

1. Professional compliance ethics. Following an approach based on values, rather than on regulations and instructions, an accountant can help to establish a culture in the organization that encourages employees to learn the principles honesty and integrity.

2. Use of professional judgment. Diversity of circumstances and situations that may arise in organizations of any types and areas of activity makes ineffective template prescriptions. Therefore, the quality of professional judgment is an indicator of the qualifications of an accountant. Healthy is needed professional skepticism, forcing to seek justification in the process of adoption decisions and question traditional patterns of action.

3. Activity awareness and the environment in which it operates. For that to have complete job information a company, an accountant needs to understand disciplines such as technology, personnel and project management, environmental management, and have knowledge in other areas not directly related to finance. This allows you to create a holistic picture and better evaluate the effectiveness activities.

4. Ability to work under conditions uncertainties. The accountant must be able to to carry out rational, orderly, objective and clear analysis and judgment, even on the basis of incomplete information. It should ensure high quality of useful financial and non-financial information to support management bodies and other persons taking solutions.

Results and DiscussionThe main conclusion according to research article:

For accountant:Individual professional accountants may use this information to plan their own careers or to make plans that will help them to get the most from their existing teams and their successors.Each professional accountant's professional quotients will reflect their competencies and skills across seven constituent areas.

For stakeholders:This may form the basis for a mechanism that can help a wide range of stakeholders to assess whether individual accountants have the optimal combination of technical knowledge, skills and abilities and the interpersonal behaviors, skills and qualities, that the professional accountant of the future will need.

Solution:

1. more help to accountant with the ethical challenges they expect to face as part of an increasingly mobile and global profession; they want assistance bridging the gap between ethical reality and theory.

2. professional accountants need tailored support to help them improved technical skills and develop new. Vital knowledge of and skills with digital technologies appear to be lacking, but all accountants need to be aware of and able to apply a range of emerging technologies; many will need to be expert users of predictive analytics, big data and smart software; some will need to focus on the inherent risks and challenges of corporate governance.

3. professional accountants should speak the language of business. Doing this will require local and international knowledge of emerging trends in business, technology and society; corporate governance and risk management best practices and frameworks; diverse cultures and business practices; and multiple languages. There is only so much that individual accountants can do to acquire and develop the necessary skills. Those who educate and employ them must do more.

4. there is a need for professional bodies to strengthen and embed ethics throughout the syllabuses of their qualifications and for employers to support the development of personal and corporate ethics by providing more on-the-job training and guidance.

ConclusionSo the global economy is fast changing. It is a world in which the accountancy profession needs to ensure that its members have the knowledge, professional ethic, skills and abilities to help organizations sustain economic growth and compete nationally and internationally. Ethical conduct and professional integrity of the accountant is one of the necessary conditions for the sustainable development of the organization, that is, ensuring the ability of the system to continue to function and develop during a long time. From compliance by the accountant ethical conduct depends on satisfaction the needs of not only individual clients or employers, but also the whole society, this is the basis for the healthy development of society and a market economy.

The accountancy profession today is as important in helping to safeguard the sustainability of organizations and broader society as it has always been. The profession is central to building and sustaining long-term value, in the many forms it takes, whether financial, social, human, natural, manufactured or intellectual. Most importantly, the profession can be trusted to do so.

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Yurchik V.I.

SOCIAL RESPONSIBILITY OF INNOVATIVE ACTIVITY OF AN ENTERPRISE AND ITS ASSESSMENT IN FINANCIAL ACCOUNTING

Yurchik V.I.

The article deals with the problem of social responsibility of the innovative activity of the enterprise. The article presents a methodology for assessing the level of social development of an enterprise on the basis of a collective agreement, as well as the impact on the indicators of financial accounting. The developed form of the social passport is presented and the methodology for calculating the rating assessment of the social development of the enterprise is proposed.

Key words: innovative activity of the enterprise, social responsibility, collective agreement, level of social development.

