Contemporary Issues in Social Accounting

Audrey Paterson, Akira Yonekura, William Jackson and Darren Jubb
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Foreword

The role of the management accountant is one of enabling, shaping and telling the organisation’s value story. It is the story of how organisations create and preserve value. However, in the storytelling the questions of whose story and whose value are becoming increasingly important. There is an increasing demand for a diversity of narratives, depending on the stakeholder, societal impact, time orientation and governing principles. This book is timely as trust in global business and its leadership has been in decline, and organisations are struggling to report on new business models that have shifted value from tangible to intangible assets.

Through CIMA’s sponsorship of the annual Accounting for Society and the Environment (ASE) research network workshop at Heriot-Watt University in Edinburgh, I have had the privilege to witness its great work. The interdisciplinary aspects of the network leads to a cross-fertilization of ideas and innovative thinking. Through consistent engagement and alignment of shared interests and language, the network brings credibility to issues in social accounting. The raised profile of these issues can then foster organisational debate and contribute to better business practices. From a personal standpoint, I particularly appreciated the friendly and almost family feel to the workshops, making it a safe space in which to foster thinking and debate. Given the diverse nature of the topics and issues covered, I have learned much from the different sessions, and have applied that knowledge to my own areas of management accounting research.

In 2019, CIMA and its professional community of Management Accountants will reach its centenary year. For almost 100 years, we have been promoting and developing the science of management accountancy. This has included the development of CIMA’s code of ethics and the Global Management Accounting Principles; the purpose of which is to support CEOs, CFOs and boards of directors in benchmarking and improving their management accounting systems. It helps them to meet the needs of their organisations, effectively and efficiently, to achieve long-term economic performance, while generating positive value for society and minimising environmental impact.

At the heart of every Chartered Global Management Accountant (CGMA) designation holder is the code of ethics. These ethical obligations are built on: integrity and objectivity; professional competence and due care; confidentiality; and professional behaviour and conduct. They are a commitment to act in the public interest and maintain public confidence in management accounting through the highest professional standards. From 1919 to the present, through examples such as the Global Management Accounting Principles and the code of ethics, CIMA has continually sought to foster and maintain investigation and research into the best means and methods of developing and applying the sci-
ence of management accountancy. I believe this book continues in this tradition.

We are in a period of change that the World Economic Forum has termed, ‘the Fourth Industrial Revolution’. Technology and its possibilities are impacting on the evolution of organisations and finance. This is changing the way organisations construct and tell their value stories. It is also allowing organisations to engage with an ever-greater diversity of stakeholders, and explore the broader narrative that links business into the rest of society. Finance is struggling to respond to the emergent new conditions. However, social and environmental accounting can make a crucial new contribution to the wider understanding of business and society and the future role of finance in this new epoch. The issues in this book can help us reconsider, how, as finance professionals, we enable, shape and tell the value stories of our organisations and societies.

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November 2017.
Acknowledgements are always a tricky business. They can be sparing or effusive, but if they try to mention individuals then invariably they miss someone important. To avoid that we will just say that many people have been involved in the design, authoring, review and editing of this text and we would like to thank them all. They have done stalwart work in the face of our decision to adopt extremely tight deadlines and everyone came through when they really needed to. We are sure there must have been some personal cost at times. Certainly, there have been stresses and strains, but no one complained, and everyone delivered. We would also like to thank our colleagues Tim and Sally at Goodfellow Publishing who have always been supportive of our ideas and have been understanding when deadlines were pressing. Of course, everyone involved has family and friends who have shared the sacrifice and we would like to thank them for their forbearance.

Finally, we would like to acknowledge the importance of the Accounting for Society and the Environment (ASE) network. Through its regular workshops, which for the last few years have been most valuably supported by CIMA, we have been able to develop the community of interested individuals that have allowed us to create this text. It is ultimately a community effort and without the ongoing research we would not be here today and the outlook for the future would be much less promising.

Audrey, Akira, William and Darren
Zayyad Abdul-Baki is a PhD candidate at Heriot-Watt University. Prior to this, he worked as a lecturer at the University of Ilorin, Nigeria. Zayyad is an associate member of the Institute of Chartered Accountants of Nigeria (ICAN) and Chartered Institute of Public Finance and Accountancy, UK. Zayyad currently tutors on financial reporting and auditing at Heriot-Watt University and his research interests are financial reporting, accounting regulation and accountability.

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Alexander Anggono is a Senior Lecturer at Trunojoyo University, Indonesia. Prior to this, Alex had worked for 10 years in a public accounting firm. Alex currently lectures on both management accounting and public sector accounting courses. His primary research area is on behavioural accounting, with a specific emphasis on the public sector.

Yasser Barghathi is an Assistant Professor in Accounting at the Dubai Campus of Heriot-Watt University. During the previous academic year, he has taught auditing and assurance, international accounting and research methods. His research interest revolves around financial reporting quality and audit quality. He is also a professional accountant with over 15 years of experience in the areas of corporate accounting, financial reporting, and auditing. He is also a member of the Libyan Accountants and Auditors Association and CPA Australia.

Eleni Chatzivgeri is a Senior Lecturer in Accounting at Westminster Business School, London. She holds a BSc in Economics, an MSc in International Accounting and Finance and a PhD in Accounting and Finance. Prior to this she worked as a teaching assistant at Heriot-Watt University. Eleni’s research interests include: issues arising from the adoption and application of International Financial Reporting Standards (IFRS), corporate finance, developing theories of compliance, exploring the success of NGOs lobbying for accounting change.

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**William (Bill) Jackson** is Head of Accounting at Heriot-Watt University and holds a PhD from the University of Edinburgh. Bill’s research interests are primarily in the history of accounting, particularly where accounting interfaces with medical practice. Other interests are in the more contemporary interface between accounting and medical practice, the history of accounting and popular culture, management accounting practices in non-Anglo-Saxon contexts and the gendering of the accountancy profession.

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Audrey S Paterson is an Associate Professor in Accounting at Heriot-Watt University and holds a Bcom (Hons), MSc in Social Science Research and a PhD from the University of Edinburgh. Audrey is currently involved in several research networks including the Institute of Public Sector Accounting Research (IPSAR) and is the founder of the Accounting for Society and the Environment (ASE) research network which meets annually. Audrey is also responsible for the management of the PhD programme within the Department of Accounting, Economics & Finance.

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Stephen Rae is a postdoctoral researcher, and was awarded a PhD from Heriot-Watt University in 2016. His primary research interests lie in how and why companies release information. He received an MA in Accounting and Finance in 2010 and an MRes in the same in 2011, both also from Heriot Watt. He has a further research interest in quantitative methodologies and their uses following an earlier degree in Statistics, awarded in 2007.

Konstantinos Ritos is part of the Accounting Postgraduate Research team at Heriot-Watt University and parallel to researching, acts as a Student Representative for Accounting Postgraduate Researchers there. His previous studies include an MSc in International Accounting and Finance at Heriot-Watt University in 2016, where he graduated with a distinction, and a degree in Accounting and Finance from A.T.E.I. of Thessaloniki. Konstantinos has also previously worked in the accounting office of the Water and Sewer Supply of Thessaloniki public company for six months.

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