

NARRATIVE REPORTING FOR SUSTAINABLE DEVELOPMENT OF CIVIL SOCIETY: ENHANCING TRANSPARENCY, ACCOUNTABILITY AND PUBLIC TRUST

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Abstract

The growing demand for transparency, stakeholder accountability, and public trust has increased the importance of narrative reporting beyond its traditional role as a textual supplement to financial statements. This study aims to substantiate narrative reporting as an independent accountability concept and to develop its conceptual framework for civil society institutions. The research combines bibliometric and bibliographic analyses, a review of international reporting standards for non-profit organisations, and an assessment of accountability practices of the 20 largest charitable foundations in Ukraine. The bibliometric analysis covered 380 publications indexed in the Dimensions database (2015–2026), followed by an in-depth review of the most influential studies. The findings reveal a research gap in conceptualising narrative reporting as an independent accountability framework. The study justifies the application of the International Non-Profit Accounting Standard (IFR4NPO/INPAS, 2025) and proposes a narrative reporting structure for civil society organisations that integrates financial and non-financial information, strengthens stakeholder communication, and enhances transparency and public accountability.

Keywords: Accountability, Public Value, Civil Society, Civil Society Organisations (Csos), ESG Reporting, Narrative Reporting, Narrative Disclosure, Sustainability Reporting.

JEL Codes: M41, M48, Q56, L31.

Introduction

The current evolution of corporate and public reporting systems is marked by a significant transformation in approaches to disclosing information and organisation's activities. Traditional financial reporting no longer fully meets users' information needs regarding strategic goals, management systems, risks, social and environmental impacts, engagement with stakeholders, and the creation of long-term value. Under these circumstances, narrative reporting is becoming increasingly important, as it provides a meaningful explanation

of quantitative indicators and forms a comprehensive picture of the reporting entity's activities.

The growing role of narrative reporting is a natural consequence of the development of the concepts such as sustainability reporting, integrated reporting, and ESG reporting. According to a study by IFAC, AICPA, and CIMA, which covered 1,400 of the largest companies across 22 jurisdictions, 98% of companies had already disclosed sustainability information, 69% had obtained independent

verification of such information, and the use of separate sustainability reports is steadily declining as a result of the integration of non-financial information into annual and integrated reports (*State of Play*, 2024). While in the early stages, narrative disclosures were viewed primarily as a supplementary element of financial reporting, the current information needs of stakeholders necessitate a more comprehensive presentation of the organisation's development strategy, corporate governance system, performance, social impact, and engagement with society. Consequently, narrative information is gradually evolving from an explanatory component of reporting into one of the key mechanisms for ensuring organizational transparency and accountability, as well as a component of the modern information ecosystem.

Another factor driving the development of narrative reporting has been the adoption of digital technologies, natural language processing methods, machine learning, and artificial intelligence. Modern digital tools enable analysing large volumes of unstructured textual information, assessing the quality of information disclosure, identifying semantic patterns, and conducting comparative analyses of reports from various entities.

This issue is particularly relevant for civil society organisations (CSOs), whose activities aim at creating social value, implementing humanitarian, environmental, and social programs, protecting human rights, developing local communities, and achieving the UN Sustainable Development Goals (SDGs). Unlike business entities, the results of CSOs' activities cannot be adequately assessed solely by financial indicators. Their accountability requires comprehensive disclosure of information regarding the organisation's mission, results achieved, societal impact, efficient use of resources, engagement with stakeholders, and the creation of social value.

Under these conditions, there is a need to rethink the role of narrative reporting not only as a means of disclosing information in text form, but as an independent concept of accountability that ensures the integration of financial and non-financial information, transparency in an organisation's activities, the building of

stakeholder trust, and public verification of the results of its activities.

Despite the active development of academic research on sustainable development, integrated reporting, ESG reporting, and narrative disclosure, most of these studies view narrative reporting primarily as a textual component of financial, non-financial, or integrated reporting. The main focus is on the quality of textual disclosures, their readability, the tone of the messages, and the investors' information needs. At the same time, the theoretical foundations of narrative reporting as an independent concept of accountability – capable of integrating financial and non-financial information into a unified system of communication with stakeholders – remain underdeveloped in the academic literature.

Literature review

An important area of research focuses on analysing the characteristics of *textual information* – specifically, the quality of narrative disclosure. One of the most influential works in this field is that of Allee and DeAngelis (2015), which examines the structure of voluntary textual disclosure. The authors demonstrated that not only the content but also the variability in the tone of the text is a source of economically significant information for users of financial statements. This line of research was further developed by Asay, Libby, and Rennekamp (2018), who demonstrated that the linguistic structures of corporate communications are directly dependent on the reporting objectives and the company's financial results. The choice of communication style influences how investors perceive information. The study by Bassyouny, Abdelfattah, and Tao (2020) significantly expanded this approach by proposing to explain the tone of corporate communications through the Upper Echelons Theory. The authors demonstrated that the personal characteristics of top management influence the style of corporate narratives significantly. Aly, El-Halaby, and Hussainey (2018) demonstrated the impact of the tone of corporate communications on companies' financial results. Elshandidy and Shrivs (2016) examined the textual disclosure of risks and confirmed its high informational value for

investors. Bacha and Ajina (2019) revealed a correlation between the readability of annual reports and corporate social responsibility outcomes.

In the meantime, the results of an experimental study by Langella et al. (2023) show that providing explanations for complex financial information significantly increases the public's understanding of it and promotes more active public participation in accountability processes. The authors confirm that the clarity of information is a necessary prerequisite for effective interaction between organisations and society.

The next research area – *Narrative reporting, Audit (Sustainability Audit), and Corporate Reporting* – reflects a substantial body of research on narrative reporting and corporate governance mechanisms. He, Pittman, Rui, and Wu (2017) demonstrate that social ties between external auditors and audit committee members can influence audit quality and trust in corporate information. Al-Shaer, Salama, and Toms (2017) reached similar conclusions, demonstrating the positive impact of effective audit committees on the quality of financial reporting and the disclosure of narrative information on environmental issues. In turn, Fang et al. (2017) demonstrated a correlation between audit selection and the quality of corporate reporting by corporate groups.

Sustainable reporting and ESG have made a significant contribution to research on narrative reporting. Since approximately 2019, research has increasingly focused on the relationship between narrative reporting and the concept of sustainable development. Christ, Rao, and Burritt (2019) analyse disclosures regarding modern slavery, with bribery, corruption, and human rights issues taking centre stage, demonstrating that narrative reporting is becoming a tool for corporate social responsibility. Eng, Fikru, and Vichitsarawong (2021) compare the informativeness of sustainability disclosures and ESG ratings, arguing that textual corporate disclosures often contain more substantive information than aggregated ESG ratings. This topic was further developed in the work of Al-Shaer, Albitar, and Hussainey (2021), which identifies the factors shaping high-quality sustainability narratives. Notably, the work by Free, Jones, and Tremblay

(2025) is dedicated to the relationship between greenwashing and sustainability assurance. The authors emphasise that independent verification of narrative information about the environment is becoming a critically important mechanism for increasing trust in ESG reporting. This study has the highest FCR among the articles examined (118.83), which attests to its exceptional influence on the current academic discourse.

Researchers view *Narrative reporting as a component of Integrated reporting*. De Villiers, Venter, and Hsiao (2016) systematized the concept of integrated reporting, identified the main methodological challenges in measuring it, and outlined prospects for further research. The authors argue that high-quality corporate reporting should integrate financial and non-financial information into a single value creation framework. Further development of this concept is presented in the work of Atkins and Maroun (2018), who proposed viewing integrated reporting as a tool for corporate responsibility and accountability, and by Nicolò et al. (2022), who demonstrated the potential of integrated reporting to showcase companies' contributions to achieving SDGs.

Another area of research focuses on *digital transformation and the use of machine learning and artificial intelligence* to shape narrative reporting. Bellucci, Bianchi Cesa, and Manetti (2022) demonstrated the potential of blockchain technologies for ensuring the reliability of corporate information and advancing digital reporting. Research findings indicate that artificial intelligence – particularly natural processing and machine learning – offer tools capable of processing large volumes of unstructured text, identifying semantic patterns, and conducting comparative analyses of disclosure practices (Schimanski et al., 2024; Velte, 2025). Thanks to new IT, ESG disclosure is transforming predominantly narrative reporting to a data-driven and verifiable transparency system.

An analysis of the most influential publications results in the conclusion that the evolution of research on narrative reporting has occurred in several stages. Concurrently, a review of the literature indicates that narrative reporting continues to be viewed primarily as a tool for textual disclosure, while its role as an independent

concept of corporate accountability and an integrative communication mechanism between an organization and its stakeholders remains under-researched. This confirms the research gap identified in the article and justifies the proposed conceptual model of narrative reporting.

Objectives

The objective of this article is to examine the evolution of academic approaches to narrative reporting, to justify it as a concept of accountability, and to develop a conceptual model of narrative reporting that treats it as an independent accountability system capable of integrating financial and non-financial information and ensuring effective communication with stakeholders.

Methods

The research methodology is based on the integration of bibliometric analysis, bibliographic analysis, and conceptual modelling, providing a comprehensive framework for developing the proposed conceptual model of narrative reporting.

The literature review was conducted using the Dimensions database, which provides comprehensive bibliographic records, citation metrics, and analytical tools for scientific publications. The search was performed using the keyword “Narrative Reporting” in the Title and Abstract fields. The sample was limited to journal articles published during 2015–2026. To ensure the relevance of the dataset, publications were filtered by the research field Accounting, Auditing and Accountability (ANZSRC 3501). Considering the interdisciplinary nature of narrative reporting research, the search also covered related Fields of Research, including Commerce, Management, Tourism and Services

(35), Strategy, Management and Organisational Behaviour (3507), Banking, Finance and Investment (3502), Information and Computing Sciences (46), Commercial Services (3504), Transportation, Logistics and Supply Chain Management (3509), Tourism (3508), Economics (38), and Business Systems in Context (3503). After applying the selection criteria, the final dataset comprised 380 journal articles. The analysis relied on bibliometric indicators available in Dimensions, including Times Cited, Field Citation Ratio (FCR), and related publication metadata.

