

ACCOUNTING FOR A BETTER WORLD: AN ACCA POLICY PROSPECTUS FOR THE REPUBLIC OF IRELAND

Accountancy is a cornerstone profession of society – vital to help economies, organisations and individuals grow and prosper. The profession creates robust, trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.



Foreword from Stephen Noonan Head of ACCA Ireland



Stephen Noonan
Head of ACCA Ireland

I'm pleased to present this paper which sets out the overarching priorities we believe are needed to support a prosperous and sustainable future for Ireland. It's a time of rapid change, particularly in driving sustainable business, embracing innovative technology and shaping future skills.

As a new government looks to take the reins in Ireland, the role of the accountancy profession is expanding to embrace sustainability, and with accountants working in and for countless organisations of all shapes and sizes, we have a huge opportunity to drive this forward. The implementation of the Corporate Sustainability Reporting Directive (CSRD) and related green deal measures are hugely encouraging – it's critical that we embrace sustainability in all aspects of business and its reporting.

Meeting the requirements of CSRD requires a dedicated pool of funding to support SMEs and professionals to acquire the necessary skills and knowledge.

AI presents huge opportunities for business and society in Ireland as elsewhere but also carries much risk. Developing regulatory approaches and best practice in such a fast-moving area is challenging. The focus needs to be on finding the right balance between protecting our society and innovation. As ethical considerations are of primary importance accountants are ideally placed to leverage the opportunities and manage the risks.

ACCA in Ireland has a long history of working with partners across business, government and the public sector to deliver a successful and sustainable economy. We look forward to discussing with others the ideas in this prospectus to continue to work together to deliver a prosperous Ireland.

Foreword from Helen Brand, ACCA chief executive



Helen Brand OBE
Chief Executive, ACCA

Our members make a significant and ongoing contribution to Ireland's economy and society, and I'm proud of everything they achieve. This paper draws on their experience and expertise to set out how ACCA Ireland can work with government, regulators, policy makers and wider society to build a sustainable future which works for all.

At ACCA, we're preparing for the rapid changes we're seeing in Ireland and across the world. We're working hard to upskill our three quarters of a million members and future members on advances in technology and in driving sustainable business. But wider support is still needed to build skills capacity, especially as regulatory changes start to take effect.

Our purpose is to be a force for public good and to lead the global accountancy profession by creating opportunity. We're looking forward to working with policymakers and our many partners in Ireland on these issues – as well as on corporate governance and infrastructure development – to help create a green, prosperous and ethical future for us all.



About ACCA

ACCA (Association of Chartered Certified Accountants) is the world's most forward-thinking professional accountancy body. Our purpose is to advance standards in accountancy and finance across the world.

Through our internationally recognised qualification, thought leadership insights, and educational resources, we help support a diverse community of accountancy and finance professionals. We have 252,500 members and 526,000 students in 180 countries – including over 60,000 members and students in the European Union (EU).

In Ireland we represent 14,000 members, all are professionally qualified accountants. In addition to this we also represent 12,000 students who are currently studying our qualification. We support over 800 ACCA registered businesses including large multinational organisations, SMPs, and SME's.

Our members operate in a wide range of sectors and industries, including governments, regulatory bodies, and international development organisations. Many of them are part of small and medium sized practices (SMPs) – and, with our support, they play a crucial role in advising and advocating for SMEs.

We carry out research on a variety of topics that impact the profession and the society we serve – providing thought leadership to policy makers and business leaders. In addition to our professional qualifications and development opportunities, our research supports capacity building worldwide to ensure equitable and sustainable economies.

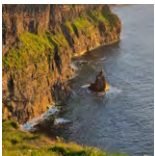
In 2024, ACCA is celebrating 121 years as a force for public good – leading the profession by endorsing the highest professional and ethical values.

For more information: www.accaglobal.com



Accountants and auditors play an increasingly crucial role in society, ensuring sound financial management, upholding the highest ethical standards, and providing advisory services to clients, including small and medium-sized entities (SMEs), on a broad range of matters from regulatory and tax compliance to financial and strategic advice and sustainability. Supporting public and private organisations, large and small, in every sector, the accountancy profession's sphere of influence as a force for change and public good is global.

In this, its 121st year, ACCA is keen to drive the green and digital transitions. This includes supporting the adoption and implementation of key EU legislation, such as the Corporate Sustainability Reporting Directive (CSRD) and related 'green deal' measures, promoting the ethical use of technology and artificial intelligence (AI), and ensuring that our members and students have the right skills and knowledge to support a sustainable and competitive Europe that works for everyone.



