

International Federation of Accountants

**Professional Accountants in Business
Looking to the Future**

Roger Tabor, PAIB Committee Chair

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What is IFAC?

- Global organization of the accountancy profession, public interest focused
- Comprised of **159 member bodies** and associates in **124 countries**, representing **2.5 million accountants**

And Professional Accountants in Business?

- Over half the total
- Work in industry, commerce, services, public sector, charity/not for profit, and education
- Big organizations and small
- Employees, consultants, advisers, owners

What the PAIB Committee would like to achieve

Global recognition of professional accountants as business leaders and strategic partners in building long-term sustainable organizational success

Strategy to be guided by this objective

To promote and contribute to the value of professional accountants in business

Through a focus on

PERCEPTION:

Increasing awareness of the important role professional accountants play in creating, enabling, preserving and reporting value for organizations and their stakeholders

REALITY:

Supporting member bodies in enhancing the competence of their members by sharing of good practices and ideas

New consultation paper

“Competent and Versatile – How Professional Accountants in Business Drive Sustainable Organizational Success”

- What professional accountants will have to do to create long-term sustainable value for their organizations in a changing business environment;
- **Wide consultation sought - please consider responding**

The context is affected by 3 'megatrends'



Wide range of dependencies and therefore Stakeholders

FINANCING

Shareholders

**Financial
institutions**

Private investors

**Government grants
& allocations**

ENVIRONMENT ECONOMIC / ECOLOGICAL/ SOCIAL

Politicians

Regulators

Pressure Groups

Voters

Community

BUSINESS OPERATIONS

Customers

Suppliers

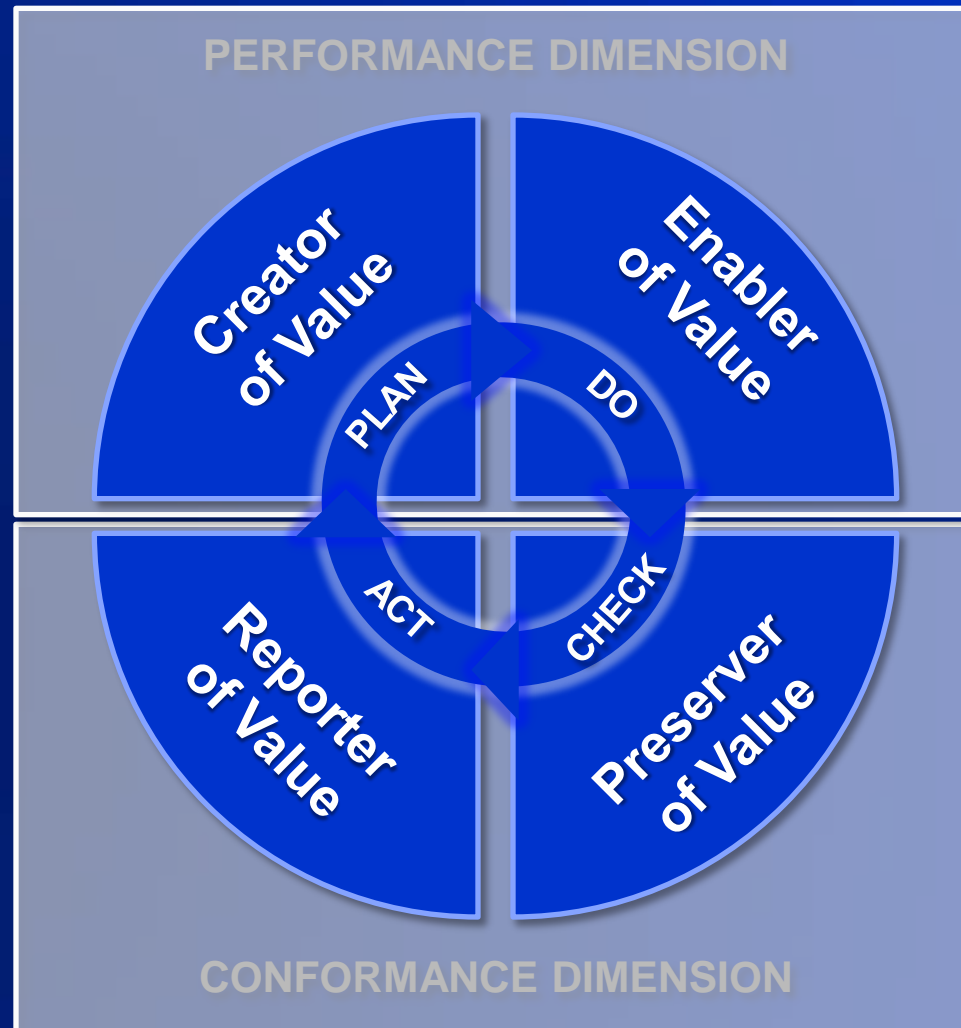
**Customers'
customers**

Suppliers' suppliers

Employees

Contractors

How accountants support sustainable value



What the professional accountant brings(1)

- **ETHICS**

- Objectivity
- Integrity
- Public interest
- Subject to discipline

SUPPORTED IN AND BY A PROFESSIONAL ORGANIZATION

What the professional accountant brings(2)

- **EDUCATION**
 - Covers intellectual, technical, personal, communication & management skills;
 - Formal, tested
 - Proved in experience
 - Continuing professional development

SUPPORTED IN AND BY A PROFESSIONAL ORGANIZATION

What the professional accountant brings(3)

- **A DISTINCTIVE MINDSET (a)**
 - Professionalism and ethical behaviour
 - Skepticism – tests sources for reliability
 - Rigorous
 - Seeks evidenced truth
 - Professional judgment
 - Challenges ‘received wisdom’
 - Analytical
 - Focus on financial performance

SUPPORTED IN AND BY A PROFESSIONAL ORGANIZATION

Broadening the mindset for the future

- **A DISTINCTIVE MINDSET (b)**
 - Organizational & environmental awareness
 - Integration
 - Synthesis
 - Big picture/detail corroboration
 - Comfortable with change, complexity, uncertainty
 - Consistency
 - Persistence
 - Execution

**Customer and
Stakeholder focus**

**Effective Leadership
and Strategy**

**Integrated Governance,
Risk and Control**

**Innovation and
Adaptability**

Financial Management

**People and Talent
Management**

Strategy Execution

**Effective and
Transparent
Communication**

SUSTAINABLE ORGANIZATIONAL SUCCESS

What's needed from the PAIB

Analyzed for each success driver by the 4 key roles

For Example

As creators of value	As enablers of value	As preservers of value	As reporters of value
Facilitate an understanding of an organization's appetite for risk and deliver aligned and effective governance, risk, and control practices to achieve a balance between conforming with rules and regulations and driving sustainable organizational success	Implement enterprise risk management and control as a strategic activity an integral part of an organization's governance system, as well as into all other decision-making processes in the organization	Evaluate policies, procedures, and processes to manage governance, risk and (internal) control systems, including control objectives that support the delivery of an organization's mission and strategic objectives, in accordance with an established risk appetite	Provide management, as well as external stakeholders, with information on the organization's opportunities and risks, and the performance of its governance, risk management, control processes, and systems

A key support for our strategy

- Material useful to presenting what PAIBs do to external stakeholders– improving **perception**
- Resource for member bodies in setting own direction for their support, growth and retention of PAIBs – improving **reality**

BUT ONLY IF

- Wide consultation ensures relevance and acceptance

AND

- Member bodies respond by proactive influencing of stakeholders and individual accountants



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