Sustainability: A unique opportunity for the accounting profession

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DESCRIPTION

An accountant may be a practitioner of accounting or accountancy. Accountants who have demonstrated competency through their professional associations' certification exams are certified to use titles like accountant, Chartered Certified Accountant or Certified Public Accountant, or Registered Public Accountant. Such professionals are granted certain responsibilities by statute, like the power to certify an organization's financial statements, and should be held responsible for professional misconduct. Non-qualified accountants could also be employed by a professional accountant, or may go independently without statutory privileges and obligations.

The largest accounting firms are already responding to the present hypnotic song. While such involvement may prove a profitable, and even useful, client service, caution is suggested. Financial accounting of measurements are being created using still-evolving methodology, and their worth has not yet been proven, least of all to investors. Their integration into the financial statements is problematic. Moreover, the likelihood that the SEC would require sustainability information to be attested to by auditors is an illusion. The SEC had not even required for attestation of the management’s discussion and analysis disclosures in SEC filings.

This unique opportunity also represents tons of trouble for the profession, including additional legal costs and an erosion of our brand. Yes, there are and can be additional fees—but, at this point, we are think that the danger exceeds the reward. Sustainability should have separated from financial reporting until such time as its helpful to the investors for business, creditors, and managers is proved and other ambiguities are resolved.

Sustainability advocates point beyond this user group to “stakeholders,” a bigger, more amorphous group. Stakeholders should be presumably including anyone who breathes polluted air or drinks tainted water. While pollution and similar matters are legitimate concerns to society, there are other forums during which these matters are addressed, and other regulators who affect them. The utilization of the term ‘stakeholders’ seems to be designed to suggest that others may have a useful need for financial information on topics not included within the financial statements. Sustainability advocates are trying to incorporate items that aren't financial in nature and not easily quantified or measured within the financial statements—the SEC's conflict minerals rule being a notable recent attempt (which has now been deemed violative of the primary Amendment to the U.S. Constitution and is therefore void).

Sustainability are going to be exciting new territory for our profession. If we would like to draw in the brightest undergraduate students on campus, we must be relevant and challenging. Yes, these are uncharted waters, but that ought to arouse our intellectual curiosity and convey out our creativity. An accountant may be a practitioner of accounting or accountancy. Accountants who have demonstrated competency through their professional associations' certification exams are certified to use titles like accountant, Chartered Certified Accountant or Certified Public Accountant, or Registered Public Accountant.