

# Corporate Social Responsibility report 2009/10



## Foreword

---

by Brendan Murtagh, ACCA President



**Brendan Murtagh**  
ACCA President 2009/2010

Many readers of this report will be aware that ACCA has been actively involved in shaping the debate on sustainability and corporate social responsibility (CSR) since 1990 when we published our first research report on the issue. Our efforts have not gone unnoticed as ACCA became the first professional body to be awarded the prestigious Queen's Award for Sustainable Development in 2002.

Despite our track record we still get asked why professional accountants should be interested, and what role they should play, in solving arguably the greatest challenge ever faced by humankind: tackling dangerous climate change and building a solid, business-friendly path to a sustainable, low carbon world.

Our response is twofold. Firstly 'what gets measured; gets done'. ACCA believes that our members' accounting and financial reporting skills have a key role to play in the transition to and management of the low carbon economy. By providing additional green accounting skills e.g. by producing robust company carbon accounts and helping to shape efficient carbon markets, professional accountants will have a pivotal position measuring and managing carbon emissions. In addition, ACCA promotes sustainability among private and public sector organisations through our ongoing research activities, technical publications and award schemes, which encourage transparency and best practice, and aim to help realise the growing importance of sustainability.

Secondly, this progression of our commitment to practise what we preach within our sphere of influence. By measuring our environmental, social and economic impacts in the UK, we aim to create a roadmap which allows us increasingly to minimise our detrimental impacts while also boosting beneficial practices within ACCA. By using the well-established Global Reporting Initiative (GRI) framework methodology for sustainability reporting, we aim to benchmark our CSR performance and use it as a robust baseline for improvement and, with time, embrace all our offices around the world.

Looking ahead, ACCA remains highly committed to shaping the debate around our profession's contribution to workable solutions to our shared sustainability challenges. ACCA's vision of its own future lies in a complete online service for learning, examinations and professional development, but we recognise that the need for personal interaction and relationship building remains critical.

This report is a positive first step towards a more sustainable ACCA and we are very proud of the result. I hope you enjoy reading it and if you haven't already felt motivated to embark on your own sustainability journey, then I hope this report may provide the impetus for your own exploration.

## What sustainability means for ACCA

---

from the ACCA Executive Team

ACCA's goal is to be a sustainable organisation, but – despite all our work in the area – it is still sometimes hard to articulate a clear view of what sustainability really means to us.

With over 140,000 members and 403,000 students, ACCA seeks to use its strong market position to highlight the urgency of acting on the sustainability challenges we face as an organisation and valued member of society. Arguably our biggest contribution to a long-term improvement in organisational sustainability and responsibility will come not through reductions in our own direct impacts (though that is obviously one of our long-term goals), but through greater engagement with our members and students in respect of sustainability and CSR issues.

These issues are embedded in our syllabuses and feature more regularly in our continuing professional development (CPD) programmes.

We have a strong research programme linked to sustainability issues and we work closely with a range of sustainability, CSR and, increasingly, carbon organisations to move the debate up the professional, political and policy ladders. Carbon accounting – in all its various forms – is one of our four key themes which make up our *Accountancy Futures* programme.

In respect of public interest issues, ACCA tries to lead by example by promoting greater transparency of, and impartiality in, the monitoring and regulatory framework which oversees the work of the practitioner. Our contributions to global economic, financial and regulatory policy making are founded upon a strong belief in the reality of the public interest and the need to advance the transparency and ethical basis of both business and corporate reporting.

**Financially and economically**, ACCA is successful – we are in the top five largest professional accountancy bodies in the world: we budget carefully and prepare medium-term financial projections to help us build and maintain our reserves at a sustainable level. There is, however, a growing but still manageable pension fund deficit. Our student numbers – and hence our membership numbers – continue to grow, promising a financially sustainable income stream into the foreseeable future, provided we do not let conversion or retention rates slip. Hence there is a strong organisational focus upon these measures. Underpinning member growth as a sustainability priority is the requirement that we meet the need for professional accountants in economies all round the world and at all stages of development.

**Economically**, the product which ACCA provides – a professional accountancy qualification – is acknowledged as providing incremental lifetime value to the holder. We believe, though quantitative evidence is perhaps limited, that qualified accounting professionals add value in their work in every sector. There are probably unresearched side benefits as well.

ACCA continues to contribute to a wide range of development and aid projects designed to strengthen the professional and economic infrastructures of developing and emerging economies. Through our various partnerships,



**Helen Brand**  
ACCA Chief Executive

we seek to create long-term in-market value, promoting the careers of professional accountants and developing the status of the profession itself.

**Socially**, ACCA is an organisation which is supportive of its employees and mindful of their needs for individual development. The response of employees to the annual engagement survey is very positive. ACCA's national offices staff are mainly locally selected and locally led. The national offices seek to be strong intellectual contributors to local economic policy and we prioritise engagement with members and employers at the national level.

**Environmentally**, ACCA seeks progressively to minimise its environmental footprint and focus on areas of material impacts including corporate travel, paper consumption and through the indirect emissions effects of our global examination process and the associated logistics.

Transforming our entire publication base onto a digital platform over time will significantly reduce paper use and its associated logistics. Likewise, e-assessment also has the potential in the medium-term to eliminate paper use and emissions, at the same time as our student body continues to expand. Increased use of video conferencing will also impact on travel related emissions – as has been proved during 2009/10 when the global economic crisis necessitated a review of how we actually carry out our business support activities.

Where could we do better? By reducing our carbon and wider environmental impact more rapidly; by increasing our focus on members' perceptions of value for money; by improving the conversion chances of students from less privileged backgrounds; by finding new ways to add to the mobility and market desirability of our members; and by exerting still greater influence on an accounting model which favours conventional earnings streams and does not prioritise proper internalised environmental and social costs.

At several points in this report we discuss where we would like to see improvements made – in our data collection systems, in the boundaries of our reporting and in the depth of our reporting. It is unrealistic to think that these process improvements will come overnight – or even by the end of the current reporting period, which we are now well into. However, we have identified the areas where further improvement is required, even if we are unable to put a precise date on completion.

The ACCA Executive Team will keep the issue of sustainability and CSR on its agenda and will seek to find ways of embedding sustainability and CSR issues not just in our research and educational programmes, but also into our core strategy and the fabric of how we manage and conduct our operations globally.

Yes, there is much more that we can and will do – watch this space.

**Helen Brand, ACCA Chief Executive  
on behalf of the ACCA Executive Team, July 2010**

Our core values are:

**Accountability:** We accept individual and corporate responsibility for our actions – working together to deliver a quality service and to promote the best interests of our stakeholders.

**Diversity:** We respect and value difference – embracing diversity in our people and in our output.

**Innovation:** We create new and unexpected possibilities – providing innovative solutions for the future.

**Integrity:** We act ethically and work in the public interest, treating people fairly and honestly – we encourage the same from others.

**Opportunity:** We provide opportunity, free from artificial barriers, to people around the world – whether students, members or employees – and we support them in their careers.

## Content

---

1. About us and our reporting	7
2. Governance, ethics and the management of sustainability and CSR	11
3. Stakeholder engagement and external partnerships	13
4. Leadership areas: building and maintaining reputation and influence	17
• Sustainability, CSR, the exam curriculum and continuing professional development	17
• Regulation discipline and global monitoring	18
• International development and consultancy	19
• The ACCA international research programme	20
• The Carbon Jigsaw project	21
• The ACCA Accountancy Futures programme	22
• The sustainability reporting awards schemes and related CSR activities	23
• International round-up of CSR activities	24
5. Environmental performance – our ecological footprint	25
6. Social performance – our people	29
7. Economic performance and associated risks	33
8. Next steps for ACCA CSR reporting	38
Contact us	39
Appendices	
Appendix 1: Environmental performance data	41
Appendix 2: Workforce data	44
Appendix 3: GRI content index	45



# 1. About us and our reporting

## ABOUT ACCA

The Association of Chartered Certified Accountants (ACCA) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 140,000 members and 403,000 students throughout their careers, providing services through a network of 83 offices and active centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities. Our focus is on professional values, ethics, and governance, and we deliver value-added services through 57 global accountancy partnerships, working closely with multinational and small entities to promote global standards and support.

ACCA is a professional association of accountants established by Royal Charter and headquartered in London. It operates as a single entity on a global basis. Governance (see p11 below) is based around a Council of 36 members directly elected by the global membership. The other significant entities controlled by ACCA are the Certified Accountants Educational Trust (see p35) and the Chartered Certified Accountants Benevolent Fund (see p36). ACCA is a not-for-profit entity, although Council generally budgets for an operating surplus to enable investment in future capacity.

We use our expertise and experience to work with governments, donor agencies and professional bodies such as the International Federation of Accountants (IFAC) to develop the global accountancy profession and to advance the public interest.

Our reputation is grounded in over 100 years of providing world-class accounting and finance qualifications. We champion opportunity, innovation, diversity, integrity and accountability. By promoting our global standards, and supporting our members wherever they work, we aim to meet the current and future needs of international business.

ACCA's goal is to be the leading global professional accountancy body in influence, reputation and size. Our corporate Mission Statement urges us:

- to provide opportunity and access to people of ability around the world and to support our members throughout their careers in accounting, business and finance
- to achieve and promote the highest professional, ethical and governance standards
- to advance the public interest, and to be a global leader in the profession.

One important aspect of professional body activity is that they should increasingly act like good corporate citizens. That is, in

order to inspire public confidence that they are acting in the public interest, they should conduct their affairs in ways that are in keeping with the prevailing public expectation. This may include ensuring that:

- governance arrangements conform with – or go beyond – established commercial best practice
- disciplinary arrangements conform with prevailing human rights legislation
- employment practices conform to best HR recommendations including pro-active stances on inequality, discrimination, disability and training
- all employees conduct their duties in conformance with a clearly understood ethical code of practice
- professional activities are undertaken with due regard to social and environmental standards and public expectations.

Set out on the next page are some key statistics relating to ACCA's membership, our finances, our workforce and our environmental performance in 2009/10.

## Sustainability, corporate social responsibility and ACCA

Although the accounting sector itself might be considered relatively low-impact in terms of direct environmental and social impacts, it is the accountant's involvement in the twin issues of organisational decision-making and external reporting that imposes on the accountancy profession the responsibility for understanding, absorbing and articulating the implications of the sustainable development debate.

Accountants have a significant role to play in the fight against climate change, from the preparation of information on companies' carbon emissions and auditing of these disclosures, to quantifying and promoting the financial consequences of climate change. Given our leadership role in the profession, Council believes that it is appropriate that ACCA has sought to raise the professional consciousness in respect of sustainable development issues.

## ACCA policy on sustainability and CSR

ACCA believes that few organisations are capable of achieving true sustainability in the short or medium term. To be fully sustainable, many will have to reconsider their entire range of operations, products and services. Most organisations, however, have both the desire and the capability to be, and be seen to be, socially responsible. ACCA encourages all organisations to set a strategy so that their CSR agenda contributes to the sustainable development debate.

ACCA also believes that to greater or lesser extents, sustainability and CSR both require active partnerships. Business, government and civil society are all encouraged in our 2008 publication *Going Concern? A Sustainability Agenda for Action* to take an in-depth look at those challenges that lie within their own sphere of control.

