

An aerial photograph of a rainy city street. Several people are walking, each holding a large umbrella. The umbrellas are in various colors: light blue, dark blue, red, orange, and green. The wet pavement reflects the colors of the umbrellas and the surrounding environment. A white crosswalk is visible in the middle of the frame. The overall scene is vibrant and captures a common urban experience.

**ACCA**

**RESPONSIBLE  
SMP  
PACESETTERS**

Think Ahead

# About ACCA

ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of 227,000 members and 544,000 future members based in 176 countries that upholds the highest professional and ethical values.

We believe that accountancy is a cornerstone profession of society that supports both public and private sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to society and individuals.

Since 1904 being a force for public good has been embedded in our purpose. And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

**Find out more about us at [www.accaglobal.com](http://www.accaglobal.com)**



## **RESPONSIBLE SMP PACESETTERS**

Small and medium-sized accounting practices (SMPs) are a powerful force for public and social good. In their support for the small and medium-sized enterprise (SME) sector they are helping this vital part of the economy operate more effectively. SMPs also have an important role in supporting individuals and organisations in their local communities: promoting financial literacy and social cohesion, reaching out to schools and colleges, supporting charities and NGOs, and offering employment and training to underrepresented groups.

# Foreword



**Helen Brand**  
Chief executive, ACCA

**As our day-to-day activities are fundamentally reshaped by the effects of the pandemic, the purpose of organisations is in ever sharper focus. This unprecedented challenging environment is crystallising the need for better connectivity, greater mutual support and genuine purposefulness.**

For finance and accountancy professionals, this is about recognising their common duty to the society and the central part they can play in creating a resilient future for their organisations and for wider economies and the people they serve.

Small and medium-sized accountancy practices (SMPs) are at the heart of supporting local communities, small businesses, charities and the NGO sector. Since the Covid-19 outbreak, their pivotal role has become even more widely recognised as they are often at the very core of social sector crisis support and small business survival. SMPs are also the driving force of financial literacy and financial inclusion across local communities, with both being vital pillars of a sustainable future for the next generation. As a professional body, ACCA recognises the important role our members have across the fabric of society, well beyond their role as job and wealth creators. This report highlights and celebrates this important broader role of SMPs within, and for, their communities.

ACCA professional accountants are trained to uphold, and are bound by, a stringent professional code. And because ethics and integrity are essential components of the professional accountant's DNA, this enables them to help the organisations understand how to be accountable to all stakeholders and to position this as an ethical choice, not simply a compliance issue.

This report proudly showcases some of the best examples of social responsibility, in its widest sense, as practised by SMPs and the ACCA members who power them. We hope it acts as a both a beacon and inspiration for the profession to do more and be more, as we all look to the future and a sustainable global recovery.

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# Executive summary

**Small and medium-sized accounting practices (SMPs) are a powerful force for public and social good. In their support for the small and medium-sized enterprise (SME) sector they are helping this vital part of the economy operate more effectively, powering economic growth, employment and individual prosperity.**

But they also play a huge part in supporting individuals and organisations in their local communities: promoting financial literacy and social cohesion, reaching out to schools and colleges, supporting charities and non-governmental organisations (NGOs), and offering employment and training to underrepresented groups.

## **SMPs' vital role supporting small businesses reconfirmed in COVID-19 crisis**

The COVID-19 crisis has brought to light the vital role SMP accountants play in supporting SMEs. When the crisis hit, SMPs became the emergency service for their clients. But as well as working tirelessly to help them weather the immediate storm, SMPs have been able to demonstrate to their clients their value as advisers, and help them to build businesses that are sustainable for the long term.

SMEs and SMPs now have a mutual realisation not just of the value that SMPs bring to the SME sector but of the enormous potential that is still to be unlocked. SMPs provide the link between the SME sector and the ecosystem that they have to navigate: government, regulators and banks, and play a key role not just in guiding SME clients to the support they need but also in articulating their needs to these diverse stakeholders.

## **Supporting the charity and NGO sector**

Like many other organisations, SMPs make donations, fund-raise and volunteer for charities. But their biggest contribution is as accountants and business advisers: not just producing accounts pro bono but also serving on boards and promoting good governance, financial accountability and best practice. This work also serves as a powerful development tool for accountancy leaders and their staff.

## **Promoting the accountancy profession**

SMP leaders spend a lot of time working with schools and colleges to promote accountancy as a progressive and rewarding profession and back this up by offering training and apprenticeship opportunities, often to underprivileged or excluded groups. In doing so they are creating genuinely diverse practices, with a clear sense of mission and values.

## **Financial inclusion and financial literacy**

SMPs play a valuable role in fostering financial literacy among both individuals and organisations in their communities, promoting both entrepreneurship and personal responsibility. The adoption of digital technologies, in particular, is leading to a new era of engagement between SMP accountants and their clients, and enhanced financial competence among small business owners.

## **Social inclusion**

One way that SMP accountants have helped make their practices more inclusive is by using digital technology to promote flexible working practices and better work-life balance, opening the profession to both young people and returnees by offering internships and part-time roles.

Remote working and flexible hours were well established in SMP accountancy even before the COVID-19 crisis and make it possible for people to combine a career in accountancy with family life, or to overcome mobility issues. Many SMP accountants are also experimenting with different ownership models, paving the way for employees to gain equity in their firms.

### Sustainability and ethics

As 'sustainability trailblazers', SMP accountants are playing a leading role in transforming the SME universe into one of robust businesses behaving ethically and responsibly. As trusted advisers they can guide clients through the maze of emerging reporting frameworks, carbon accounting, and waste reduction schemes and help them become both economically and environmentally sustainable.

### Call to arms

Many SMPs are already making huge contributions, whether of money, time or expertise. But there is more to be done, and clients' and employees' expectations will continue to grow.

SMPs can live up to those expectations and express their values through their recruitment and employment policies, adopting and encouraging environmental responsibility, engaging with schools and universities and supporting charities and their local communities.

### What is in it for the SMPs?

- ✓ Strengthening the SMP client brand and expanding the client base
- ✓ Supporting the recruitment brand – candidates are increasingly looking for purposeful careers
- ✓ Developing talent and acquiring new skills through community work.



**SMP ACCOUNTANTS ARE  
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# Introduction

## Small and medium-sized practices (SMPs) are a progressive force in accountancy.

A highly diverse and innovative group, they have embraced new business models using Cloud-based accounting and digital technology to automate compliance work and offer increasingly sophisticated, value-adding advice and support to their clients, while offering exciting new career paths to accountants of different profiles and age groups. This report continues the series of publications devoted to SMPs that was initiated by *The Passionate Practitioner* (ACCA 2019a) and continued by *Careers in Small and Medium-Sized Accountancy Practices* (ACCA 2020c).

SMPs have always been a force for public good through both their day-to-day activities and their wider engagement with their employees and the communities around them. The sense of purpose that drives their businesses and the values that they adopt often extend to social as well as commercial objectives. Nonetheless, in the absence of a specific marketing function, their broad and impressive role in their society and communities often remains an untold story. We therefore decided to expand on this implicit message and explore the wider social impact of SMPs.

What we have found has been eye-opening, both because of the individual stories we have uncovered and in widening our appreciation of the role of the sector as a whole.

This report is designed not merely to recognise this contribution, but to inspire and support the leaders of SMPs to reflect on and enhance their own social responsibility programmes. It also shows how the wider engagement that social responsibility entails can be the catalyst that allows both accountants and their clients to reach their true potential.

The report is based on the findings of more than 40 interviews conducted with SMP leaders from around the world and provides first-hand accounts of the multiple ways in which SMPs support the wider community.

In this report we shall see how the roles that SMPs play as professional advisers dovetail with and support their wider social responsibilities and how the desire and need


to engage in activities that broadly fall under the heading of 'corporate social responsibility' (CSR) form a natural extension of the ethical and professional responsibilities of the accountant.

We are aware that there are many practices that not only could, but would like to, do more. We hope that the stories and case studies in this report will help to inspire and guide them into developing a holistic approach to responsibility that will not only suit their business model but reflect and support their brand. For what is a brand but the distillation of the purpose and meaning that drives an organisation? And what better way to demonstrate that by prospering while promoting the well-being and success of others?

We also hope that telling those stories and unveiling the breadth of the SMP footprint for society, small businesses, charities and the NGO sector will enable policymakers to recognise the importance of their role and encourage them to actively engage into a dialogue with SMPs developing policies for those segments.

### WHY IS THIS REPORT DIFFERENT?

1. It focuses on practical aspects of social responsibility as practised by SMPs and explores both the challenges and the unique opportunities for practitioners.
2. It is based on real-life case studies and the testimonials of the leaders of SMP practices.
3. It has global outreach and covers case studies from 15 countries around the world.
4. It explains the breadth of SMP accountants' role for broader society and communities.
5. It suggests clear practical steps for creating socially responsible practices and integrating them within the broader business mission of an SMP accountancy firm.



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# 1. Vital role **supporting small businesses**

Since we began our research, the world has been overtaken by the COVID-19 pandemic. As devastating as the loss of life has been for many people, the impact of this crisis has been and will be predominantly financial, affecting businesses large and small with consequent impacts on jobs and communities.

For the SMEs that make up the bulk of SMP clients, accountants have been the most trusted advisers: a crucial part of the financial health and hygiene system for the SME sector, which is vulnerable to business failures and poor governance.

The World Bank estimates that SMEs represent about 90% of businesses and more than 50% of employment worldwide. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs (World Bank n.d.).

**SMP accountants not only support this vital pillar of the economy but also, through enhanced business support and access to finance, enable it to make a contribution to overall economic growth.**

**THIS BROADER,  
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”

## **1.1 At the forefront of business support**

Small businesses, micro enterprises and start-ups often struggle with the basics of finance and governance, which often are far from the focus of the business or its founder's skill sets.

Without the resources or scale to hire dedicated financial staff they will be entirely dependent on their accountant for financial support and advice on good governance.

By promoting financial literacy in schools, SMPs can help create a more financially literate business community, one whose members are able not only to manage their finances better, but also to have better conversations with financial advisers and have a better understanding of how the solutions proposed work.

Many businesses have learned a sharp lesson from COVID-19 about the importance of understanding the basics of cash flow and balance sheets. SMPs have responded to the needs of small businesses as a whole by opening their web pages, Facebook groups and webinars to non-clients as well as clients.

And, as we saw in *The Passionate Practitioner* (ACCA 2019a), this role has become increasingly proactive and forward looking: not merely reacting to emergency situations but looking to anticipate and head off future problems by spotting anomalies, resource bottlenecks, seasonal fluctuations and cash flow issues. This broader, advisory role means the accountant no longer records what happened in the past but looks to the future, and offers a much broader range of advice and services designed to help SMEs expand their businesses and achieve their business and personal goals.

In this evolving role, progressive SMPs are aided by a number of tools available within digital accounting ecosystems. These have vastly increased the quality of analysis and modelling available to the SME sector as well as the ease of accessing financial and other support, with the accountant acting as the catalyst and guide.

The impact of COVID-19 has highlighted the role SMPs were already playing in supporting businesses and communities, and the broader social functions they fulfil.

