

Linking Corporate Social Responsibility to Sustainability Accounting and Reporting



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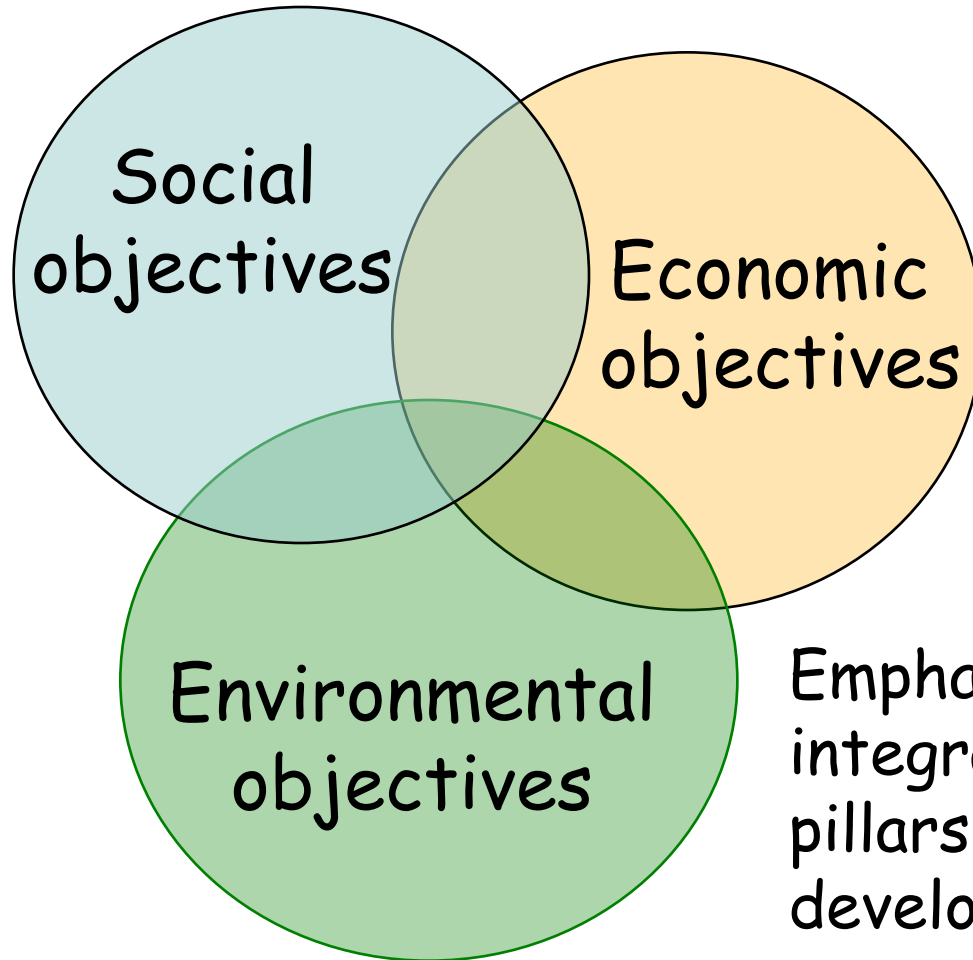


Presentation outline

1. Introduction
2. What is sustainability accounting and reporting?
3. Problems for Uganda
4. Drivers to expansion & nature
5. Constraints
6. Strategies for SAR linkage with CSR
7. Consolidated Statement of "Financial" Position



Introduction



Emphasis is on
integration of all 3
pillars of sustainable
development

Corporate Social Responsibility

Sustainability Accounting and Reporting



- Corporate self-regulation
- Late 1960s & early 1970s
- Organisation's activities have impacts
- Compliance with the spirit of the law, ethical standards, and international norms

- Triple bottom line
- Financial and non-financial information
- Late 1970s and early 1980s
- Increasing emissions
- Includes all costs
- Resource management over along time- measuring, monitoring and reporting

CSR compared with SAR

- Sustainable development (SD) & Corporations sustainability (CS)
- Sustainability accounting & reporting (SAR) as tools support CS
- AR is central to the management information systems (MIS) and is the language of doing business
- Social & environmental dimensions are rarely interpreted into natural systems accountings
- Emphasis on Accounting & reporting on the economic dimensions
- Sustainability accounting extends beyond profit and loss analysis
- Non-financial issues impact financial performance



Adverse Social & Environmental Impacts

1

2

3

4

5

6

The Problems

- Dominant non-formal sector [40% GDP; 60% to 70% of new jobs, employs about 90%]
- Lack of integration of qualitative and quantitative indicators
- Insufficient institutional capacity
- Lack of coordination and networking
- Low levels of applied knowledge and skill
- Lack of benchmark reports against good financial and non-financial reports

The problems cont'd

- Low levels of productivity
- Inadequacies in implementations, monitoring and enforcement
- Lack of culture of sorting wastes
- Failure of SE laws and regulations
- Not all actors and stakeholder groups are involved

Current Accounting Issues Facing Uganda

Social & Environment Accounting Issues

Accountability, externalities, missing markets

Social & Environmental Assessors and Auditors [n= 57]

Regulatory and compliance issues have increased dramatically

Inherent limitations to social and environmental accounting

Lack of disclosure

Non existence of external validation of social & environmental reports

Lack of tailor made best practice

Gaps & Recommendations

Gaps	Recommendations
Public cynicism and apathy - interest & concern	Regulation, Enforcement, Investment (R-E-I)
Limited professional capacity, integration of social & environment; auditing	Training in financial and management accounting, auditing; mandatory independent verification
Lack of interdisciplinary research	Conduct interdisciplinary research, include informal & formal sectors
Emphasis of financial accounting and auditing; non-preparation of stand-alone sustainability report	Redesign accounting curricular and practice
Not all actors and stakeholders are involved	Positive involvement

Consolidated Statement of "Financial" Position

Assets

Non-Current Assets	Improves drive, strengthens corporate sustainability; leads to green marketing products - increases profits; builds trust; adds value to ICPA -U FiRe requirements, Ugandan companies position in global markets strengthened	Long term
Current assets	Disclosure of impacts and responses; available portraits/cases for teaching accounting; helps in redesigning applied accounting courses	Short term

Equity and Liabilities

Capital & Reserves	Strong social and environmental sustainability agenda; partnership; corporate sustainability; sustainable growth and development of society and economy	Long term
Non-Current & Current liabilities	Improved knowledge levels lead stakeholders understand impacts, thus increased CSR costs - penalties and fines; operational costs; reduced bottom line	Long & short term

Impossible no; Complex yes



Sustainability
Accounting and
Reporting -
Sustainability
Reporting Award

Corporate
Social
Responsibility

ICPA Annual Financial
Reporting Awards aiming at
implementation of financial
reporting standards

Responsibility for its actions
- accountable



Thank you for listening

