

Are We on Track? A Theoretical Inquiry into Integrated Reporting Regulations in Sri Lanka

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Abstract

Traditional corporate reporting focuses on financial outcome and is criticized against its less attention on non-financial aspects, which have implications on sustainability of a business firm. As a result of continued studies and debates an integrated reporting framework has been issued by the International Integrated Reporting Council by 2013. Sri Lanka has adopted it. However, practitioners of integrated reporting are still vague on this. This paper attempts to understand the possible reasons for this situation. The research is carried out by with not fieldwork, but analyzing the current version of integrated reporting framework in the context of a theoretical framework. This benefits from Stakeholder theory and stakeholder-agency theory. The analysis reveals that the current practice of integrated reporting based on IIRC's integrated reporting framework, including initiatives suggested by the Integrated Reporting Council of Sri Lanka are not in the direction of satisfying intentions of reporting on sustainability of a business firm. The paper suggests a path for improving integrated reporting practice.

Keywords: Integrated reporting, Value Creation, Stakeholder Theory, Stakeholder-Agency Theory, Stakeholder Capitals