

# Accounting and analytical information support of financial strategy in the paradigm of sustainable development

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**Abstract.** The article considers the structure of accounting and analytical information support of a financial strategy taking into account the paradigm of sustainable development. Of course, high-quality management information support determines the future professional behavior that affects the relations in the market economy between the actors of the information space. Modern user requests, changing under the influence of modern trends, require the presentation of not only traditional financial indicators, but also non-financial data. Non-financial indicators should provide the financial strategy with information about the processes of, firstly, sustainable development in the direction of lean consumption and ecological balance, and secondly, the informatization of society in the direction of the development of digital economy tools. The article reveals the structure of accounting and analytical support of the financial strategy, which allows conducting business analysis, adjustments and making effective decisions, a matrix of accounting and analytical components has been developed in conjunction with the basic indicators and indicators being formed.

## 1 Introduction

Accounting and analytical information support is a key tool in the formation of an effective company strategy. Awareness of the company's position and its external environment allows management to form management decisions that ensure competitive positions in the markets in a changing economic environment. It is important to note that the rapid change of economic positions on world markets is not reduced even by the conditions of the pandemic and the global crises of inter-country relations. Indicators and indicators of the accounting and information resource reflect the opportunities and risks in the process of forming and implementing a financial strategy. Currently, the conditions of the sustainable development paradigm significantly affect not only the own vector of financial development, but also complicate the external positions of macroeconomics. [1, 2, 3].

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## 2 Discussions

The relevance of high-quality information support for the management structures of the corporation is determined by its key role, which determines further professional behavior that affects the relations in the market economy between the actors of the information space [4]. The analysis of the role of retrospective information shows the value of the certainty of structured financial and management reports generated in the standardization system for management decision-making.

The study reveals the answer to management requests, where it is important to comply with the conditions of synthetic-analytical certainty of the essence of information formalized in reports. The discussion of the necessary information structure and its qualitative content has been conducted for many years at the level of international politics. In this regard, the statement of the head of the CEO of the International Federation of Accountants, I. Ball, who confirmed the need for information support of the world course for sustainable development, becomes interesting. Also I. Ball clarified the key roles of reporting as a powerful mechanism in the management decision-making system. [5].

In response to the new demands of the global course of sustainable development and the digital economy, strict regulatory financial and managerial non-financial information is being integrated [6].

The management non-financial information of the corporation supplements the financial statements with environmental, social and economic data, which allows to disclose in detail to interested users additional significant information about the company's contribution to sustainable development. Since 1987, at the initiative of G.H. Brutlandav, since 1987, at the UN General Assembly Conference, a course has been taken for sustainable development, involving the formation of a new entrepreneurial mindset that ensures economic growth without environmental destruction in two directions: 1) environmental; 2) socio-economic. [7; 8].

Currently, sustainable development is carried out within the framework of state rationing through incentives for social development and restrictions that restrain negative factors that destroy the ecological balance. In this aspect, the content of management information includes:

- 1) communication on corporate mechanisms ensuring environmental protection;
- 2) a report on innovative technologies used by the corporation in order to ensure resource conservation;
- 3) report on effective programs that provide resource prospects for the next generations. [9, 10].

It is obvious that information as the main resource for management contains financial and non-financial indicators that integrate quantitative and qualitative characteristics. However, the main indicator in the reporting concept remains information about the level of investment attractiveness, which is formed in financial capital, acting both in the form of a source and in the form of an asset.

Accounting and analytical information support of the financial strategy in the paradigm of sustainable development is based on the principles that determine the beginning of understanding to functional actions. It is important to note that all data and indicators of financial statements are defined by specific principles, including such as:

- 1) the validity of accruals and inclusions in the financial statements;
- 2) the validity of attributing the fact of economic life to a time period;
- 3) obligations of continuous financial accounting of the facts of economic life for the preparation and presentation of synthesized and analyzed financial reporting data;
- 4) compliance with property autonomy as an independent certainty and isolation from other economic entities;

- 5) compliance with the relevance of information about the facts of economic life in the financial statements;
- 6) compliance with the double entry method;
- 7) organization of the periodicity of preparation and presentation of financial statements;
- 8) obligations of public presentation of financial statements in the context of sustainable development and the digital economy;
- 9) compliance with the coordination and consistency of accounting indicators in the conditions of informatization of the company;
- 10) compliance with the algorithmic sequence in the preparation of financial statements;
- 11) compliance with information security to protect incoming, transformable and outgoing information data using visovization and enhanced signature.

The need to ensure economic security is determined by the increased level of confidence in innovative technology and information technologies in the field of artificial intelligence, which by their development have a significant impact on the structural changes of economic processes. [11].

### **3 Materials and methods**

The research used the methods of deduction, induction, analysis and synthesis, logic and analogy, as well as the method of a systems approach.

