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RELEVANT ASPECTS OF THE ACCOUNTING SYSTEM OF THE PUBLIC ENTERPRISES REGISTERED ON THE BULGARIAN STOCK EXCHANGE

ABSTRACT

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I. GENERAL CHARACTERISTIC OF THE DISSERTATION

1. Relevance

As of this moment, the accounting system of the public enterprises registered on the Bulgarian Stock Exchange (BSE)[1] is characterized by aspects of a heterogeneous nature. In this respect, this dissertation examines the impact of the registration of public enterprises on the Bulgarian Stock Exchange on the essence, content, and objectives of accounting. The accounting policy of enterprises of public interest is analyzed as an effective means of their management. The research pays special attention, on the one hand, to the statements for regulatory purposes and to the disclosure of information, and on the other hand, to the functions of accounting in the management system.

At the same time, certain relevant issues and challenges require strict compliance with the corresponding normative base and the search for appropriate approaches and solutions in terms of technique, technology, and organization of the accounting process.

The relevant aspects of the topic can be listed as follows:

1. *Digitalization and technological innovations*. The public enterprises listed on the BSE are adapting to new technological opportunities and innovations in the field of accounting. The introduction of digital solutions and the use of artificial intelligence (AI) and automated processes in accounting are of particular importance for improving the efficiency and accuracy of financial statements.
2. *Risk management.* Public enterprises, in general, but especially those listed on the BSE, face significant challenges in terms of risk management. The recognition and management of financial and non-

[1] The current normative base in our country regulates the concepts of: “enterprises of public interest”, according to the Accountancy Act and “public enterprises”, according to the Public Offering of Securities Act. The subject of this research is enterprises of public interest and public enterprises registered on the BSE. In this research, these two concepts are used as synonyms.

financial risks, including financial currency risks, operational risks and risks related to sustainability, are essential for securing resilience and reducing uncertainty.

3. *Specific regulatory requirements*. The public enterprises listed on the BSE are subject to strict regulatory requirements for reporting and disclosure. These are themselves amended and updated regularly in response to the changing environment and advances in accounting.
4. *Increased interest in sustainable reporting*. Investors and other stakeholders are increasingly demanding information on the sustainability and social accountability of public enterprises. This requires enterprises to implement standardized methods for reporting on environmental, social, and managerial aspects of their activities.
5. *Global reporting and management standards*. The financial reporting and management standards, such as the International Financial Reporting Standards (IFRS) and the Principles of Good Governance, are of immense importance to the public enterprises listed on the BSE. They must comply with the relevant international standards to ensure transparency, compliance and trust among investors and other stakeholders.
6. *Impact of the COVID-19 pandemic.* The COVID-19 pandemic has had a significant impact on the operations of the public enterprises listed on the BSE. They are facing challenges such as declining revenues, rising costs and uncertainty about future prospects. The reporting of the financial consequences and the risk management associated with the pandemic is of particular importance for their sustainability and success.

It should be emphasized that the public enterprises listed on the BSE play a significant role in the country's economy, providing a large number of jobs, creating economic growth, and offering important products and services to the society. In this context, the accounting system is of crucial importance for the management of these enterprises, securing clear and precise reporting of their financial position and results.

Bearing in mind the above-mentioned, it can be summarized that the importance of the accounting system of the public enterprises listed on the BSE, in its integrity, is of fundamental importance for the economic and financial development of the country. It plays a critical role in the management of these enterprises, their relationships with investors and the society, as well as in the risk management and the compliance with the regulatory requirements. An effective and efficient accounting system contributes to the sustainability and success of public enterprises and to increasing the trust in the country's investment environment.

2. Degree of development of the problem

The specific problems related to the accounting system of public enterprises are the subject of active scientific interest in a number of studies, both at the national and international level. The specialized literature discusses topics related to accounting policy, accountability, the application of International Financial Reporting Standards (IFRS), as well as the role of corporate governance in increasing transparency. Nevertheless, the analysis of the public enterprises listed on the BSE shows that there are a number of practical and methodological challenges that have not yet been sufficiently researched in the scientific literature.

Among them, we can outline the problems related to the adaptation to the new regulations for non-financial reporting and sustainability, the difficulties in implementing digital reporting formats – such as ESEF (European Single Electronic Format) and XBRL (eXtensible Business Reporting Language), as well as the integration of ESG indicators in annual financial statements. Additional challenges can also arise in terms of providing reliable and comparable information to investors, including such provided through automated tagging and electronic disclosure.

All of the above-mentioned aspects determine the need for further research on the accounting system of public enterprises in Bulgaria, with a view to improving accountability, increasing stakeholder trust, and creating conditions for more efficient access to capital markets. These objectives determine the research focus of this dissertation.

3. Research thesis

The thesis defended in this dissertation is that there are opportunities for optimizing the accounting system of the public enterprises registered on the BSE in order to increase the quality and transparency of the information in their financial statements.

