



International Federation
of Accountants

2008 IFAC Global Leadership Survey on the Accountancy Profession Summary of Results

December 2, 2008

Background and Respondents

The International Federation of Accountants (IFAC) invited the Presidents and Chief Executives of its member bodies and associates, as well as regional accountancy organizations and acknowledged regional groupings, to respond to the online Global Leadership Survey between October and November 2008. The survey sought their views on trends in the profession, focusing specifically on the supply and demand for professional accountants, perceived needs for specific services, and how the profession is and should be addressing the credit crisis.

IFAC received a total of 130 responses from member body Presidents and Chief Executives, representing 104 IFAC member bodies and associates in 73 countries. In addition, six leaders representing three regional accountancy organizations and three acknowledged regional groupings completed a regional version of the survey. The majority of respondents serve as Chief Executives of their respective organizations.

Scope

The 2008 IFAC Global Leadership Survey posed 15 single and multi-part questions in four categories:

- Supply and Demand for Professional Accountants;
- Attractiveness of the Accountancy Profession;
- Professional Accountants: Issues and Services; and
- Credit Crisis and the Accountancy Profession.

Executive Summary

Overall, leaders of accountancy bodies from around the globe see the accountancy profession as very important for economic growth and development and believe that in the coming years demand for accountants' services, particularly audit and assurance, accounting, tax, and advisory services, will continue to increase. Similarly, respondents predict that the demand for professional accountants working in business, industry and in the public sector will increase. However, some respondents indicate that the current crisis may negatively impact overall demand for professional accountants as economies falter.

According to respondents, student interest in pursuing a career in accountancy has increased over the past five years. Among the factors contributing to the attractiveness of the accountancy profession are the many career opportunities, the salary/earning potential, and the mobility or ability to work internationally. Factors negatively influencing the attractiveness of the profession, according to respondents, are work/life balance, legal liability, and regulation.

With respect to the most important issues faced by the accountancy profession, the majority of respondents indicate that educating professional accountants, addressing the needs of small and medium-sized enterprises (SMEs) and small and medium-sized practices (SMPs), and transitioning to International Standards on Auditing (ISAs) were the most important current issues. In the coming year, they see the SMP/SME issue as most critical, followed by meeting expectations to identify and prevent fraud, and dealing with the changing regulatory landscape.

Survey respondents expect their members in public practice to be more involved in the next year in forensic accounting, corporate recovery and insolvency services, assurance services (other than audits), as well as risk and compliance related work. They see their members in business being more involved in the areas of corporate social responsibility and sustainability, risk management and internal control, as well as governance and compliance.

With respect to the current financial crisis, survey respondents said a consequence of this crisis is an increased awareness of the value of professional accountants. Many also cite the fact that professional accountants' services and expertise are being sought after to help address issues related to the current financial and economic crisis.

Professional accountancy organizations globally are undertaking many initiatives to address the crisis including working with governments and regulators to identify solutions and supporting their members through seminars and educational programs.

Respondents suggest that IFAC should reinforce the message that qualified accountants are best equipped to assist businesses in making their way through these uncertain times. They also recommend that the accountancy profession continue to do what it does best: delivering accountancy services with a high degree of integrity and professionalism.

Full Summary of Survey Findings

Part 1: Introduction

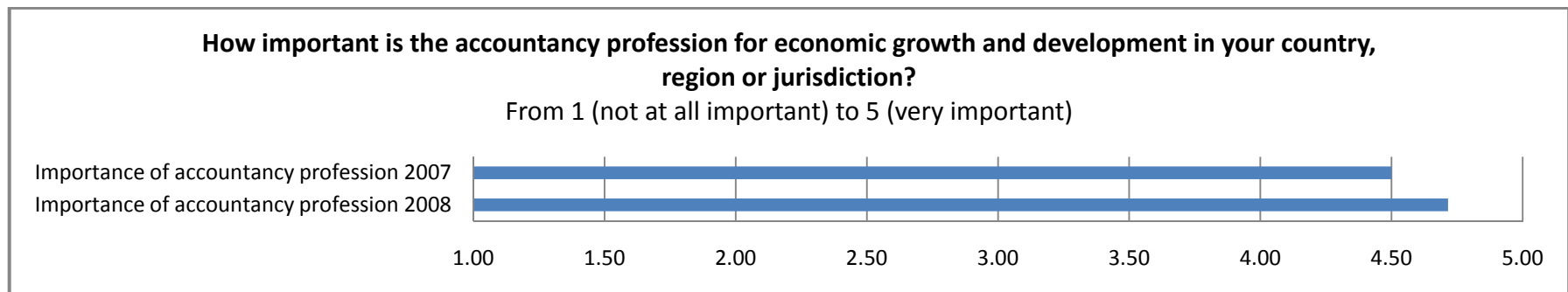
The International Federation of Accountants (IFAC), which conducted this Global Leadership Survey as one of its annually recurring activities, is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC has 158 member bodies and associates in 122 countries.

This report highlights the survey’s notable findings. A complete list of organizations that responded to the survey appears as an appendix to this report.

Part 2: Supply and Demand for Professional Accountants

2.1) How important is the accountancy profession for economic growth and development in your country, region or jurisdiction?

Leaders of IFAC member bodies, associations and regional accountancy organizations see the accountancy profession as very important for economic growth and development in their country, region or jurisdiction. Respondents’ perceptions of the importance of the profession to economic growth and development increased when compared to last year’s responses.

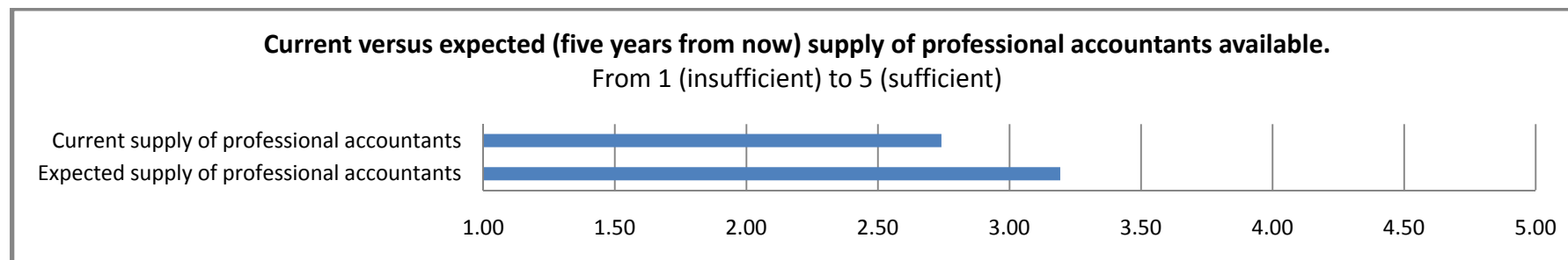


2.2) How would you characterize the current supply of professional accountants available in your country, region or jurisdiction to contribute to global economic growth and development?

Most respondents (about 40%) feel there is an insufficient supply of professional accountants available in their countries to contribute to global economic growth and development. Only 26% of respondents believe there is a sufficient supply.

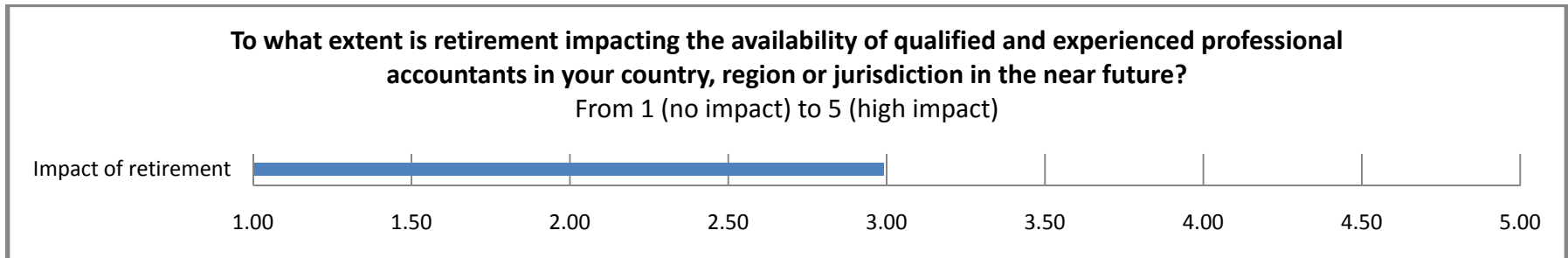
2.2 a) Looking ahead five years, how would you characterize the expected supply of professional accountants available in your country, region or jurisdiction to contribute to global economic growth and development?

When looking ahead five years, slightly more respondents (32%) feel that there would be a sufficient supply of professional accountants. However, overall, leaders of the profession still do not believe there will be a sufficient supply of accountants in their country, region or jurisdiction to fulfill their responsibility of contributing to global economic growth and development. This is particularly true for developing countries that are losing some of their trained accountants to employment abroad.



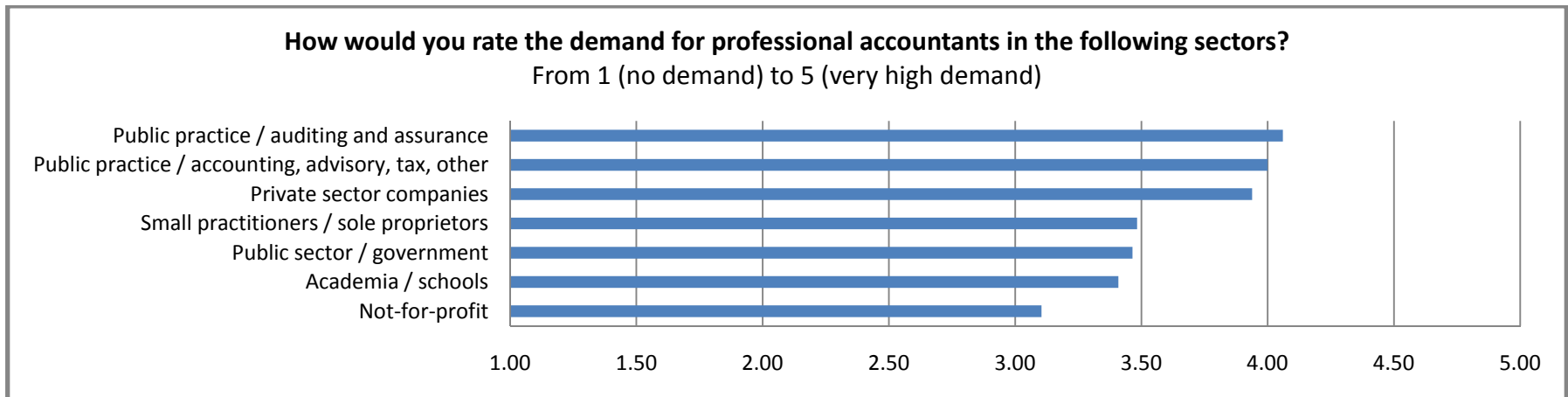
2.3) To what extent is retirement impacting the availability of qualified and experienced professional accountants in your country, region or jurisdiction in the near future?

According to respondents, retirement is having a moderate impact on the availability of qualified and experienced professional accountants.



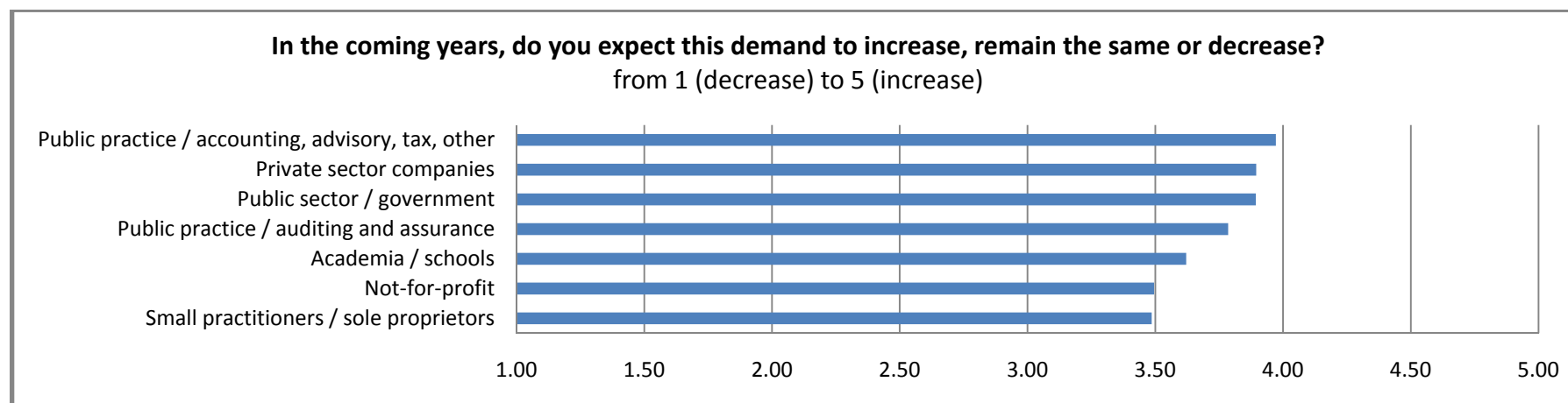
2.4 a) How would you rate the demand for professional accountants in the following sectors?

Respondents indicate that the demand for professional accountants is high in almost all sectors in which professional accountants are active. Demand is especially high in public practice - both in auditing and in other service areas - as well as in private sector companies.



2.4 b) In the coming years, do you expect this demand to increase, remain the same or decrease?

Looking to the future, respondents expect an increase in the demand for professional accountants across all sectors, most notably in public practice - especially with respect to accounting, advisory and tax services - in the public sector (government) and in private sector companies. With respect to small practitioners and sole proprietors, approximately 35 % of respondents think that the demand for these individuals would increase while over 50 % think the demand would remain the same.