Accountants in fact sit at the centre of extensive networks. The SMPs draw their clients from a broad cross-section of the local business community, giving them a broad sense of the state of the local economy, its needs and constraints and also its broader infrastructure of schools, charities and NGOs. As well as directly 'giving back' in the form of direct contributions and volunteer roles, accountants play a valuable networking role in bringing communities together for mutual support and learning.

### **Advocating small business interests**

As the representatives of these businesses and communities, SMP accountants not only act as intermediaries between clients and the tax authorities, but also help articulate the needs of SMEs to government and regulators, playing a powerful role, often through their involvement with their professional bodies, in ensuring that regulation and legislation is appropriate and relevant to SMEs.

Hasting Mtine, Managing Partner at MPH Chartered Accountants from Zambia who is also a member of ACCA's Global Forum for SMEs, organises annual conferences for SMEs updating them on the issues related to access to finance, tax and changes in SME related legislation. Representatives of the government are also regularly invited to those events that facilitates an in-depth constructive discussion with SME, better understanding of existing bottlenecks in the legislation and government schemes.

## **1.2 COVID-19 response**

The COVID-19 virus has swept around the world, causing thousands of deaths and overwhelming healthcare systems.

Yet for most people the effect of the virus has been primarily financial, as containment and quarantine measures introduced by government have curtailed commercial activity and forced many business to shut down altogether. Even when these measures are finally lifted, the world faces a deep recession which many companies will not survive. SMEs and microenterprises have been particularly hard hit by supply chain disruptions, staff shortages and lockdowns.

'The COVID-19 pandemic is having extensive and very damaging consequences, for people and for the global economy. The short-term hit to global gross product will probably be greater than during the 2008–9 recession, which at its lowest point recorded global gross product falling at an annual rate of around 2.5%' (ACCA 2020b).

'Even organisations deemed previously sustainable may not continue to be so, despite the regulatory, fiscal and monetary policy actions that national governments are taking and the global cooperation that is happening' (ACCA 2020b).

Accountants thus have a vital role to play in this crisis, and their response may make the difference as to whether their clients make it through the short-term restrictions and are able to recover in the medium to long term.

The COVID-19 crisis has highlighted and reconfirmed the importance of the SMP. It has seen an unprecedented mobilisation of the SMP community: SMPs have been working individually and collectively to keep thousands of small businesses afloat, often working round the clock.

This assistance has often been virtual and extends across borders: the ACCA SMP community has mobilised to create a dialogue and share information across the world's markets. SMPs have also faced their own challenges, whether with staffing, delayed payments or the physical difficulty of conducting audits, and have responded with flexibility and innovation.



## CASE STUDY:

**Rosanna Choi FCCA, Chair of the ACCA Global Forum for SMEs, CW CPA**

### Turning challenges into opportunities

With offices in Hong Kong SAR and mainland China, Choi's practice experienced the first wave of the COVID-19 outbreak.

Support for staff, many of whom had to return to their home towns, was the first priority: ensuring that they were safe and confident at work, or had the support, equipment and above all flexibility to work from home where necessary and adapt to the new situation.

'This was the moment when reinforcing the bond with our employees and comforting them in the moment of uncertainty was more important than ever', says Choi. 'The teams responded by showing flexibility and motivation, understanding how important their support is to keeping the small businesses afloat and how much their loyalty matters for us'.

The challenging times not only brought the teams even closer together, but helped the practice become more innovative and flexible, more tech savvy and definitely more resilient.

Efficiency actually improved: the team continued to meet reporting deadlines and audits that normally took months were completed in weeks. The practice also launched newsletters to update clients on crisis transformation and the latest governmental support

available and, by encouraging clients to share the lessons learned, it created a strong sense of community.

But there are challenges: supply chain issues mean that clients are delaying their payments but fortunately the practice has contingency funds, and its diverse customer base means it is not overexposed to the hardest-hit sectors and geographies.

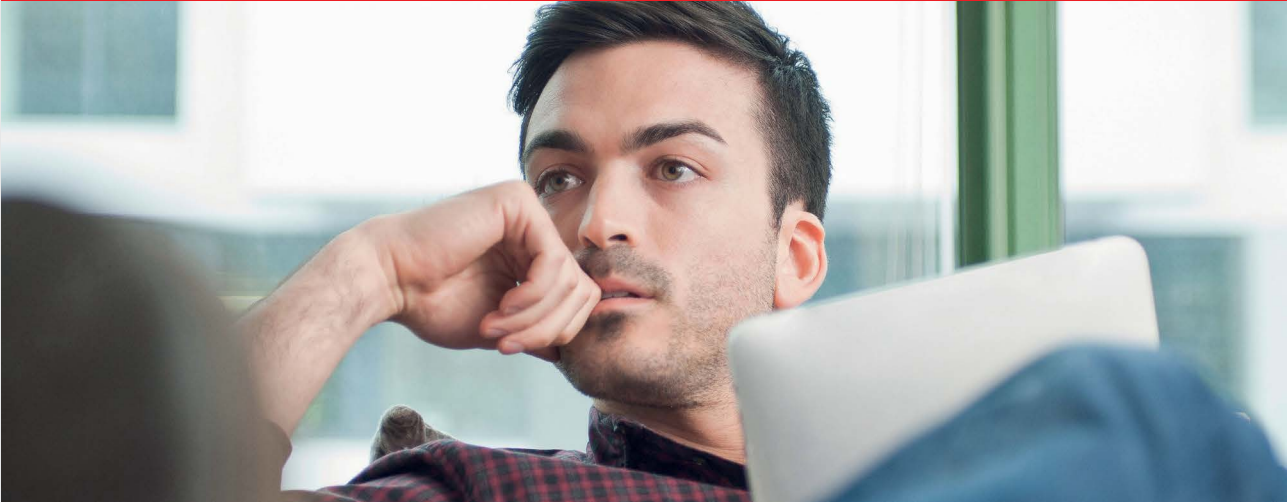
'We are all facing unprecedented situations now, but we can turn challenges into opportunities', says Choi. 'It is very important to think of your staff first because if our teams are strong and healthy we can do magic'. ■

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**CASE STUDY: Eilis Quinlan, member of the ACCA Global Forum for SMEs, Quinlan and Co, Republic of Ireland**



**Individualised support in the crisis to rescue client businesses**

Quinlan & Co. is an independent firm of chartered certified accountants and registered auditors based in Naas, Co. Kildare, Republic of Ireland.

Like many SMP accountants around the world, Quinlan & Co realised that their clients would look to their firm for guidance in accessing the business support offered by the government. While these schemes have come out with remarkable speed, they can be confusing, overlap with each other, or with existing supports, and are being frequently revised.

‘There was a lot of information flying around, with very little direction’, says Quinlan. ‘What we’ve had to do is roll up our sleeves and just get in there to disseminate it, client by client. Whereas in the past, we could work on a specialised area where we could facilitate clients in a specific industry, or say, clients of a specific size: this time, it needed to be very individualised’.

So, in addition to sending out newsletters, the firm decided to contact each of its clients individually to see how they were doing, find out what their priorities were and help them create an overall strategy for survival, based on their individual needs. Some were continuing to trade, but possibly on a different model, and needed cash flow projections to access funding, while others were forced to close and had human resources (HR) issues, such as the need to understand the rapidly changing rules covering salary supports and staff layoffs.

‘Our practice has helped clients renegotiate rent and loan agreements, and to access government and EU-backed SME cheap loans and business support grants.’

‘There are lots of different supports available, so it took a good bit of work with our clients, trying to explain the differences, and identifying the most appropriate ones available for their particular situation. For example, perhaps the loan that was already existing for cash flow might be a more suitable one for them right now, rather than the COVID-19 loan scheme, which is very short term’.

‘With the situation changing month-by-month or even week-by-week, clients are looking for direct, definite answers’, says Quinlan.

‘This is where the accountancy profession comes into its best, as when you have to make big decisions you need up-to-date and accurate figures’, says Quinlan. ‘We’ve provided lots of support in a direct and focused way. We have been trying hard to focus on the needs of the individual clients, as opposed to using a scattergun approach to everyone’. ■

**THIS IS WHERE THE ACCOUNTANCY PROFESSION COMES INTO ITS BEST, AS WHEN YOU HAVE TO MAKE BIG DECISIONS YOU NEED UP-TO-DATE AND ACCURATE FIGURES.**



The crisis has also **revealed the highly personalised nature of the support that SMP** accountants offer their clients, particularly in negotiating the details of government support schemes.

Robert Belle, CEO of SMIP Consulting, Kenya, has been working with his clients to support their confidence and 'keep the money tap flowing' by creating alternative products'. 'We've been brainstorming on just making sure we reduce the wastage and also have some sort of revenue coming in', he says'. We don't just work on business' we work on the business owner...we call it the software and the hardware side of the business'. But alongside the financial support there is a strong emphasis on the human side, building confidence and using digital technology to create connections. This is particularly important for the service-based businesses that make up the majority of Belle's clients. 'The majority of our clients, the service-based businesses, particularly those that require physical contact, are having a very difficult time pivoting during this pandemic', Belle says. What we advise is that they move from behind their product and get in front of it to connect with their client – we call it **bringing the human back**'.

### Fast tracked digitalisation and more focus on financial health post COVID-19

One potential upside of the COVID-19 crisis is that it has forced many small businesses to confront some basic financial health issues: the need for accurate record keeping, for example, to enable them to access government support and to make accurate cash flow forecasts. As Robert Belle puts it, 'some are taking the opportunity to get more intimate with their financial records and really understand what is happening'.

The crisis has also accelerated the trend towards a more digital economy. Businesses that still trade face-to-face have rapidly moved to contactless payments to avoid handling cash. Many have had to move into the online world as they have been forced to shut down their physical presence, and the benefits of Cloud accounting in bringing clients and accountants together remotely are becoming obvious to all. Many practices are further along this route than their clients and can step into the role of 'digital evangelist' to advise on everything from online payments to remote working. But digital can also be a powerful route to financial inclusivity: digital accounting ecosystems allow SMPs with a cash flow problem to make very swift approaches for finance to a range of lenders, both mainstream and alternative.



## UK SMPs' response to COVID-19

When the UK announced its COVID-19 lockdown measures, small businesses were most heavily affected: some had to close their doors altogether and all were facing extreme uncertainty in a rapidly changing environment. SMP accountants immediately stepped up to become the 'fourth emergency service' for business.

ACCA held a virtual conference for accountancy and finance professionals, where SMPs actively shared with their peers their experience of managing the crisis and supporting their clients.

UK based SMPs have introduced innovative approaches supporting their clients during the crisis.

### Triage

By adopting a triage system, accountants were able to prioritise their interventions and schedule future actions for their clients. Alex Falcon Huerta of Soaring Falcon took a traffic-light approach:

'We coded everybody', she says 'Red is who is going to close and who is going to need loans and funding, orange is a prediction that in two months' time there will be potential issues'.

### Communication

Firms put up emergency web pages to keep firms abreast of the changing situation, particularly regarding government support, and supplemented this with emails, blogs, live Facebook updates and WhatsApp broadcasts.

