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**INFORMATION SUPPORT OF JOINT ACTIVITY OF ORGANIZATIONS:
PROBLEMS OF ACCOUNTING AND ANALYSIS SYSTEM****DIANE PECHURA, ANNA LAVRINENKO**
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Joint activity enlarges on different types of organizations. The types can differ according to the sector of economy and legal structure. However, the economic essence of this type of integration has a historical and legal integrity. The study of historical and legal aspects of the development of joint activity will allow to scientifically substantiate the theoretical theses in order to consider joint activity as a mechanism for increasing the competitiveness of the Belarusian economy in the post-crisis period.

The new model of economic growth in the Republic of Belarus is based on the innovative type of development. At the macro level it requires the formation of new financial-credit policy, effective stimulation of innovation, developing high-tech industries and reduction of productions that use natural resources. The model dictates the change in the form of entrepreneurial activity, active involvement in the production of small and medium private businesses at the micro level. The transition period is characterized by the deregulation of the public sector, the cancellation of the directive methods in management and the abolition of pre-existing hierarchical structures. This strengthens the role of cooperative forms of activity and the integrated structures of the organization management. Market conditions are creating new forms of joint activity by joining organizations in vertical and horizontal structures. This provides the necessary coordination and organizational and financial cooperation in the framework of joint activity. Thus, effective systems of technological development, sustainable market strategy, resource support of corporate financial institutions are promoted. The main advantage of joint forms of business is the division of labor, rapid mobilization of resources, cost savings in the production and marketing. Thus, the efficient use of productive and financial capacity of organizations is possible thanks to established cooperative ties.

Joint business forms require the creation of a common methodological approach to the organization of their account. It is determined by the specific structure of joint activity and the lack of methods of accounting and analytical framework in this area. The practice of joint activity in the Republic of Belarus raises questions in the area of accounting of its objects:

1. Assessment and accounting of contribution under a partnership agreement.
2. Expenditure account and the formation of the cost of jointly manufactured products (works, services).
3. Formation and recognition of financial results from joint ventures in accounts.

In the new economic conditions Belarusian organizations are faced with a major accounting problem – an adaptation of the national system of accounting in accordance with International Financial Reporting Standards. This requires improving the legal framework and bringing it closer to international accounting practices.

The development of accounting and reporting is closely linked to the development of civil relations in society. Therefore the study of the economic essence of joint activity involves the historical and legal aspects of development. Historically, the joint activity as a form of integration is the result of social division of labor. It appeared on the basis of specialization and cooperation. Originally the joint activity took the form of mutual assistance and cooperation. Cooperation is a method or form of economic activity, which is characterized by joint involvement in the activities of persons [1]. Z.Z. Dudich defines cooperation as a unity, coordination of joint actions of different units and entities in the course of their business. The author emphasizes that certain activities are too complex for individual performers and require the joint efforts of many of them [2]. Cooperation in economic literature is divided into two main types: production (co-operation in the industry) and credit.

In the process of production cooperation there appeared the main directions and forms of the joint activity. They remain relevant at the present stage of development of production and the economy as a whole: technological cooperation (supply of components, semi-finished products, parts, pieces); logistics cooperation (software, raw materials, fuel, basic and auxiliary materials); production cooperation; financial cooperation, which is to bring together capital and others.

We can conclude that cooperation is a form of economic activity, which is characterized by the coordinated actions and joint interaction (joint business management and joint participation, co-production, co-construction, co-financing), a set of organizations (members) who are interested in achieving final results of activity in the sphere of production and circulation. Hence is the conclusion: the joint activities are carried out by the cooperation of organizations - participants. It was on the basis of cooperation, that through the transformation and formation of market relations there developed preconditions for singling out joint activities in civil relations.

Modern forms of joint activities are a financial and industrial group, a corporation, a transnational corporation, a holding, a consortium, a conglomerate, a joint venture, a cartel, simple partnership, and some others.

At this stage of the research it can be concluded that the joint activity of organizations in the Republic of Belarus may take various forms according to the content of civil contracts. Figure shows the organizational and legal forms of joint activities in the economic conditions of the Republic of Belarus.

