

LETTER FROM LEE WHITE ON IFAC STRATEGIC PLAN 2025



Dear Esteemed Colleagues,

Firstly, I wish to thank you who influenced and shaped our Strategic Plan 2025. Our Members, the Forum of Firms, our Board, Observers, and Technical Advisors all provided constructive and detailed input. We have incorporated where appropriate this feedback, with the goal of ensuring that the Plan reflects the needs and priorities of our diverse membership.

The Plan for 2025 was being shaped as I joined earlier this year and blends our prior success with growth and change. We will be agile enough to pivot and adjust as needed, and we will be bolder with our future ambitions.

My appointment as Chief Executive of IFAC marked my return to the IFAC family. From 2012 I was a proud member of IFAC as the CEO of Chartered Accountants Australia and New Zealand, and until 2016 I had the honor of serving as Technical Advisor to Rachel Grimes, who would go on to serve as IFAC's President from 2016 through 2018. Today, it is my humble privilege to serve you and lead our amazing profession globally.

A key priority for me will be enhancing our member-centricity and delivering the best value to you. It is you and your members who deliver success for our profession every day. IFAC unites our profession, makes our collective voice stronger, and advocates in the public interest. I am greatly encouraged by so many of you wishing to serve your profession, and by your passion for what we do and what we *will* do.

I am particularly energized by the multiple roles our profession will fulfill with the breadth of the sustainability transformation, and this will have a positive effect for current and future accountants. I believe that every professional accountant will and should be involved with this global development. I wish I was starting my career again as a professional accountant today – I can see our profession being positively reshaped and revalued. We have an urgent and crucial responsibility as part of our public interest mandate, and we are committed to help our members meet this challenge.

Finally, you will find in the Plan our new Member Value Proposition. This is our promise to you about the value we will create, and I will be accountable to you for delivering on this promise. My thanks to members of the IFAC Board led Member Value Proposition Task Force for their leadership.

Thank you for the trust you have put in me to lead this next exciting and challenging phase of our profession.

Sincerely,

Lee White

Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Lee White', is positioned below the typed name and title.

IFAC STRATEGIC PLAN 2025



Më mirë së bashku 更好地团结 Birlikdə daha yaxşı 一齊更好
besser zusammen အတူတူရှိရင် ပိုကောင်းမယ် Bolje zajedno
বটোর টুগদোর Mieux ensemble lépe spolu أفضل معاً
по-добре заедно Mas mabuti nang magkasama
Καλύτερα Μαζί טוב יותר יחד jobb együtt
Lebih baik bersama-sama Vinaka Vakadua
共に描くより良い未来へ Καλύτερα Μαζί
Beter Samen parem koos بهتر با هم
bolje zajedno ງຽນງານສາມາດ ງຽນງານ
meglio insieme Lebih baik bersama
better together
एक साथ बेहतर Níos Fearr le Chéile
tốt hơn khi ở cùng nhau ดีกว่าเมื่ออยู่ด้วยกัน
ល្អជាងនៅរួមគ្នា mai bine împreuna
lepiej razem melhor juntos geriau kartu
амтдаа илүү сайн birga yaxshiroq ดีกว่าร่วมกัน
Бирге болған жақсырақ лучше вместе labak kopa
Bolje zajedno Подобро заедно सँगै राम्रो lepsié spolu
лучше вместе bolje zajedno بهتر ایک ساتھ bolje skupaj
Nas fheàrr còmhla එකට වඩා හොඳයි Gutpela wantaim 더 나은 함께
mejor juntos Ավելի լավ միասին Aħjar flimkien Birlikte Daha İyі краще разом



TABLE OF CONTENTS

1. About Our Strategic Plan	4
2. IFAC Member Value Proposition	5
3. Capturing Trends & Opportunities in the Profession	6
4. Our IMPACT Approach	7
5. Focus Areas and Actions	8
6. The International Foundation for Ethics & Audit	11
7. Managing Risk	12
8. Defining Success	13
9. Appendix: Trends & Opportunities in the Profession	14



1

ABOUT OUR STRATEGIC PLAN

[IFAC](#), the global voice for the accountancy profession, comprises more than 180 professional accountancy organizations (PAOs) around the world, who in turn represent millions of accountants in public practice, business, government and education.