SMPs allowed both clients and non-clients to book 30-minute action-planning sessions. Personal contact helped them 'read between the lines' and spot clients who needed support even though they said they were fine; anxiety was also an issue.

'First of all you needed to get them calm', says Graeme Tennick of Graeme Tennick Accountants. 'To get them thinking rationally rather than make a rash decision – some were going to shut up shop before even they knew what government support was available'.

### Finance

As well as helping clients access and understand government support, cash flow was the main priority:

'We tried to put their minds at ease', says Peter Jarman of PJCO Chartered Certified Accountants. 'We made sure we spoke to every single client to reassure them



## UK SMPs' response to COVID-19



that we were there to help them feel a bit safer about their business. We showed them that it's not as bad as they might think, cash is king and by initially stopping the taxes being paid and keeping money in their bank account they could buy time. That started to calm them down and then government support started to appear'.

Access to finance was the next issue, but this raised the question of what to do with that finance.

'Our internal theme is to strike back', says Tennick. 'Tackle the crisis aggressively, to not just survive but thrive and build a longer-lasting business'.

Looking further ahead many clients will be faced with debt burdens. Others who are doing fine now, like local butchers and grocers, may find that business drops off as the crisis eases.

Many SMPs have been looking to the long term and not been charging for advice, or for help with accessing government schemes such as furloughing staff.

### Teamwork

During the crisis SMPs have relied on getting the maximum out of their teams, reducing the pressure on the owners and raising team morale:

Team mental health is also crucial, as team members were not only working long hours but doing so in the home environment and juggling their own issues and worries.

'Well-being is critical', says Alex Falcon Huerta. 'We had things like meditation sessions – all of my staff going – you have to make sure your team are good'.

### Opportunities

Despite the seriousness of the situation, COVID-19 has also been an opportunity not only to reach out to clients but also to demonstrate what their accountants can do for them.

'In retrospect, we should have been contacting them as much as we have in the last month in prior years', says Peter Jarman. 'We need more human contact, more

communication. We can see what a difference it makes when you are "really" servicing the clients, and what a difference it is going to make to our clients and our accountancy business because as we become more vital to our clients we are going to have less fee resistance.

SMPs have also been supporting the small business community in general and their web pages and webinars have been accessed by non-clients as well as clients.

The crisis has inspired many SMPs to push even further with their adoption of technology and flexible working.

'There are so many takeaways', says Alex Falcon Huerta, 'We had an office but we will probably now just have a hub. I'm starting to look at more and more ways to streamline the business'.

The use of social media and alternative methods of communication is now the default position.

'Microsoft "Teams" [software] was sitting quietly in the background', says Peter Jarman. 'It's now our standard method of communication – a natural part of the firm's communications systems'.

Clients, too, have rapidly adopted to new ways of working and accountants can now be more prescriptive about matters such as technology.

'We've been like business doctors – clients wanted a diagnosis. But now they are really listening and putting in place the solutions we have wanted them to use for some time now', says Graeme Tennick.

For many SMPs this is also an opportunity to cement, not just technology adoption but also the move to the advisory relationship as outlined in *The Passionate Practitioner* (ACCA 2019a).

Looking ahead, the crisis has **helped SMPs build greater loyalty and stronger relationships** among clients, as well as building greater awareness among SMEs of what a progressive accountancy firm can do for them, and this will in turn build a stronger and more resilient SME sector. ■



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## 2. Supporting the charity and NGO sector

**Charities and NGOs rely on multiple layers of support: donations and grants, volunteering, commercial and retail operations.**

What we have found is a massive and often unacknowledged role that SMPs play in supporting this sector and ensuring that it functions efficiently. In common with many businesses, large and small, SMP accountants make donations out of profits, organise fund-raising events and volunteer their time for charity-related activities.

But it is as accountants that those in the SMP sector are making the biggest contribution to the work of charities. Many SMP firms devote a portion of their time to producing accounts for charities pro bono or at discounted rates (it is not always legal to waive charges for audits). In many communities it is seen as the norm for the local SMPs to add their financial muscle to charities or community groups as trustees and treasurers. This support extends beyond merely doing the books into ensuring good governance and financial accountability, and providing commercial and technological advice.

Eilis Quinlan of Quinlan & Co sees reciprocal opportunities here: she has been able to put her experience with the Strategic Banking Corporation board to use in helping the charities she works with achieve good standards of governance. But what she has been able to achieve serving on charity boards has increased her appreciation of the need for activist boards generally.

### **2.1 Expressing the values that underpin the practice**

'Charity work is a valuable means of expressing the values that underpin the practice, of 'who we are', which can also help bridge the generations: The younger generation want to contribute back to the community, so it's a shared value', says Rosanna Choi a co-founding partner of CW CPA, Hong Kong SAR. And it also deploys and strengthens other elements of the accountancy skill set, such as the empathy, communication and listening skills embodied in ACCA's defined emotional quotient (EQ) (ACCA 2016a).

**IN MANY COMMUNITIES IT IS SEEN AS THE NORM FOR THE LOCAL SMPs TO ADD THEIR FINANCIAL MUSCLE TO CHARITIES OR COMMUNITY GROUPS AS TRUSTEES AND TREASURERS.**





## CASE STUDY: Edmund Wong, Director of Patrick Wong CPA, Hong Kong SAR, President of the Society of Chinese Accountants and Auditors



Edmund Wong has been a practising accountant since 2013 but was a volunteer long before that, having joined the St John's Ambulance at secondary school before going on to serve with the British Red Cross when studying in Scotland.

'That personal experience affects my thinking and how I run the practice', he says. 'We are not simply running the practice for 'getting fees' but we will try to contribute to society and the community as well. It might be costly but it's about the core values of my firm as well as my core values'.

Wong is currently president of the Society of Chinese Accountants and Auditors, established and running in Hong Kong SAR for 100 years, and continues to volunteer with the Hong Kong Auxiliary Medical Service, which gives first aid cover for events and festivals as well as other paramedical services to general public, and forms part of Hong Kong's civil defence response for major incidents.

**SOME CLIENTS ARE INFLUENCED BY OUR CORE VALUES ON ENVIRONMENTAL FRIENDLINESS AND WILL CHANGE THEIR ACCOUNTING SYSTEM AND DO IT ELECTRONICALLY RATHER THAN ON PAPER. WE TRY OUR BEST TO SAVE THE PLANET!**



'I enjoy helping others, and helping someone who is injured, this brings comfort and relief to them, and the sense of satisfaction that you can't get from elsewhere' he says. Wong's medical experience was called on when he was able to save the life of a cardiac arrest victim by performing Cardiopulmonary resuscitation (CPR) and defibrillation in a charity run.

But the impact of Wong's professional practice is significant: it is now one of the largest practices in Hong Kong SAR offering pro bono accounting support to over 200 charities and NGO organisations. 'We are quite famous for doing audit for no money', he says.

Patrick Wong CPA also regularly wins awards such as the Caring Company Award, a recognition for firms that meet various social criteria, and has also featured in the Hong Kong Awards for Environmental Excellence.

'Some of our staff are disabled: one of our staff is deaf and has been working for us for over 20 years as a typist', says Wong. 'We also have family friendly policies that help working parents and regularly organize different charity events and help our communities.'

Although Wong does not believe that clients select his firm for its values, they can be inspired by its practices:

'Those who are paying are quite price sensitive: instead of checking our background in corporate social responsibility they would place the emphasis on the audit fees', he says. 'But we can change client behaviours: some clients are influenced by our core values on environmental friendliness and will change their accounting system and do it electronically rather than on paper. We try our best to save the planet!' ■

## 2.2 Supporting local communities and charities in COVID-19

While charities have played a vital role in responding to the COVID-19 crisis, they have also been hard hit by it. Fundraising has been massively reduced, whether through the closure of shops and visitor centres, or the cancellation of charity events. In some countries, governments have provided varying degrees of support: a range of emergency grants and loans are available; in others, charities have been left to solve their problems on their own.

Just as they have done for firms in the private sector, accountants have played a vital role in helping charities apply for what support is available, manage cash flow, access finance and embrace digital transformation.

According to Professor Twaha K. Kaawaase, who runs an accountancy practice in Uganda and is also a member of the International Federation of Accountants (IFAC) Small and Medium Practices Advisory Group, in Uganda there is currently no government help available for SMEs or charities through delayed tax payments but accountants can offer advice on cash flow and restructuring, creating new lines of business or simply getting clients to recognise what is going to happen.

As a figure of trust in the community, Kaawaase has decided to offer roadside health advice to road users such as market traders and Boda-Boda riders (Motor cycles taxis): he sees the widespread provision of handwashing facilities as a cultural change that may persist and have public health benefits beyond the current crisis.



### CASE STUDY: Nelson Lam, Accountancy Caring Alliance, Hong Kong SAR

#### The work that is giving peace of mind and developing emotional quotient

Nelson Lam is the chairman of Nelson CPA Limited, a small (10 people) accountancy practice in Hong Kong SAR. Alongside this, he spends the majority of his personal time on social projects, and also devotes a considerable amount of his practice's time (that of both full-time employees and contractors) to pro bono work for charities and NGOs. He is a former non-executive director of the Urban Renewal Authority and is now a member of Securities and Futures Appeals Tribunal and the Air Transport Licensing Authority.

'My philosophy behind this is simple', he says. 'As long as I can earn enough for my living then all my other time can be devoted to those things'.

He believes that this work is not just 'treasurable' in the peace of mind it gives him and his staff but also gives valuable experience that helps build their emotional intelligence. This is a great help dealing, on the one hand, with difficult clients and on the other with stressful experiences such as the COVID-19 outbreak.

'As auditors we are like a department store, we encounter different kinds of situations, different kinds of clients, different kinds of industries', he says. 'You never know how the clients will behave to you and you need to prepare yourself to deal with all kinds of situations'.

He has responded to the crisis firstly by distributing masks, not only in Hong Kong SAR but also to other countries, and in particular sourcing children's masks for a cancer charity he already supports. He has also been

providing free consultancy and advice to clients whose businesses have been hit by the crisis – 'I am not only their auditor but also their friend'.

Nelson is the director of the Accounting Development Foundation, which offers professional and career support to accountants and recently separated out its charitable activities to establish the Accountancy Caring Alliance, where Nelson acting as executive chairman. The Alliance does not raise many funds but delivers great value by inspiring and coordinating pro bono work: Lam believes accountants are particularly valuable in the trust they inspire and the advice they can give charities on issues such as corporate governance and the proper management of donations.

'Taking donations is risky, you need an audit trail', he says. 'So it's really related to our daily work'.

Similarly, he was surprised to be approached to work for the Air Transport Licensing Authority, until he realised that the assessment of financial capability was a key part of the licensing process.

He is hoping to bring accountants together in future to help create opportunities for young people whose education and employment has been disrupted by the events of 2019–20 in Hong Kong SAR.

