

DEPARTMENT OF ACCOUNTING AND FINANCE

AG 409 Sustainability Accounting: Theory and Practice

2019/20 SEMESTER

Names of lecturer: Anees Farrukh
Room number: SW317
Telephone extensions: x3888
E-mail addresses: anees.farrukh@strath.ac.uk

CLASS DESCRIPTION

Our Accounting Honours programme includes a commitment to respond to new developments arising from research and practice and to cover emerging issues, including social and environmental issues as responsible business practice. This class is dealing with the impact on accounting of the emerging topic of sustainability. Sustainable development has been accepted as the goal of society as demonstrated in the United Nations Sustainable Development Goals (SDGs) to 2030. Sustainable development will require a major restructuring of almost all of our human activities including accounting. The accountancy profession will be faced with the challenge of accounting for sustainability. Professional accounting bodies, academics and practitioners alike are reviewing the implications of sustainability for business and accountancy. This class will deal with this emerging and highly relevant topic.

CLASS AIMS

This class aims to prepare students to take an active part in the development of accounting's response to the sustainability agenda. It introduces students to the key elements of sustainable development and then explores the potential impacts on accounting from changing social and environmental pressures. Students will develop a theoretical and conceptual framework to evaluate the effectiveness of sustainable accounting. In turn, students will practice reporting on sustainability.

LEARNING OUTCOMES

The following learning outcomes will contribute to your self-analysis and reflection in your Student's Personal Development Planning (SPDP). These learning outcomes will be assessed using the methods explained in the "Assessment" section in this Outline.

Subject-specific knowledge and skills

On completing this class the student will have the ability to:

A1 be familiar with the main sustainable accounting literature

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

- A2 be aware of the history and literature of social and environmental accounting
- A3 know the different theoretical and philosophical roots of accounting for sustainability
- A4 understand the contested nature of the sustainability accounting debate
- A5 Be aware of 'new' techniques and developments related to sustainability accounting
- A6 recognise the possibility that accounting for social and environmental issues may cause more harm than good.
- A7 evaluate critically the effectiveness of different sustainable accounting models and techniques

Cognitive abilities and non-subject specific skills

During the class you will:

- B1 Develop the skill of critically evaluating sources of public 'accounts' of corporate performance
- B2 Develop the skill of critically evaluating published research papers including method and methodology.
- B3 Develop the skills required to identify the theoretical contribution of published research papers
- B4 Develop communication skills – explaining, listening, discussion, questioning, presenting and defending a position, giving feedback, writing.
- B5 Develop intellectual understandings, clarifying concepts and theories by thinking, discussion, doing, observing and constructing connections.
- B6 Develop a mature learning stance by accepting personal responsibility for progress and direction of learning, questioning authority, using feedback from mistakes
- B7 Grow as a person, clarifying your values, changing your attitude towards prior received wisdom, developing self-esteem, self-confidence.

ASSESSMENT

The modes of assessment are listed below

Assessment Element	% Weighting	Word count	Date Due
Sustainability Book Review	15	1,200	week 4
Essay	25	2,000	week 8
Individual 'shadow' Account	30	3,500	Mon 06/04
Group Report	15	1,500	Mon 06/04
Group Presentation (in class)	10		week 3,5,7
Poster (in class)	5		week 11

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

Sustainability Book Review

Students are required to submit a 1,200 word review of a book on the topic of sustainability. The submission date for the review is noon Monday, week 4.

You can choose the book you wish to review, the only condition is that it must not be an 'accounting' book and it must be related to sustainable issues. Prior to reviewing the book, the title of the book should be confirmed as acceptable by the lecturer in class in week 2.

Your review should include the following:

- Summary of the main themes/messages of the book
- Analysis of the main implications of the book to accounting
- Evaluation of the practicalities of the main ideas / conclusions of the book
- Your reaction to the book, did you like it, did you dislike it, what bits you liked.
- How (if at all) has your understanding of sustainability changed as a result of reading this book?

Essay

Students are required to submit a 2,000 word critique of the shadow accounting process. The submission date for the essay is noon Monday week 8.

Through carrying out a shadow account project students will be familiar with the practice of developing such accounts. As part of this critique, students are required to integrate their experience with insights from empirical research and theories associated with shadow accounting. The essay requires students to reflect on what they have learnt from this practice and consider arguments for and against the project as a means of accounting for sustainability.

Your critique should include the following:

- Analysis of the benefits of producing the account
- Evaluation of the practicalities of the shadow account process
- Reflect on the main lessons you have learned by producing a shadow account
- Your reaction to the project, do you like it, do you dislike it, what bits you liked.
- How (if at all) has your understanding of preparing an account changed as a result of conducting the project?

Individual 'Shadow' Account/ Group Report/ Presentation

As part of this class, you are required to complete an account of a case organisation. Case details will be provided in the class in week 1. Previous case organisations have included – H&M, Scottish Power, University of Strathclyde, Sainsbury, BP, and Royal Bank of Scotland. Examples of previous projects will be shown in class to have a better understanding on what the project is about.

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

Each student shall submit an Individual 'Shadow' Account (30%) on an agreed aspect of the social, economic and environmental impact of the case organisation and contribute to a themed Group Report (15%) on accounting for sustainability for the case organization. Groups will be decided in the first class. All students will be working on a specific aspect of the case and contributing towards their group's theme. The submission date for these two pieces of coursework is the noon Monday 06/04/2020. During the course of the class, series groups will be required to present their progress to date to the class, including their objectives, methods of research, issues encountered and overcome.

You will be expected to conduct research on your agreed aspect of the case organisation and contribute to the Group Report. This research should include drawing upon personal experiences, prior learning and classes, books, academic and professional journal articles, newspaper articles, the internet, government/ professional bodies reports, annual accounts, 'sustainability' accounts, gathering a limited set of empirical data or any other sources as appropriate.

The Individual Shadow Account should be at least 3,500 words long with no upper limit. It is expected that the actual length will depend on the specific aspect under investigation. Students are encouraged to discuss content and length with the lecturer as the project progresses. The individual shadow report should diagnose and evaluate the sustainability of the case organisation:

- Definition and scope of shadow report.
- Description of research methods and data collection.
- Evaluatory framework used
- Evidence Gathered – strategy, programmes, policies, performance measures, evidence collected, kpis.
- Evaluation of case organization.

The Group report should be around 1,500 words long. It is expected that the actual length will depend on the specific aspect under investigation. Students are encouraged to discuss content and length with the lecturer as the project progresses. The Group Report is to be written jointly by all members of the allocated group.

The content of this group report will contain for the selected theme of the case organisation:

- Vision of Sustainable Future
- Identification of Sustainable Impacts
- Stakeholder Analysis
- Sustainable Performance Framework
- Evaluation of the current sustainability
- Actions required to transform

Students will be given the opportunity throughout the class to develop their Individual Shadow Accounts/ Group Reports through preparation of progress reports, presentations and class discussions. A project workshop will be held to deal with any

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

final issues relating to the Group Report, including word length, contents, structure and layout etc.

Poster

In the same groups as for the group shadow account, you are required to produce a poster of maximum size the equivalent of a piece of flip chart paper (sheets of which are available from the lecturer). This poster should attempt to represent what you have learnt about the topic under study and can take any format. Each poster will be displayed in the class and serve as a basis for class discussion. This is your opportunity to provide an alternative medium for reporting. Marking will take into consideration innovative/creative/radical elements as well as use of text/graphics/pictures or wherever your fancy takes you. Poster marks will be allocated as per the Group Report. This poster will be presented to the class in the workshop meeting in week 11.

PENALTIES FOR LATE SUBMISSION

The Business School follows the University's policy for the late submission of assessed work:

https://www.strath.ac.uk/media/ps/cs/gmap/academicaffairs/policies/Policy_and_Procedure_for_Late_Submission_of_Coursework_Final_2018.pdf.pagespeed.ce.Kz4LhBtJRh.pdf

FEEDBACK

The standard turnaround time for all feedback and marking within SBS is 15 working days from assessment submission.

The University policy on Assessment and Feedback is available here:

http://www.strath.ac.uk/media/ps/cs/gmap/academicaffairs/policies/assessment_and_feedback_policy_-_Effective_Sep_14.pdf

COMPENSATION SCHEME

The Faculty Compensation scheme is as follows:

- Where a student has a weighted average of at least 45% (pass) across all classes, and class(es) for which the mark is 30-39% (fail), the failed class(es) will be deemed to have been passed by compensation.
- Where a first year class is passed by compensation, the student will not be permitted to proceed with that subject in second year, unless mitigating circumstances acceptable to the Board are met, and are submitted in advance of the meeting of the Board.

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

- Where a first, second or third year class is passed by compensation, the student will not normally be permitted to proceed to Honours in that subject, this is at the discretion of the department. The student does have the right to reject this pass and resit the class.

RESIT POLICY

As this is an honours level class, there are no opportunities for re-assessment.

NQ POLICY

It is important that you attend all workshops and submit all pieces of assessment that are required for each class you are taking. If you fail to attend a number of tutorials, or if you fail to submit work, the co-ordinator for the class(es) concerned can ask the Business School to mark you as NQ (Not Qualified to Sit Exam).

Each department will be able to advise you of what they consider to be satisfactory performance, and departments will warn you if they consider you to be at risk of NQ. If you are NQd for a class you will be notified by letter before the exam diet in question. An NQ is treated as a fail: you will normally be permitted to sit the exam as a resit, but your mark for the overall class will be capped at 40%.

TEACHING AND LEARNING

This class is designed to encourage a student-centred approach to learning about accounting and sustainability. The main learning processes are student participation through reading, workshop debate, projects and case studies on topics chosen by the student. The class series will take the form a 3 hour workshop made up of a 2 hour lectures and then a 1 hour seminar each week. The 2 hour lectures will cover the emerging research literature on sustainable accounting and accountability. The material from these lectures will then form the basis for the workshops. In the workshops, the lecturer's role will normally be to initiate and maintain the discussion and involve all students in the debates.

Within workshops, a number of learning techniques will be used to help develop your understanding of the different class topics. These will normally involve collaborating in small groups on a series of short tasks and then informally sharing the outcome with other groups, reflecting on materials and discussions in addition to more formal class debates.

Each week students are expected to read and review assigned text and carry out research prior to each class as timetabled. However, this class is not about learning from text, i.e. memorising and regurgitating, but critically engaging with the ideas. It is concerned with your evaluation and process of evaluation of the theoretical and practical implications of your studies, and that may well be an outright rejection of some or all of the issues associated with accounting for sustainability. Discussions within each workshop will encourage you to develop analytical / evaluatory skills and to identify relationships between your studies and prior learning. Workshops will develop an

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

awareness of the skills of listening, explaining, questioning, responding, summarising and effective closure. Underpinning these skills is effective preparation.

As sustainability is an emerging topic, it may be an area unfamiliar to accounting students. To provide background knowledge on the area, students will have to review a book on sustainability and then conduct a review of accounting for sustainability literature drawn from three papers by a common author. One of the problems claimed in integrating sustainability principles and accounting is the difficulty in operationalising these principles in the real world. To help explore the validity of this claim students have to prepare a group and individual shadow account on a selected corporate case study. Preparation of the account will require the gathering of data, literature reviews, problem solving and integrating findings in a final report. The class achieves the above aims through students reading books, articles and academic papers on sustainability from a number of disciplinary perspectives and publicly available sources on information including the internet. Developing and critiquing their findings through student-led workshop discussions, presentations, case studies and an independent student project. The class has been developed to encourage a dialogical approach; integrating learning activities, delivery mechanisms and assessment strategies.

ACHIEVEMENT OF LEARNING OUTCOMES

The achievement of learning outcomes is necessary to successfully complete the class, both in terms of your learning development and in your class assessment. It is important, therefore, that you are confident about achieving these outcomes as the class progresses. Opportunities will be given for you to reflect upon what you have achieved during this class.

REQUIRED READING

Recommended text book

Bebbington, J., Unerman, J. and O'Dwyer, B. (2014) *Sustainable Accounting and Accountability*, Routledge, UK.

Papers

Gray, R. (2010) Is accounting for sustainability actually accounting for sustainability...and how would we know? An exploration of narratives of organisations and the planet. *Accounting, Organizations and Society*, 35(1), 47-62.

O'Dwyer, B. (2005). The construction of a social account: a case study in an overseas aid agency. *Accounting, Organisations and Society*, 30, 279 – 296.

Russell, S. and Thomson, I. (2009) Analysing the Role of Sustainable Development Indicators in accounting for and constructing a Sustainable Scotland, *Accounting Forum*, 33(3), 225-244.

