**Discuss the issues raised in the above excerpts. Include your views on the role that the accounting profession can play in the demonstration of *Corporate Social Responsibility* and *Sustainable Development.* Also, identify any problems that the profession may encounter in this process.**

Accountants might not be the last hope for the world’s ecosystems but they contribute significantly towards their conservation. This is mainly achieved through sustainability reporting, which enables organizations to monitor the impact of their economic activities on the environment. A notable step towards sustainability reporting is the adoption of the Global Reporting Initiative (GRI), which provides a comprehensive sustainability reporting framework that facilitates greater organizational transparency. The framework, which includes Sustainability Reporting Guidelines prescribes the Standard Disclosures and Principles that organizations can use to report their economic, social, and environmental performance and impacts (GRI,  2015). Because they are required to produce a sustainability report at the end of each financial year, organizations are prompted to engage in sustainable supply chain management, which entails the pursuit of sustainability objectives through the purchasing and supply process, incorporating social, economic and environmental elements.

Sustainability reporting is a broad term synonymous with other terms such as corporate responsibility reporting and triple bottom line that generally refer to reporting on social, economic and environmental impacts of an organization (GRI, 2011). This practice has been in existence for at least two decades now, only it has not received adequate attention from several stakeholders who cannot fathom that accountants are also capable of engaging in environmental conservation. The truth of the matter is that many accountants are currently making deliberate efforts to ensure that they provide a balanced and reasonable representation of the sustainability performance of their organizations. The individual contribution of the accounting body towards environmental conservation is invaluable because accountants are in a unique position to curb environmental pollution at its roots. It is worth noting that large multinational corporations in the mining industry are perhaps the major contributors of environmental pollution owing to the scale of their operations. If accountants can significantly reduce the rate at which these corporations are polluting the environment, then there is a very high likelihood that they are indeed the last hope for the world’s ecosystems.

Basing on the GRI reporting framework, sustainability reports help organizations to disclose results and outcomes that took place within a given reporting period in relation to the organization’s strategy, commitments and management approach (GRI, 2013). These reports serve a myriad of purposes including, benchmarking and assessing the sustainability performance of the organization, demonstrating how the organization affects and is affected by expectations about sustainable development and facilitating a comparison of the performance of different sections within an organization and the organization as a whole in relation to other organizations. In essence, the GRI Guidelines offer Standard Disclosures, Reporting Principles and an Implementation Manual to assist organizations in preparing sustainability reports irrespective of their size, sector or geographical location. The guidelines also provide an international reference for organizations that intend to disclose their governance approach and the social, economic and environmental impacts of their operations. In a nut shell, full disclosure of a company’s operations helps to enhance transparency and promote ethical corporate cultures.

According to Transparency International (2010), accounting plays a critical role in reducing the overexploitation of natural resources by unscrupulous business practitioners and corrupt government officials who only seek to amass individual wealth at the expense of societal welfare. Accounting particularly helps in ensuring that all government revenues arising from the extraction of natural resources are disclosed hence discouraging the abuse of power and illegal exploitation of  natural resources. Moreover, the accounting practice is governed by the International Accounting Standards Board (IASB), which sets accounting standards for at least 110 countries across the globe. As such, this body has the capacity to reduce environmental pollution on a global scale and promote socially responsible management of natural resource wealth.

On the other end of the spectrum, some critics believe that accounting professionals still have a long way to go before they can claim to have made any significant contributions towards environmental conservation.  Watts (2010) discussion revolves around the various efforts that have been made by the United Nations and other stakeholders in order to attach an economic value to nature, which is referred to as eco-accounting. For this reason, critics have argued that the article mainly deals with environmental economics as opposed to accounting. The Centre for Social and Environmental Accounting Research (CSEAR) (2010) argued that the mere attachment of an economic value to nature does not hold any water because there is a lot more to accounting than finance, economics, or numbers. To the contrary commodification of nature could result in undesirable consequences. If anything, attaching a value to nature is only effective as far as publicity is concerned. CSEAR further postulated that accountants might be in a position to transform people’s understanding of nature but they will require to apply more efforts toward environmental conservation for them to achieve any tangible results. Notwithstanding, it is evident that accountants as strategically positioned to reduce the rate of pollution by most organization where their services are required and as such, they will ultimately play a pivotal role toward environmental conservation.

Gleeson-White (2014) points out that even though economists and policy makers have been cognizant of the drawbacks of using gross domestic product as a measure of a country’s wellbeing for several decades, a few efforts have been made to come up with a better proxy for a country’s overall wellbeing. One of the most obvious drawbacks is the fact that it does not account for the overwork, traffic congestion or stress that a country’s workforce has to go through in order to generate this income.

A similar scenario is now being witnessed in the accounting field. While computing a company’s overall profitability, it is illogical not to consider all the activities that are carried out by an organization in order to generate this income. It is however rather obvious that a company that generates its revenue using a sustainable supply chain is much more beneficial to the society than a company that generates this revenue using unsavoury business practices. Nevertheless, there is a revolution in the accounting field, which is bound to change all this. Currently, only five types of capital are considered by accountants while determining the overall contribution of a firm to a country’s economy. These include manufactured, financial, human, intellectual and social capital. In addition to these capitals, various stakeholders in the accounting field are now seeking to incorporate natural capital into this equation.

Gleeson-White’s (2014) “Six Capitals, or Can Accountants Save the Planet?” is an account of these dynamics, which have been referred to as a second revolution in the field of accounting and finance since the advent of the double entry system. This revolution was sparked by the 2008 global financial crisis, which saw the collapse of financial systems in several countries across the globe. The aftermath of this crisis brought with it an increasingly high recognition of the failure of the existing measures to adequately account for all the factors that affect societal wellbeing. An enhancement of these measures will encourage companies to engage in sustainable supply chain management and use ethical business practices in order to generate revenue. The author is however pessimistic that most firms will be inclined towards accounting for those types of capital that are directly hinged to their economic performance. Sikka (2008) has a similar opinion, especially with regard to accountancy firms.

Sikka (2008) argued that enterprise culture was producing negative effects because corporations and notable accounting firms are increasingly inclined to maximize their profits by indulging in unorthodox means such as tax evasion, tax avoidance, price fixing, bribery, money laundering, corruption and other unsavoury business practices. The author however acknowledges the fact that such unscrupulous tendencies can be curtailed by laws, rules and periodic regulatory actions. This implies that the aforementioned, IASB and GRI have the capacity to curtail unethical business practices including environmental pollution. While both reporting standards have a very wide scope in terms of the number of countries , they which are prepared after rigorous consultations with several stakeholders including business representatives, labor and financial markets, the civil society, auditors and experts from different fields. Regulators and government agencies from different countries are also consulted to ensure that the guidelines are consistent with internationally recognized reporting standards. As such, it is highly unlikely that accounting firms are on a collision course with the civil society. So long as these rules and regulations are adhered to, the two parties might actually be headed towards an amicable consensus.

Despite the existence of an elaborate framework of accounting rules and regulations and ethical codes of conduct, Sikka (2008) still believes that accounting firms are more motivated by the profit maximization objective rather than corporates social responsibility. The author believes that accounting firms are not constrained by any notion of morality or ethics. Additionally, the regulatory frameworks that have been put in place to deter accounting firms from engaging in unsavoury business practices are apparently not effective because the misdemeanours of accounting professionals are more often than not exposed by whistle blowers and state-backed regulators as opposed to the accountancy bodies responsible for promulgating the rules and regulations aimed at checking against such misdemeanour. Furthermore, in spite of numerous fines and warnings most accountancy firms are still engaging in antisocial behaviour. Worse still, some firms have taken it a notch higher by factoring the income generated from “bending the rules” into their cost benefit analyses. Even after the suspension and restriction of some firms, their counterparts are still striving to maximize their revenues at whatever cost.

Other than that, Sikka (2008) views the rules themselves as an indication of rampant misconduct among a vast majority of accounting professionals rather than a few isolated cases.   This is because, accounting regulatory frameworks are as earlier pointed out, carefully researched, crafted, documented and sanctioned at the senior most levels within organizations. He concludes that this is perhaps, one of the characteristic features of capitalism exemplified by oligopolies, where individual firms control a very sizable percentage of the market making the senior officials within these organizations to believe that they are above the law, regulators and public opinion.

As long as business executives are motivated by profit maximization, there will always be incentives to engage in anti-social behavior. While a strong regulatory report is an indication of rampant corruption among accountancy firms, a relatively weak response is a sign that the regulatory frameworks have failed to curb anti-social behavior that could erode the public legitimacy of the state. Hypothetically, higher liability and stricter punishment thresholds have the capacity to curb unethical business practices. However, this is barely the case in practice because in a deregulatory environment accountancy firms will always campaign for more liability concessions and despite admitting to criminal misconduct regulators are not very keen on closing down offending firms. Either way, there are limits to the volume of transactions and policies that can be scrutinized by regulators but they will ultimately have to create an environment that will prompt accountancy firms to be more sensitive to anti-social business practices.

Even though some critics are very pessimistic about the incentives of lawyers to engage in corporate social responsibility, there are several instances where accountancy firms have proven to be socially responsible, which implies that they have the capacity to put public interests above individual self-interests. So, they might not be the last hope for the world’s ecosystems but will definitely have a significant contribution towards the conservation of ecosystems. Moreover, the existence of sound and robust rules and regulations, which are enforced by internationally recognized accounting standards and reporting guidelines will go a long way in ensuring that profit seeking organization also adhere to societal norms.

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