ACCA CSR REPORT 2009–10: PERFORMANCE SUMMARY

	31/12/2008	31/3/2010
<b>MEMBER GROWTH</b> ACCA has seen extensive member growth, from 12,500 in 1970 to 140,225 in 2010.	<b>131,398</b>	<b>140,225</b>
<b>STUDENT GROWTH</b> 79% of the total ACCA student body is based outside the UK.	<b>365,049</b>	<b>402,866</b>
<b>GLOBAL QUALIFICATION</b> 56% of ACCA members are based outside the UK (2008: 55%) 39% of Council comes from outside Europe.		
<b>GENDER</b> 43% of ACCA's members and 49% of our students are women (2008: 42% members and 50% students respectively)		
<b>AGE</b> The average age of ACCA members is 42 (2008: 41).		
<b>SECTOR</b> 77,000 (55%) of ACCA members work in the business sector - corporate sector and financial services (2008: 72,978 or 55.5%).		
<b>FINANCIAL STEWARDSHIP</b>	<b>£'000</b>	<b>£'000</b>
Operating income	104,084	132,679
Surplus/(deficit) before tax	4,797	(1,797)
Total funds and reserves	<b>28,123</b>	<b>30,498</b>
<b>EMPLOYEES</b>		
<ul style="list-style-type: none"> <li>ACCA's total workforce globally as of 31 March 2010 was 951. This is equal to 572 customers per employee (where customer is defined as students and members). For 2008 the ratio was 596 customers per employee.</li> <li>69.1% of our employees are UK-based (2008 69.0%)</li> <li>Women comprise 63% of our global workforce, 45% of the Executive Team and 33% of Council members, but only 29% of female employees overall are classed as managers.</li> <li>The overall measure of staff satisfaction has risen to 74% (2008 67.5%)</li> </ul>		
<b>ENVIRONMENTAL IMPACT</b> Carbon footprint: gas, fuels, electricity and travel (but excluding paper and waste). Total 'internal' CO <sub>2</sub> footprint (Kg CO <sub>2</sub> e)	<b>3,432,686</b>	<b>2,429,271</b>

We have recently moved our accounting reference date from 31/12 to 31/3 and our latest reporting period is the 15 months to 31/3/10. As a result, 2008 environmental performance numbers have been grossed up by 25% to provide an approximate prior period comparison. Future reporting cycles will be annual (April – March) to coincide with our financial reporting cycle. Further information on our environmental, social (workforce) and economic data are contained in sections 5, 6 and 7 of this report and in Appendix 1 and Appendix 2.

The deficit reported for 2009/10 is a timing issue arising from the accounting reference date change.



ACCA recognises that businesses operate in a commercial environment. In this sense, regulation around sustainability must be fair, proportionate and deliver a level playing field. In particular, attention should be paid to designing sustainability-focused regulation that creates opportunities rather than additional burden. This is especially important for the large SME community.

## ACCA CSR POLICIES AND LEADERSHIP COMMITMENTS

### Public interest and stakeholder-driven policies

ACCA is committed to acting responsibly and in the public interest and in driving the professional, business and political debates on issues pertaining to sustainability and CSR.

ACCA will:

- seek to lead the professional debate on CSR and sustainability, in particular, the roles accountants should play in response to these new challenges
- ensure that CSR and sustainability issues are incorporated into its lifelong education, training and continuing professional development (CPD) processes
- develop guidance material for its members on how to address CSR and sustainability issues
- seek to underline the importance of, and enhance the consideration of, CSR and sustainability issues in the boardroom
- support funded research and drive insights in the areas of carbon accounting, social accounting and accounting for ecosystem services
- support IFAC and its contributions to global policy initiatives, as well as the accountancy profession at a regional level through its work with bodies such as FEE.

### Operational CSR/environmental policies

ACCA is committed to understanding and minimising the environmental impact of its global operations. ACCA will:

- seek to develop a clear image of what it would take to make ACCA itself an environmentally sustainable organisation
- encourage awareness and positive commitment to lessen our environmental impact amongst our staff and suppliers
- minimise consumption of natural resources by setting ambitious targets for future improvement
- be creative in the use of new technologies which have the potential to reduce our environmental footprint
- develop and implement ways to measure and report on its own carbon footprint
- develop a view on whether or not ACCA should aspire to carbon neutrality in its operations or seek to identify an acceptable offset position

- be transparent as to its sustainability impacts through a regular sustainability reporting and external assurance process
- integrate environmental considerations and objectives (including the cost of carbon) into its strategic planning and procurement decisions.

### People policies

ACCA recognises that its employees are fundamental to its success. A strategic and professional approach to recruitment enables ACCA to attract and appoint people with the necessary skills and attributes to fulfil its strategic aims, and support its values. ACCA will:

- provide regular and relevant opportunities for the development of individuals, both within the boundaries of their post and in terms of wider personal progress
- seek to establish a flexible working environment enabling as many people as possible to benefit from improved work/life balance
- operate a transparent performance reward system, with a clear link established between personal objectives, assessment of outcomes and eventual reward patterns
- conduct regular satisfaction and engagement surveys and seek continuous improvement against the key measures.

## ACCA'S APPROACH TO REPORTING

ACCA seeks to be a leader in professional body annual reporting. We introduced the principle of reporting against International Financial Reporting Standards before it became mandatory for large UK corporations. Although not mandatory for organisations such as ACCA we have also followed the guidance of the UK Accounting Standards Board in producing an annual Operating and Financial Review statement. In addition, ACCA has been reporting on limited aspects of its environmental performance for some years (through the Annual Report and Accounts or the Annual Review).

Because we are at such an early stage with implementing data collection systems in respect of key sustainability impacts we have decided to title this report *The ACCA Corporate Social Responsibility Report 2009/10*. In later years it may become possible for us to use the term 'sustainability' in the report title.

Until now, however, our primary focus (in terms of resources deployed) has been on developing the intellectual capital aspects of our professional body role. As can be seen below, we intend to expand the scope of our reporting so that in a period of two to three years we can meet increasingly higher levels of the GRI's G3 sustainability reporting framework.

**Report scope and proposed reporting trajectory**

The 2009/10 data-set already includes data relating to 100% of the global workforce and – we estimate – in excess of 90% of the total environmental impact (incorporating paper use, travel, waste and utilities).

ACCA's proposed **CSR to sustainability reporting path** will be achieved in successive annual stages:

	2009/10	2010/11	2011/12
Narrative (and largely descriptive) information reflecting on the organisation as a whole	Global	Global	Global
Quantitative human resource and economic data also reflecting the organisation in its entirety	Global	Global	Global
Quantitative environmental performance data	UK only	Selected national offices	Global

**Assurance**

This report has not been externally assured. The absence of comprehensive data and comparatives, and the relative informality of the stakeholder engagement approach adopted in the first year, argued against this.

It is our medium-term intention to have our CSR reporting subject to review by both a representative stakeholder group and by an independent firm of assurance providers. In this initial report we have opted to have the report content “GRI Checked” which assures that the disclosures at least meet the minimum requirement of the Level C accreditation of the Global Reporting Initiative.

**The views of independent consultants**

In preparation for this report, we commissioned an independent firm of consultants (URS) to review our core activities and recommend:

- a. which key performance indicators (based on the GRI G3 indicator set) it would be appropriate for us to report on now
- b. which GRI indicators we should defer reporting on until our internal systems are better developed
- c. which GRI indicators it would be inappropriate for us to attempt reporting on because of lack of relevance or immateriality.

Appendix 3 to this report summarises the recommendations of the independent consultants.

## 2. Governance, ethics and the management of sustainability and CSR

ACCA is a not-for-profit organisation incorporated by Royal Charter. The three key organisational bodies concerned with governance are:



### COUNCIL

ACCA's Council consists of 36 members, all of whom have offered themselves for election by the global membership. Council members are elected as individuals who undertake to represent the views of the whole membership – individual members therefore do not come as representatives of specific geographical or occupational sectors. Members of Council are not employees nor should they be thought of as 'executives' – they are volunteers.

In line with the organisation's commitment to good governance, all Council members undertake, on election, to comply with and be bound by the Code of Practice for Council members. In essence, Council members commit to observing the highest standards of personal and professional behaviour, including:

- maintaining and upholding the reputation of ACCA and its members
- taking all steps to avoid conflicts of interest and duty, and
- ensuring that they do not use their service on Council to promote private interests or use ACCA's resources for personal gain.

Some ACCA Council statistics (based on a 36 member body)			
		At 31/12/08	At 31/3/10
Regional breakdown	Europe & the Americas	23	22
	Asia Pacific	9	11
	Sub-Saharan Africa	3	2
	Middle-East, North Africa and South Asia (MENASA)	1	1
Gender breakdown	Male	27	24
	Female	9	12
Average age		50	51
Average years service on Council		4	4

Access the full Code of Practice at [www.accaglobal.com/codeofpractice](http://www.accaglobal.com/codeofpractice)

Council members come from a variety of backgrounds – both geographical and professional. In order to ensure that they make an effective contribution to ACCA's governance, all Council members pass through an induction process introducing them to the structure of ACCA, the strategy development process and their role in it. In addition, Council members are subject to an annual performance appraisal exercise, when they are asked to assess their performance against the skills sets required of Council members. Importantly, appraisals also assist in the identification of training needs of Council members – both individually and as a group.

**THE INTERNATIONAL ASSEMBLY**

ACCA's International Assembly was formed in 1997. It remains a unique resource to ACCA and no other accountancy body has such a diverse representative group. Its role is to provide input into ACCA's strategy and development through the provision of advice and guidance to Council. The International Assembly was formed in recognition of ACCA's growth and its increasingly diverse and mobile membership. There are 58 members of the International Assembly, representing all regions where there are ACCA members. The majority of these seats are held by the chairmen of national members' networks. The International Assembly usually meets in November each year and the meeting is timed to enable Council and Assembly members to interact at joint business and social sessions.

Current representation on the International Assembly is as follows:

Council representatives	-	6
Europe & the Americas	-	23
Asia Pacific	-	12
Sub-Saharan Africa	-	13
Middle-East, North Africa & South Asia (MENASA)	-	4

**THE EXECUTIVE TEAM**

Council works with the Executive Team to devise ACCA strategy, which is then approved by Council. Delivery of the strategy is the responsibility of the Executive Team, with governance of the process and performance management carried out by Council. The Executive Team consists of nine members, led by the Chief Executive. Members are themselves leaders of the following functional areas of ACCA: Brand; Business Transformation; Finance & Operations; Governance; Human Resources; Learning; Markets; and Strategy.

**Participation in other organisations**

ACCA is a member body of The International Federation of Accountants (IFAC) and complies with the annual 'Statements of Member Obligations' required by IFAC. ACCA has a seat on the IFAC Board which is the senior governance body of IFAC. ACCA participates in the technical committees of many other organisations including the Federation of European Accountants, the UK's Consultative Committee of Accounting Bodies and the European Financial Reporting Advisory Group. See also the section 'ACCA Partnerships' at p16 which identifies the most significant of these bodies from a CSR/ sustainability perspective.

**The management of sustainability and CSR within ACCA**

Overall responsibility for setting sustainability and CSR policy rests with Council.

Responsibility for ensuring the implementation of sustainability and CSR initiatives rests with the Executive Team. In practice this breaks down into a number of separately identifiable activities. At the staff level CSR policy and management matters are the direct responsibility of a senior staff CSR Group consisting of two members of the Executive Team supported by representatives from the finance and brand directorates.

We are in the process of forming an internal CSR/sustainability operational management group which will involve representatives from the following directorates: finance (to lead), brand (including policy, marketing and publishing), human resources, markets, education & training and operations (facilities). This new group will be supported at the departmental level by the creation of an internal 'sustainability champions' group. The CSR/sustainability operational group will report to the senior staff CSR group.