Our Strategic Plan is a roadmap to guide the work we undertake with and on behalf of the global accountancy profession. It is informed by extensive engagement with our member organizations, the Forum of Firms, and other stakeholders. It involves proactive monitoring of the global trends, emerging opportunities, and systemic risks that could affect our profession, and our ability to serve the public interest.

The IMPACT approach discussed in this Plan is a framework for prioritizing our work, and serves as a roadmap of the actions we have committed to pursue, in collaboration with members and other stakeholders, to continuously deliver on our Member Value Proposition. The Plan is high-level by design, and is supported by various operational plans.

We wish to acknowledge our members and associate members; the Forum of Firms; our network partners, and the many other stakeholders and affiliates whose input and partnership are the enablers of change. The success of our Strategic Plan depends on a shared vision, mutual cooperation and ongoing collaboration.



2

IFAC MEMBER VALUE PROPOSITION

IFAC, by connecting and uniting its members, makes the accountancy profession truly global.

IFAC member organizations are champions of integrity and professional quality, and proudly carry their membership as a badge of international recognition.

IFAC and its members work together to shape the future of the profession through learning, innovation, a collective voice, and commitment to the public interest.

In June of 2024 at the direction of Chief Executive Officer Lee White, an IFAC Board Value Proposition Task Force (VPTF) was formed to develop a clear member value proposition statement for IFAC.

To ensure this value proposition would be representative of the diverse priorities of our membership and of the Forum of Firms, the VPTF considered various inputs and engaged with a wide variety of stakeholders. These included IFAC's most recent Stakeholder Survey feedback; conversations with IFAC's member engagement team who reflected the interests of PAOs; feedback from IFAC Board Technical Advisors (many of whom are Chief Executives of their PAOs); outreach to Forum of Firms leadership; and additional informal engagement across the IFAC network.

At IFAC's September Board Meeting, the VPTF presented a proposed member value proposition statement and welcomed discussion and debate with all those in attendance, with the goal of arriving at a final product that would resonate clearly among stakeholders.

The member value proposition statement presented above was subsequently endorsed by the IFAC Board.

While the articulation of this value proposition is an important step, we recognize that to fulfill this promise it must be substantiated by the work we will do with and on behalf of the profession, and that success requires ongoing collaboration with our members and stakeholders.

3

CAPTURING TRENDS & OPPORTUNITIES IN THE PROFESSION



Through regular engagement with our member organizations and broader stakeholder network, IFAC continually assesses the global landscape and macro trends potentially impacting our profession. Our goal is both to anticipate and drive change in a way that keeps the profession well-positioned for the future.

The trends, implications, and opportunities identified in this Plan are not static, nor are they exhaustive. But the topics listed below provide an important medium-term lens through which to focus our work and priorities, and are regularly part of our stakeholder dialogue:

- I. Geopolitical Unrest & Disruption in the Global Economy**
- II. Trust & The Role of Ethics**
- III. Sustainability & Sustainable Value Creation**
- IV. Technology & Artificial Intelligence**
- V. Attraction, Development & Retention of Talent**
- VI. Regulatory Scrutiny & Public Perception of Audit and Assurance**

A more detailed discussion of the implications and opportunities related to these trends is available [here](#) in this document.

We welcome and initiate ongoing engagement with all IFAC member organizations and other stakeholders to discuss, and to proactively work together on, such issues.

4

OUR IMPACT APPROACH

Our IMPACT approach is a framework to outline the work that IFAC undertakes for, with, and on behalf of our global profession and how, in turn, the profession contributes to the public interest.

IFAC's IMPACT approach articulates how our Vision, Purpose, Values and Strategic Objectives align with desired IMPACTS.

Each of the three IMPACTS is derived directly from IFAC's Vision and Purpose, and each is underpinned by our Values and Strategic Objectives.

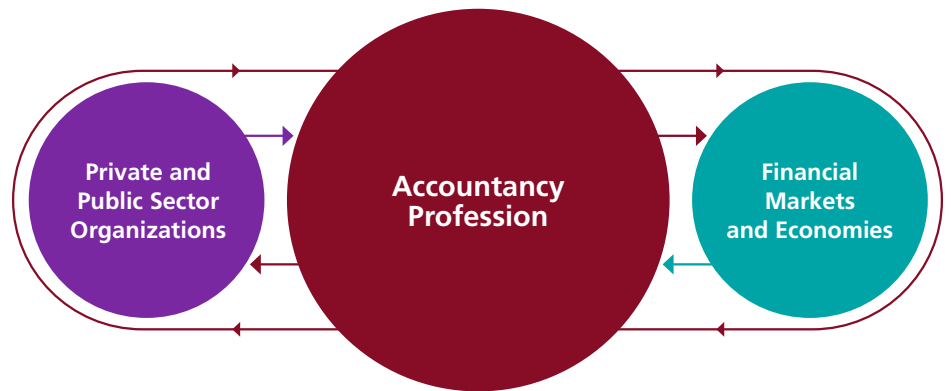
As shown in the graphic, these IMPACTS are a Strong & Sustainable Accountancy Profession, Strong & Sustainable Private and Public Sector Organizations, and Strong & Sustainable Financial Markets and Economies.

Our primary aim is ensuring a Strong & Sustainable Global Accountancy Profession. This work, by extension, flows through to private and public organizations, as well as financial markets and global economies.

Our aim is not only to help our stakeholders better understand how and why we do the work we do, but also to help professional accountants everywhere align their day-to-day efforts to a global purpose and public interest.

On the following pages we present nine focus areas that, taken together, enable and promote a vibrant accountancy profession. For each of these areas, we have indicated target outcomes and identified specific actions or initiatives that IFAC has committed to undertake.

STRONG & SUSTAINABLE



IFAC'S VISION

Essential to strong, sustainable organizations, financial markets and economies

IFAC'S PURPOSE

IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession

IFAC'S VALUES

Integrity, Innovation, Transparency, Collaboration

IFAC'S STRATEGIC OBJECTIVES

Speaking out & engaging as the voice for the global profession

Contributing to & promoting the development, adoption & implementation of high-quality international standards

Leading & developing a future-ready profession

FOCUS AREAS AND ACTIONS

IMPACT #1: STRONG & SUSTAINABLE ACCOUNTANCY PROFESSION

FOCUS AREAS	ACTIONS
<p>1. PAO Resilience</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • <i>Strong and sustainable PAOs able to equip their members for the future</i> 	<ol style="list-style-type: none"> A targeted program of engagement activities and events with member organizations, network partners and other key stakeholders to drive the member experience, align IFAC and Professional Accountancy Organization (PAO) priorities, and enhance advocacy at a global and regional level. Provide platforms for PAOs and network partners and other key stakeholders to exchange knowledge and share best practices. Such platforms include the CE Forum, various IFAC Advisory Groups, and IFAC Communities of Practice. Recognition and development of PAOs through the Statement of Membership Obligations (SMOs), the adoption of international standards and best practices, and targeted PAO development initiatives. Enhancing the relevance, credibility and resiliency of PAOs through supporting PAO-focused capacity building work, including direct development projects and broader educational and awareness programming aimed at PAOs. Advance accountancy education through the maintenance and promotion of the International Education Standards (IES) and convening events for meaningful knowledge sharing and learning on emerging accountancy education issues. Supporting PAOs in their efforts to attract, develop, and retain talent including promoting multiple qualification pathways, and encouraging growth in the profession through broader PAO membership (e.g., professional accountants in business and the public sector, accounting technicians), and working to refresh the public perception of what an accountant does.
<p>2. Accountancy Firms, including Forum of Firms and SMPs</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • <i>Strong and sustainable accountancy firms and networks</i> 	<ol style="list-style-type: none"> Continue to increase timely collaboration with Forum of Firms on key actions to: <ul style="list-style-type: none"> • support audit and assurance quality • address policy and regulatory matters • focus on other issues of importance to the profession on a global and regional basis. Advocate for SMPs and the importance of proportionate standards, and advance initiatives to support practice transformation, including through leveraging technology, talent management and building advisory services.
<p>3. High Quality Audit & Assurance and Ethical Behaviour, with a particular focus on sustainability (For sustainability reporting, see IMPACT 3, Focus Area 1)</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • <i>High-quality audit and assurance in the public and private sector</i> • <i>Enhanced appreciation for how the profession's ethics code and public interest mandate are differentiating characteristics</i> • <i>Effective policy and regulatory decisions, including enforcement and compliance with ethics codes</i> 	<ol style="list-style-type: none"> Engage with stakeholders (PAOs, FoF, Monitoring Group, PIOB, global policymakers, regulators, network partners, and others) in our development of policy and advocacy initiatives related to audit, assurance, and the IESBA Code of Ethics (including on sustainability-related matters), and to promote understanding and awareness of, and advocacy for, IFAC policy recommendations. Deliver global research such as the State of Play series and policy and advocacy that supports the provision of high-quality audit and assurance services by professional accountants including emerging areas such as sustainability assurance and related ethical matters. This involves monitoring and providing input to governance and audit and supervisory/regulatory processes from a policy and advocacy perspective. Collaboration with regulators to communicate the public interest role that PAOs and their members play by supporting the adoption of international standards and best practices.

5

Private and
Public Sector
Organizations

FOCUS AREAS AND ACTIONS (cont'd)

IMPACT #2: STRONG & SUSTAINABLE PRIVATE AND PUBLIC SECTOR ORGANIZATIONS

FOCUS AREAS	ACTIONS
<p>1. Professional Accountants as CFOs & Business Leaders and Partners</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> Enhanced recognition of and confidence in professional accountants as CFOs and business leaders and value partners 	<p>a. Position professional accountants as trusted business partners and “chief value officers” who drive continual transformation and innovation for long-term sustainability and value creation.</p>
<p>2. Effective Corporate Governance and Board Committee practices</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> Enhanced corporate behaviour and trust in boards 	<p>a. Equip professional accountants on boards by sharing best practices in corporate governance, highlighting priority issues for boards and board committees, including governance for the oversight of sustainability strategy, transition planning, reporting, assurance and ethics.</p>
<p>3. Public Sector Financial Management and Professionalization</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> Enhanced accountability and performance in the public sector 	<p>a. Promote the role of professional accountants in strengthening public financial management to enable public sector outcomes, and highlight the need for professionalization in public sector finance.</p>

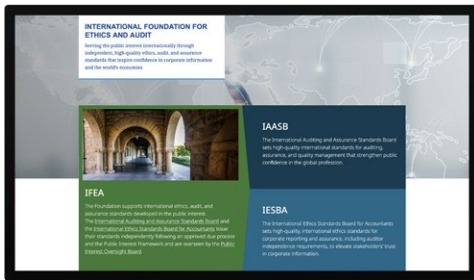
FOCUS AREAS AND ACTIONS (cont'd)