Introduction

Innovative activity of enterprises is the main factor in increasing competitiveness, affects various spheres of society, as well as assumes the presence of extra risks and financial losses. An important aspect in the implementing innovative activities is the social responsibility of an enterprise.

The international standard ISO 26000:2010 "Social responsibility" is a guide to the principles underlying social responsibility, its main aspects and problems, as well as ways to integrate socially responsible behavior into strategies, systems, practices and processes of the company. It provides a unified (global) understanding of the company's social responsibility, which is perceived as "the responsibility of the company for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development, including health and well-being of society; takes into account stakeholders' expectations; complies with applicable law and is consistent with international standards of conduct; integrated into the activities of the entire company and applied in its relationships" [1].

The business social responsibility to society had existed before, but it is of special relevance today. On one side, this is due to overall high degree of economic development on the leading States of the world creating the material capacities to maintain modern standards of the quality of life, and, on the other side – due to increased importance of intangible factors of economic growth, associated with the need to invest in human capital being the main condition of sustainable economic growth based on the total capacity of intelligence, education, and creativity of employees.

Practice shows that a business that takes on various kinds of social obligations always demonstrates better performance. By investing in the social sphere, business companies ensure successful promotion for themselves. Various socially responsible activities aimed at maintaining the cultural life of society, educational activities, medical sphere, create a positive opinion in society, broaden the horizons for doing business. Such activities should be part of the company's overall strategy. Non-recurrent activities for business development are ineffective. For example, credit and banking organizations prefer to invest in the development of cultural life (theaters, art galleries). These events are aimed at making the brand evoke associations with cultural values, the representative segment. Large corporations invest in large-scale ecological projects, generously invest in medicine and education. This activity addresses the development of own image, positioning as a fight for healthy environment.

Social responsibility of business is a voluntary contribution of business to society development in social, economic and environmental spheres, directly related to the company's main activity and going beyond the minimum defined by law [2].

The social responsibility of business is beginning to be actively and successfully implemented all over the globe. Companies not only solve the challenges of society by investing in education, medicine, supporting socially unprotected strata, but also gain certain benefits from this activity. In Western countries, the social responsibility of business functions as a resilient social institution, it is rational and effective. Despite the existing steady interest in the phenomenon of social responsibility of business, Belarusian scientists still have not reached a consensus on the main features of corporate responsibility, factors and conditions for developing social responsibility of business.

The issue of social responsibility of business has been in the focus of Russian scientists A.V. Bezgodov, S.V. Ivchenko, N.N. Grigorieva [3, 4, 5].

Main part

The social responsibility of business is of multilevel nature. The first level expresses the social responsibility of an enterprise to the state, the second – to the employees, and the third on expresses the social responsibility to society as a whole.

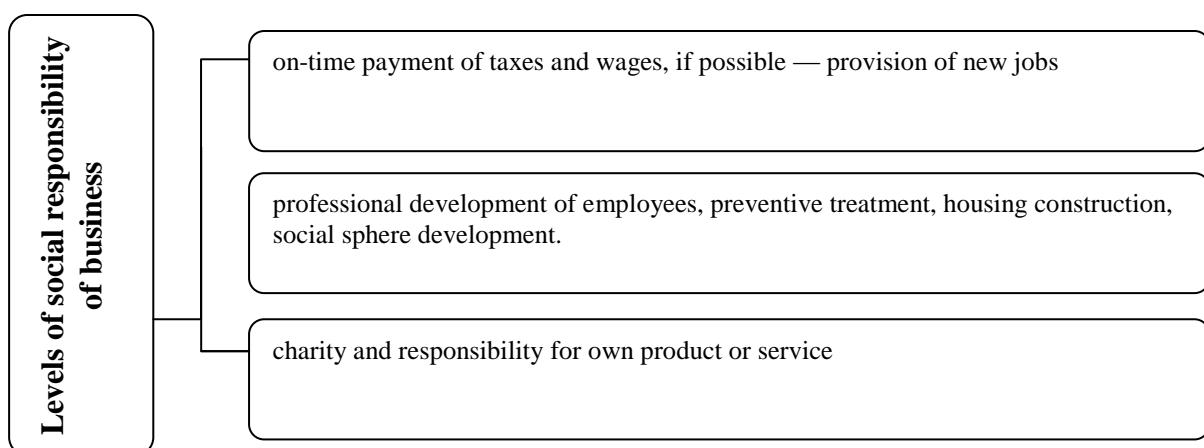


Figure 1 - Levels of social responsibility of business [4]

