

The background of the entire page is a photograph of several white wind turbines with red-tipped blades. They are situated in a vast field of bright yellow rapeseed flowers. The sky is a clear, vibrant blue with a few scattered white clouds. A semi-transparent white rectangular box is centered over the image, containing the title text.

ACCOUNTANTS, PURPOSE AND SUSTAINABLE ORGANISATIONS

Think Ahead

About ACCA

ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of 219,000 members and 527,000 students based in 179 countries that upholds the highest professional and ethical values.

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

Our qualifications develop forward-thinking professionals with the financial and business skills essential for the creation of sustainable economies and flourishing societies. Every day, ACCA professional accountants support people and organisations in making sound decisions and doing the right thing. We build public trust by creating an inclusive profession with people from all backgrounds, bound by a common global code of ethics and committed to updating their skills to meet ever-changing needs.

Since 1904 being a force for public good has been embedded in our purpose, and this powers everything we do. Like offering everyone, everywhere the opportunity to access a rewarding career in accountancy. By working in partnership with emerging economies to establish their own professional accountancy organisations and grow their finance ecosystems. Through freely sharing our leading-edge research that answers today's questions and prepares us for tomorrow. And by supporting our global family of members, future members, and partners and developing the profession for the next generation.

We think ahead and lead the profession.

Find out more at www.accaglobal.com



ACCOUNTANTS, PURPOSE AND SUSTAINABLE ORGANISATIONS

In this report, we explore the purpose of the accountancy profession in helping organisations transform and be sustainable for the long term. The report commences by exploring what it means to be a sustainable organisation, and the impact on this of the dynamic forces of change. The report then considers the role of the profession and why it is well placed to support organisations, and more broadly society, to be sustainable and prosperous for the long term.



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Preface

Sustainable organisations have to be good corporate citizens: society demands it of them. They are organisations that expertly transform to remain a prosperous, valued part of society over time. Their transformation is a proactive response to the dynamic forces of change that affect us all. The rapid advancement of technology is revolutionising business and finance capability.

Social and environmental concerns, for example renewed efforts to achieve the United Nations' Sustainable Development Goals, are requiring organisations to think and behave very differently. Global and geopolitical events, not least recent examples such as COVID-19 and Brexit, challenge us all to act swiftly but consistently. Demographic and regulatory changes are further fuelling the need for careful transformation, so that organisations can deliver value beyond short-term profit.

In this report, we explore the purpose of the accountancy profession in helping organisations transform and be sustainable for the long term. The report commences by exploring what it means to be a sustainable organisation, and the impact on this of the dynamic forces of change. The report then considers the role of the profession and why it is well placed to support organisations, and more broadly society, to be sustainable and prosperous for the long term.

We have drawn our insights both from within and beyond the profession. This has involved engagement with the profession's key stakeholders, and we have drawn upon research (including ACCA's own) that reveals the shape of the global economy, the dynamic forces changing it and how organisations need to respond. We have also considered developments in professional accountancy regulation and education programmes. We would like to thank all our participants, including ACCA Council and International Assembly members for their contribution to shaping this report.

We hope this report helps to demonstrate the enduring value of the profession to all stakeholders, and prompts discussion on the profession's purpose in an increasingly challenging global environment.



**SUSTAINABLE ADVANCEMENT
OF GLOBAL SOCIETY
REQUIRES ORGANISATIONS
TO PROACTIVELY AND
POSITIVELY NAVIGATE
THE DYNAMIC FORCES
OF CHANGE.**

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Executive summary

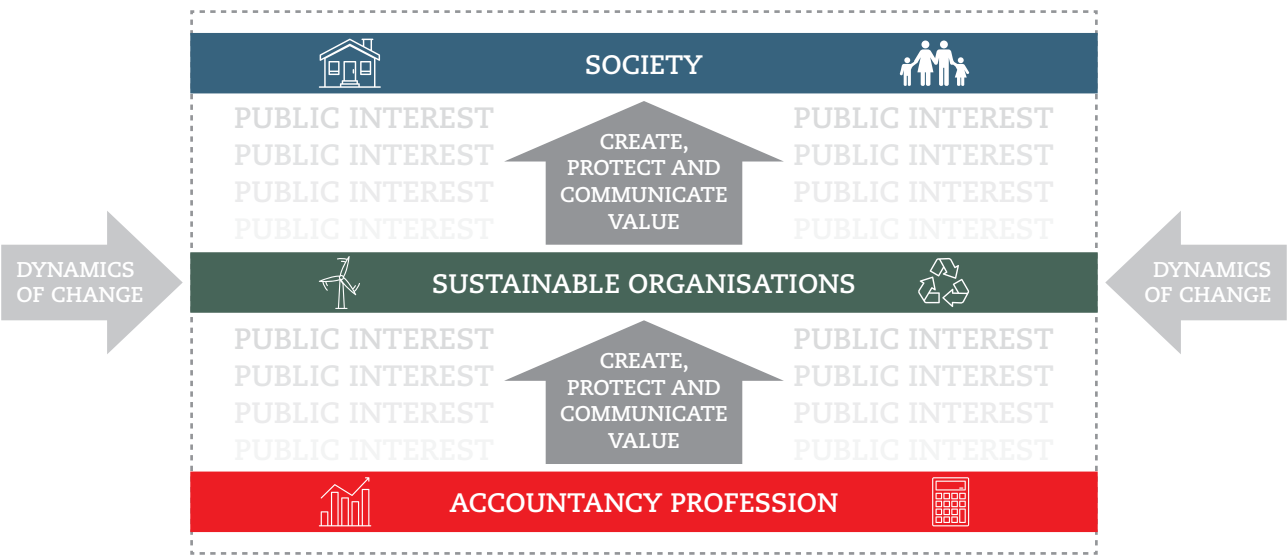
The accountancy profession is as relevant today as it has ever been. We should be optimistic about its future. Since the Renaissance, accountancy has been one of the foundational pillars of modern commerce and the ‘lingua franca’ of trade and capital-market growth.

Focusing on public interest, and backed by ethics, business and finance expertise developed through lifelong learning and the profession’s networks, professional accountants play a key role in creating, protecting and communicating value for organisations and society. This, in turn, contributes to the sustainable advancement of today’s global society.

This sustainable advancement of global society requires organisations to proactively and positively navigate the dynamic forces of change. These changes, from technological revolution to rising environmental and

social concerns, from seismic demographic shifts to mass geopolitical change, and from global systemic economic shocks to regulatory developments, are challenging for organisations as well as potentially creating opportunities as never before. Sustainable organisations are creating business models that generate long-term value, not just for the organisation but for wider society too. 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.

FIGURE 1: The accountancy profession’s influence on society in a changing world



In this context, and at a time of declining trust in professions more generally, it is timely to revisit a fundamental question, ‘what is the purpose of the accountancy profession?’ Across almost every aspect of business, professional accountants help organisations navigate challenging and competitive operating environments, thereby creating new value streams. Equally, the profession retains its fundamental stewardship responsibilities for protecting the value created for the long term, and for communicating organisational action and performance in a transparent, reliable and responsible way (Figure 1). These aspects of creating, protecting and communicating value reaffirm the profession’s role as the ‘super-connector’ of reliable information within organisations, and from organisations to their stakeholders and wider society. These connections enable stakeholders to make well-informed judgements. The profession helps drive greater corporate accountability and responsibility, building stakeholder trust in organisations and in those who lead them.

The direct contribution of the profession can help build thriving sustainable organisations, through better leadership and governance, financial and performance management, tax, advisory, reporting, audit and assurance work. The profession also has a much wider public-interest remit, which this report highlights. This wider remit builds on and sustains the broad business and

finance environment. Examples include supporting and encouraging the development of international trade; helping expand national economies; spearheading infrastructure and capacity-building programmes in emerging markets; championing global accounting, auditing, ethics and education standards; promoting good corporate governance; and driving improved financial literacy across the world. In all this, professional accountants are regulated by their professional bodies, and professional bodies are overseen and regulated by national and global authorities. A properly regulated accountancy profession engenders trust in the world whose development it supports and the organisations the profession serves. In a world challenged today by technological disruption, protectionist economic doctrines, significant demographic shifts and serious environmental and social challenges, this ‘public interest’ call to arms for the profession has become even more relevant.

So, why trust the accountancy profession? Trust in the profession is borne from its trinity of features: ethics, expertise and connectivity. Individually, these features may not be unique to the profession, but taken together they build a convincing case that the accountancy profession has a strong role to play in helping to build and sustain value.

TRUST IN THE
PROFESSION IS BORNE
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1. **Ethics** is the DNA of the profession, it means that professional accountants focus on doing the right thing, acting in the public interest in all that they do.
2. **Expertise**, through lifelong learning provided and monitored by strongly regulated professional bodies, professional accountants have current and relevant ‘know how’.
3. **Connectivity**, the networks which come with membership of a professional body enable professional accountants to bring together their vast experience and ability to learn from others; this sharing, cements their expertise.

In a world constantly experiencing dynamic forces of change, the ethical expertise and public interest focus of the profession gives it a core role to play in sustainably creating, protecting and communicating long term value for organisations, their stakeholders and wider society.



THE ETHICAL EXPERTISE AND PUBLIC INTEREST FOCUS OF THE PROFESSION GIVES IT A CORE ROLE TO PLAY IN SUSTAINABLY CREATING, PROTECTING AND COMMUNICATING LONG TERM VALUE FOR ORGANISATIONS, THEIR STAKEHOLDERS AND WIDER SOCIETY.

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1. Sustainable organisations and change

Sustainable organisations are the lifeblood of a successful economy. They are part of the very fabric that creates prosperity and wealth for society over the long term (Figure 1.1).

FIGURE 1.1: Sustainable organisations in society, subject to the forces of change



Organisations today cannot just please their shareholders or generate compelling short-term financial returns – they must be better corporate citizens and meet broader stakeholder demands. They understand that having a wider role and purpose in society is essential to delivering long-term value, fundamentally contributing to a better world.