1. Sustainability: a just transition that delivers a better world for business and society



2. The Corporate Sustainability Reporting Directive



3. Sustainability: supporting the development of the profession for the future



4. Corporate governance



5. AI: promote the use of AI in an ethical, responsible manner within a safe and transparent environment



6. Enhance infrastructure development



Our priorities for Ireland 2025–2029

Recognising the need to work collaboratively, ACCA has identified six overarching priorities that we believe will, if managed correctly, support a sustainable future for all.



1. Sustainability: a just transition that delivers a better world for business and society

Accountancy professionals play a vital role in ensuring businesses become sustainable, reporting on their environment, social and governance (ESG) matters and assuring those aspects in their sustainability reports. They help businesses, including SMEs, understand and comply with new legislation.

ACCA call for action

- Reduce the regulatory burden on SMEs by limiting any new legislation to what is necessary, proportional and fit for purpose.



2. The Corporate Sustainability Reporting Directive

EU Member States need greater coordination in implementing and enforcing EU regulation, including CSRD. This will reduce fragmentation and the costs of doing business in the Single Market.

- Ensure consistency of Member State implementation of EU regulation, including CSRD and alignment between EU and global standards.

Alignment of CSRD sustainability standards with those of the International Sustainability Standards Board (ISSB) is crucial. Interoperability of EU regulation with relevant global standards is key to driving a successful green transition in Europe and globally.

The European Green Deal and related policies have resulted in a raft of new legislation, including the CSRD and AI Act, that creates a significant compliance and cost burden, particularly for small businesses. This burden, together with current geopolitical tensions and inflation, creates unprecedented challenges for SMEs to survive, much less compete.

For the green and digital transitions to be fully achieved, EU regulation applying to SMEs needs to be proportionate and limited to what is necessary. This includes the EU voluntary reporting standard for non-listed SMEs (VSME).

- Create a specific pool of funding for CSRD skill sets.

A dedicated funding pool is needed to support SMEs and professionals to acquire the necessary skills and knowledge to meet CSRD regulatory requirements.

The profession needs greater support to upskill and grow. There is an increasing shortage of qualified financial audit and assurance professionals. The regulatory requirements for CSRD will significantly increase demand and further compound that shortage. There are also considerable governance and risk culture hurdles that need to be surmounted to help businesses shift mindsets. Upskilling and training of the profession and those running SMEs requires dedicated financing to meet regulatory requirements.

3. Sustainability: supporting the development of the profession for the future

ACCA calls for action

- Support skills development for the green and digital transitions and enhance continuing professional development (CPD) for those already working in the profession. This includes continuing support for Skillnet and Springboard supported courses particularly those focusing on sustainability.
- Ensure that EU Member States impose the minimum administrative burden for cross-border recognition of educational and professional qualifications.
- Stress the importance to the EU of international alignment of sustainability standards between the EU and internationally.

Much of the world is facing a talent and skills shortage. In Europe, a recent Eurobarometer survey¹ identified skills shortages as the most serious issue facing SMEs. Furthermore, in ACCA's most recent Global Risks Survey, which is part of our quarterly Global Economics Conditions Survey (GECS) report, respondents from Central and Eastern Europe ranked 'talent scarcity, skills gaps and employee retention' as their top risk priority, with those from Western Europe placing it as their

second. This has been consistently in the top three for respondents, globally, over the past year.

The development of the right blend of talent and skills is crucial for an effective green and digital transition. A diverse and inclusive workforce is a key part of this development.

Attraction and retention of talent is particularly important for the accountancy profession, which plays a pivotal role in helping companies, including SMEs, prepare for and understand the broad range of new and evolving EU rules. This in turn facilitates transparency and trust in capital markets. The accountancy profession itself is struggling to upskill and recruit the talent needed to manage the future reporting and compliance obligations. Ensuring that EU Member States impose the minimum administrative burden for cross-border recognition of educational and professional qualifications is key to reducing barriers to entry to the profession.

Embedding financial literacy at both secondary and third-level education would ensure that the profession and SMEs of the future are well-equipped to play their part in the transition.



¹European Commission (2024), 'Eurobarometer - SMEs and Skill Shortages'

https://single-market-economy.ec.europa.eu/news/eurobarometer-smes-and-skill-shortages-2024-03-14_en?prefLang=fi, accessed 2 December 2024.