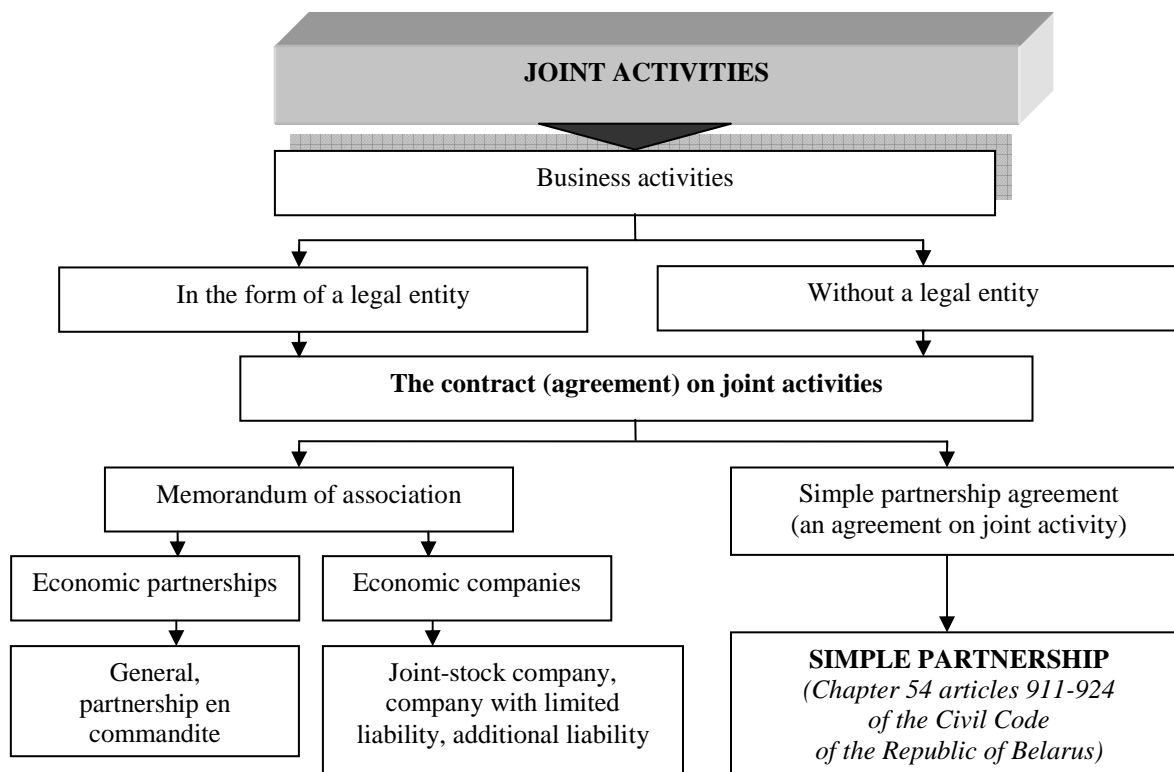


Fig. Organizational and legal forms of joint activity in the Republic of Belarus

Source: own development on the basis of studying of special economic literature.

In the process of transition of the Republic of Belarus to the international financial reporting standards it is necessary for the state to study and use general conceptual principles that form the basis of International Financial Reporting Standards. In this regard it is necessary to study the methods of accounting and reporting of joint activity, which are accepted in the international accounting practice, and compare them with current practice in the Republic of Belarus. This will allow to:

- 1) establish the specificity of the accounting process of joint activity for each type of IFRS 11 "Joint activity";
- 2) conduct a comparative analysis of national accounting practice on joint activity and methodological aspects of the IFRS;
- 3) transfer the standards IFRS 11 "Joint activity" in the Belarusian instructions on accounting.

IFRS 11 "Joint activity" allows to organize joint activities in various forms and structures at the same time it singles out for the purposes of accounting and reporting the following two main types of joint activity:

- joint operation (not having the structure of a separate organization);
- joint venture (having the structure of a separate organization).

