

**INTERNATIONAL CONFERENCE ON
GREEN CITIES: PUTRAJAYA URBAN
CONFERENCE SERIES 2010**

'Accounting's Contribution to Sustainable Cities'

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Goal of Prbadanan Putrajaya

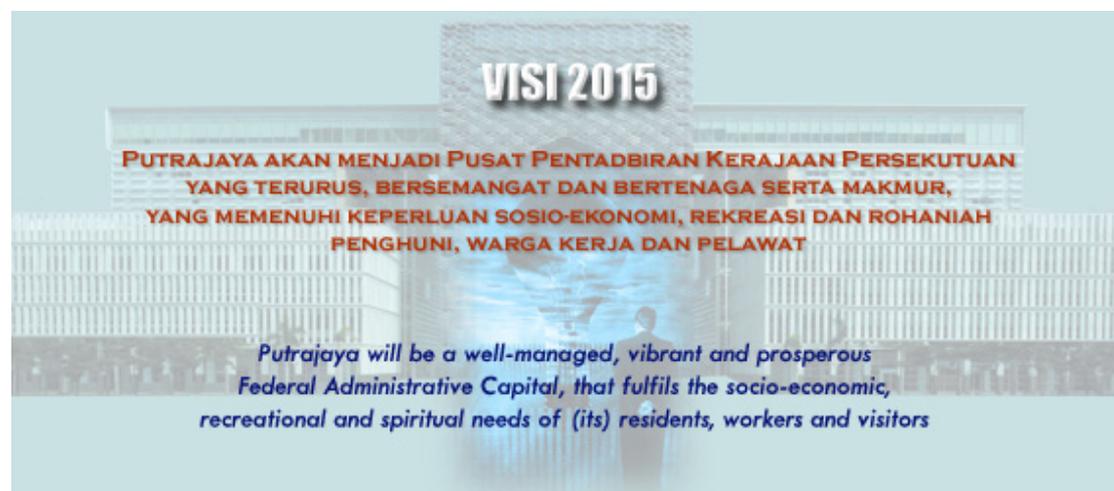
Perbadanan Putrajaya was established under the Perbadanan Putrajaya Act 536, 1995 for the purpose of managing and administering Federal Territory of Putrajaya. Perbadanan Putrajaya is also entrusted with the functions of a local authority and local planning authority by various orders and notifications under the Local Government Act.

To perform all functions of a local government in Federal Territory of Putrajaya

To promote, stimulate, facilitate and undertake commercial, infrastructure and residential development in the area

To promote, stimulate and undertake economic and social development in the area

To control and co-ordinate the performance of the above activities in the area



Aims of the International Conference on Green Cities

- To widen the understanding and shed light on the subject of green or eco cities, its definition, concepts, qualities and the challenges and issues of achieving such cities;
- Review and disseminate the available solutions, experiences and best practices for the development and implementation of green cities;
- Review of the latest developments, innovations and ideas that have been implemented or practiced in achieving a green city towards adoption/ adaptation to Putrajaya and other Malaysian cities;
- Define the role of government agencies in achieving green cities;
- Define the stakeholders involved in a Green City development and identify challenges and solutions;
- Facilitate partnerships amongst the people, government agencies, businesses and the local government towards finding solutions, action programmes and project implementation towards the realization of green cities.
- To prepare a Road Map towards a **Green Action Plan for Putrajaya.**

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Introduction

Putrajaya and Cyberjaya will be developed as pioneering green technology townships in the "shortest time possible" to reflect the Government's commitment to environmentally-sound and sustainable practices. 27 Jan 2010

Accountants can contribute to Putrajaya City achieving its objective of being a green technology township that fulfils the socio-economic, recreational and spiritual needs of its residents, workers and visitors.

Globally, accountants recognize that: "the global challenge is to ensure that organisations' sustainable development practices:

- (a) reverse the previous erosion of natural resources, and
- (b) improve their environmental, social and economic performance.

This requires radical changes in the way we do business and the way we live our livesⁱ. "

We know that "making decisions for sustainable development requires a broader perspective and longer timeframes than provided by financial accountingⁱⁱ."

Malaysia has long been involved in working towards sustainability. Through its involvement in Agenda 21, Malaysia has recognized since 2000 that commonly used indicators such as the gross national product (GNP) and measurements of individual resource flows do not provide adequate indications of sustainabilityⁱⁱⁱ (Hasan & Adnan).