In this respect, the research encompasses a detailed analysis of the accounting system, focusing on financial statements, regulatory requirements and trends in the financial reporting of public enterprises in Bulgaria. The research emphasizes the importance of accounting as a tool for improving transparency, risk management and investment decision-making, including the ones found on the financial market in the country. The BSE plays a significant role in the development of the economy in Bulgaria. This requires the accounting systems of public enterprises listed on it to be constantly updated and adapted to the modern standards and regulations in order to secure reliable reporting information for investors and stakeholders.

4. Object and subject

The object of the research is the public enterprises registered on the BSE, and the subject – the current dimensions of their accounting information systems.

The choice of public enterprises as the object of the research is justified by several key arguments:

- Significance of the financial sector. The public enterprises registered on the BSE play a significant role in the financial system of Bulgaria. They are a major source of financing for various projects and economic activities, thus contributing to the economic development of the country.
- Transparency and accountability. Public enterprises are subject to stricter regulatory requirements and reporting standards, which will secure greater transparency in their activities. Research on them can reveal essential information about the financial condition, risks, and development opportunities.
- Impact on the economy. The activities of public enterprises have a significant impact on the economy as a whole. They create jobs, generate revenue for the state through taxes and fees, and make a significant contribution to the competitiveness and growth of various sectors in the country.
- Potential for growth and innovation. Research on public enterprises could reveal their potential for growth and innovation. They usually focus on developing new products and services, implementing modern technologies, and using modern business practices.
- Interest from investors and stakeholders. Investors and other stakeholders actively follow the activities of the public enterprises on the BSE due to investment and profit opportunities. Research on these enterprises can reveal valuable information about their prospects and growth potential.

5. Main goal and objectives

The goal of this research is to analyze the accounting system of the public enterprises registered on the BSE, with a focus on the theoretical aspects, the applicable reporting framework, and the practical dimensions. In the process of the research, we explore certain opportunities for optimizing the accounting system and interaction with the relevant regulatory requirements to increase the trust of stakeholders in the reporting information of these enterprises. Therefore, an analysis is made, the results are summarized and specific guidelines for optimizing the functions of the authors of financial statements are provided, paying special attention to the possibilities for integrating the European Standard Electronic Format (ESEF) into the accounting practice of these enterprises.

The research objectives are limited to:

- ✓ Analysis of the state of the accounting system in the enterprises of public interest registered on the BSE;
- ✓ Assessment of the efficiency and reliability of the integration of the ESEF into the accounting system of public enterprises;
- ✓ Research on the possibilities for optimizing the accounting system and management of enterprises of public interest.

6. Methodology of the research

To conduct this research, we have employed an interrelated set of qualitative and quantitative methods. The qualitative methods, such as literature analysis and document analysis, contribute to outlining the theoretical framework and context of the accounting system of the enterprises registered on the BSE. In the course of the research, interviews with accountants and other management personnel from these enterprises are used, in order to collect, summarize and analyze up-to-date practical data on their actions and prospects, as a reasoned basis for forming a quantitative assessment of their accounting characteristics and interrelationships. On this basis, objective and valid conclusions are formed about the state and efficiency of the accounting system of public enterprises, while at the same time supplementing and enriching the analysis with considerations from the point of view of the practice.

7. Restrictive conditions

Although the research may reveal a wide range of problems related to the accounting system, it is limited to an analysis of the enterprises listed on the BSE. This allows for a focus on the specific challenges and opportunities related to these enterprises, while at the same time providing a detailed analysis of their accounting practices. It is important to note that the results of the research may not be fully representative of other sectors or types of enterprises that are not listed on the BSE. In addition, the conclusions formulated from the empirical research relate only to the enterprises researched, and no generalization is claimed for the entire population of enterprises of public interest. The current normative base used in the research is consistent as of 31 May 2025.

II. STRUCTURE AND CONTENTS OF THE DISSERTATION

The dissertation consists of introduction, three chapters, conclusion, bibliography, and appendixes. The total volume of the dissertation is 229 pages. Regarding the contents, the dissertation is structured as follows:

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1.2.1. Specific characteristics of the accounting of the enterprises of public interest

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[2] Accounting Information System

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Conclusion

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Appendixes

1. Key indicators for the ESG performance

2. GRI[5] Index table

3. Checklist for overcoming the obstacles in integrating the ESEF into the accounting systems of the public enterprises registered on the BSE

4. Technically detailed checklist for realizing the opportunities and advantages of the integration of the ESEF in the accounting of public enterprises

5. List of questions for a semi-structured interview

[5] Global Reporting Initiative

III. A BRIEF SUMMARY OF THE DISSERTATION

INTRODUCTION

The introduction presents the relevance of the research. The research thesis is formulated. The object, subject, goal, and research objectives are defined. The methodology used in the research as well as the restrictions are described.