IMPACT #3: STRONG & SUSTAINABLE FINANCIAL MARKETS AND ECONOMIES

FOCUS AREAS	ACTIONS
<p>1. Support for international Audit/Assurance, Education, Ethics, and Reporting Standards</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • High-quality international standards for financial and sustainability-related information related to audit, assurance, education, ethics and reporting • Trust and confidence in the independence of international standard-setting process • International standards that are widely adopted and consistently implemented 	<ul style="list-style-type: none"> a. With respect to independent international standard setters, support the development of high-quality standards by providing input that is representative of all segments of the accountancy profession, including by contributing to independent international standards consultations. b. With respect to international education standards (IES) managed by IFAC, see IMPACT 1, Focus Area 1, Action 'e'. c. Advocate for enhanced and globally-consistent corporate reporting and assurance (both financial and sustainability-related) across all sectors. d. Deliver implementation support initiatives, resources and guidance to assist the effective and efficient application of international standards. e. Analyse and report on the adoption of international audit, assurance, education, ethics, public sector and other reporting standards. f. Provide operational support to IPSASB. g. Through a service level agreement between the Public Interest Oversight Board and IFAC, provide operational support to the International Foundation for Ethics and Audit (IFEA) for its standard-setting boards, the IAASB and IESBA.
<p>2. Business, Professional and Public Sector Integrity</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • Increased positive perceptions of the profession (on the part of the public and global policymakers) as a force for good in fighting corruption, money laundering and related crimes 	<ul style="list-style-type: none"> a. Implement IFAC's action plan for fighting corruption and economic crime to support a robust integrity ecosystem that highlights the profession as a force for good. b. Further the profession's role in trust in tax and constructive engagement on tax practice issues.
<p>3. Engagement with Global Non-Accountancy Organizations</p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> • Enhanced profile for IFAC and the profession on the global stage, in order to help grow our influence in global policy and regulatory discussions 	<ul style="list-style-type: none"> a. Strengthen strategic relationships with key global policymakers. b. Strengthen IFAC's relationships with donors and other development-related bodies to ensure that development of the accountancy profession is a priority and supported by donor-funded capacity building activities.

6

THE INTERNATIONAL FOUNDATION FOR ETHICS & AUDIT



In discussions between IFAC and the [Monitoring Group](#), it was determined to shape the structure of standard-setting differently and to create the [International Foundation for Ethics & Audit \(IFEA\)](#). An independent legal entity, IFEA houses the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA). IFEA operates entirely under its own governance, and is overseen by the Public Interest Oversight Board (PIOB). This development was responsive to collective expectations from regulators, professionals, and broader stakeholders.

Funding

IFEA, which became operational on January 1, 2023, continues to transition from start-up to steady state. Further work is underway to simplify structures and optimize costs, and we continue to advance discussions with the IFEA Co-CEOs about the urgency of a diversified funding model which would result in a reduction of the funding from the profession. We will continue to make this a priority issue and provide regular updates at IFAC board meetings.

Standard-setting

For decades, IFAC has contributed to the development of international standards through participation in open consultation processes managed by IAASB and IESBA. At the same time, we were very careful to avoid undue influence and even the optics of undue influence on the standard setting process. Today, thanks to the formation of IFEA, IFAC has a louder voice, stronger opinions, and greater public input to standards without worry of inappropriate influence, either actual or perceived.

Operational support

We continue to provide operational support to IFEA from our finance, human resources, IT and communications teams, per the terms of a service level agreement between the PIOB and IFAC. This arrangement enables IFEA to receive key services and the administration of these services in a cost-effective manner.