According to the respondents, the main reasons for this increased demand for professional accountants are global employment opportunities, audit reforms, and a belief that the current financial crisis has further confirmed the importance and value of professional accountants to society in general. A number of respondents specifically emphasizes that the financial crisis is reinforcing the need for high quality audits and auditors. Others mention that greater recognition of the value of financial and management accounting services may also lead to more demand for professional accountants in business. However, respondents also point out that there may be a decrease in need for some services as a result of the overall global economic decline.

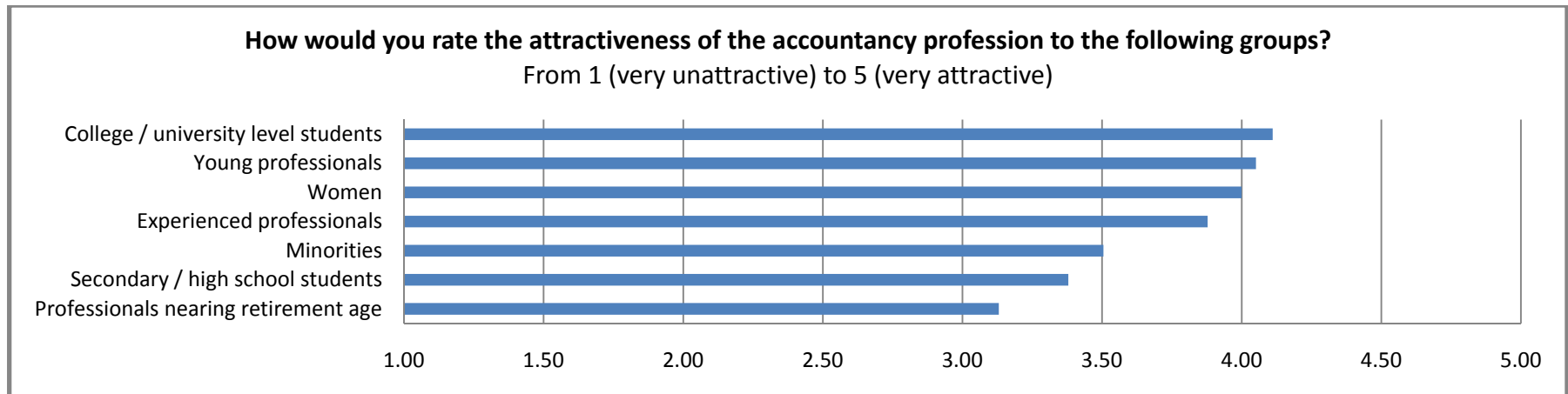
Part 3: Attractiveness of the Accountancy Profession

3.1) Would you say that student interest in pursuing a career in accountancy has increased, remained the same or decreased when compared with five years ago?

Survey results indicate that the profession's attractiveness is increasing. Two-thirds of respondents to this survey say that student interest in pursuing a career in accountancy has increased compared with five years ago.

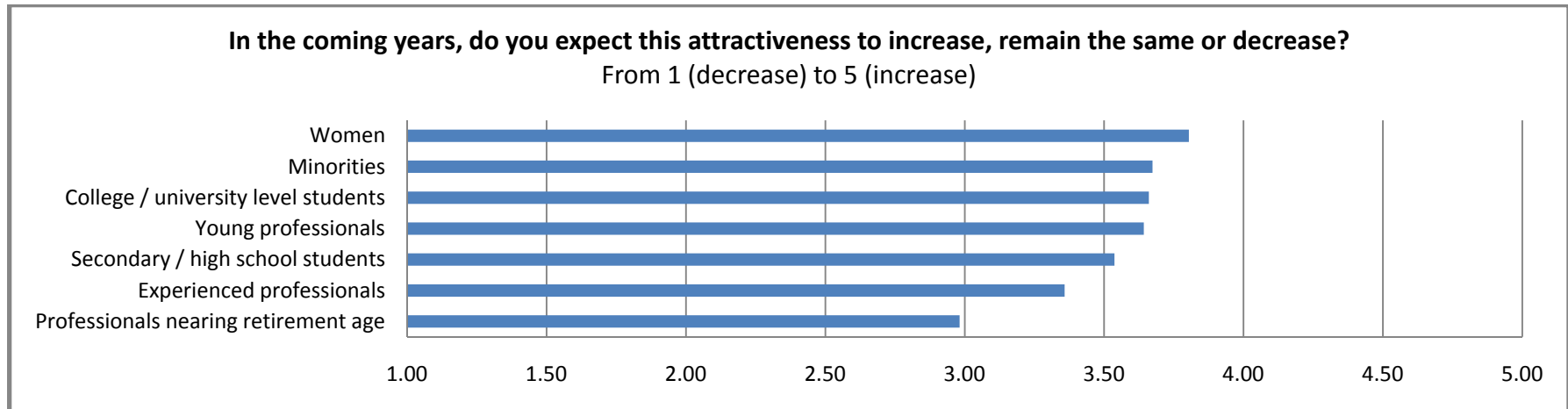
3.2 a) How would you rate the attractiveness of the accountancy profession to the following groups?

Respondents rate the accountancy profession as being attractive to groups like college or university level students and young professionals, but less attractive to minorities, secondary or high school students and professionals nearing retirement age.



3.2 b) In the coming years, do you expect this attractiveness to increase, remain the same or decrease?

Looking ahead, respondents expect the attractiveness of the accountancy profession to moderately increase, especially among women, minorities, and secondary or high school students.