Since its inception and until recently, financial accounting has served exclusively in the interests of the proprietor: either individual, or the state. The emergence and development of integration and globalization processes has changed both the methodology and the organization of financial accounting. Data provided at the exit from the analytical system should eventually satisfy the interests of both the proprietor and investors whose financial input largely affect the functioning and development of an innovative enterprise.

Considering the social responsibility of business, in particular, "company-employees" relationships, it can be noted that an important role in the enterprise reputation in the labor market is played by the terms of the collective agreement.

A collective agreement is a local regulatory instrument that governs labor and socio-economic relations between an employer and his employees [6]. The parties to the collective agreement are the company employees represented by their official body, and the employer or his authorized representative. The content of the collective agreement is specified by the parties within their competence

Representatives of many organizations believe that only large companies need collective agreements, but This perception is far from reality. Thanks to collective agreement, the management of the enterprise can in writing institutionalize the relations with employees; besides, in terms of tax planning, it gives an extra opportunity to reduce the taxation.

The presence of certain provisions is determined by the agreement between the employer and employees. The collective agreement applies to the employer and all employees on whose behalf it is concluded. All employees, including those hired for the first time, should be familiarized by the employer with the collective agreements and treaties effective in the company. Failure to comply with the norms and obligations set by the collective agreement results in parties' liability in accordance with the law, the collective agreement.

The benefits for employees are quite obvious - in the collective agreement the employer fixes many unregulated issues of labor relations. Based on the collective agreement, extra payments and benefits, as well as bonuses and incentives are provided for employees. The provisions of the collective agreement affect the company's taxation proceedings since extra payments are included in the cost of goods thus reducing the taxable base for income tax.

Execution of the collective agreement is controlled by the parties, as well as by specially authorized State bodies for the supervision and monitoring of compliance with labor law.

Trade unions have are entitled to exercise public control over implementation of a collective agreement. The fulfillment of almost every clause of the collective agreement affects the financial state of the enterprise, namely, the financial accounting indicators.

Table 1 - The impact of clauses of collective agreement on financial accounting indicators ("+" – affects, "-" – does not affect)

Indicators	Included in cost price	Reduces income tax	Reduces contributions to Social Security Fund
1	2	3	4
organization of labor and improvement of production efficiency;	+	+	+
standards, forms, systems of remuneration, other types of income of employees	-	-	-
the size of tariff rates (salaries), surcharges and incentives	+	+	-
duration of working time and rest time	+	+	-
creating healthy and secure working conditions, improvement of health protection, guarantees of social insurance of employees and their families, environmental protection	+	+	+
conclusion and termination of employment contracts	+	+	-
employment provision, training, professional development, retraining, employment of redundant employees	+	+	-
internal workplace regulations and labor discipline	-	-	-
construction, maintenance and distribution of housing, social and cultural facilities	+	+	+
organizing sanatorium-resort treatment and recreation of employees and their family members	-	-	-
providing additional guarantees to large and single-parent families, as well as families raising disabled children	+	+	-
improving the living conditions of veterans, disabled people and pensioners who work or have worked for the employer	-	-	-
creating conditions for improving the cultural level and physical improvement of employees	-	-	-
parties liability for non-fulfillment of the collective agreement	+	+	-
guarantees of socio-economic rights of employees in case of denationalization and privatization	-	-	-
employer's liability for harm caused to the life and health of the employee	-	-	+

Figure 2 clearly shows which elements of the collective agreement and to what extent affect the financial performance of the innovative activity of the enterprise, namely, the cost of production and the tax base for income tax.