The selected publications provided the basis for analysing the evolution of narrative reporting research, identifying major theoretical approaches and determining existing research gaps. A bibliographic analysis of the 20 most influential publications was subsequently undertaken to examine their theoretical contributions. This analysis enabled the identification of the principal research streams, the synthesis of contemporary theoretical approaches to narrative reporting, and the identification of existing research gaps that provided the basis for developing the proposed conceptual framework.

Figure 1 demonstrates the evolution of narrative reporting research during 2015–2026. Between 2015 and 2020, the annual number of publications remained relatively stable (12-17 articles), reflecting the initial stage of research development. Since 2021, publication activity has increased considerably, with particularly rapid growth observed during 2024–2026. The highest publication output was recorded in 2025 (90 articles), while 83 publications had already been indexed for 2026, indicating that scholarly interest in narrative reporting continues to expand.

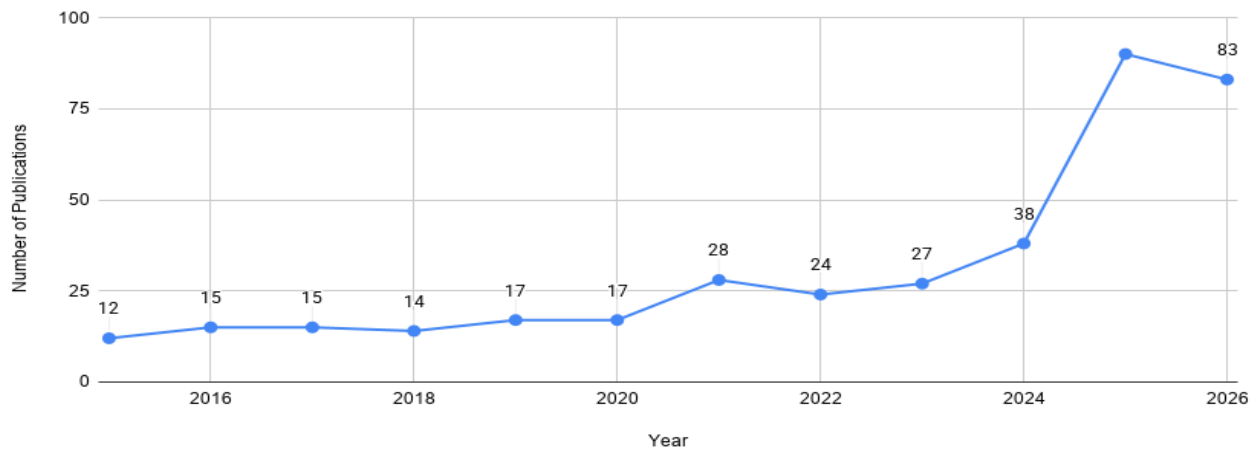


Figure 1. Evolution of Narrative Reporting Research (2015–2026)

**Source: systematized by the authors.*

To achieve the research objective, several general scientific methods were employed. Analysis, synthesis, induction, deduction, and abstraction were used to generalise existing theoretical approaches and substantiate the conceptual development of narrative reporting as an independent accountability framework. Comparison, scientific generalisation, and conceptual modelling were applied to develop the conceptual model of narrative reporting for civil society institutions. Graphical and tabular methods were used to organise, classify, and

visualise the bibliometric results, illustrate the evolution of research, and present the findings in a structured manner.

Results

These findings suggest that narrative reporting has evolved from a relatively narrow research topic associated with financial disclosure into an interdisciplinary research field encompassing corporate reporting, integrated reporting, sustainability, ESG, digital transformation, and artificial intelligence (Tabl 1).

Table 1. Thematic Classification of Studies on Narrative Reporting

Research Theme	Number of Publications
Narrative Disclosure	113
Financial Reporting / Financial Statements	114
Corporate Reporting	101
Sustainability Reporting	86
Artificial intelligence / Machine Learning / Digital Transformation	50
Integrated Reporting	35
Narrative Reporting	30
Audit / Sustainability Audit	30
ESG reporting	29
Management Commentary	28
Non-Financial Reporting / Non-Financial Disclosure / Non-Financial Information	19
Accountability	13
Other	18

**Source: systematized by the authors.*

The analysis showed that the modern concept of narrative reporting is shaped at the intersection of several interrelated research areas: integrated reporting, corporate governance, sustainable development, and ESG

communications; the quality of textual disclosure; and the digital transformation of reporting. A review of the most influential academic publications indicates that the subject matter of narrative reporting is characterized by a gradual

expansion of its scope. While early works were primarily devoted to analysing the textual disclosure of financial information and its impact on economic decision-making, contemporary research increasingly integrates narrative reporting with the concepts of integrated reporting, sustainability reporting, ESG reporting, corporate governance, digital transformation, and the application of artificial intelligence. However, despite significant developments in certain research areas, most academic works treat narrative reporting primarily as a form of textual disclosure or as a component of financial, non-financial, or integrated reporting. Researchers focus primarily on the content of management commentaries, their tone, readability, impact on investor decision-making, ensuring corporate transparency, and the disclosure of information on sustainable development.