Malaysia's Vision 2020 of a Malaysia that is a fully developed country by the year 2020 provided the vision for Putrajaya City to achieve its goals. The Government is seeking to develop Malaysia along all the dimensions: economically, politically, socially, spiritually, psychologically and culturally. It seeks to be fully developed in terms of national unity and social cohesion, in terms of our economy, in terms of social justice, political stability, and system of government, quality of life, social and spiritual values, national pride and confidence.

Sustainability indicators have been identified for Malaysia, at both the national and state level. For example:

- The Malaysia Quality of Life Index is one indicator of social health. It measures and reports on indicators such as life expectancy, infant mortality, and the percentage of piped water and electricity per household.
- The Environmental Performance Indicator, which places Malaysia 54 out of 132 nations, is an indicator of environmental health. It measures and reports on environmental health and ecosystem vitality.

- GDP growth is one indicator of economic health.

It is now accepted that focusing on the economy alone is insufficient. Humans have many needs. Material well-being can sustain only part of our humanity. We need also to sustain our society, its culture, mores and uniqueness. And, a vibrant environment can no longer be assumed and ignored. It must now be actively managed if human life on this planet is to be sustained.

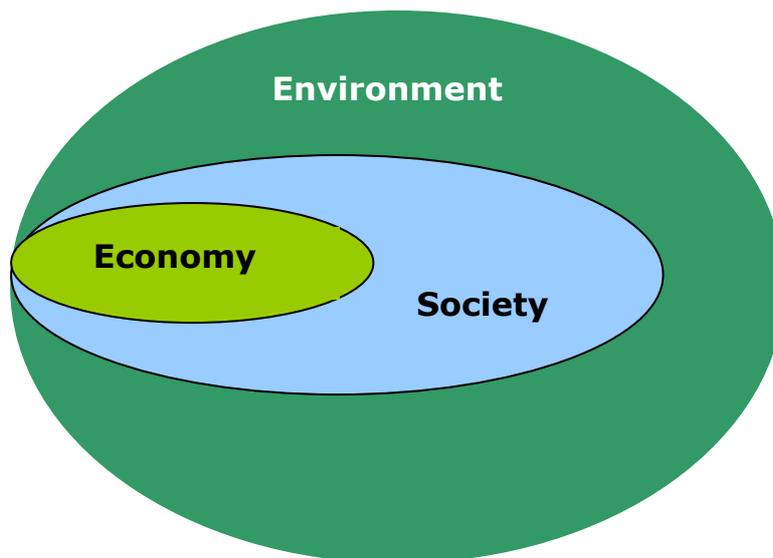


Figure 1: The Economy depends on a viable Society which, in turn, depends on a vibrant Environment

The challenge is to provide a higher standard of living to a growing population.

The Malaysia Plans are supported by the Outline Perspective Plans. Within this framework Putrajaya City seeks to be a sustainable city.

In a sustainable city residents have access to planned development, control over trade, city beautification, health services, road systems, traffic management and public transportation, water, sewage and related water disposal and treatment plants, garbage removal and treatment, libraries, parks and gardens, community and cultural facilities, recreational areas and other services. Collective infrastructure is operating efficiently, is valued, well maintained and upgrades are planned to maximise the standard of service residents receive over a lifetime.

Early work on urban sustainability indicators in Malaysia indicated that: "there was no common framework that seeks to unify sets of information into a coherent whole that specifically relate to any of the frameworks for developing sustainable development indicators (SDI) suggested by international agencies such as the United Nations^{iv}."

Creating a common framework is a challenge. Members of many professions are involved in creating sustainable cities. And we cannot overestimate the problems of multi-disciplinary teams, in which each person's professional competence is respected and appropriately applied to create a holistic result. For example, a framework through which data can be collected, collated and turned into information relies on detailed information retrieval skills. These are held by librarians.

In large-scale urban infrastructure projects, librarians are infrequently part of the project team. Yet, librarians are the key professionals with the skills to classify and retrieve information. Librarians organize and manage information services or materials for those with information needs. They have much to contribute to a city's management of its information^v.

One of the challenges for cities is to bring together the contribution of all professions, harnessing the skills of all, wasting none and enabling the city to benefit from all. The task of achieving a sustainable city requires us all to collaborate in new ways^{vi}.

The Malaysian government is aware of the need to coordinate disparate professions and stakeholders. It has created a Green Technology Council for high-level coordination among ministries to achieve effective implementation of green technology policies^{vii}.

Accounting has skills to contribute to the sustainability of Putrajaya City. It does not have the information management skills of librarians, the physical skills of engineers or an understanding of the complexity of ecological systems within the city. But accountants can bring to the team:

1. Knowledge and skills in serving both internal and external stakeholders
2. An internationally recognised conceptual framework; and
3. Skills in preparing reports for use by the public and specialists; and
4. A long history in local government.

1. Skills in serving both Internal and External Stakeholders

All forms of sustainability accounting have a common objective - to deliver better information to support sustainability initiatives and performance.
IFAC^{viii}

Accounting serves both internal stakeholders: managers and staff and external stakeholders. It provides internal stakeholders with budgets, costings, financial systems and reports. It provides external stakeholders with compliance reports (National Government, regulatory agencies, funding bodies) and other public accountability documents. All stakeholders are served by the independent audit of policies, systems, controls and reports.

The primary objectives that accountants bring to the internal control of a city are to ensure:

1. The reliability and integrity of information.
2. Compliance with policies, plans, procedures, laws, and regulations.
3. The safeguarding of assets.
4. The economical and efficient use of resources.
5. The accomplishment of established objectives and goals for operations or programs.

The International Federation of Accountants (IFAC) notes that "Sustainability accounting, or a narrower focus on Environmental Management Accounting (EMA), can help an organization to develop an information management approach that links its sustainability issues with business performance and success"^{ix}.

EMA is broadly defined to be the identification, collection, analysis, and the use of two types of information for internal decision-making:

- Physical information on the use, flows and destinies of energy, water and materials including wastes; and
- Monetary information on environment-related costs, earnings and savings. (*UN Expert Working Group on EMA*)

Increased social and environmental performance requires information flows to support (a) sustainability reporting, and (b) the strategic and operational management of sustainability issues^x.

Environmental accounting is now becoming defined and codified. Environmental accounting comprises two principal elements:

- environmental accounting for management control information about an organisation's use of, interaction with and impact upon the natural environment that is integrated with the organisation's information systems and used in decision making,
- environmental reporting for accountability public statements (accounts) about an organisation's use of, interaction with and impact upon the natural environment.

Each is undertaken for fundamentally different reasons. The first is undertaken to help management manage the city through, for example:

- identification and exploitation of 'win-win', eco-efficiency opportunities;
- the identification of risks and opportunities arising from, for example, environmental impacts or environmental legislation; and
- strategically exploring and preparing for future changes in the city's environment.^{xi}

The second reason is undertaken in the interests of accountability, primarily as part of the organisation's democratic duty to society.

Internal auditors consider the accounting standards ^{xii}.

External auditors provide users of public financial reports with assurance as to the compliance of the reports with legislation, standards and accounting's conceptual framework.

2. Accepted Conceptual Framework

Accountants work within a conceptual framework, and adhere to professional standards and ethics. This framework provides a basis for comparing the financial statements of entities across sectors and across nations. It provides the principles against which transactions, reported in financial statements, are measured. These principles mean that users of financial statements can differentiate between actual transactions and contingent transactions. It means that only transactions controlled by the entity are reported in its financial statements.^{xiii}

Accounting Standards

Over the years accountants have developed accounting standards. These are the principles and rules that accountants apply in preparing financial statements. Each business would have its own accounting policies. These policies reflect the choices made when applying the accounting principles.

For example, does the business report only on cash received or spent out of bank accounts? This is a cash basis of accounting. Or does it report on resources used during a financial year? If bills are prepaid, are they recorded on the balance sheet as an asset? If bills are not paid, are they recorded on the balance sheet as a liability? This is the accrual basis of accounting.

Particular businesses enter into transactions specific to that business. For example, transactions of businesses in the aquaculture industry^{xiv}, property development^{xv}, mining^{xvi}, and accounting for retirement benefit plans^{xvii} differ from those entered into by an individual. Specific accounting policies have been developed to guide those who prepare the financial statements of these types of industries.

As the Lembaga Piawai Perakaunan Malaysia / Malaysian Accounting Standards Board (MASB) states: "Financial Reporting Standards and prevailing International Accounting Standards (IAS) are useful in providing a structural framework for reporting, but they are inadequate to accommodate Shariah precepts, which form the basis of all Islamic transactions. The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), an accounting and auditing standards setting body in Bahrain, has been active in developing and promoting Islamic accounting, auditing, and Shariah standards^{xviii}.