Lam believes that peace of mind is as important as earning money. While he does not expect everyone to devote 80% of their time to charity work, he says that even making a small financial donation can be a start: everyone's journey towards social responsibility can begin with a single step. ■

## 2.3 Bringing technological expertise to the not-for-profit sector



### CASE STUDY: Rowan van Tromp, App Advisory Plus, UK

#### Supporting a FoodHub and bringing technological expertise to the not-for-profit sector

After studying accountancy at university, Rowan found his niche in the profession with the move to Cloud accounting, first as head of Cloud accounting at PJCO and now as operations director at App Advisory Plus, helping accountants to transform their practices through cloud-based apps and deliver profitable app advisory services to clients.

'I like managing and implementing change; that's really something I get excited about', he says.

For the last four years he has been using this expertise in setting up and running Norwich FoodHub C.I.C., a community-support organisation that collects and redistributes food from supermarkets that would otherwise be wasted. Rowan had been volunteering for a national charity that operated one day a week rescuing and preparing surplus food, and saw an opportunity to set up a local operation that could work seven days a week.

Starting with a group of community activists, the operation has now expanded to employ full-time staff, and over 200 volunteers have helped to collect and redistribute food from supermarkets to partner organisations – collecting over 40 tonnes of food in 2019: enough for 96,000 meals for those in need.

Although the FoodHub's finances are modest, the logistics are quite complex and Rowan's broader professional skills are instrumental in developing its operations:

'All of the education that I've had has given me a good grounding in analysis and solving problems', he says. 'And this is quite a big problem to solve'.

Over the years, Rowan has used his expertise to spot opportunities to deploy accounting and other technology within the FoodHub. Using applications such as 10to8 Booking, Slack, G-Suite and Zapier has helped the organisation to automate admin work and enabled expansion without ramping up costs: this year it plans to provide 25% more meals at an average cost to FoodHub of just 8p a meal.

'The whole experience of setting up Norwich FoodHub, running that with a group of other directors and managing employees and volunteers has been really good experience', says Rowan. 'I realised that what I really like is helping people, but I also enjoy doing that sort of stuff while helping people'. ■

## 2.4 Developing talent through community work

Some SMPs encourage their staff to get involved in external activities and see this as a driver for developing soft skills. This also strengthens companies' brand and helps expand the client base. This practical experience gained outside the organisation works very efficiently because, apart from acquiring new skills, employees can see the positive results of their work at the community level. This also helps to build the meaning of work, which appears to be much broader than business operations only (ACCA 2020c).

**'SOME OF THE THINGS THAT WE DO WITH OUR STUFF HERE IS MAKE THEM JOIN COMMITTEES. LIKE BEING THE TREASURER OF THE LOCAL BUSINESS ASSOCIATION OR, YOU KNOW, THE LOCAL SPORTING OUTFIT OR SOMETHING LIKE THAT. SO (1) IT'S A WAY TO GIVE BACK BUT (2) IT'S A WAY FOR THEM TO JUST LEARN SOME SKILLS'.**

Wyndi Tagi, WE Accounting, New Zealand  
(ACCA 2020c)



# 3. Promoting the accountancy profession

Accountancy and education are inseparably entwined. Qualification is tough: a qualified ACCA accountant is considered to be educated to Master's degree level. In many countries qualification is part of the national apprenticeship schemes and can also be seen as an important vector of social mobility for various groups who might be excluded from other employment networks.

In recent years there has been a considerable effort to open up the profession: the development of accountancy apprenticeships has created career paths for non-graduates in firms both large and small, and many firms have made extensive efforts to make their workplaces more inclusive and improve work-life balance.

Even so, the image of the accountancy profession still needs further improvement.

This is particularly relevant for progressive SMPs that have embraced digitisation and find that the elimination of manual tasks and the move towards value-added advisory work is winning them clients; recruitment is cited as a constraint on growth. There is a clear need to further promote the image of the accountancy profession imbued with social responsibility, which offers meaningful work and human interaction and a variety of career opportunities. The SMPs are facing challenges in recruiting candidates who would thrive in this new environment, when competing against opportunities offered by the Big Four.

'From this perspective, accountancy should be seen to offer not just a rewarding career but also a chance to work in an industry which is addressing some of our most pressing social and economic issues' (ACCA 2020b).

'Today's society demands inclusivity and accountability, it seeks trust and confidence in organisations, and assurance that their activities are for the greater long-term good of their society and all their stakeholders and not just focused on generating short-term profits for shareholders' (ACCA 2020b).

Engagement with education, in the pursuit of social inclusion and a more diverse workforce, therefore represents not just a nod towards social responsibility but a practical solution to a pressing problem.

SMPs that have succeeded in attracting staff from different backgrounds and age groups report a range of benefits: intergenerational mentoring, the avoidance of 'groupthink' and an ability to empathise with and attract a more diverse client base.

Engagement with schools, colleges and universities is vital if young people are to gain insight into what professional life has to offer them. Some SMPs have also taken to social media to allow their own staff to showcase what working life is like: for example, by putting videos on YouTube to give them a taste of the workplace and a typical working day.

The accountancy profession faces stiff competition for talent, perhaps stiffer than at any time in the past. Those with the right mix of skills are highly attractive to the digital sector, or finance roles in a range of industries. SMPs also have to compete with the big names in their own profession, and find ways of retaining those staff whom they do recruit and train.

## CASE STUDY: Halima Salim, Prohal, UK

### Driving growth of small businesses and acting as advocate for the accountancy profession

Halima Salim started Prohal in 2019 with Prodipta Patel after they had worked together on various projects and realised that they had shared values and principles, as well as a desire to break away from traditional ways of working.

'We wanted to set up a firm which was based on what we believe in and offered clients the services that we want to offer', she says.

The work that they do is highly specialised, focusing on the niche sectors of sports and fintech, but also highly relationship-oriented. Halima believes that the fact that they are so highly identified with the work they do is important for building trust – it is a reflection of who they are.

'We don't just offer general day-to-day accountancy services but on top of that we also do a lot of business growth development', she says. 'Our motto is basically to just start with small businesses, so while they're growing, we're growing our practice as well'.

They also believe in being active in the community, with a particular emphasis on education. Both have experience as mentors and intend to continue working with students, giving them guidance and work experience, something the young generation often lacks.

They also arrange talks at their local college in Watford, attend careers fairs at Brunel University and help with

ACCA and exam-related guidance. Halima believes it is very important that young people understand the evolving role of the accountant.

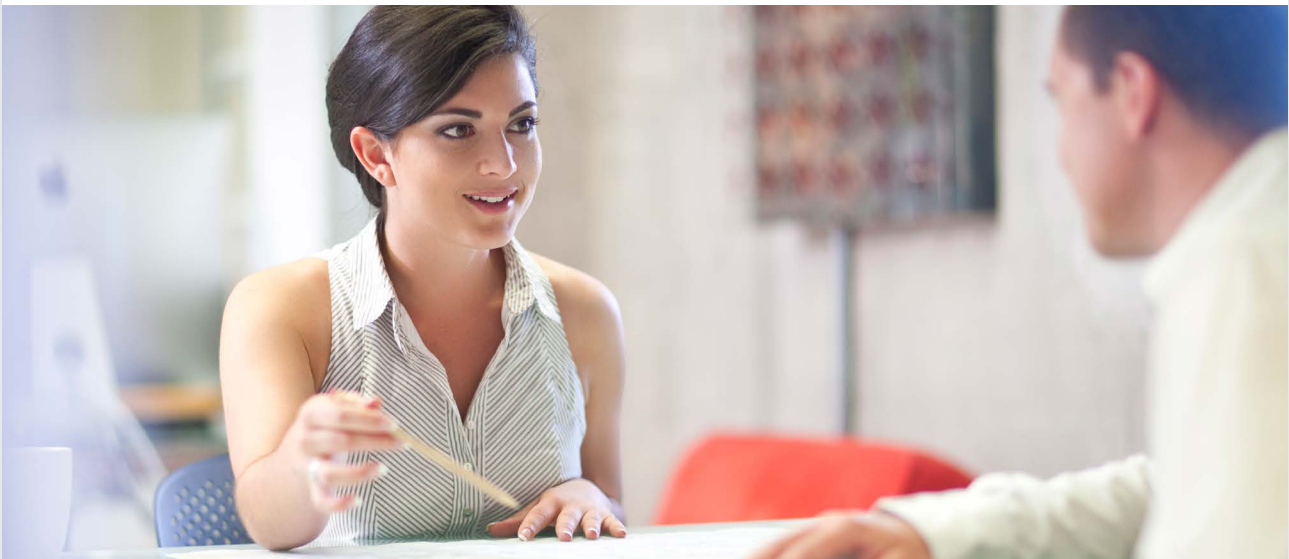
'Students, in fact, still have the image of accountants sitting behind a desk, just inputting figures and numbers', she says. 'They don't see the outside of the box, what we're doing in terms of advisory work and helping clients with their development. When we tell them our story, they're fascinated and much more interested in getting into the field and wanting to become qualified'.

Although not yet in a position to recruit, they also help students prepare their CVs and become more employable.

The pair are also board members and regular presenters on accounting topics at the local Chamber of Commerce, and do pro bono work for the local private school, as well as taking part in non-accountancy-related charity events such as sports days.

Keeping track of demands on time is important, but being seen as a socially responsible practice has its benefits:

'We don't do a lot of marketing ourselves, but a lot of our marketing comes from doing events which are community based or school based', says Halima. 'We've seen a lot of clients come in from them, where they see us as being a more responsible practice, that cares about them and their needs as well. It's telling people who we are, that's what I think makes our clients or prospective clients trust us. I think social responsibility does play a big role when it comes to trying to build your business brand'. ■





### ACCA Schools Initiative in the Republic of Ireland and its vital support by SMPs

Many Irish schools have introduced a transition year, offering students a one-year break between the Junior Certificate and the Senior Certificate to focus on non-exam related areas such as life skills, school trips and work experience. The mission statement of the Transition Year is: 'To promote the personal, social, educational and vocational development of pupils and to prepare them for their role as autonomous, participate and responsible members of society'.

ACCA Ireland has developed the Schools Initiative, which offers training to practitioners to engage with schools in four steps:

- meet with the school principal and arrange a date for a presentation to students
- conduct the provided ACCA presentation with your partnered school
- host on-site visit for 20 to 30 students on your premises, with talks from staff
- run the provided ACCA business game.

'The 'Schools' Initiative is extremely popular; it involves going into schools, usually in transition year and playing the game', says Ellis Quinlan, Quinlan & Co Chartered Accountants, Republic of Ireland. 'The children learn a lot and they usually love it: it's a way of showing them that accountancy isn't boring and stuffy'.

The game involves competing teams developing a business case for a product or service, and offers valuable learning even for those who decide accountancy is not for them:

'It's coming from the accounting side, but it's showing them that we need the accountancy skills to do the entrepreneurial thing', says Quinlan. 'By having the knowledge that an accountancy education gives you, you're much more well placed to be an entrepreneur'.

Ellis Quinlan offers work placements to transition-year students, some of whom come back to earn extra money over the summer.

'It gives them the excitement of what it's like being in a real-life practice, which is all go, all of the time, and everything always different – you never know what your day is going to be like', says Quinlan. 'Some people run a mile from that, but the ones who love it, get a real taste for it'.

SMPs clearly want to engage with schools in their local communities and talk directly to students about the potential of a career in accounting. But this is not simply a recruiting exercise: an understanding of accountancy and what accountants can do will help students whatever career they pursue.

