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**Proposed form on Accountant Disclosure About the Social Responsibility in  
Financial  
Reports and Lists for Economic Units**

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**ARTICLE INFO**

***Article History:***

Received: 14/11/2019

Accepted: 20/12/2019

Published: Fall /2019

DOI:

10.25212/lfu.qzj.4.4.40

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***Keywords:***

*Benefits*

*Accounting disclosure*

*the information*

*Financial Statements*

*Beneficiaries*

*Economic*

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**ABSTRACT**

Contemporary accounting disclosure seeks to meet the information needs of the owners of the economic unit and all beneficiaries of the financial statements, whether these categories are internal or external, and the importance of the research comes from the need to identify the nature of social contributions to economic unity and the benefits it provides and the social and environmental damage it causes to members of society.

For the purpose of identifying this, the research will attempt to indicate the methods of accounting disclosure that can be used in preparing information that expresses social responsibility and that can be disclosed in the financial statements of the various denominations of the beneficiaries. Readers of the financial statements are beneficiaries of the social responsibility of the unit, so the researcher suggested an accounting model that can help in dealing with this problem. The research is based on several hypotheses, the most important of which is that interest in accounting disclosure for social responsibility would contribute to improving the results of activity for economic unity and revealing its practical reality from a social angle.

The research has concluded with a set of results, the most important of which is that the difficulties facing the accounting disclosure of social responsibility information is the lack of a unified method for presenting social

responsibility information, in addition to the fact that most of the outputs of social activities in economic units, whether financial or quantitative, affect expenditures, obligations and assets of unity. And its management decisions that are a matter of disclosure are among the core of accounting work.

## **Introduction:**

Disclosure of accounting is the main means effective tool to deliver business results. Users in support of their decisions, especially in the areas of investment, finance, and because of the interest. Growing owners of thought and competence of academics and professionals in the field of yen accounting and auditing. On the importance of accounting disclosure and transparency in financial reporting, this leads to a continuation. Pressures on the profession to develop its performance in the service of business sectors on the one hand and support the control system. And accountability in them.

Accounting thought dealt with the topic of disclosure of social responsibility, and researches and writings were issued from many societies, professional organizations and individuals, for example, the report on social areas and the disclosure of social responsibility issued by the American Institute of Certified Public Accountants published in 1973 identified the dimensions and goals of social performance and what must be disclosed of this performance in the lists. Finance as well as the emergence of many writings by the aforementioned authorities regarding the disclosure of social responsibility. Contemporary accounting disclosure also seeks to meet the information needs of the owners of the economic unit and all beneficiaries of the financial statements, as accounting for social responsibility seeks to provide information needs for all internal and external groups such as scholars, investors, researchers and society in general.

The areas of accountability for responsibility are in the field of landlords, workers, consumers, society and the environment.

**STATEMENT OF THE PROBLEM:** The financial statements as current in the countries of the Namely and Iraq, including the failure to provide the information needed by the readers of the financial statements from the beneficiaries of the social responsibility information for the unit

**The importance of this research:** stems from the growing interests in the international community and institutions

The private sector in its various forms about the role of disclosure and transparency in financial statements and reports,

The importance of research can be formulated as follows:

1- Maintaining and continuing in the long term determining the ability of the economic unit to fulfil its obligations towards society, as well as its ability to disclose appropriate and influencing information in a way that contributes to making future decisions and directing that unit and what investors benefit from these data.

2- The need to know the nature of the social contributions of the economic unit and the benefits it provides and the social and environmental damage it causes to members of society. Research objective

**Objectives of the Study:** The research aims to methods of accounting disclosure statement that can be used in the preparation of expressive information on the social responsibility that can be disclosed in the financial to the various lists of beneficiary parties and in the various decision-making, aims to methods of accounting disclosure statement that can be used in the preparation of expressive information on the social responsibility that can be disclosed in the financial to the various lists of beneficiary parties and in the various decision-making.

**The study hypothesis:** The research is based on the following hypotheses:

1- Attention to accounting disclosure for social responsibility would contribute to improving the results of the activity of the economic unit and revealing its practical reality from a social perspective.

2- The accounting disclosure of any economic unit must extend to information with a social dimension, as this has a significant impact on the information contained in the financial statements prepared by any economic unit.

3- The lack of information related to social responsibility that is disclosed to meet the needs of the beneficiaries will not provide the indicators for assessing the extent of the economic unit's commitment to fulfil its social responsibility.

**Research Methodology:** The researcher adopted the descriptive and analytical approaches, as long as the research consists of two basic aspects, the first is theoretical and comes from informing the researcher and studies and theses that were written about the topic, and the second is my application and relates to the models used in the accounting disclosure of social responsibility data.

And to achieve the importance of research and its hypotheses to the following points:

First: the nature of accounting disclosure.

Second: The nature of accountability for social responsibility (concept, importance).

Third: Methods of disclosure of social responsibility information in the financial statements.

Fourth: Social responsibility activities and their fields to be disclosed.

Fifth: The proposed forms for disclosing liability in the financial statements.