CHAPTER ONE. THEORETICAL ASPECTS OF THE ACCOUNTING SYSTEM OF THE ENTERPRISES OF PUBLIC INTEREST

1.1. Characteristics of the accounting system

The accounting information system (AIS) provides the means to collect, process and generate financial information that is crucial for making strategic and operational decisions. It provides access to key data and analyses that help management determine the financial position of the enterprise and predict future trends. In addition, the AIS has a function in the financial planning and control of the enterprise. It provides the necessary information for budgeting, forecasting and risk assessments. With the help of the AIS, the management has the opportunity to monitor the financial performance of the enterprise and take corrective action if necessary. The AIS is also essential for external stakeholders, such as investors, creditors, and regulatory authorities.

1.1.1. The role of accounting in the enterprises of public interest

In the context of public enterprises, the AIS has several key features and functionalities: Financial accounting; Management accounting; Financial statements and reporting; Compatibility and security; Integration of technologies and software solutions.

1.1.2. Normative base and regulations of the accounting in the public enterprises registered on the BSE

At the national level, the Accounting Act plays a fundamental role, as it is a basic legal act regulating the organization and functioning of the accounting system in the Republic of Bulgaria. It defines the principles, rules and requirements for accounting, preparation, and presentation of financial statements. The Act is the basis of financial reporting and secures transparency and reliability of financial information, which is essential for making economic decisions.

Undoubtedly, one of the main dimensions of the normative base is the accounting standards. They are a set of rules and guidelines that regulate the way in which the financial statements of enterprises should be prepared. For enterprises of public interest, the main accounting standards are usually defined by international organizations such as the International Accounting Standards Board (IASB) or the European Financial Reporting Advisory Group (EFRA). The applicable accounting standards include guidelines for the recognition, the initial and the subsequent measurement of the individual elements of financial statements.

In addition to the accounting standards, the normative base for enterprises of public interest also includes regulations that address specific aspects of their activities. For example, regulatory authorities (such as the Financial Supervision Commission – FSC in our country) establish requirements for reporting on the social and environmental aspects of a business or impose rules on risk management and financial governance. These regulations aim to secure the protection of public interests, promote transparency and accountability of enterprises, and ensure that they act in accordance with the set ethical and social standards.

It could be summarized that the normative base and the regulations for the public enterprises listed on the BSE are important for creating an environment that encourages responsible behavior and a sustainable business model. They serve as a basis for trust and stability in the financial system, securing transparency and reliability of financial reporting and ensuring that enterprises of public interest are managed in the interest of the society as a whole.

1.1.3. Integrated accounting – specific aspects of integration

Based on the research conducted, it can be argued that the timeliness, accuracy, and reliability of accounting information are of critical importance for the successful functioning of the AIS and for improving the financial management operations of the public enterprises listed on the BSE. In the context of the enterprises of public interest, the following recommendations can be made:

- The managers of enterprises of public interest should develop customized AIS that meet the specific characteristics and operations of the enterprise in order to secure the accuracy of accounting information.
- The information systems experts of the enterprises of public interest should optimize the structure of the AIS to produce financial information that presents accounts and risks in a clear and understandable manner.
- The owners of enterprises of public interest should acknowledge the importance of investing in an efficient AIS. This will secure the creation of timely accounting information that meets the financial needs of various stakeholders, including investors, customers, owners, and managers.

1.2. Functions of AIS in the management of the public enterprises registered on the BSE

1.2.1. Specific characteristics of the accounting of the enterprises of public interest

In order to better meet the requirements for transparency and accountability, public enterprises adapt by implementing stricter internal control mechanisms, developing more detailed reporting and disclosure policies, and improving accounting practices. These efforts also include the adoption of new standards and amendments to international accounting practices. In this respect, it is important to emphasize that enterprises of public interest apply the respective new standards, amendments and interpretations of the IFRS issued by the IASB and endorsed by the EFRAG, which are effective for the financial statements of the relevant enterprise for the annual period, but do not have a material impact on the financial performance or financial position.

Enterprises disclose significant information related to the accounting policy instead of the main accounting policies. The amendments clarify that the information about the accounting policies is material if users of the enterprise's financial statements need it to understand other material information in the financial statements and if the enterprise discloses immaterial information about its accounting policies, that information should not prevail over the material information about accounting policies.

1.2.2. The role of accounting in the management of resources and risks

It is important to note here that in the context of the public enterprises listed on the BSE, the different types of resources that are used and managed through the AIS include financial, human, technological and physical resources. The successful management of these resources through the AIS can provide enterprises of public interest with a significant competitive advantage, allowing them to optimize their operations, improve their efficiency and increase their profitability.

The conclusion is that the AIS has made a significant contribution to the identification, assessment, and management of risks in the business activities of public enterprises, providing the necessary information and analysis for making informed decisions and securing financial sustainability and successful operation.

1.2.3. Significance of the AIS for financial management

The AIS helps financial managers control the financial resources of the enterprise more efficiently by providing the necessary information for budgeting, forecasting income and expenses, managing working capital, and making investment decisions.

The AIS therefore plays a significant role in making investment decisions. By providing information about the financial condition of the enterprise and forecasting future financial results, the AIS helps financial managers make an assessment of potential investment opportunities and make strategic decisions for the development of the enterprise.

