

Managerial Accounting In the Area of Corporate Responsibility

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TABLE OF CONTENTS

- Basic characteristics of managerial accounting
- Role and advantages of management accounting
- Difference between management accounting and financial accounting
- Environmental Management Accounting
- CIBC exemple

To be in the picture...



„Managerial accounting is the process of preparing management reports and accounts that provide accurate and timely financial and statistical information to managers to make short-term and long-term decisions.“

„It identifies, measures, analyzes, interprets, and communicates information to enable an organization to pursue its goals.“

What is typical?

Focus on internal users –
executives, product
managers, sales managers
within the organization...





Not linked to U.S.GAAP

GAAP (**Generally Accepted Accounting Principles**) is a common set of accounting principles and standards that organizations use to compile their financial statements

Basic Financial Statements according to US GAAP are:
BALANCE SHEET, INCOME STATEMENT, CASH FLOW STATEMENTS



GAAP accounting standards are used primarily in the United States and Canada

In the European Union - The International Financial Reporting Standards **IFRS**



The role of the managerial accountants...

...is to perform a series of tasks to ensure their company's financial security, handling essentially all financial matters and thus helping to drive the business's overall management and strategy.

Accountants – key figures in determining the success

Why is it important?

- **Forecast the Future** :Should the company invest in more equipment? Should it diversify into different markets?
- **Helping in Make-or-buy Decisions:**
Cost and production availability are the deciding factors
- **Forecasting Cash Flows:** How much cost will the company incur in the future?
- **Analyzing the Rate of Return:** What will be profitable?

The Advantages...



1. **Reduce Expenses**: This information allows owners to better understand how much money it costs to run the business
2. **Improve Cash Flow**: The main purpose of budgets is to save the company money through careful analysis of necessary and unnecessary cash expenditures
3. **Business Decisions**: Business owners can review each opportunity through analysis to assure they have a clear understanding relating to business decisions
4. **Increase Financial Returns**: Management accountants prepare financial forecasts relating to consumer demand and price changes in the economic marketplace



Differences

Managerial Accounting

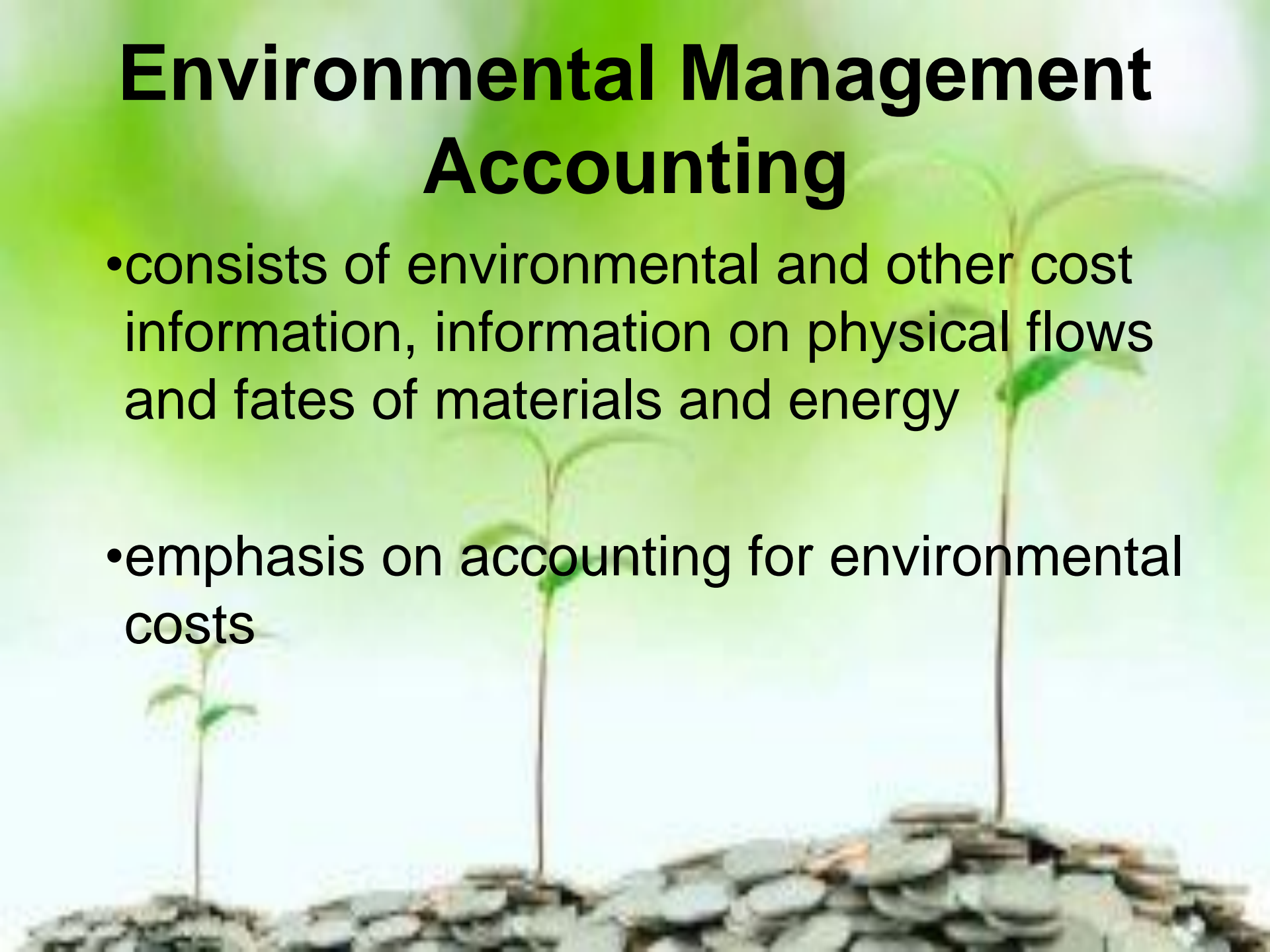
- Information about operation of an organization
- Within a company
- Interest in more effective operation of an organization
- Focus on the current and future trends

