

Implementation and Application of the Comprehensive Report

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Abstract: This paper introduces the implementation of the comprehensive report in China, elaborated the reasons for the enterprise comprehensive report and advantages, and this example of Chinese enterprises and government development of comprehensive report to face late start, audit risk regulation risk increase give some feasible Suggestions, namely with other countries learning experience, independent audit comprehensive report.

Keywords: Comprehensive Report; Implementation; Propose

1. Introduction

With the concept of sustainable development becoming more and more popular, the society pays more and more attention to non-financial information. The comprehensive report announcement issued by IMA pointed out that the implementation of the comprehensive report is conducive to improving the traditional financial report ^[1], and effectively strengthens the overall disclosure management of enterprise external reports. The Ministry of Finance of China has also issued guidelines on the application of management accounting. The introduction and implementation of comprehensive reports play a very positive role in the development of management accounting to the direction of case system construction.

2. Reasons for implementing comprehensive reporting

2.1 Covering both financial information and non-financial information

In order to facilitate the report of users to analyze and predict the development trend of enterprises and the contribution degree of enterprises to the social environment, enterprises should summarize the experience of the existing reports and prepare comprehensive reports on enterprises for information disclosure. The comprehensive report is in the form of a document, with an overall approach to presenting financial and non-financial information about the business.

2.2 More profound understanding of value creation

Traditional reports do not disclose medium-and long-term strategies ^[2]. However, the strategic planning involves the overall control and the long-term development of the enterprise, forcing the management of the enterprise to set a long-term development plan and value creation when disclosing, so as to better grasp the value of the enterprise.

2.3 Improve the quality of the reported information

The comprehensive report compares the financial data by regions and projects, and presents them in the form of graphics, so that people can be clear at a glance, which is clearly different from the traditional financial statements. This clear and easy to understand way enables the report users to quickly understand the reports of enterprises. In terms of non-financial information, there are several sections of the comprehensive report that basically summarize the expectations and needs of all stakeholders.

3. Difficulties in the implementation of comprehensive reports

3.1 Comprehensive report started relatively late in China

Comprehensive report in the pilot enterprises in China so far only CLP Group and CGN Power, the late start makes China's pilot enterprises less and little social influence. Because the late start comprehensive report has not formed a complete theoretical research

system, many enterprises lack the theoretical basis for the comprehensive report, many enterprises still regard the preparation of comprehensive report as a redundant task, and do not grasp the main significance of the comprehensive report.

3.2 Difficulties in adapting to the existing guideline framework

Comprehensive report is the integrated report of financial information and non-financial information, which needs to be revised and standardized in accordance with international standards and Chinese standards. At present, China is lacking in other management accounting reports, such as sustainable development reports, and now the introduction of comprehensive reports is bound to revise a complete comprehensive report standard framework for enterprise reference, to play a standard and guiding role.

3.3 Information disclosure is easy to avoid serious issues

When preparing comprehensive reports, enterprises are easy to attract investment by exaggerating the future prospects. The lack of perfect supervision and reward and punishment means will make enterprises take a natural reason for disclosing false information. This requires the relevant departments to strengthen supervision, see non-financial information as important as financial information, and formulate laws and regulations to force enterprises to disclose information within the normal scope, so that laws must be observed and lawbreakers must be prosecuted.

3.4 The preparation cost of the comprehensive report is relatively high

The comprehensive report involves a wide range of people. In addition to the preparation of the financial department, it also needs the cooperation of personnel from other departments. The increase in the personnel to be prepared will lead to the increase of costs. In addition, the preparation of the comprehensive report requires training for all personnel involved, and the training costs and follow-up organizational management costs are also incurred.

3.5 It is difficult to measure and process non-financial information

The measurement of non-financial information is a difficult point. It is not simply to add all the information involved in the fields, but to collect, sort out and compare all kinds of information to find the common points of all kinds of information, which also increases the difficulty of information processing.

3.6 Numerous stakeholders' opinions occur

The enterprise should first do a survey on the needs and opinions of relevant stakeholders, determine the main stakeholders of the enterprise, and investigate their expectations for the future of the company. For example, whether the board of directors agrees with the company to disclose some non-financial information from within the company: whether shareholders require a comprehensive report to reflect the company's medium-and long-term strategy, profit model and philanthropy.

4. Response to the implementation of comprehensive reports

4.1 Strengthen publicity and theoretical research

The government should increase the publicity and promotion of comprehensive reports, designate policies to increase the pilot enterprises in the preparation of comprehensive reports, actively promote relevant theoretical research, guide practice with theories, and introduce corresponding policies to lay a foundation for the comprehensive implementation of comprehensive reports in China. In addition, China should also actively conduct friendly exchanges with countries that have implemented comprehensive reports such as South Africa and Japan, summarize their research results, and make the comprehensive report in China surpass other pilot countries according to China's actual national conditions.

4.2 China needs to customize the comprehensive reporting guidelines

IIRC has released the international comprehensive reporting framework in September 2013. Based on this, China should also prepare a reporting framework for Chinese enterprises as soon as possible and formulate relevant guidelines^[3]. The comprehensive report involves many departments, so it is quite difficult to help relevant departments, because the report guidelines not only have the traditional financial department to formulate relevant rules, but also other comprehensive reporting standards such as water resources protection and gas emission standards also need to be stipulated by all departments.

4.3 Formulate laws and regulations to strengthen supervision

The supervision of the comprehensive report requires the cooperation of the financial department, the social security department and the environmental protection department and other departments to study and discuss together. In addition, the role of social supervision should also be strengthened. The public should not only supervise the production and operation of enterprises, but also supervise the information disclosure of enterprises. It is also of great benefit to mobilize the broad enthusiasm of the social supervision work.

4.4 Pilot enterprises first conduct part of the preparation, and then conduct a comprehensive preparation after the conditions are mature

After the state first supports some pilot enterprises to compile continuous comprehensive reports, explore the advantages and disadvantages, combine the actual situation of their own enterprises into the standards of different industries, and then combine the demonstration results of the pilot enterprises in the industry to control the cost of the cost of enterprises about the preparation of comprehensive reports. Step by step to achieve the whole industry and all enterprises to prepare a comprehensive report.

4.5 Enterprises should train professionals to deal with the relevant information of the comprehensive report

Comprehensive report to enterprise report preparation personnel ability has new requirements, which requires enterprises from oneself, positive to the relevant comprehensive report of theoretical knowledge, to organize regular related international theory learning symposium, conscious combined with the enterprise's own development, for the enterprise's comprehensive report application training all-round talents.

4.6 The enterprise makes steady prediction based on the requirements of stakeholders

Enterprises should elaborate and respond to the opinions and expectations of the stakeholders on the development of the enterprise according to the opinions of the stakeholders, and make the stakeholders have a clear understanding of how the company uses human capital, intellectual capital, financial capital and natural capital to create value.

5. Comprehensive

Report has become the main popular trend in the development of the report because of its remarkable advantages, such as complete information disclosure, concise disclosure form, and vivid and understandable content. In order to make the comprehensive report can be smoothly implemented and applied in China, we should accumulate more experience, so that the overall idea of the comprehensive report goes deep into the enterprise and society, more consistent with the concept of sustainable development, so as to build a perfect reporting system.

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