1.2.4. Internal control and reporting

In the context of the problems researched, the importance of an efficient AIS becomes even more obvious. The AIS not only provides financial statements that are essential for the management of the enterprise but also has a key function in managing the internal control of financial information. In this way, the AIS helps enterprises to cope with the complex challenges of the modern business environment and achieve their financial goals.

1.2.5. Strategic solution of problems and business analysis

The AIS supports strategic problem solving and the formulation of business strategies for the enterprises of public interest by providing information and analysis that are essential for making informed decisions. Some of the ways in which the AIS provides this support are: Financial analysis and reporting;

Budgeting and forecasting; Revenue and cost analysis; Investment analysis and assessments; Strategic plans and scenarios.

1.2.6. Applied aspects and social accounting of the AIS

Social accountability and the ways in which the AIS contributes to the management of the social and environmental aspects of the enterprise are essential for the development of sustainable and responsible business practices, including: Corporate Social Responsibility (CSR) reporting; Integration of social and environmental aspects in financial reporting; Measurement of social and environmental impacts; Stakeholder value reporting; Strategic planning and risk management.

The listed aspects undoubtedly show how the AIS performs a central function in the management of the social and environmental aspects of the enterprise and how it contributes to the development of sustainable and responsible business practices.

1.3. Possibilities for optimizing the accounting system of the enterprises of public interest

1.3.1. The use of digital technologies and automation

The analysis of the different types of software solutions that could be used to optimize the accounting processes is an important part of the modernization of accounting in the enterprises of public interest.

The different types of software solutions are a powerful toolkit for optimizing the accounting processes in the enterprises of public interest, helping to achieve greater efficiency, accuracy, and compliance with the normative base.

1.3.2. Standardization and optimization of processes

The importance of standardizing the accounting processes and procedures for improving the efficiency and consistency of activities should be emphasized. This allows the enterprise to establish common rules and procedures for carrying out business operations and their accounting, reduces the time and effort required to perform tasks and facilitates the exchange of information between different units (departments) and employees (increases efficiency).

Standardization ensures greater consistency and accuracy of the data used to compile financial statements and make management decisions. It helps to avoid errors and inaccuracies in accounting records and increases the reliability of the enterprise's financial reporting. The standardization of the accounting processes enables the enterprise to establish efficient control over financial operations and the risks associated with them. By introducing standardized procedures for checking and auditing accounting records, the enterprise can detect and prevent potential abuses and fraud.

Standardization eases the task of auditors and reviewers in carrying out checks on the enterprise's financial reporting. It also allows the enterprise to easily adapt to the regulatory requirements and accounting standards. This includes preparing reports that are adequate and accepted by the regulatory authorities, as well as the exercising internal controls that comply with the corresponding regulations.

1.3.3. Improving the management of data and analysis

Improving data management and analytics is crucial for the successful functioning of enterprises of public interest, providing the basis for making informed and strategically important decisions. The importance of proper data management and analytics is expressed in the following aspects: securing accurate and reliable data, data integration, data analysis and interpretation, making informed decisions, improving accountability and transparency.

Proper data management and data analytics are strategic factors for the successful functioning of enterprises of public interest, providing the basis for making informed and strategically important decisions. They provide the management team with valuable information and solution options that help optimize activities and achieve the set business goals.

1.3.4. Professional development of the personnel

By providing professional development and training to the personnel, enterprises of public interest can maintain high standards of accounting management and comply with modern accounting requirements and standards. This helps to secure reliable and transparent accounting, which is key to the sustainable functioning and development of the enterprise.

CHAPTER TWO. INTEGRATION OF THE ESEF[6] IN THE ACCOUTING SYSTEM OF THE ENTERPRISES OF PUBLIC INTEREST – NEW STANDARDS, CHALLENGES, AND OPPORTUNITIES

2.1. The new standards of ESEF and their impact on accounting

2.1.1. Regulatory framework of the ESEF in the EU and in Bulgaria

In a systematized form, the legal framework of the ESEF at the pan-European and national level includes: Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market; Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council by means of regulatory technical standards for the definition of the uniform electronic reporting format, introducing new requirements for issuers whose securities are admitted to trading on a regulated market; The ESEF Regulation, which has been amended three times since its promulgation; the Public Offering of Securities Act; the Activities of Collective Investment Schemes and Other Undertakings for Collective Investment Act; Regulation No. 2 of 9 November 2021 on initial and subsequent disclosure of information in the public offering of securities and the admission of securities to trading on a regulated market.

[6] European Single Electronic Format

2.1.2. Digitalization of financial statements – XBRL format

The technical aspects of the ESEF and the Inline XBRL are reforming the way financial information is processed and analyzed. This advancement provides a more efficient, structured, and easily understandable means of presenting data. This improves the comparability and analyzability of financial statements.

2.1.3. ESG requirements within the ESEF – regulatory aspects

With the adoption of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the scope of mandatory non-financial reporting has been significantly expanded. The new normative base introduces structured requirements for the disclosure of environmental, social and governance (ESG) factors, and enterprises shall adapt their accounting systems to the new standards.