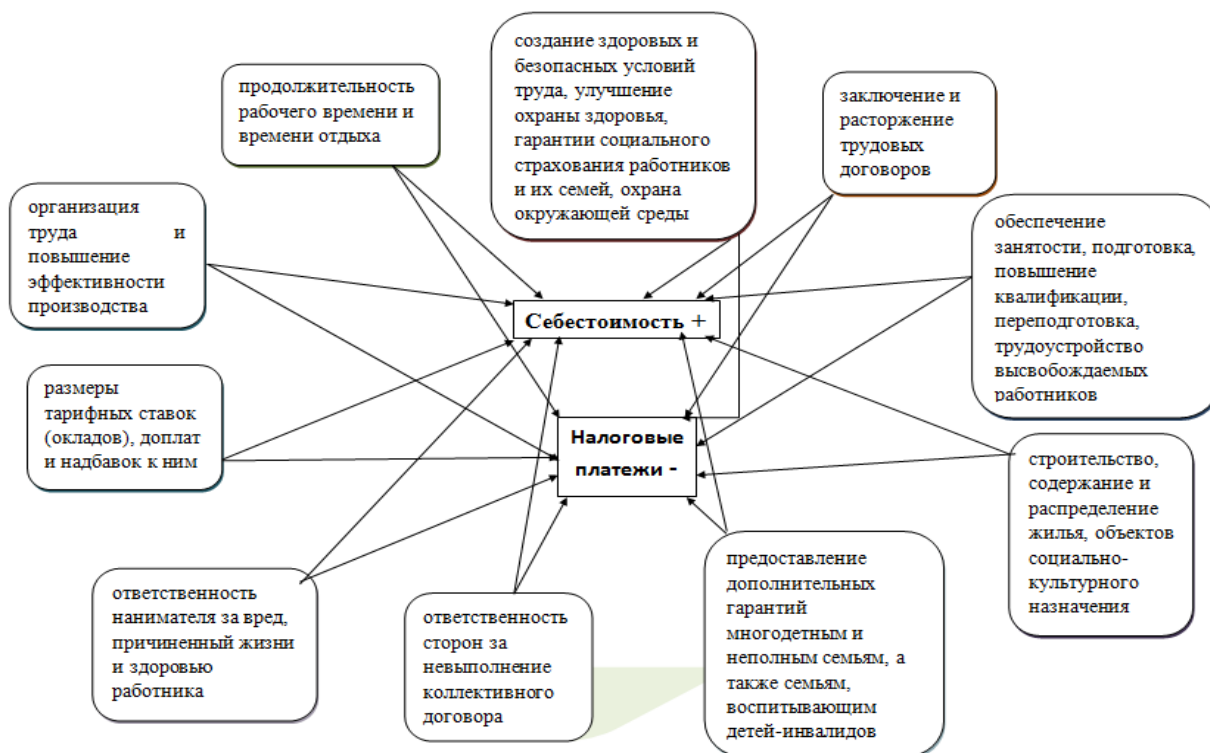


Figure 2 – Impact of the collective agreement on the company's financial performance

Thus, the fulfillment of collective agreement by the enterprise will significantly increase its social level and at the same time perform tax optimization in legally prescribed ways.

The methodology for assessing the social development of an enterprise is based on social passport development. Social passport is an effective mechanism for disclosing information about an organization's corporate social responsibility. Based on the provided levels of social responsibility of business, the following structure of the company's social passport has been formulated.



Figure 3 - Structure of the social passport of an enterprise

The assessment of the level of social development of the enterprise is based on the ranking assessment method. The company is awarded scores for each of the three proposed aspects - the state, employees, society. The maximum possible score for each aspect is 3, the minimum is 0. Within each aspect there are sub-items, the maximum score for which depends on the selected aspect. For example, "state" aspect has 3 sub-items, the maximum possible points for which are defined as the maximum score for the entire aspect divided by the number of sub-items in the aspect. After assessing sub-items, their scores within the aspects are summed up and the total score of each aspect is calculated.