Within each country, there are generally accepted accounting practices (GAAP). By complying with these practices, businesses ensure that users can reach reliable conclusions from reading their financial statements. The MASB approves accounting standards for private entities and for entities other than private entities. The International Accounting Standards Board provides accounting standards for use by public sector entities.

The MASB, together with the [Financial Reporting Foundation \(FRF\)](#), make up the new framework for financial reporting in Malaysia. This new framework comprises an independent standard-setting structure with representation from all relevant parties in the standard-setting process, including preparers, users, regulators and the accountancy profession.

The International Federation of Accountants (IFAC) is committed to protecting the public interest by developing high-quality international standards, promoting strong ethical values, encouraging quality practice, and supporting the development of all sectors of the profession around the world. The Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Practising Accountants (MICPA) and CPA Australia are members of IFAC. Malaysia is in the process of converging its accounting and auditing standards with international best practice.

Standards on Auditing and , liabilities Assurance

The International Accounting and Auditing Standards Board (IAASB) has issued a standard to assist auditors auditing nonfinancial information in financial statements. ISA 720, "The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements" is designed to assist auditors to take into consideration the effect on users of non-financial information. These are, as yet, inadequate to cover the audit of sustainability reports. IAASB is revising this standard. It is taking into consideration changes over the last decade to the contents and form of annual reports, changes to auditing standards and the risks being faced by entities.

As there is an accepted conceptual framework and set of standards to guide those who prepare and audit financial statements, so too a set of guidelines is being prepared for those preparing and auditing sustainability reports.

Sustainability Guidelines

The United Nations, through its agencies, has worked to develop environmental management accounting policies and linkages and procedures and principles^{xix}. The OECD has prepared DAC Guidelines "Strategies for Sustainable Development: Guidance for Development Cooperation". The UN Conference on Trade and Development, in 2002 prepared guidance manual titled "Accounting and Financial Reporting for Environmental Costs and Liabilities".

Out of this initial work has grown a number of initiatives. The Global Reporting Initiative (GRI), begun in the US by CERES and its network of investors, has prepared its *Sustainability Reporting Guidelines*.

The World Business Council for Sustainable Development (WBCSD), with its head office in Switzerland, is run by CEOs of 200 companies and has developed outlines of the measurements, or metrics, which are useful for reports and provide background information about how organisations move towards sustainability.

The Prince of Wales established the Accounting for Sustainability (A4S)^{xx} to bring together key stakeholders: investors, business associations, inter-governmental organizations, regulators and standard setters, the accounting community, multi-stakeholder groups and NGOs, and academics to develop a connected and integrated reporting model. He has called on the G20 nations to mobilise broad support for the proposals among key stakeholder groups internationally.

The above conceptual framework will continue to be developed. The aim is to provide users of reports with confidence that they can be relied on in making economic, social and environmental decisions.

3. Useful Reports

Accountants have built their conceptual framework on the assumption that financial statements are used by people to make economic decisions. For example, the above conceptual framework records the desirable attributes of financial statements reports^{xxi}.

Accountants contribute the need to know the users of reports in order to prepare useful sustainability reports. In designing sustainability reports, it will help to:

1. identify the users of sustainability reports;
2. identify the decisions (environmental, social and economic) the users are making;
3. identify the information in sustainability reports users rely on to make these decisions;
4. provide information users can rely on because it is independently audited or assured.

3.1. Users of Sustainability Reports

Individual users of sustainability reports can be identified. They obtain a copy of the sustainability report. They may seek paper copies, or download an electronic version of the sustainability report. Once the city can identify the key decisions being made to ensure sustainability, potential users of sustainability reports can be found.

Who will use Putrajaya City's sustainability reports? They may include:

Internal stakeholders

- managers;
- suppliers and city staff;

- workers;

External Stakeholders

- residents (both households and corporations) and their groups;
- national government;
- international agencies;
- the media;
- religious bodies;
- recreational clubs;
- environmental analysts;
- non government organisations;
- others.

3.2 Decisions on Sustainability

What decisions do these groups need to keep Putrajaya City sustainable?

The City's vision 2015 is to be "a well-managed, vibrant and prosperous Federal Administrative Capital, that fulfils the socio-economic, recreational and spiritual needs of (its) residents, workers and visitors."

You are already monitoring water quality, traffic flows and resident numbers to enable the city to achieve this vision. But members of the city's staff are not the only ones whose decisions affect the life in the city.

