

September 2023

# EVALUATING TRUST IN THE ACCOUNTANCY SECTOR FOR CHARTERED ACCOUNTANTS

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Wave 4



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## BACKGROUND & OBJECTIVES

### Background:

In light of increased scrutiny on the sector, this study was designed to help CAW understand and track perceptions of the accountancy profession. Over the last four waves the study has developed:

- CAW1 2018 established a robust benchmark and outlined the Trust landscape.
- CAW2 2019 provided recommendations on how to improve Trust in members and Chartered Accountancy Professional Bodies.
- CAW3 2021 explored the state of Trust and business leaders' expectations of Chartered Accountants and Chartered Accountancy Professional Bodies in the context of COVID-19 and Brexit.

Now in its fourth wave, the study focussed on topical themes to the business world, including economic uncertainty, the cost-of-living crisis, combatting misinformation, digitalisation, automation, and the importance of ESG.

### Research objectives:

- Measure current levels of Trust in the accountancy sector, focusing on Chartered Accountants in particular, amongst business leaders in key markets
- Track any shifts in sentiment in comparison to the three previous waves (2018, 2019, 2021)
- Understand what is driving Trust and how to build it (in the accountancy industry more broadly and in perceptions of Chartered Accountancy Professional Bodies operating within the sector)
- Uncover expectations of Chartered Accountants and Chartered Accountancy Professional Bodies going forward and how they can best support business leaders

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## METHODOLOGY & SAMPLE

The research was conducted by Edelman Dxl, an independent market research firm, in partnership with CAW.

- **How:** 15-minute online survey
- **Who we spoke to:** Financial decision makers (Director+) within businesses
- **Where:** England, Scotland, Wales, Northern Ireland, Republic of Ireland, South Africa, Australia, New Zealand
- **When:** Fieldwork was conducted between 30<sup>th</sup> March and the 6<sup>th</sup> of June 2023
- **Sample size:** 1,351 total participants across 8 markets:



n=400



n=200



n=101



n=200



n=150



n=125



n=50



n=125

# KEY FINDINGS

## Trust in Chartered Accountants has increased and created differentiation

Trust in Chartered Accountants increased 7pts since 2021, taking Trust to the highest levels since the study began in 2018. Accountants saw a smaller uplift (+3pts) meaning Chartered Accountants now differentiate themselves from others in the profession.

This increase seen across Accountants is unique and not mirrored among other financial professions. Chartered Accountancy Professional Bodies also retain and build on high Trust across markets.

## Integrity is still vital for driving Trust but there is opportunity to go further

As seen in 2021, Integrity remains the most important driver of Trust – notably complying to regulations and respecting confidential information. This is an area of strong performance for Chartered Accountants currently.

As concerns about misinformation grow, particularly during a move towards increased automation, Chartered Accountants can capitalise on existing strength in this area to consolidate their position as **data guardians**. 77% of FDMs say they have used / intend to use Chartered Accountant to lead the digital transformation in their organisation.

## Chartered Accountants show up well in a crisis, leading to increased expectations for their role

Businesses relied on Chartered Accountants during the pandemic and continue to look to them during the current economic uncertainty. Expectation here is increasing– 83% say Chartered Accountants play a vital role in helping businesses adapt to new challenges (+8pts since 2021).

7 in 10 FDMs (67%) say their organisation has turned to Chartered Accountants during the economic uncertainty – whilst this is similar to during the pandemic, there is more focus on consultative guidance vs purely cost cutting measures.

## Increasing opportunity to show leadership on Purpose

Whilst continuing to sit below other measures in importance, purpose-led initiatives continue to grow in importance, mirroring a trend from 2021. This is particularly true for being vocal and speaking out on issues of concern.

With evidence of declines for Chartered Accountants and Chartered Accountancy Professional Bodies in this area, there is opportunity for more resources and guidance to ensure the profession does not get left behind.