Tregidga, H. (2017). “Speaking truth to power”: analysing shadow reporting as a form of shadow accounting. *Accounting, Auditing & Accountability Journal*, 30(3), 510-533.

Georgakopoulos, G. & Thomson, I. 2008. Social Reporting, Engagements, Controversies and Conflict in an Arena Context. *Accounting, Auditing and Accountability Journal*, 21, 1116-1143.

Cooper, C., Taylor, P., Smith, N. and Catchpole, L. (2005) A discussion of the political potential of Social Accounting *Critical Perspectives on Accounting*, 16(7), 951-974.

Fraser, Michael (2012) “Fleshing out” an engagement with a social accounting technology, *Accounting, Auditing & Accountability Journal*, 25(3), 508 – 534.

Dillard, J., & Vinnari, E. (2019). Critical dialogical accountability: From accounting-based accountability to accountability-based accounting. *Critical Perspectives on Accounting*, 62, 16-38.

On-line resources

See MyPlace for On-line video resources and case study links

LECTURE PROGRAMME

Wk	Lecture Topic	Workshop	Submission
1	Introduction to Sustainability Accounting.	Accounting for Sustainability: class overview and allocate groups	
2	What is Sustainability Accounting Gray, R. (2010) Is accounting for sustainability actually accounting for sustainability...and how would we know? An exploration of narratives of organisations and the planet. <i>Accounting, Organizations and Society</i> ,	Explore the sustainability impacts of organisations	Confirm Book Review Title

Alternative formats of teaching materials are available on request. Please contact Jillian D’Agostino in the departmental office of Accounting and Finance.

	35(1), 47-62.		
3	<p>Sustainability & Third Sector Organisations</p> <p>O'Dwyer, B. (2005). The construction of a social account: a case study in an overseas aid agency. <i>Accounting, Organisations and Society</i>, 30, 279 – 296.</p>	Group presentations 1: A sustainable organisation would....?	Powerpoint presentation (in class)
4	<p>Sustainable Performance Measurement</p> <p>Russell, S. and Thomson, I. (2009) Analysing the Role of Sustainable Development Indicators in accounting for and constructing a Sustainable Scotland, <i>Accounting Forum</i>, 33(3), 225- 244.</p>	Constructing a framework for measuring the sustainability impacts of an organisation	Book Review due
5	<p>Sustainability Accounting, Shadow Accounting and Power Relations</p> <p>Tregidga, H. (2017). “Speaking truth to power”: analysing shadow reporting as a form of shadow accounting. <i>Accounting, Auditing & Accountability Journal</i>, 30(3), 510-533.</p>	Group presentations 2: Case organisation stakeholders are.. ?	Powerpoint presentation
6	<p>Stakeholders and Accountability Relationships</p> <p>Georgakopoulos, G. & Thomson, I. 2008. Social Reporting, Engagements, Controversies and Conflict in an Arena Context. <i>Accounting, Auditing and Accountability Journal</i>, 21, 1116-1143.</p>	Designing sustainability accounting mechanisms	
7	<p>Politics & Social Accounting</p> <p>Cooper, C., Taylor, P., Smith, N. And Catchpole, L. (2005) A discussion of the political potential</p>	Group presentations 3: The sustainability of a case organisation is?	Powerpoint presentation

Alternative formats of teaching materials are available on request. Please contact Jillian D'Agostino in the departmental office of Accounting and Finance.

	of Social Accounting Critical Perspectives on Accounting, 16(7), 951-974.		
8	Sustainability Accounting and Engagement Fraser, Michael (2012) “Fleshing out” an engagement with a social accounting technology, Accounting, Auditing & Accountability Journal, 25(3), 508 – 534.	Transformation trajectory for a sustainable case organisation	Essay due
9	Reading Week		
10	Dialogics, Accountability and Change Dillard, J., & Vinnari, E. (2019). Critical dialogical accountability: From accounting-based accountability to accountability-based accounting. Critical Perspectives on Accounting, 62, 16-38.	Finalising the Group Report and Individual Account	
11	Review of learning points	Poster Presentation	Group Report & Individual Shadow Account due on Mon 06/04/2020 Poster competition

Alternative formats of teaching materials are available on request. Please contact Jillian D’Agostino in the departmental office of Accounting and Finance.