**ACCA COUNCIL**

Approves the overall thrust of ACCA's public and operational policies in the CSR/sustainability area. Two Committees of Council – Audit Committee and Finance Committee – review the draft CSR Report before it goes to Council for final endorsement

**THE EXECUTIVE TEAM**

Incorporates CSR/sustainability policies into ACCA's overall corporate strategy and directs resources

**SENIOR STAFF CSR GROUP**

Oversees progress against policies, commitments and targets and determines shape and scope of ACCA's public reporting

**CSR/SUSTAINABILITY OPERATIONAL GROUP**

Carries through day-to-day measurement and recording responsibilities

**DEPARTMENTAL CSR/SUSTAINABILITY CHAMPIONS GROUP**

Develops departmental level initiatives – particularly in the areas of positive employee engagement, procurement practices and environmental savings

**ACCA and the public interest**

ACCA's responsibilities under its Royal Charter and under statute require it to act in the public interest. This is reflected in ACCA's mission statement which is available at [www.accaglobal.com/publicinterest/about](http://www.accaglobal.com/publicinterest/about). To underline its public interest responsibilities, ACCA's Council refers closely to best practice to ensure good governance. Council supports the framework for corporate governance as set out in the *Combined Code* prepared by the UK's Committee on Corporate Governance. A corporate governance statement is prepared annually as part of the annual report and accounts package.

In 2008, Council, with the support of the membership, established an autonomous Regulatory Board to oversee ACCA's public interest functions at arm's length from other functions. The Board has a majority of independent lay representatives.

All ACCA members are subject to a code of professional ethics which is frequently reinforced by separate ethical requirements for audit practitioners issued by national regulators (e.g. the Auditing Practices Board in the UK).

### 3. Stakeholder engagement and external partnerships

ACCA's main stakeholder groups can be categorised as follows:

Internal	Internal stakeholder engagement
Employees (including ACCA pensioners)	Some of the "social indicators" and narrative comment presented later in this report deal with the staff and the former employee group.
Council	A separate section of the report deals with Council's role in governance and its self-assessment procedures.

External	External stakeholder engagement
Members (ACCA, CAT, diploma holders, other affiliated bodies)	<p>Although many of our stakeholder relationships are already carefully managed and monitored (for example with strategic partners, major suppliers, regulators, tuition providers, employers and students), we have not yet developed a formal system of KPIs which sums up the adequacy of our performance in respect of each of these stakeholder groups. We have however</p> <ol style="list-style-type: none"> <li>1. included the results of our annual regular stakeholder survey covering four important external stakeholder groups: members, students, tuition providers and employers;</li> <li>2. sought the views of a group of expert advisers (members of our Social and Environmental Committee and members of the panel of judges for the most recent round of the ACCA Sustainability Reporting Awards);</li> <li>3. used the services of an external firm of CSR consultants to advise on the appropriateness of reporting indicators.</li> </ol> <p>Our future reporting approach will seek to specify in more detail</p> <ul style="list-style-type: none"> <li>• the engagement processes and</li> <li>• the outcome measures</li> </ul> <p>most appropriate for these groups.</p>
Students (ACCA, CAT, diploma students) and education providers	
Employers (who employ and train Chartered Certified Accountants)	
The general public (who buy services from practising members or otherwise rely on the work of ACCA members)	
Regulators / legislators / standard setters	
Suppliers and contractors and partner organisations	
The academic community	
Multi-lateral (aid) agencies	
The media	

#### The views of market employers

ACCA is well respected in areas of innovation and new thinking in accountancy. In its annual independently conducted reputation survey among senior financial professionals in ACCA's five largest markets, the organisation was seen to be the global leader by more than one in three employers in areas of sustainability, delivering accountants relevant for business and access to finance for SMEs. ACCA is also seen to be the overall global thought leader by one in three employers in these markets. ACCA continues to be seen as the driving force of the global profession with 62% of employers associating this with ACCA and 66% believing that ACCA drives the development of the profession in emerging economies. Across markets and business sectors 72% believe that the ACCA Qualification is relevant.

#### The views of customers

ACCA offers key global stakeholders (members, students, employers and tuition providers) the opportunity to provide feedback about ACCA through satisfaction surveys. Measures such as overall satisfaction, value for money and satisfaction with customer service are tracked and monitored on an annual basis. Research conducted online in 2009 illustrates that ACCA's core customers are confident and happy with their relationships with ACCA.

ACCA in 2009: the views of members, students, tuition providers and employers

2009 review	Members	Students & affiliates	Tuition providers	Employers
Overall satisfaction	70%	71%	66%	N/A
Value for money	64%	66%	49%	N/A
Customer service	56%	65%	57%	N/A
Relevance of products and services	56%	78%	75%	N/A
<b>Brand measures</b>				
ACCA is a great career choice for young people	73%	75%	N/A	N/A
ACCA accountants see the world differently to other accountants	41%	60%	N/A	29%
ACCA membership will significantly enhance career prospects	66%	82%	N/A	75%
ACCA projects a clear and differentiated brand	64%	75%	N/A	57%
ACCA is a world class organisation	76%	82%	N/A	78%
ACCA is a highly respected global accountancy brand	N/A	N/A	87%	65%

**High-level summary of the views of experts associated with ACCA**

The views of experts associated with ACCA were sought – these were the individuals who either serve as members of our Social and Environmental Committee or who are members of the independent judging panel for ACCA's Sustainability Reporting Awards. Responses to the question 'What should ACCA be reporting?' were received from:

**Seb Beloe**

Henderson Investors

**Professor David Collison**

University of Dundee

**Paul Burke**

Senior Partner  
Acona Ltd (independent CR consultancy)

**Oliver Greenfield**

Head of Sustainable Business & Economics  
WWF UK

**John Hill**

Independent Consultant (formerly Eastern / TXU)

**David Nussbaum**

Chief Executive  
WWF UK

**Adrian Henriques**

Independent Consultant

**Professor Rob Gray**

University of St Andrews

**David Aeron-Thomas**

Head of Metrics  
Forum for the Future

**Jayn Harding**

Principal Advisor, Responsible Investment, FTSE Group

**Mark Line**

Two Tomorrow's Group Ltd  
CSR Consultants

The views of this group are summarised below and should not be attributed to any one individual. Preliminary responses to each of these points are also included below. Where possible and appropriate we have already attempted to absorb and implement the full spirit of a recommendation into this report – and will seek to do more in subsequent years.



High-level summary of the views of experts associated with ACCA together with our preliminary responses

**ACCA should try to explain how sustainability and ACCA's corporate strategy / corporate objectives are related and how our sustainability work enables our mid and long-term objectives. Sustainability issues should be integrated into our mainstream annual report and accounts.**

Part of ACCA's purpose is to assist in the creation of 'sustainable business'. Whereas this term used to be interpreted in terms of financial longevity alone, our exams now have more focus on ethics and governance, and sustainability/ CSR issues have been integrated into the syllabus. A section on corporate responsibility is a standing feature of the ACCA annual report and accounts package.

**ACCA should consider carefully how to develop actions, plans and commitments for reducing impact / increasing influence. For carbon and other direct impact areas: give actuals, targets, measures and polices to achieve reductions.**

For 2009/10 we are providing data on a limited number of 'actual' impacts (see Section 5 below) and a wide range of data on employment matters. In 2010/11 we anticipate being able to start to be more specific about our plans for reducing our environmental impacts and increasing our stakeholder satisfaction rates.

**We should also discuss our advice to members on carbon measurement / management.**

We have a number of 'thought leadership' products which address this issue. We have published *The Carbon Jigsaw* (see Section 4) and held members events dealing with the UK Carbon Reduction Commitment.

**Operational indicators are not necessarily the most important issue to focus on – but when we report them, the justification for their selection must be the materiality / criticality of the underlying issue, not the ease of obtaining one particular GRI indicator.**

The operational indicators included in Sections 5 (environment), 6 (social) and 7 (economic) are based as closely as possible on the materiality criterion. In the environmental area, there are a number of indirect impacts that we are as yet unable to quantify.

**ACCA should seek to identify all our key stakeholders and institute formal processes to understand and detail their main concerns / information needs. We should clearly articulate our proposed or actual response.**

This section carries both the views of some of our major stakeholders and of a number reporting experts with whom ACCA has worked closely in recent years. Our objective is to develop a more systematic approach to our stakeholder engagements.

**We should take steps to explain what has happened to the UK Sustainability Reporting Awards.**

The UK Awards ran from 1991 to 2008. In 2009 the low level of entries forced us to suspend them, although the various national award schemes are still thriving. Part of the reason for the decline in entries may have been introduction of a number of other sustainability reporting awards" (e.g. GRI Readers' Choice, CorporateRegister.com, PwC, the Globe Awards, etc.) which may have created a feeling of "award overload" in the UK market.

**Higher-level issues – leadership, influence, lobbying, development impact, our policy efforts in the carbon area, etc. – may be more important than operational indicators. It may be difficult, if not impossible, to develop a suitable set of indicators for indirect impacts, but the attempt to do so will act as a clear leadership signal.**

Section 4 of this CSR report deals primarily with non-quantifiable aspects of thought leadership, the promotion of sustainability, and our public interest activities. We have tried to cover these areas in a narrative / descriptive way in this report but we will actively explore how we might improve this form of disclosure through a more informed use of process and / or performance indicators.

**Wherever possible the report should match the best practice standards that we espouse in our reporting award criteria and other pronouncements.**

We agree. We believe that this report ranks as at least a GRI level C report. As our reporting boundary grows and our ability to deal with indirect impacts and intangible leadership activities grows, we anticipate that it will embrace an increasingly wide array of best practice reporting techniques including Scope 3 estimations and fully fledged assurance.

**There is a real risk of reputation damage if we do not make a positive statement about independent external assurance.**

We acknowledge this. Because of time constraints related to the overall reporting ACCA cycle this report has not been the subject of external verification procedures. In future years we hope that all aspects of this report will be subject to a more formal assurance process.

**ACCA Partnerships**

In 2009 ACCA became a signatory to the Copenhagen Commitment. ACCA is an Organisational Stakeholder of the Global Reporting Initiative (GRI) and a member of the Accounting Bodies Network established by the Prince of Wales' Accounting for Sustainability initiative (A4S).

In the course of our work in the CSR/sustainability space, ACCA has had the opportunity to work with and partner with a variety of organisations. In addition, we have been invited to contribute to CSR and sustainability developments through membership of a range of committees. ACCA people also sit on a number of prestigious awards panels. Some examples are provided below.

Partner bodies	External committees	Awards panels
AccountAbility	Climate Disclosure Standards Board Technical Working Group	Barclays Green Leaders in Business Awards
CorporateRegister.com	FEE Sustainability Policy and Working Group	GRI Readers' Choice Awards
The Environment Agency	GRI Technical Advisory Committee	Healthcare Financial Management Association awards
The Environment Council	IFAC Sustainability Expert Advisory Panel	ICSA Hermes Transparency in Governance Awards
FTSE4Good	Prince of Wales' Accounting for Sustainability	PwC Building Public Trust Awards
KPMG	South West Regional Development Authority Zero Carbon Panel	Queen's Awards for Enterprise: Sustainable Development
Net Balance		
Tomorrow's Company		
Transparency International		
WWF Pakistan		



## 4. Leadership areas: building and maintaining reputation and influence

This section of the 2009/10 CSR Report sets out narrative descriptions of a number of key 'leadership' areas – areas where ACCA believes that leadership, responsibility and integrity go hand in hand. For the purposes of this first CSR Report we have selected the following areas:

- Sustainability, CSR, the exam curriculum and continuing professional development
- Regulation discipline and global monitoring
- International development and consultancy
- The ACCA international research programme
- The Carbon Jigsaw project
- The ACCA *Accountancy Futures* programme
- The sustainability reporting awards programme and related CSR activities.

### SUSTAINABILITY, CSR, THE EXAM CURRICULUM AND CONTINUING PROFESSIONAL DEVELOPMENT

#### The core professional curriculum and continuing professional development (CPD)

The business agenda is changing. Increasing and influential shareholder pressure, including demands for enhanced transparency and more relevant measurement and valuation bases, means that a company's reputation becomes its main licence to operate. Companies are trading on their environmental credentials and want to be seen as socially responsible.