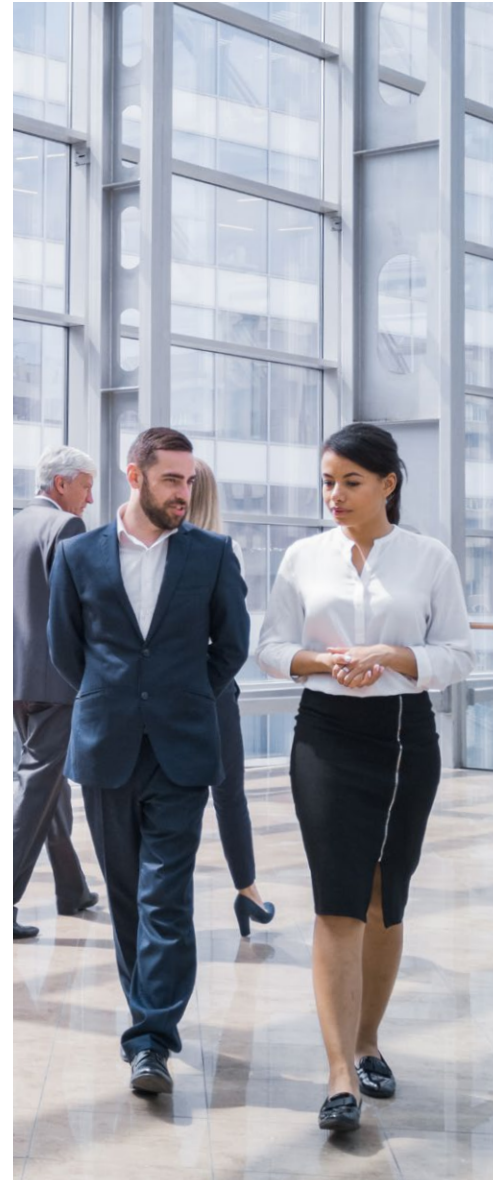
7

MANAGING RISK

To help ensure the delivery of the strategic plan and the success of our IMPACT approach, we proactively manage risk within the IFAC Risk Management Policy and process overseen by the IFAC Board. Our key risk mitigation efforts involve:

- Responding to the expectations of member organizations and other stakeholders to enhance the value being delivered based on IFAC's comparative advantages, and targeted efforts to enhance the IFAC member experience
- Enhancing the growth, resilience and development of the profession through PAO capacity building and relationships with IFAC Members, network partners, donors and development partners
- Being proactive and relevant as the voice for the global profession through our engagement and advocacy priorities and activities
- Promoting stakeholder confidence in global standard setting and supporting the adoption and implementation of global standards
- Addressing IFAC's financial sustainability through enhanced financial and treasury management and seeking diversified funding to support IFAC's activities
- Attracting and retaining a diverse and highly qualified staff and volunteer base

In 2024, IFAC established the Executive Risk Committee, composed of IFAC directors, to enhance our discipline around proactive risk management by strengthening our mitigating actions and improving the connectivity of risk management to IFAC's ongoing resilience. As part of this initiative, a revised IFAC risk dashboard will be presented to the Board in November 2024.



8

DEFINING SUCCESS



To assess whether we successfully deliver value to our members and other stakeholders, each year IFAC surveys our Members, the Forum of Firms, Associates, Network Partners, the IPSASB and the International Foundation for Ethics and Audit to gather their feedback.

The Stakeholder Survey and KPIs are agreed annually between IFAC Management and the IFAC Board, and the results are used to determine how we can improve our service and ensure alignment with member needs.



TRENDS & OPPORTUNITIES IN THE PROFESSION

GEOPOLITICAL UNREST & DISRUPTION IN THE GLOBAL ECONOMY

TRENDS

Geopolitical crises have frayed the diplomatic and commercial ties that have historically led diverse actors to reach mutually beneficial solutions, and have caused new alliances to be created in other areas.

We are witnessing a shift in global prosperity and the rapid development of many economies in the Global South.* Demographic trends are likely to contribute to further relative gains for these economies.

Global regulatory inconsistency threatens to dampen cross-border commerce and worldwide economic growth. As a result, small and medium-sized enterprises (SMEs) may require even stronger advisory and other support from their accountants to navigate this environment.

Changing political climates are influencing views on taxation, with demand rising for greater transparency and fairness while jurisdictions compete on tax incentives and address pressure for national simplification.

Scrutiny of public finance, concerns about government budget deficits, and calls for accurate and transparent information for accountable decision making are growing.

The need for strong public financial management systems informed by high quality, globally accepted public sector accounting standards is further increasing.

* According to UN Trade and Development (UNCTAD), the Global South broadly comprises Africa, Latin America and the Caribbean, Asia (excluding Israel, Japan, and South Korea), and Oceania (excluding Australia and New Zealand).

OPPORTUNITIES

The profession has a unique position as a global network to convene international powers on commercial and financial matters. It can continue to convene dialogues in which world governments can discuss policies affecting regulatory inconsistency.

The profession can meet growing challenges and expectations by further demonstrating its ability to navigate cross-border technical and cultural issues to work for greater global consistency.

Fighting fraud, corruption, money laundering, tax evasion, greenwashing, and other illegal practices, as well as enhancing organizational and public sector governance, will stand out as ways the profession can work for the public interest.

The profession can increase efforts and visibility for its role in enhancing government transparency, reporting and accountability and assist governments with governance, reporting, and financial, tax, and risk management.

TRENDS & OPPORTUNITIES IN THE PROFESSION (cont'd)

TRUST & THE ROLE OF ETHICS

TRENDS

High-profile corporate failures and ethical breaches in recent years have created real and perceived issues for the accountancy profession, including a loss of trust.

The loss of trust has raised issues around conflicts of interest, suitability of accountancy business models, and the attractiveness of the profession.

The public and regulatory reaction to high-profile corporate failures and other ethical breaches in many jurisdictions has made clear that the stakes for public trust in the profession are extremely high.

OPPORTUNITIES

By focusing on the importance of ethical behavior and conduct, governance, and value creation, the profession can raise awareness of its critical role, improve its reputation, and establish a fundamental position for itself alongside other players in the business ecosystem. The profession can stand out as a source of stability and accumulated expertise and advice.

Professional accountants who materially and vocally demonstrate integrity in their work can make exceptionally large contributions to public trust in an environment of economic uncertainty and diminishing trust.

Public trust is a pivotal issue for all players in the public and private sectors, from political leaders to corporate board members. The global accountancy profession is uniquely placed in business, the public sector, public practice, and society to advance the fight against corruption, money laundering, and related financial crimes.

TRENDS & OPPORTUNITIES IN THE PROFESSION (cont'd)

SUSTAINABILITY & SUSTAINABLE VALUE CREATION

TRENDS

The human toll of the climate crisis and inequitable development is rising, making sustainable development the definitive task of the coming decade.

Many stakeholders are calling for enhanced corporate reporting—beyond traditional historical financial information—to drive long-term organizational sustainability performance and value creation. It is critical that this broader information, which is susceptible to greenwashing, is trusted and decision-useful. In turn, this provides an increased demand for the professional accountants' skillset and ethics.

Population growth and economic activity are increasing stress on the natural environment and exacerbating climate change.

Inequitable development requires an increased focus on the economic importance of greater inclusivity and diversity and a focus on the social aspects of the ESG agenda.

Strong financial systems and transparent taxation are critical to ensuring that public sector funding serves the needs of the public.

Sustainable development and action on climate change will be an even more dominant priority for governments and organizations.

OPPORTUNITIES

Professional accountants can support the work of the International Sustainability Standards Board to create a comprehensive global baseline for sustainability disclosures.

Professional accountants can deliver value in both decision making and reporting by enabling and promoting an "integrated mindset", providing a holistic, timely and objective view of organizational performance and sustainability.

The profession must highlight the importance of professional accountants being bound to uphold and comply with the highest-quality ethics, reporting, and assurance standards.

TRENDS & OPPORTUNITIES IN THE PROFESSION (cont'd)

TECHNOLOGY & ARTIFICIAL INTELLIGENCE

TRENDS

Disruptive technological change is driving new business models, work environments, and digital service offerings.

AI has the potential to revolutionize the accountancy profession, but may also lead to job displacement if professional accountants fail to acquire the skills needed to master relevant technologies.

Emerging technology is changing the role of professional accountants by automating routine tasks, while enabling and complementing their work in higher-value areas.

OPPORTUNITIES

The profession can leverage technology and continue delivering innovative and trusted advice and good judgment to increase the value the profession brings to stakeholders. In turn, this can make working in the profession more attractive.

The profession can deliver greater value through real-time reporting of performance data by companies, including both traditional financial and non-financial data.

Professional accountants can acquire and improve their competencies in risk management, scenario planning, artificial intelligence, blockchain, cybersecurity, and data analytics to contribute across all aspects of organizational decision making, from strategy formulation to defining new business models and service offerings, including future areas of assurance and advisory services.