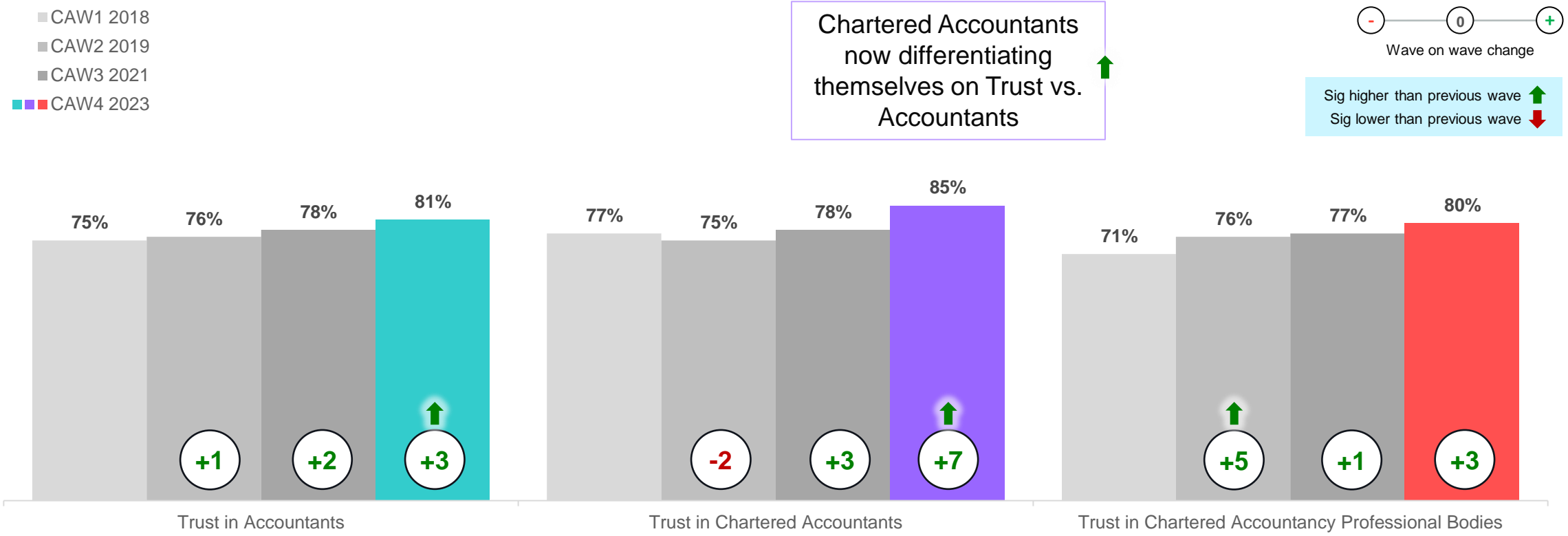
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# TRUST IN CHARTERED ACCOUNTANTS AND CHARTERED ACCOUNTANCY PROFESSIONAL BODIES CONTINUES TO INCREASE



# Trust in Accountants, Chartered Accountants, and Chartered Accountancy Professional Bodies continues to increase, with Chartered Accountants seeing the largest uplift

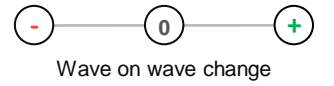
% Who trust Accountants, Chartered Accountants and Chartered Accountancy Professional Bodies (NET Trust)



Q1. Please indicate how much you trust the following professionals to do the right thing? (NET Trust T4B) // Q16. Please indicate how much you trust each of the following accountancy professional bodies to do the right thing. (NET Trust T4B) // Q18. Please indicate how much you trust the following types of accountancy professionals to do the right thing. (NET Trust T4B)  
 CAW4 2023 Base: All respondents (n=1,351) // CAW3 2021 Base: All respondents (n=1,450) // CAW2 2019 Base: All respondents (n=1,619) // CAW1 2018 Base: All respondents (n=1,019)  
 \*Year-on-year "All Markets" scores are not directly comparable as markets have varied across waves (e.g. South Africa was replaced by Singapore in CAW2 2019)