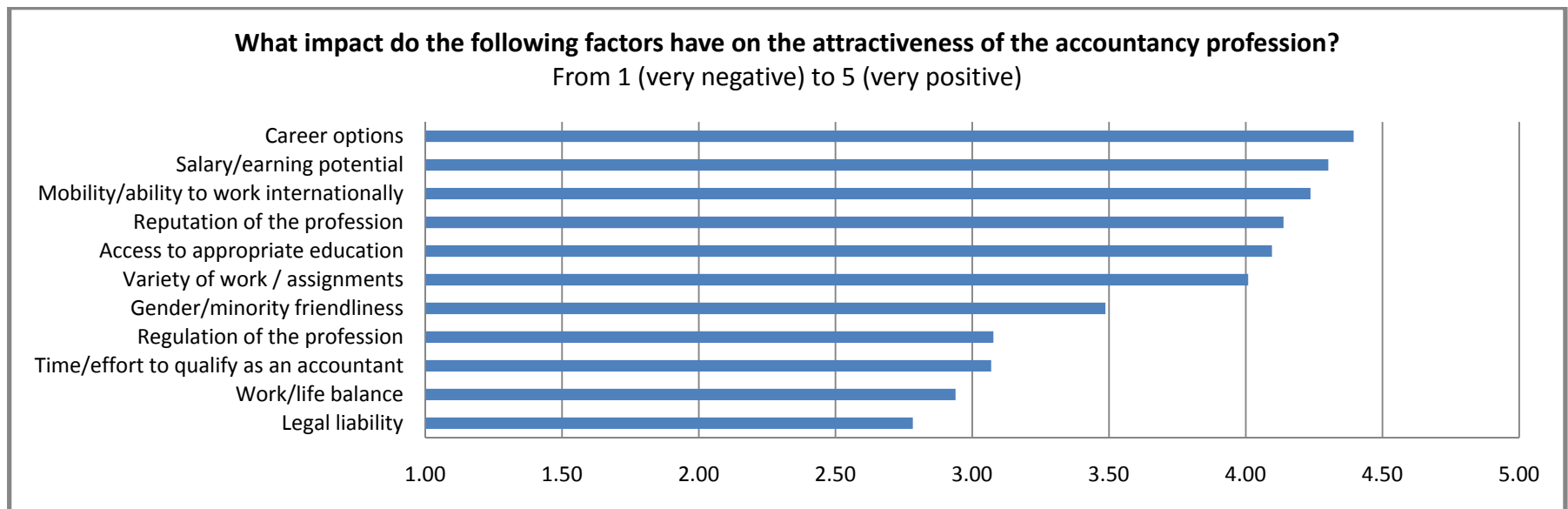


Among the main drivers for this increase in attractiveness, respondents mention the following factors: employment opportunities; increased recognition that accountancy is a good platform for the launch of an interesting career; ability to rapidly gain experience in a wide variety of roles; and the increased visibility and recognition of the importance of the profession in light of the financial crisis.

3.3 a) What impact do the following factors have on the attractiveness of the accountancy profession?

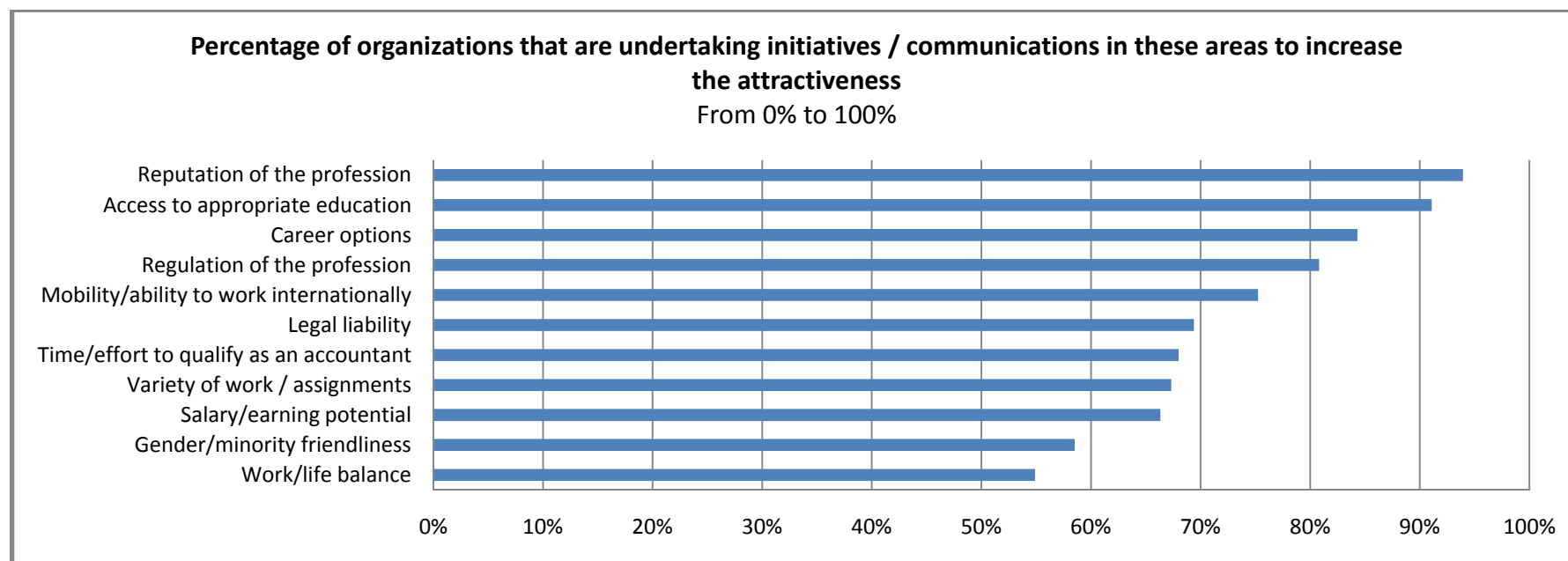
According to the respondents, factors that contribute to the attractiveness of the accountancy profession are the many career options, the salary or earning potential and the mobility or ability to work internationally. Over 85% of the respondents also view the reputation of the profession as having a positive impact on its attractiveness.

The two factors having the most negative impact on the attractiveness of the profession are work life balance and legal liability. Approximately 40% of respondents point out the negative impact of these two factors. Another 31% of respondents view the regulation of the profession as having a negative impact.



3.3 b) Is your organization undertaking initiatives / communications in these areas to increase the attractiveness?

Responses indicate that professional organizations of accountants worldwide are undertaking many initiatives and communications to further increase the attractiveness of the accountancy profession. Virtually all respondents focus on communications to enhance the reputation of the profession and providing access to appropriate education. In addition, they undertake initiatives to educate prospective and new professional accountants about career options.