It is important to note that in accordance with IFRS 11 joint operations during the registration of a separate organization are transformed into joint ventures. In civil legislation of the Republic of Belarus "simple partnership" is based on the conclusion of a simple partnership agreement (or contract on joint activity), without establishing a legal entity in order to get profit. For the purposes of the tax legislation in the Republic of Belarus simple partnerships are recognized as separate organizations. Basing on the economic content of the concept "organization", based on the legislation of the Republic of Belarus it can be clearly concluded that the simple partnership in the Republic of Belarus is an organization that has separate accounting and tax accounting and financial reporting.

Until 2014, the accounting of joint activity was regulated by the Instruction on accounting of joint activity approved by Decree of Ministry of Finance of the Republic of Belarus of December 14, 2006 № 161. According

to this document, joint operations are components of a simple partnership, organizational and legal form which has the structure of the separate organization. Such form as the joint operation in the Instruction № 161 is missing. National Standard of Accounting and Reporting "Consolidated financial statements", approved by the Ministry of Finance of the Republic of Belarus of June 30, 2014 № 46 stroke down Instruction № 161. However, it did not clarify how the joint operators should record joint operations in their reports. Therefore, it is now impossible to identify joint operations, adopted in international practice of accounting, as an object of national accounting and financial reporting.

Comparative analysis revealed the following distinguishing features of the foreign accounting system of joint operations:

- 1) subject of accounting of joint activity is its participant;
- 2) participant shall include in its accounting records and recognizes in its financial (accounting) statements accounting objects of joint activity in the share stipulated by the contract;
- 3) *participant does not need to make separate accounting (financial) reporting on joint activity.*

Comparing the types of joint activity IFRS 11 "Joint activity" we can establish that their classification is based on the organization of the accounting process of joint activity. The most significant differences between the two options recorded in the accounting of joint activity are graphically presented in Table.

Table – Effect of the type of joint activity IFRS 11 on main characteristics of the accounting process

The main characteristics of the organization of accounting process	Types of joint activity	
	Joint operation	Simple partnership
Drawing up of separate accounting (financial) statements on joint activity	–	+
Recording of indicators of joint activity in the accounting (financial) statements of the participants	+	–
Combining contributions (investments) of the participants	–	+
Combining action, the efforts of the participants	+	+
Use of assets jointly owned by the participants	–	+
Distribution of income received from the joint activity	+	–
Distribution of the financial results of joint activity	–	+

Source: own development on the basis of studying of special economic literature.

Summarizing the main points, we determined that participation in joint activity without forming a legal entity in IFRS 11 has a broader meaning than in the national accounting practice. National accounting system identifies a single form of joint activity without forming a legal entity - a joint activity within the framework of simple partnership agreement. This form provides the availability of a separate balance sheet and formation of financial statements separate from the participants of the joint activity. Thus a contradiction is formed. The domestic accounting practice indicates the types of joint activities IFRS 11, however, it does not observe the basic principles of accounting and financial (accounting) reporting of participation in joint activity.

Joint activity of organizations in the Republic of Belarus may take various forms depending on the content of civil contracts which form its basis. The term "joint activity" means business based upon co-operation of organizations in various sectors of the economy rather than the legal form of business. Joint activity as an object of accounting is entrepreneurial activity, based on a contractual relationship, the joint conduct of the business and the joint management activity on the basis of the agreements reached.

International integration and openness of the Belarusian economy requires approximation of the accounting of joint activity to IFRS. The use in national system of accounting and reporting principles of IFRS (IFRS) 11 is of particular practical significance in terms of attracting foreign investment in the form of organizing joint activity. Foreign investors need not only legal protection of its investments, but also the transparency of accounting information in IFRS format. Lack of comparability of data in accounting (financial) reporting does not allow domestic and foreign investors to interpret terms of the agreement of the joint activity identically, as well as to report of participation in joint activity. Therefore, in order to unify methodical bases of accounting in joint activity in accordance with international standards we recommend: in accordance with IFRS to classify simple partnership as a joint organization; to exclude from the simple partnership agreement and to single out an independent category of joint operations; to develop guidance on accounting and financial reporting of the parties participating in joint operations that do not have a separate organization structure.

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