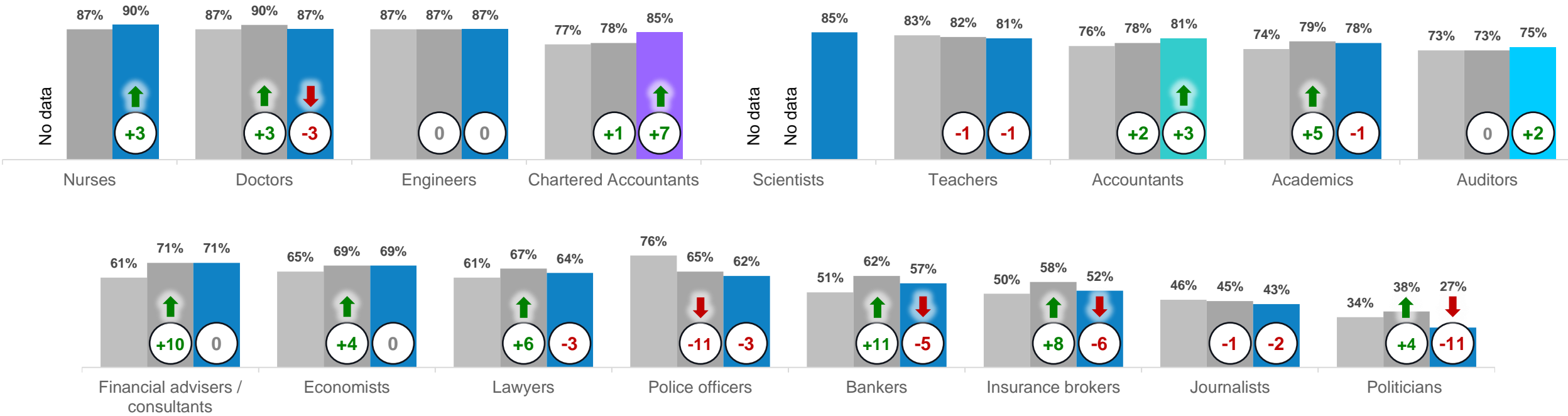
# Alongside nurses, Accountants are one of the only professions to see an uplift in Trust this year – some other financial professions saw a decline

**% Who trust the various professions (NET Trust)**  
*Ranked by CAW4 2023 Data*



Sig higher than previous wave ↑  
 Sig lower than previous wave ↓

■ CAW2 2019 ■ CAW3 2021 ■ CAW4 2023



CAW4 2023 Q1. Please indicate how much you trust the following professionals to do the right thing? (NET Trust T4B) Q18. Please indicate how much you trust the following types of accountancy professionals to do the right thing. (NET Trust T4B)  
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*\*Year-on-year "All Markets" scores are not directly comparable as markets have varied across waves (e.g. South Africa was replaced by Singapore in CAW2 2019)*

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# HIGH TRUST IS DRIVEN BY STRONG PERFORMANCE ON INTEGRITY





# Integrity remains the key driver of Trust in Accountants, particularly protecting information and complying with regulations

**% Who say the following are very important in building Trust in Accountants (NET Very important)**  
*There were no significant differences between CAW3 and CAW4*

## **NET Integrity 84%**

*Top behaviours within Integrity*

Respecting and protecting confidential information	<b>66%</b>
Operating with compliance to laws and regulations	<b>65%</b>

## **NET Dependability 79%**

*Top behaviours within Dependability*

Keeping up to date with developments in professional standards and practice	<b>58%</b>
Being able to rely on them to inform key business decisions	<b>53%</b>

## **NET Ability 79%**

*Top behaviours within Ability*

Guiding clients on how to use financial information in decision making	<b>55%</b>
Demonstrating a track record of helping businesses thrive	<b>53%</b>

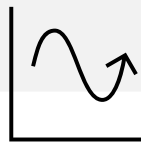
## **NET Purpose ESG 68%**

*Top behaviours within Purpose ESG*

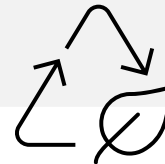
Balancing commercial and public interest in their work	<b>40%</b>
Driving DEI practices in businesses	<b>39%</b>