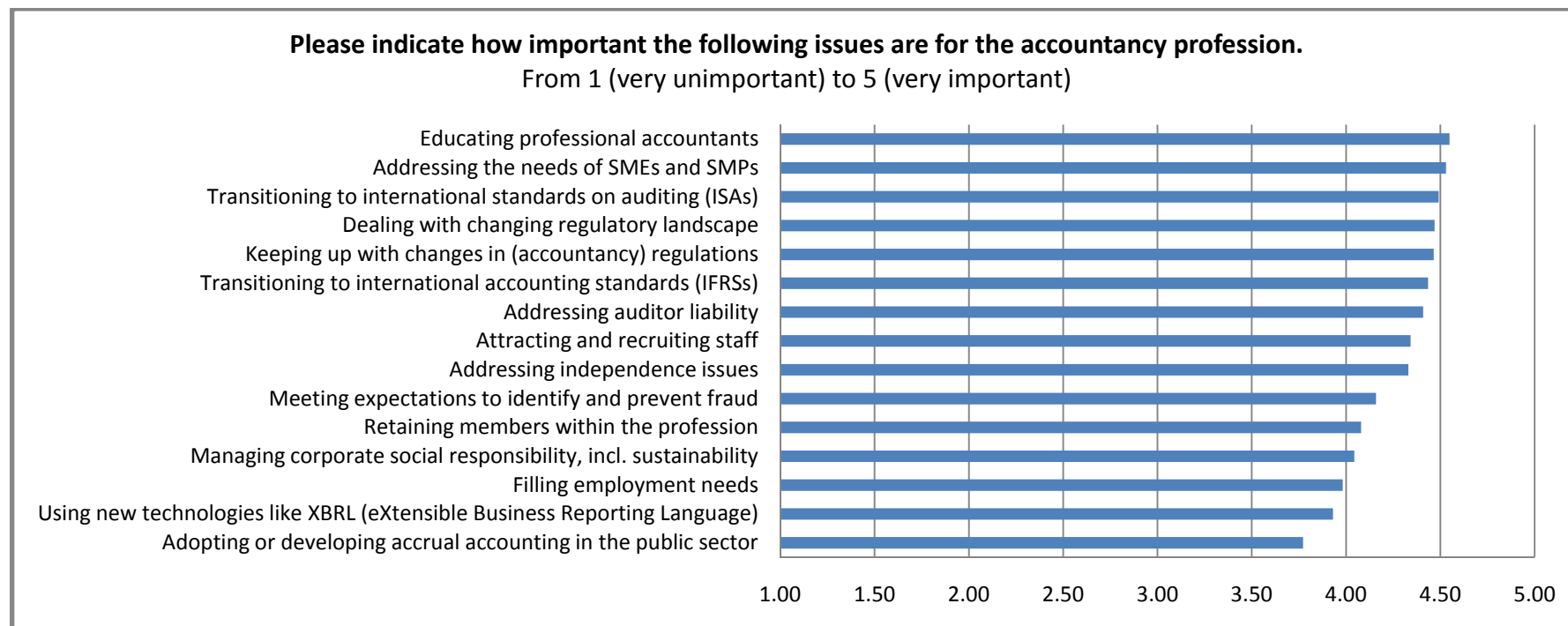


Suggestions for additional action to enhance the attractiveness of the profession include further convergence of educational and other professional standards, reduction of complexity and overregulation, as well as continued promotion of the profession.

Part 4: Professional Accountants: Issues and Services

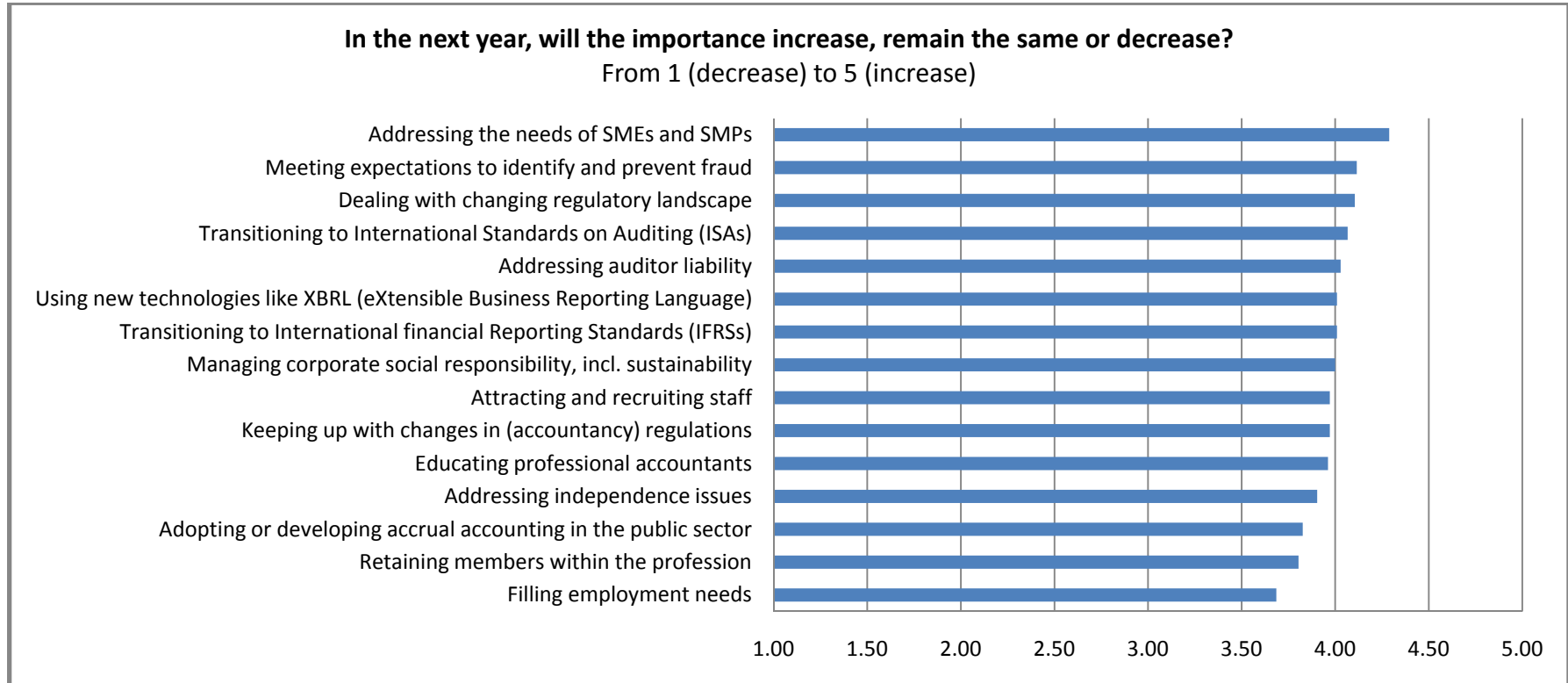
4.1 a) Please indicate how important the following issues are for the accountancy profession.

Leaders of accountancy organizations cite educating professional accountants and addressing the needs of SMEs and SMPs as the most important issues for the accountancy profession, followed by transitioning to International Standards on Auditing (ISAs), dealing with a changing regulatory landscape, transitioning to International Financial Reporting Standards (IFRSs), and addressing auditor liability.



4.1 b) In the next year, will the importance increase, remain the same or decrease?

Over the next year, respondents indicate that addressing the needs of SMEs and SMPs will be the most important issue, followed by meeting expectations to identify and prevent fraud. In addition, they see the issues of dealing with a changing regulatory landscape and transitioning to ISAs as increasing in importance. Auditor liability, using new technologies like XBRL and transitioning to IFRSs also remain important issues to be addressed in the next year.