ACCA believes that sustainability issues should be fully integrated into the professional examination curriculum so that future generations of accountants are better equipped to recognise both the challenges and the opportunities implicit in sustainability and corporate responsibility.

ACCA also believes that accountants will need to understand the many different ways in which sustainability matters will permeate their future business careers – whether through environmental taxation considerations, investment appraisal decisions, financial reporting of carbon assets, risks and liabilities, and/or the management of reputational risk.

As the subject paper descriptions on the next page demonstrate, CSR issues are now integrated into the ACCA syllabus – albeit alongside a large volume of traditionally examinable topics and issues.

The professional examinations are, however, only one element of the lifelong learning package that professional bodies are required to provide.

ACCA acknowledges the importance of educating members as well as students on sustainability. ACCA undertakes the following activities on an international basis to raise awareness amongst its members:

- CPD seminars on sustainability, CSR and elements of integrated reporting
- ongoing publication of a series of awareness-raising papers for members on sustainability related issues – available on <http://uk.accaglobal.com/uk/members/publications/>
- publication of articles on key issues (emissions trading, accounting, reporting etc) in international member and student magazines
- ACCA research publications, which are widely distributed among members and other interested parties
- member surveys to ascertain the level of need for additional training and materials on particular issues, with follow-up actions.



## Extracts from the ACCA syllabus

### *Fundamentals level papers:*

**F1 Accountant in Business** – compulsory. Students learn about sustainability and its links to stakeholders and governance as well as thinking about environmental constraints on business

**F7 Financial Reporting** – compulsory. Students are taught how to account for environmental provisions including those arising from land contamination, offshore extraction of oil and quarrying.

### *Corporate reporting and auditing:*

**P2 Corporate Reporting** – compulsory. Students are required to consider the impact of environmental and social issues on performance measurement and the ethical duties of the reporting accountant, specifically including their social responsibility and the increased need for transparency and accountability

**P7 Advanced Audit and Assurance** – optional. Students are required to study social and environmental auditing in much more detail than in previous papers, to reflect its growing prominence, including how to deal with the independent verification of an environmental management system

### *Management Papers:*

**P3 Business Analysis** – compulsory. Students are required to use PESTEL analysis to examine the impact of social and environmental factors (amongst others) on the strategy of a business and examine CSR in relation to stakeholder expectations

**P4 Advanced Financial Management** – optional. Students are required to assess the impact of sustainability and environmental risk on corporate objectives and corporate governance, including consideration of the carbon trading economy and carbon emissions. Ethical considerations of actions are also a theme in this paper, reminding students to act in the public interest

**P5 Advanced Performance Management** – optional. Students are required to consider the impact of social and ethical obligations in pursuit of corporate performance objectives, as well as the application of environmental management accounting, which is likely to be a new area for them. A further change introduced in this paper is that students are asked to consider the impact of social and ethical issues in any given scenario

### *Professional Accountant:*

**P1 - Professional Accountant** – a new flagship paper dedicated to professionalism, ethics and risk, covering governance; internal control and review; the identification, assessment and control of risk; and ethics.

## **REGULATION, DISCIPLINE AND GLOBAL MONITORING\***

ACCA operates regulatory arrangements to govern its members' conduct and standards which seek to be objective-driven and proportionate, and which are in line with accepted principles for good regulation. For ACCA, regulation and discipline are at the heart of 'corporate responsibility'. A failure to regulate properly or a lapse in disciplinary processes can have severe reputational effects and could affect our ability to operate. All of ACCA's regulatory and disciplinary arrangements are overseen by an autonomous Regulatory Board, composed of a majority of lay members, thus placing the oversight of these activities at arm's length from ACCA's other activities and its general governance structures, ensuring the primacy of the public interest over other possible influences.

Disciplinary tribunals are composed of independent accountants and other lay individuals (i.e. non-accountants). Lay members of tribunals are always in a majority. Hearings are open to members of the public to attend. ACCA was the first accountancy body to open its hearings in this way in 1996.

ACCA reports annually on the results of its statutory monitoring activity to a number of superior regulators, including the Professional Oversight Board which publishes information on the activities of professional bodies. Monitoring outcome statistics are also considered by the ACCA Regulatory Board and for 2009 are summarised below.

### **Complaints and discipline**

Fewer complaints were received in 2009 compared with 2008, which was surprising given the prevailing global economic conditions. It is thought there may be a time-lag involved and that complaints will increase as the economic conditions begin to improve.

The number of complaints closed in the year was higher than the number received. The rate of case closure should continue to increase in 2010 as a result of the policies implemented during 2009 which are designed to move cases more quickly to closure.

### **Monitoring**

During 2009, 328 statutory audit monitoring visits were undertaken to registered firms in the UK and Ireland compared with 412 visits in 2008. The number of visits required to be undertaken each year varies depending on decrease in the number of firms holding audit appointments and the number of early follow-up visits required because of unsatisfactory outcomes of monitoring visits to firms in earlier years. In 2008, additional resources were allocated to statutory audit monitoring visits to ensure they are conducted by the due dates.

2009 saw a significant increase in the number of global monitoring visits undertaken under contract on behalf of other professional bodies and regulators, as many of the contracts were entered into between 2007 and 2009.

---

\*note – data in this section are for the calendar year 2009

**Monitoring visits undertaken under contracts with national bodies and regulators- global regulation**

While ACCA is a statutory regulator for audit work in the UK and Ireland, in other countries audit work is carried out under the authorisation of the national body or regulator. ACCA carries out audit monitoring visits under contract for a number of national bodies or regulators in countries outside the UK and Ireland.

**INTERNATIONAL DEVELOPMENT AND CONSULTANCY**

ACCA has been involved in developmental consultancy for over 20 years. In the last five years alone, ACCA has successfully delivered over 20 projects around the world in countries including Ethiopia, Vietnam, Trinidad and Tobago and Russia. ACCA focuses on building client capacity and establishing fit for purpose, locally sourced solutions which:

- transfer expertise
- accelerate the development of emerging markets; and
- promote the accountancy profession.

This approach benefits clients directly, leaving them empowered to continue functioning more effectively after the project is over, and accelerates development of the accountancy profession in market, leading to potential investment and economic growth.

ACCA's project portfolio draws on our range of expertise and includes:

- advising on regulatory frameworks and structure of professional bodies
- implementation of support for IFAC's statements of member obligations (SMOs)
- audit quality review and monitoring international financial reporting standards (IFRS)
- accountancy education and syllabus development
- building education and training capacity for national and regional partners.



**Accountancy bodies facilitate growth**

The bedrock of our international commercial system is high-quality financial information: information based on ethics and integrity, on appropriate international accounting and auditing standards and on the work and sound judgment of both internal and external professional accountants. Credible and reliable financial information is fundamental to investment. It builds investor confidence which, in turn, facilitates business development, contributes to job growth and leads to individual financial prosperity.

Professional accountants, supported by well-developed professional accountancy bodies, play a unique and critical role in ensuring that the markets are provided with high-quality financial information. While their roles vary from acting in a self-regulatory capacity to supporting or complementing the work of regulators a strong, well-governed professional accountancy body is an essential component of the country's financial infrastructure. For these reasons, IFAC works proactively to support the development of the profession worldwide.

### THE ACCA INTERNATIONAL RESEARCH PROGRAMME

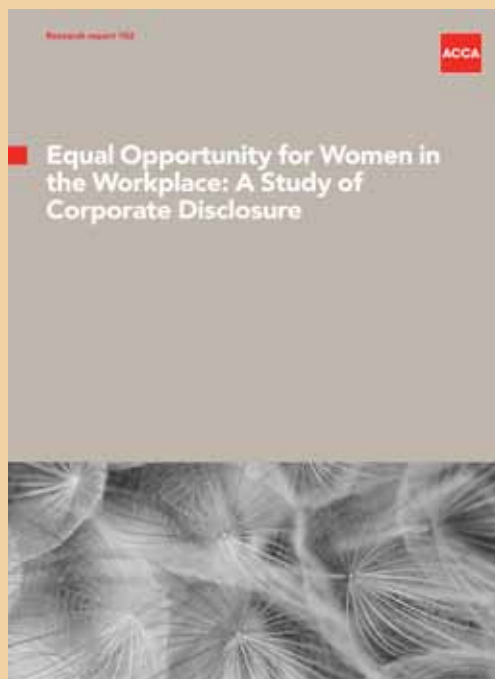
ACCA's international *Accountancy Futures* programme leads, informs and develops thinking in accounting and financial management circles around the world. By commissioning – and disseminating – internationally-relevant, high-quality research, the programme aims to support ACCA's drive to work in the public interest; additionally it contributes to ACCA's Royal Charter commitment '...to advance the science of accountancy, financial management and cognate subjects'. It also seeks to add value to ACCA members through bolstering the organisation's reputation and influence internationally among important stakeholder groups such as employers, policymakers and standard setters.

ACCA is widely regarded for its insight into responsible business, having been at the vanguard of the debate for some two decades. ACCA's research programme, overseen by a strong Research Committee, generates leading-edge research into socially-responsible business; recently the Committee's success in commissioning research with value to a wide range of audiences worldwide has been acknowledged by the prestigious funding body, the ESRC (the UK's Economic and Social Research Council), which has entered into a three-year collaborative partnership with ACCA.

In addition to identifying the emerging technical debates and proactively commissioning research around the world, ACCA's research programme hosts dissemination activity for members, their employers as well as policy makers and regulators. Such activity includes seminars and roundtable debates, business breakfasts and evening receptions.

To sign up to receive regular updates, as well as to learn more about ACCA's international research programme, please visit: [www.accaglobal.com/research](http://www.accaglobal.com/research)

### Recent research published by ACCA



**THE CARBON JIGSAW PROJECT**

In 2009 we published a major piece of work called *The Carbon Jigsaw Project*. In it we sought to bring together a suite of briefing notes written by acknowledged experts in the field. The briefing notes are aimed at our members and students and for anyone concerned to bring themselves up to date with the wide range of issues crammed underneath the umbrella heading of ‘carbon’. The briefings can be downloaded from <http://www.accaglobal.com/general/activities/subjects/climate/projects/carbon>

ACCA's Carbon Jigsaw Briefings are a series of papers designed to help readers understand how the carbon crisis will affect businesses. They address key issues in the field of climate change and the low-carbon economy. The seven Carbon Jigsaw Briefings are:

***The Science of Climate Change***



***Emission Rights Accounting***



***The Stern Review***



***Carbon Measurement, Reporting and Assurance***



***Carbon Law***



***Climate Futures***



***The World of Carbon Business***



ACCA would like to thank our partners in this project, for contributing their time and expertise, and authoring specific chapters:

- Forum for the Future (author of *The Low Carbon Future* section)
- Baker and McKenzie (author of *Carbon Law* section)
- KPMG (author of *Carbon Reporting & Assurance*)
- Deloitte (author of *Emission Rights Accounting*).

In developing content for several chapters, we have relied heavily on guidance developed by:

- the Carbon Trust
- the Climate Group
- Defra.

### THE ACCA ACCOUNTANCY FUTURES PROGRAMME

ACCA has long accepted that it has a responsibility to promote thought leadership within the accountancy profession. As far back as 1952 we partnered with the Economist Intelligence Unit to produce one of the first insights into the issue of accounting for inflation. Likewise in 1989 we partnered with Professor Rob Gray at the University of East Anglia to produce the first study dealing with the implications of the emerging environmental debate for the accountancy profession.

The *Accountancy Futures* programme complements the international research activity referred to above. The programme is focused on consolidating and enhancing the impact of a range of different activities – for example technical research, the staging of technical events and the publication of technical articles.