TRENDS & OPPORTUNITIES IN THE PROFESSION (cont'd)

ATTRACTION, DEVELOPMENT & RETENTION OF TALENT

TRENDS

Organizations worldwide continue to face a talent shortage, a widening gap between available skills and employers' needs, a greater and necessary drive for workforce diversity, and changing societal values about work.

In many countries, the number of students and young professionals pursuing careers in accounting is declining—while demand for accounting services and skills continues to grow.

Younger generations express different career expectations than older generations, with greater emphasis on work-life balance, well-being and mental health, and clear aspirations to find purpose in their work – including around sustainability and ESG.

OPPORTUNITIES

The profession must be proactive in reshaping the narrative of what it means to be a professional accountant, the public interest mandate we carry, and the personal and professional opportunities it affords individuals who pursue this path.

Paths into the profession must be expanded and varied, and include more potential candidates at intermediate levels of qualification.

The profession must offer a more flexible work environment for both current professional accountants and next generation talent.

Firms need to ensure that quality of life expectations are reflected in working conditions and opportunities for advancement.

The profession, in partnership with educational institutions, can act swiftly to equip students and current professional accountants with the skills and competencies, including as they relate to technology and sustainability.

TRENDS & OPPORTUNITIES IN THE PROFESSION (cont'd)

REGULATORY SCRUTINY & PUBLIC PERCEPTION OF AUDIT AND ASSURANCE

TRENDS

Scrutiny and regulatory oversight of the profession's role in maintaining and enhancing audit quality and auditor performance continues in many jurisdictions. Questions about the role of the auditor in corporate failures are a significant factor in these public discussions.

Enhancing consistent audit quality, the continuing expectation gap concerning the role of audit, and the need for new assurance services will get significant public attention.

The loss of jobs and shareholder value amid turbulence in the global economy will only intensify scrutiny of the profession.

Private equity investors have become a source of financing / capital for auditing firms, especially over the last five years. Media attention has focused on potential adverse implications for independence, audit quality and public interest responsibility. But many stakeholders believe PE capital can drive positive, firm-specific and/or profession-wide transformation, with potential public-interest benefits.

Company-reported information about sustainability factors is becoming mainstream—through an increase in both voluntary and mandatory disclosures and assurance, as well as through new ISSB standards and jurisdiction-specific rules. Investors, as well as other stakeholders, need to have trust and confidence in this information through external assurance. As the market for sustainability-related services rapidly grows, the profession faces a competitive challenge from other providers.

OPPORTUNITIES

The profession can continue to push for high quality audit and assurance by working collaboratively with multiple stakeholders, including members of the Forum of Firms and other assurance providers, as well as regulators. It can ensure that it is articulating the need for consistent audit quality, demonstrating the benefits of the multidisciplinary firm model where appropriate, and promoting existing and developing new assurance services.

The accountancy profession, with our strong ethical foundation, robust qualifications framework, and extensive skills and experience in generating and assuring decision-useful information, is best placed to deliver on the emerging need for sustainability assurance services. It is incumbent on professional accountancy organizations, audit firms, and individual professional accountants to ensure that they are well prepared and best placed to provide high quality auditing and assurance services.

To support the public interest and reduce the risk of regulatory fragmentation, the profession can support adoption and implementation of standards related to audits of less complex entities (LCEs), sustainability assurance (ISSA 5000), and independence rules and quality management requirements applying to all providers of sustainability assurance.



International Federation of Accountants
529 Fifth Avenue
New York, NY 10017
USA
T +1 212 286 9344
www.ifac.org



IFAC



@IFAC



International Federation of Accountants

Exposure Drafts, Consultation Papers, and other IFAC publications are published by, and copyright of, IFAC.

IFAC does not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The IFAC logo, 'International Federation of Accountants', and 'IFAC' are registered trademarks and service marks of IFAC in the US and other countries.

Copyright © 2024 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document, save for where the document is being used for individual, noncommercial use only. Contact permissions@ifac.org.