Creating sustainable long-term value is particularly challenging now, for example as we write this report most people are focusing on grappling with the immediate health, financial and economic impact of COVID-19. Looking towards the longer term, they should consider the dynamic forces of change, shaping organisations irrespective of sector, size or geography. Technology is transforming the global economy, how we operate, and the very fabric of organisations and society. But it is not just technology that is driving change. The impact of natural disasters is a sign from the environment that we cannot continue to treat it as we have. Social inequality is calling us to act more fairly. Society has emerging

and sometimes very different expectations of the role organisations should play. There are geopolitical and significant demographic challenges too. ACCA's global research programme over the last three years points broadly to six dynamic forces of change affecting society and organisations therein, influencing their capability for creating sustainable value for the long term.

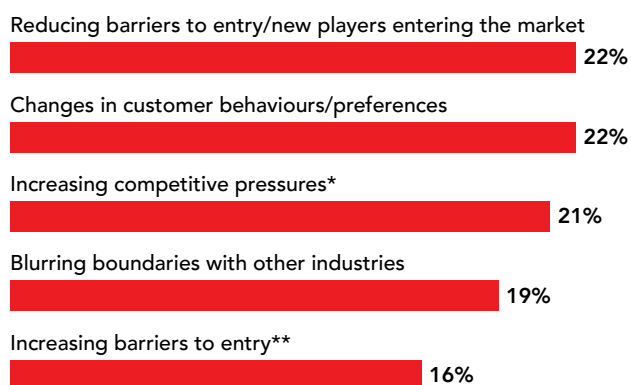
1.1 Digitalisation

Technology is transforming channels to market, opening up new growth opportunities for organisations, as well as creating new competitive threats as it rapidly dismantles long-established barriers. In many industries, competitors are springing up, undeniably challenging organisations who had previously enjoyed the benefits of these barriers, for example many startups can immediately draw on new technology to service customers, whereas established businesses often have large complex infrastructure technology necessitating rework. Using the vast increase in data, and better access to it, organisations are able to

glean new insights, spurring innovation with product ideas that satisfy changing consumer demands. Technology is helping reshape business processes and making possible the previously impossible, through the scale of automation, increased efficiency and redefinitions of the nexus of work between people and machines. The shift from 4G to 5G and cloud technologies are transforming business and data connectivity, driving new possibilities for insight, sharing and engaging. Technology is also changing customer engagement: consumer power is increasing as digital advances enable them to self-serve more easily and switch from suppliers not meeting their needs. Different customer bases are emerging as organisations invest more heavily in digital services and products to meet consumer demand: for example, an organisation's online presence can give access to a wider geographical consumer base, or enable it to form partnerships that sell complementary offerings. And in the public sector, governments are using technological disruption to serve the public better, for example in 'smart city' initiatives connecting data to gain insight or enable automated services. Fast-changing technology is also a catalyst for new business-model innovation, opening up new channels for funding. To be sustainable for the long term, organisations need to adapt continually, and digital transformation and technology adoption are key to fulfilling this ambition.

The EY Global Capital Confidence Barometer (EY 2019), defines technology as both an enabler and threat, further stating that sustainable organisations need to understand the ecosystem of their industry landscape in order to determine their best route to success.

FIGURE 1.2: The impact of digital technology on business



* Increasing competitive pressures (eg lowering costs/pricing, product development, capital investment)

** Increasing barriers to entry (eg due to capital requirements, rapidly changing profit models)

Source: EY 2019



EXCERPT: *The Race for Relevance* – Technology opportunities for the finance function



'Digital technology is revolutionising the workplace and reframing the debate on how successful businesses operate. The businesses that are prepared and able to adapt fastest to this change will be those that reap the rewards.'

'Business leaders need to appraise technological trends, react and innovate. Leaders need to understand how competitive advantage can be obtained from the data insights revealed by effective enterprise performance-management processes. How is the business performing against strategic goals? How can this performance be measured through effective key performance indicators? A failure to take control will result in potential loss of competitive position. It opens the door to disruptors, allowing them to gain market share. Today's business environment is as much about using data to create and sell complementary services that the existing customer needs, as it is about growth from extending the customer base. Whatever the size of the business, technology change is having an impact. (ACCA 2017) ■

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1.2 Social and environmental capital

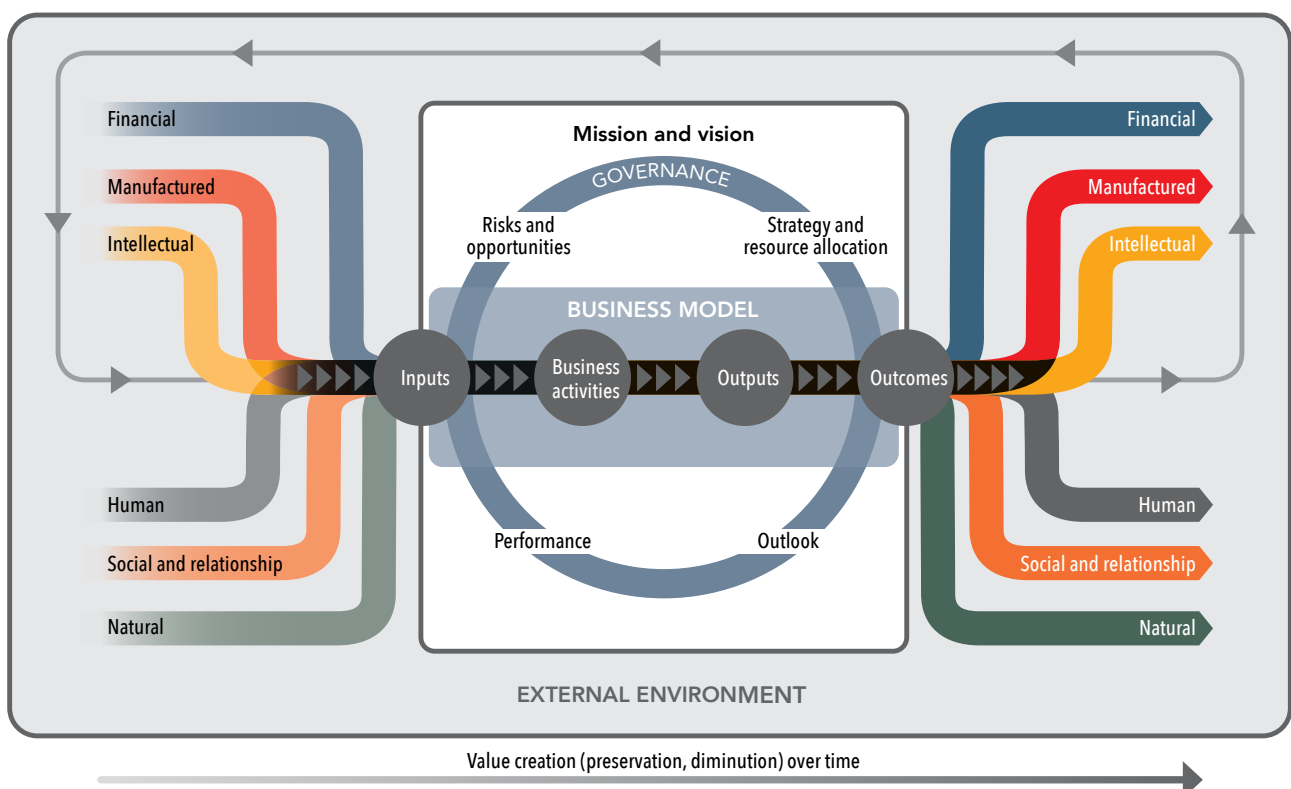
Shifting social expectations continue to herald a sea-change in the very *raison d'être* of organisations, and pose fundamental questions on the nature of capitalism. Society increasingly expects businesses to serve a wider social purpose, and be much more mindful of their environmental responsibilities. The voice of the environment is loud and clear: it is telling us that three of the four constituents of our planet (earth, water, air), together with the life within it, cannot cope with the demands organisations and societies are placing on them. The result for organisations is supply chain failures and, for the environment, climate problems and loss of biodiversity. Furthermore, short-term financial performance, and long-term value creation are influenced by the quality of the relationships organisations have with their employees, their customers, their suppliers and their role in the wider community. Organisations have to balance making money against these social and environmental issues. Big questions are raised on what constitutes good performance and how value should be generated and reported, recognising the wider social, community and environmental impacts that are integral to how companies create value.

Different organisations require different types of capital to generate value, from traditional manufactured or financial capital, through to the deployment of social, intellectual, natural and human capital (Figure 3.3). The call from society and our environment require organisations to be integrated and innovative in thinking about the best use of these capitals, and how they can reduce wastage or contribute better to developing circular economies and supporting a net positive outcome for both the organisation and the capitals themselves. Sustainable organisations demonstrate innovation and accountability in their integrated thinking and actions: the outcome is value creation well beyond that currently reported within the financial statements.

1.3 Shifting demographics

Shifting workforce and customer demographics are creating an unparalleled opportunity for organisations to drive sustainable growth. From the presence of five generations in the workforce to the ascent of the Generation Z, from social mobility to gender diversity, employee demographics are transforming the face of the workplace. Inclusivity practices that help drive diversity are key to organisations' ability to innovate and to be

FIGURE 1.3: The six capitals and the business model



Source: IIRC

sustainable for the longer term. There is growing evidence to suggest that more 'diverse' organisations are better placed to generate improved financial performance. Astute organisations with an eye on long-term sustainable performance understand that this diversity manifests in many different ways. They are keen to invest in younger talent entering the workforce: people who have never known a world before social media and 'mobile' technology, so that they can tap into this tech 'know-how'. Yet these organisations also understand the value of accumulated knowledge, experience and wisdom that older generations continue to bring to the workforce.

'BUSINESSES ARE INVESTING IN TECHNOLOGY, OUR LEADERS OF TOMORROW KNOW HOW TO USE IT OPERATIONALLY, AND OUR LEADERS OF TODAY HAVE THE EXPERIENCE TO ASK THE RIGHT QUESTIONS. WE FOCUS ON OUR TALENT MANAGEMENT TO ENSURE WE HAVE A WORKFORCE WHO ARE VALUABLE AND VALUED: IT IS THEY WHO INJECT LIFE INTO THE TECHNOLOGY INVESTMENT.'