The *Accountancy Futures* programme consists of four specialist themes:

1. Audit and society
2. Narrative reporting
3. Carbon accounting
4. Access to finance.

Each of these modules was selected because ACCA believed that these subject areas were of immediate interest and importance to the profession and those whom the profession serves.

Under the carbon heading a range of different activities are promoted jointly. Examples in 2009/2010 include:

- a joint members' event with The Chartered Institute of Public Finance and Accountancy (CIPFA) on the implications of the UK Carbon Reduction Commitment Energy Efficiency Scheme (CRC) for accountants working in the public sector
- a joint survey project with the GRI on carbon disclosures by high impact companies and launched into the Fifteenth Conference of the Parties (COP 15) discussions in December 2009
- a post-COP 15 event hosted in collaboration with KPMG exploring the challenges faced by the private sector following the failure at COP 15 to agree binding international emissions targets.

The carbon programme will be extended into 2010/11 when, at a minimum, we intend to:

- hold further roundtables with KPMG on the carbon challenge
- stage an event with Trucost aimed at providing accountants with an essential carbon update
- update our COP 15 carbon disclosure paper
- publish new position papers on Scope 3 emissions and accounting for the physical impacts of climate change
- publish a research draft on accounting for emissions rights.



*The ACCA/KPMG debate “Climate Change Challenges: How Should Business Respond in 2010 and Beyond?” featured (L-R) Keith Clarke, CEO of Atkins Plc, Emma Howard Boyd, Head of SRI and Governance and Director Jupiter Asset Management, and Miles Templeman, Director General of the Institute of Directors. The moderator was James Naughtie of BBC Radio 4’s Today programme.*



**THE SUSTAINABILITY REPORTING AWARDS SCHEMES AND RELATED CSR ACTIVITIES**

At the end of the 1980s, about when the Brundtland Commission definition of sustainable development was being coined, ACCA had started to recognise the impact social and environmental issues could have on the accountancy profession. It was obvious that companies and organisations would need to take increasing responsibility for their social and environmental impacts – responsibilities that were not required historically in the ‘free to pollute’ era.

As environmental issues became more and more accepted as potentially material to the bottom line and reputation, and as stakeholder pressure and consumer knowledge grew, companies were (slowly) adapting by creating and measuring key performance indicators for their environmental impacts. This altered focus on environmental issues (at first – societal impacts followed soon after) shifted the methods of company and organisational reporting and accounting.

ACCA launched an Environmental Reporting Awards scheme in 1991 with three key objectives: to give recognition to those organisations which communicate openly and publicly disclose credible and complete environmental and social information, to encourage more organisations to publicly report their environmental and social issues, and to raise awareness of accountability and transparency issues. In the mid-1990’s these awards metamorphosed into the Sustainability Reporting Awards.

In 2001 ACCA embarked on a Sustainability Reporting Awards expansion programme that now covers North America, Australia and New Zealand, Canada, Hong Kong SAR, Ireland, Malaysia, Pakistan, Singapore, South Africa and Sri Lanka.

The awards have significantly raised the profile and importance, globally, of non-financial reporting issues, and have clearly influenced the current active agenda of guidelines and standards published by governments and respected organisations.

It is a matter of concern for us then that the UK ACCA Sustainability Reporting Awards have encountered increasing difficulty in attracting entries – to the extent that the 2009 awards cycle was suspended. We are currently reviewing the situation in the UK – a combination of a new selection approach and an improvement in our marketing of the awards are possible outcomes. Whatever option we select, ACCA remains committed to champion excellence in sustainability reporting in the UK. We will report back in 2011.



*Dr Chris Tuppen (right) of BT plc accepts the 2008 ACCA UK Sustainability Reporting Award from Mark Wade, Corporate Advisor – Sustainability and Value Creation (formerly Head of Sustainable Development Strategy, Policy and Reporting, Royal Dutch/Shell plc)*

### INTERNATIONAL ROUND-UP OF CSR ACTIVITIES

**ACCA Australia and New Zealand** continued to integrate and evolve its corporate social responsibility programme throughout 2009. Some of the projects and initiatives delivered during this period included:

- ACCA held its annual sustainability reporting awards and conference on 4 August 2009. The winners included VicSuper, BHP Billiton, Stockland, Woolworths, Henry Davis York, Origin Energy, The Warehouse Group, Telstra, Toyota Motor Corporation Australia, Watercare, Transurban, Urgent Courier and Finsbury Green. The Awards were part of a full-day conference titled 'Economic Sustainability: Survival of the Fittest' in Sydney, which profiled 22 prominent and respected speakers and panelists. James Strong AO, respected Chair of many of Australia's leading companies including Woolworths and Insurance Australia Group delivered the opening keynote.
- On the same day we also held an evening seminar in Auckland, New Zealand. Over 70% of the New Zealand Exchange's Top 50 companies attended the event. The event included a keynote address by Nicky Wagner, Minister of Parliament for the New Zealand Federal Government.
- We launched a new trilogy research report with Net Balance Foundation that analysed the corporate governance reporting disclosures of the ASX Top 50 companies.
- In August 2009, ACCA moved its office premises to a 5-star green building and ensured its office fit-out was in line with the Green Building Council's guidelines.

The 7<sup>th</sup> ACCA **Hong Kong Awards for Sustainability Reporting** Presentation Ceremony was held on 26 November 2009.

This year's awards were officially endorsed by the Sustainable Development Council and Environmental Protection Department of Hong Kong SAR Government, and supported by 18 business chambers and organisations.



*CLP Holdings Limited and MTR Corporation were the joint winners of the Best Sustainability Report Award with Cathay Pacific Airways Limited as the runner-up. Central Textiles Group and China Mobile Communications Corporation received Commendations on the respective disclosures in their reports.*

The **Ceres-ACCA North American Awards for Sustainability Reporting** event was held on 6 April, 2009 in Toronto, Ontario. The conference provided an opportunity for sharing successes and best practices. The Sustainability Reporting program aims to recognise and encourage exemplary reporting on sustainability performance by corporations and other organisations across United States, Canada, and Mexico.

There were total of 97 entries submitted. From these, 19 reports were short-listed, with the winners selected by an expert panel of judges representing a broad spectrum of backgrounds in the non-profit, corporate and investment worlds. The year's award winners were:

Best Sustainability Report  
**General Electric**

Best Small and Medium-sized Enterprise Report  
**Seventh Generation**

Best First-time Report (co-winner)  
**Ball Corporation**

Best First-time Report (co-winner)  
**Symantec**

Commendation for Innovative Reporting  
**Vancouver Organising Committee 2010 Olympic and Paralympic Winter Games**

Commendation for Emerging Issues Reporting  
**Dell, Inc.**



## 5. Environmental performance – our ecological footprint

The challenge of capturing, managing and minimising our ecological impacts has never been greater. Identifying and measuring the environmental impact of our operations is a natural progression for ACCA following 20 years of active participation in the sustainability and CSR debate. We are committed to building an environmentally sound organisation and to progressively improve our knowledge in order to minimise our environmental footprint as well as adding practical insights to our sustainability work.

### ENVIRONMENTAL IMPACT

ACCA's activities have both direct and indirect impacts. These may be best understood in the form of a simple table:

	Direct impact	Indirect impact
<b>Energy use</b>	<ul style="list-style-type: none"> <li>at ACCA office locations</li> </ul>	<ul style="list-style-type: none"> <li>at examination centres</li> <li>in the ACCA supply chain e.g. energy used by printers producing member materials</li> </ul>
<b>Water use</b>	<ul style="list-style-type: none"> <li>at ACCA office locations</li> </ul>	<ul style="list-style-type: none"> <li>at examination centres</li> </ul>
<b>Paper use</b>	<ul style="list-style-type: none"> <li>for examination purposes</li> <li>for publishing purposes</li> <li>for marketing purposes</li> <li>for general office purposes</li> </ul>	
<b>Carbon / GHG emissions</b>	<ul style="list-style-type: none"> <li>associated with all the above plus business travel</li> </ul>	<p>associated with the all above plus emissions related to:</p> <ul style="list-style-type: none"> <li>staff commuter travel</li> <li>student transport to/from examination centres</li> <li>embedded in our use of materials</li> <li>transportation of paper materials</li> </ul>
<b>Waste</b>	<p>generated by ACCA office locations:</p> <ul style="list-style-type: none"> <li>general, paper, tins and office and computer equipment</li> </ul>	<ul style="list-style-type: none"> <li>related to examination centre use</li> <li>paper waste related to post-consumer use of marketing, publishing and examination materials</li> </ul>

### ENVIRONMENTAL SCOPE, REPORTING BOUNDARIES AND REPORTING PERIOD

As our CSR reporting story is still in its infancy we decided to start focusing on the operational impact of our Glasgow and three London offices with a view to extend the reporting scope in future reports as systems are put in place and reliable data becomes available. Environmental data are only reported in respect of the direct impacts of our London and Glasgow office locations. Excluded this year are:

1. direct impacts of ACCA's regional UK offices in Birmingham, Cardiff and York
2. direct impacts of ACCA's national offices around the world and
3. any indirect impacts (such as employee commuting, examination centre impacts, embedded carbon, emissions from logistical sources, etc).

We have indicated in Section 1 (About us and our reporting) how we intend to expand the scope of our reporting boundaries over the next two to three years to embrace all the operations

currently excluded. We estimate (based on our knowledge of numbers employees based at the different locations and the operations conducted at those different locations) that the data reported below (and in more detail in Appendix 1) represent over 90% of UK environmental direct impact.

Our recently changed financial reporting period (01 April – 31 March) explains why we have added three months (25%) to our 2008 baseline year to enable a like-for-like comparison with our 2009 + Q1 2010 period.

### ENVIRONMENTAL INDICATORS SELECTED

Based upon our internal discussions and advice from external consultants we have identified a number of core environmental impacts (the most obviously relevant to ACCA's activities) and are using the Global Reporting Initiative (GRI) reporting guidelines to illustrate and report on the following five environmental indicators which are supported by available and robust datasets to achieve a C rating. The following table illustrates the five environmental indicators (EN) we focus on:

**GRI environmental indicators used in this report**

- EN1** Materials used by weight or volume:
  - Paper

---

- EN3** Direct energy consumption by primary energy source:
  - Gas
  - Electricity
  - UK originated transport

---

- EN4** Indirect energy consumption by primary source – energy consumed by others who are serving the organisation = electricity purchased

---

- EN8** Total water withdrawal by source

---

- EN16** Total direct greenhouse gas emissions by weight:
  - Gas
  - Electricity
  - UK originated transport
  - Water

---

- EN22** Total weight of waste by type and disposal method:
  - General waste
  - Paper waste
  - IT equipment

As stated above, these environmental disclosures are part of what we consider to be a Level C GRI report. Our ambition for future years is to increase the level at which we report, though not at the expense of attempting to report on indicators which are immaterial or of no direct significance to ACCA at the operating and strategic levels.

With respect to GRI indicator EN16 – ‘Total direct and indirect greenhouse gas emissions by weight’ - we are aware of the embedded or indirect GHG emissions of our operations but at this moment in time we can only measure our direct emissions although the aim is to be more inclusive in future reports.

**OUR CARBON FOOTPRINT**

We measure our carbon footprint in terms of scope 1, 2 and 3 emissions. Scope 1 and 2 can be classified as our ‘internal footprint’ (gas, electricity, fuel) while our ‘external footprint’ or scope 3 emissions includes all UK-originated rail, air and taxi travel. As a global body for professional accountants which is servicing 404,000 students worldwide, we acknowledge that a significant part of our environmental impact extends outside UK shores and falls within scope 3 emissions including third party logistics and students travelling to our exams in over 80 countries. Based on increasing knowledge of how to fill our environmental data gaps, we aim to extend the international reach of future CSR reports to reflect the global nature of our work and capture our impacts more fully.