### **4 The research part**

The analysis of information requests for information support of financial strategy in the paradigm of sustainable development reflects the significant complexity of the methods and tools used in financial and managerial accounting at all levels of the economic system: macro-, meso-, micro-, world-. The highlighted areas are organized in the trends of the digital economy and sustainable development, which increasingly require additional accounting and analytical information for corporate integrated reporting.

The study shows that user requests, changing under the influence of modern trends, require the presentation of not only traditional financial indicators in the consolidated financial statements of corporations, but also non-financial data. Non-financial indicators in users' requests for accounting statements should provide information about the processes of, firstly, sustainable development in the direction of lean consumption, and secondly, the informatization of society in the direction of the development of digital economy tools [Shokhnekh A.V., 2020].

In such conditions, integrated reporting appears, which synthesizes financial and non-financial indicators, as well as reflects financial strategies in the consolidated financial statements of corporations. The emerging complexity of accounting accounting and reporting processes is determined by the need to introduce new accounting tools, which is confirmed by the adopted Agenda for Sustainable Development for the period up to 2030.

Also, Directive 2014/95/EU of the European Union, which entered into force on December 6, 2014, defines the disclosure of non-financial information by large corporations. The conditions for the continuation of business in the EU according to the requirements of the Directive were the requirements for the submission of non-financial reporting for 2017 in 2018. Such requirements were put forward in relation to 6 thousand companies that conducted business in the EU. Changes in external requirements for accounting reports have determined the transformation of the financial system, which is currently being implemented for the implementation of sustainable development Goals. Evidence of this transformation is evident in the joining of 58 stock exchanges in 2017 to promote the principles of sustainable

development, the number of which reached 782 in 2019, focusing on environmental and social information.

It is obvious that the tasks of accounting and analytical information support of the financial strategy in the paradigm of sustainable development include the following procedures:

- 1) statement of principles for the formation of information about the property complex of the corporation, the results of financial activities, current and future prospects for the development of the corporation;

- 2) development of fundamental directions in the formation of a high-quality corporate management tool;

- 3) revision of fundamental approaches to the formation of accounting and analytical information as a source for many decision-making users

- 4) the formation of fundamental approaches to the reflection of innovative "digital assets", which have already become a new form of the property complex in the assessment of "value" and "value";

- 5) substantiation of fundamental mechanisms that allow timely identification of the potential of opportunities and risks in the trends of sustainable development and the digital economy, taking into account regulatory and legislative restrictions and standardization concepts;

- 6) development of principles for the formation of information to attract investors, creditors who supply capital for the operation of the corporation;

- 7) approval of fundamental approaches to the formation of systems of indicators of control of the property complex, liabilities and processes of movement of assets and liabilities of the corporation in preliminary, operational, historical and predictive diagnostics.

It is important to focus on obtaining information for the harmonization of industrial and trade policies. In conditions of sustainable development, it is especially important to ensure balanced production and consumption of products and services. The need for accounting and analytical information for the harmonization of industrial and trade policy is justified by the rational and effective activity of the enterprise in the conditions of reliable and complete data that are formed in the system of financial and managerial accounting. [12].

Currently, every company in the foreseeable future should be ready to move into a new technological order, providing directions for innovation and investment policy. The innovation and investment policy lays down ways to optimize the production and sale of products, the direction of adaptation to market demands. In the conditions of transition to a new technological order for the implementation of innovation and investment policy, it is necessary to have accounting and analytical operational information that allows:

- 1) justify the ultimate goals of market share growth;

- 2) increase profitability and reduce costs;

- 3) increase production efficiency;

- 4) minimize the negative external impact on the environment.

Social and labor policy is a significant component in the implementation of the financial strategy. In the process of creating accounting and analytical support, it is important to choose approaches to assessing economic opportunities in the formation of the concept of social partnership that correspond to the regional characteristics of the company [13, 14].

Also, in the context of sustainable development, the provisions of environmental policy are relevant, which should ensure an ecological balance in the production process. It is advisable to reflect the analysis of negative and positive externalities in the information support of the financial strategy. In the context of sustainable development paradigms, the integration of financial accounting into management tools is especially relevant, which allows managers to provide high-quality management information.

Providing an information resource for the policy of resource and personnel support will reflect the features of static and dynamic indicators for this territory. Taking into account the resource availability and human resources potential of the region will allow you to build a high-quality financial strategy.

Research shows that the policy of resource conservation and modification is essential for the financial strategy in the paradigm of sustainable development, which determines the necessary data that it is advisable for the researcher to reflect in the accounting and analytical resource.

In the aggregate of the directions of the formation of accounting and analytical support, the importance of information on the possibility of adaptation to the factors of behavioral economics affecting all economic relations becomes obvious. It is in such conditions that the management accounting toolkit allows strict financial accounting functions to be integrated into behavioral economics and the knowledge economy, where the main methods, principles, justifications, results of the cognitive approach to the strategic development of the enterprise in the paradigms of the digital economy and sustainable development are studied [15].