According to the new regulations, enterprises shall implement digital XBRL taxonomies that allow for a structured and machine-readable presentation of ESG data. This digitalization facilitates the analysis of enterprises' sustainability performance and improves the quality of non-financial information.

In conclusion, the digitalization of ESG reporting through XBRL within the ESEF framework is a strategic tool for increasing the transparency and comparability of non-financial data. Despite the challenges associated with structuring and verifying ESG information, the new technological solutions provide opportunities for automated and reliable reporting. This approach will be key to sustainable corporate governance in the future.

The integration of ESG indicators within the ESEF framework has significant implications for financial reporting and regulatory oversight. The expansion of sustainability disclosure obligations under the CSRD and ESRS imposes new requirements on enterprises regarding the audit, verification, and transparency of ESG data.

2.2. Challenges for accounting in the integration of ESEF

2.2.1. Technical and methodological challenges

The main challenges that enterprises should address when implementing ESEF can be identified and analyzed as follows: Technical preparation and training; Data transformation; Transparency and comparability; Data security; Transition period and work habits.

2.2.2. Organizational and resource difficulties

The integration of ESEF with the AIS of enterprises of public interest raises a number of challenges in areas such as data, software solutions, staff training, etc. Understanding and adequately overcoming these difficulties is essential for the successful integration of the new standards and optimization of financial reporting processes.

2.2.3. Challenges for ESG reporting withing the ESEF

The integration of ESG disclosures within the ESEF framework poses a number of challenges for corporate reporting. They arise from both technical and regulatory requirements, as well as from the complexity of non-financial indicators and the need to ensure the reliability and comparability of ESG data. In this context, we can outline three significant aspects of the issue: technological and methodological challenges in XBRL tagging of ESG indicators; quality assurance, verification, and audit of ESG reporting; synchronization with other regulatory frameworks and impact on financial reporting.

The integration of ESG indicators into the ESEF triggers a number of changes in the accounting process: expansion of financial reporting by including non-financial disclosures, which complicates the structure of annual reports; the need for additional verification of ESG information, which increases the costs of external audit; increased regulatory burden for the public enterprises listed on the BSE, with a view to ensuring compliance with the CSRD and ESRS directives.

With the increasing role of ESG reporting in corporate governance, enterprises are faced with the challenge of aligning their non-financial reporting with different regulatory frameworks. The main factors influencing the process include the requirements of the CSRD, ESRS and the EU taxonomy, as well as the integration of ESG risks into financial statements. In addition, unforeseen regulatory changes may impose additional requirements for corporate reporting under the ESEF, making adaptation to these standards critically important.

The synchronization of ESG reporting with the regulatory frameworks is a key factor for the successful adaptation of enterprises to the new EU requirements. Despite the existing regulatory uncertainty, the harmonization of ESG reporting with the CSRD, ESRS and ESEF will contribute to increasing the transparency, comparability, and integration of ESG risks into financial statements.

2.3. Opportunities and advantages of accounting

2.3.1. Improving the transparency and comparability of information

The ESEF provides new opportunities for improving accounting processes and analyzing financial accounting information. It increases the accuracy, comparability, and transparency of reports, contributing to improving accounting and increasing the value it provides to public enterprises and the accounting community.

2.3.2. Increasing the trust of the stakeholders

The ESEF provides accountants with opportunities to improve the analyzability, transparency, comparability, and analytical processes. Therefore, it can be summarized that the improvements in question significantly affect accounting, strengthening its role in providing accurate, understandable, and relevant information.

Therefore, the ESEF as a significant innovation has a strong impact on the accounting community and the reporting processes of the public enterprises listed on the Bulgarian Stock Exchange. Therefore, it can be emphasized that accounting is facing an important change through the integration of the ESEF, which provides a combination of textual descriptions and structured data. The approach not only facilitates the understanding of financial and accounting information but also increases the transparency and trust in the statements. Financial statements become more detailed, analytical, and suitable for quick comparison, which is of utmost importance for management decisions and for the needs of investors.

Improvements in analyzability, transparency and comparability of data have significant consequences for accounting professionals and for the society as a whole. Standardizing the format and presentation of financial statements in electronic form secures more efficient exchange of information, compliance with the regulations and quick access to essential data.

2.3.3. The integration of ESG reporting in the ESEF as a competitive advantage of the enterprises of public interest

In the course of this research, we outline the role of ESG reporting as a mechanism for market differentiation and reputational advantage, which can be a key factor in building long-term relationships with customers, partners, and regulators.

In the context of increasing the public and regulatory pressure for transparency and sustainable management, ESG reporting is becoming a key element of corporate differentiation. Those enterprises that efficiently integrate ESG indicators into their financial disclosures according to the ESEF standard build a long-term reputation as socially and environmentally responsible enterprises. This not only enhances their corporate image but also provides a strategic competitive advantage through better relationships with stakeholders, including customers, investors, and regulators.