Our 2009 carbon footprint is 2,429,271 Kg CO<sub>2</sub>e which is a significant improvement on the previous year. Here is a summary of our 2008 and 2009 emissions:

ACCA's UK CO <sub>2</sub> footprint		
Scope	2008 + 25%	2009 + Q1 2010
1 (gas, fuel; Kg CO <sub>2</sub> )	5,535	4,202
2 (electricity; Kg CO <sub>2</sub> )	1,452,554	1,462,096
3 (air, rail, taxi and travel; Kg CO <sub>2</sub> )	1,973,648	961,861
Other: water consumption (Kg CO <sub>2</sub> )	949	1,112
<b>Total “internal” CO<sub>2</sub> footprint (Kg CO<sub>2</sub>e)</b>	<b>3,432,686</b>	<b>2,429,271</b>

**Year-on-year reduction of ACCA's carbon footprint:**

**29%**

There are two significant parts missing from our organisational CO<sub>2</sub> emissions calculations: emissions from paper use and organisational waste. We acknowledge that our paper use is significant and we have gathered data on use for examination materials, marketing materials, ACCA publications and general office paper use. However in the absence of systems for breaking down our paper use further and current lack of reliable CO<sub>2</sub> conversion factors we have decided to defer its inclusion to future CSR reports until both issues can be addressed authoritatively. Capturing our waste emissions footprint requires proper systems and uniform processes too which we are currently putting in place for future reporting.

ACCA's UK environmental footprint			
Reporting level		Top-line data	
GRI Indicators	Item	2008 (+25%)	2009 + Q1 2010
<b>EN1</b>	Paper (kg)	1,876,387	758,892
<b>EN3</b>	Gas (kWh)	271,679	206,235
	UK-originated transport and travel excluding car hire (km)	10,948,703	6,945,308
<b>EN4</b>	Electricity (kWh)	2,674,906	2,692,477
<b>EN8</b>	Water (m <sup>3</sup> ) see p28 for explanation of increased usage	3,440	4,028
<b>EN22</b>	General waste (kg)	53,396	51,338
	Paper waste (kg)	N/A	45,499
	Cans (kg)	N/A	2,532
	IT equipment (kg)	N/A	1,287
<b>EN16 (direct emissions only)</b>	Gas (kg CO <sub>2</sub> )	5,535	4,202
	Electricity (kg CO <sub>2</sub> )	1,452,554	1,462,096
	Water (kg CO <sub>2</sub> )	949	1,112
	Paper (kg CO <sub>2</sub> )	N/A	N/A
	All UK originated transport and travel (kg CO <sub>2</sub> )	1,973,648	961,861
	Waste excl IT (kg CO <sub>2</sub> )	N/A	N/A
<b>ACCA's total direct CO<sub>2</sub> emissions (Kg)</b>		<b>3,432,686</b>	<b>2,429,271</b>

Note 1: All CO<sub>2</sub> calculations based on DEFRA 2009 company reporting guidelines - <http://www.defra.gov.uk/environment/business/reporting/conversion-factors.htm>

**COMMENTARY ON THE ENVIRONMENTAL DATA DISCLOSED**

**Transport:** UK-originated travel mileage is reduced by approximately 36.5%. This principally reflects reductions in long-haul flights due to restrictions imposed in 2009, the greater use of video-conferencing and travel by rail. Associated carbon emissions are down by an estimated 51%.

**Paper:** The almost 60% reduction in paper use is attributable to an increase in outsourcing and going online with *Student Accountant* magazine (reduced from 10 hard copy editions per year to 2).

**Electricity:** The slight rise in electricity use is explained by a 2009 London office expansion into three floors of New Penderel House in Holborn.

**Gas:** we now have air con units in more rooms at 29 Lincoln's Inn Fields which provide both heating and cooling facilities so this would have alleviated the pressure on gas usage. Also fewer events took place in 2009/10 than in previous years so apart from the building not being used so much during the evenings and weekends there was also an associated reduction in the need for services of the catering kitchen which uses gas for its appliances.

**Water:** The rise in water usage is attributable to improved data capture – in 2008 data were not available on water usage in jointly-tenanted properties in London and Glasgow.

**NEXT STEPS ON ENVIRONMENTAL PERFORMANCE**

Our objective in this area is to reduce our overall impacts but at this time our knowledge of them is imperfect. Despite the artificially tight boundary around it (London and Glasgow offices only) the 2009 data set still has gaps in it which we hope to rectify in 2010/2011.

In 2010 we intend to increase the scope of our environmental reporting to all UK offices and to put in place robust, comparable measurement systems in a number of our key international offices.

**SUSTAINABILITY PRIORITIES AND TARGETS WHICH WILL GUIDE OUR EFFORTS TOWARDS BECOMING A MORE RESPONSIBLE ORGANISATION AND PROGRESSIVELY REDUCE OUR IMPACTS.**

The table below lists our priorities and explains what our target is on each. Given the developing nature of our CSR programme, we still need to focus on short-term targets for improvement. But we also know that we need to start planning for the long term, so longer-term commitments are clarified. We aim to provide a short and long-term target for each of our priorities in future reporting.

Our priorities	By April 2011 we plan to have...
Capturing direct (scope 1 and 2) CO <sub>2</sub> emissions from all UK offices	a robust reporting system in place which will capture all direct environmental impacts enabling us to move closer to our true carbon footprint
Researching ways to map and calculate our indirect (scope 3) UK emissions	launched a scoping study and produced a plan how and when to report on our indirect emissions
Broadening the capture of our international carbon footprint by sharing best reporting practice and progressively including more national offices	decided on a timetable for including key ACCA national offices in future CSR reports and what methodology to apply for capturing direct and indirect emissions
Positively engaging our staff to help reduce our environmental impact by creating a <i>green champions network</i> to promote and share fun and impactful practices	launched the <i>green champions network</i> to aid greener office behaviour
Move towards establishment of a formal Environmental Management System (EMS) for our UK offices	scrutinised and compared a number of EMS to enable us to capture our impacts even more accurately
Use our learnings from this CSR process to improve our performance and share our progress with our members, students and wider stakeholders using relevant communication channels	evaluated suitable communication channels and communicate with our stakeholders how to monitor our progress

## 6. Social performance – our people

The 2009/10 review of ACCA's social impacts includes information on:

- ACCA's approach to issues such as human rights and bribery and corruption
- a range of workforce indicators and staff survey results
- the activities of the Certified Accountants Educational Trust (CAET) and the Chartered Certified Accountants Benevolent Fund
- the Simpson Scholarships.

Data pertaining to our global workforce are contained in Appendix 2 to this report.

At this stage in the development of our reporting we recognise that issues such as the social impact of accounting – whilst an increasingly respected academic strand of debate – may not yet be fully 'reportable'.

GRI workforce and social indicators addressed in this report		
<b>GRI Workforce (labour) indicators</b>		
LA1	Total workforce by employment type, employment contract and region	See appendix 2
LA2	Total number and rate of employee turnover by age group, gender and region	See appendix 2
LA4	Percentage of employees covered by collective bargaining agreements	See narrative sections below "Employee relations" and "Employee involvement and consultation"
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	Note: see narrative re compliance with Health & Safety and Employment legislation at p31
LA12	Percentage of employees receiving regular performance and career development reviews	See narrative section below – "Performance management"
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity	See Section 2 of this report
LA14	Ratio of basic salary of men to women by employee category	Note: see Appendix 2 regarding PwC equal pay review conducted in 2009/2010
<b>GRI Social (product responsibility) indicators</b>		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	See below – "Information security Policy"
<b>GRI Social (general) indicators</b>		
S02	Percentage and total number of business units analysed for risks related to corruption	ACCA's anti-corruption programme forms part of the 2010 internal audit plan
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures	
S04	Actions taken in response to incidents of corruption	
S05	Public policy positions and participation in public policy development and lobbying	See below
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	See below

## HUMAN RESOURCES (HR) POLICIES

### Human Resource (HR) policies

ACCA has a full set of HR policies and revised the global employee handbook in 2009 in a drive to achieve a consistent, principles-and-values based approach globally as well as to incorporate a number of new policies including new resourcing policies, leave policies, welfare policies and standards of behaviour policies.

All these are available on the staff intranet system – an example of one of the policy statements is reproduced on the right.

### Organisation culture and employee engagement

ACCA is committed to ensuring that employees are engaged in their work and committed to ACCA's goals and values. In 2009, to ensure we have the organisation culture that most effectively engages and motivates our employees, as well as supporting the delivery of our strategy, we offered the opportunity for all employees globally to get involved with informing our cultural vision. Through a series of large group workshops we identified a number of key cultural principles which are now being embedded in all that we do.

These are as follows.

- We focus on the customer – internally and externally.
- We collaborate with each other.
- We value and recognise contribution at all levels.
- We encourage and foster positive attitudes.
- We are empowered, trusted to take responsibility and willing to take ownership.

### Employee engagement survey

To help us find out what employees think about ACCA and enable us continually to improve as an employer we conduct an annual global employee engagement survey.

The results of the 2009 engagement survey were overwhelmingly positive with no results declining since 2008 and responses to all the questions either in line with, or better than external benchmarks. Overall levels of employee engagement increased from 68% to 74%. In particular, the extent to which employees feel emotionally attached to ACCA (pride, loyalty and optimism) increased significantly. It appears that these increased levels of engagement are driven primarily by the extent to which employees feel they have fulfilling and rewarding work, improved clarity over the strategic direction of the organisation and increased opportunities for personal growth and development.

This year we also benchmarked ourselves externally for the first time achieving 'ones to watch' status with Best Companies.

### Summary of highlights

There were improvements on 86% of the questions asked. Those areas where ACCA does particularly well are:

- overall engagement levels
- feelings of loyalty, pride and optimism about future
- understanding of / commitment to ACCA strategic objectives as well as clear understanding of personal contribution to these

## Diversity statement

Diversity is one of ACCA's five core values. We recognise that people with different backgrounds, cultures, skills and experiences bring fresh ideas, ensuring our organisation can develop and innovate. Our vision of diversity starts with creating an environment that is inclusive – we recruit, engage and develop talented individuals irrespective of their differences and treat them with respect. We believe that embracing and valuing individual differences helps us to harness the individual and combined talents of our people enabling ACCA to provide the best service to our stakeholders globally.

### Darren Parris

#### Executive Director – Human Resources

Source: ACCA global employee handbook

- understanding of and commitment to ACCA's values
- individual customer service ethos
- 'soft' line management – trust, support, valuing contribution, caring about wellbeing
- role clarity and good use of skills
- internal community - friendly place to work, team spirit, good colleagues.

### Summary of action plan for improvements

There are areas where we can see there is room for improvement and the Executive Team has committed to take action to drive improvements in certain priority areas. These include the following indicators.

- The Executive Team are in touch with the views and opinions of employees.
- ACCA is an organisation where it is easy to get things done.
- Different directorates and departments in ACCA work effectively together.
- My job provides adequate opportunities for my career development.
- Reward systems (i.e. the benefits system and salary definition system) at ACCA are fair and transparent.
- ACCA does enough to celebrate success.
- The performance review system is fair and transparent.
- I have a good awareness of ACCA's disaster recovery.

We will report back on progress on the above measures next year.

### Employee development

The 2009 employee survey reports ACCA continuing its year-on-year improvement for all of the training and development indicators. In particular, there is a significant positive increase in employees' perceptions that they have someone at work who encourages their development (57%) and in employees'



confidence that ACCA understands their needs and aspirations. Compared to benchmarks, ACCA employees report significantly more positive belief that they have the skills they need to do their jobs (87%), that they have had the opportunity to learn and grow in the last year (64%), that ACCA promotes self-development amongst staff (64%), that ACCA understands their needs and aspirations and that their job provides them with adequate opportunities for career development (47%).