The developed social passport is the basis for the company's ranking assessment. This requires assessing the importance of each aspect of social passport through introducing weighting factors: the greatest impact on the company's reputation are provided by points of the second aspect (are applied and implemented in the collective agreement) – it scored 0.5 and was marked k2, the first aspect scored 0.2 and was marked k1, and finally, the remaining 0.3 score of 1 was given to the third aspect (k3).

Therefore, the ranking evaluation formula looks as follows [7]:

$$R_i = \sqrt{k_1 * A_1^2 + k_2 * A_2^2 + k_3 * A_3^2} \quad (1)$$

where k 1, k 2, k 3 are the weight factors of aspects,

A i is the aspect score.

Based on obtained values, we will develop a ranking scale, presented graphically in Figure 4. The first (low) level includes enterprises that fulfill 0 to 2 points of the social passport, which corresponds to a ranking from 0 to 1.2247. The second (medium) level includes enterprises that fulfill 3 to 6 points, which corresponds to a ranking from 0.9874 to 1.466. The third (high) level includes enterprises that fulfill 7 to 9 points, which corresponds to a ranking from 1.3693 to 1.7321.

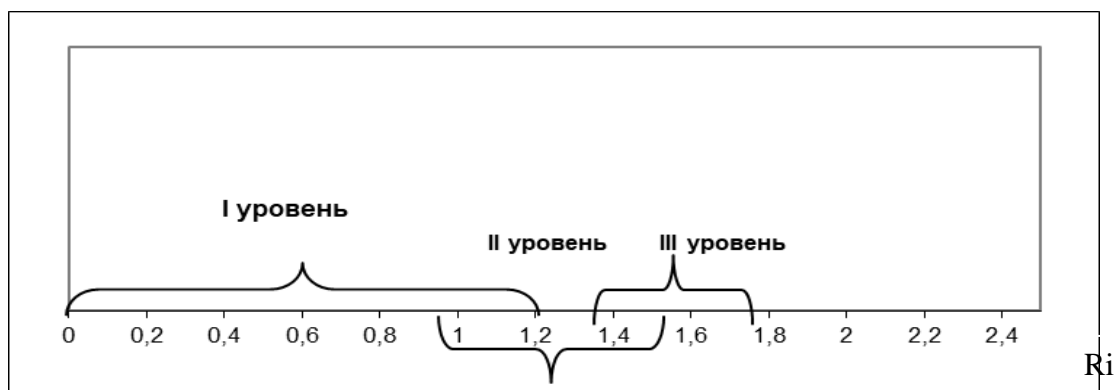


Figure 4 - Enterprise assessment scale

Based on the developed ranking scale and the considered structure of the social passport, we will graphically depict a model of the company's social development. This model displays the relevant areas of the social level of the enterprise: critical, minimal, normal and high.