**Literature review:** There are many studies that dealt with the subject of accounting disclosure, including Al-Husseini's study entitled: "The extent of applying the disclosure of accidental unusual elements in the income statement according to the standard of presentation and public disclosure in the Kingdom of Saudi Arabia." The study showed, through examining the published financial reports of the research sample, that all Saudi joint stock companies have the requirements of financial disclosure for the occasional unusual elements) which culminated in the standard of presentation and public disclosure. The researcher also concluded that there is a difference between the joint-stock companies in the classification of extraordinary elements in the income statement.

In the master's study on the importance of accounting information for investors, a suggested approach is to develop the accounting disclosure to stimulate the Egyptian capital market. "In this study, the researcher aims to define the goals of financial statements and identify the needs of users of these lists of information while studying the factors affecting the content of financial statements and highlighting the important role The accounting information published in the money market plays in terms of its impact on securities prices and the volume of dealing with them. The analysis showed that there are factors that affect the content of the financial statements and the timing of their issuance, the most important of which is the multiplicity of categories of financial information users, diversity and difference Their needs of information, legislation and rules issued by the supervisory authorities in addition to the costs associated with accounting disclosure. Nevertheless, the financial statements that are prepared in accordance with accepted accounting principles still play an important role in providing information appropriate to the needs of users.

In Matar's study, "Evaluating the level of actual disclosure in the published financial statements of Jordanian public shareholding companies in the light of the disclosure rules stipulated in the international accounting principles", as it included a sample consisting of (30) companies that show that Jordanian public shareholding companies meet a general board of about 80 % Of the disclosure requirements and conditions stipulated in the international accounting standards, except that this disclosure, as demonstrated by the results of the study, varies in the range between the basic financial statements, the

balance sheet, profits, losses, and changes in the financial position, or among the elements of each list separately, which requires a grant Greater attention is being paid to achieving the consistency required in actual disclosure across all of these lists. The most important findings of the study that Jordanian public shareholding companies generally meet in their financial statements the minimum level of accounting disclosure requirements, as this level of disclosure reaches approximately 80%, which is a reasonable level.

In a happiness study entitled "Disclosure in the financial reports of Jordanian public joint-stock industrial companies in light of international accounting standards", the sample included the financial managers of public industrial joint-stock companies, banks, state employees, brokerage firms in the Amman Stock Exchange, brokers in the Amman International Market, investors, banks, and companies The Jordanian industrial and legal auditors, where the study showed that the legal auditors sector obtained the highest percentages in the importance of disclosure, given that auditors are obligated to the international accounting and auditing rules by the Association of Auditors Chartered accounts of industrial Jordanian public shareholding companies and the banking sector.

In the end, Salah's study in developing accounting disclosure standards in financial reports for projects with international activity operating in Egypt is an applied theoretical study where the study recommended the development of accounting disclosure in the country so that binding standards are issued that are taken as a trend towards expanding disclosure in form and subject to meet the needs of users.

#### **First: the nature of the accounting disclosure**

The financial statements of the joint-stock companies must include all the information appropriate for the needs

All categories used in accordance with generally accepted accounting principles and accepted generally accepted, and should disclose those lists for important and relevant information in a fair and full and adequate, taking into account the expected increase Dharo Rh benefits of Disclosure for its cost. In other words, it is necessary to exclude unimportant (or inappropriate) information from the financial statements in order for these statements to be understandable and significant(Core, 2001,441-456).

The principle of disclosure has been linked to the emergence of joint-stock companies and obligating them to publish their financial statements periodically, so that the management of those companies provides investors and lenders to their investors with a report on the results of their business and financial position with a view to disclosing the essential information that occurred during the period, so that these investors make their economic decisions based on That disclosure (Dixon, 2004, 106).

Writers and researchers deal with the disclosure of accounting concepts such as: -

Some of them knew Disclosure "as information that are published Rhea Department of External views of users of financial statements" in order to meet the different needs of information on the work of the facility and includes disclosure of any explanatory information accounting or historical or future accounting authorized by management and included in the financial reports, That disclosure is the presentation of important information # related to economic unity through a set of financial statements and reports to assist the informed reader in making rational decisions and that information is displayed either in the core of the financial statements or in the accompanying notes or additional lists, and the financial statements include - in light of the accounting versions Current - statement of financial position, statement of income and statement of cash flows in addition to the statement of retained earnings or list of changes in shareholders' equity.

Some researchers have been exposed to the purpose of clarifying financial information, and they touched on the concept of disclosure "that it disseminates the necessary information to the categories that need it in order to increase the effectiveness of the operations carried out by the financial market, as different groups need information to assess the degree of risk the company is exposed to in order to reach the decision that Through it you can achieve its goals that are commensurate with the degree of risk it desires, Most of the accounting references confirmed that the concept of accounting disclosure as a standard has an important role, whether in accounting theory or in accounting practices aimed at providing and communicating data to the various categories of beneficiaries to make decisions, and the requirements for presenting information in the financial statements in accordance with accepted accounting principles require providing elements The appropriate disclosure in these lists regarding all material matters and the terms used in them, as well as the accompanying notes and the extent of their details, in order to make these lists of media value from the viewpoint of the users of these lists (Stoughton, 2009, 243).