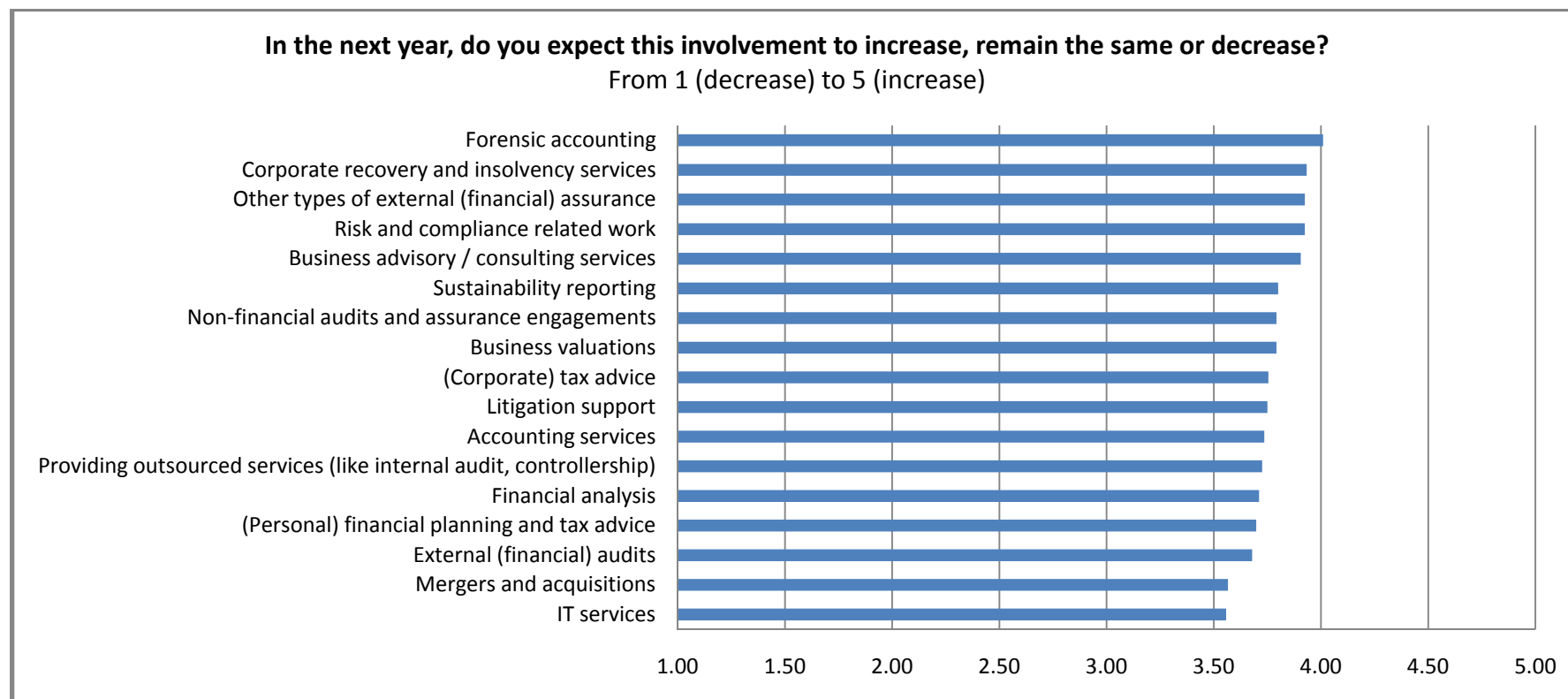
4.2 a) To what degree are accountants in public practice (in accountancy firms) involved in the following service areas in your country?

Across the globe, professional accountants in public practice (in accountancy firms) are involved in many service areas, most notably those areas that belong to the core domain of the accountancy profession: external (financial) audits, accounting and tax advice. The survey response, however, demonstrates that professional accountants are also quite involved in providing other types of assurance services, business advisory services and business valuations.



4.2 b) In the next year, do you expect this involvement to increase, remain the same or decrease?

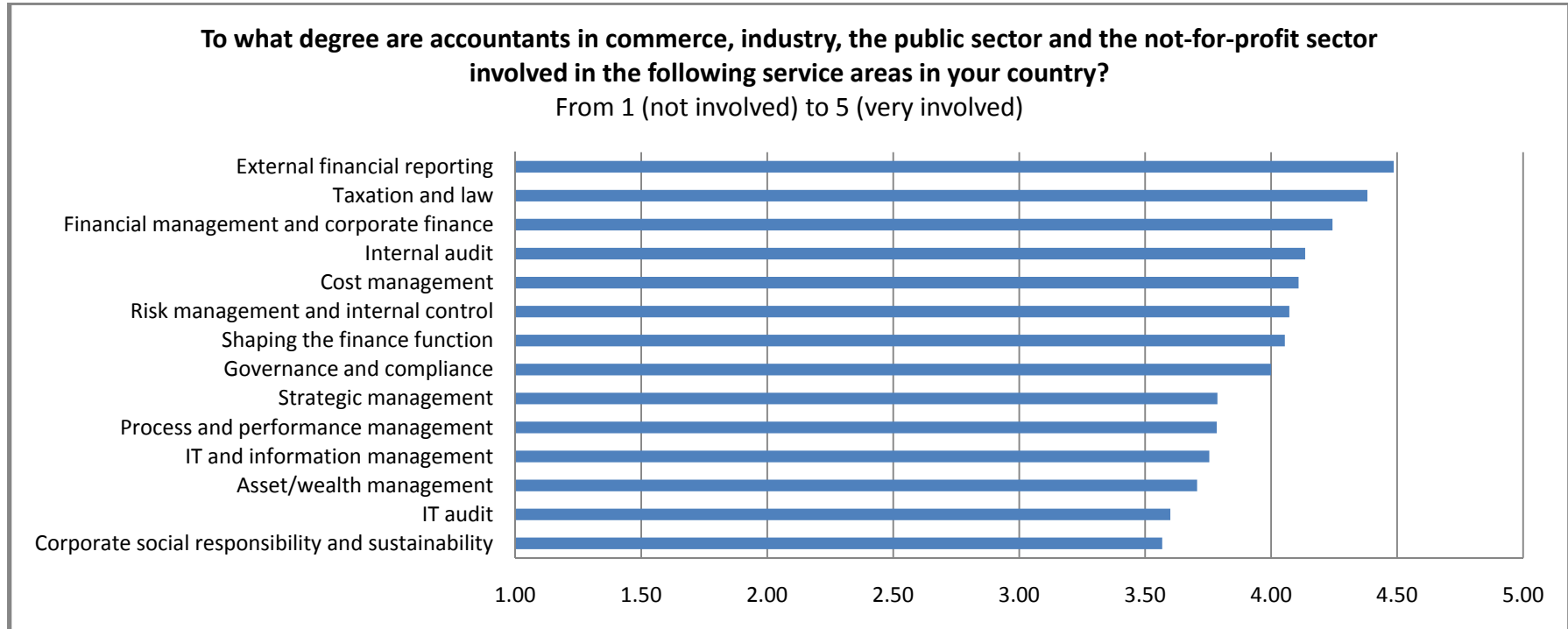
Looking ahead, respondents expect increased involvement of professional accountants in public practice (in accountancy firms) in less traditional service areas such as forensic accounting, corporate recovery and insolvency services, other types of external (financial) assurance, as well as risk and compliance related work.



Many respondents indicate that the state of the economy, both regionally and globally, will guide changes in emphasis in particular service areas and that the impact of the credit crisis on the profession is still unknown. Generally, respondents view the changing needs and demands of the marketplace, complexity of business, and new legislative and regulatory developments as being the main drivers of changes in the nature of services rendered by accounting firms.