In terms of the amount of training provided the available data are only for the UK and only for centrally organised off the job training and therefore do not include the majority of development activities undertaken by our employees. We hope to use our HR self service module to capture training data in the future.

In terms of objectives on training, our target is that every employee has an individual personal development plan annually agreed (and revised quarterly) with their manager that will plan the appropriate development for that individual which may or may not include formal off the job training. We try to make this happen by providing training for managers and in the 2009 employee survey we found that 62% of people said that in the last six months they had had a formal discussion about their progression and development at ACCA.

### Performance management

We consider performance management is critical for ensuring that every employee contributes successfully to the delivery of ACCA's business strategy and that employees are developed and motivated and that employees are rewarded according to their contribution and effort. Our performance management system also provides a mechanism for employees to understand clearly what is expected of them in their jobs, the standards of performance they are expected to deliver, and how this relates to the achievement of ACCA's strategy.

The performance management approach at ACCA is the same globally and applies to all employees, regardless of employment type, apart from the Executive Team who follow a similar approach but whose performance is overseen by ACCA's Remuneration Committee.

Our approach to performance management includes objective-setting, quarterly performance reviews, an annual review, and personal development planning. This provides employees with the opportunity to contribute to decisions about their future objectives, discuss their performance with their manager, in relation to achieving objectives and in fulfilling the requirements of their job description, as well as their additional achievements over and above set requirements. The approach also provides an opportunity for managers to provide feedback on all aspects of performance and to support individuals to identify any training and development required to meet job requirements, achieve objectives and for career development purposes. In a 2009 survey about ACCA's performance management we found that 94% of employees stated they were actively using this approach.

### Compliance with Health & Safety and Employment Legislation

We make considerable efforts in providing policies and training to ensure employees (particularly people managers) are aware of legal requirements and know how to operate in compliance

with the various laws in each of ACCA's office locations. ACCA's HR policies tend to go further than the law requires and we do continuing research to keep up to date with legal requirements globally. We also have a policy of providing active HR support/ input during those processes which are most susceptible to legal action – recruitment, disciplinaries, grievances and promotion decisions.

### Employee Assistance Programme

ACCA understands that sometimes employees have issues outside of work that can have a profound impact on them. Line managers and HR are not always able to provide relevant advice and so, to give employees alternative support, ACCA offers an Employee Assistance Programme (EAP). This service is available to all employees and members of their immediate household. It is a point of contact for professional counselling advice across a range of areas including bereavement, marital and relationship difficulties, financial, legal and emotional issues.

The programme is provided by Personal Performance Consultants Worldwide Ltd (PPC), an organisation that is at the forefront of the development of EAPs, and is one of its leading practitioners. PPC provides a free, 24 hour a day counselling and referral service which will be completely confidential.

ACCA had 164 cases closed in 2009. This indicates a utilisation rate of just under 20%, which is higher than the average full service utilisation rate of 11.4% recorded by PPC. ACCA's clinical utilisation rate of 4.0% is above the average full service clinical utilisation rate of 3.8% recorded by PPC.

### Employee relations

Our aim is to deal informally with any problems in the first instance and to provide manager training to help avoid any problems before they can happen. We have reviewed our HR manager training in 2009. We also record and monitor reasons for disciplinaries, grievances and leavers to help identify trends so that we can deal proactively with any underlying issues. In the last 12 months there have been 13 disciplinaries and three grievances.

We do not put a numerical target on either grievance or disciplinary as:

- a) we do not want to suppress/avoid any genuine grievances as we are committed to dealing with them in a transparent and consistent manner and
- b) our view is that disciplinary procedures should not be viewed simply as a means of imposing sanctions – they should be seen as a way of encouraging improvement amongst employees whose conduct or performance is unsatisfactory.

### Employee involvement and consultation

ACCA recognises the union Unite in the UK to negotiate on terms and conditions of employment including:

- pay
- grading
- hours of work
- flexitime
- pensions

- holidays
- sick pay
- maternity and paternity leave.

In terms of wider employee involvement, ACCA commits to engaging with employees on issues that affect them. Recent examples include roadshows about the new employee handbook policies as well as focus groups about ACCA's approach to performance management and new behavioural competency framework.

### INFORMATION SECURITY POLICY

This policy document was introduced in February 2010 and outlines ACCA's policy and approach to Information Security and the requirements, obligations and liabilities of staff, contractors and third parties with access to ACCA's systems, applications and data. The policy sets out the responsibilities and guidelines for all staff and related parties regarding IT usage and Information Security. The purpose of the policy is to define and document the roles and responsibilities of staff and other users with access supplied under contract with ACCA with regard to usage and security maintenance of electronic and physical data belonging to ACCA.

Adherence to the policy is vital to protect ACCA's business and reputation and to comply with the relevant UK and EU legislation as detailed below:

- Data Protection Act 1998
- Data Protection (Processing of Sensitive Personal Data) Order 2000
- The Copyright, Designs and Patents Act 1988
- Computer Misuse Act 1990
- PCI Data Security Standards.

### PUBLIC POLICY POSITIONS AND POLITICAL DONATIONS

ACCA regularly takes public policy positions on technical and regulatory matters. These actions may be taken in support of the public interest, in support of the economic interests of our members, or based on purely technical/theoretical fundamentals.

Areas of commentary commonly include:

- taxation – personal and corporate
- corporate law and insolvency
- corporate governance
- audit and assurance
- financial reporting
- small business policy
- public sector policy
- environmental / CSR / sustainability matters
- financial sector regulation
- economic policy generally.

Commentaries cover UK, European and global issues. Press releases and copies of responses to consultation papers and public policy position papers are available from the ACCA website at [http://www.accaglobal.com/about/public\\_affairs/releases/](http://www.accaglobal.com/about/public_affairs/releases/)

As a membership body ACCA takes an independent stance. It does not make financial or in-kind contributions to political parties, politicians, or related institutions, although staff and members of ACCA serve on a wide range of policy-making bodies, for example the European Financial Reporting Advisory Group (EFRAG), the Climate Disclosure Standards Board (CDSB) and the Global Reporting Initiative (GRI). ACCA provides relevant briefings to politicians and their advisers and hosts events to input into the development of public policy.

## WHERE NEXT FOR THE SOCIAL INDICATORS SECTION

With respect to reporting on human resources, our objectives are to:

1. identify suitable external organisations against whom we can benchmark our people-related statistical data (including diversity, turnover, length of services, etc).
2. improve the overall level of staff satisfaction ratings shown by the 2009/10 employee survey results
3. introduce a section dealing with work/life balance data including our policy on home-working
4. explore how the issue of employee benefits can most usefully be approached in either a narrative or a quantitative way

With respect to reporting broader social impacts our objective is to:

5. explore with stakeholders what additional social impact or performance measures could usefully be added to our reporting.



## 7. Economic performance and associated risks

---

This section brings together a number of financial and economic considerations including:

- the key financial results of the organisation
- information regarding ACCA's position with respect to both taxation and employee benefits
- information on our charitable and benevolent activities
- our position on a number of significant risk issues principally climate change risk and the risks of operating in politically-sensitive economies.

### GRI ECONOMIC INDICATORS INCLUDED IN THIS SECTION

#### GRI Economic indicators

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and Governments	See below – 'Financial History'
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	See below – 'Climate Change Risk'
EC3	Coverage of the organisation's defined benefit plan obligations	See below – 'Pension Obligations'
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations	See above – 'Comments from the Executive Team'

---

## FINANCIAL HISTORY

ACCA's recent financial track record is set out in the five year summary table below. This table also appears in the audited annual report and accounts for 2009/10. As of 31 March 2010 ACCA was in a strong financial position. Council is obviously sensitive to the major market disruptions that have occurred in recent years and the Executive Team has put in place a system designed to monitor market developments, the economic impacts of such developments on our members and the student market place and the likely financial impact on ACCA.

### ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS FIVE YEAR SUMMARY

#### ACCA and subsidiaries

	<b>Mar 2010 £'000</b>	<i>Dec</i> 2008 £'000	<i>Dec</i> 2007 £'000	<i>Dec</i> 2006 £'000	<i>Dec</i> 2005 £'000
Operating income	<b>132,679</b>	104,084	87,746	79,089	68,706
Operating (deficit)/surplus	<b>(2,995)</b>	3,402	736	1,276	1,414
Other gains	<b>55</b>	—	—	—	—
Income from investments	<b>1,143</b>	1,395	1,270	923	606
(Deficit)/surplus before tax	<b>(1,797)</b>	4,797	2,006	2,199	2,020
Non-current assets					
Property, plant and equipment	<b>14,833</b>	11,791	14,077	13,754	13,377
Intangible assets	<b>2,514</b>	—	—	—	—
Available-for-sale investments	<b>24,473</b>	18,757	22,957	21,059	19,276
	<b>41,820</b>	30,548	37,034	34,813	32,653
Accumulated fund	<b>23,308</b>	25,123	20,342	18,360	16,186
Fair value reserves	<b>7,190</b>	3,000	8,523	7,311	6,100
Total funds and reserves	<b>30,498</b>	28,123	28,865	25,671	22,286
<b>MEMBERS AND STUDENTS</b>					
	<b>Mar 2010</b>	<i>Dec</i> 2008	<i>Dec</i> 2007	<i>Dec</i> 2006	<i>Dec</i> 2005
Members	<b>140,225</b>	131,398	122,426	115,345	109,588
Students and affiliates	<b>402,866</b>	365,049	325,606	296,056	260,644
	<b>543,091</b>	496,447	448,032	411,401	370,232

The column for Mar 2010 represents the 15 month period to 31 March 2010. The other columns represent the calendar years to 31 December. All figures are presented under International Financial Reporting Standards (IFRS).

### Taxation

As a member-driven organisation with many non-taxable activities ACCA pays a very low rate of corporation tax (the effective rate is less than 1% of the surplus before tax). A full reconciliation of the tax charge to the surplus before tax is provided in the 2009/10 annual report and accounts package. The surplus is reinvested in a range of projects (especially IT platforms) with the primary intention of improving service levels and developing capacity.

ACCA is required to estimate the income tax in each of the jurisdictions in which it operates and is subject to many tax laws and regulations. Where the precise impact of these laws and regulations is unclear then reasonable estimates may be used to determine the tax charge included in the accounts. If the tax eventually payable or reclaimable differs from the amounts originally estimated then the difference will be charged or credited in the accounts for the year in which it crystallises.

### Pension obligations

In the UK and Ireland, ACCA operates pension schemes ("the Schemes") providing benefits based on final pensionable pay and on a career average related earnings (CARE) basis. The assets of the Schemes are held separately from those of ACCA and invested with the Scottish Widows Fund and Life Assurance Society, Legal & General, Royal London Asset Management and Irish Life. Contributions to the Schemes are determined by a qualified actuary on the basis of triennial valuations.

In accordance with the schedule of contributions, members of the Schemes contributed 8% of their pensionable pay to the pension funds dependent on the scheme and the balance of contribution required is provided by ACCA.

The UK scheme based on final pensionable pay was closed to new members with effect from 1 July 2007 and those members still in the scheme at that date now accrue benefits under the CARE basis. Since 1 July 2007 new employees have been able to join a defined contribution plan which is operated by Zurich Assurance Ltd. Arising from new legislation, Irish employees ceased to be members of the UK scheme with effect from 31 March 2006. A CARE scheme was established for Irish employees in 2007.