For example, we find that the Iraqi Accounting Base No. 6 of 1995 emphasized the issue of accounting disclosure of information related to financial statements and the accounting policies of economic units in its financial statements or in its annexes (Iraqi Accounting Base No. 6 of 1995). Also, Accounting Base No. 10 of 1998 emphasized the

need for disclosure Accounting for information in the financial statements of units with financial activity, such as banks, insurance companies, etc. (Iraqi Accounting Rule No. 10 of 1998), For example, we find that the Iraqi Accounting Base No. 6 of 1995 emphasized the issue of accounting disclosure of information related to financial statements and the accounting policies of economic units in its financial statements or in its annexes (Iraqi Accounting Base No. 6 of 1995). Also, Accounting Base No. 10 of 1998 emphasized the need for disclosure Accounting for information in the financial statements of units with financial activity, such as banks, insurance companies, etc. (Iraqi Accounting Rule No. 10 of 1998).

The researcher believes that when studying the accounting disclosure in the financial strengths and economic units, the following points should be taken into consideration:

- 1- The disclosed data affect the company's competitive interests if it exceeds certain limits.
- 2 - The disclosure of deficiencies or defects in the company's internal control system may lead to a loss of confidence in it, which will harm the shareholders.
- 3- The presentation of unnecessary details may lead to confusion and confusion, that is, the disclosure of data must be appropriate to the need of the beneficiaries.

Others (Mcleay, 2006, 388)also confirm that there are two directions for disclosing social responsibility information:

The first trend: not to merge that information on social responsibility with traditional financial accounting information: in order for the accounting to keep pace with the development in all other fields of knowledge and the development taking place in the economic unit responsibilities, it should compare and evaluate performance, and that there is an invitation by professional associations and researchers to expand accounting goals and lists Finance and increase the degree of disclosure in it as follows: (Depoers, 2000, 245-263)

- 1- Providing the parties that use the lists with reliable financial information regarding the economic resources available to the economic unit and the obligations on them, and this information is important to assess the strengths and weaknesses of the unit.
- 2- Giving sound information about the change in the project's net resources resulting from its profit-oriented activities.
- 3- Accounting also aims to provide information to help the user in predicting the unitary power of the unit in the future.

4- Accounting aims finally to show information related to financial statements that are important to meet the needs of these lists, such as showing information about the unit's accounting policies.

The second trend: stresses the necessity of incorporating both data and information into the financial accounting report. The researcher supports the first view not to merge the information related to social responsibility with the financial accounting data, in order to support the accounting disclosure for social responsibility and provide information related to social responsibility to the groups interested in social performance inside and outside the economic unit.

From the above it is clear that:

1- The disclosure of the accounting data must be commensurate with the nature of these data and the need of the beneficiary, so that the maximum benefit from these data is achieved, at the appropriate time and the appropriate cost, with explicit recognition of the social responsibility of the economic unit.

2- The profit is no longer the primary measure or standard in measuring unit efficiency, there are other indicators of it related to the social responsibility of the economic unit, and it has an effective effect in judging the success of unit A, its failure to achieve its goals. It is also clear that the expansion of accounting goals and the expansion of the objectives of the financial statements have led to the necessity of developing these lists, as they are no longer limited to showing the net profit number and the elements that can be evaluated financially, but there are attached lists that are published to explain the activity of the economic unit of a social nature. That is, everything related to the social responsibility of the economic unit, as the social contribution of the unit must have a certain weight in the process of comparison and evaluation of performance, as the companies that contribute to the development and development of the local environment socially and economically by achieving social welfare for workers in the facility and raising their level of income and its consequences should be better - in the performance appraisal process - than facilities that do not have such a contribution and here the accountant has a responsibility to perform an accounting analysis of several points: (Karolyi, 2004, 205-238)

1- Comparing the actual social responsibility costs with the planning costs and the programs established and announced to indicate the deviations and indicate the extent of the unit's commitment to these plans.



2 - Compare the costs of social responsibility for the current year with its costs for previous years to see the extent of development in the size of these costs and the size of the social responsibility that resulted from these costs.

3- Compare these costs for units of similar activity, taking into consideration the size of the unit, the number of employees, and the noise and pollution of each unit in the surrounding environment.

4- Compare the costs of social responsibility with the profit journal once and net profit again over several years.

5- Compare the social responsibility costs incurred by the unit with the total cost of the activity.

6- The comparison of the costs of social responsibility with the total revenue of the unit, and this comparison shows the extent to which these costs are compatible with the revenues and the importance that the unit gives to social responsibility.

7- Compare the costs of social responsibility for workers with the number of employees in the unit to show the amount of what per capita individual employees cost of social responsibility

### **Second - The nature of accountability for social responsibility (concept - importance)**

Before identifying the concept of social accountability, social responsibility must be defined. Social responsibility was defined as (Dye, 2006, 331-366) "a mandatory or explicit contract that binds economic units to social responsibilities in addition to their responsibilities for financial events."