A collective sentiment from some of ACCA's Council members

Sustainable organisations also understand the innovation that flows from bringing together employees across cultures and geographies, spurring new ideas and driving efficiencies. This increasing diversity is redefining socio-economic patterns, and with it creating greater opportunity to tap into more diverse consumer bases. Sustainable organisations understand how major demographic and socio-economic transitions such as the rise in urban populations across the world, rising income levels and a growing middle class in emerging markets (particularly in Asia) are shifting purchasing power and providing new opportunities for growth. All these demographic trends are shaping how and where organisations operate to be sustainable for the long term.

1.4 Global systemic economic shocks

Thankfully, instances of global systemic shocks are rare, as their impact is far reaching, often difficult to predict with any form of certainty, and almost impossible to prepare for effectively in advance. The COVID-19 pandemic is having extensive and very damaging consequences, for people and for the global economy. Government



EXCERPT: *Purpose and the Profession*



'As the economies of countries around the world have grown, changed and become more interconnected, the opportunities they create for growing populations have also changed. The access an individual has to these opportunities determines their ability to live well, prosper and thrive in the modern world.'

Examples abound demonstrating that the complexity and volatility that characterise today's global economy can be best navigated by those that value diversity – this includes diversity of socio-economic background. Greater diversity has been demonstrated to improve decision making. It has been shown to increase innovation. It also builds better organisational performance. (ACCA 2018a) ■

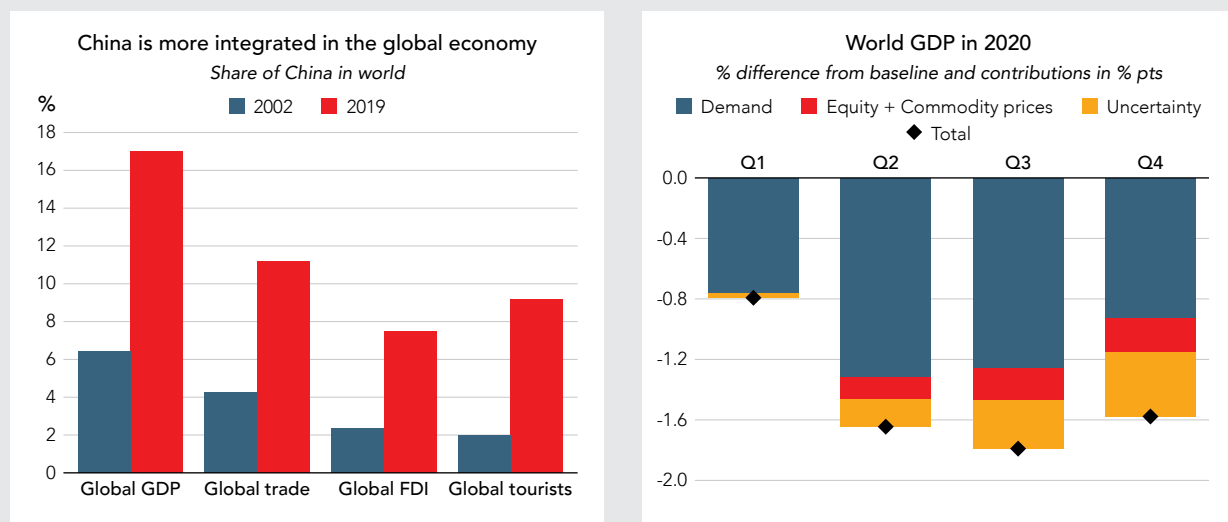
action in the form of isolation aimed at slowing down the rate of infection, while importantly saving lives and relieving pressure on strained healthcare systems, is having a dramatic impact on almost every economy around the globe. Trade is slowing, in some sectors almost to a standstill, for example in international travel and transportation, education, entertainment and non-essential retail. All organisations, but particularly smaller ones that lack sufficient financial buffers, are struggling to survive, their incomes are dramatically reduced, while their financial commitments have not to the same extent. These disruptions will likely result in a potentially very severe global recession, with an immediate consequence being a surge in the rate of unemployment, by 10% or more in some countries. The short-term hit to global gross product will probably be greater than during the 2008/09 recession, which at its lowest point recorded global gross product falling at an annual rate of around 2.5% (ACCA 2020). 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.



OECD Interim Economic Outlook, Interim Report March 2020

The data predictions use China as a basis for modelling, as that economy has had more time to adjust to the COVID-19 pandemic. The evidence suggests that China is more integrated into the world economy than it was in 2002, when there was a similar pandemic, making the global impact more severe this time (Figure 1.4). OECD's economic modelling predicts a global fall in gross product of 1.5% for the year 2020.

FIGURE 1.4: Comparisons between 2002 and 2019, showing the effect of China's economic importance



Source: OECD (2020)

1.5 Geopolitical

The inflows and outflows of trade, people and finance are fundamentally reshaping the business landscape, and creating new opportunities as well as challenges for many organisations. Major geopolitical shifts, particularly relatively short-term shocks, challenge the viability of organisations and necessitate strong risk-management capabilities. Geopolitical problems can create uncertainty for society and organisations, which then has consequences for trade and investment.

Significant geopolitical issues, such as the role of the US in the global economy, the US–China trade war of 2019, widening income inequality, the rise of populist policies, nuclear security in Asia (North Korea specifically) and continued Middle East instability all contribute to a challenging global operating environment in which businesses are seeking to build sustainable organisational value, compete, and manage risk effectively. Conversely, geopolitical events also offer an upside in the form of strategic opportunities to be exploited.



Belt and Road Initiative (BRI)

The BRI strategic objectives yield opportunities for those taking part to benefit from greater trade and competition resulting from reduced trade barriers, easier-to-navigate regulation where harmonisation is achieved, greater efficiency and effectiveness of business operations through digital infrastructure initiatives, better access to finance through financial integration, and benefits from cultural diversity through academic and talent exchanges. (ACCA and Shanghai Stock Exchange 2017) ■



Harvard Business Review: Brexit

The key messages from the Harvard Business School review suggest that:

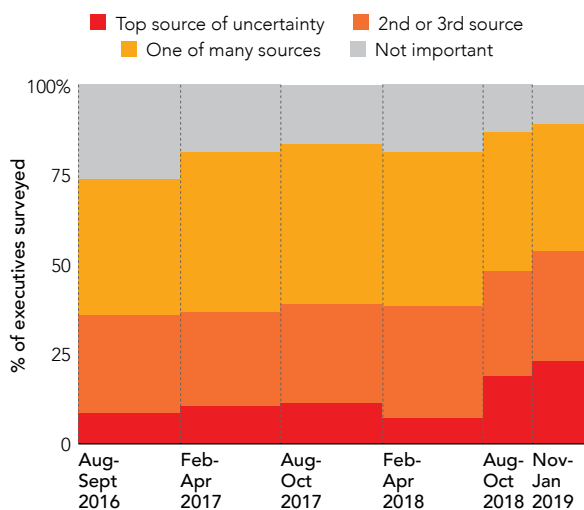
- as at January 2019, 54% of the 7,500 CEOs surveyed reported experiencing uncertainty as a result of the approaching Brexit, up from 36% in August 2016
- organisations expect lower sales and higher costs
- the net impact of uncertainty and lower sales has been reduced investment.

Bloom et al. (2019)

FIGURE 1.5: The effects of Brexit on the UK

BUSINESS UNCERTAINTY OVER BREXIT IS INCREASING

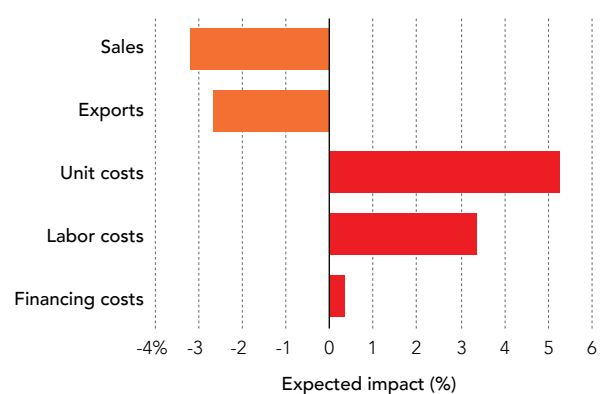
More than 50% of executives surveyed in the UK now say it's one of their top three sources of uncertainty.



Source: Analysis of recent Decision Maker Panel survey responses from around 3,000 UK business executives, by Nicholas Bloom et al. (2019)

EXPECTED IMPACT OF BREXIT ON UK BUSINESSES

UK business executives foresee lower sales and exports and rising costs

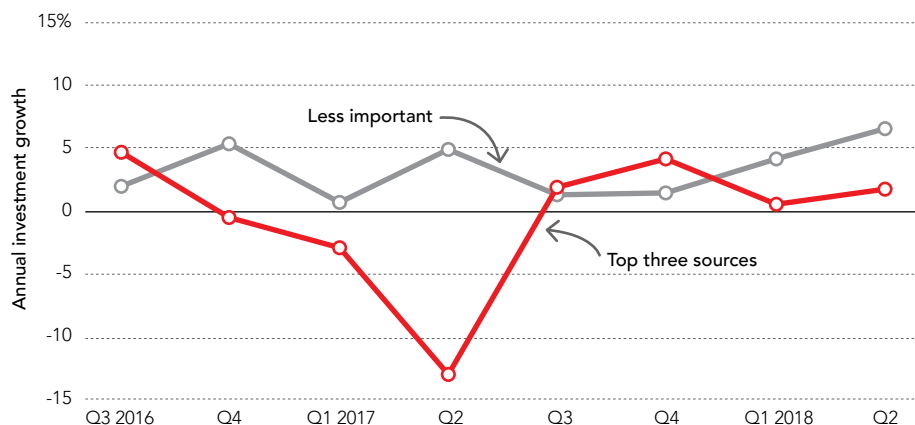


Note: Participants were asked to estimate the expected eventual impact of Brexit on total and foreign sales, as well as the impact on labour, unit, and financing costs in 2020 by assigning probabilities to pre-defined ranges. The estimates above were calculated using midpoints of these ranges multiplied by corresponding probabilities.