The most recent triennial valuation of the UK scheme was at 1 January 2007. This has been updated by the scheme actuary for IAS19 purposes as at 31 March 2010. As reported in the 2010 annual report and accounts, ACCA's defined benefit pension scheme obligations are as follows:

	31/3/10 £'000	31/12/08 £'000
Scheme assets	52,575	37,753
Scheme liabilities	(78,235)	(59,791)
Scheme deficit	(25,660)	(22,038)
Unrecognised actuarial losses	(22,511)	(19,222)
Net liability in the balance sheet at 31 March 2010 / 31 December 2008	<b>3,149</b>	<b>2,816</b>

In accordance with actuarial advice and with the agreement of ACCA and the UK Pensions Scheme trustees, for the year ended 31 March 2011, ACCA will contribute 9.4% of pensionable salary together with £1,250,000 in respect of the UK scheme and on average 10% of pensionable salary in respect of overseas schemes. With regards to the Irish scheme it is expected that ACCA will contribute 18.5% of pensionable salary for the year ended 31 March 2011.

### AN OVERVIEW OF ACCA'S CHARITABLE ACTIVITIES

#### Charitable activities at the organisational level

As a not-for-profit organisation with a mandate to derive maximum benefit from income generated from our student and member bodies, ACCA has adopted charitable status for two key areas of activity: education and member welfare.

#### The Certified Accountants Educational Trust

The Trust was established by Trust Deed on 13 December 1972. The objects of the Trust have been, and continue to be, to promote the ACCA Qualification among potential students and to provide ACCA students with educational publications, past examination questions and answers, a magazine called *Student Accountant*, study schools and revision courses and careers information. In addition, the Trust provides conferences and courses for ACCA members, produces technical publications and promotes accounting research. The Trust receives income from advertising in respect of the students' magazine and from courses and educational materials. It also receives a transfer of income together with donations, by way of Gift Aid, from ACCA and its subsidiaries.

Further information about the charitable objects and the achievements of the Certified Accountants Educational Trust are available from the charity's accounts which are on ACCA's website at <http://www.accaglobal.com/documents/aggm/fullaccounts2009.pdf>

### The Chartered Certified Accountants' Benevolent Fund

The Fund is an unincorporated charity established by Trust Deed in 1918. The Fund's principal charitable purpose is to give to those members of ACCA or the Association of Authorised Public Accountants and their families and dependants, who are in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. The Fund assists its beneficiaries by awarding grants or loans of money, the provision of specific items and the payment of services.

Further information about the charitable objects and the achievements of the Chartered Certified Accountants' Benevolent Fund are available from the charity's accounts which are on ACCA's website at <http://www.accaglobal.com/members/fund/about>

### The Simpson Scholarships

The Simpson Scholarship exists to reward talented ACCA students who have already proven themselves to be of sufficient merit and distinction in ACCA examinations. The five annual winners will have their exam and subscription fees covered until they become members or for up to five years.

The scholarships have been made possible by a bequest from Muriel Simpson FCCA, who left money in her will to fund the further education of ACCA students who have already proven themselves to be of sufficient merit and distinction in ACCA Qualification exams. Candidates must demonstrate that they have ability and potential, that the scholarship funds will make a positive contribution to their ability to complete the ACCA Qualification, that they are determined to qualify, and that they will make a positive contribution to the accountancy profession in their country or the community in which they live.

During the period the Trust awarded 10 (2008: 5) Simpson Scholarships to ACCA students which amounted to £3,000 (year ended 31 December 2008: £1,000).

### ACCA AND COUNTRIES WITH SENSITIVE SOCIAL, POLITICAL AND ECONOMIC ISSUES

ACCA has a long-standing policy of not anticipating or commenting directly upon the social and political issues (for example human rights or bribery and corruption) which arise from time-to-time in all of the countries that our members and students live and work in.

Council's view is that in respect of its core business – training and maintaining the professional competences of professional accountants – ACCA's primary responsibility is to the student or member.

With respect to issues of bribery and corruption generally, the very nature of our work means that we are contributing to robust financial reporting and corporate governance through the provision of a supply of skilled professionals who are familiar with ethical issues and themselves subject to a set of ethical conduct requirements.

As far as human rights issues are concerned, ACCA recognises that there may be occasions and situations which create peculiar dilemmas for any multi-national organisation. ACCA's decision to enter a new market or to remain in an existing

one will take into account both our commitment to support the public interest and our corporate values – accountability, diversity, innovation, integrity and opportunity. ACCA will not engage with government and official organisations, or develop an active public presence, in markets where conditions or regimes make this inappropriate; but Council has endorsed the position that ACCA may offer exams and support to students and members irrespective of the country in which they live.

In 2006/2007 ACCA partnered with Transparency International (TI), the Berlin-based NGO dedicated to combating the global pandemic of bribery and corruption, to assess the adequacy of UK sustainability reporters disclosures in the area of bribery and corruption. In 2007/2008 ACCA also worked closely with TI in putting together the *Business Principles for Countering Bribery (SME Edition)*. In addition to the technical help we provided in drafting the document, we had an excellent response from our national offices and were able to put together a working group of over 30 ACCA members from seven countries to assist TI in drafting the recommendations.

### CLIMATE CHANGE RISK

ACCA acknowledges that climate change represents a real and discloseable risk issue with which many public and private sector organisations are going to have to deal.

ACCA itself has direct operations in over 70 countries and a member/student body in 170 countries. There is therefore little possibility that ACCA can assess itself as immune from climate change risk in any and all circumstances.

For ACCA, it is how climate change plays out in practice that is the key issue. We can envisage the following possibilities.

- In the short term: increased frequency of natural weather phenomena impacting ever more deeply on our ability to run a global examination programme – financial impact in terms of increased insurance premium on ACCA's events policy if risk events are seen as more likely.
- In the medium term: industry and enterprise and hence the livelihoods of ACCA members are affected by climate change, tighter environmental regulation, etc.
- In the longer term: in some particularly vulnerable countries, ACCA's own infrastructure and operations could be threatened by irreversible climate change effects such as rising sea levels – financial impact would be the potential loss of student and member income, and the loss of working days through disruption to ACCA's infrastructure (could be quantified conservatively in terms of salary).

In terms of the financial impacts of climate change risk:

- Physical property - damage/loss would be minimal.
- Income stream - this could suffer were climate change to materialise in a form which led to the permanent impairment of economic activities in countries with significant populations of ACCA members or students or in a way which significantly impaired our ability to deliver our core services: examinations and members services. Risk is limited

(especially when compared to other professional bodies) by ACCA's wide geographical spread.

At present we consider the financial consequences of climate change risk to be immaterial in the short to medium term.

- Risk mitigation measures include:
  - monitoring of climate disturbances on our examination processes
  - long-term plans to migrate wholly or partially towards computer-based examinations which do not demand traditional periodic large group examination processes.

### ECONOMIC VALUE CREATED THROUGH THE QUALIFICATION

There has been little direct research into the economic value created through the acquisition of a professional qualification and the associated membership of a professional body.

A recent (2008) study<sup>1</sup> conducted by the Chartered Management Institute (CMI) on behalf of a group of UK-based professional institutes concluded that 'individuals with professional qualifications and membership stand to gain £152,000 in additional earnings, over the course of their career'. The study also pointed towards wide benefits to the public purse, as professionally qualified individuals deliver higher tax revenues for the UK Exchequer. Key findings from the study include:

- boost in earnings: the estimated lifetime economic benefit associated with holding professional qualifications has been valued at £81,000. The study also shows how membership of a professional body can result in additional earnings of up to £71,000 in today's money terms
- revenue driver: based on today's taxation levels the estimated additional lifetime tax revenue contributed by an individual with professional qualifications and membership currently stands at £53,000
- employer value: individuals with professional qualifications and membership enjoy a 9% increase in the probability of being employed because of the transferable skills on offer, according to the study. This figure, coupled with the 37% wage premium received by professionally-qualified staff demonstrates the high value employers place on the skills developed by professional bodies.

Earlier (2007) work<sup>2</sup> by the CMI which focused on managers – as opposed to more conventional professional groups such as accountants – concluded that the key attributes of a professional qualification were seen as:

1. cross-sector portability (95%)
2. improving the chances of employment (85%)
3. demonstrating or providing evidence of abilities (84%).

And in 2002, research conducted by German Socio-Economic Panel concluded that high net incomes (defined as over €5100 per month) are earned almost only in households of two, where both have high occupational skills.

It is also the case that there may be jurisdictions where a recognised professional accountancy qualification is either an explicit licensing requirement (e.g. to conduct the audits of limited companies in the UK) or positioned as a way of reducing corporate compliance burdens (e.g. under the proposals of the UK FSA's Retail Distribution Review (RDR) of which the e-newsletter *MoneyMarketing*<sup>3</sup> said 'RDR: professional body membership will reduce firms' compliance costs').

ACCA believes that our qualification – supplemented by an appropriate selection of continuing professional development – enables members to take advantage of the various benefits outlined above: i.e. opportunity, mobility and lifetime income.

### WHAT NEXT FOR ECONOMIC INDICATORS SECTION?

ACCA seeks to provide members and students with a clear and highly-relevant value proposition. ACCA's annual subscription remains one of the lowest of the UK professional accountancy bodies. In future years we will seek to develop indicators which can illustrate how "value for money" is achieved in respect of both member and student support services.

Probably the main issue missing from this section is a discussion around ACCA's own pricing policy in respect of examination fees and members subscriptions. These are standardised on a global basis regardless of where the student lives or the member works. The economics of ACCA membership are closely linked to our administrative infrastructure and the fact that we operate in many jurisdictions around the world – something which challenges a centralised financial management system based in the UK and which would pose a major risk management exercise were we to move either to payments in local currencies or differentiated payments based on an index of relative GDP. These issues are deserving of a deeper discussion in a future CSR Report.

With respect to reporting charitable activities our objective is to ensure that charitable activity at local level (which we suspect is extensive) is better documented and reported.

<sup>1</sup> *Professionalism Pays* December 2008 Chartered Management Institute

<sup>2</sup> *The Value of Management Qualifications* September 2007 Chartered Management Institute

<sup>3</sup> [www.moneymarketing.co.uk/regulation](http://www.moneymarketing.co.uk/regulation)

## 8. Next steps for ACCA CSR reporting

---

**This section summarises our future CSR/sustainability management and reporting plans.**

- We aim to operate a more formal programme of stakeholder engagement to ensure that the next iteration of this report is driven more by stakeholders than by employees and/or consultants.
- We will seek to ensure – from Council level downwards – that our environmental policies are fully integrated into our financial and management policies and our longer-term organisational strategies. Sustainability concerns need to be better integrated into areas such as procurement and the pricing of ACCA products and services.
- We will expand the reporting boundary to include a wider range of ACCA offices and activities.
- We will start the process of formalising our internal CSR management systems, especially in the area of environmental management and performance, so as to produce reliable, comparable and timely data.
- We will begin the process of identifying the scale of our indirect environmental impacts – especially those connected to our examination programme.
- In areas of performance reporting where we appear to have made the most progress – particularly human resources and finance – we must agree some baseline measures and conduct further benchmarking of our performance.
- Our publishing operations will continue to embrace opportunities to reduce the volume of printed output in favour of electronic means of distribution and communication.
- Our travel arrangements will continue to be monitored to manage and, if possible, reduce travel. We will increase our ability to transact business locally or through video conferencing or internet-based technology.
- We will explore how our educational and research programmes can be more effective as instruments of behaviour change and policy influence.
- We will explore the relative benefits of a stakeholder panel supported by a data verification exercise against formal independent report assurance.

## Contact us

---

### **ACCA CSR Reporting Manager**

Henning Drager

henning.drager@accaglobal.com

### **ACCA's headquarter offices**

ACCA (The Association of Chartered Certified Accountants)

29 Lincoln's Inn Fields

London WC2A 3EE

United Kingdom

### **The global website**

[www.accaglobal.com](http://www.accaglobal.com)

<http://www.accaglobal.com/general/activities/subjects/sustainability/>

<http://www.accaglobal.com/general/activities/research/>

<http://www.accaglobal.com/general/activities/subjects/climate/>

