreseeable future and sustainable development. As tools, the definition of key activity indicators corresponding to strategic objectives and the development of comprehensive assessment mechanisms, which becomes possible in the context of improving the management accounting policy, were considered.

Keywords: sustainable development goals, retrospective information, integrated information flows, management structure, IFRS-S

JEL code: M41

Research aims: in the context of the current trends in business development, propose an approach of transformation to move from a retrospective information system to an integrated financial information flow management system aimed at the foreseeable future and sustainable development goals.

Research novelty: conceptual provisions for the transition from a retrospective information system to an integrated financial information flow for sustainable management have been proposed.

Introduction

In recent years, interest in ESG and sustainable development topics has increased, which is indirectly encouraged by international structures and organizations, as reports (CIMA, KPMG, PwC reports) and researches (Beusch P. et al. 2024), Nakpodia F. et al. 2022) related to these topics are published. This trend of development has also influenced the accounting profession. In November 2021, the IFRS Foundation established the International Sustainable Development Standards Board (ISSB), by which in 2023 IFRS-S1 and IFRS-S2 of the IFRS-Sustainability series

were published and are effective since January 1, 2024.

IFRS-S1 "General requirements for disclosure of financial information related to sustainability" defines general requirements for the application of IFRS to information requiring disclosure of risks and opportunities in the field of sustainable development and all directions of sustainable development linking the framework of financial information management with the organization's risk and opportunity strategy, the definition of relevant metrics and the formation of the accountability system. The purpose of preparing and presenting both general purpose financial statements and sustainability standards is to provide information about the reporting entity that can be useful to current and potential investors, lenders and other creditors in making decisions about providing resources to the entity (Tshughuryan, A., Grigoryan, L., 2024).

In RA commercial organizations, financial information and its management mechanisms mainly focus on operational purposes. In turn, management accounting, including cost accounting, as a rule, in commercial organizations presents information about production processes and budgeting, only in this part relating to financial information flows and not relating to strategic goals.

In this context the improvement of the financial information management mechanism is currently necessary to be considered in the conditions of the problems of the management accounting system in RA commercial organizations and the current trends of international developments in the field of accounting.

Research results

Developing integrated financial information management system with sustainable development objectives in commercial organizations targets the definition of key performance indicators corresponding to strategic goals and the development of comprehensive evaluation mechanisms. This becomes possible in the context of improvement of management accounting policy. For the purpose of making decisions on sustainable development, it is important to separate the reporting goals and directions of information formed in the management accounting system from traditional information flows.



Figure 1. Key areas identified by IFRS-Sustainability¹⁰

For this purpose, the transformations of traditional, retrospective management accounting and analytical directions are valued, towards future-oriented approaches to defining the strategy

¹⁰ Composed by author

that takes into account the opportunities and risks of the activity and the management of information flows based on its performance. In this context, management accounting policy acquires significant importance. Which in the organizational, technical and methodological sections presents the entire philosophy of information management and cost accounting, methods of cost calculation, algorithms for the use of analytical models, implementation of the budgeting process, methods of calculating and analyzing indicators, forms of management reports and instructions for their preparation and presentation.

The accounting policy creates the basis for a new system of document circulation and accountability in commercial organizations, and also represents a new methodology for managing financial information flows integrated with sustainable development goals.

The transformation of the information system implies the development and application of certain tools, such as the sustainable development reporting and measurability. A management reporting framework for sustainable development in accordance with the objectives of the International Financial Reporting Standards on Sustainability (IFRS-S), which includes strategic integrated environmental, social and management information flows, enabling the analysis and evaluation of ESG performance indicators.