# Opportunity areas for Chartered Accountants to continue to build Trust

1. Utilise strong Trust to continue to carve consultative role during cost-of-living crisis



2. Get ahead of the curve on Purpose – including being more vocal on key issues



3. Showcase additional value outside of core Integrity measures e.g. through data guardianship



We explore these areas throughout the rest of the report

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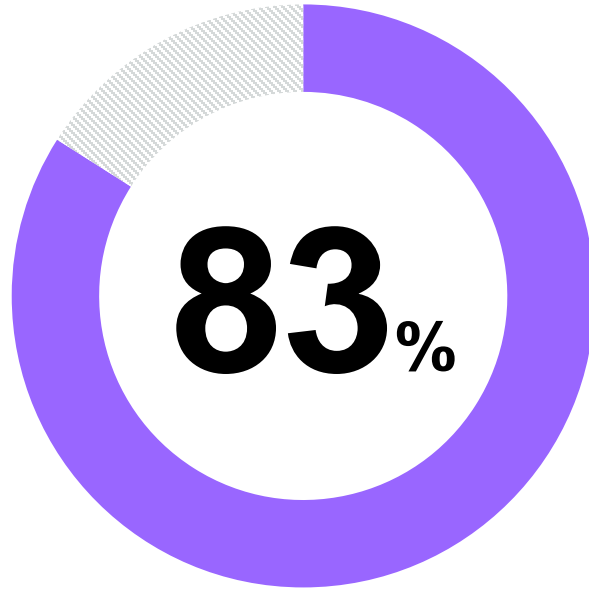
Chartered  
Accountants are  
seen as reliable  
professionals to  
guide businesses  
through crises

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CHARTERED ACCOUNTANTS CONTINUE  
TO SUPPORT BUSINESSES IN BUILDING  
LONG-TERM RESILIENCE, WITH  
EXPECTATION IN THIS AREA INCREASING

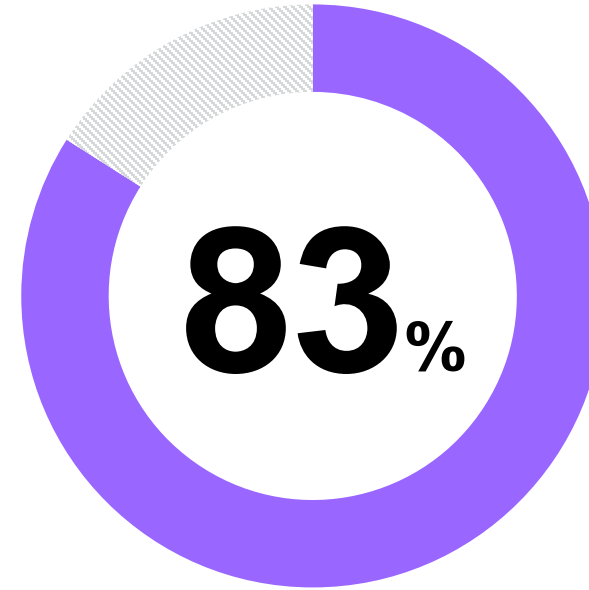


# Chartered Accountants' position as leaders to guide businesses through change has been consolidated over the last two years



Say Chartered Accountants have the skills to navigate a new operating environment in the future

81% in 2021

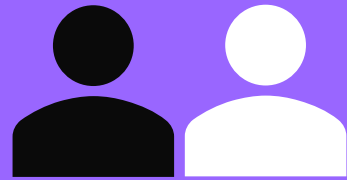


Say Chartered Accountants play a vital role in helping businesses adapt to new challenges

81% in 2021



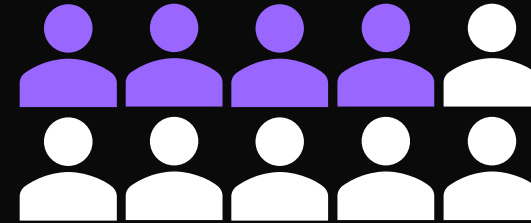
# Since 2021, the expectation on Chartered Accountants to help businesses become more resilient has increased



