

ACCA

Think Ahead

ACCOUNTING FOR A BETTER WORLD: AN ACCA POLICY PROSPECTUS FOR THE UK

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 Helen Brand, Chief Executive, ACCA



Helen Brand OBE
Chief Executive, ACCA

I am pleased to present this Policy Prospectus which sets out the ways in which ACCA believes UK policy makers can deliver a better world, sustainable business and greater prosperity for people across the UK.

ACCA is a global organisation, founded in London over 120 years ago. The decades since have seen us emerge as a great UK and global success story. Our professionals work in all sectors of the economy, managing businesses, finance teams, digital strategies, tax affairs, accounting, and investments, as well as making sure the money flows. We have members and students in every constituency up and down the country, adding value to the local and wider UK economy.

Our purpose is simple – to be a force for the public good and create opportunities, for more and more people, in more and more places, to pursue a world-class education. This paper focuses on five key areas where we aim to achieve that, working in collaboration with UK policy makers.

There is much we can accomplish together when the UK seeks to champion business in an era which is changing forever how businesses operate; how they judge success, and how they measure long-term value. Accountants work in strategically important high-value roles, bringing a breadth of vision and expertise to government, financial institutions, businesses, the public sector and public practice.

The future of thriving international trade; of sustainable economic growth which benefits all; and of harmonious commercial relations between nations, depends entirely on the strength of a healthy finance profession – with dedicated people who are devoted to the public good. ACCA's contribution will continue to give the UK – and the world – the accountancy profession it needs.

The accounting profession makes a significant contribution to the UK economy. In 2022, it is estimated that the profession contributed **£80.7 billion to UK GDP and was responsible for an estimated tax contribution of approximately **£10.1 billion** to the UK Exchequer.**

Founded in 1904 in London, ACCA (Association of Chartered Certified Accountants) is the global professional accountancy body whose purpose is to advance standards in accountancy and finance worldwide and ensure the profession is a force for public good. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Through our globally recognised qualification, our thought-leadership content, and our education resources, we support a diverse membership of over **98,000** members and over **68,000** students in the UK. Globally we support over **252,500** members and **526,000** future members in **180** countries.

We understand the challenges facing governments, policymakers and businesses around the world, and work hand-in-hand with them, to play our part in shaping a better future.

Our calls to action for the next UK Government



1. Creating a thriving economy in a changing world by supporting businesses and expanding international trade.



2. Promoting a sustainable and just transition to a new way of doing business that delivers a better world through the adoption of international standards.



3. Creating a framework for growth, nurturing a transparent and trustworthy business ecosystem by reforming corporate governance, audit, tax and public services.



4. Promoting the ethical and responsible use of AI in a safe and transparent environment by developing world-leading legislation.



5. Supporting the development of an ethically motivated, expertly trained and educated accountancy profession to deliver robust business practice and a thriving economy.



1. Creating a thriving economy in a changing world

Supporting sustained, inclusive and sustainable economic growth will be key to meeting the UK's potential. Yet in a fast-changing world businesses, especially small businesses, need support and encouragement to invest, innovate, expand their workforce and trade globally, as never before. A more certain, long-term approach to support and incentives will be key to encouraging firms to succeed.

- Establish a secure future for funding schemes offered by the British Business Bank, including the Growth Guarantee Scheme and regional funds, as well as unlocking additional investment through initiatives such as the Mansion House reforms.
- Supporting businesses and organisations, including education providers, to expand their international trade by providing further advice on how to navigate the opportunities of new FTAs (such as CPTPP) and exploring how a pooled arrangement for small business trade credit insurance would be more effective for small firms.
- Urgently implement proposed improvements to tackle late payment problems facing small businesses, including expansion of prompt payment reporting and the proposed expansion of powers for the Small Business Commissioner.




2. Promoting a sustainable and just transition to a new way of doing business that delivers a better world

ACCA is leading the profession worldwide in inspiring, educating and ensuring that professional accountants are essential drivers of a sustainable future for business, society and the planet. Accounting professionals play a vital role in making businesses sustainable, reporting on that sustainability, and assuring those sustainability reports. While the UK is a leader on many aspects of sustainability, there is undoubtedly more to do to meet our climate ambitions.

- Establish the UK as a champion in sustainability reporting though adopting the International Sustainability Standards Board standards into UK law and ensure necessary corporate governance requirements to drive accountability on commitments.
- Support businesses to prepare for change by developing a clear roadmap to achieving net zero in the UK, including fiscal change and support for business.
- Adopt the 'Think Small First' principle to ensure business guidance is proportionate, practical and achievable for smaller firms. Similarly, the UK's climate reporting policy should ensure all businesses, but particularly micro and small businesses, have good support to understand, measure, disclose and reduce their carbon emissions.