It was also known as (Palepu, 2009, 42-52): "The establishment's commitment to place its two fingers during the decision-making process the effects and consequences of these decisions on the social system in a way that ensures finding a required balance between achieving the required economic profits and the social benefit resulting from these decisions."

Based on the foregoing, it becomes clear to us that social responsibility means commitment to achieving a kind of balance between multiple but interrelated goals that are represented in each of the interests of the economic unit and its employees and the external environment (human society and the natural environment), as there is a need here to record, measure and analyse the economic and social consequences of the behaviour of organizations Economic unity and providing data to multiple entities, and then interest arose in accounting for social responsibility as a means of providing social data and indicators with a view to using them for the purposes of evaluating these units,

as previous studies have proven A positive relationship between economic union activities and commercial success and social responsibility have, the interest and the environment community service affect the preservation of unity's reputation and its ability to perform in and then influence their ability to achieve its core objectives (Ertimur, 2007,479). As for accounting for social responsibility, it has been defined as (Palepu, 2009, 42-52) "a branch of accounting aimed at determining the outcome of the business and its financial position a social perspective as an active member of society linked to other groups in it within a contractual relationship derived from the rules of the social dimension that combines Interests of those groups.

The researcher supports Hand, opinion that the accountability of social responsibility must relate to two aspects (Hand, 2002,233):

1. Social measurement.
2. Social disclosure of information in the financial statements and reports.

Accounting for social responsibility also represents a trend that pushes researchers in many countries of the year towards developing accounting theory, including principles, standards and procedures that are able to absorb the environmental and social changes surrounding the unit, as social accounting aims to achieve a set of goals and is represented (Philbrick, 2007, 363-394):

1. Determine and measure net social contribution during the period.
2. Determine the extent of cohesion between the strategies of the performance of economic units.
3. Provide appropriate information on the goals of the economic unit, its policies, programs and contributions in the field of social goals for all groups of society (workers, consumers, the environment, and members of the external community).

**Third - Methods of disclosure of social responsibility information in the financial statements:**

Methods for the disclosure of information related to the unit's social activity have been encouraged by organizations, associations and accountants who acknowledge that the current financial statements are not sufficient to disclose social performance, and therefore recommended that the published financial statements include such information. Three trends can be distinguished in the method of disclosing information on social responsibility, which are (John Wiley, 2004,318):

1. Preparing descriptive reports that include an explanation of the social contributions of the unit and the effects resulting from it, such as damages and social benefits, and such reports are considered in the event of difficulty in measuring activities by accountants, and the disclosure in these reports depends on the degree of efficiency of the report maker and there are several notes on this type from the reports, including:
  - The disclosure of these reports depends on the ability in the formulation of social activities and description.

- Difficulty in verifying the validity of the data contained therein and subjecting it to scrutiny.
  - can not be used to make comparisons between different economic units
2. Reports that disclose the social costs. Disclosure in this type of report is determined by social costs only without taking into consideration the social benefits achieved due to the difficulty of measuring them. And among other units.
3. Reports that disclose social costs and benefits. These reports provide readers with quantitative indicators of the costs and benefits that resulted from the unit's social effects. These reports are more common for their compatibility with most accounting norms and principles as they correspond to costs with revenue, and thus are better in assessing the social performance of the unit.

From the foregoing it is clear that there is no unified method for presenting social responsibility information, and these deliberate the difficulties facing accounting disclosure, as there are several studies that showed several models for social reports and lists through which the disclosure of social responsibility information, including the preparation of a list of social income for the unit, as well as the presence of Other methods of social disclosure (Rajab, 1994, 97):

- Preparing the social impact statement in which it meets the social benefits with the social costs in order to reach the net surplus or social deficit at the level of the economic unit.
- Preparing accounts for the settlement of social exchanges and transactions.
- Preparing a financial and social profit and loss account, which is a profit and loss rate adjusted for the results of social performance.
- Preparing a list of the unit's social and financial position, showing the assets and liabilities of the economic and social activities.

It is also clear from the foregoing the multiplicity of methods of accounting disclosure of social responsibility information, and must also take into account the criteria for disclosure of social performance that most professional organizations affirmed by most researchers, represented by the following: (Harvey, 2005, 73)

- The criterion of social added value: It is intended to identify the nature of national goals and the relationship of the activity whose results are intended to be measured by those goals and the effect of that on the balance between the interests of the various sects.
- The criterion of the integration of accounting perception, i.e. that perception in social measurement processes is integrated in two directions:  
First: Realizing the direct social effects of the activity whose results are to be measured.  
The second: Knowing the nature of the parties' need for information and the size of this information and taking into account the participation of non-accountants in these two directions to achieve integration in it.

The criterion of causation, i.e., that the reports include a clear explanation of each result and that the changes contained therein are real and objective.