4. Corporate governance: maintaining high standards

High-quality corporate governance drives performance and accountability. While legislative frameworks can help achieve a minimum standard in governance practice, governments should also show strong support for voluntary measures to improve transparency and the adoption of internationally accepted corporate governance principles. The enforcement of superficial targets is no substitute for a principles-based approach to corporate culture based on a well-defined purpose, set of values and a vision that is put into practice and verified regularly.

Accountants, together with other finance professionals and financial institutions, are key gatekeepers for the financial system, facilitating vital transactions that underpin the Irish economy. As such, they have an important role to play in ensuring their services are not used to further or assist a criminal purpose. As professionals, accountants must act with integrity and uphold the law, and they must not engage in criminal activity.

ACCA's key calls for action on corporate governance

- Commencement of the remaining section of the Companies Corporate Governance, Enforcement and Regulatory Provisions Act 2024, specifically the sections on the extension of the circumstances where audit exemption can be claimed.
- Enhanced funding for Revenue to allow it to give more assistance to micro businesses and PAYE taxpayers for complying with their taxation responsibilities. Examples of assistance could include one-to-one support for start-up businesses and a fully staffed telephone support line.



5. AI: promote the use of AI in an ethical, responsible manner within a safe and transparent environment

AI and other technological advances can carry significant risks, including ethical considerations, linked to issues particularly relevant to the accountancy profession, such as privacy and confidentiality. The accountancy profession has been developed with ethics and trust at its core and can be leveraged to assure the adherence of AI systems to rules based on formal standards.

ACCA's key calls for action on AI

- Develop a proportionate approach to AI regulation that balances protection from societal harms with innovation, to ensure that when implementing the EU Artificial Intelligence Act at a National Level, Ireland remains a globally competitive place to do business.
- Encourage the sharing of best practices and experiences related to AI adoption, including effective mitigation of ethical risks and unintended consequences.

Automating routine tasks gives accountancy professionals more time for higher-value activities, such as acting as strategic advisers to their clients and stakeholders, who may include SMEs that would greatly benefit from such support.

As part of our commitment to supporting members and students, ACCA is pleased to offer a certificate in Ethical Artificial Intelligence³ from the Chartered Institute for Securities and Investment (CISI), which is essential learning for anyone wanting to understand the fundamental ethical and management issues in the deployment of AI in finance.

³ ACCA (n.d.), 'Certificate in Ethical Artificial Intelligence Course' <<https://www.accaglobal.com/gb/en/member/discover/events/global/e-learning/digital-technology/cert-ethical-ai-cisi.html>>, accessed 2 December 2024.

6. Enhance infrastructure development

Accountants working across firms and organisations of all sizes are in continuous dialogue with business across the full range of industries. They support those organisations in navigating the challenges and opportunities they face, to achieve strategic objectives and growth. Accountants have a key role to play in supporting government with monitoring and evaluating infrastructure development, as well as facilitating and encouraging business–government collaboration. The unique skills and competencies held by professional accountants make them crucial to this process.

ACCA's key call for action on enhanced infrastructure development

- Explore opportunities for enhanced Public–Private partnerships to increase the pace of sustainable and efficient infrastructure development.

Professional accountants can provide government with a clear view of corporate health and economic activity through ensuring transparent and trustworthy reporting. The data that accountants facilitate and report on continues to reveal key factors and indicators of economic performance.





References and further resources:

ACCA publishes a wealth of research on topics related to accountancy and finance including the future of the profession, corporate reporting and ethics, sustainability, and AI. You can access our research [here](#).

We thank all our members who contribute to our research on ongoing basis, whether participating in our Insight Community, completing our surveys, or participating in our roundtable discussions.



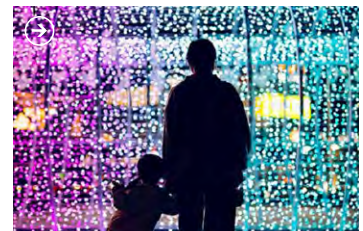
A productive approach: Finance professionals improving productivity in the public sector



Empowering business: navigating nature-related reporting



Weathering the storm: Building resilience against climate disruptions



Enabling trust in an AI-enhanced world

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Accounting for a better world: your agenda for action



Global Economic Conditions Survey: Q4 2024



Developing a skilled workforce



Building sustainable economies