At present, it can be argued that the introduction of ESG reporting within the ESEF framework is not just a regulatory requirement, but an opportunity for enterprises to position themselves as leaders in sustainable corporate governance. Those that use ESG reporting as part of their strategic identity achieve not only better accountability and compliance, but also a significant reputational advantage. This sets them apart in the competitive environment.

CHAPTER THREE. PRACTICAL RESEARCH ON THE FUNCTIONS (RANGE OF ACTIVITIES) PERFORMED BY THE AUTHORS OF FINANCIAL STATEMENTS IN THE ENTERPRSIES OF PUBLIC INTEREST

3.1. Scope and methodology of the research

3.1.1. Aim and scope of the research

The research aims to analyze how existing accounting practices in public enterprises comply with the normative base and what the role of the authors of financial statements in this process is.

The leading thesis of the research is that integrating the functions of the author of financial statements and the investor relations director can lead to better coordination in the corporate disclosure process, which in turn would reduce the regulatory risks and increase the investor confidence.

The analysis is based on empirical research conducted through interviews with authors of financial statements in public enterprises, in order to establish the real state of the accounting practices and the challenges to their optimization.

3.1.2. Research questions

This research aims to provide a deeper understanding of the role of the authors of financial statements in public enterprises, focusing on their functional importance, the challenges they face, and the extent of their involvement in strategic financial management. With this in mind, the following sets of key research questions have been formulated:

1. What are the main functions of the authors of financial statements?

2. What challenges do the authors of financial statements face in the context of the normative base?

3. To what extent are the authors of financial statements involved in the strategic financial management of the enterprise?

3.1.3. Methodology and research tools

The research uses qualitative methods for data collection and analysis, with the main research approach being based on semi-structured interviews with key participants in the financial reporting process in public enterprises. The methodological choice is based on the need for a deep understanding of the dynamics of accounting practices and the challenges faced by the authors of financial statements in the context of the normative base and the strategic financial management.

3.2. Summary and presentation of the results

3.2.1. Main functions of the authors of financial statements

The empirical findings highlight the need for additional measures to optimize the accounting processes in the public enterprises listed on the BSE, including improving internal coordination, investing in accounting information systems, and providing more resources for professional development. In addition, regulators should continue their efforts to provide clearer and more stable regulatory requirements that facilitate the work of financial professionals.

We can draw several important conclusions. First, there is a need for closer integration of the accounting function into strategic management through a more active role of the authors of financial statements in the decision-making process. Second, public enterprises should develop more efficient mechanisms for transforming financial information into strategic guidance, which implies increased interaction between CFOs and other management levels. Third, the observed differences in the degree of use of accounting data can be overcome by introducing additional training programs and internal enterprise policies that emphasize the importance of financial information as a basis for the long-term development of the enterprise.

Based on the results so far, the following major conclusions are formulated: Transition from a reporting to a strategic role; A need for a more intensive interaction; The normative base as a driving force; Support for the unification of the functions of the authors of financial statements and the director of investor relations.

These findings emphasize the need for further development of the integrated approach to financial reporting and strategic management, which would increase the efficiency of public enterprises and their communication with the investment community.

The conclusions of the analysis support the thesis that the integration of the functions of the author of financial statements and the director of investor relations can contribute to more efficient and transparent communication with shareholders. Combining the two positions would provide deeper expertise in the presentation of financial data and the strategic goals of the enterprise, reducing any potential information asymmetries.

The most important conclusions can be formulated as follows:

1. The high interest in financial statements transparency highlights the need to improve communication between the authors of financial statements and investors, securing clarity and accessibility of the information presented.
2. Long-term stability and profitability are key criteria for the assessment of the potential of the enterprise, which emphasizes the importance of long-term financial planning and strategic management.
3. Investor demands for regulatory compliance indicate the growing need for corporate responsibility and strict adherence to financial standards, which is essential for maintaining trust in the reporting of public enterprises.

4. Corporate strategy and business plans are becoming important indicators of the stability and future of the enterprise. This shows that investors are looking for long-term guidance and clarity regarding the direction in which it is developing.

It is also important to emphasize that the majority of the respondents see an opportunity to improve the quality of financial reporting and investor communication by combining the two positions, but they also emphasize that this depends on the organization of internal communication and coordination. There are also skeptical perceptions based on concerns about the possible conflicts of interest and the difficulties in managing these two essential functions simultaneously.

3.2.2. Identified challenges and problems

The conclusions of the conducted research confirm the importance of combining competencies in different areas for the efficient performance of the combined role of the author of financial statements and the director of investor relations. Although technical knowledge and experience in finance remain fundamental, communication and strategic skills, as well as emotional intelligence, are also essential for the success of this synthesized work model. Professionals who successfully combine these skills, first, will be able to manage financial reporting and investor communication more efficiently, and second, will contribute to the better strategic orientation of the enterprise, strengthening its trust and reputation among investors.

3.2.3. Good practices and recommendations

The conclusions from the data obtained show that the challenges facing the integration of the functions of the author of financial statements and the director of investor relations are not limited to normative changes, but also to the need for organizational adaptations and investments in staff training. There are various options for addressing these challenges – from reviewing internal policies to developing new training programs. Ultimately, the success of this process depends on the level of commitment and the willingness to change on the part of the management of public enterprises.