It is important that SMPs overcome self-imposed barriers that might deter entrants from a career in accountancy. To this end, many SMPs are engaging directly with schools and universities to counter the accountancy image problem – which exists not just among schoolchildren, but even persists among those who have studied it at university. SMPs are well placed to outline the emerging career opportunities in accountancy: our previous reports in this series have illustrated the multiplicity of careers open to qualified accountants (see eg ACCA 2016; 2019a; 2020a; 2020d).

The progressive SMPs we interviewed have a strong story to tell, offering:

	A chance to work with the latest digital technologies
	High levels of personal interaction and involvement with clients
	Supportive, multigenerational teams
	Early responsibility and promotion
	Training and development opportunities
	Flexible working and good work–life balance

It is particularly useful for SMP accountants from a diversity of backgrounds not just to talk about accounting but also to present themselves as role models.



# 4. Fostering **financial inclusion** and **financial literacy**

As we saw in our earlier look at education in *Careers in Small and Medium-Sized Accountancy Practices* report (ACCA 2020c), many accountants are concerned at the worrying lack of financial literacy among school and university students, which can lead not only to personal financial problems but also to undermining entrepreneurialism. Financial Inclusion is an area where SMP accountants can have a major impact, not only on client businesses but also on their communities and general economic growth.

As well as explaining accountancy in schools and inspiring children to become professional accountants, SMPs play a valuable role in fostering financial literacy among both individuals and organisations in their communities.

**'TAX AND ACCOUNTING SHOULD BE TAUGHT A LOT EARLIER IN SECONDARY SCHOOL. BECAUSE A LOT OF PEOPLE GO OUT INTO THE WORLD AND THEY HAVE NO IDEA WHAT TAX IS, THEY HAVE NO IDEA HOW THINGS WORK, AND USUALLY THEY GET PENALISED BECAUSE THEY GENUINELY DON'T KNOW. SCHOOLS ARE NOT NECESSARILY GIVING THEM THE SKILLS TO EQUIP THEM FOR THE FUTURE, BUT EVEN UNIVERSITY DOESN'T REALLY GIVE A LOT'.**

**Eriona Barjakutaj, Major Accounts, UK**

A report in the UK by Starling Bank (Starling Bank 2020) found that the average micro-business (of which there are 5.6m in the UK) spends 15 hours per week or 19% of staff time on financial administration) with sole traders spending even more: 31%.

As we reported in *The Passionate Practitioner* (ACCA 2019a), SMP accountants are saving their clients time and stress by moving them to digital Cloud applications that automate menial tasks and give them a better understanding of financial data. And they are using the time they save in their own practice to become business advisers, not just helping with complex business issues but also teaching their clients how to do the basic tasks of accounting and controlling finance.

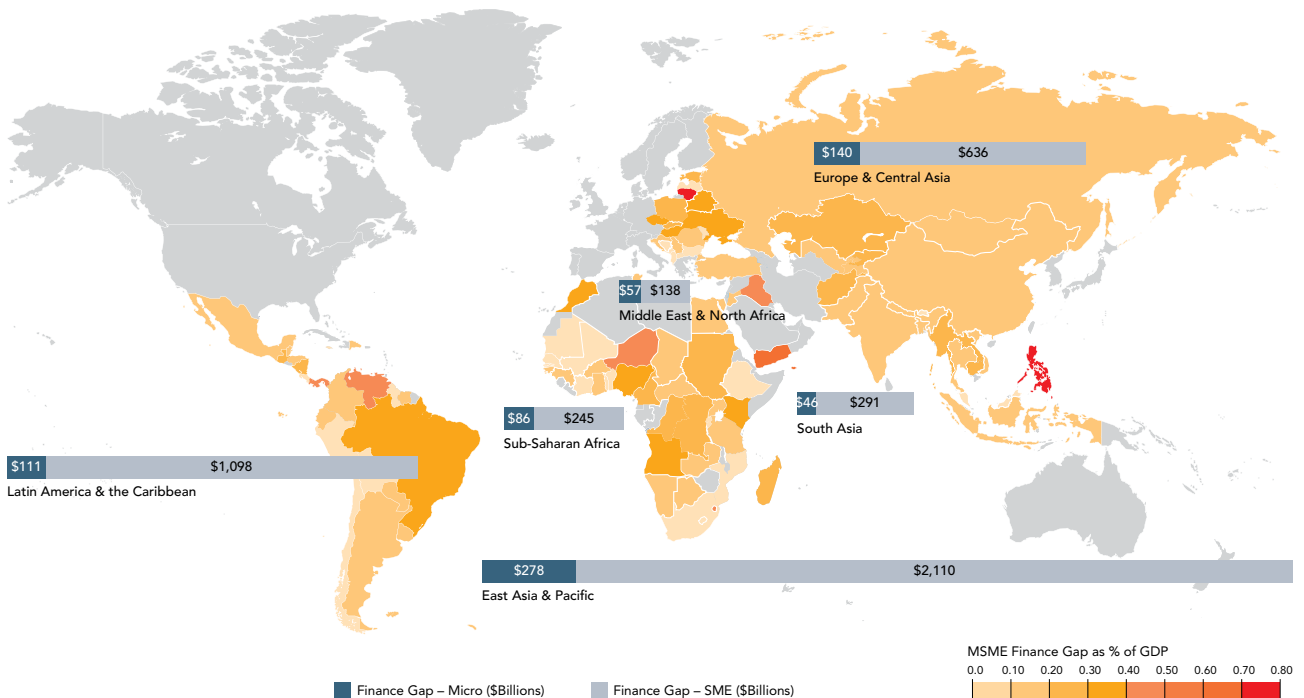
## **4.1 Key role in financial inclusion of SMEs**

In the developing world, access to finance is a key issue. SMEs have a high failure rate, particularly in the first year, and many SMEs face cash flow and liquidity problems with no access to short- or long-term finance, a problem exacerbated by a lack of basic accounting and record keeping skills.

According to the World Bank, SMEs account for the majority of businesses worldwide and are responsible for 40% of GDP in emerging economies and 70% of jobs created (World Bank n.d.). Lack of access to finance is a major constraint on growth, with an unmet finance need estimated by the International Finance Corporation (IFC, World Bank, SME Finance Forum, 2017) at \$5.2 trillion every year.

SMP accountants can play a key role in financial inclusion: helping microbusinesses access not just finance and investment but a range of financial services such as insurance and digital and mobile payment systems. Digital accounting platforms, and the links to ecosystems of applications and service providers, will play a key part in enabling micro-enterprises to bypass out of date infrastructure. At the same time, accountants can share knowledge with their clients and improve their financial and business skills while also helping them to access grants and other government support.

**FIGURE 3.1:** Formal micro, small and medium enterprises (MSME) finance gap in developing countries



Source: World Bank, n.d.



## CASE STUDY: Chankiroth Sim, BanhJi, Cambodia

### Financial inclusion for small businesses

In 2016, Chankiroth Sim launched BanhJi, a fintech start-up aimed at improving financial inclusion among micro, small and medium enterprises (MSMEs) in Cambodia.

The firm offers online accounting and market data to help companies’ business expansion and financial planning and Sim is now helping his clients access finance through partnerships with commercial banks and microfinance institutions. The unmet financing demand of Cambodia’s MSMEs is estimated at US\$3.7bn, but fintech is also seen as playing a key role in contributing to the development of the digital economy, a major goal of the Cambodian government. Internet adoption is low among Cambodian businesses and the population is severely underbanked, preferring cash transactions, often in US dollars. It has been estimated that the adoption of digital financial services could boost Cambodia’s GDP by 6%, meaning that BanhJi could have an impact on the country’s development as well as that of its 4,000 clients (Fintechnews Singapore 2017).

Sim hopes that digital start-ups will help the country to attract foreign talent, and act as a role model for young people. He is already seeing the emergence of a digital B2B community, with start-ups in the three key sectors of e-commerce, logistics and finance.

Chankiroth Sim, as the founder of the start-up, is an active advocate for MSMEs and financial inclusion in not only his own country but also across the Association of Southeast Asian Nations (ASEAN) region. He is on the board of directors of the Young Entrepreneurs Association of Cambodia and a member of ASEAN MSMEs Advisory Board appointed by the Cambodian government.

‘My personal passion is to make a substantial contribution to Cambodian development through my knowledge and understanding of the market; that’s one of my key drives’, he says. And although the Cambodian market is small, Chankiroth sees it as the ideal place to validate the model and from which to expand regionally, with Myanmar the next target (ACCA 2019b). ■

## 4.2 Developing the new generation of financially literate and confident entrepreneurs



### CASE STUDY: Robert Belle, CEO of SMIP Consultancy, Kenya



#### Building confidence among young entrepreneurs in Kenya

Robert's driving purpose is to address the low survival rate of entrepreneurs' small businesses, which often fail needlessly in their first few years. This led him to expand his business beyond accounting and bookkeeping to add true value to his clients as a business adviser.

'My main driver is the high failure rate of small businesses, I have too many friends who have gone to the wall because there is not that level of support', he says. 'Even getting a competent accountant can be hard'. He offers a lot of basic tips and advice to entrepreneurs on a pro bono, no-obligation basis, and for his clients he develops a more customised approach which looks beyond survival to growth and sustainability.

This approach addresses not just the 'hard skills' needed to run a business but gives entrepreneurs the confidence to transcend their limiting beliefs and develop, contributing to employment and economic growth. He focuses particularly on the service sector, where there is less support than for suppliers of physical goods

Robert supports this by talking in schools and colleges, offering more practical advice to graduates and acting as a role model in schools, as well as by working with ACCA to encourage more members to take on this role. He facilitates work experience, both in his own business and in his network, and has been successful in taking on ACCA students and developing them to help expand his firm.

He recently took on a pro bono project for a fast-growing church, digitising its finance and membership records to create transparency and trust. This became an opportunity to spread the positive message about entrepreneurialism and confidence in seminars to its young congregation, and Robert is looking to build on this with similar projects for other organisations.

Robert is a champion of creativity with a passion for helping accountants to leverage and harness their emotional and creative skills, and helping entrepreneurs to 'tell their story' and unleash their own creativity.

This is exemplified by his response to the COVID-19 virus: his client base is mainly service based and has therefore been hit very hard, and Robert is helping them to think creatively and 'pivot' to exploit new business opportunities using their skills and service offerings, whether digitally or through other channels, and thereby keep the 'money tap' flowing.

Robert has also been instrumental in developing and delivering government schemes targeting Kenya's high unemployment rate through entrepreneurship, and he hopes to develop these into more scalable programmes.

'My ultimate aim is to impact policy to support small businesses', he says. 'I actually partnered with the government on a project to leverage the impact of online and digital working by providing entrepreneurial training and tax advice. Seeing these businesses survive means more employment and more economic growth – if I turn away that support is not there'. ■

Many SMPs that work with micro-enterprises in the developing markets recognise that the initial stages of interaction with small and micro entrepreneurs may need to be pro bono.

A number of SMPs across African continent in their interviews mentioned that they are regularly conducting

grassroots financial literacy clinics for micro businesses such as market traders to improve their basic financial literacy.

Supporting local communities, Hastings Mtine, Managing Partner at MHP Chartered Accountants, often runs informal sessions to boost the financial literacy of the micro traders in the country side of Zambia.



### CASE STUDY: Professor Twaha K. Kaawaase, of Sejjaaka, Kaawaase & Co. Certified Public Accountants, Uganda

#### Providing pro bono assistance

In addition to pro bono audits for faith-based groups and charities, Kaawaase's practice runs free tax clinics for small businesses. This donation of time counts towards continuous professional development for staff, and the practice is currently negotiating with the government as to whether this donation of time can be offset against tax. Like Robert Belle above, Kaawaase also sees this as a confidence-building exercise:

'They feel encouraged, they know that there are other people supporting them', he says.

Accountancy firms are not allowed to advertise in Uganda so this work aids greatly with visibility for the practice, but also provides valuable experience for its staff: 'It exposes them to so many scenarios: the more scenarios you have experienced the better your audit knowledge and experience'. ■



# 5. Driving **social inclusion**

Social inclusion continues to play a role in each accountancy practice and its employees: changes to the accountancy profession, in particular those stemming from the digitisation of SMP work, are beginning to change traditional recruitment patterns and make the profession far more inclusive than in the past.

## 5.1 Social mobility

Often the biggest barrier to social mobility is not education but the problem of getting a start and the experience required to give a career its initial momentum.



### CASE STUDY: Paul Jayakar, CNK & Associates LLP, India

#### Training benefits the trainers

In addition to offering college students low-cost courses in new technologies such as data analytics, Paul Jayakar not only offers internships but takes on many more college leavers than his firm will ultimately employ.

'We train them and they stay with us for two years', he says. Then we try to push them off to the Big Four [and] also [to] a lot of BPO [business process outsourcing] where I have some leads. They are young, they want more money, but wherever they go they recommend us'.

The firm has also adopted a recruitment regime which specifically targets students from disadvantaged backgrounds, to mutual benefit:

'Our billing rates are much lower than the Big Four's but our overheads remain the same', says Jayakar. 'What I try to do is to have a mix of younger trainees and support staff – the pay is less but it's an opportunity to acquire the skills they need in real life'.

The firm now has an extensive network of former alumni, and a great insight into social problems in the country.

India is well connected, with extensive 4G networks, but access to devices can be limited, and the government is now looking to provide low-cost tablets to remote villages to promote digital inclusion.

'One of my old students was a watchman's daughter, from very modest background, she started as a trainee with my practice and is now a software engineer with a large company', says Jayakar. 'They grow, they get older, they are way past their dreams. They don't forget'. ■

**WHAT I TRY TO DO IS TO HAVE A MIX OF YOUNGER TRAINEES AND SUPPORT STAFF – THE PAY IS LESS BUT IT'S AN OPPORTUNITY TO ACQUIRE THE SKILLS THEY NEED IN REAL LIFE.**



### Employing school leavers

Employing school leavers is a recent departure for many smaller firms, but some SMPs prefer to recruit and train their staff from the ground up, particularly if they are trying to build a new culture that breaks with traditional models and ways of working. **Some SMPs combine this with a commitment to social inclusion** by taking advantage of government schemes that target groups such as the long-term unemployed or those with disabilities.

**Employing school leavers** is not just a contribution to social inclusion but opens up new talent pools, while broadening diversity.

In our report on Careers in Small and Medium Sized Practices(SMPs) (ACCA 2020c), Peter Jarman of PJCO explained how his firm now employs a school leaver who started at 16 and is also considering looking at A-level students who may not want to go to university.

‘Because we could recruit from such a rich pool of graduates, we hadn’t looked at school leavers before, but we realised that could change if [fewer] graduates [sic] go to university’, Jarman says. ‘Some 16-year-olds might already know their career path and have an absolute desire to get into the work environment; that’s a plus’.

**SOME 16-YEAR-OLDS  
MIGHT ALREADY  
KNOW THEIR CAREER  
PATH AND HAVE AN  
ABSOLUTE DESIRE TO  
GET INTO THE WORK  
ENVIRONMENT;  
THAT’S A PLUS.**



### CASE STUDY: John Comber, John W. Comber & Associates, Republic of Ireland

#### Taking on staff from varied backgrounds

John Comber runs an SMP with two staff in Ireland. Like other interviewees he believes that there is a need to ‘push out the accountancy brand’ so that younger people are more aware of the changes the profession has gone through and the wide variety of career paths it offers.

But you don’t have to commit to a career as an accountant as a 16-year-old. Recently, Comber has taken on a trainee using the JobsPlus scheme to help young people who are long-term unemployed to get back into the work force and start a career. JobsPlus is an Irish government scheme (co-funded by the EU) which offers an incentive of up to €10,000 to employers who take on full-time employees under age 25 who are on the jobs register (other schemes are available for other groups, such as disabled people).

‘It gives us a bit of a chance to train them up’, he says. ‘We wouldn’t be able to train them otherwise’.

The scheme actually fits in well with Comber’s philosophy of training, which means he prefers to train people who have not studied accountancy at college or been to university’.

‘There’s aid with wages to give us a chance to train them up so that they can actually produce work that’s billable hours’, he says, adding that in many ways he prefers employees to gain practical experience ahead of academic learning:

‘Rather than try to apply the framework of the accountancy exams to the job, they can use what they have done at work and apply it to the exams’, he says. ‘They’ve seen how it works in practice, as opposed to how it works in a book or on a modelling tool’. ■





## CASE STUDY: Alex Black

### From an apprentice to a head of department in an SMP

Alex Black joined Ad Valorem at 17 after deciding he would rather enter the world of work than continue at college.

'I never really enjoyed structured education – joining Ad Valorem and being able to study in my own time was perfect because I could do it when I wanted'.

Alex says he benefited from the nurturing, almost family atmosphere in the practice and by the time he was 21 he was not only qualified but working as a client manager with a portfolio of 100 clients and is now head of the Research and Development department.

'I love to pioneer things, and making the most of opportunities and chances that I don't think I'd have got in a lot of other places,' he says. ■



## CASE STUDY: Himanshu Srivastava, Corporate Catalyst Pvt, Ltd, India

### SMP driving social mobility

Himanshu Srivastava heads the Business Advisory services at Corporate Catalyst India (CCI) and looks after inbound investment and corporate restructuring.

As well as being among the top five Indian consulting firms, CCI is a fully fledged accountancy firm with offices across the country and clients ranging from multinationals to small local firms and start-ups.

The firm does a lot of work pro bono, particularly helping their clients to evaluate their CSR spending or helping NGOs with devising their compliance regime, besides encouraging social and environmental causes through fund raising.

'We are very conscious of regulation as the social sector is evolving and growing', says Srivastava. 'I am very excited that these organisations are becoming more transparent and responsible'.

Government regulation requires that each year larger companies must set aside a figure equivalent to 2%

of their average net profits made during the three immediately preceding financial years, to spend on the current year's CSR activities, and CCI guides its clients about how best to structure this, and also helps clients who are proactively trying to reduce their environmental impact or are keen to have a positive social footprint.

The firm is also very keen to promote inclusivity and to offer secure employment to disadvantaged and underprivileged people. Often, these are individuals from modest backgrounds who have either not graduated or had to take a break from education.

'We encourage them to complete their education, and if we are able to, we will absorb them internally and help them to develop professionally'.

'These individuals make very remarkable progress and a few have really excelled, as accountants, lawyers, [and] corporate executives' says Himanshu. 'There is no obligation for them to stay on or to have any emotional baggage: we encourage them to move on and it is always very heartwarming to see them excel'. ■

## Championing women's inclusion



### CASE STUDY: Nasheeda CC, Nishe Consulting, UAE



#### A purpose-driven organisation with women's empowerment at its core, backed by the highest standards of service.

After a fast-track career in audit at PwC, Nasheeda CC set up a small accountancy practice in Dubai.

'I wanted to experiment, I wanted the freedom to find out what I wanted to do, what I could do', says Nasheeda.

As she began to form the concept that would become Nishe Accounting and Consulting, she was also inspired by the idea of combining profit and purpose in her business. She decided to see if she could use her background and accountancy qualification to create a business that was also a force for good.

'Why should I say that I don't want to do accounting when I am good at it and can use [it] to add some kind of meaning to life?' She says.

Nasheeda says that it was natural for her to focus on women: she comes from a conservative background where women are either not educated or even when highly educated, often don't pursue their careers after marriage or struggle with the dual pressures of combining a career with being the primary homemaker.

'The way I look at it, by hiring only women, we are making a statement, and through that we can try and change the mindset of the people, including the mindset of other women', she says.

It is a learning experience: Nasheeda says while there are large numbers of women in large professional organisations, at the lower levels, there are fewer and fewer at more senior levels.

'Women keep dropping out, and there's a question as to why that happens, and how can we address it', she says. 'So there's a lot of learning as well'.

'My own personal brand - the way people look at me - started changing once I set up Nishe', she says. 'People started seeing me as a feminist, started seeing me as a champion of women. You could really see it in the way they speak to me, which is very interesting'.

But it is also crucial to Nasheeda that her practice's purpose is backed up by the highest standards of service and that while clients might be attracted by the purpose, they stay for the professionalism.

Nasheeda initially built her client base through networking, and now has a varied portfolio of clients, both large and small companies, with a strong international focus. Increasingly, she finds that it is the proposition of the practice that is attracting both clients and recruits.

The practice is paperless, Cloud-based and, even before the COVID-19 outbreak, was set up for flexible working which combines the best of working from home and office. But while Nishe Consulting does its best to offer the sort of flexible working practices that will support women in their careers, Nasheeda stresses that the purpose of the practice is not merely to embody change, but to inspire others to change:

'Making the workplace flexible is important, but making homes more of a fair place is equally or more important', she says. ■

## 5.2 Inclusive working conditions

Poor work–life balance has traditionally had a negative effect on inclusivity, not just in accountancy but also in the professions generally. Client needs trump all other concerns and both the commercial and professional environments are highly competitive.

Accountants also have to juggle work and the need to study, pass exams and meet CPD goals.

The primary casualty from this pressure has been personal and family life. Recent changes to the profession from digitisation have transformed this picture. Many digital practices report that the move to near-real-time accounting and the automation of menial tasks free up more time. But the most important contribution to social inclusivity comes from the opportunities opened up by flexible and remote working. Working with the Cloud makes accountancy a more feasible profession for those with young children or mobility issues.

In *The Passionate Practitioner* (ACCA 2019a), Heather Smith of ANISE Consulting explains how the ability to work anywhere dramatically increases the window of time she has to devote to clients, while Dawn Williams of Resilia Accounting Services tells of how being able to work from home meant she could overcome the health issues that had prevented her from pursuing an office-based career.

While home working is (or was, until COVID-19) uncommon by traditional practices, progressive SMPs have used it to widen their talent pool, sometimes recruiting talent from different parts of the country or even other countries.

This flexibility also extends to working hours: Ad Valorem took the step of opening their offices in the mornings and evenings, allowing staff to structure their working day around other commitments and activities.

