

# **Driving Sustainable Organizational Success**

The Institute of Chartered Accountants of the Caribbean

31st Annual Caribbean Conference

Warren Allen, President

International Federation of Accountants

June 28, 2013

St. Michael, Barbados

#### **IFAC's Vision**

- Supporting the sustainability of organizations, markets, and economies by developing the accountancy profession
- IFAC does this through:
  - Professional accountancy organizations (PAOs)
  - Professional accountants in business (PAIBs)
  - Small and medium practices (SMPs)
  - Audit and assurance



# Sustainability Concerns Rising in the Caribbean

- Three pillars of sustainable development are regionally relevant:
  - Economic
  - Social
  - Environmental



### Risk to Opportunity: Sustainable Tourism

"(T)he economic benefits of tourism will continue to accrue to the Barbadian economy well into the long-term, any negative social effects are manageable and the authorities are implementing various measures to deal with the adverse impacts the industry has had on the environment."

- "Sustainable Tourism Development: The Case of Barbados"





### **Effective Stakeholder Engagement**

- A stakeholder engagement process establishes the organization's significant economic, environmental, and social impacts
- These impacts:
  - Affect the interests and well-being of others and hence might influence the assessments and decisions of stakeholders
  - Guide management to consider and respond to the most important issues



# **Opportunities for SMPs**

- Practices can offer sustainability services, including:
  - Advice
  - Accounting/reporting
  - Assurance
- International Accounting Bulletin survey of firms found:
  - Many clients see sustainability services as a luxury
  - Firms are growing their sustainability services
  - The accountancy profession needs to better embrace sustainability/corporate responsibility



### **Opportunities for Practitioners**

- IFAC SMP Quick Poll (extracts from current poll)
  - Does your practice offer a sustainability service?
    - 50% said 'yes' (Central & South America/Caribbean 27%)
    - 24% said 'no, but plan to' (38%)
    - 26% said 'no and no plans to' (35%)
  - What sustainability service(s) does your practice offer?
    - Advice 41% (Central & South America/Caribbean 31%)
    - Reporting 27% (28%)
    - Assurance 27% (38%)
- Take the Quick Poll: www.ifac.org/smp



# The CFO's Role in Sustainability

- A 2012 Deloitte Touche Tomatsu Limited global survey found:
  - 26% of chief financial officers reported they are the person in the organization accountable to the board for sustainability strategy
    - This represents a 9% increase over the 2011 survey results
  - 53% reported their involvement in sustainability increased in the past year
  - 61% said they expect greater involvement in sustainability in the next two years



### Measure What Needs to be Managed

- Setting goals/targets demonstrate commitment and show progress
- To manage requires measurement, monitoring, and action:
  - Water consumption
  - Energy use
  - Waste
  - Health and safety
  - Employee issues



### **Energy Efficiency and Waste Minimization**

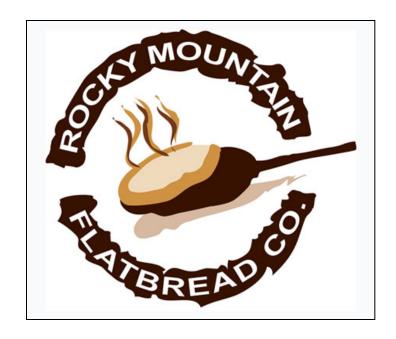
- Initiatives that reduce environmental impacts also generally reduce operating costs
- Example: VeriForm
  - High-precision sheet metal and plate manufacturing
  - Between 2006 and 2008, VeriForm invested \$46,186 in over 42 individual energy-saving projects





#### Vision and Leadership

- "Small businesses are leading the way in terms of shaping how business will be in the future."
- Suzanne Fielden, co-founder of Rocky
  Mountain Flatbread







www.ifac.org