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Prince of Wales challenges profession

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PRINCE OF WALES CALLS ON PROFESSION TO ACCOUNT FOR SUSTAINABILITY

The accountancy profession was issued a challenge by HRH The Prince of Wales last night (Wednesday 25 May) to help make the public sector more sustainable. Speaking at the Institute's annual dinner, the Prince launched the first report from the Accounting for Sustainability Group, a taskforce of key stakeholders convened to examine how public sector procurement policy can contribute towards sustainability.

The report titled 'Realising Aspirations - Using Value for Money to Make the Public Sector More Sustainable' examines barriers to sustainability in public sector procurement and how these can be overcome. The report, which is aimed at auditors and accountants working in or with the public sector, argues that procurement policy in this sector has the potential to influence the whole economy in a more sustainable direction. It can do this in three ways:

- By sending a clear message by buying sustainably – in other words, practising what it preaches
- By the direct effects of its purchasing decisions in themselves – on the environment, regional development, and social conditions
- By stimulating the market for sustainable products and services, making these more economic to produce, and hence increasing the general demand for them

The report also argues that sustainable accounting is very much a young discipline, with many different approaches and significant potential for future development.

The accountancy profession has a key role to play in developing methodologies for helping decision-makers to successfully weigh up the long-term costs and benefits of sustainable procurement in the public sector.

The Prince called upon the profession to work with economists, academics and the Government to identify ways in which sustainability can be brought centre stage in the decision making process and supported by the appropriate cost benefit analysis.

Additional suggestions include:

- All Public Sector bodies could identify one area where value for money would be increased if the costs and benefits that fall between two different departmental budgets were brought together
- The Treasury could work towards developing the systems to enable the joint publication of each Department's annual procurement expenditure in a number of key areas. This would signal the potential opportunities for sustainable suppliers and aid the scrutiny of costs
- The Sustainable Development Commission could assess and rank major public bodies against a small number of high profile key indicators each year – eg. percentage change in energy use since the previous year
- The Sustainable Procurement Task Force could suggest targets to all public bodies for percentage increases or decreases of key purchases per year

In his key-note address, The Prince of Wales said: "Accounting mechanisms have not, for the moment at least, kept pace with our requirements for sustainability information. And I would suggest we need that information as a matter of real urgency if we are to avert a growing series of man-made catastrophes in our over-crowded

world.

"It is vital that these accounting mechanisms do keep pace, because without the ability to identify and assess in a robust and consistent manner the longer-term and wider consequences of our decisions, we will not know whether our prosperity and quality of life today are being achieved at the expense our children and grandchildren."

Paul Druckman, ICAEW President and a member of the Accounting for Sustainability Group, said: "I was proud to be involved in the development of this report. Together with our recent publication 'Sustainability – the role of accountants' the ICAEW has shown that accountants have an important part to play in ensuring sustainability is taken seriously."

The Accounting for Sustainability Group was convened by HRH The Prince of Wales in 2004 as a result of concern that procurement (and disposal) decisions taken in the public and private sectors might be unavoidably short-term or narrow in perspective.

For a copy of the report please go to www.princeofwales.gov.uk/speeches/asg.html

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