The identified research gap served as the basis for developing a concept in which narrative reporting is proposed as an independent concept of accountability that ensures the integrated disclosure of financial and non-financial information, fosters transparency in an organisation's activities, strengthens stakeholder

trust, and creates an informational foundation for public verification of performance results.

The theoretical rationale for the concept of narrative reporting as an element of accountability lies in its ability to integrate financial and non-financial information into a unified system of communication with stakeholders. In the meantime, the current operating environment for organisations indicates a significant expansion of the information needs of financial statement users. Stakeholders increasingly require information not only about financial performance but also about the organisation's mission, governance structure, decision-making mechanism, risk management, engagement with stakeholders, achievement of strategic goals, social and environmental impact, and the creation of societal value. Much of this information is qualitative in nature and cannot be fully captured by traditional financial metrics or individual non-financial indicators.

The preparation of financial and non-financial reports by entities is directly linked to identifying the range of users and their information needs (Table 2).

Table 2. Key stakeholders' information needs in narrative reporting

Key Stakeholders	Information needs (expectations)
General Public	Fulfilment of public needs and responsible use of public resources; integrity; achievement of strategic objectives; social, environmental impact; creation of public value
Members, Management, Employees, and Volunteers	Achievement of the organisation's mission, objectives, and projects; fulfilment of public needs and members' interests; organisational performance and outcomes.
Auditors	Financial position and performance; proper use of grant funds; governance system; internal control system; decision-making processes; risk management; social and environmental impact.
International Organisations and Partners	Financial position and performance; effectiveness of grant utilisation; implementation of projects and programmes; compliance with funding requirements.
Donors and Grant Providers	Compliance with grant conditions; achievement of planned outputs and outcomes; project impact; efficient use of grant resources; performance indicators
Beneficiaries	Quality and accessibility of programmes and services; achieved outcomes; fairness of resource allocation; opportunities for communication and feedback
Government Authorities	Compliance with legislation; accountability; implementation of socially significant tasks; legality and efficiency in the use of state budget funds.
Local Government Authorities	Compliance with legislation; accountability; implementation of community-oriented tasks; legality and efficiency in the use of local budget funds.
Tax Authorities	Accuracy and timeliness of tax payments; cash transactions; use of tax exemptions; compliance with non-profit status requirements; revenues and expenditures of the non-profit organisation.

**Source: developed by the authors.*

The need to identify the audiences for information about CSOs stems from their growing role in providing public services and mobilizing public and donor resources. Unlike the business sector, which is dominated by investors and creditors, the range of SCOs' stakeholders are much broader and include government agencies, international partners, donors, beneficiaries, and the general public. It is the needs of these groups that determine the structure, content, and level of detail of the reported information (Table 2).

The study shows that modern concepts of integrated reporting, sustainability reporting, and ESG reporting have different functional focuses and are primarily oriented toward disclosing specific aspects of an organisation's activities in accordance with established International Reporting Standards and user requirements. They

do not form a universal conceptual framework for the integrated presentation of the entire system of financial and non-financial information that would provide a holistic understanding of the organisation's value creation process and the results of its activities. Narrative reporting is not synonymous with non-financial or integrated reporting. It is gradually emerging as a distinct concept for communicating with stakeholders, which can exist:

(1) as a standalone report;

(2) as a component of integrated reporting;

or

(3) as an element of financial, non-financial, ESG, or sustainability reporting.

A conceptual model of the development of narrative reporting is presented in Figure 2.