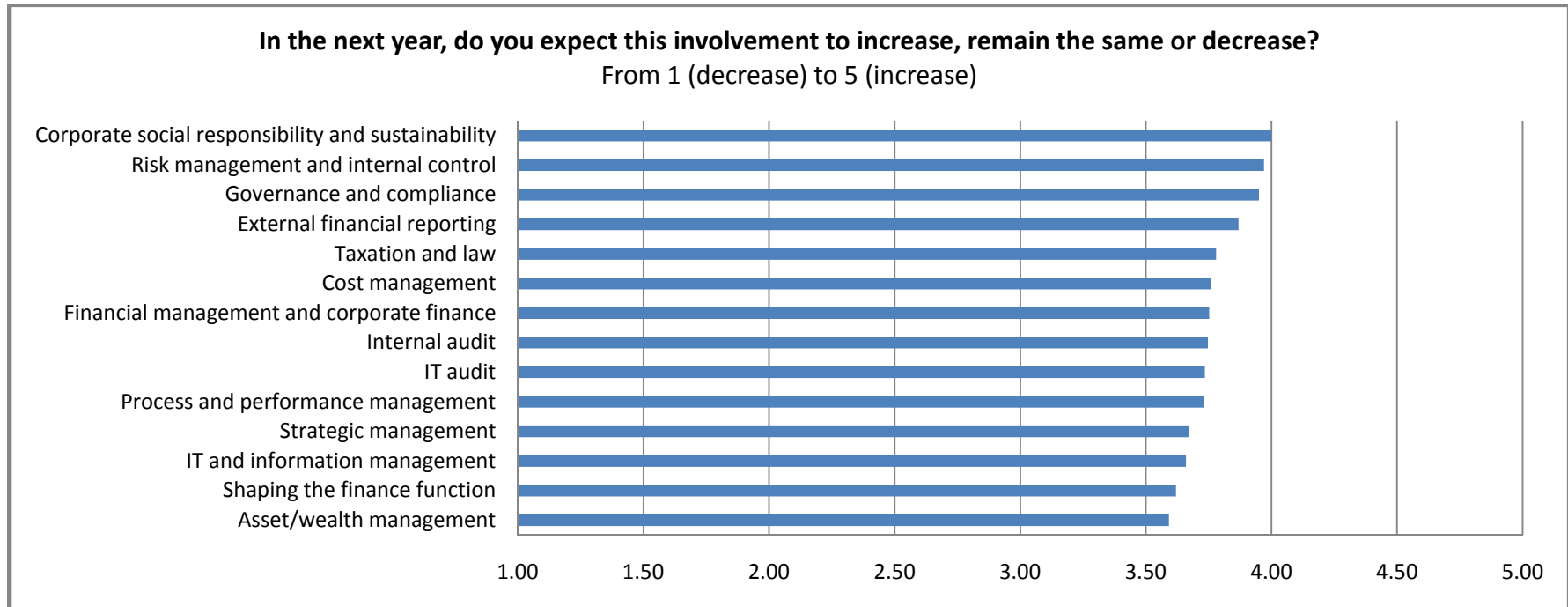
4.3 a) To what degree are accountants in commerce, industry, the public sector and the not-for-profit sector involved in the following service areas in your country?

Survey respondents indicate that accountants in commerce, industry, the public sector and the not-for-profit sector in their countries or jurisdictions are extensively involved in traditional service areas: external financial reporting, taxation and law, financial management and corporate finance, and internal audit.



4.3 b) In the next year, do you expect this involvement to increase, remain the same or decrease?

Leaders of accountancy organizations believe that accountants in commerce, industry, the public sector and the not-for-profit sector will be increasingly involved in many service areas in which they currently operate, including corporate social responsibility and sustainability, risk management and internal control, as well as governance and compliance.



The drivers of these changes include an increased reliance on accountants, especially given the economic downturn, the increased pressures resulting from the financial crisis, “tighter” laws and regulations, and changes in management’s attitude.

4.4) What three competencies do you think professional accountants will most need in the future to meet the increasing needs of clients, employers and others who rely on their services?

Respondents to the survey most frequently cite the following three competencies:

- Technical skills (i.e., accounting and auditing)
- Communications skills
- Professional judgment

In addition, they cite:

- Strong ethics
- Risk management skills

Other competencies cited by respondents include strategic management and analytical ability, technology skills, and initiative and foresight.

Part 5: Credit Crisis and the Accountancy Profession

5.1) How is the credit crisis impacting your organization and your members?

The current credit crisis is affecting many professional accountancy organizations as well as their members, the professional accountants. Survey responses indicate, however, that the crisis has not had the same impact around the globe. In fact, leaders of professional accountancy organizations in some developing countries or regions indicate that the financial crisis has not yet affected their jurisdictions.

Overall, survey respondents indicate that they are receiving calls for information on the credit crisis, especially on accountancy related topics such as fair value accounting. Most of the respondents are also providing guidance or assistance to their members in the form of continuing professional education, a helpdesk, articles, seminars and designated credit crisis websites.

Many respondents report that the crisis has actually benefitted the profession with professional accountants -- including those in public practice and in business – being viewed as professionals who can help to turn the economic tide. They are being called upon to support their clients and their employers in coping with the fall-out and resulting challenges of the current credit crisis. For example, they are involved in business restructuring and insolvency issues. Moreover, according to respondents, the value of their core services is more highly regarded as clients and stakeholders recognize the need for strong governance and high quality financial information.

5.2) What initiatives has your organization undertaken to address issues surrounding the credit crisis?

Professional accountancy organizations are undertaking many initiatives to address issues surrounding the current financial and economic crisis. Many of them – as well as IFAC - have been working alongside government, regulators, standard setters, businesses groups, and others to restore confidence in the markets and in business in general. For example, the French IFAC member body Conseil Supérieur de l'Ordre des Experts-Comptables mentioned in its response to this survey that past president of IFAC, Rene Ricol, was appointed by the President of the French Republic, Nicolas Sarkozy, to analyze the current situation and to propose remedial action. The French President used the resulting report, entitled “*Report on the Financial Crisis*,” as the basis for his recent meeting with the finance ministers of the European Union to focus on how to respond to the economic slowdown.

Some leaders of accountancy organizations who responded to this survey also indicate that they have conducted analyses on the causes of the current crisis and provide assistance, develop guidance and organize seminars and other events for their members and others to assist them in addressing the challenges related to the current crisis, like fair value issues. Respondents also indicate that their organizations more actively communicate the role of professional accountants to key stakeholders, and seek to make clear to the public that the accountancy profession is not the cause of the current economic crisis, but part of the solution.

5.3) What, if anything, should IFAC do in the light of the credit crisis? What should be IFAC's key messages?