The GRI reporting guidelines contain:

1. Organisation profile disclosures
2. Management approach disclosures – these being descriptions of strategies and outcomes designed to improve outcomes in key areas of corporate non-financial performance
3. Performance indicators (and where relevant, sector supplement performance indicators)^{xxii}.

What other groups are making decisions that, had they the benefit of information held by the City, could work towards vision 2015?

3.3 Information to Report

Once Putrajaya Corporation has identified the types of decisions required to make Putrajaya city sustainable, it can identify the types of information to report from the myriad of possible indicators.

It is possible to provide a plethora of information, down to energy usage per machine, landfill contents, water quality measurements and yet to miss reporting on the overall health of the environment. While many decisions are made to ensure sustainability, the reports of Putrajaya City can provide information on how it meets the resident's socio-economic, recreational and spiritual needs. Usually entities report progress in achieving their objectives. Each city is different and each will select different paths to sustainability. The Global Reporting Initiative (GRI) has identified indicators of economic, environmental and social performance, divided into "core" and "additional"^{xxiii}. Each entity selects those that most reflect its path to sustainability.

Examples of areas of sustainability and indicators from a corporation follow:

ECONOMIC	ENVIRONMENT	PRODUCT RESPONSIBILITY	LABOUR PRACTICES	HUMAN RIGHTS	SOCIETY
3 Aspects 9 Indicators	9 Aspects 30 Indicators	5 Aspects 9 Indicators	5 Aspects 14 Indicators	7 Aspects 9 Indicators	5 Aspects 8 Indicators
Economic performance Market presence Indirect economic impact	Materials Energy Water Biodiversity Emissions, effluent & waste Products and services Compliance Transport Overall	Customer health & safety Product and service labelling Marketing communications Customer privacy Compliance	Employment Labour management relations OH&S Training & education Diversity and EO	Investment and procurement practices Non-discrimination Freedom of association & collective bargaining Child labour Forced and compulsory labour Security practices Indigenous rights	Community Corruption Public policy Anti-competitive behaviour Compliance

Figure 2: Source unknown.

Public sector agencies are also being challenged to report on the long-term sustainability of public finances^{xxiv}.

Putrajaya City's administration's role is to formally select those indicators that demonstrate to internal management and to key external stakeholders that its decisions will result in the city achieving Visi2015.

By knowing the information being used or for which proxies are being used, the city can select the indicators against which it will collect data to enable it to prepare sustainability reports at the level required by general users. More powerful users can ask Putrajaya City to prepare reports on specific information.

Accountants can contribute one very useful concept to the design or reports. It is called "materiality".

Materiality – Sifting the Husks from the Rice

Accountants determine what to include in a report based on what is “material” to a user making a decision. Thinking this way helps us determine the level at which information is separately reported. The inclusion of information which is not material or the exclusion of information which is material may impair the usefulness of the information reported to users

The formal definition states: “Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- a) influence the economic decisions of users taken on the basis of the financial statements; or
- b) affect the discharge of accountability by the management or governing body of the entity” (AASB 1030 Materiality)^{xxv}.

For example: a city’s financial statements will contain information on the total cash at bank. They do not contain information on the balance at year end of each and every bank account. Users of financial statements need to know the liquidity of the city. If too much detail is provided, their attention is drawn to details that do not affect their decisions. Put simply, they are distracted. However, experience has shown that users need to know the difference between liquid assets that turn over within 12 months (current assets) and those that are held for longer (Non-Current Assets).

The aim of a sustainability report is to inform the city’s residents and other external stakeholders of the activities, achievements and the challenges faced as a community. People look to it for information to assist them make decision to achieve Visi2015. They are not served well if the report is unnecessarily cluttered by lots of detail. Where users require more detail, this can be reported in notes to the reports or obtain separately. For example, staff will have access to detail not in the sustainability reports.

“Materiality” is a concept that helps make financial reports easy to read and understand. It can similarly be applied to the preparation of sustainability reports. And external auditors of assurers can apply it in auditing the sustainability report.

3.4 Independent Audit and Assurance of Reports

Independent audit provides users with assurance that the financial statements are reliable. A clear audit report means independent professionals have had full access to the management and financial systems and have reached the opinion that the report is supported by documentation, and has been prepared in accordance with nationally recognized standards and policies.