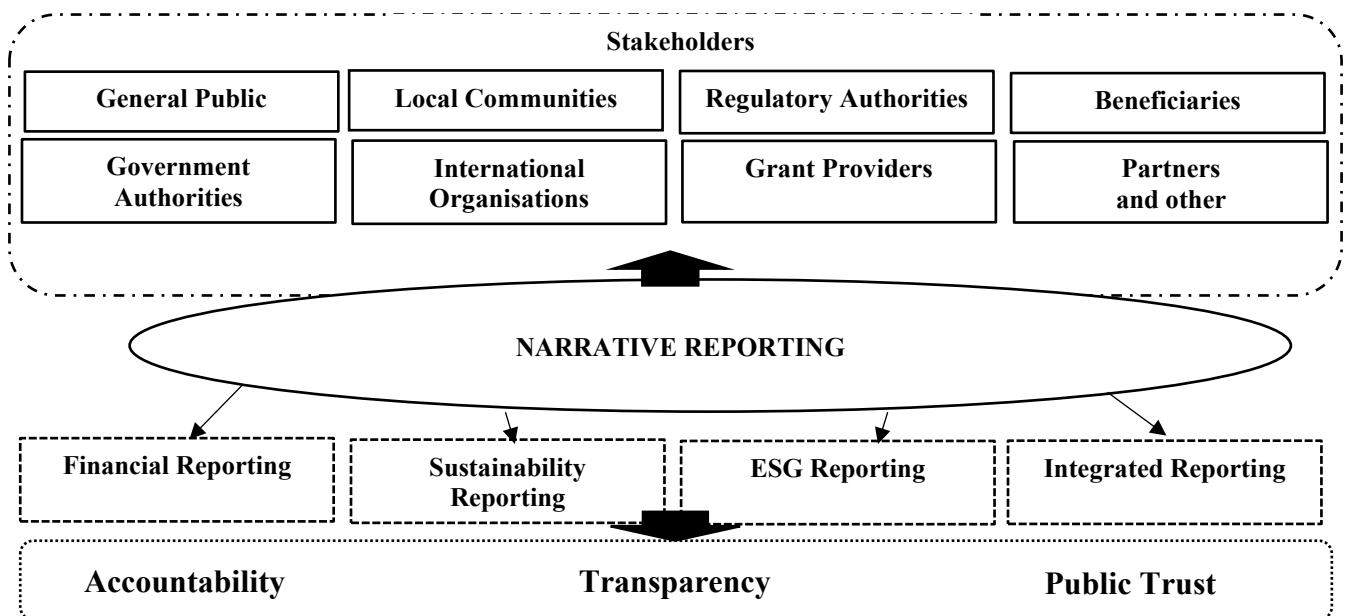


Figure 2. Conceptual Framework of Narrative Reporting

**Source: developed by the authors.*

We view narrative reporting as a tool for public verification and accountability that is consistent with contemporary concepts of Integrated Reporting and ESG, but at the same time offers a new theoretical perspective: narrative reporting does not compete with other types of reporting but acts as a cross-cutting communication layer that ensures clarity, transparency, and trust regardless of the reporting format.

Narrative reporting aims to meet the information needs of a much broader range of

stakeholders, including donors, beneficiaries, government agencies, the general public, partners, researchers, and local communities. It is precisely the multifaceted nature of these groups' information needs that necessitates the development of narrative reporting as an independent concept of accountability, rather than merely as a textual supplement to financial or non-financial reporting.

This issue is particularly relevant for CSOs, whose effectiveness is determined not by profit but by the extent to which they achieve socially

significant goals. For such organisations, the result of program implementation, social impact, the effective use of donor resources, the level of public trust, and accountability to a wide range of stakeholders are of key importance. This is precisely why there is a need for a concept that would ensure a comprehensive presentation of this information within a logically interconnected system.

Identifying the audience of financial and non-financial reports and their information needs directly determines the composition and structure of the reports. A study of the extent to which Ukraine's largest charitable foundations disclose information – in terms of transaction volume and

financial resources received for fulfilling socially significant tasks – reveals significant differences in the presentation of financial and non-financial information to a broad range of information consumers.

Some of the CSOs studied provide the public with financial and non-financial reporting data (Caritas Ukraine, International Renaissance Foundation, SuperHumans, Right to Protection Charitable Foundation). However, most charitable foundations disclose only fragmented information about funds received for charitable activities and specific transactions related to the provision and transfer of aid (Table 3).

Table 3. Disclosure Practices of the Top 20 Charitable Foundations (CSOs) in Ukraine

Charitable Foundations (CSOs)	Registration Information	Statement of Financial Position	Statement of Financial Performance	Cash Flows Statement	Statement of Changes in Equity	Notes	Sources of Funding	Procurement	Distribution of Aid	Mission, Values and Projects	Narrative Information	Independent Auditor's Report	Other Disclosures
Come Back Alive Foundation	+	-	-	-	-	-	+	+	+	+	+	-	+
International Unity Movement Charitable Foundation	+	-	-	-	-	-	+	+	-	+		-	+
100% Life	+	-	-	-	-	-	+	+	+	+	+	-	+
Serhiy Prytula Fund	+	-	-	-	-	-	+	+	+	+	+	-	+
Caritas Ukraine	+	+	+	-	-	-	+	+		+	+	-	+
AICM Ukraine	+	-	-	-	-	-	-	-	-	+	-	-	+
Alliance for Public Health	+	+	+	+	+	+	+			+	+	+	+
Razom for Ukraine	+	-	-	-	-	-	+	+	-	+	+	-	+
With Love to Ukraine Foundation	+	-	-	-	-	-	-	-	-	+	+	-	+
Right to Protection Charitable Foundation	+	+	+	-	-	+	+	+	+	+	-	+	
Superhumans Center	+	+	+	+	+	-	-	-	-	+	-	+	+
Poroshenko Foundation	+	-	-	-	-	-	-	-	-	-	-	-	-
ADRA Ukraine	+	-	-	-	-	-	-	-	-	-	+		-
International Renaissance Foundation	+	+	+	+	+	+	+	+	+	+	+	+	+
SOS Children's Villages Ukraine	+	+	-	-	-	-	-	-	-	+	-	-	+
MHP–Hromadi Foundation	+	+	+							+	+		

