

How Big Is Your Carbon Footprint?

Climate change remains high-profile news and mid-sized organisations are likely to have concerns about the role they eventually will, or should, play, according to Peter O'Rourke (pictured), managing director of Access Accounting Ireland. "Yet a lack of legislation from the wider political framework and the absence of formal reporting guidelines leaves organisations wondering how they should go about measuring their carbon footprint - or whether they need to," said O'Rourke.

"There have been some intervention policies such as increasing car tax on 'gas-guzzling' four-wheel-drive vehicles, taxing of leisure craft fuel and increased tax on motor fuels. However the encouragement to report on CO2 emissions, in the main, comes not from government but from business and the public themselves," he added.

Responsible Approach

This includes large retailers looking to make their supply chain carbon efficient, quality standards such as ISO 14001 helping organisations raise their green credentials, and customers, suppliers and investors attracted to companies that demonstrate a responsible approach.

"Organisations could be forgiven for wondering in the current economic climate, whether it's worth the effort.

I would argue it makes more sense now than ever before, especially if higher costs will be incurred due to taxation, but also to

strengthen an organisation's position against its competitors - especially if they want to do business with large corporates."

In order for organisations to play a part, they need to be able to measure and report on their carbon emissions. Ideally, this includes being able to analyse, budget, and control their CO2 performance. "After all, you can't manage what you can't measure," said O'Rourke.

Many vendors advertise carbon footprint tools and services, but there is a huge variation in the approaches taken, the methodologies provided, and the costs. From modelling tools to Life Cycle Assessment, these processes can be complex in nature and require significant implementation consultancy in order to deliver results. There are some web tools, but these don't necessarily give a full picture.

"It's understandable that organisations don't know where to start. The business environment is complex enough without having to decipher the most appropriate methods for measuring their carbon footprint. That's why we believe software vendors have an incredibly important part to play in providing tools that reduce complexity and minimise cost.

Access Dimensions

"This was the approach we took in developing an accounting for carbon emissions tool that was an integral part of our flagship business and accounting solution, Access Dimensions.



It seemed a commonsense approach to gather carbon emissions data as an extension of the processing of accounts transactions; the role naturally falls within the finance department," explained O'Rourke.

The majority of organisations' main carbon emissions emanate from the use of power, staff travel costs, and distribution costs. Access Dimensions simply requires a couple of extra fields of data be entered and the carbon emissions are automatically calculated using DEFRA tables.

The benefit of tracking carbon from within the accounts system is that the company can have real time or period reporting, can analyse carbon usage by cost centre, and can set budgets against which performance can be tracked. From the accountant's perspective this approach also has the benefit of providing a full audit trail back to the source document or activity that created the carbon emission.

"Measuring carbon emissions doesn't have to be complicated. By simplifying the whole process, organisations can use this knowledge to their advantage and elevate their position above the competition. And in today's current economic environment that can only be a good thing," concluded O'Rourke.

A handwritten signature in black ink, appearing to read "P. O'Rourke". The signature is fluid and cursive.

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