### Openness to career changers and returnees

Digitisation has greatly contributed to inclusivity by enhancing people's ability to retrain as accountants, whether while already employed in another field or planning a return to the workforce. Beyond that, some practices are actively targeting excluded groups.

'I have a social mission for myself that is actually [that] I wanted to reach out to caregivers', says Desmond Yiong, of Avic Dkky Pte Ltd in Singapore. 'I wanted to provide more employment for part timers – they will be young people or people returning to the workplace, people of all ages. 'My focus is caregivers, people who need part-time work and who can take a few hours off and come and do something for us to help with household costs'. (ACCA 2020c).

WHILE HOME WORKING IS (OR WAS, UNTIL COVID-19) UNCOMMON BY TRADITIONAL PRACTICES, PROGRESSIVE SMPs HAVE USED IT TO WIDEN THEIR TALENT POOL, SOMETIMES RECRUITING TALENT FROM DIFFERENT PARTS OF THE COUNTRY OR EVEN OTHER COUNTRIES.

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# 6. Driving sustainability and ethics

If the business world is to move towards more sustainable practices, then SMP accountants will be in the vanguard of that change, not only advising their clients on how to make changes in their business but also leading by example.

This support and encouragement are vital: knowing which sustainable practices to adopt and how to implement them is a far more complex matter for a business than for an individual consumer. Accountants can offer the depth of analysis that will enable their clients to make decisions about implementing more sustainable practices within the operations of their clients' businesses: for example, whether to reuse or recycle – and the impact that those decisions will have on both their own businesses and the environment.

Many sustainability actions, such as energy saving or waste reduction, will have cost benefits, but accountants can also point out many tactical changes that clients can make which might have little cost impact but great sustainability impact. Accountants can provide advice in carbon accounting, which is not yet a legal requirement but which can reduce waste, increase staff motivation and brand loyalty.

## Carbon Accounting for SMEs

ACCA has developed a *Carbon Accounts for Small Businesses – Interim Guidance* factsheet, which provides guidance on advising small businesses about setting up and operating carbon accounting, and on the associated tax advantages. The factsheet concentrates on a simple form of carbon accounting that is suited to small entities; these include companies of all types, plus charities, partnerships and sole traders (ACCA 2014).

## 6.1 The sustainability trailblazer

In ACCA's report *Future Ready: Accountancy Careers in the 2020s* (ACCA 2020a) the 'sustainability trailblazer' emerged as a key emerging role for both professional accountants and other finance professionals. Both environmental and economic sustainability are now regarded as pressing issues for business and government, as has been reflected in the growth of environmental, social and corporate governance reporting frameworks such as the Global Reporting Initiative, Climate Disclosures Standards Board, the Sustainability Accounting Standards Board, and the International Integrated Reporting Council.

Tatjana De Kerros, an adviser on SME and entrepreneurship policy, comments: 'SMEs are inherently more flexible and adaptive than their larger counterparts' (ACCA 2012)

*Embedding Sustainability in SMEs* (ACCA 2012) points out that 'accountants are often cited as intermediaries who could serve as credible channels for communication with SMEs on sustainability-related issues, since they are (often) the only business adviser with whom a small firm is naturally in contact'.

Accountants are uniquely placed both to report on and to drive sustainability in a world where businesses understand that value is created from multiple 'capitals': social, intellectual, natural and human. As sustainability trailblazers, accountants will be the ones to capture and analyse a wide range of financial and non-financial data, enabling them both to work towards long-term improvements in sustainability and to report on progress. Find out more in ACCA's report *Finance Insights – reimaged* (ACCA 2020d).

### **SMEs, sustainability and the EU Green Action Plan**

For the SME or micro-business owner, sustainability may play a large or even dominant role in the purpose of their business or, alternatively, be given very little thought at all, ranking behind a number of more pressing commercial and personal issues. SME owners are less answerable to outside stakeholders than are directors of major firms, and deciding how responsibly to act is very much a personal matter: as the SME's most trusted adviser, the accountant can be a role model, an influencer and a transmitter of sustainability messages and initiatives from government.

The obvious place for an accountant to start a conversation is cost, but that is only a conversation starter and may not be the owner-manager's primary concern.

'While the potential for savings can help to rouse an owner-manager's interest, such savings will not always be large enough to make the case for long-term investment or innovation – in fact, savings may accrue entirely to the business's more powerful customers. Rather, the potential of sustainable practices to overcome barriers to entry into large supply chains, including those of government itself, to trigger innovation and to help further engage the workforce will matter more to forward-looking owner-managers. In order to obtain such advantages, however, businesses need not only to achieve savings but also to demonstrate improvements year on year' (ACCA 2012).

'SMEs represent 99% of EU companies and provide 67% of jobs. Therefore, they are key players in the transition towards a green economy. The main EU sustainability programmes should acknowledge this central role of SMEs and provide a favourable framework to support them. It should enable SMEs to become greener without being pushed out of the market, thus ensuring the high level of employment and growth which has always been their fundamental contribution to the EU economy' (Guido Lena, Director for Sustainable Development, SME United). (ACCA 2012)

'The EU Green Action Plan (GAP) aims to help small and medium-sized enterprises (SMEs) take advantage of the opportunities offered by the transition to a green economy. It presents ways for SMEs to turn environmental challenges into business opportunities (European Commission n.d.)

Its objectives are:

- to raise SMEs' awareness of resource-efficiency improvements and the potential of the circular economy for productivity, competitiveness and business opportunities
- to inform SMEs within the EU about funding available from the various EU funds set up to boost sustainability.'

'Resource efficiency improvements require specialised knowledge usually not available in SMEs, which thus need advice to spot the potential long-term benefits of innovating their processes and organisation to improve resource efficiency. Therefore, it is important to encourage SMEs to seek appropriate resource-efficiency advice.'

**Sustainability education** and awareness for SMEs is essential and SMP accountants can be instrumental in providing this education to SMEs.

'[The] finance director or an accountancy practice should be key in driving sustainability within [the] SME sector. They are linked to compliance and regulation, they have the necessary training and experience. They are usually the "go to persons" for small business owners. What a good finance person can do is really understand sustainability strategy and the financial impact of [the sustainability] challenge' (Sarah Whale, ACCA practitioner and founder of Profit Impact, sustainability education and finance consultancy for SMEs).

**As sustainability trailblazers**, SMP accountants can work across this spectrum: helping the socially and

environmentally aware businesses to articulate and quantify their goals, and helping time-poor clients to understand and address the sustainability issues that will contribute to their long-term success as businesses.

The trend in recent years in many countries has been for SMEs, microbusinesses and sole traders to benefit from increased thresholds for audit exemption. But with estimates of SMEs' environmental impact ranging from 60% to 70% of all industrial pollution, this may not be tenable as environmental reporting becomes mandatory for larger entities. SMP accountants can help clients get ahead of legislation by demonstrating that, with digitisation, access to and analysis of a wide range of business data is much less of a chore than it used to be, and that transparency about sustainability has benefits beyond mere compliance:

**'GOOD ENVIRONMENTAL GOVERNANCE IS INCREASINGLY IMPORTANT TO THE SME SECTOR AS A MEANS TO STRENGTHEN CUSTOMER LOYALTY AND ENHANCE COMPANY IMAGE. IN FACT, IT WOULD LEAD TO COMPETITIVE ADVANTAGE AND SUSTAINABILITY FOR THE SMEs THEMSELVES. PROFESSIONAL ADVISERS WOULD PLAY AN IMPORTANT ROLE IN SUCH AREAS [AS] ADOPTION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM; SUPPLY CHAIN MANAGEMENT; ACCREDITATION WITH REGARD TO ENVIRONMENTAL PERFORMANCE; ENGAGEMENT WITH STAKEHOLDERS AND SUSTAINABILITY REPORTING'.**

Rosanna Choi, CW, CPA, Hong Kong SAR



## CASE STUDY: Yogesh Patel, Telic, UK

### Using business as a force for public good

Yogesh Patel is the founder and director of Telic, a practice set up to support business owners and entrepreneurs who want to use their businesses to solve real-world problems.

'We're a textbook accounting firm, but we also have a passion for purpose, where we try to work with people and entrepreneurs who are working on sustainable ways, on ethically based projects', he says. 'People who are using business as the force for good'.

Beyond covering the basics of accounting and tax, Patel positions himself as a trusted adviser in this area, helping clients navigate the complexities of grants and tax reliefs.

But he also sees the firm as being a trailblazer in creating a broader awareness of how business cannot go on pursuing profit at the cost of environmental damage. While big investment funds are successfully demanding that the boards of large companies explicitly adopt a strong ethical and environmental mindset, this is very difficult from the perspective of an SME with limited resources.

'So for them it's about how do you utilise grants or reliefs to help you become more sustainable', he says. 'So if clients are looking to innovate,[for instance] in packaging, they can try and innovate using R&D tax credits, or [in the UK] obtain "Innovate UK" grants'.

But fundamental changes will still be required and Patel agrees that there is no easy way of making this work commercially – companies need both to produce products at reasonable price points and to be able to answer the ethical consumer's questions about sourcing. One route is to pursue International Organization for Standardization (ISO) accreditations for sustainability, which will both help the business tell its story from a brand perspective and probably achieve numerous cost and energy savings at the same time.

'It helps tell your clients [that] you are not just about making money', says Patel.

Even where sustainability measures create extra cost, Patel believes that consumers are increasingly understanding of the need to protect the planet, particularly as COVID-19 has imposed a slower and less resource-intensive lifestyle on us all. Clients will need to go beyond cost and energy savings to redesign their products fundamentally, in a more modular fashion, so that they meet criteria such as the EU's 'Right to Repair' directive and contribute to a 'circular economy' in which consumer products have their lifecycle extended by being repaired, repurposed or reused.

Patel believes that for SMP accountants sustainability is the logical next step after the digital revolution, which has already introduced benefits such as reduced travel and paper use.

'Accountants have been talking about tech, tech, tech, but now how do we show we are more ethical?' He says. 'We, as a practice, want to get into that game change, of how we operate, our fixed costs. And if that means reducing our footprint in the office, it also helps improve the environment and improve our costs'.

'I think the other [question] from [an] SMP perspective for us as a practice, is how can we ensure that we have an impact?'

'The accountancy role has evolved immensely to where it's about analysis to make better decisions rather than just the post mortem sort of accounts', says Patel.

'To be sustainable, the accountancy profession needs to be at the forefront of all the different angles, whether it be the technical side of things, the ethics, people [or] the environment'. ■

### Driving sustainability within SMEs to ensure the future pipeline of talent

There is a need for reporting on social and environmental impacts, where accountants can help. Also as employers, businesses need to demonstrate their support for sustainability, both to a younger workforce that increasingly seeks meaning and purpose at work, and to consumers, who are often prepared to pay a premium for ethically sourced products.

‘A lot of our students, the 18- to 22-year-olds, are more ethically savvy, and look a bit more in depth, at who an employer is, what they do. That is becoming more of a thing, whereas previously they would have wanted to work for this big name, without that kind of the research behind it. And a lot of our grads think, “I want to work for this SME, because they give a lot to charity”, or something along those lines’ (Paul Clatworthy, Employer Relationships Manager, Kingston University).