Volunteer and Protection Center	+	+	+	-	-	-	+	+	+	+	+		+
Save Ukraine	+	+	+	-	-	-	+	+	+	+	+	-	+
Jewish Hesed "Bnei Azriel"	+	-	-	-	-	-	-	-	-	-	-	-	-
Angels of Salvation	+	-	-	-	-	-	-	-	-	+	-	-	+

**Source: compiled by the authors based on publicly available disclosures.*

The sample of Ukrainian civil society organisations was formed based on the Forbes Ukraine ranking of the 50 largest charitable foundations (Forbes Ukraine, 2025; Association of Charities of Ukraine, 2026), supplemented by publicly available financial and narrative reports, other disclosures published on the official websites of the organisations.

Given the nature of CSOs' activities, which must meet societal expectations, and to balance the achievement of their own statutory goals with external requirements in the context of sustainable development and the theory of legitimacy, such organisations must ensure the disclosure of reliable information regarding the social, environmental, and economic dimensions of their activities.

CSOs' financial reports alone cannot satisfy users' interest in information about the activities of such specialized entities. The importance of other, often descriptive, information for CSOs is particularly relevant in terms of demonstrating the accountability of civil society organisations and the management of their resources. CSOs' financial reports lack such important aspects of their activities, which often involve disclosing non-financial matters and their operations (charitable gatherings, events, volunteer contributions, and the organisation's impact on communities and donors). Such information about CSOs can be obtained through the provision of non-financial narrative reporting. International non-profit organisations (amaBhungane Centre for Investigative Journalism NPC, 2022; European Civil Protection and Humanitarian Aid Operations, 2021-2023) have experience in preparing narrative reports.

A review of global practices in narrative reporting reveals that in some countries, narrative reports are mandated by state and local government authorities, particularly for the provision of assistance and funding of programs and projects (Department of Social Development

Institutional Capacity Building, 2020). Non-profit organisations are required to provide narrative disclosures regarding their goals and achievements, key events and meetings by area of activity, leadership and staff, including their accountability (or lack thereof); and performance results and how they align with the organisation's goals (South African Institute of Professional Accountants, 2017).

The international non-governmental organization for the protection of human rights (European Civil Protection and Humanitarian Aid Operations) includes in its narrative Report – including reports from its structural units – information on the extent to which goals and expected results have been achieved; an analysis of the reasons for falling short of or exceeding targets for activities and indicators, including detailed explanations; mobilized resources; expenses and their justification for project implementation; and challenges and difficulties encountered during project implementation, such as the reasons for any delays or negative outcomes.

Non-Profit Accounting Guidance (2022–2024), and subsequently the International Non-Profit Accounting Standard (2025), require the disclosure of non-financial information in the form of a narrative report, in addition to the information contained in financial statements. The global community's position on reporting by SCOs designated to provide public services appears well-founded; in particular, the expectations of users of information about CSOs can be met by: 1) including narrative reporting as part of general-purpose financial statements; or 2) preparing a separate non-financial report. The International Non-Profit Accounting Standard (2025) proposes an approach based on the principles of descriptive reporting, which includes a minimum set of mandatory requirements for all reporting entities. This will ensure a basic level of consistency and comparability. CSOs must

present integrated information that ensures (CIPFA, 2022):

- (1) users' understanding of the CSO's objectives;
- (2) the CSO's progress toward achieving its objectives;
- (3) explanations regarding the analysis of financial statements.

The information presented in the narrative report meets the same quality criteria as those for financial statements; that is, it must ensure:

- a) a fair presentation of information about the CSO's activities;
- b) the relevance of information that influences users' management decisions, particularly regarding materiality;
- c) the comparability of information across reporting reports;
- d) the ability to verify information;
- e) the timely provision of information;
- f) the clarity of the information to users of general-purpose financial statements.

Thus, in the process of balancing the concept and narratives of disclosing information about SCO activities to stakeholders, conceptual shifts are occurring in approaches to financial reporting. The narrative reporting format can be viewed as:

- (1) supplementary explanations to the financial statements – that is, as part of the financial statements – where the combination of financial and non-financial information in this case constitutes integrated reporting; or
- (2) a separate type of reporting, accessible and understandable to a wide range of users of general-purpose financial statements – narrative reporting.