The summarized results show that optimizing the role of the author of financial statements in the context of investor communication requires a comprehensive approach that includes both technological innovations and increased cooperation within the enterprise, as well as the professional development of specialists in this field. These aspects create a basis for sustainable improvement of investor communication and financial reporting processes in public enterprises.

3.3. Conclusions and optimization guidelines

3.3.1. Analysis of the leading conclusions of the research

In the course of the empirical research and analysis, which has been conducted through interviews with representatives of public enterprises, the main thesis related to the interaction and integration of the functions of the author of financial statements, and the director of investor relations has been confirmed by the results. The observed trends and conclusions from the data support the main thesis of the research that the synergy between these two positions would lead to significant improvements in the quality of financial reporting and communication with investors.

As a result of the research, the following highlights can be brought forward: The need to integrate the functions of the author of financial statements and the director of investor relations; Improving accountability and transparency; Improved communication and feedback opportunities; Opportunities for using digital technologies for optimization.

Despite the fact that there are solid theoretical foundations and models for the management of financial reporting and corporate communication with investors, the real practical implementation of these concepts does not always coincide with the idealized theoretical frameworks. Some of the main discrepancies between theory and practice can be explained by the differences in the organizational structures, the regulatory environment, as well as the different requirements of the practical environment, and in particular:

1. Theoretical concepts of the integration of roles versus real organizational barriers;
2. Theoretical expectations of training and competencies versus insufficient development of professional skills;
3. Theoretical models for optimization of internal processes and real regulatory constraints;
4. Theoretically assumed reduction of administrative burden versus complexity of integration.

The need for a strategic approach to the role of the author of financial statements is becoming increasingly important in the rapidly changing global economic and regulatory environment. Authors should rethink their role and face the new requirements for analyzing financial data that support strategic management and communication with investors. This also implies the development of new skills and competencies that allow better recognition of risks, opportunities and long-term trends that affect the business. Although these challenges are significant, they also provide opportunities for substantial improvement in the quality of financial reporting and strategic management in public enterprises in our country.

3.3.2. Guidelines for optimizing the accounting information system of the public enterprises

In this respect, the following recommendations may be of crucial importance for improving the accounting system and financial reporting: Integration of strategic financial management; Digitalization of accounting reporting; Increasing financial and non-financial transparency; Improving internal control and audit mechanisms; Investments in training and development of accounting staff; Active communication with regulatory authorities and investors.

3.3.3. Recommendations for professional development of the personnel

The traditional paradigms of accounting and information processing are giving way to complex strategic functions that require interdisciplinary expertise, analytical thinking, and technological adaptability. In this context, the training and professional development of the authors of financial statements needs to be transformed from a standard process of acquiring technical skills to a comprehensive concept of integrated knowledge and strategic financial competence. What has been outlined so far can be expressed in more detail in the following directions: Transformation of the professional profile: from accountant to strategic financial analyst; Integration of digital competencies and technological innovations; Emphasis on regulatory evolution and adaptation to regulatory requirements; Enhancement of management and communication competencies; Promotion of a culture of lifelong learning.

CONCLUSION

The results of the research are presented in a synthesized form. Specific highlights are outlined. Based on the conducted research, the analyzed theoretical statements and the empirical research, it can be reasonably concluded that the set goal has been achieved, and the defended thesis has been confirmed.

As a result of all of the above-mentioned, we can state that accounting is developing beyond the traditional operational framework and is establishing itself as a dynamically developing management theory and practice, shaping economic reality through its impact on investment processes, market stability and financial regulation. This research has confirmed the understanding that the modernization of accounting systems and the improvement of the interaction between reporting, the normative base and the audit mechanisms are key prerequisites for the competitiveness and long-term sustainability of the enterprises of public interest.

IV. REFERENCE OF THE SCIENTIFIC AND SCIENTIFIC AND APPLIED CONTRIBUTIONS IN THE DISSERTATION

First. As a result of the targeted research on the specialized literature and the current normative base on the topic of the dissertation, the significant role of the accounting information system (AIS) for effective governance, financial management and the provision of strategic information in the public enterprises registered on the BSE has been clarified. As a result of the in-depth analysis, approaches and principles for optimizing the AIS through the implementation of digital technologies and the standardization of processes, oriented towards increasing the transparency, accountability and competitiveness of these enterprises, have been formulated.

Second. The impact of the ESEF and ESG regulations on the accounting system of the public enterprises on the BSE has been analyzed. On this basis, the key transformations in the practice brought about by XBRL and non-financial indicators have been identified. The key challenges and strategic opportunities for increasing transparency and trust have been formulated. Specific guidelines for adapting control mechanisms and information systems have been proposed, with the aim of efficient compliance and long-term competitiveness in the capital market.