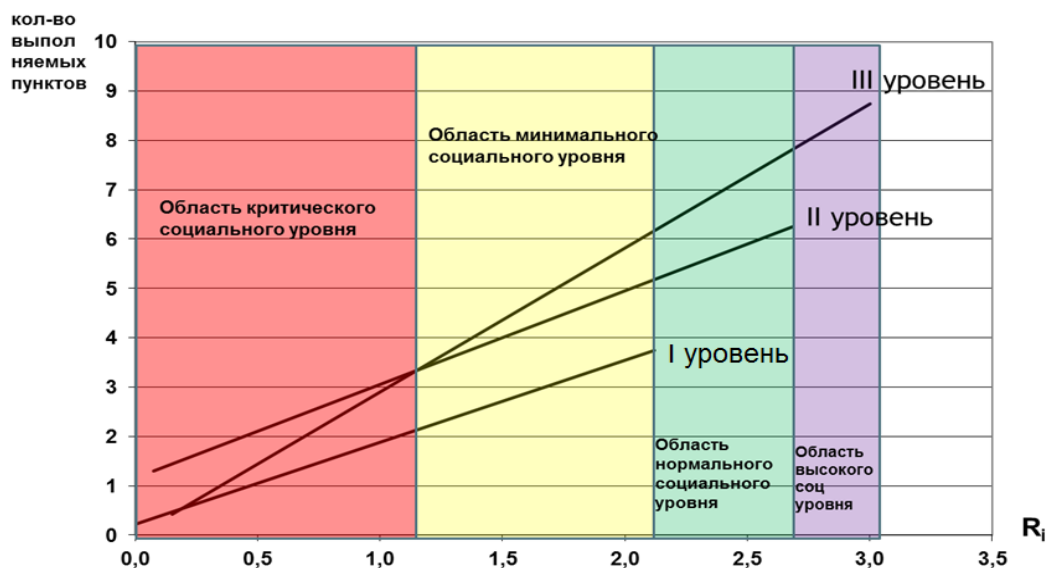


Figure 5 - The model of social development of enterprise

Thus, a business entity, based on fulfillment or non-fulfillment of certain points of the collective agreement and the presented model, will be able to determine the level of its social development.

Conclusion

The company's presentation of its social level to a wide range of information users allows it to have a significant advantage over other enterprises since this ensures the interest of potential employees, for whom the social side of the company's activities plays an important role in employment. For investors, the social responsibility of an enterprise is a direct proof of its successful work, which in turn affects both the investment demand for one business unit and the economy of the state as a whole. For financial and credit institutions, the information provided on the social level helps to reveal the solvency and reliability of the borrower.

The proposed methodology for assessing the level of social development of the enterprise assumes full compliance with the employer's obligations to the employees according to the collective agreement, which in turn provides the company with a reduction in the tax burden. Based on conducted research, a social passport has been developed, which is proposed for use at enterprises and organizations of various ownership. Based on the formalization of the social responsibility procedure, a methodology for calculating the rating assessment of an enterprise is proposed and a graphical model for determining the level of social development of an enterprise is provided.

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Senokosova O.V.

ISSUES OF ASSESSING THE GOING CONCERN WHEN INVESTING IN ACTIVE ENTITY

Senokosova O.V.

Abstract

In the context of a rapidly changing external and internal economic environment, the issues of assessing the continuity of the activities of organizations acquire particular relevance. The responsibility for assessing the going concern rests with the auditors who audit the annual financial statements. This issue is also relevant for investors, since it makes no sense to invest in a business that will soon cease to exist.

International financial reporting standards and the legislation of the Republic of Belarus provide for the application of the following approaches for assessing continuity: standard approach; an approach based on the principle of economic cyclicality; approach based on the concept of financial sustainability; approach based on the concept of solvency; risk-based approach; scenario approach.

The article analyzes the main approaches to assessing the continuity of an organization's activities and gives a characteristic to each of them. Recommendations for improving the methods of assessing business continuity are given.

Keywords: going concern, uncertainty, the concept of solvency, financial stability.

Introduction. Accounting, according to the requirements of IFRS and the National Accounting Standards of the Republic of Belarus is based on one of the main principles of accounting – the going concern principle [1, paragraph 1 of Article 3].

The going concern principle is that information about assets, liabilities, equity, income, company expenditures is formed in accounting and reporting depending on the entity's intention to continue or terminate its activities in the future [1, paragraph 2 of Article 3].

Considering the business continuity drawing accounting (financial) statements, it is assumed that the entity will continue as a going concern for at least one year following the reporting period. At the same time, it has no intentions and no need to liquidate or significantly reduce its economic activities and, accordingly, its obligations will be fulfilled in due manner [2, paragraph 4].

The main approaches to assessing the going concern.

The legislation of the Republic of Belarus presents conditional facts which, individually or collectively, should cast an auditor's doubt upon the entity's ability to continue as a going concern. They are considered in three groups.