Analysing the sustainability discourse within the accounting community, inclusive of small and medium-sized practice (SMP) views

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Accounting is an evolving and constantly changing profession. Anyone who has worked in practice for even a relatively short period of time will have experienced change; some of which can be seen at a micro level in terms of for example the accounting software package functions and/or the development of cloud accounting; some of which is on a macro level such as changes in the audit threshold levels with most small firms removed from the requirement to provide audited accounts.

Fitting into the mould of a new service line is the issue of sustainability. The development of and importance of sustainability issues to society was highlighted with the latest stage of the UN facilitated climate change talks in Paris (see for example Guardian website 2015 COP 21), which where heralded as the best opportunity to get nation states to agree on climate change emission targets.

The comments in this article are based on a research project involving 29 interviews which were carried out gauging accounting practitioners’ views on the concept of sustainability and accounting. One of the key intentions of this research was to take on board the views of small and medium sized practices (SMPs).

As the role of business within the sustainability debate has developed into a wider responsibility to society, this is captured most clearly with the use of the concept of Corporate Social Responsibility (CSR). This can be seen as a development of the responsibilities of the business community to the rest of society. To retain relevance in this changing environment the accounting community has to move with this re-positioning of business in and to society. Accounting practices are seen as ‘trusted business advisers’ and already the development of credibility and services in supporting business organisations in the area of sustainability have grown to an array of services from the larger accounting firms and professional accounting bodies (see for example ICAEW – Sustainability website 2015). The fundamental issue this research is exploring is how effectively this service development has translated down to SMPs. There is a clear difference between the larger accounting firms, and the majority of accounting practices defined in this work as SMPs. This can be seen in terms of how they operate and carry out accounting services to clients, but also in how they are viewed outside of the accounting community and consequently the influence these groups can have on changing services and the role of accounting. Outside of the accounting community, the view that the larger accounting firms represent the view of accounting and implicitly the view of accounting members even more than the professional accounting bodies. With more resources, the large accounting firms are often turned to by the government should they need any advice and or guidance on how to develop policy relating sustainability to the business community.

What does this mean for the development of accounting and sustainability into the future, and also for future emergent issues? Accounting for sustainability has developed conceptually into clear service lines for large multinational corporations, but one particular issue is how these are developed into pragmatic – micro level – actions that SMPs can take that are in-line with the macro-level concepts and are workable and able to be enacted. This is further added to in the sense that SMPs are often absent from the discussions and crafting of these policies in the first place will therefore not be as aligned to SMPs as if they had been involved in the process.

In terms of the concept of sustainability, this emerges as one that is difficult to break down into services that SMPs can offer to local firms. It is often on the surface anathema to the accounting community and the traditional services provided by accountants. There are a number of important findings from this work, as listed here.

- The role of accounting is fundamentally changing, from one of assurance and accounts production to the more fluid ‘trusted business adviser’ encompassing more guidance and advice.
- In a continuously changing environment CPD will become more important for accountants who must be prepared to develop skills to service future emergent topics.
- SMPs need to be involved more clearly and at an earlier stage in the emergent issue discourse.
- New concepts need to be clearly ‘scaled down’ into micro issues and services and these should where possible be aligned with the current services provided.
The final comments are focused on a starting point for SMPs to begin to develop and engage with sustainability issues.

- Start to think of ways to measure social and environmental aspects in your practice, e.g., energy consumption levels; it is easier to then develop these for clients if you measure these for your own firm.
- If you provide a narrative account on financial statements produced, think of adding a comment on social and environmental issues (sustainability).
- Increased engagement with ‘thought leaders’ in emergent areas, e.g., professional body networks, events at the local business school/university. Engagement involves active participation so feedback and comment on issues at the events, this will help represent the views of SMPs.
- Looking at the sustainability measurement systems, e.g., integrated reporting; see if aspects of this can be ‘scaled down’ to help support and guide clients in this area.
- Think of the concept of sustainability as a fundamental concept embedded in and transcending all service lines similar to the example of professional ethics.

Further research and engagement with accounting groups will help explore and develop and then implement these service development suggestions.