According to the leaders of its member bodies, IFAC could further engage in a number of actions in the light of the credit crisis, such as assisting member bodies with additional guidance, and also communicating initiatives undertaken in different countries. Additionally, respondents suggest that IFAC may, in conjunction with its members, remind and reassure stakeholders of the integrity of the profession, and its commitment to serving the public interest. Respondents also recommend that IFAC reinforce the message that qualified accountants are best equipped to assist businesses in managing through these uncertain times. Finally, survey respondents recommend that the global accountancy profession should continue doing what it does best: delivering accountancy services with a high degree of integrity and professionalism.

For further information:

If you have any questions, please contact Helene Kennedy, Chief Communications Officer at helenekennedy@ifac.org or Vincent Tophoff, Technical Manager Communications and Stakeholder Relations at VincentTophoff@ifac.org.

Appendix

IFAC GLOBAL LEADERSHIP SURVEY PARTICIPANTS

The following 104 member bodies and associates in 73 countries participated in the International Federation of Accountants (IFAC) second annual Global Leadership Survey. In addition, six regional organizations and groups responded to the survey. This year's survey sought views on trends in the accountancy profession, including recruitment and retention issues, perceived needs for specific services, and how the profession is and should address the credit crisis.

<u>Country:</u>	<u>Name of Organization:</u>
Albania	Institute of Authorized Chartered Auditors of Albania
Argentina	Federación Argentina de Consejos Profesionales de Ciencias Económicas
Armenia	Association of Accountants and Auditors of Armenia
Australia	CPA Australia
Australia	National Institute of Accountants in Australia
Australia	The Institute of Chartered Accountants in Australia
Bangladesh	The Institute of Cost and Management Accountants of Bangladesh
Belgium	Institut des Experts-comptables et des Conseils fiscaux
Belgium	Institut des Réviseurs d'Entreprises
Bolivia	Colegio de Auditores de Bolivia
Botswana	Botswana Institute of Accountants
Brazil	Instituto dos Auditores Independentes do Brasil
Brazil	Conselho Federal de Contabilidade
Bulgaria	Institute of Certified Public Accountants of Bulgaria
Cameroon	Ordre National des Experts Comptables du Cameroun
Canada	The Canadian Institute of Chartered Accountants
Canada	Certified General Accountants' Association of Canada
Cayman Islands	Cayman Islands Society of Professional Accountants
China	Chinese Institute of Certified Public Accountants
Colombia	Instituto Nacional de Contadores Públicos de Colombia
Costa Rica	Colegio de Contadores Públicos de Costa Rica

Cyprus	The Institute of Certified Public Accountants of Cyprus
Czech Republic	Chamber of Auditors of the Czech Republic
Estonia	Auditorkogu (Estonian Auditing Board)
Fiji	Fiji Institute of Accountants
Finland	HTM-tilintarkastajat ry - GRM- revisorer rf
France	Conseil Supérieur de l'Ordre des Experts-Comptables
France	Compagnie Nationale des Commissaires aux Comptes
Georgia	Georgian Federation of Professional Accountants and Auditors
Germany	Institut der Wirtschaftsprüfer in Deutschland e.V.
Ghana	Institute of Chartered Accountants - Ghana
Haiti	Ordre des Comptables Professionels Agrees d'Haiti
Hong Kong	Hong Kong Institute of Certified Public Accountants
India	The Institute of Cost and Works Accountants of India
India	The Institute of Chartered Accountants of India
Indonesia	Indonesian Institute of Accountants
Iran	Iranian Association of Certified Public Accountants
Iraq	Iraqi Union of Accountants and Auditors
Ireland	The Institute of Certified Public Accountants in Ireland
Israel	Institute of Certified Public Accountants in Israel
Italy	Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili
Japan	The Japanese Institute of Certified Public Accountants
Kazakhstan	Chamber of Auditors of the Republic of Kazakhstan
Kenya	Institute of Certified Public Accountants of Kenya
Korea	Korean Institute of Certified Public Accountants
Kosovo	Society of Certified Accountants and Auditors of Kosovo
Lebanon	Lebanese Association of Certified Public Accountants
Lesotho	Lesotho Institute of Accountants
Lithuania	Lithuanian Chamber of Auditors
Malawi	The Society of Accountants in Malawi
Malaysia	Malaysian Institute of Accountants

Malaysia	Malaysian Institute of Certified Public Accountants
Malta	The Malta Institute of Accountants
Mexico	Instituto Mexicano de Contadores Públicos, A.C.
Moldova	Association of Professional Accountants & Auditors of the Republic of Moldova
Namibia	Institute of Chartered Accountants of Namibia
Nepal	The Institute of Chartered Accountants of Nepal
New Zealand	New Zealand Institute of Chartered Accountants
Nigeria	The Institute of Chartered Accountants of Nigeria
Norway	Den Norske Revisorforening
Pakistan	Institute of Chartered Accountants of Pakistan
Pakistan	Institute of Cost and Management Accountants of Pakistan
Poland	Accountants Association in Poland
Poland	National Chamber of Statutory Auditors
Romania	Chamber of Financial Auditors of Romania
Romania	Corpul Expertilor Contabili si Contabililor Autorizati din Romania
Russia	The Institute of Professional Accountants of Russia
Saudi Arabia	Saudi Organization for Certified Public Accountants
Senegal	Ordre National des Experts Comptables et Comptables Agréés du Sénégal
Serbia	Serbian Association of Accountants and Auditors
Singapore	Institute of Certified Public Accountants of Singapore
Slovenia	The Slovenian Institute of Auditors
South Africa	South African Institute of Professional Accountants
South Africa	The South African Institute of Chartered Accountants
Spain	Instituto de Censores Jurados de Cuentas de España
Swaziland	Swaziland Institute of Accountants
Sweden	FAR SRS
Switzerland	Treuhand-Kammer
Tanzania	National Board of Accountants and Auditors - Tanzania
Tunisia	Ordre des Experts Comptables de Tunisie
Turkey	Expert Accountants' Association of Turkey

Turkey	Union of Chambers of Certified Public Accountants of Turkey
Uganda	Institute of Certified Public Accountants of Uganda
Ukraine	Ukrainian Federation of Professional Accountants and Auditors
United Kingdom	Association of Accounting Technicians
United Kingdom	Institute of Chartered Accountants of Scotland
United Kingdom	The Association of Chartered Certified Accountants
United Kingdom	The Chartered Institute of Management Accountants
United Kingdom	The Institute of Chartered Accountants in England & Wales
United Kingdom	The Chartered Institute of Public Finance and Accountancy
United States	American Institute of Certified Public Accountants
United States	Institute of Management Accountants
United States	National Association of State Boards of Accountancy
11 Anonymous	Responses from Members and Associates

Recognized Regional Organizations

Eastern Central and Southern African Federation of Accountants
 Interamerican Accounting Association
 Confederation of Asian and Pacific Accountants

Acknowledged Accountancy Groupings

Eurasian Council of Certified Accountants and Auditors
 The Institute of Chartered Accountants of the Caribbean
 The Association of Accountancy Bodies in West Africa