Third. Based on the results of the empirical research, the need to combine the functions of the author of financial statements and the director of investor relations in the public enterprises listed on the BSE has been confirmed. The discrepancies between theory and practice arising from the regulatory environment (ESEF, ESG) and digital transformation have been outlined. The opportunities for optimizing the accounting system and the professional development of the personnel have been substantiated and proposed, in order to increase the efficiency of financial communication and the strategic role of accounting.

V. LIST OF PUBLICATIONS OF THE DOCTORAL STUDENT

Articles:

1. **Aleksandrova, D.** Integration of ESEF into Financial Reporting of Publicly Accountable Enterprises: New Standards, Challenges, and Opportunities. e-Journal VFU, issue 20, 2023, pp. 135-145.
2. Atanasov, A., Chipriyanova, G., **Aleksandrova, D.** Challenges in the Development of the Accounting Information System of Public Enterprises Listed on the BSE. Dialog, issue 3, 2024, pp. 1-16.

Conference papers:

1. **Aleksandrova, D.** Embracing ESEF: Transforming Financial Reporting for Publicly Accountable Enterprises. In: International Scientific and Practical Conference: Challenges for Finance and Economic Accounting in Conditions of Multiple Crises – Conference Proceedings, 9-10 November 2023, Tsenov Academic Publishing House, Svishtov, pp. 394-398.
2. **Aleksandrova, D.** The Role of the Author of Financial Statements and the Investor Relations Manager – a Synergy for Sustainable Management. In: International Scientific Forum Global and National Business Transformations – Proactive Management, Financial-Accounting and Planning Solutions, 25-26 October 2024, Tsenov Academic Publishing House, Svishtov, pp. 180-185.
3. Atanasov, A., Chipriyanova, G., **Aleksandrova, D.** The role of accounting in public interest enterprises. International scientific conference 105th anniversary of the department of Accounting and analysis “Accounting, Digitalisation, Sustainability – Science and Practice”, 25-27 March 2025, Volume 1, Academic publishing house – UNWE, Sofia, pp. 261-269.

VI. RERENCE OF MEETING THE MINIMUM NATIONAL REQUREMENTS FOR OBTAINING THE EDUCATIONAL AND SCIENTIFIC DEGREE OF DOCTOR

Indicator	Points
Group of indicators A. ***Indicator 1. Dissertation for awarding the educational and scientific degree of doctor.***	
Relevant Aspects of the Accounting System of the Public Enterprises Registered on the Bulgarian Stock Exchange	50
The dissertation has been discussed, and a defense procedure has been opened.	
Group of indicators D. *Sum of indicators from 4 to 10*	
7. Articles and papers published in unreferenced journals with scientific reviewing or published in edited collective volumes	
Aleksandrova, D. Integration of ESEF into Financial Reporting of Publicly Accountable Enterprises: New Standards, Challenges, and Opportunities. e-Journal VFU, issue 20, 2023, pp. 135-145.	10
Atanasov, A., Chipriyanova, G., **Aleksandrova, D**. Challenges in the Development of the Accounting Information System of Public Enterprises Listed on the BSE. Dialog, issue 3, 2024, pp. 1-16.	3
Aleksandrova, D. Embracing ESEF: Transforming Financial Reporting for Publicly Accountable Enterprises. In: International Scientific and Practical Conference: Challenges for Finance and Economic Accounting in Conditions of Multiple Crises – Conference Proceedings, 9-10 November 2023, Tsenov Academic Publishing House, Svishtov, pp. 394-398.	10
Aleksandrova, D. The Role of the Author of Financial Statements and the Investor Relations Manager – a Synergy for Sustainable Management. In: International Scientific Forum Global and National Business Transformations – Proactive Management, Financial-Accounting and Planning Solutions, 25-26 October 2024, Tsenov Academic Publishing House, Svishtov, pp. 180-185.	10
3. Atanasov, A., Chipriyanova, G., **Aleksandrova, D**. The role of accounting in public interest enterprises. International scientific conference 105th anniversary of the department of Accounting and analysis “Accounting, Digitalisation, Sustainability – Science and Practice”, 25-27 March 2025, Volume 1, Academic publishing house – UNWE, Sofia, pp. 261-269.	3
Total points – sum of the indicators from 4 to 10	***36***
Required points – sum of indicators from 4 to 10	**30**

VII. DECLARATION OF ORIGINALITY OF THE DISSERTATION

The dissertation in a volume of 229 pages under the title: “Relevant Aspects of the Accounting System of the Public Enterprises Registered on the Bulgarian Stock Exchange” represents the author’s own scientific production. It uses original ideas, texts and visualization through graphs, diagrams, tables, and formulas, and complies with all the requirements of the Copyright and Related Rights Act by duly citing and referring to other authors’ thoughts, as well as data, including:

1. The results achieved in the dissertation and the contributions made are original and have not been borrowed from research and publications in which the author has no participation.

2. The information presented by the author in the form of copies of documents and publications, personally compiled reports, etc. corresponds to the objective truth.

3. The scientific results that have been obtained, described, and/or published by other authors are duly and comprehensively cited in the bibliography.

Date: 10 July 2025

Doctoral student: …………………

(Desislava Aleksandrova)