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SEEKING EXPERTS

2nd International Symposium on Accounting and Reporting: Co-operative Socio-economic Transformation

A collaboration between:



and



Join us in Oxford, United Kingdom June 25-26, 2018

Contribute to developing a framework for accounting & reporting in the context of.....

- member and community need
- cooperative values & principles
- sources and impacts of capital
- financial health
- social and environmental indicators
- efficient use of resources to meet member need
- positive contributions to the transformation to society and worker engagement

Express your interest in contributing as an expert. Send a paragraph now describing your expertise and area(s) of focus.

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2nd International Symposium on Accounting and Reporting: Co-operative Socio-economic Transformation

The conference objective is to map (as fully as possible) a system of co-operative accounting and reporting.

The Conference seeks to gather together international expertise firmly grounded in an understanding of co-operatives, as transformational organizations, to identify new conceptual contributions and new functional tools. Contributions to the conference should move forward the development of co-operative accounting and reporting with reference to the five topics listed below.

We are seeking experts that can contribute to the development of a framework dealing with the following topics:

- Accounting and reporting on the efficient use of resources to meet member and community need
 - Accounting for the portion of member need the co-operative provides in its area of product or service and an assessment of the quality and cost.
 - Accounting for negative and positive social and economic impacts of the co-operative on workers, the community and the environment.
- Accounting and reporting for co-operative values and principles. How are they reflected or not in the operations of the business?
- Measuring the sources and impacts of capital. Capital restrictions; reserves; commonly owned assets; personal accounts
- Measuring Financial Health. Reporting on the financial ability of the co-operative to meet its obligations, to meet member and community need at present and in the future and its ability to attract capital for future investment.
- Measuring and reporting on social and environmental performance for co-operatives
- Reporting on the positive contribution to the transformation of society
- Reporting on worker participation and worker engagement

Background

In June 2005 the Co-operative Management Education (CME) program at Saint Mary's University held the first ever International Symposium on Co-operative Accounting. Presenters came from five countries. The papers from that conference served to provide a significant portion of the base for the curriculum of the two courses on Co-operative Accounting that are part of the CME programs. They also became the basis upon which CME and the then Canadian Institute of Chartered Accountants (now Chartered Professional Accountants of Canada) established the Centre of Excellence in Accounting and Reporting for Co-operatives and its academic Journal (Journal of Accounting and Reporting for Co-operatives – JCAR).

The first symposium was focused on the following assumptions: If we were able to design an approach to accounting, starting from scratch, just to serve co-operative business, what would it

look like? Put another way, if we had a toolbox (the conceptual framework) and a set of tools designed to be useful to managers to account for how co-operative businesses use their resources to achieve their goals, while adhering to co-operative values and principles, what would it look like? What are the accounting tools needed by an innovative co-operative business for both reporting results and managing?

The first conference was based on the intuition that co-operative accounting needs to be different. A senior and thoughtful accountant working in a major co-operative expressed it this way, “Accounting is how a business accounts for the use of its resources to achieve its goals. If a Master’s program for co-operative managers is to be effective at all you need to rethink how it accounts to its members and society.”¹ If that was a good definition then it would follow that the investor owned approach to accounting does, at very best, an imperfect job for co-operatives. At worst it diverts their effective action away from their business purpose and fails to reflect the high business and governance standards that flow logically from co-operative values and principles. It subtly seduces co-operative boards and managers into running the co-operative as if its purpose was to maximize return to investors.

The Conference Challenge

Almost the entire body of accounting and reporting practice, as we now know it, is designed to measure how an investor-owned company uses its resources to achieve its goal and to ensure it reports clearly and honestly to investors. As a business structure or ‘technology’ the investor-owned corporation has only one purpose, one core goal – to maximize the return to invested capital. There are, to be sure, boards and managers who insert ‘other’ goals based on their personal values, but their scope of action is limited and if the pursuit of those ‘other’ goals is perceived to interfere with maximizing the rate of return on capital they are removed and/or the flow of capital to them is reduced. In an investor owned company pursuit of goals other than the core goal, is permitted only to the extent that it contributes to maximizing returns.

Co-operatives are fundamentally different. Their purpose, to meet member and community need, is to be accomplished while respecting an internationally accepted set of values and principles. Community need is understood to include a significant range of social and environmental goals: from minimizing negative environmental and social impacts; to contributing to healthy communities; to improving the economy and meaningfully engaging those who work in them. It is this adoption of a ‘life centered’ purpose, values and principles that makes co-operatives transformative. If co-operatives are to claim to adhere to this wider framework then they must measure their performance to be credible. Co-operatives are much more sophisticated and complex to operate. That complexity and sophistication mirror human complexity and provide the sophistication needed for economic activity to operate within the limits of human society and the natural limits of the planet.

We know that what is not measured is not likely to be managed, or at best, not managed well. The lack of a truly co-operative accounting and reporting system is a significant reason people often criticize co-operatives for straying from their purpose, values and principles. Inadequate

¹ Brian Murray, Co-op Atlantic, Interview, October 1998

measurement tools and significant measurement gaps makes effective Management difficult or impossible. A co-operative that is making a 'profit' but failing to meet member needs and paying little attention to values and principles can look superb in the short or even medium run but cease to be a successful co-operative business. Workers, members and the public are attracted to and expect a co-operative difference. The failure to maintain a co-operative identity and difference increases the risk of business failure.

A co-operative accounting and reporting system needs to reflect the transformative and emancipatory nature of co-operative business; its financial health; its impact on the financial, social and ecological health of its communities; as well as a different conception and role for capital.

Post Conference

The intention is to consolidate the results of the workshops into a framework map of a systematic co-operative accounting approach. The map will identify the key factors to be measured with the intention of setting the stage for the systematic use of: suitable measures already developed and in use; measures that can be adapted; and new measures that need to be created.

Journal of Accounting and Reporting for Co-operatives (JCAR)

A special issue of JCAR will be published to include selected papers from the conference.

Conference Details

Dates: June 25-26, 2018

Location: Oxford, UK

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