In today's information society, narrative reporting is given higher priority than financial reporting and even integrated reporting. The appeal of narrative reporting lies in its format, accessibility, the clarity of the information presented, and the characteristics of the primary user of information about CSOs – society as a whole. IAS for NGOs allows for a flexible format for presenting information in a narrative report. Building on the above points, it is worth noting that the voluntary nature of CSO reporting on non-financial aspects of their activities and the

wide range of standards available for preparing such reports serve the interests of these organisations and their users. To a certain extent, the narrative report can be considered analogous to the Ukrainian non-financial report – the management report, the structure of which was proposed to companies as part of Ukraine's implementation of national legislation aligning with the EU Directive on the disclosure of non-financial information. Some sections of the management report correspond to the narrative report to a certain extent. The Ukrainian format of the non-financial report includes additional information on environmental and social aspects, as well as human resources policy. Key trends in the disclosure of non-financial information were taken into account when developing the Methodological Recommendations for Preparing the Management Report (Lovinska et al., 2018, p. 32). The non-financial report requires the disclosure of key indicators reflecting the reporting entity's impact on the economic, environmental, and social spheres of society, as well as other material information disclosed in accordance with the scale and complexity of its operations. To advance non-financial reporting, researchers developed, as part of the project on Methodological Guidelines for Preparing the Management Report, key performance indicators for enterprises in the economic, environmental, and social spheres, as well as in the area of corporate governance (Lovinska et al., 2018, p. 32). However, these indicators were not included in the guidelines, apparently to avoid imposing restrictions on entities through strict rules and requirements, as well as to simplify the preparation of the "management report."

A key aspect of preparing management reporting is the entity's autonomy in deciding which non-financial information is material and important to users. This underscores the relevance of SCOs that perform public functions, disclosing non-financial information. Based on an analysis of global and domestic reporting practices and research on non-financial reporting, a specific format for narrative disclosure of information by CSOs is proposed (Figure 3).

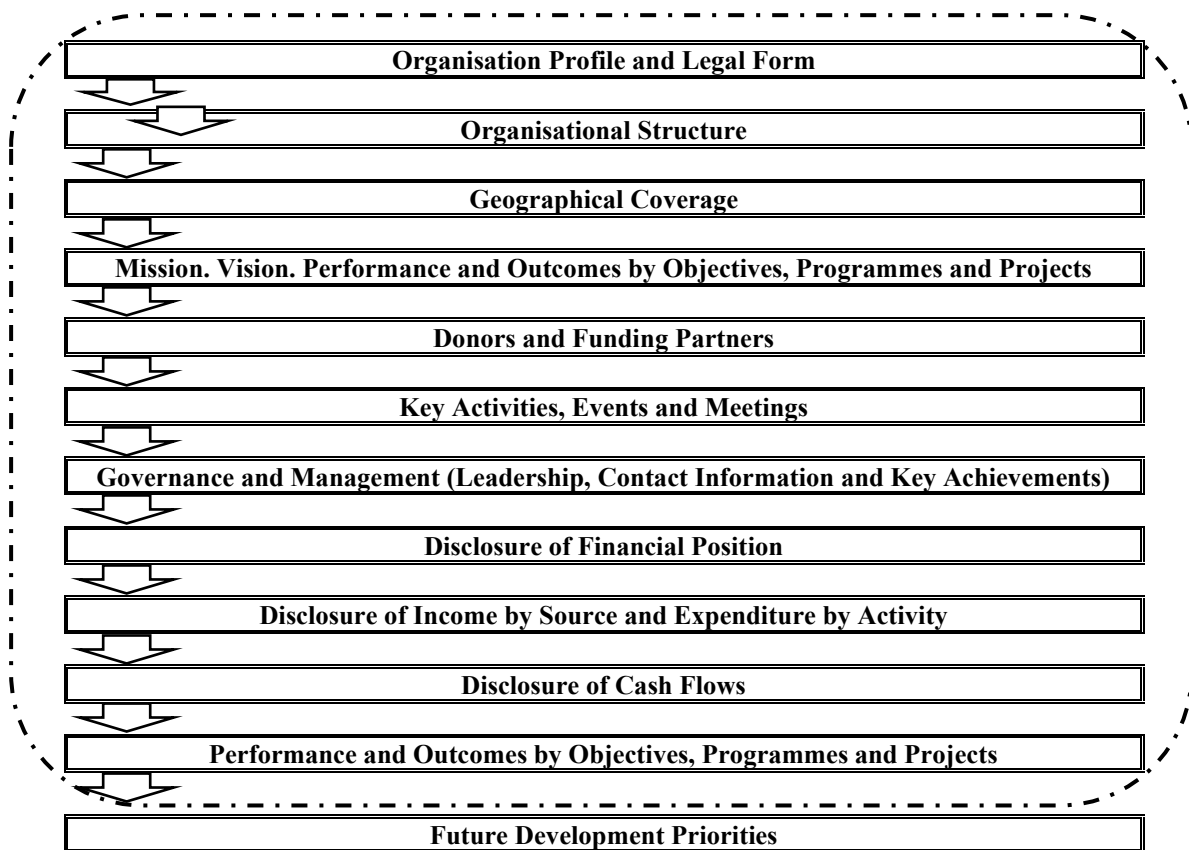


Figure 3. Structure and Content of the Narrative Report CSO

**Source: developed by the authors.*

The proposed format for narrative reporting will enable a qualitative explanation of the social outcomes of activities and the social and environmental impacts on the CSO, and will disclose the organisation's mission, its impact, and its interaction with stakeholders. The implementation of narrative reporting by CSOs shifts the focus from purely quantitative indicators to the interpretation of achieved results and the assessment of the societal value they have created.