3. Creating a framework for growth: nurturing a transparent and trustworthy business ecosystem

A strong, modern, institutional and legislative framework, responding to a changing world on trust, sustainability and AI, is key to ensure the UK meets its potential on our world-leading advantages. As a foundation of a healthy economy, reform is urgently needed to improve corporate governance, simplify the UK's tax system and restore trust in HMRC. Effective and robust management of our public finances will be needed to underpin modernisation and investment in public services meeting citizens' expectations while delivering accountability for public spending.

- To ensure the UK maintains its reputation for the highest standards of corporate governance, prioritise swift completion of the planned legislative elements of the audit and corporate governance reform process currently underway, including the establishment of a fit-for-purpose regulator.
- Build on the principles of simplicity, certainty and stability as the foundations for a sound tax system, commit to a programme of tax simplification to encourage innovation, economic growth and support robust tax take by removing barriers to compliance. This should include the development, delivery, and measurement of tax simplification actions.
- Restore trust between HMRC, taxpayers and agents by implementing a programme of improvements, including additional resource, training for staff, to address serious issues with unacceptably low service standards.
- Pilot an enhanced role for professional agents in R&D tax claims to enable HMRC to focus on targeted engagement.
- Renewed investment in technology, skills and training in our Public Financial Management (PFM) to improve productivity, improved service delivery and deliver value for money for public investment.
- Provide the public sector, including local government, with greater funding certainty through multi-year budgets, to provide stability for innovation and transformation in service delivery.



4. Promoting the ethical and responsible use of AI in a safe and transparent environment

Emerging technology is a key enabler for businesses and their accountants, with the potential for significant opportunities from innovation – a key part of which is AI. The UK is well positioned to take advantage of these opportunities, but it requires a balanced approach spanning practical use cases, ethics, skills and regulation.

- Support the development of an ecosystem for trustworthy AI within the context of a clear, prescriptive government-led regulatory framework.
- Use global networks and partnerships to raise awareness of the UK's AI initiatives and approach; and support inter-operability and harmonisation of standards across jurisdictions wherever possible.
- Advocate for a multi-stakeholder approach that allows for an inclusive, society-wide voice to inform the approach to AI regulation and its deployment.
- Focus training incentives for businesses and the workforce, on productivity-boosting outcomes, such as leading adoption of digital innovation, including AI.

5. Talent: support the development of the profession for the future

Demand for professional finance skills is growing, with many employers unable to recruit the talent they need. Across the wider economy, spending on training has declined amongst a complex skills landscape where employers struggle to navigate training opportunities and funding.

- Introduce a Skills Tax Credit Pilot which enables SMEs to offset up to £5,000 of the cost of selected accredited training from their tax liabilities.
- Review the career guidance and support landscape in England to identify gaps or weaknesses in provision.
- Review the apprenticeship levy to ensure it is fit for purpose and enable broader uptake of accredited training schemes.
- Ensure that mutual recognition of professional qualifications and trade in services are at the heart of ongoing and future Free Trade Agreement negotiations between the UK and other nations to expand opportunities for exchange of talent and support social inclusion.



About ACCA

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Our members work up and down the country, across all sectors, public and private, from micro businesses to large firms, helping individuals, organisations, and businesses to thrive. Our members working in public practice play a crucial role in advising and advocating for SMEs.

We understand the challenges facing governments, policymakers and businesses around the world, and work hand-in-hand with them, to play our part in shaping a better future.

Find out more at www.accaglobal.com

Contacts

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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](#).

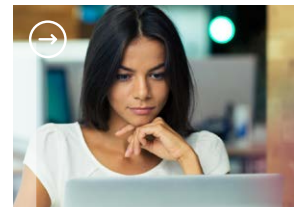
We thank all our members who contribute to our research on ongoing basis, whether participating in our Insight Community, completing our surveys, or participating in our roundtable discussions.

Link to our consultations responses [page](#).

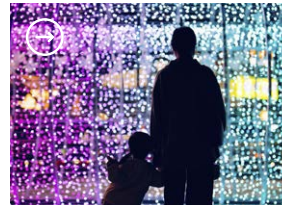
You can read our latest overview of the accountancy profession in the UK [here](#) as well as our recently-published [report](#) on skills in the UK.



Skills development:
Policies for enhancing
the employer ecosystem



UK Talent Trends 2024



Enabling trust in an
AI-enhanced world



The role of the CFO and
finance function in the
climate transition: driving
value and sustainability



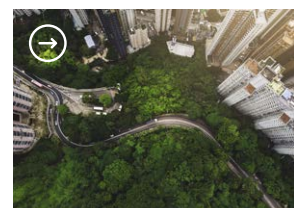
Accounting for a better
world: your agenda
for action



Global Economic
Conditions Survey:
Q1 2024



Developing a
skilled workforce



Building sustainable
economies