



## SEMINAR COURSE ON SUSTAINABILITY AND STRATEGIC AUDIT

### I. Course Identification

- A. MAC 309- Sustainability and Strategic Audit
- B. Cognate / Professional Courses; 3 Units
- C. Required for UA&P BS Management Accounting
- D. Elective for UA&P BS in Accountancy
- E. Schedule: Second Semester of SY 2022-2023
- F. Fourth-year students (*cf. CHED CMO-28-2-2017*)

### II. Background

The Sustainability and Strategic Audit course is part of the professional courses mandated by CHED among accounting students in tertiary education. This complements the technical competencies of the business and management education, and accounting education courses, and the intellectual, interpersonal, communication, and organizational and management skills developed in general education.

Together with business and management education and accounting education courses, the professional courses complete the technical competencies, skills, professional attitude, ethics, and values required under the International Federation of Accountants (IFAC) latest International Education Standards that qualify the graduate to take any global certification assessment in management accounting. (*See CHED CMO-28-s-2017*)

CHED issued several memorandums in 2017 that revise policies for university accountancy curricula to comply with the competency framework. It mandates that CPAs comply with continuing professional development (CPD) requirements issued by the Board of Accountants (BOA) and approved by the PRC.<sup>1</sup>

### III. Course Description

This course underscores the importance of Sustainability and Strategic Audit in Corporate Governance. With the rise of stakeholder theory in business and investors' activism, it is imperative for business leaders to understand the changing dynamics and strategies in corporate governance.

The course explores **Sustainability as a Strategy**, which includes the **different tools of non-financial corporate reporting**. Through the provision of business cases from various industries, the course shows how companies applied sustainability strategies and tools to their businesses. Most cases

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<sup>1</sup> In November 2016, the BOA issued Board Resolution No. 358 Series of 2016, "Increasing the Required Continuing Professional Development (CPD) Units from Sixty (60) to One Hundred twenty (120) Credit Units within a Compliance Period of Three (3) Years for all CPAs and Changing the Thematic Areas to Competence Areas" to align with latest IES requirements. In July 2017, the BOA issued operational guidelines that made these requirements effective and by 2019, all CPAs will be required to comply with 120 hours of CPD. (c.f. <https://www.ifac.org/about-ifac/membership/country/philippines>)

will be publicly listed companies (PLCs). Thus, links will be provided to various forms of information for students to compare and analyze in the context of Sustainability Reporting and non-financial audit.

Resources in the course will come from industry reports, academic research, white papers published by experts on the subject, and the actual disclosures of multinational companies. Sustainability professionals will serve as resource persons in the class throughout the semester.

#### IV. Course Delivery

The instructional staff of the course is composed of Sustainability professionals from the Center for Social Responsibility of UA&P, all of whom are certified by globally recognized professional organization/s in Sustainability Reporting such as (1) Global Reporting Initiative (GRI) Standards, (2) International Integrated Reporting <IR> Framework, (3) Task Force on Climate-related Financial Disclosures (TCFD), and (4) Sustainability Accounting Standards Board (SASB) Standards. The assigned faculty-in-charge is Ernest Marc Castillo ([ernestmarc.castillo@uap.asia](mailto:ernestmarc.castillo@uap.asia)).

As a seminar course, it will employ instructional methods suited for a small group of learners such as in-depth discussion after a lecture, reading primary literature, and group presentations after workshops. Classes will be held **onsite at ACB 403 on even weeks** and **online via Zoom on odd weeks of the semester**. The class schedule is every Tuesday and Friday from 1:30 to 3:00 PM.

#### V. Course Objectives

At the end of the course, students are able to:

- Define and differentiate Sustainability from CSR and understand its concept in the context of the corporation.
- Determine the importance and implications of Sustainability in Corporate Governance and how it is integrated as a business strategy.
- Describe the Sustainability Reporting landscape (both local and international) and its process.
- Understand the business case of ESG, its ecosystem, and how it is applied in investment decision-making.
- Familiarize themselves with the four known and widely used international reporting standards: (1) GRI Standards, (2) <IR> Framework, (3) TCFD, and (4) SASB Standards.
- Relate the impact of climate change on business and understand the financial risks and opportunities that come with it.
- Determine the different strategies adopted by businesses in response to climate change, including climate reporting and the tools associated with them.