Financial Accounting

- Information about financial health of a company
- For external stakeholders
- Interest in investments
- Based on the past performance

Environmental Management Accounting

- consists of environmental and other cost information, information on physical flows and fates of materials and energy
- emphasis on accounting for environmental costs



Benefits of EMA

- Information about an environmental performance of a company
- Effectiveness
- Measure of an environmental problem impact
- Development of environment strategy toward a greener corporate culture



Limitations of EMA

- Necessary integration with financial accounting
- Knowledge of process of EMA
- Rules, regulations related to environmental aspects
- EMA – a long-term process;
- conclusions – not drawn easily





Adjusted earnings per share (EPS)⁽²⁾ growth	\$8.07, up 6.6% from 2011
Return on common shareholders' equity (ROE)	22.0%
Capital strength⁽³⁾ Tier 1 capital ratio Total capital ratio	13.8% 17.3%
Business mix Retail ⁽⁴⁾ /Wholesale as measured by economic capital ⁽²⁾	77%/23%
Risk Loan loss ratio ⁽⁵⁾	53 basis points
Productivity Adjusted efficiency ratio ⁽²⁾	55.8%
Adjusted dividend payout ratio⁽²⁾	45.1%
Total shareholder return Five years ended October 31, 2012	CIBC – (0.1)% Index – 25.2%



<p>Clients</p> <p>Help our clients achieve what matters to them</p>	<p>Continued our leadership in mobile innovations with the launch of mobile payments</p> <p>Named the Best Commercial Bank in Canada by <i>World Finance</i> magazine</p> <p>Awarded Deal of the Year at the 19th annual U.S. Mutual Fund Industry Awards for our investment in American Century Investments</p> <p>Acquired the private wealth business of MFS McLean Budden to build our wealth management platform</p> <p>Named Best Bank of the Year – Project Finance & Infrastructure – Canada by <i>DealMakers Monthly</i></p>
<p>Employees</p> <p>Create an environment where all employees can excel</p>	<p>Increased our Employee Commitment Index for the seventh consecutive year</p> <p>Recognized as one of Canada’s Top 100 Employers and as one of the Best Workplaces in Canada</p> <p>Selected as one of Canada’s Best Employers for New Canadians for the fifth consecutive year</p> <p>Named one of Canada’s Best Diversity Employers for the second consecutive year</p> <p>Invested more than \$62 million in the training and development of our people</p>
<p>Community</p> <p>Make a real difference in our communities</p>	<p>Invested more than \$38 million to support charitable organizations across Canada</p> <p>Nearly 13,000 CIBC employees and their families raised more than \$30 million in 60 communities through the 2012 Canadian Breast Cancer Foundation CIBC Run for the Cure</p> <p>Raised \$4.1 million on CIBC Miracle Day in December 2011 to support children’s charities throughout 2012</p> <p>Contributed more than \$8.5 million to the 2011 United Way campaign</p>
<p>Environment</p> <p>Demonstrate environmental responsibility in all activities</p>	<p>Continued our investment in energy efficiency initiatives, including lighting retrofits in more than 90 branches</p> <p>Increased the use of Forest Stewardship Council (FSC) certified paper stock to 97% and committed to use FSC-certified wood products in corporate office furniture systems</p> <p>Led or co-led over \$3 billion in project financings for renewable energy, including wind, hydro, solar, geothermal, biomass, and biogas in the last three years</p>
<p>Governance</p>	<p>Ranked the strongest bank in Canada and North America and third strongest bank in the world by</p>

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YOUR ATTENTION!**