Discussion

The results obtained are consistent with the conclusions of scholars who view narrative reporting as a component of integrated reporting. At the same time, the analysis conducted demonstrates the further evolution of this concept, as contemporary research increasingly integrates narrative reporting with ESG disclosure, sustainability reporting, digital transformation, and the application of information technology and artificial intelligence. Unlike existing studies, this article views narrative reporting not as a tool for textual disclosure but as an independent concept

of accountability capable of integrating financial and non-financial information and ensuring effective communication with stakeholders.

The proposed concept is particularly important for SCOs, whose performance is characterized primarily by the creation of social value. Unlike commercial enterprises, the effectiveness of CSOs cannot be assessed solely by financial indicators, which necessitates the integrated presentation of financial and non-financial information, underscoring the importance of narrative disclosure.

The theoretical significance of this study lies in expanding the conceptual foundations of narrative reporting by rethinking it as a distinct concept of accountability. The proposed approach builds upon existing theories and can be used to advance further research in the areas of non-financial reporting, ESG, and stakeholder accountability.

The practical significance lies in the ability to use the proposed model when developing methodologies for preparing narrative reports – particularly for CSOs – harmonizing financial and

non-financial reporting, and improving the accountability system of civil society organisations, which will help strengthen public trust in their activities.

The proposed conceptual model builds upon the existing practice of narrative disclosures by civil society organisations (Pozniakovska et al., 2025). However, the verification of narrative information remains a significant challenge. Unlike financial statements, narrative reporting contains substantial qualitative information related to social impact, stakeholder engagement, governance practices, public value creation, and the achievement of organisational objectives. Such information cannot always be verified using traditional financial audit procedures and requires the development of specialised assurance methodologies, including interdisciplinary evaluation approaches and non-financial verification techniques. Consequently, the practical implementation of the proposed model depends on further advances in assurance methodologies for narrative reporting.

Future studies should focus on developing a comprehensive assurance methodology for narrative reporting that combines audit procedures, expert evaluation, and social impact assessment methods. Such an approach would enhance the credibility, comparability, and reliability of narrative reporting and strengthen its role as an accountability mechanism for civil society institutions.

Conclusions

The analysis of the most influential publications demonstrates that the theoretical foundations of narrative reporting have primarily been developed in leading international journals specializing in accounting, auditing, and corporate reporting. The most highly cited studies address integrated reporting, narrative disclosure quality, voluntary disclosure, linguistic characteristics of corporate reports, disclosure tone, sustainability, ESG, auditing, and corporate governance. The exceptionally high Field Citation Ratio (FCR) values indicate that many of these publications have had a substantial impact within their respective research fields. Overall, the evidence suggests that the greatest contributions to narrative reporting theory originate from

studies integrating traditional financial reporting concepts with broader perspectives on integrated reporting, sustainability reporting, and ESG disclosure.

The study confirmed that the current development of narrative reporting is characterized by a gradual shift from viewing it as a textual disclosure of information to a comprehensive mechanism for ensuring accountability and communication with stakeholders.

The main result of the study was the development of a conceptual model of narrative reporting, which views it as a system for the integrated disclosure of financial and non-financial information, aimed at ensuring the transparency of an organisation's activities, effective communication with stakeholders, and public verification of performance results. Unlike existing approaches, the proposed model is tailored to the information needs of civil society, whose activities are evaluated primarily based on the social value they create.

The practical significance of the study is confirmed by an analysis of the disclosure practices of Ukraine's top 20 charitable foundations, ranked by the amount of charitable funds raised, which revealed significant variation in the structure, content, and completeness of the information disclosed. It was found that, in addition to financial reporting, most organisations use certain elements of narrative disclosure to provide the public with information about their activities and the use of public resources; however, the lack of methodological approaches makes it difficult to ensure comparability, completeness, and the assessment of social impact.

Based on the study's findings, the feasibility of applying the provisions of the International Financial Reporting Standard for Non-profit Organisations (IFR4NPO/INPAS, 2025) as a methodological foundation for the development of civil society organization accountability is substantiated. A structure for a CSO narrative report is proposed that integrates financial and non-financial information, discloses the organisation's mission, performance results, societal impact, and engagement with stakeholders, and creates an information framework to enhance transparency, accountability. And public verification of the organisations' activities.

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