Source: Analysis of recent Decision Maker Panel survey responses from around 3,000 UK business executives, by Nicholas Bloom et al. (2019)

BREXIT'S INFLUENCE ON INVESTMENT GROWTH IN UK BUSINESSES

Executives who say Brexit is in their top three sources of uncertainty have seen lower investment compared to executives who say Brexit is less important.



Source: Analysis of recent Decision Maker Panel survey responses from around 3,000 UK business executives, by Nicholas Bloom et al. HBR (2019)

1.6 Regulation

Appropriate regulation should be a force for good, driving sustainable business practices that lead to long-term value creation and protecting the interests of all stakeholders. It supports consistency and comparability across organisations, promotes fairness in competition, provides healthy and safe environments and defines the tax burden.

Regulation remains a challenging area, and is difficult to get right. Regulatory systems must balance the protection of the stakeholder and management of risk against the potential cost of stifling innovation or imposing unreasonable burdens on economic actors. For example, as the global economy transforms and digitalises, swathes of new regulations are following, such as the EU's General Data Protection Regulation (GDPR).

The mix of opportunity and protection is only effective if the regulation is sufficient and timely, well-communicated and unambiguous, and provides certainty. If not, the result is the risk that regulatory gaps will be inappropriately exploited, with non-compliance leading to penalties or missed opportunities.

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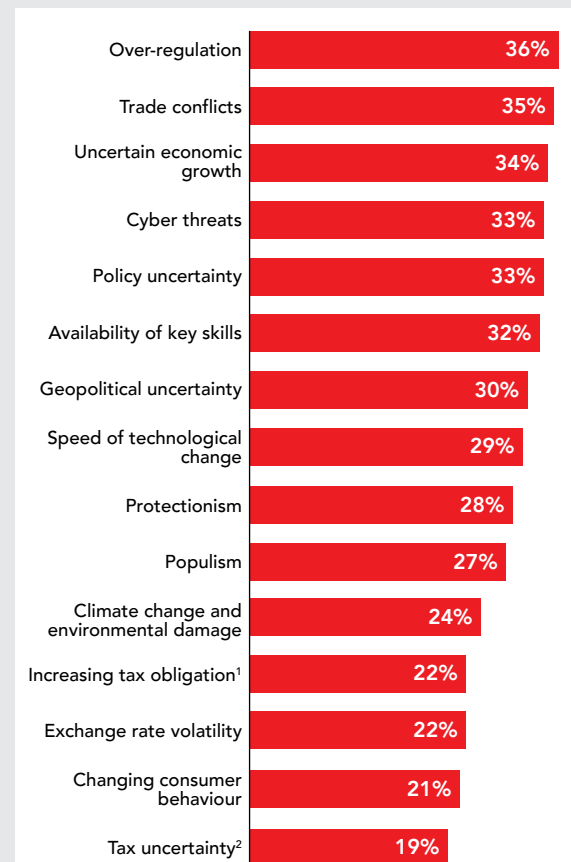


PwC survey: Navigating the rising tide of uncertainty

In PwC's 2020 survey of 1,581 CEOs in 83 territories, uncertainty underlay low confidence in their organisation's outlook, with regulation as the main factor behind this uncertainty. For example:

- new regulation is making it harder for organisations to attract and retain talent
- the pace of technological innovation is so fast that regulation cannot keep up to mitigate risk
- differences in regulation are inhibiting cross-boundary data flows, the effectiveness of cybersecurity and potentially stifling innovation. (PwC 2020)

FIGURE 1.6: The top 15 perceived threats to business in early 2020



1. 'Increasing tax obligation' was worded as 'increasing tax burden' prior to 2020

2. 2020 was the first year CEOs were asked about 'tax uncertainty'
Base: Global respondents (2020=1,581; 2019=1,378)

**NEW REGULATION IS
MAKING IT HARDER
FOR ORGANISATIONS
TO ATTRACT AND
RETAIN TALENT.**

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2. What is the **role** of the **profession**?

FIGURE 2.1: The profession, organisation and society value relationship



In the last chapter, we described the various dynamic forces facing organisations as they seek to remain sustainable in the long term, and to act as good corporate citizens. Sustainable organisations produce goods and services that are valued and needed, they employ people and make life better for their employees, and they contribute to the advancement of wider society, protecting the environment as they do so. They do this by carefully deploying the range of capitals at their disposal, to generate a net positive outcome for their stakeholders. To deliver such value in this connected world, sustainable organisations have to make difficult trade-offs when seeking opportunity and mitigating risk, they have to understand where to invest across many different activities to create growth, as well as balancing short-term against long-term objectives to drive a path towards long-term sustainable success. This is challenging! To be sustainable for the long term, organisations need to be increasingly innovative and transparent in how they create value, more mindful and astute in how they protect the value created, and clearer in communicating the process and outcomes of value creation and protection (Figure 4.1).

So in this, what is the role of the accountancy profession in supporting organisations to meet these challenges? What, fundamentally, is the purpose of the profession?

This need for creating, protecting and communicating value is an opportunity for the accountancy profession, but it is not new. A fundamental building block of accountancy has always been its contribution to helping create and protect organisation value for the long term. This is best exemplified by the profession's core heritage in audit and assurance. The need for company financial statements to be fairly prepared in accordance with generally accepted accounting principles, and then audited independently to assess whether or not the picture presented is 'true and fair', has been a cornerstone of confidence for investors and has underpinned the world's businesses and financial systems since the profession's inception. Through reliable, transparent and insightful financial information, accountants and auditors have always helped organisations manage operations and risk effectively to meet strategic objectives, and to attract and access investment. They have been central in supporting an environment of trust that has allowed businesses to grow and flourish for the longer term.

The role and purpose of the professional accountant in helping organisations to create, protect and communicate value extends beyond an audit and assurance role, and is grounded in broadly supporting the wider public interest.

2.1 The profession and the wider public interest

The shift from a shareholder to a stakeholder society raises important questions about the role of organisations, their activities that contribute to value creation, and their wider responsibilities to society. The accountancy profession is core to building confidence in organisations and their performance, with a wider public-interest role, helping to create an environment that encourages trust and facilitates transparency in the workings of the capital economy and the activities of business. There are a range of different areas where the public-interest role of the accountancy profession benefits economies and society.

Capacity building: Professional bodies supporting the development of communities and national economies

Professional bodies have been instrumental, collaborating with governments, regulators, employers, learning institutions, and the international donor community, in supporting the development of systems of governance and regulation to expand international trade, while developing the national infrastructure of economies, and striving to foster a climate that is conducive to supporting investment. This work also helps build sustainable systems, providing opportunity and access for people, irrespective of financial background, to pursue professional accountancy qualifications and ensure technical financial expertise, which ultimately promotes wider financial literacy across the economy. This work contributes to achieving many of the UN Sustainable Development Goals (SDGs) (Figure 2.2).

‘FROM RENAISSANCE ITALY, THE SPANISH EMPIRE, AND LOUIS XIV’S FRANCE TO THE DUTCH REPUBLIC, THE BRITISH EMPIRE, AND THE EARLY UNITED STATES, EFFECTIVE ACCOUNTING AND POLITICAL ACCOUNTABILITY HAVE MADE THE DIFFERENCE BETWEEN A SOCIETY’S RISE AND FALL. OVER AND OVER AGAIN, GOOD ACCOUNTING PRACTICES HAVE PRODUCED THE LEVELS OF TRUST NECESSARY TO FOUND STABLE GOVERNMENTS AND VITAL CAPITALIST SOCIETIES, AND POOR ACCOUNTING AND ITS ATTENDANT LACK OF ACCOUNTABILITY HAVE LED TO FINANCIAL CHAOS, ECONOMIC CRIMES, CIVIL UNREST, AND WORSE.’

Jacob Soll, The Reckoning – Financial Accountability and the Rise and Fall of Nations, 2014

”

FIGURE 2.2: The UN Sustainable Development Goals



Source: UN (n.d.)



ILLUSTRATION: Rwanda



The Rwandan professional body, the Institute of Certified Public Accountants of Rwanda (ICPAR), in existence since 2008, is mandated to develop and regulate Rwanda's local accountancy profession. The local economy has a need for accounting technicians as well as professional accountants. Satisfying this need and mandate contributes towards SDGs 4, 8 and 11.

ICPAR has called for support from the broader profession to help it meet this remit. It is here that other members of the profession have supported the development of ICPAR's capacity by:

- developing an education strategy, covering not just the qualification but also learning provision, drawing on accountancy learning institutions to do so
- designing the competency framework and associated syllabus, reflecting the needs of organisations in the region while also complying with international regulations governing the profession
- supporting talent management in recruitment and training of ICPAR key personnel in accountancy education principles, so that they may in the longer term independently manage the local profession. (ACCA 2018b)



ILLUSTRATION: Afghanistan

Without the necessary regulatory and governance infrastructure, the Afghanistan economy was limited in its ability to trade. Local government, professional body and donor organisation collaboration are helping the economy flourish, through trade, professional education and skills opportunity, therefore supporting SDGs 4, 5, 8, 9, 10 and 11. This public-value initiative faced challenges due to its sheer complexity and size, placing pressure on

the integrated capitals, specifically human, intellectual and financial for all parties involved. Ingenious integrated thinking has enabled these hurdles to be quickly overcome, leading to the establishment of the Certified Professional Accountants (CPA) of Afghanistan, together with the mandate to operate and develop the Afghan profession, which in turn will help expand the Afghan trading economy. The aim is to:

- support CPA Afghanistan in establishing its brand and developing its strategy for the institute and the profession
- help CPA Afghanistan to develop Afghanistan tax and law competence required for local operation
- support CPA Afghanistan in establishing and fulfilling its remit as the national professional body; for example, delivering member services, facilitating lifelong learning and establishing appropriate governance structures, regulation and regulatory functions, including audit quality assurance
- encourage the implementation of international standards
- collaborate to conduct market-relevant research and generate insights
- work together to build the capacity of learning institutions and ensure that students have access to effective tuition
- partner with employers to promote the value of professional accountants. (ACCA 2019a)

Setting standards and frameworks: The profession's role in promoting and developing transparent, relevant, fair, consistent and comparable outcomes for all stakeholders

The profession, most prominently in its role of advising upon and applying standards and frameworks, is instrumental in advocating reporting standards that are the foundation of comparability and transparency, which ultimately drive investor confidence. The ambition of harmonising national accounting and reporting standards, or indeed of pushing for globally accepted standards, is driven by a number of compelling arguments:

- the need for greater comparability of financial reporting across countries and jurisdictions to support international capital flows and investment
- the typically higher quality of company reporting that international standards drive, and
- the better understanding of accounts by users and reduced complexity for those who prepare and audit accounts.

Robust reporting standards enhance the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions.

The profession shapes good reporting standards, a critical part of the public-interest role, as society seeks greater accountability and trustworthiness in those charged with managing organisations on behalf of investors and other stakeholder groups, such as employees and consumers.

There is a need for wider non-financial reporting that more accurately captures the value-creation process in organisations today. Organisation leaders now are not just entrusted with managing financial capital, as we saw in the last chapter: they use many more capitals to generate value.

The profession's contribution to building better company reporting frameworks drives efficient capital allocation and helps enhance the visibility of organisational actions and performance, fostering trust and long-term economic stability.

The profession is instrumental in driving collaboration across standard setters and reporting frameworks to improve organisations' accountability and transparency,

and give a better understanding of how, as a society within a global economy, we measure, report and 'account' for this wider capital use. Consider for example, the profession's participation in the development of social and environmental reporting. There are a number of collaborative initiatives for developing business-relevant key performance indicators, and accounting and reporting standards involving organisations such as the International Integrated Reporting Council, Task Force on Climate Related Disclosures, the Global Reporting Initiative, the Sustainability Accounting Standards Board, and the Climate Disclosure Standards Board. Work to align these various initiatives continues, and the accountancy profession has a critical role to play in this process.

Regulation, compliance and monitoring: Upholding the quality of the profession

The governance of professional accountants' activities, expertise and conduct is central to the public-interest remit of the accountancy profession. Global and national regulation governs professional bodies and all their professional accountant members. The regulated profession sets, validates and monitors compliance, from issuing certificates and licences for all members, and special ones for those involved in audit work, through to ensuring relevant qualifications and experience, monitoring compliance with standards, rules and regulations, and promoting best practice, as well as responding to complaints and operating disciplinary procedures.

Professional accountancy bodies generally have additional requirements and oversight arrangements in place for members engaged in the auditing profession, given this part of the profession's role in providing assurance to investors and other stakeholders for financial reporting, internal controls and business activities (the nature of the auditor role and assurance provided may vary from jurisdiction to jurisdiction). The practice of audit is a cornerstone of good organisational governance. Good auditing is essential to providing objective and unbiased assessments on how organisations are allocating capital and using resources to achieve their strategy and intended goals.

The audit profession in certain parts of the world¹ is currently under scrutiny, with fundamental questions about the purpose of audit being explored through several different enquiries and reports. The profession is working closely with government organisations to help ensure that any re-purposed audit role meets stakeholder requirements and is fit for today and the future.

¹ As at March 2020, the UK, Dutch and Australia government authorities are conducting reviews of the audit profession.



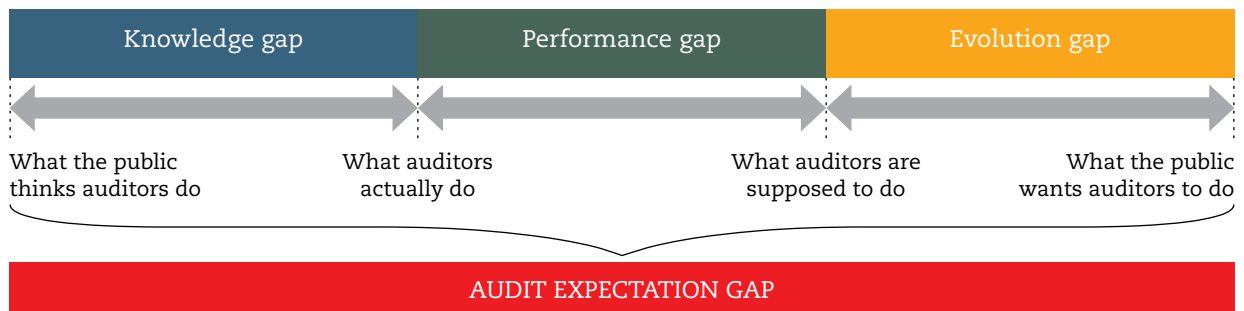
The future of audit: EXCERPT from *Closing the Expectation Gap* (2019) and a view from an audit professional



A mismatch has resulted, between audit, which has largely remained unchanged, and the organisations being audited, as their performance and risk alter as they respond to the dynamics of change. The result of this mismatch has led to heightened risk of audit failure to identify unsustainable business, and an expectation gap between the public and organisations' auditors regarding:

- what the public think auditors do and what they actually do
- the actual performance of auditors relative to what they are supposed to do
- what the public would want auditors to do and what they are supposed to do.

FIGURE 2.3: The audit expectation gap



Source: ACCA (2019 b)

'IN ORDER TO MEET SOCIETY'S EXPECTATIONS OF TODAY AND TO REMAIN RELEVANT WITHIN THE ENVIRONMENT WE OPERATE, WE HAVE THE RESPONSIBILITY OF TRANSFORMING THE WAY WE DELIVER ON OUR OBLIGATION TO THE PUBLIC. THIS TRANSFORMATION INCLUDES OUR RESPONSE TO THE ADVANCES OF TECHNOLOGY-BASED SOLUTIONS'.

Assurance Partner

In response, many jurisdictions around the globe are conducting their own reviews to understand the mismatch referred to. These reviews, like the UK review, may redefine the purpose of audit, and all that is connected to the redefinition, from audit scope and the expected qualities to the competence of auditors, from responsibilities of organisation management and auditors, to the specific work and communication needed to discharge that responsibility. (ACCA 2019b) ■

2.2 Professional accountants as value creators

The shift from a shareholder to a stakeholder society demands a rethink, and brings into focus how organisations generate and communicate sustainable value that benefits both organisations and ultimately wider society. For professional accountants, this shift from accounting for the financial statements to accounting for the wider business is at the heart of their purpose today.

The ways in which a business creates value are influenced by its business model, its strategy, and the particular goals of the organisation. Professional accountants have an essential role to play in strategy formulation and capital allocation, and are key to understanding and directing appropriate investment strategies to create long-term value. They help set business strategic and financial goals linked to the purpose of the organisation. All organisations have to make investment decisions across a wide range of parameters, from deciding the geographic markets or industry sectors in which to compete, which products or services to expand or curtail, which partnerships or strategic relationships to form, or how to distribute investment across different capitals, such as people, infrastructure, or intellectual property, to generate a sustainable return.

In the information age, perhaps the biggest influence on the capacity of organisations to create value is how they use data. As information capabilities expand, analysis is increasingly available to drive insight on investment options and support decisions on trade-offs. This is front and centre to the work of professional accountants and gives them unparalleled influence at the heart of organisations. Data is available on emerging channels to market, or the potential of new sectors or geographies in which to operate, or on competitor strategies. And there are new sources of data on intellectual capital, environmental or social issues, or information relating to other capitals. Much of this information is generated externally to the organisation, in a myriad of data forms from unstructured to structured, financial and non-financial. The professional accountant understands business and finance, and uses this knowledge to ask the right questions, using data and leveraging emerging technologies, therefore developing data insights, to identify and appreciate new value opportunities.

The profession supporting data insight development isn't just about identifying new opportunities to create value, it is about the wider contribution the profession makes to innovating and implementing these opportunities. Professional accountants are key to helping businesses transform and creating new value streams as the economy evolves. Professional accountants are a facilitator in driving

organisational change, and delivering process innovation. They are key to re-configuring end-to-end business processes and workflows to drive efficiencies. As part of securing long-term value by managing transformational change, they have a role to play in building trust and confidence in governance processes across the organisation, particularly for data reliability, risk assessment and the control environment as the business changes.

2.3 Professional accountants as value protectors

It isn't enough just to be a facilitator helping organisations identify and tap into new value opportunities. Organisational success needs protecting, and value creation needs to be sustainable for the longer term, also meeting different and evolving stakeholder demands. Value protection is within the DNA of the profession. Professional accountants influence and contribute to building sustainable organisations, through their fundamental role in designing and implementing performance-management processes. These processes not only monitor current progress and provide forecasts of potential progress against strategic goals, but also act as a control mechanism, enabling business leaders to make decisive interventions or changes if progress is off track.

The role of professional accountants does not stop in building performance-management processes to provide progress indicators: they also champion the importance of risk management and control. They will develop and monitor control environments, which monitor possible sources of fraud and error, preventing where possible and detecting them when they occur, as well as identifying areas where they can reduce cost or drive value improvements. As the emphasis on organisational value is increasingly placed on non-financial capitals, professional accountants can be instrumental in helping organisations build appropriate measurement strategies, enabling them to understand their impact on all capitals, and in many instances translate that impact into financial terms, together with what that may mean for long-term resilience. Professional accountants are able to use this insight to develop controls, and to adapt organisational operations.

Performance measurement extends into performance risk management and that connects to the role of the profession in audit and assurance. Internal and external audit is central to stewardship and building sustainable long-term value, and builds trust in the competence of the organisation's management. Poor trust destroys confidence and damages the capacity of organisations to attract investment for the longer term. Ultimately, audit and assurance underpins the very functioning of the capital market system.

In the protection of value, the assurance provided by professional accountants is undergoing significant change. Professional accountants are using the benefits of access to data and technology to transform the quality of the assurance provided. This leads to more confidence in operational resilience and ultimately better management of risk. New emerging technology is being used within audit and assurance, to identify and mitigate the different types of emerging organisational risk. We can expect to see cognitive technologies and even the use of algorithms to drive better visualisation and risk insights, as well as scaled-up efficiencies in assurance activities, and real-time monitoring of control environments. These allow the professional accountant to derive better value-adding insights or recommendations for organisations, key to helping protect value for the long run and securing sustainable business success.

2.4 Professional accountants as value communicators

Stakeholders demand transparency about how organisations are creating and protecting long-term value. With traditional financial reporting activities providing an indication of only the financial value being created in the short term, there have been wider calls for some time to extend the breadth of reporting, to give a more holistic reflection of the true value-creation activities of organisations, and provide more transparency and insight on how these lead to sustaining this value creation. Professional accountants are at the heart of reporting the story on value creation. We have seen how the profession in its public-interest remit evolves financial reporting standards, frameworks and legislation, so that the professional accountants applying them are able to tell the holistic, more reliable and relevant 'true and fair' story

Additionally, in today's reporting of organisational performance we see the proliferation of broader non-financial reporting standards and frameworks, covering the impact to three of the four constituents of our planet (earth, air, water) and the life within them. Professional accountants have an extraordinary opportunity to champion the adoption of wider reporting frameworks, that communicate the value created more fairly, how this value created is being protected, including the extent to which the organisation's business model is robust for the longer term. The professional accountant uses ethical, integrated thinking, and business financial acumen to select and apply the appropriate reporting standards and frameworks. The professional accountant leverages technology and multiple data sources to pull together information across the different capitals and value drivers to complete the story of value creation.



EXCERPT: *Audit and Technology 2019*



Technology offers the ability to both improve the quality of audit and to add value to it: audit is moving from being a reactive, backward-looking exercise to a proactive, predictive, forward-looking one, working in real time. And as such, it provides an opportunity to help businesses by providing timely insights. ■

'TECHNOLOGY ONLY HELPS WITH THE VISUALISATION OF A PROBLEM – PEOPLE THEN NEED TO ANALYSE WHAT IS TYPICAL AND NON-TYPICAL'.

Dalimil Draganovsky, Head of Assurance, EY Slovakia

'UNDERSTANDING HOW TECHNOLOGIES SUCH AS BLOCKCHAIN [AND] MACHINE LEARNING WORK IS NECESSARY TO ENABLE AUDITORS TO ASSESS AND RESPOND TO THE CURRENT AND PROSPECTIVE RISKS OF THE ORGANISATIONS THAT PLACE THEIR TRUST IN US'.

Dimitris Sourbis, Assurance Partner, PwC

(ACCA and Chartered Accountants Australia and New Zealand 2019)



CASE STUDY: ABN Amro



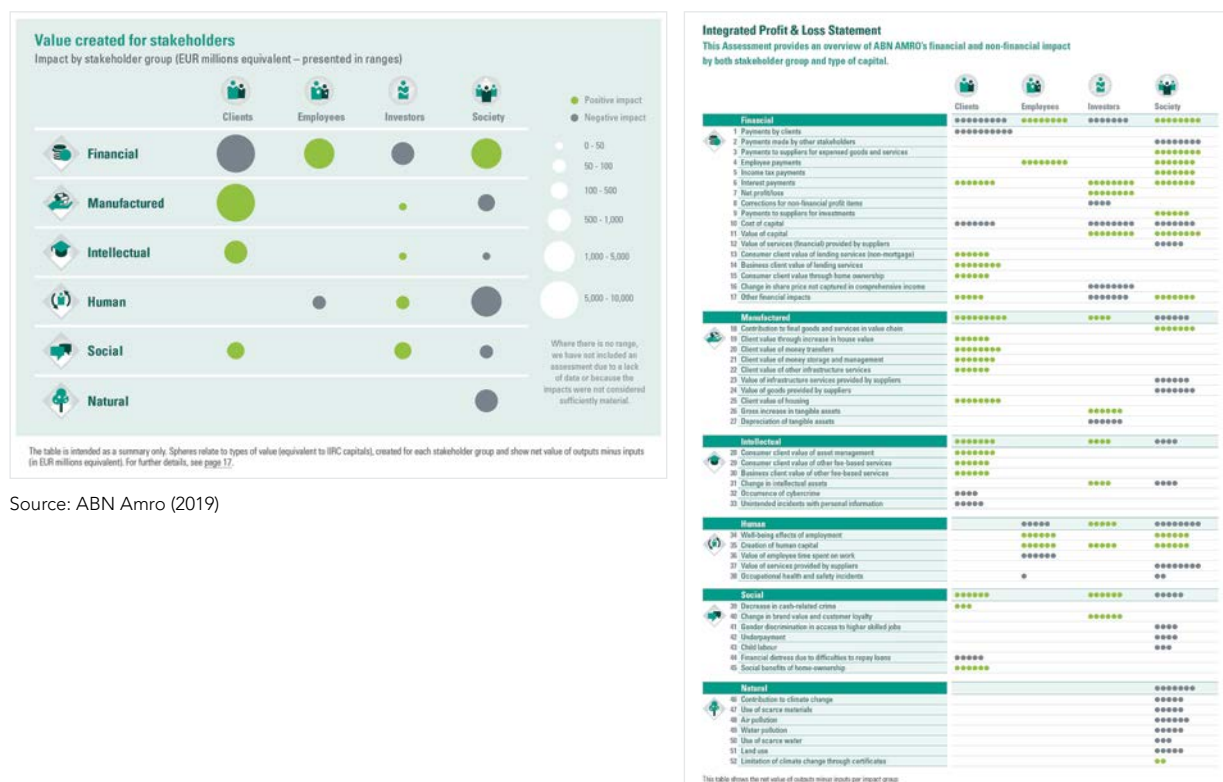
In ABN Amro's Impact Report 2019, Kees van Dijkhuizen, CEO, recognises the trade-offs needing to be made.

'WE'RE EXCITED ABOUT THE PROGRESS WE ARE MAKING IN THIS AREA. MEASURING IMPACT IS THE FIRST STEP TO UNDERSTANDING HOW WE CREATE VALUE, WHAT TRADE-OFFS ARE INVOLVED IN CREATING THAT VALUE AND HOW WE CAN BEGIN TO MANAGE THOSE TRADE-OFFS MORE EFFECTIVELY'.

ABN Amro 2019

ABN Amro uses the integrated reporting <IR> framework to define the company's stakeholders, and to quantify for each of them, in financial terms, the value created or diminished (Figure 2.4). The detail of the impact report then explains the value for each capital, using formats and principles akin to those within financial statements. Here, professional accountants will need to coordinate both financial and non-financial data sources to tell this powerful story. This story is drawn from ABN Amro's internal measurement strategies and highlights positive and negative impacts, in green and grey respectively, which will be used to determine next-step operational activities. The use of simple visuals and financial statement formats will also aid understanding among the main users of financial statements. ■

FIGURE 2.4: Pages from ABN Amro's Impact Report 2019



Source: ABN Amro (2019)

**THE PROFESSIONAL
ACCOUNTANT USES ETHICAL,
INTEGRATED THINKING, AND
BUSINESS FINANCIAL ACUMEN
TO SELECT AND APPLY THE
APPROPRIATE REPORTING
STANDARDS AND FRAMEWORKS.**

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3. Why the profession?

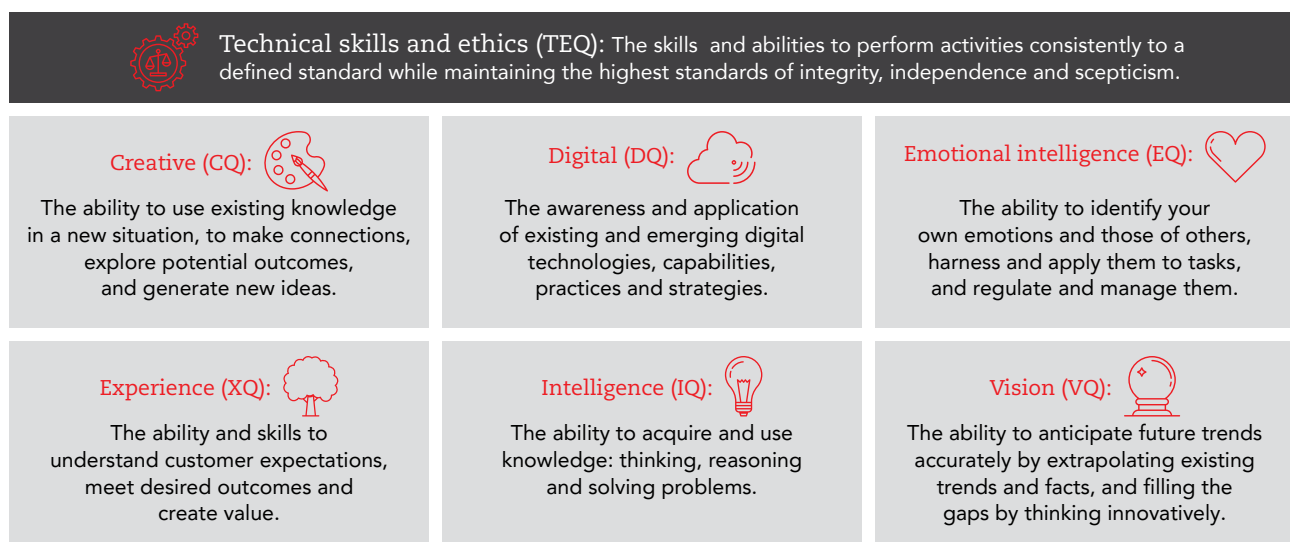
We have seen how the organisational imperative to remain sustainable calls for them to respond proactively to the dynamic forces of change. And we have explored what the accountancy profession does to support organisations in meeting this imperative, recognising the importance of its public-interest remit, and its role in creating, protecting and communicating value. In this chapter, we set out why the accountancy profession is well-equipped to do this.

There are three fundamental characteristics belonging to professional accountants, when considered together they provide a basis for the important contribution accountants can make to successful, sustainable organisations and, more broadly, society. These are:

1. **ethics and integrity**
2. **technical and professional skills**
3. **connectivity.**

ACCA has identified professional quotients that articulate these three characteristics across seven areas (Figure 3.1). These quotients are the broad business, finance and accountancy skills that professional accountants need to do their jobs well, to look beyond the numbers, collaborate with other parts of the business and think and behave strategically. The profession's commitment to lifelong learning and the power of connections mean that professional accountants are equipped to update and balance their deployment of these quotients to fit the specific business situations that the organisation is facing today and will do in the future.