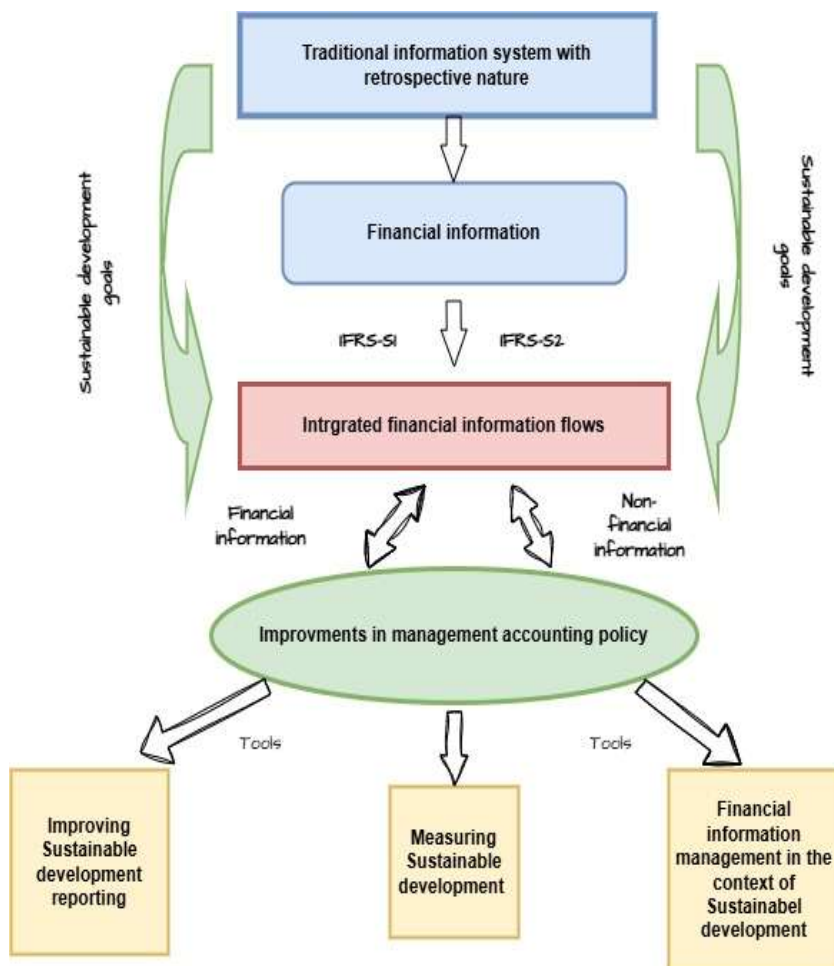


Figure 2. A proposed mechanism for improving financial information management¹¹

The use of managerial reports in this approach can contribute to the understanding of the strategy and increase performance,

¹¹ Composed by author

significantly improving the classical system of accounting, while not exaggerating the information flows that are already forming for the purpose of internal accountability. Given the prospective and strategic nature of the information contained, the reporting framework should be consistently applied over a period of time to ensure the comparability of the accumulated information. As for the methodology for evaluating the sustainable development of commercial organizations, the use of an integrated indicator with environmental, social and partnership results creates an opportunity to monitor ESG performance. At the same time, the presented approach to the construction and accountability of the management accounting system provides an opportunity to combine the emerging information into a comprehensive index, generalizing both financial and non-financial information with different units of measurement, giving a general assessment of sustainable development. It essentially characterizes the level of achievement of the strategic goals defined in the first level of accountability, giving the opportunity to make an assessment not only comprehensively, but also based on the indicators included in it.

Conclusion

A structure of financial information management in the managerial accounting system is important, applying tools for recording, documenting, measuring and reporting the results of the activities of commercial organizations based on ESG principles. In particular, the emerging accountability based on strategy description and performance with key indicators of activity connects sustainable development goals to operational goals of responsibility

centers, and their generalized measurement approach provides monitoring of goals in social, managerial and environmental directions. As a result, the proposed approach in the context of the formation of sustainable development of information flows in commercial organizations, accountability and measurability tools ensure the transformation of financial integrated information flow management and effective managerial decision-making with the goals of continuous business development with ESG principles.

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ԿԱՅՈՒՆ ԶԱՐԳԱՑՄԱՆ ՏԵՂԵԿԱՏՎՈՒԹՅԱՆ ԿԱՌԱՎԱՐՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ ԱՌԵՎՏՐԱՅԻՆ ԿԱԶՄԱԿԵՐՊՈՒԹՅՈՒՆՆԵՐՈՒՄ

Արփինե Հակոբյան

Հայաստանի պետական տնտեսագիտական համալսարան,
դասախոս

Բանալի բառեր - կայուն զարգացման նպատակադրումներ, հետահայաց տեղեկատվություն, ինտեգրված տեղեկատվական հոսքեր, կառավարման կառուցակարգ, IFRS-S

ՖՀՄՍ-Կայունություն շարքի ստանդարտների հրապարակումը, և մասնավորապես 2024թ.-ի հունվարի 1-ից ուժի մեջ մտած IFRS-S ստանդարտները ֆինանսական տեղեկատվության կառավարման նոր պահանջներ են առաջադրում, մասնավորապես խնդիր դնելով բացահայտելու կայուն զարգացման հայեցակարգի հիմնական դրույթներով

ձևավորվող գործունեության ռիսկերն ու հնարավորությունները:

Սակայն ավանդական տեղեկատվական հոսքերով առևտրային կազմակերպությունների հաշվային ռեզիստրենտում ձևավորվող տեղեկատվությունն ըստ էության ներկայումս հետահայաց բնույթ է կրում և հաշվի չի առնում կայուն զարգացման նպատակադրումները տեսանելի ապագայում: Հետևաբար, տեղեկատվության կառավարման նոր կառուցակարգի ձևավորումը առաջնային նշանակություն է ձեռք բերում, ինչը պետք է թիրախավորի կազմակերպության կայուն զարգացման նպատակադրումներին համապատասխանող հաշվետվողականության և դրանից բխող համապատասխան չափելիության մոտեցումների կիրառմանը:

Հոդվածում ներկայացված է ավանդական, հետահայաց բնույթ և գործառնական նպատակներ ունեցող տեղեկատվական համակարգից՝ դեպի տեսանելի ապագային միտված և կայուն զարգացման նպատակադրումներով ինտեգրված ֆինանսական տեղեկատվական հոսքերի կառավարման համակարգի փոխակերպումը, որպես գործիքներ դիտարկելով ռազմավարական նպատակադրումներին համապատասխանող գործունեության առանցքային ցուցանիշների սահմանումն ու համապարփակ գնահատման մեխանիզմների մշակումը:

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