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INTERESTED PARTY PERSECTIVES REGARDING TRIPLE BOTTOM LINE REPORTING

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Attempting to specify or list groups and individuals who may be interested in Triple Bottom Line (TBL) reporting by entities usually centres on groups identified through such references as the Statements of Accounting Concept. An alternative approach is to identify different perspectives from which groups and individuals may stem. In this way the scoping of key performance areas and perhaps the need for regulation is more readily highlighted. The perspective chosen determines the purpose of the reports that are generated. Three perspectives are identified as having a significant role to play:

- Management perspective
- User perspective
- Societal assurance perspective

Management perspective

The term stakeholder is used by management and derives from stakeholder theory which very simply is a management perspective identifying parties likely to affect entities. Clarkson (1995) described two stakeholder groups:

a Primary stakeholders without whose continuing participation the entity cannot survive as a going concern; and,
b Secondary stakeholders who influence or affect, or are influenced or affected by, the entity, but are not engaged in transactions with the entity and are not essential for its survival.

User perspective
Users are self identifying and use entity information to make decisions. An alternative perspective of the constitution of users that includes environmental and social as well as the economic performance needs of users is more than relevant in today's society. The following definitions draw distinctions between users on the basis of their interest in the economic and social performance of entities.

Explicit users are those users that have identifiable rights or potential rights to information supplied by entities. These rights have largely been codified through legislation and other regulatory processes. This is not to say that only explicit users have access to the information but merely that the focus of regulatory reporting by companies is towards this group. Entities are required to make publicly available certain information, the focus of which is directed towards shareholders, creditors, regulatory bodies and others with contractual arrangements. There are other users such as potential shareholders and analysts who, whilst not having any contractual arrangement with a company it is asserted, find that the information supplied to explicit users satisfies their needs. Entities not only supply required information but also commonly supply information voluntarily about the entity (Faux 2002).

Implicit users are described as being those users who have no formal or traditional right to information but rather use information regarding a company's activities as they relate to specific areas of interest such as environmental issues. The distinction dichotomises the economic and social performance of entities. The explication of the dichotomy would provide all parties involved in the communication of corporate information with greater knowledge of the reporting process (Faux 2002).

Societal assurance perspective
This particular perspective recognises that there are members of society including some identified in the perspectives above that feel strongly that entity reports should be verifiable and regulated but they are not particularly interested in reading the reports (Faux 2004). This perspective is about entities being accountable for their actions to society and recognises the relationships identified by Diegling et al (1996), in their five accountability rationalities, as legal, economic, technical, social and political.

The complexity of philosophical and theoretical approaches and perspectives to TBL reflects the difficulties that entities are likely to encounter measuring and reporting TBL performance. Quality of reporting should also reflect the potential needs of interested parties and quality, in a normative sense, should indicate the ability of interested parties to conduct more rigorous analysis of a company's performance.

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BRANCH REPORTS

It is important that we keep touch with the activities of the various chapters of APCEA. Last edition a comprehensive report was presented. This edition we have an excellent report from Professor Maliah Sulaiman and Dr Nik Nazli Nik Ahmad looking at the activities of the Malaysian Chapter.

Research Activities of the Malaysian Chapter of APCEA (based at the International Islamic University Malaysia)

The chapter's new research projects planned for 2005 are as follows:

Environmental Reporting Practices of the Construction and Properties Sectors: A Content Analysis and Questionnaire Survey

This project is a short-term project (6 months) which will examine the state of reporting (extent of disclosure as well as type of environmental disclosure) of public listed companies in two environmentally-sensitive sectors in Malaysia; construction and properties. The project will involve two stages of data collection; a content analysis of the companies' annual reports in the first stage, followed by a mail questionnaire survey to the accountants and CEOs of these companies. The survey will, however be designed such that disclosers and non-disclosers of environmental information will have a different survey to respond to. For companies which disclose some environmental information, questions will focus on the reasons for disclosure, including influential or motivating factors. For companies which currently do not have any environmental disclosure, the survey will attempt to elicit information on the reasons for non-disclosure as well as factors which act as barriers to disclosure. The study will make several contributions to the environmental reporting literature. First, the study will reveal the extent and nature of environmental disclosure of companies in two environmentally-sensitive sectors in a developing country. Much of the prior literature has focused on the developed Western countries such as the U.S., U.K., and Australia. Second, the study will provide insights into the reasons or factors which encourage environmental disclosure, as well as factors or reasons for non-disclosure of environmental information from the perspective of two very important parties, the CEO and the accountant.

Environmental Disclosure Index

This project involves a review of the literature and the development of an environmental disclosure index or scoring system. Since there is no currently accepted universal format for an environmental report, this index is necessary to ensure that any attempt to measure environmental reporting will be based on a single framework. The main contribution of this project lies in