

The Environment in Which the Accountancy Profession and IFAC Operate

IFAC monitors the environment in which it operates and seeks to proactively shape that environment, react to pressures being exerted where appropriate, and influence the various outcomes related to its mission through its strategies and services.

IFAC's strategies and services recognize that the accountancy profession operates in an environment that is:

- Volatile with increased risk; shocks—if they occur—have larger effects, and the future remains uncertain
- Diversified and segmented, with developed, mature economies juxtaposed against rapidly and slowly developing economies; large, public enterprises and large accounting firms juxtaposed against SMEs and SMPs; professional accountants in public practice juxtaposed with professional accountants in business (including governments and academia)
- Globalized, due to economic, social and technological forces
- Increasingly regulated
- Increasingly affected by political pressure or political action
- More complex, with professional accountants working closely (and competing for jobs) with others and increasingly having to be effective in multi-disciplinary teams

A review of the current environment revealed that, while many of the trends identified during the last strategic planning process—including globalization, complexity and technology—have continued and some have intensified, there are some important shifts in emphasis and priority.

- There is an increased need for international standards and governance, risk management and internal control best practices
- There is an increased recognition of the value of international standards, giving rise to a greater need for adoption and implementation support
- There is a need to develop and strengthen the accountancy profession in developing economies as an essential element of achieving financial stability in those economies
- There is an increased demand for organizations to be more responsible in relation to the society, economy and the environment, giving rise to opportunities for the accountancy profession to play a key role in sustainability leadership, reporting and assurance
- There is a need to address the sovereign debt risk issue, giving rise to opportunities to promote the adoption and implementation of IPSASs
- There is a need to be positioned and resourced to address emerging issues commensurate with the growing acceptance of IFAC as the voice of the global accountancy profession, giving rise to opportunities/demands for public policy initiatives

An important aspect of the strategic planning process is the selection of services and allocation of resources that have the greatest influence on the outcomes in the context of the current environment. IFAC's services fall into four service areas: