


The ACCA logo consists of the letters 'ACCA' in a white, bold, sans-serif font, centered within a solid red square.

ACCA

The background of the slide features a large, dark grey silhouette of a tree on the left side, with its branches spreading across the upper half. Several birds are depicted in flight, scattered across the sky. At the bottom, there is a dark grey silhouette of a grassy field.

SUSTAINABILITY AND THE ACCA QUALIFICATION

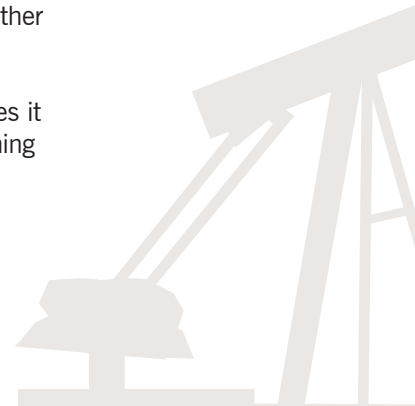
ACCA AND SUSTAINABILITY

Sustainable development (SD) and corporate social responsibility (CSR) issues are now embedded in ACCA's syllabus. ACCA members need to ensure that they are aware of the changing face of reporting, accounting and assurance and are advising their organisations and clients on the latest developments.

The business agenda is changing. Increasing and influential shareholder pressure and enhancing corporate transparency means that a company's reputation becomes its main licence to operate. Companies are trading on their environmental credentials and want to be seen as socially responsible.

The threat that the sustainability challenge poses to the future of business and society is such that it is no longer possible to justify the exclusion of SD and CSR issues from the professional syllabus. The professional examinations are, however, only one element of the lifelong learning package that professional bodies are required to provide. ACCA acknowledges the importance of educating members as well as students on the importance of sustainability. CPD programmes will need to incorporate SD and CSR issues – though probably on a sector-relevant basis rather than in a generic form.

Unlike many professional bodies, ACCA operates on a global basis and this gives it additional opportunities to roll out our student and member education and training globally.



ACCA POLICY

ACCA believes that sustainability issues should be fully integrated into the professional examination curriculum so that future generations of accountants are better equipped to recognise the challenge that sustainable development poses to their organisations. ACCA also believes that accountants will need to understand the many different ways in which sustainability matters will permeate their future business careers – whether through environmental taxation considerations, investment appraisal decisions, financial reporting of carbon assets, risks and liabilities, and/or the management of reputational risk.





ACCA AND THE QUALIFICATION

In 2007, a new syllabus for the ACCA qualification was published in consultation with key stakeholders. Part of the syllabus addresses the increasing pressure on the accountancy profession to keep up to date with sustainability developments and ensure that the level of expertise is sufficient to deal with sustainability requirements going forward (regulatory and non regulatory) - the first professional body to make such a move.

The syllabus puts added emphasis on social and environmental responsibilities and recognises the importance of ethical conduct - particularly that accountants be people of integrity who will do the right thing, rather than what is convenient or simply permissible. The most significant addition is that of paper 'P1 – Professional Accountant' which is wholly devoted to professionalism, risk and ethics. 35% of this is devoted to corporate governance and 20% to ethics (both papers include a section on sustainability).

The following list is a summary of new/additional modules specifically relating to sustainability that have been included in this latest syllabus:

FUNDAMENTAL LEVEL PAPERS

- **F1 Account in Business** – compulsory. Students learn about CSR and its links to stakeholders and governance as well as thinking about environmental constraints on business
- **F7 Financial Reporting** – compulsory. Students are taught how to account for environmental provisions including those arising from land contamination, offshore extraction of oil, and quarrying.

CORPORATE REPORTING AND AUDITING

- **P2 Corporate Reporting** – compulsory. Students are required to consider the impact of environmental and social issues on performance measurement and the ethical duties of the reporting accountant, specifically including their social responsibility and the increased need for transparency and accountability
- **P7 Advanced Audit and Assurance** – optional. Students are required to study social and environmental auditing in much more detail than in previous papers, to reflect its growing prominence, including how to deal with the independent verification of an environmental management system.

MANAGEMENT PAPERS

- **P3 Business Analysis** – compulsory. Students are required to use PESTEL analysis to examine the impact of social and environmental factors (amongst others) on the strategy of a business and examine CSR in relation to stakeholder expectations
- **P4 Advanced Financial Management** – optional. Students are required to assess the impact of sustainability and environmental risk on corporate objectives and corporate governance, including consideration of the carbon trading economy and carbon emissions. Ethical considerations of actions are also a theme in this paper, reminding students to act in the public interest
- **P5 Advanced Performance Management** – optional. Students are required to consider the impact of social and ethical obligations in pursuit of corporate performance objectives, as well as the application of environmental management accounting, which is likely to be a new area for them. A further change introduced in this paper is that students are asked to consider the impact of social and ethical issues in any given scenario.

PROFESSIONAL ACCOUNTANT

- **P1 - Professional Accountant** – a new flagship paper dedicated to professionalism and ethics, covering governance; internal control and review; the identification, assessment and control of risk; and ethics.

ACCA, SUSTAINABILITY AND CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Another element of ACCA's work on education and sustainability is ensuring that existing members are aware of, and understand, the key sustainability issues and how the profession is contributing both now and into the future. ACCA undertakes the following activities on an international basis to raise awareness amongst its members:

- members CPD seminars on SD, CSR and accounting
- ongoing publication of a series of awareness-raising papers for members on sustainability related issues – available on <http://uk.accaglobal.com/uk/members/publications/>
- publication of articles on key issues (emissions trading, accounting, reporting etc) in international member and student magazines
- ACCA research publications, which are widely distributed among members and other interested parties
- member surveys to ascertain the level of need for additional training and materials on particular issues, with follow up actions
- participation in relevant groups and debates to raise awareness of and discuss how best to educate the accountancy profession – for example the FEE Sustainability Working Party and Sustainability Policy Group, the Global Reporting Initiative's Technical Advisory Committee, Climate Disclosure Standards Board and the Prince of Wales Accounting for Sustainability Project