Validity standard: any reports to be a good tool for the transfer of social impact (activities required to measure the results) to all beneficiaries truly inspire confidence and in a timely and achieve the desired objectives of the preparation of these reports

The researcher supports that the accounting disclosure of social responsibility data should be in accordance with the following points:

1. Knowing the extent of the economic unit's contribution in the fields of environmental protection, consumers and society in judging the efficiency of the social performance of the economic unit's performance.
2. Profit is no longer the only criterion of preference on the part of investors. Rather, there are religious, political, economic and ethical standards that influence the investment decision.
3. The interest in accounting disclosure of social responsibility data would contribute to improving and representing results.
4. Requesting all societies, bodies, and scientific social organizations to reconsider the issue of disclosing social activities and the needs of users of their financial statements.
5. Most of the outputs of social activities affect the economic units, whether financial or quantitative, in the expenses, obligations, assets of the unit, and its administrative decisions, which are a matter of disclosure being at the heart of the accounting work.
6. The modern trend of accounting thought emphasized the need to pay attention to disclosing information that has a social impact, determining social returns and distributing costs for different social activities.

#### **Fourth- Activities and areas of social responsibility to be disclosed**

The follower of the accounting and control literature, who is familiar with the literature in the previous two fields, notes the difficulty of defining the scope of the social fields and activities of the various economic units, and the reason for this is due to (Saleh, 1986, 52):

1. The identification of areas of social activities is still subject to personal judgment by accountants.
2. The inability to define responsibility for setting social goals.
3. The emergence of a new interest in the presence of several names that express social activity, the most important of them

(Accounting for social responsibility, social accounting, socio-economic accounting) This interest represents a kind of horizontal expansion in the field of accounting measurement to include alongside socio-economic measurement besides determining the social responsibility of the various units with the aim of showing the direct and indirect effects resulting from them at the national level in order to measure the degree of Utility for users' accounting operations (Grüning, 2007, 646-660).

The activities and social areas included two directions:

1. The first trend: It relates to three activities considered, in most writings, to be a major and fundamental social responsibility responsibility:

- Product areas
- Human Resources
- The field of natural resources

2. The second trend: The supporters of this trend believe that the activities and areas of social responsibility do not exceed four areas:

- Activities of environmental contributions and natural resources and their fields.
- Public contributions activities and fields.
- Areas and activities related to the product or service.
- Human Resources fields and activities.

Social responsibility activities and areas can be clarified as follows (Gujarati, 2010, 21):

1. Activities of environmental contributions and natural resources and their fields

Where these activities include the following aspects:

A. Natural resources related to the following aspects:

- Economy in the use of raw materials
- Economy in the use of energy sources.
- Contribute to the use of new energy sources

B. Environmental contributions include the following aspects:

- Product design
- Designing operations in an efficient and economical manner.
- Disposal of waste in a way that reduces pollution.

2. Public contributions activities and fields

Which relates to the following aspects:

- Supporting health and healthcare organizations
- Supporting scientific institutions.
- Supporting institutions and bodies concerned with matters of cultural activities.
- Contribute to road paving and construction.
- Providing transportation for workers.
- Establish housing for workers
- Establishing epidemic and disease control programs.
- Care for the disabled and the handicapped.
- Childhood and elderly care.

3. Areas and activities related to the product or service

It includes the following aspects:

- Product identification and design.
- B. Accepting consumer opinions.
- T. Preparing consumer identification data for the product packaging, risks of use and expiration date (invalidity).
- D. Preparing consumer data on product characteristics and areas of use.

4. The areas and activities related to human resources

It includes the following aspects:

- Providing job opportunities for community members.
- Improving the standard of living of workers in the units by raising their wages and salaries to suit the tasks and burdens they perform.
- Develop training programs to increase the skills of workers.
- Maintaining employment stability.
- Create security and stable working conditions

**Fifth: Suggested forms for disclosing social responsibility in the financial statements**

The knowledgeable of the literature of accounting thought notes that the tabulation of most bodies, organizations, writers and researchers in the field of disclosure of social responsibility information had divided the presentation models for that responsibility into two main sections:

1. Practical models of social responsibility.
2. Accounting thought models for social responsibility.
3. Practical models of social responsibility

1-There are several forms of reports related to the disclosure of social responsibility and social performance data, the most important of them:(Hail, 2002, 741)

A. SMFC Model (**Scovill Manufacturing Company**):This model is based on the classification of the company's social activities into two categories and the first two relate to activities with positive social influences, while the second is concerned with activities with negative social effects, as these two categories are presented in the form of a general budget that includes four main measures each of which covers an area of social responsibility The most important ones (employment, control, consumer service, social content)

B. EGFA model: This form shows the performance of the company within four areas it considers essential, namely (industrial security, minority employment, charitable contribution, pensions) and these areas compare the data and information related to it and the company within the annual report of its performance with data and information installed in the company's previous reports on its social performance and social responsibilities.

C. ABT Model

This form for disclosing company information for its practical practices and activities is completely different from the previous two models EGFA and SMFC whose aim is to clarify social and environmental performance and social responsibility, while this form gives information useful in the process of making decisions related to maximizing the financial return on social investment.