The accounting profession, in 2003, issued its “International Framework for Assurance Engagements”, for use in the audit of corporate responsibility reports of large companies, and the standard ISAE 3000 “Assurance Engagements other than audits or reviews of historical

financial information^{xxvi}. The profession is also developing an assurance standard for green house gas engagements^{xxvii}. AA1000AS "Guidance for Reporting Organisations seeking Assurance" has been developed by the non-profit organisation AccountAbility^{xxviii}. AA1000AS and ISAE3000 are widely recognized assurance standards to guide assurance providers whereas the GRI Guidelines guide reporting companies.

The aim of accountants is to provide useful reports to both internal and external stakeholders so that economic resources are well applied. The manner in which a city is administered has changed over time. What follows is a description of the reporting competence of local governments generally, using a scale between one and five.

4. Accountants have been serving Local Government for 100s of years

The contribution of accountants to local government varies in accordance with the environment (ecological and legislative). What follows is a summary of the stages of evolution of accounting for local government activities in all countries.

LEVEL 1: Local Government part of National Government

At this level, local governments are part of the national or state government. In many countries, local governments exist in name only. Residents in each local government area do not have the funds and cannot attract funding for infrastructure projects. National government remains the main source of funding to local infrastructure and other local services. At this level local governments need merely to account for the funds allocated within the national government accountability framework. Sustainability is assumed rather than be actively managed.

LEVEL 2: Local Government Separate Entity

At level 2, the population within each local area increases and national governments respond to the local community's desire to control their own services and infrastructure by legislating for local government. Once formed in accordance with national legislation, they raise funds from residents, levying fees for charges, e.g. rubbish removal, and may manage smaller services. Rarely do local governments at this level fully fund their own infrastructure, which are managed and funded by national or state government. At this level local government may prepare their own financial statements. They manage sustainability through planning processes and bylaws.

LEVEL 3: Local Government raises Revenue

At level 3, the wealth of the population is sufficient for local governments to raise its own revenue through levying rates and charges. The local government, as a result of this reliable revenue stream, is able to provide reliable services. The national or state government may continue to manage infrastructure projects and provide capital funding. At this level, local government will generally have their own accounting personnel and

actively manage the standard of living of residents. National / State governments retain the power to overrule local government decisions.

LEVEL 4: Local Government raises Capital

At level 4, with a reliable revenue stream, local governments seek to meet residents' expectations by planning and raising loans to fund infrastructure. This infrastructure may be funded by the national or state government or through debt instruments. There is usually a good asset management system that records all infrastructure and other assets of the local government. At this level local government will have their own specialist professionals (engineers, accountants, librarians and will set their own standards. Sustainability is management through by laws and national / state legislation.

LEVEL 5: Local Government is Sustainable

Infrastructure has a finite life cycle. When local governments are new, most of their infrastructure is also a new. At this stage, the life cycle cost of local government infrastructure is incorporated into the costing structure underpinning revenue policies. Local government is able to manage the intergenerational equity by ensuring the future generation is not charged for infrastructure consumed by a previous generation. In addition, it is able to ensure that the current generation provides infrastructure to the next generation sufficient to meet their needs. At this stage of evolution local government will have, in addition to engineering and accounting personnel, environmentalists and experts in reporting on sustainability. Generally, governments work in partnership within a common framework of laws and internationally accepted standards.

Level	Attributes
5. City is demonstrably sustainable	<ol style="list-style-type: none"> 1. City managers are responsible for selecting indicators and demonstrating achievement of sustainability goals. 2. The city contributes to the setting of standards and guidelines for sustainability reporting for local governments. 3. The City is accountable to residents and other stakeholders through formal accountability reports. 4. City staff members have the skills to manage sustainability through policies, systems and procedures within a common framework. 5. Good practices are followed and sustainability reports are independently audited / assured.
4. City raises its own capital	<ol style="list-style-type: none"> 1. City managers are responsible for strategically planning infrastructure and obtaining sources of funds. 2. The city complies with internationally recognized standards for sustainability. 3. The City is accountable to funders and other major national and international stakeholders. 4. City staff members manage the city's assets, maintenance, operation and disposal. 5. Internal policies, systems and procedures are followed and comply with generally accepted practice for the management of infrastructure.
3. City raises its	<ol style="list-style-type: none"> 1. City managers budget for revenue needs and levy rates, fees and charges to fund the city's annual operations.