TOPICS	Intended Learning Outcomes (ILO)	Teaching-Learning Activities (TLA)	Assessment Tasks (AT)
<p><b>Course Orientation</b> Week 1 (Jan. 13, 2023) Online</p>	<ul style="list-style-type: none"> <li>Students are guided by the modalities and requirements for the Seminar on Sustainability and Strategic Audit. The syllabus is discussed as guidance for the rest of the semester, as well as the Learning Loop adopted by the Center for Social Responsibility as host to the course.</li> </ul>	<ul style="list-style-type: none"> <li>Orientation and discussion of the Syllabus</li> </ul>	<p><i>(Provision of Segmented Materials for reading and viewing of students via Canvas)</i></p>
<p>Module 1: <b>THE CONCEPT OF SUSTAINABILITY IN BUSINESS</b> Week 2 (Jan. 16 – 21, 2022) Onsite</p>	<ul style="list-style-type: none"> <li>Students are guided by the <b>history of Sustainability</b> and its milestones that influenced its definition and the practices today.</li> <li>Given its meaning, students can <b>differentiate Sustainability from Corporate Social Responsibility (CSR)</b>.</li> <li>Students are also able to recognize <b>the values, attitudes, and behavior in the transition from CSR to Sustainability</b> within the company's processes and operations.</li> <li>Students are further able to understand <b>the drivers of, and the Incremental Path toward, Sustainability</b> (<i>Global Protocols, Laws, and Regulations; Brand Value; Green Growth and Business Performance</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussion</li> <li>Group discussions of business cases of CSR and Sustainability Initiatives: A Differentiation</li> </ul>	<ul style="list-style-type: none"> <li>In-class discussion and reflection of the evolution of Sustainability</li> <li>Canvas discussion thread in assessing how students interpret and apply the concept of Sustainability through examples by company</li> </ul>

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Module 2: <b>CORPORATE GOVERNANCE AND SUSTAINABILITY</b> Week 3 (Online) and Week 4 (Onsite) (Jan. 23 – Feb. 4, 2023)	<ul style="list-style-type: none"> <li>The students can relate <b>the principles of Sustainability to Corporate Governance.</b></li> <li>Students are able to identify <b>the responsibility of the leadership and management</b> in the effective implementation of Sustainability initiatives in business operations.</li> <li>They are further introduced to the <b>concept and practice of Corporate Reporting and the international reporting standards.</b></li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussions</li> <li>Group break-out discussions and presentations</li> </ul>	<ul style="list-style-type: none"> <li>Short reflection paper on how Sustainability is applied in Corporate Governance practices of known companies</li> </ul>
Module 3: <b>THE BUSINESS CASE OF ESG AND SUSTAINABILITY REPORTING</b> Week 5 (Online) (Feb. 6 – Feb. 11, 2023)	<ul style="list-style-type: none"> <li>The students are able to understand how the <b>Environmental, Social, and Governance (ESG) practice is operationalized.</b></li> <li>The students are also able to understand <b>the key drivers and benefits of ESG and Sustainability Reporting.</b></li> <li>Students are further able to explain <b>the ESG Financial Ecosystem</b> and how ESG is applied in Investment decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussion</li> </ul>	<ul style="list-style-type: none"> <li>Quiz on the topic (An objective essay)</li> </ul>
Module 4: <b>OVERVIEW OF THE SUSTAINABILITY REPORTING STANDARDS</b> Weeks 6-12 (Feb. 13 – Apr. 1, 2023) Week 13 (Holy week Break)	<ul style="list-style-type: none"> <li>The students can understand <b>the landscape of Sustainability Reporting locally and internationally</b> including compliance to policies that mandates Sustainability in business (such as SEC Memorandum Circular No. 4 – Sustainability Reporting Guidelines for PLCs)</li> <li>Students are also able to follow the process of Sustainability Reporting, which includes</li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussion</li> <li>Case studies</li> <li>Group workshop and presentations</li> </ul>	<ul style="list-style-type: none"> <li>Group workshop on Materiality Assessment and Stakeholder Engagement</li> <li>Group workshop per reporting standard through templates that will be provided for the students to fill in</li> </ul>

