
Literature and Insights Editorial

Editorial

675

Are you ready to fight fires?

This editorial might have headed off in an entirely different direction but for one thing that happened since I began to considering my original topic. You will have to wait a while for that other issue because, as I write, Australia is on fire.

I know this might sound parochial – along the lines of “what happens in my backyard is more important than the same thing across the globe somewhere else” and so on – but what a bloody big backyard it is to be ablaze. A whole continent and, yes, there have been large wildfires in the US and the Amazon is also burning, so this is actually not just about the antipodes.

Many other commentators would do a better job of analysing how we got to this situation, who mismanaged what aspect of polluting output, what we can now do to improve the plight of the planet, etc. None of it is frivolous stuff, of course, and we cannot be proud. Australia has a higher rate of per capita pollution than many other nations, especially when exports of coal are taken into account. There are also some dodgy accounting tricks being played out in the area of international credit being claimed for past improvements. We can and should engage with discussions on such matters and not sit passively.

For my purposes here, let us focus on things that occur in the world of your own expertise as teachers, economists, management accountants, business managers, etc. as the current crisis unfolds. Let us talk about risk management, effective action and what you can do personally. Indeed, let us narrow down this to the question of whether funds that are meant to redress the impact of global warming and the effects of crises like the still-raging fires actually get where they were intended and are used effectively.

If you are concerned about how your children will grow up, you owe it to them to consider where such monies will go that are meant to make this a better world in which to live. You can bring your education and your intelligence and your skills to bear and, yes, your accountability.

Think about the fire at the Notre-Dame Cathedral and the apparent reluctance of any major, publicly declared “donors” to actually pay anything so far. They are apparently waiting for contracts to be signed that tightly set out what is to happen with the money, whereas the ordinary donor just sends their cash with goodwill and hopes for the best. Many such projects will require close scrutiny, to honour what happens to donations from all sources and to minimise waste and corruption.

In Australia, and prompted by feelings of compassion, a lot of money is flowing to charities that should be able to assist those worst affected, including wildlife (those left alive). The benefits should also go to fire-fighting agencies in the form of equipment, for instance. But will it? It is said that wherever there is a stream of cash, someone will be sticking their hands in it.

An Australian comedian, Celeste Barber, has captured the imagination of many people and used her public profile to garner donations of some \$A50m so far (that is not a misprint). One might argue that some donors are simply caught up in the buzz of such a momentous event, something with more allure than grass-roots activity, to help their neighbours – and attaching it to celebrity increases the prospects of charity. I will leave that aspect to the psychologists to ponder. Whatever the case, it remains that there is a huge sum of money to be distributed.



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The “Celeste Barber” donations have gone to a Google account and that company’s standard online advice is that it does not charge any fees for handling charitable donations, though it does first hold them for up to 90 days. People are arguing about where the recent donations are, how much has been released and where they have gone. The nominated destination is the trust fund of one charity in the state of New South Wales meant to assist a single fire service, yet Barber says the money will be distributed more widely, including to other states and for other purposes. What will actually happen and will any variation (should that be possible) threaten the tax deductible status of the donations already made?

Also, ask yourself this. Would you like \$A50m sitting in your bank account for up to 90 days even if it was all to be cleared out at the end? Your computer programme algorithms would mean that you would not actually have to do any work in managing the funds (their receipt or later payment); it is all automated. Interest rates might be low at this stage but there is still a tidy gain to be had, one more or less equivalent to the cost of a fully equipped fire engine. Would you retain that interest revenue for your own use and not expect to be accountable for it?

On a smaller scale, friends lost their house and everything else they owned except their laptop computers when part of a nearby town was razed in bushfires. Money contributed to a GoFundMe account by concerned friends has just been paid to them after GoFundMe deducted a “commission” equivalent to almost 8%. Given the period involved, that charge equates to an annualised interest rate of around 140%. However one reckons the calculation, in retrospect, a direct payment to their personal bank account might have been better.

This is the kind of issue that a management accountant or auditor with an ethical bent ought to be scrutinising. If donations are passed on, with interest and without commission, to their intended recipients and are well-managed thereafter, that is great. One can also check whether their expenditure is timely and consistent with a charity’s deed of trust.

We need decent management and good auditing. We need to see some overview reporting of the controls and effectiveness of key charities and government operations allied with bushfire/wildfire charities and remedial work.

I hope that in coming days we also see the best of humanity in response to these horrific events, in both the short and longer terms. Many of you will be in prime positions to observe whether this happens whenever events in your part of the world require it, since there are disasters of all kinds visiting. If that means being very vigilant in case there is diversion of genuinely charitable funds or poor allocation of them, you could well have a role to play. That might involve you fighting a different kind of fire.

In this issue, our creative component is an article on teaching practice from Athar Murtuza. Athar looks at the use of a poem in an accounting course, titled “A Teaching Resource: Wallace Stevens *Anecdote of the Jar* as a Metaphor for Accounting”. This poem is employed to raise issues of perspective, of considering the actual nature of one’s environment. It looks at how this becomes apparent to human regard and, in a sense, then acquires a new character. In a way, we can say that this article not only addresses considerations of intermeshed business and arts thinking but also more fundamental aspects of critical thinking. The observer changes what is observed even when apparently doing nothing else. The accountant frames the viewed world with a set of filters and a set of skills. What happens next?

Your own creative contributions can be submitted via ScholarOne (see below), and your email correspondence is always welcome, of course, at: steve.evans@flinders.edu.au.

Literary editor

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prose pieces is edited for the Literature and Insights Section only and does not undergo the refereeing procedures required for all research papers published in the main body of *AAAJ*.

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Editorial

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677