FIGURE 3.1: ACCA's professional quotients



Source: ACCA 2016, Professional Accountants – the Future



EXCERPT: *Professional Accountants – the Future*



Here are a few examples of comments drawn from ACCA research that illustrate how business leaders see the relevance of these quotients:

‘THE COMMUNICATION SKILLS TO CONVEY YOUR MESSAGE, YOUR VIEWS AND YOUR COMMENTS, AND INFLUENCE PEOPLE TO ACHIEVE GOALS, THESE ARE INCREASINGLY IMPORTANT’

‘SECTOR KNOWLEDGE, BUSINESS AWARENESS AND A GLOBAL PERSPECTIVE ARE CRUCIAL, BUT THEY ARE CONSIDERED MUCH LESS IMPORTANT THAN COMMUNICATION AND TECHNOLOGY SKILLS’.

”

Accountants must ‘tell a story’ about their work and its findings, clearly and succinctly.

‘THE ACCOUNTANCY PROFESSIONAL OF THE FUTURE WILL NEED TO ENHANCE THEIR KNOWLEDGE AND UNDERSTANDING OF OTHER DISCIPLINES, AND ESPECIALLY HAVE A WORKING KNOWLEDGE OF DIGITAL, DATA ANALYTICS, WHICH WILL BE IN GREATER DEMAND’.

‘YOU NEED TO BE BUSINESS SAVVY AND ANALYTICAL’.

‘WE NEED STRATEGIC THINKERS; PEOPLE WHO ARE FORWARD-LOOKING’

”

‘PROFESSIONAL SCEPTICISM WILL REMAIN A KEY COMPETENCY. WE NEED TO APPLY OUR SIXTH SENSE AS ACCOUNTANTS AND AUDITORS, WE ARE NOT ABOUT BOX TICKING’

‘HOW ETHICS IS HANDLED HAS A BEARING ON THE LONG-TERM SUSTAINABILITY OF THE COMPANY. A CFO, AS RISK MANAGER, MUST UNDERSTAND HOW IT AFFECTS THE COMPANY’

‘INTEGRATED REPORTING AND SUSTAINABILITY ARE GOING TO BE CRITICAL’

”

3.1 Ethics and Integrity: Driving professional accountants to do the right thing

Ethics and integrity are essential components of the professional accountant's DNA, and therefore a core feature of the quotients. Professional accountants are required to follow the code of conduct and ethical principles from the first day of professional accountancy training.

'IN THE OLD DAYS, YOU COULD SET SIMPLE ETHICS RULES THAT APPLY IN YOUR ORGANISATION. NOW YOU HAVE TO DEVELOP A SET OF ETHICAL CORE VALUES THAT YOU CAN APPLY EVERYWHERE IN THE WORLD'.

Professional Accountants – the Future (ACCA 2016)

3.2 Technical and professional skills: updated, validated and monitored 'Know how', making for expert professional accountants

Lifelong learning must be the bedrock of a high-performing accountancy professional. It starts with initial professional development (IPD), which must be completed before aspiring professional accountants are deemed qualified members of the profession. Then lifelong learning carries on through continuing professional development (CPD). We highlighted in the last chapter that professional bodies are regulated by global and national authorities, which requires them to monitor and validate this IPD and CPD competence, while also ensuring the currency of their lifelong programmes. Such activities provide a mark of

quality, confirming that professional accountants have the relevant 'know-how' to create, protect and communicate value. Further, this relevant 'know-how' must adapt as the impact of the dynamics of change alter what is needed to sustain value for the long term.

Initial professional development (IPD)

A broad spectrum of business, financial, accounting and assurance competence is needed by organisations, enabling them to respond proactively to the dynamic forces of change, meaning that the competencies developed through IPD need to also be broad. These competencies are the technical, professional and ethical components of the seven professional quotients, expressed in a practical way in lifelong learning programmes, and they are developed and evolve along with the forces shaping business. So, they need to be responsive: today the digital competency is crucial, but it wasn't 50 years ago.

As an example, the current ACCA competency framework, linked to the ACCA professional quotients, is shown in Figure 3.2.

Competency areas are generally assessed in at least one of the two components of qualification: exams and experience. ACCA, like some other professional bodies, has three explicit areas of assessment: formal summative exams, experience, plus a combination of formative and summative online education, such as the ACCA's Ethics and Professional Skills module. Professional bodies identify the mode of education and assessment to meet what they and their regulator consider to be a relevant and reliable development plan and demonstration of competence.

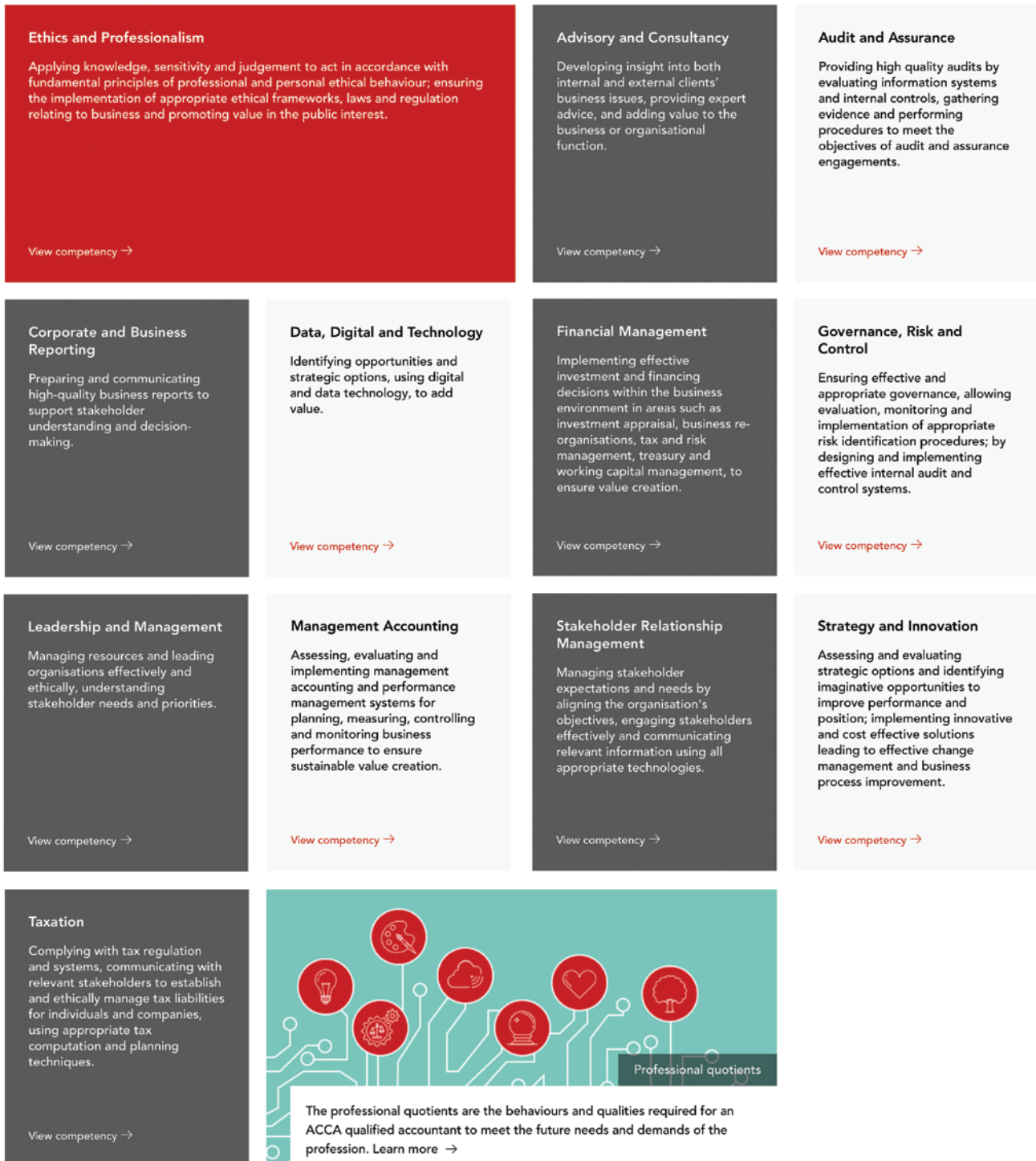


ACCA's code of conduct and ethical principles:

- **Integrity:** being straightforward and honest in all professional and business relationships.
- **Objectivity:** not allowing bias, conflicts of interest or undue influence of others to override professional or business judgements.
- **Confidentiality:** to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there's a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- **Professional behaviour:** to comply with relevant laws and regulations and avoid any action that discredits the profession.
- **Professional competence and due care:** to maintain professional knowledge and skill at a level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques, and act diligently and in accordance with applicable technical and professional standards.

FIGURE 3.2: The competency framework for an ACCA-qualified professional accountant

ACCA Competency framework: competencies and quotients

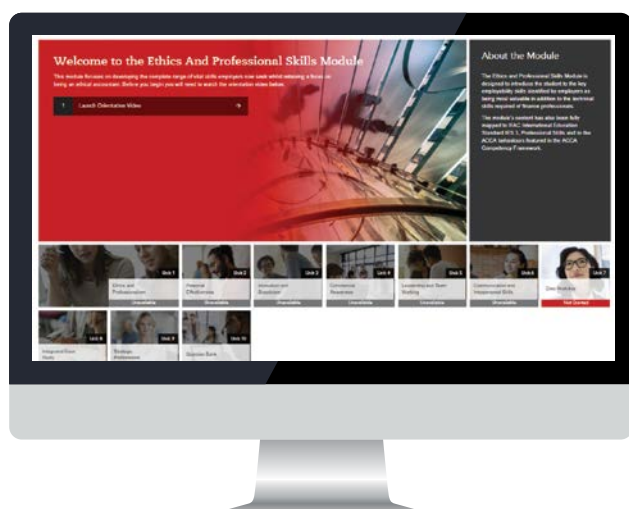


Source: ACCA (n.d. b)

Ethics and professional skills

The topics within the Ethics and Professional Skills module equip accountants with the professional skills needed to put the technical quotient and competencies into practice.