**2. Thought models Accounting for Social Responsibility**

The follower of accounting and supervisory studies is noticed that there is a wide interest by professional organizations concerned with accounting and oversight affairs as well as by many writers and researchers in the same fields and this is shown through many forms of accounting disclosure about the parameters of social responsibility and social performance of units and the most important of these models are (Badawi, 2000, 111):

#### A. Public disclosure forms

These models disclose social responsibility data in society, as data and information installed include lists and reports as well as those responsible for data and financial information, the net profit, for example:

##### 1. AAA Model

This model focused on narrative disclosure, which confirms that there are marginal observations about the efforts of the unit (its employees) regarding the following (Rajab, 1990, 88):

A. The main social problems and how to control them.

B. The unit's plans to reduce social and environmental problems and the progress the unit has made in solving them.

C. Substantial social and environmental impacts on the financial position of the unit and the results of its operations.

D. In order to develop the disclosure of the social performance of the unit, it is necessary to encourage it to disclose its contributions in solving problems related to social performance.

##### 2. Linowes Model

This model focused on measuring profitability and growth according to what is reflected in the financial statements, a notebook list summarizing the operational and social performance of the economic unit of the unit (list of economic and social operations), where this list reflects the negative and positive effects of social responsibility for the unit and in all activities and areas, especially areas (human resources, Natural resources, product, service) and the damage the unit bears in response to its social responsibilities (Al-Fadl, 1994, 66).

##### 3. Estes Model

This model suggested a list of social effects to measure social benefits, as the reason for preparing this list was to lay the foundations for differentiating between social benefits, whether they are in the form of products or services to the community, payments or benefits in kind, injuries or environmental damage (Hashem, 2004, 75):

#### B. Special disclosure forms

The researcher has these forms for the disclosure of social responsibility information, because it discloses social responsibility information within lists and appendices attached to the published financial statements and these forms are:

1. Adjusted profit list with the burden of fulfilling social responsibility.

2. List of adjusted financial position with the effects of social contributions and the environment.

3. Multidimensional social performance report.

4. Financial statement of the effects of non-fulfilment of social responsibility.

5. Independent environmental report.

**1. Adjusted profit list with the burden of fulfilling social responsibility**

The following matters are disclosed in this list (Badawi, 2000, 28):

- The value of burdens borne by the unit in the area of its social responsibility
- Expressing the external involuntary burden of the unit related to its compulsory social responsibility
- Contributions of the unit to achieving national goals and the extent of commitment to its responsibility.

**2. List of adjusted financial position with the effects of social contributions and the environment**

This list touched upon providing information and data on the resources available for use in the areas of social and environmental performance and the corresponding rights of others.

Also, this list displays the social activities of the assets separately separately, as social assets are classified to achieve their goal in the list and according to their affiliation to the field of social responsibility, as this list emphasized the existence of a direct relationship between the value of social assets for each area of social responsibility and the extent of its contribution (

**3. Multidimensional social performance report**

This report aims to provide information that reflects the results of measuring the social impacts of the unit. This report is characterized by the following advantages

Information that reflects the results of measuring the social operations that the unit actually carried out

- Information about government agencies with a social impact
- Information that reflects the processes of comparison between the standard social levels and the actual levels of social performance for the purpose of extracting inappropriate inappropriate deviations that reflect social harm due to the lack of convention of the unit and its fulfillment of social responsibility