The risk identification policy in the financial strategy is aimed at analyzing operational information for making managerial decisions. It is important to respond quickly to operational information that provides timely identification of risks and understanding of the conditions of strategic drift. The accounting and analytical resource determines the use of non-strict forms of accounting, which are regulated by local documents and have free reporting templates that have informational value for the management of the corporation. [Shokhnekh A.V., 2020]. It is obvious that the accounting and analytical resource generates indicators that allow timely identification of loss risks and the possibility of insolvency. [16].

The relevance of planning the tax burden of production is an important postulate of the formation and implementation of a financial strategy. Consequently, in the implementation of the policy of budgeting the tax burden of production and business activities, it is necessary to apply the principles of analytics to generate operational information about the institute of tax benefits and preferences [Skeeter N.N., 2014]. The efficiency of management accounting tools allows you to quickly generate information not only about future tax deductions that are planned to be paid in the production process, but also about possible payments in case of damage to the environment, which is especially important in the context of the implementation of the principles of sustainable development [17].

Of course, the key aspect of the financial strategy is the policy of infrastructure security. The infrastructure allows the company to fully operate and establish profitable relationships with staff, suppliers and customers. Obviously, the infrastructure should include not only classical means of communication (transport, water and energy supply), but also digital. The level of infrastructure security and its quality must be diagnosed and predicted for the continuous profitable development of the company. The importance of infrastructural security in building cost-effective routes of financial strategy to a future sustainable and balanced state is obvious. Analysis of the availability and improvement of infrastructure communications and feedback tools will allow you to quickly respond to the opportunities and risks presented. [18].

## **5 Effective part**

In the conditions of socio-economic development, it is important to form mechanisms for taking into account optimal partnerships aimed at detailing costs for their further reduction. Also, the establishment and optimization of social partnerships are aimed at expanding potential channels for the sale of products and services in a strategic increase in permanent contractors, customers, suppliers.

From the conducted research, significant accounting and analytical components in the information support of the financial strategy become obvious, allowing for business analysis, adjustments and making effective decisions. The matrix presents the main accounting and analytical components of financial strategy information support in the paradigm of sustainable development (Table 1).

**Table 1.** Accounting and analytical components of financial strategy information support in the paradigm of sustainable development.

№	Accounting and analytical components	Basic resources, sources and capabilities						Basic indicators						
		Capital	Liabilities	Financial assets	Non-financial assets	Human resources	Contractors: suppliers and customers	Balanced resource, opportunities and sources	Financial forecast	Financial planned	Non-financial forecast	Non-financial planned	Integrated management	Balanced indicators
1	Component of industrial and trade harmonization	RSC	RSC	RSC	RSC	RSC	RSC	RSC	In	In	In	In	In	In
2	Component of innovation and investment policy	RSC	RSC	RSC	RSC	RSC	RSC	RSC	In	In	In	In	In	In
3	Component of social and labor policy	RSC	RSC	RSC	RSC	RSC	RSC	RSC	In	In	In	In	In	In
4	Environmental policy	RSC	RSC	RSC	RSC	RSC	RSC	RSC	In	In	In	In	In	In

	y comp onent													
5	Com pone nt of the resou rce and staffi ng polic y	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
6	Com pone nt of the resou rce conse rvati on and modi ficati on polic y	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
7	Com pone nt of the polic y of integ ratio n into the cogni tive econ omy	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
8	Com pone nt of the finan cial strate gy risk identi ficati on polic y	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In

9	Com pone nt of diagn ostics of strate gic drift condi tions	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
10	Com pone nt of the budg eting polic y of tax encu mbra nce of prod uctio n	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
11	Com pone nt of the infras truct ure secur ity polic y	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
12	Com pone nt of the socia l partn ershi p polic y	R S C	RS C	RS C	RS C	RS C	RSC	RSC	In	In	In	In	In	In
Basic resources, sources and capabilities –RSC Basic indicators - In														

Therefore, it is possible to single out a system of accounting and analytical components of an information resource that reflects a set of processes for forming a financial strategy based on already available data, including information. [19]:

- about investment and financial activities;



- on the efficiency of production processes;
- about income and expenses;
- about the mechanism of formation of the financial result;
- about indicators reflecting all aspects of the company's activities.

## 6 Conclusion

At the final stage, it can be concluded that in order to form a financial strategy, it is necessary to provide accounting and analytical components of an information resource in the direction of: industrial and trade harmonization; innovation and investment policy; social and labor policy; environmental policy; resource and personnel policy; resource conservation and modification policy; integration policy into the cognitive economy; identification policy risks of financial strategy; diagnostics of conditions of strategic drift; budgeting policy of tax encumbrance of production; infrastructure security policies; social partnership policies. There will also be a matrix relationship between indicators and indicators that are formed in the accounting and analytical resource for each component of the financial strategy.

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