Level	Attributes
own revenue	<ol style="list-style-type: none"> 2. The city complies with national government legislation and guidelines for sustainability. 3. The city is accountable to the residents through election of its governing body. 4. City staff members manage revenue raising and expenditure. 5. The city complies with local government procedures and accounting standards.
2. City is politically independent	<ol style="list-style-type: none"> 1. City managers approve the budget before it is submitted to national government for funding. 2. The city develops its own sustainability policies, systems and procedures. 3. The city is accountable to the national government and local government guidelines and regulations. 4. City staff members are appointed by the city administration. 5. The city develops its financial policies, systems and procedures.
1. City is part of national government.	<ol style="list-style-type: none"> 1. City managers submit the budget to national government for funding. 2. The city complies with national sustainability policies, systems and procedures. 3. The city applies the national government guidelines and regulations. 4. City staff members are appointed by the national government. 5. The city applies national financial policies, systems and procedures.

Figure 3: Model of City's growing capability to sustain itself

Conclusion

Not only do cities have to maintain the current level of service they provide their residents, they also have to enhance their environment and social lives.

Accountants' contribution to city administration has evolved over time. Local government in some countries still have limited financial responsibilities. Budgets, plans and reports are prepared by ministries within the national government. They have limited cash budgets, with inadequate resources to manage waste, maintain assets and develop the skills of their staff.

As local governments develop, they gain access to more reliable sources of long-term funds. Accountants are involved in estimating revenue, preparing budgets, planning and costing infrastructure projects, and costing proposals from the governing body.

With the introduction of computerisation, financial systems have been able to collect and store more data than was available under the cash book system. Specialised skills are now required to identify user needs and to document system requirements and to implement systems so that they are effective.

In most countries, there are some units within administrations that are too small or remote to link to sophisticated databases, or internet software. Most administrations combine data input using manual, stand alone PC terminals, small networks, intranet and internet.

The skill of an administration depends, not only on the data and systems available, but also on the individual staff members. Financial officers contribute to infrastructure plans, ensure budgets are sufficient and prepare useful reports when they are involved in the initial planning discussions and have good knowledge of the expected life of the asset and its maintenance requirements.

When a city begins to expand its ability to manage cash, physical assets and IT systems, so it is able to allocate resource use to financial years, it develops a skill set that can be drawn on when planning the sustainability of a city.

A city's management of its sustainability and of its reporting on sustainability depends on the existence of many skills. It is now accepted that focusing on the economy alone is insufficient. Humans have many needs. Material well-being can sustain only part of our humanity. We need also to sustain our society, its culture, mores and uniqueness. And, a vibrant environment can no longer be assumed and ignored. It must now be actively managed if human life on this planet is to be sustained.

Accountants have much to contribute to managing sustainable cities.

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<http://www.accountingforsustainability.org/home/>

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IFAC Sustainability Framework - <http://web.ifac.org/sustainability-framework/overview>

IFAC Consultation Paper – Reporting on the Long-term Sustainability of Public Finances - <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0133>

GAAP – IFRS - <http://www.gaap-ifrs.com/special/links.asp#asia>

Global Reporting Initiative - <http://www.globalreporting.org/>

World Business Council for Sustainable Development (WBCSD) -
<http://www.wbcsd.org>

Malaysia:

Ninth Malaysia Plan 2006 – 2010 -
<http://www.utusan.com.my/utusan/SpecialCoverage/RMK9/html/english.htm>

Malaysian Accounting Standards Board - <http://www.masb.org.my>

Sustainability:

Australian Local Government Association – Sustainability -
<http://www.alga.asn.au/policy/environment/sustainability/>

Ecological Sustainability Indicators -
<http://www.environment.gov.au/esd/national/indicators/index.html>

Forum for the Future - <http://www.forumforthefuture.org/>

Indicators of Community Sustainability -
<http://www.sustainablemeasures.com/Indicators/index.html>

International Society of Sustainability Professionals -
<http://sustainabilityprofessionals.org/>

Local Government Sustainability Frameworks -
http://www.lgpmcouncil.gov.au/publications/sus_framework.aspx

Local Government Sustainability Resource Locator -
<http://municipal.resourcesmart.vic.gov.au/>

Sustainability Victoria -
<http://www.sustainability.vic.gov.au/www/html/1814-sustainability-research.asp>

Related Professions:

Institute of Public Works Engineers of Australia (IPWEA) -
<http://www.ipwea.org.au>

Librarians Association of Malaysia - <http://www.ppm55.org.my/>

ENDNOTES

ⁱ International Federation of Accountants, "Sustainability Framework: Overview"
www.ifac.org/sustainability-framework/overview last accessed 12th February, 2010.

