

# **Sustainability in Accountancy Education**

## **Accounting Cafe Webinar**

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# The International Education Standards (IESs)

A global baseline for accountancy education for IFAC member organizations, covering:

- ❑ Entry requirements
- ❑ Learning outcomes for initial professional development (IPD)
  - What a newly qualified professional accountant should know and be able do.
  - The professional values, ethics and attitudes they should demonstrate.
- ❑ Practical experience
- ❑ Assessment
- ❑ Continuing professional development (CPD)

- *Plus advanced learning outcomes for audit engagement partners*

# The Sustainability Reporting Project

- ❑ Critically assess whether the IESs effectively support professional accountants in competently implementing sustainability reporting standards and conducting sustainability related assurance services
- ❑ Evaluate whether IES revision is supported by the evidence obtained
- ❑ Establish whether other publications such as non-authoritative guidance, thought leadership or published Panel observations should be developed and issued

# Different competency lenses

Preparers vs auditors

Aspiring vs professional accountants

Core competence (everyone) vs specialized competence

Large firms and corporates vs SMPs and SMEs

# Information gathering framework

What hasn't changed?



What's new?

Business acumen

Behavioral competence

Technical expertise

Ethical behavior

# Business acumen

## What hasn't changed?



## What's new?



We understand and evaluate business models



We understand regulatory, industry and other external factors



We evaluate the impact of strategic business decisions



We develop or evaluate an entity's response to risk



Breadth & depth of understanding governance, strategy and risk



Adequacy of governance disclosures



Long-term strategic measurement and evaluation of progress towards climate-based targets

# Behavioral competence

What hasn't changed?



What's new?

Analytical  
thinking

Curiosity &  
life-long learning

Resilience,  
flexibility & agility

Intellectual agility



Greater emphasis  
on self-learning



Applying professional  
skepticism and judgment  
to a new subject matter

# Technical expertise

## What hasn't changed?



## What's new?

- We can analogize to existing financial statement concepts (e.g., assertions)
- We understand processes & controls
- We write, review or evaluate policies & procedures
- Reviewing disclosure showing greater near-term financial risk

- Reviewing disclosure about sustainability risk
- Different ways to measure
- Scientific based metrics
- Physical risks
- Energy flows and emission sources
- Scientific and estimation uncertainties
- More emphasis on information obtained from external sources



# Ethical behaviors

What hasn't changed?



What's new?



Professional competence  
and due care



**Possible increased risk of  
management bias**

- New pressures to achieve long-term strategic commitments
- Concerns about greenwashing erode trust

# Building capacity: we need to think holistically

## Build capacity amongst

- Preparers
- Assurance providers
- Future professional accountants
- Non-accountant experts
- Regulators
- Educators

## Integrate sustainability into

- University curricula
- Professional curricula
- Assessments
- Practical experience
- CPD offerings
- Post-qualification specializations

i.e., everywhere!



**Remember:** sustainability-related reporting has many touch points into accountancy curricula, including reporting, auditing, ethics, governance, risk management, internal controls, professional skills (where else?)

# Start preparing today

We have a responsibility to be professionally competent.

- Read IFRS S1 and S2
- Read ED ISSA 5000
- Read COSO report: “Achieving effective internal control over sustainability
- Read publicly available sustainability reports
- Complete the forthcoming ISSB online course when it is published





# SUSTAINABILITY & ACCOUNTANCY EDUCATION SURVEY



Please respond by  
October 25, 2023