FIGURE 3.3: ACCA's Ethics and Professional Skills online learning and assessment



Source: ACCA (n.d.c)

The roles of professional accountants vary, with some requiring a deep specialism. Audit work, for example, requires specific competencies that must be developed before audit practice certificates and licences are issued, permitting these accountants to undertake specific audit work. Other roles may require a breadth rather than depth of skills. The professional accountancy competencies allow for breadth and depth. Each professional body has its own approach to developing specialisms but, irrespective of this, all ensure breadth, allowing professional accountants to appreciate the range of skills required across business, as part of their IPD (Figure 3.3).

Continuing professional development (CPD)

Completion of IPD is just the beginning of the professional accountant's learning journey. Lifelong learning in the form of CPD is a key requirement for professional accountants: it keeps them relevant. For lifelong learning to be of value for professional accountants, the necessary CPD takes many forms, from courses, to on-the-job training, to learning from networks, to just name a few (Figure 3.4). This flexibility allows skills development to be achieved in the most effective and efficient manner, and that results in professional accountants whose work has maximum impact, creating, protecting and communicating value.

3.3 Connectivity: Knowledge, learning and trust through connections

Members of the profession speak the global language of business. The connections that they develop over the course of increasingly diverse careers are critical to this, perhaps uniquely so by comparison with other professions.

**'ALONE WE CAN DO SO LITTLE;
TOGETHER WE CAN DO SO MUCH.'**

(Helen Keller and teacher, Joseph P Lash, 1980)

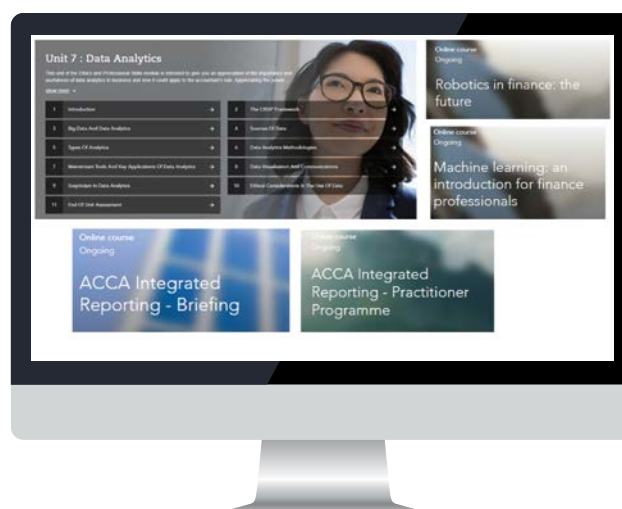
**'INTERCONNECTIVITY FOR THE
PROFESSION IS KEY AND IT
COMES FROM THE NETWORKS
WE AS PROFESSIONALS
CAN PARTICIPATE IN AND
CONTINUALLY LEARN FROM,
THANKS TO THE EXISTENCE OF
THE PROFESSIONAL BODY'**

ACCA global virtual roundtable participant, 2020

”

FIGURE 3.4: Typical online learning for ACCA CPD

Examples of digital and sustainability CPD courses available to professional accountants, keeping them relevant.



Source: ACCA (n.d.d)

Network

The nature and nurture of the professional networks generated over the course of a career, and supported by their professional body, creates productive environments for all members, whether aspiring or qualified, industry specific or general. In these environments, accountants share knowledge and experiences, and in doing so upskill, making them better-equipped to deliver value to their organisations. The environment creates room for debate, development and implementation of new ways of meeting evolving organisation's needs.

The network benefits both the individual professional accountant and the professional bodies that host them. The network provides valuable input to the research

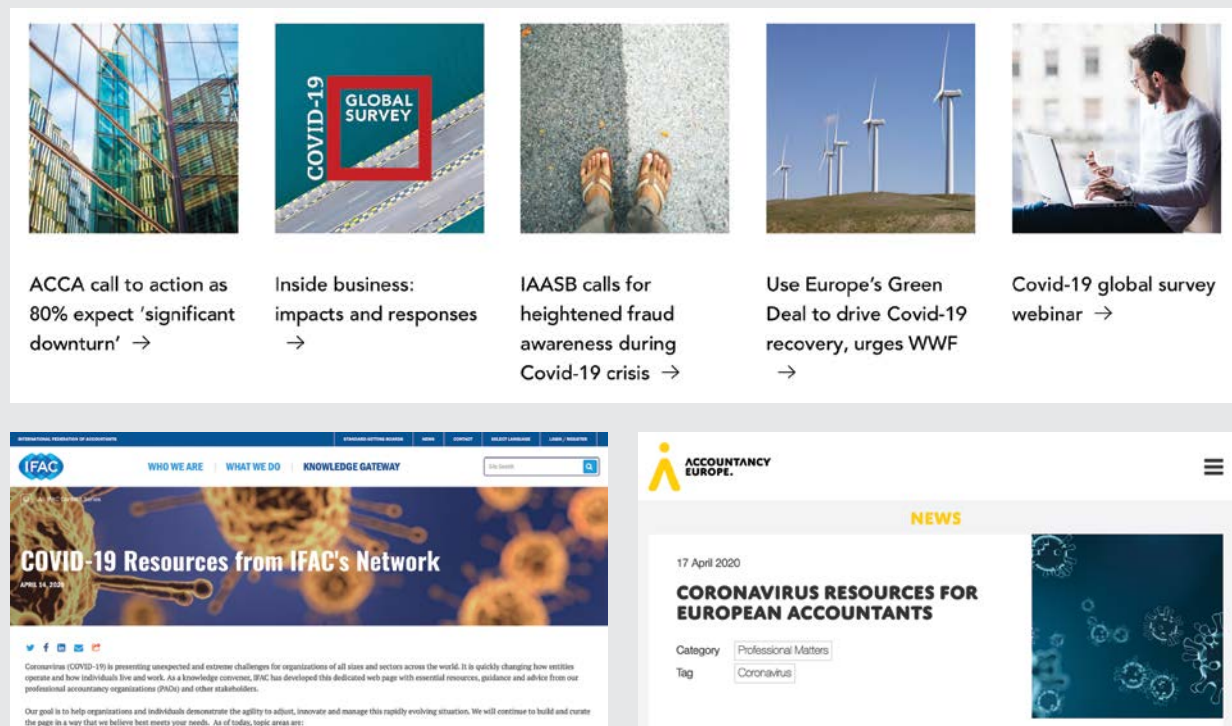
and insights and public affairs work of professional bodies. Professional bodies combine the results of horizon scanning, together with what they learn from their networks, to create valuable learning. The learning identifies and explains the dynamics of change, often before they become a reality for many organisations or parts of society. Whether the content relates to global economic performance and forecasts, social aspects, the environment, technology, regulation or, in fact, whatever is to come next, the profession is providing not just insight, but also practical advice based on sound business and financial acumen. It means that professional accountants can stay a step ahead. When needed, the profession is quick to react in providing the necessary evolving support.



ILLUSTRATION: COVID-19

Within a month of the initial COVID-19 outbreak in China, analysis by professional accountants, professional bodies, government agencies, bringing together skillsets across the business and financial world, collaborated to provide insight relating to the impact on the economy by producing modelling forecasts for the globe. Following this, practical business, accountancy, tax and assurance guidance is being developed for organisations of all sizes by professional accountants (Figure 5.5). It will be these professional accountants who will be helping organisations navigate this unprecedented global systemic event in a bid to remain sustainable. ■

FIGURE 3.5: ACCA, IFAC, Accountancy Europe support for business



(ACCA, IFAC, Accountancy Europe, n.d.e)

Breadth of the professional accountant's role

Business issues and finance touch almost every part of a typical organisation, which means that professional accountants are in almost every part of the organisation too. The role of the profession is broad: from project accountants and analysts, supporting the product innovation cycle, to business restructuring and commercial finance accountants, enabling the transformation of business models; from leadership roles driving strategy and governance, to the corporate, technology, tax, treasury and investor relationship accountants who convert strategy into a reality.

This aspect of connectivity is just as important as professional accountants' networks, expertise and ethics, because it positions them uniquely to coordinate and connect different parts of organisations to make and implement decisions. Better connection drives more effective governance over, and visibility of, emerging and changing risks, as well as a clearer understanding of the drivers and key activities instrumental to creating long-term value. The connections of professional accountants mean they understand others and can positively influence them.

FIGURE 3.6: Competency Framework depicting the broad roles of accountants across the organisation



Source: ACCA (n.d. f)

**THE CONNECTIONS OF
PROFESSIONAL ACCOUNTANTS
MEAN THEY UNDERSTAND
OTHERS AND CAN POSITIVELY
INFLUENCE THEM.**

”

Conclusion

The accountancy profession today is as important in helping to safeguard the sustainability of organisations and broader society as it has always been. The profession is central to building and sustaining long-term value, in the many forms it takes, whether financial, social, human, natural, manufactured or intellectual. Most importantly, the profession can be trusted to do so.

There are three key features driving this trust in the profession.

- **Ethical** behaviour and integrity form the DNA of the profession. We focus on doing the right thing, acting in the public interest in all that we do.
- **Expertise** is achieved through the lifelong learning involved in gaining the qualification and thereafter in CPD. This results in a profession that is always current and relevant, with the skills well-suited to creating, protecting and communicating value for organisations and society, navigating the risks and opportunities generated by the dynamic forces of change.
- **Connectivity** for the profession is two-fold. Firstly, the connectivity through the professional body network creates an environment to upskill through knowledge sharing, enabling accountants to cement their expertise in creating, protecting and communicating value. Secondly, the vast number of roles professional accountants perform across the organisation result in a profession that has an unparalleled understanding of business and finance.

**TRUST IN THE PROFESSION
IS BORNE FROM THESE
FUNDAMENTALS OF ETHICS,
EXPERTISE AND CONNECTIVITY.
WHILE INDIVIDUALLY THESE
FEATURES MAY NOT BE UNIQUE
TO THE PROFESSION, TOGETHER
THEY SUPPORT OUR VIEW THAT
THE PROFESSION IS WELL PLACED
TO HELP BUILD AND SUSTAIN
ORGANISATIONAL AND SOCIETAL
VALUE. THIS IS THE TRUE PURPOSE
OF THE PROFESSION.**

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