TOPICS	Intended Learning Outcomes (ILO)	Teaching-Learning Activities (TLA)	Assessment Tasks (AT)
	<p><b>Materiality Assessment and Stakeholder Engagement.</b></p> <ul style="list-style-type: none"> <li>Students are further able to familiarize themselves with the four known and widely used international reporting standards: <b>(1) GRI Standards, (2) &lt;IR&gt; Framework, (3) TCFD, and (4) SASB Standards.</b></li> <li>Lastly, students understand how companies prioritize and report on their <b>contributions to achieving the UN SDGs and participation in the United Nations Global Compact.</b></li> </ul>		<p>accordance with the requirements of each reporting standard.</p> <ul style="list-style-type: none"> <li><i>Midterm exam</i></li> </ul>
<p>Module 5: <b>CLIMATE-CHANGE AND BUSINESS</b> Week 14 (Online) (Apr. 10 – 15, 2023)</p>	<ul style="list-style-type: none"> <li>Students can relate <b>the impact of climate-change on business, particularly the financial risks and opportunities associated with it.</b></li> <li>Students are also able to describe the value of <b>climate-related reporting in business and in policy trajectory.</b></li> <li>Students are further guided by the <b>TCFD framework and its adoption by corporations</b></li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussion</li> <li>Group workshop</li> </ul>	<ul style="list-style-type: none"> <li>Group workshop on TCFD and presentation</li> </ul>
<p><b>DECARBONIZATION AND THE PATHWAY TO NET ZERO</b> Week 15 (Onsite) (Apr. 17 – 22, 2023)</p>	<ul style="list-style-type: none"> <li>Students are able to explain <b>Decarbonization and its practices among corporations.</b></li> <li>Students are also able to describe the different <b>strategies adopted by businesses in their journey towards the global agenda on Net-Zero emissions.</b></li> </ul>	<ul style="list-style-type: none"> <li>Lecture and guided discussion</li> </ul>	<ul style="list-style-type: none"> <li>Quiz on the topic (An objective essay)</li> </ul>

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Module 6: <b>SUSTAINABILITY REPORTING ASSURANCE AND FUTURE TRENDS</b> Week 16 (Apr. 24 – Apr. 29, 2023)	<ul style="list-style-type: none"> <li>• Students able to understand <b>how Sustainability Reports are assessed and assured by assurance providers.</b></li> <li>• Students are also able to familiarize themselves with <b>the latest developments and trends in terms of Sustainability Reporting</b> such as the <b>Value Reporting Foundation</b> initiative.</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture and guided discussion</li> </ul>	
Weeks 17-18 (May 1-13, 2023)	<ul style="list-style-type: none"> <li>• Discussion of Final Group Paper</li> <li>• Research and Writing</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Group consultations</li> </ul>	<ul style="list-style-type: none"> <li>• Final group paper on the analysis of a Sustainability Report of a company</li> </ul>
Week 19 (May 15-20, 2023)	<ul style="list-style-type: none"> <li>• Finals Week</li> </ul>		<ul style="list-style-type: none"> <li>• <i>Final exam</i></li> </ul>

## VI. Course Requirements

- Group Workshops & Quizzes 40%
- Group Paper 20%
- Midterm Exam 20%
- Final Exam 20%
- Total** 100%

## VII. Grading System

1.00 = 97 – 100	2.25 = 75 – 79	UW: unauthorized withdrawal
1.25 = 93 – 96	2.50 = 70 – 74	WP: withdrawal with permission
1.50 = 89 – 92	2.75 = 65 – 69	INC: incomplete
1.75 = 85 – 88	3.00 = 60 – 64	FDA: failure due to absences
2.00 = 80 – 84	3.50 = 59 & below	

### Prepared by:

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