**4. Financial statement Failure to fulfill social responsibility**

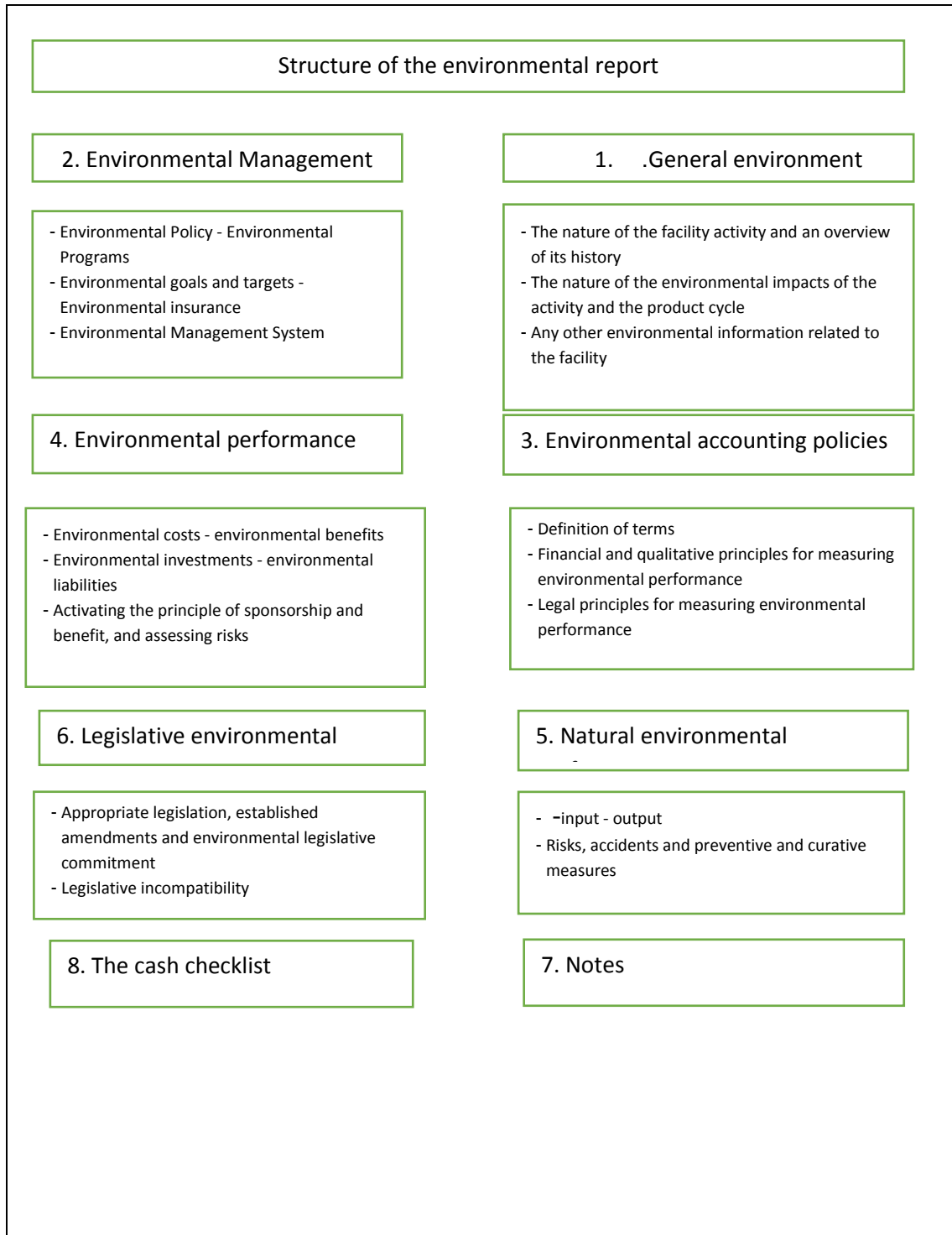
This list aims to provide information that reflects results to measure the response to social processes that lead to a statement of the most important negative effects that cause a group of damages in the life of society. This list also shows the most important effects on failure to fulfill the social responsibility that the unit should bear according to the areas identified by the list for those Responsibility.

**5. Independent environmental report**

In it, an independent environmental report is prepared from the financial statements, as shown in the following form (Nashwan, 2002, 92):

**Independent environmental report on the financial statements:**





The most important accounting disclosure problems The researcher diagnoses the following points:

1. The abundance and multiplicity of lists and accounting reports shown on social responsibility information indicates a lack of scientific and professional qualification for a

number of accountants on the accounting disclosure of these data, and their lack of familiarity with accounting principles and data, as well as their failure to keep pace with the development in the field of accounting disclosure.

2. The multiplicity of trends related to the extension and nature of liability activities that indicate the existence of controversies regarding disclosure due to the following (Al-Dabbagh, 1992, 54-57):

- a. Lack of agreement on the scope of the social activities to be disclosed
- B. The absence of fixed criteria that distinguish between what is a social activity and what is an economic activity.
- T. The importance of social activities varies

3. Difficulty in expressing information about social activities that must be disclosed, which in turn requires the use of traditional methods of accounting for social responsibility data in measurement and disclosure.

4. The lack of a unified method of presentation through which social responsibility information is disclosed.

5. The presence of aggressor entities benefiting from the accounting data and their needs vary from them, and this requires reconciliation between these needs and their identification, as well as a conflict between these parties. For example, increased disclosure may affect the extent of understanding and benefiting of these parties and the difference in the degree of benefit from social responsibility data ( Al-Dabbagh, 1992, 57).

The researcher proposes two reports on how the accounting disclosure of social activities in relation to (social responsibility information) are attached to the financial statements and reports, and they are characterized by giving them a clear and comprehensive picture regarding the social operations that revolve within the scope of social responsibility in economic units with social impact, whether their social activities are internal or external. The first report relates to the accounting disclosure of social responsibility information for productive economic units, while the second report is the report on the accounting disclosure of information on activities related to Social responsibility and economic units of service and promise to these reports at the end of the year as in the models described in the following:

Report 1 special disclosure of accounting information on the activities of social responsibility and economic productivity of the units at 31 \ 12

Statement	Social Contribution Reports measured KD \ factor
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	measured KD \ factor
1. Internal social activities related to the following aspects:	Xx
- HR.	Xx
- Community Service.	Xx
- Other services	
2. External social activities related to the following aspects:	Xx
Environmental contributions and pollution.	Xx
Training of workers.	Xx
Field of Service.	Xx
Information programs to publicize the service.	Xx

**Research summary**

**A. Conclusion:**

The research has concluded a set of results that can be summarized as follows:

1. One of the difficulties that face accounting disclosure for social responsibility information is the lack of a unified method for presenting social responsibility information, as there are several studies that showed several models of reports and social lists through which the disclosure of social responsibility information, including the preparation of a list of social income for the unit, as well as the presence of Other methods of social disclosure include the preparation of a social impact statement in which the social benefits are offset by costs, preparation of a settlement account for social exchanges and transactions, preparation of a financial and social profit and loss account, as well as a list The financial centre of the social unit describes the assets and liabilities of the special economic and social.
2. Profit is no longer the only criterion for preference on the part of investors. Rather, there are religious, political, economic and ethical standards that influence the investment decision and the judgment on the success or failure of the economic unit in achieving its goals and measuring its efficiency.
3. Social accounting has emerged - as an evolution of accounting to keep pace with the development in other areas of life - to measure events related to social responsibility (social costs and benefits) and communicate them to the beneficiaries inside and outside the economic unit, therefore the accounting theory must be developed with its principles, standards and procedures to be able To understand the environmental and social changes surrounding economic unity.
4. Accounting for social responsibility is nothing but a set of concepts, standards and methods aimed at measuring the activities of the economic unit of a social nature and then disclosing them in the lists and final financial reports.

## **B. Recommendations**

1. The necessity of taking into consideration when accounting for social responsibility information, identifying the extent of the economic unit's contribution in the fields of environmental protection, consumers and society in judging the efficiency of social performance to perform the economic unit.
2. The necessity of not merging the information on social responsibility with the financial accounting data, in order to support the accounting disclosure of social responsibility and provide information related to social responsibility to parties interested in social performance inside and outside the economic unit.
3. The necessity of developing the accounting theory, including its principles, standards and procedures to be able to absorb the environmental and social changes surrounding the unit, in order to achieve a set of goals, including defining and measuring the net social contribution of the unit during the period and determining the extent of coherence between the performance strategies of economic units as well as providing Suitable information about the goals of the economic unit, its policies, programs and contributions in the field of social goals for all segments of society (workers, consumers, the environment, and members of the external community).
4. The need to increase attention to the issue of accounting disclosure of information with a social impact and the identification of social families and the distribution of costs for the various social activities and for the activities prevailing in all economic units, as well as the need to protect the environment for the various parties inside and outside those units.

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يسعى الإفصاح المحاسبي المعاصر لتلبية الاحتياجات المعلوماتية لأصحاب الوحدة الاقتصادية والمستفيدين كافة من القوائم المالية سواء أكانت تلك الفئات داخلية أم خارجية، وتأتي أهمية البحث من حاجة إلى التعرف على طبيعة المساهمات الاجتماعية للوحدة الاقتصادية وما تقدمه من منافع وما تسببه من أضرار اجتماعية وبيئية لأفراد المجتمع.

ولغرض الوقوف على ذلك سيجاول البحث بيان أساليب الإفصاح المحاسبي التي يمكن استخدامها في إعداد المعلومات المعبرة عن المسؤولية الاجتماعية والتي يمكن الإفصاح عنها في القوائم المالية لمختلف الطوائف المستفيدة، ومللشكلة تكمن في أن القوائم المالية بوضعها الحالي في الدول النامية ومنها العراق قاصرة عن توفير المعلومات التي يحتاجها قراء القوائم المالية من مستفيدين عن المسؤولية الاجتماعية للوحدة، لذلك فقد اقترح الباحث إنموذجاً محاسبياً يمكن ان يساعد في معالجة هذه المشكلة . وينطلق البحث من عدة فرضيات أهمها أن الاهتمام بالإفصاح المحاسبي عن المسؤولية الاجتماعية من شأنه أن يسهم في تحسين نتائج النشاط للوحدة الاقتصادية والكشف عن واقعها العملي من زاوية اجتماعية.

ولقد خلص البحث إلى جملة من النتائج أهمها أن من الصعوبات التي تواجه الإفصاح المحاسبي عن معلومات المسؤولية الاجتماعية هو عدم وجود أسلوب موحد لعرض معلومات المسؤولية الاجتماعية، فضلاً عن أن معظم مخرجات الأنشطة الاجتماعية في الوحدات الاقتصادية سواء أكانت مالية أم كمية تؤثر في نفقات والتزامات وأصول تاوحددة وقراراتها الإدارية التي تعد مسألة الإفصاح عنها من صلب العمل المحاسبي

### **پوخته:**

دمرخستنی ئامار مڪانی ژمیریاری به ئامانجی فراههم کردنی زانیاری پئیویست و دیاری کردنی ریژمی قازانجی مالی بو خاومن دارانی بهشی ئابوری ئهجام دهری و دمتوانی فاکتهره ناوخوی و دمهمی ئکان له خو بگری. گرینگی ئه تویینهومیه بو دیاری کردنی چونی ئتی بهشداري کردن و سودمندی یهکه ئابوری ئکان له کومهلگادا ههروهه کئشه ژینگهی ئکانی ئه بهشه بو کومهلگا دایه.

بو ئه مه بهسته ئه تویینهومیه کوشش ئکه بو دیاری کردنی ش ئواز مڪانی دمخستنی ژمیریاری بو فراههم کردنی زانیاری پئیویست و مک بهرپرسیارمتی