## 6.2 Sustainability and the ethical purpose of accountancy

As qualified professionals, ACCA accountants are trained and bound by a professional code, and the same code of conduct applies to every ACCA accountant, wherever they are in the world. This strong ethical foundation can be vital when faced with tough and complex decisions, or the need to uphold values in the face of peer pressure and financial stress. A strong ethical grounding conditions one to think of the effects one’s actions have on others, to see actions as means and not ends. Accountants have a duty not only to their clients but also to society. This puts them in an ideal position to help their clients understand how to be accountable to other stakeholders and to position this as an ethical choice, not just a compliance issue, contributing to the development of more sustainable businesses.



### CASE STUDY: Faheem Piracha, Hyphen consultancy, Pakistan

#### An SMP driving ethics by example

In 2013 Faheem Piracha left the ‘luxuries of corporate life’ behind to start a purpose- and passion-driven consulting firm ‘to create better lives through well-governed organisations’.

The firm focuses on strategy, governance, business transformation and risk management, and has many large and international clients, particularly in Saudi Arabia.

Believing that social responsibility begins with those who are closest to you, the firm tries to be a role model in its treatment of employees: it reimburses examination fees, has in-house lunch facilities and offers both bonuses and share options schemes. Recently, it has developed an app which encourages employees to develop their skills on a day-to-day basis using a scoring system based on golf handicaps. It also leads the way with home-working and this is helping it support employees, for example those with children, during the COVID-19 crisis.

The firm supports students in software and economics, by engaging them for different projects in these areas. Hyphen consultancy has created thought leadership as well as applications and tools that have both enhanced

its visibility and been socially useful: for example, a well-received publication on investment opportunities in Pakistan and software to help clients deal with the introduction of VAT in Gulf Cooperation Countries. It has also created events for internal auditors and networking breakfasts for chief financial officers (CFOs) ‘where they can learn from each other in an enabling environment’.

Although it donates 3% to 5% of its revenue to charity, the firm very much believes in practical assistance: recognising that many owner-managed businesses are poorly run, it offers free advice on governance to start-ups and plans to develop an online platform offering both free resources and access to value-added services.

Values and ethics are also very important and the firm is highly selective in choosing both those whom it employs and those for whom it works.

The COVID-19 virus has caused many businesses to close temporarily and the firm is supporting its clients, particularly with cash flow issues and helping them access government support. It is also keen to help clients adapt to and exploit the opportunities offered by the rapidly changing situation, for example by safely moving into the digital world. ■



### COVID-19 recovery and sustainability

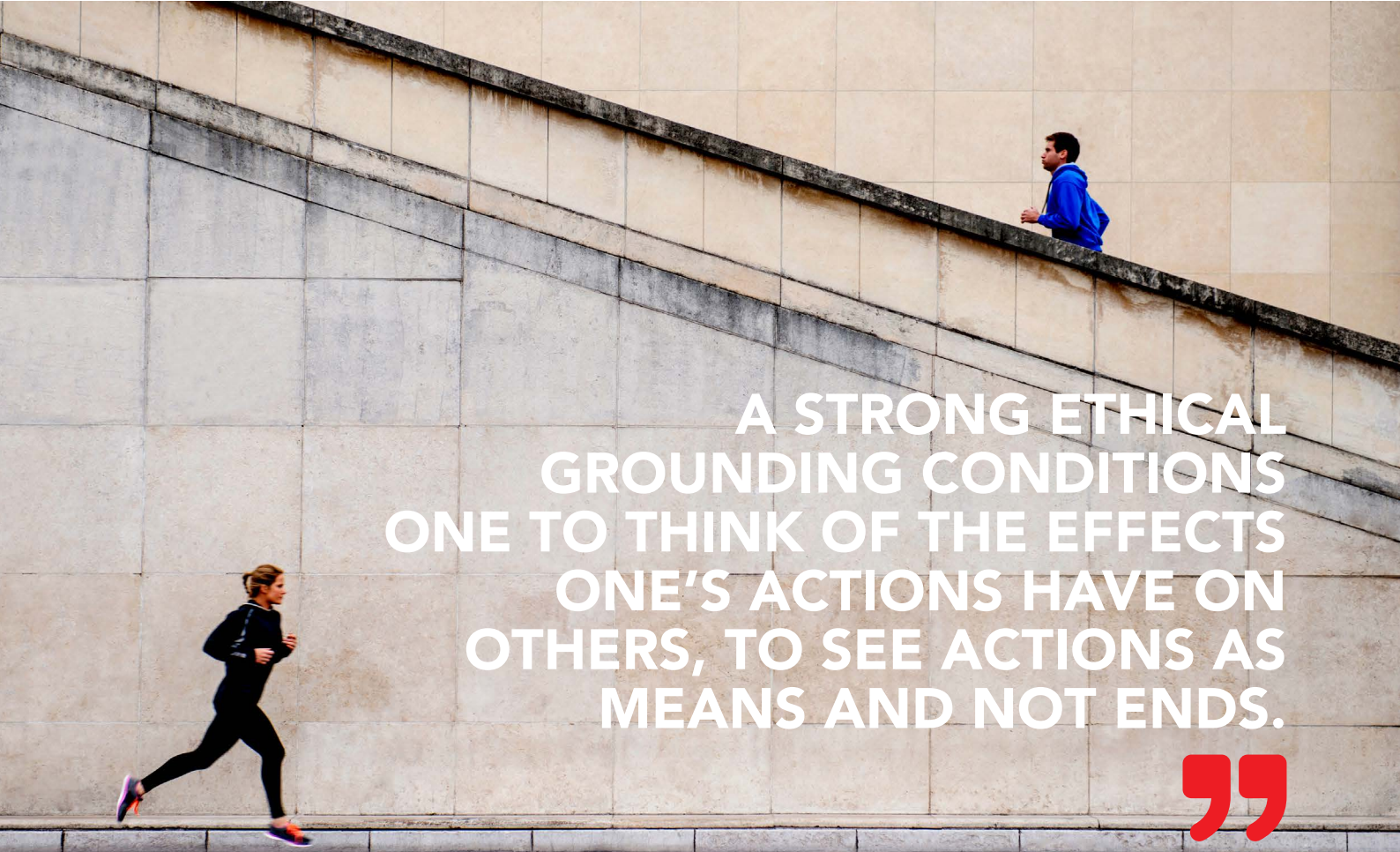
Many commentators have seen COVID-19 as being the catalyst for sustainability and a greener economy, without giving much detail as to how this might be achieved. Accountants are in a key position to make these links and quantify both what needs to be done and what has been achieved.

During the lockdowns, both SMPs and their SME clients have adopted more sustainable practices out of necessity. Digitally enabled practices, which might have taken years to embed, such as remote working, paperless reporting and virtual meetings, are now common. Many are now questioning the extent to which they are ever going to return to 'business as usual', to the extent of giving up their premises. This will have both cost and carbon implications. Accountants can help clients quantify these as well as using their digital and advisory skills to help them make the changes.

But many will want to look further than this and look at the deeper and longer-term issues of sustainability raised by the crisis, which can be seen as a dry run for the lasting disruption that could be brought about by climate change:

'Business readiness for infectious disease outbreaks is interconnected with [firms'] environmental, societal and governance (ESG) strategy. Accountants' multidisciplinary expertise can support companies in broadening their approach to risk management.

'Pre-COVID-19, companies may have found it futile to include catastrophic risk scenarios in their strategy. Nowadays, preparing contingency plans for external shocks, such as pandemics, seems part of the new reality' (*Accountancy Europe 2020*).



A STRONG ETHICAL  
GROUNDING CONDITIONS  
ONE TO THINK OF THE EFFECTS  
ONE'S ACTIONS HAVE ON  
OTHERS, TO SEE ACTIONS AS  
MEANS AND NOT ENDS.

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## 7. Call to arms

It is clear that SMPs can make, and are making, a huge social impact in a wide variety of ways. While our most active interviewees are probably doing more than is feasible for most individuals or practices, there is clearly an opportunity for more SMPs to capitalise on the sector's unique ability to make a difference.

We hope that learning about what is possible will act as an inspiration to many. Others will wonder how to start, or where best to target their efforts. This section is a call to arms intended to answer some of those questions, and reinforce the message that CSR can be beneficial to the SMP as well as society at large.

But while CSR can and does play a valuable role in enhancing the visibility and contacts of SMPs, this does not mean it is just a marketing tool, as this role is only possible because of the degree of integration SMPs have into society and their profound understanding of the needs of their community. CSR activities feed into the increasing demands from both clients and employees for authenticity: these activities are not just valuable in themselves but create a clear and transparent statement of who you are.

### Ethical business practices

Before even contemplating specific CSR activities, it would be well to take a quick audit of how responsibly the practice is operating as a commercial unit.

Professionals have a dual responsibility to act both in the client's best interests and the public good. That's not always an easy task and can sometimes involve difficult conversations with clients.

These responsibilities are not fixed: the movement by SMP accountants into advisory services creates a different level of risk, which affects the duty of care. A wider definition of the public good might create difficult questions about which clients a practice is prepared to take on. Are you comfortable working for clients in certain sectors? What do your staff think?

### Recruitment and employment

Creating career opportunities and prosperity for employees is a huge part of SMPs' social impact. But a stable, diverse and motivated workforce is also a huge asset. Are your employment policies attracting a diverse enough range of candidates, or are there barriers? Do you need to advertise differently, or engage with the education system differently? Are there government schemes you can access?

Are employees receiving the support they require? Have you created development opportunities and career paths? What more could you do to retain staff? Do you need to revisit remuneration and ownership structures? Would more involvement in CSR activities create more engagement?

What working conditions and flexibility do employees want?

### Environmental responsibility

Like charity, sustainability begins at home. Accountants can certainly help clients assess their environmental footprint and meet sustainability targets, whether they are self-imposed, procurement-related or in pursuit of external awards and certifications. But beyond all that they can embody the changes they wish to see in clients and also link to other agendas. Are you minimising rush hour travel through remote and flexible working? Are you using technology to eliminate paper and energy use?

In this and other areas, SMPs are uniquely placed to lead and advise their clients from a position of experience.

**Financial support**

Every journey starts with a single step and the easiest and most direct route to creating a social impact is simply to donate money or fundraise for a charity. This could pave the way for a deeper involvement, whether at a local or a national level.

**Time and expertise**

Volunteering is a valuable and rewarding activity in its own right, but by using their professional skills, accountants can multiply the value of that time. Accountants who make themselves available as trustees or treasurers will find themselves in high demand. Charities and NGOs do not just need their books done: accountants can help with

processes and governance and provide valuable support and mentoring to staff. Accountants can also offer pro bono advice and support directly to financially challenged individuals or entrepreneurs.

**Educational engagement**

Schools and colleges are fertile soil for SMP accountants wishing to make a social impact on multiple levels. Careers advice and work placements can help young people make an informed choice of career, encourage social inclusion and improve the understanding of modern accountancy as a forward-looking and exciting profession. Schools can also benefit from volunteering and accountancy expertise and offer useful gateways to other community involvement.



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