ⁱⁱ The SIGMA Guidelines Toolkit – Sustainability Accounting Guide, p 9
<http://www.projectsigma.co.uk/Toolkit/SIGMASustainabilityAccounting.pdf>
last accessed 10th February, 2010.

ⁱⁱⁱ Mohd Nordin Hasan and Admad Hezri Adnan (2001) "Sustainable Development Indicator Initiatives in Malaysia – Novel Approaches and Viable Frameworks" Institute for Environment and Development (LESTARI) Universiti Kebangsaan Malaysia.

^{iv} Hasan and Adnan, 3.2.1.

^v <http://www.ppm55.org.my/> last accessed 17th February, 2010.

^{vi} Selangor, in *Agenda 21 Selangor*, addressed the issue of sustainable development indicators, and considered the conceptual framework and the implementation plan in considerable detail.

^{vii} <http://peterchin.my/?p=387> last accessed 17th February, 2010.

^{viii} <http://web.ifac.org/sustainability-framework/imp-improvement-of-information>
last accessed 16th February, 2010.

^{ix} See: <http://web.ifac.org/sustainability-framework/imp-improvement-of-information> last accessed 10th February, 2010.

^x IFAC Sustainability Framework, Internal Management.

<http://web.ifac.org/sustainability-framework/imp-improvement-of-information>

^{xi} Advances in Environmental Accounting Proceedings of the ACCA/Environment Agency Seminar May 2001, Certified Accountants Educational Trust, London.

^{xii} The scope of internal auditors includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.

- Reviewing and appraising the economy and efficiency with which resources are employed.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Reviewing specific operations at the request of the Audit Committee or management, as appropriate.
- Monitoring and evaluating the effectiveness of the organization's risk management system.
- Reviewing the quality of performance of external auditors and the degree of coordination with internal audit.
- Review the internal control statement by senior management and the related opinion by the attest auditor for audit planning. (see: <http://www.theiia.org/guidance/additional-resources/audit-committees-board-of-directors/internal-audit-department-charter/> last accessed 16th February, 2010).

^{xiii} Information is the foundation of efficient markets. The information currently covered by accounting standards and listing rules does not reflect all the non-financial factors fundamental to the assessment of the current or future performance of a company and its contribution to the creation of a sustainable economy. This impairs the ability of investors and others to take informed decisions.

(<http://www.accountingforsustainability.org/files/pdf/Governance%20&%20Collaboration.pdf> page 2)

^{xiv} MAS 5 [Accounting for Aquaculture](#);

^{xv} MASB 32 [Property Development Activities](#)

^{xvi} FRS 6 [Exploration for and Evaluation of Mineral Resources](#)

^{xvii} FRS 126 [Accounting and Reporting by Retirement Benefit Plans](#)

^{xviii} MASB: The Need for Islamic Accounting Standards IN2.

^{xix} UN Division for Sustainable Development, Environmental Management Accounting Procedures and Principles, United Nations, New York, 2001. Environmental Management Accounting: Policies and Linkages, 2001.

^{xx} See: <http://www.accountingforsustainability.org/home/> last accessed 9th February, 2010.

^{xxi} <http://www.iasplus.com/standard/framework.htm> last accessed 16th February, 2010., and "Overview of the MASB A Proposed Framework for the Preparation and Presentation of Financial Statements" at www.masb.org.my

^{xxii} <http://www.globalreporting.org/ReportingFramework/ReportingFrameworkOverview/> last accessed 18th February, 2010.

^{xxiii}

<http://www.globalreporting.org/reportingframework/g3online/performanceindicators> last accessed 17th February, 2010.

^{xxiv} IFAC, in November 2009, issued a consultation paper on "Reporting on the Long-term Sustainability of Public Finances". Comments are requested by April 30, 2010. <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0133> last accessed 17th February, 2010.

^{xxv} http://www.aasb.com.au/admin/file/content102/c3/AASB1031_9-95.pdf last accessed 17th February, 2010.

^{xxvi} <http://web.ifac.org/sustainability-framework/ohp-external-review-and-assurance> last accessed 17th February, 2010.

^{xxvii} <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0132> last accessed 17th February, 2010.

^{xxviii} <http://www.accountability21.net/> last accessed 17th February, 2010.