1 in 2 

Say it is very important that Accountants help businesses become more financially sustainable by fostering resilient business models (50%)

*In 2021, 45% said this is one of the most important responsibilities that Accountants have*



4 in 10

Say Chartered Accountants are performing very well in helping businesses become more financially sustainable by fostering resilient business models (42%)

(67% say performing well)

A group of four business professionals (three men and one woman) are seated in a modern office environment, engaged in a discussion. They are sitting on blue armchairs arranged in a circle. The office has large windows and a glass wall. The text is overlaid on the image in white, bold, uppercase letters. A red horizontal line is positioned above the text on the left side.

WITH ECONOMIC UNCERTAINTY  
SHOWING LITTLE SIGN OF ABATING, THE  
ROLE OF CHARTERED ACCOUNTANTS IS  
SEEN AS MORE IMPORTANT THAN EVER



# 77%

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Say they support businesses to manage economic uncertainty / the cost-of-living crisis

# 78%

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Say they are essential to businesses in navigating challenges arising from economic uncertainty / the cost-of-living crisis

# 77%

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Say their role has become more important to businesses since the current economic uncertainty / the cost-of-living crisis

**CAW3 2021: 75% said Chartered Accountants were essential to businesses in navigating challenges from COVID-19 and 72% for challenges of Brexit transitions**

CAW4 2023 Q101. Now thinking specifically about current economic uncertainty / the cost-of-living crisis and the impact it may be having on businesses, how much do you agree or disagree with each of the following in relation to Chartered Accountants? (NET Agree T3B) // CAW3 2021 Q7. Now thinking specifically about the COVID-19 pandemic, how much do you agree or disagree with each of the following in relation to Chartered Accountants? (NET Agree T3B) // Q8. Thinking about Brexit, how much do you agree or disagree with each of the following in relation to Chartered Accountants? (NET Agree T3B)

CAW4 2023 Base: All respondents (n=1,351), CAW3 2021 Base: All respondents (n=1,450) [UK&I (725)]

Having successfully supported businesses with Brexit and COVID, Chartered Accountants are now seen as crucial in supporting businesses during economic uncertainty and the cost-of-living crisis





# The majority of organisations have utilised the expertise of Chartered Accountants to help them navigate the uncertainty

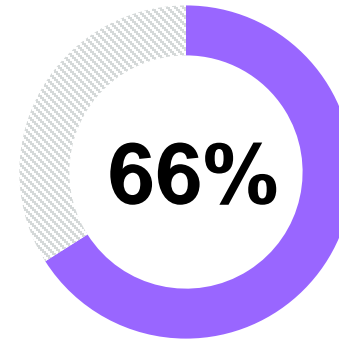
# 7 in 10

Say their organisation has turned to Chartered Accountants for their services or advice during the current economic uncertainty / cost-of-living crisis (67%)

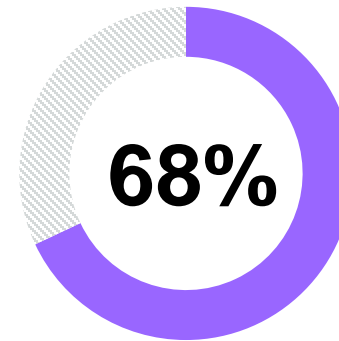
(65% in UK&I)

*Versus 66% and 60% who turned to Chartered Accountants during COVID and Brexit, respectively*

*\*Brexit only shown to UK&I*



Say their organisation **has relied on Chartered Accountants more** since the current economic uncertainty / the cost-of-living crisis



Say their organisation **will rely more on Chartered Accountants** in the next year to help navigate economic uncertainty / the cost-of-living crisis

CAW4 2023 Q101. Now thinking specifically about current economic uncertainty / the cost-of-living crisis and the impact it may be having on businesses, how much do you agree or disagree with each of the following in relation to Chartered Accountants? (NET Agree T3B)

CAW3 2021 Q7. Now thinking specifically about the COVID-19 pandemic, how much do you agree or disagree with each of the following in relation to Chartered Accountants? (NET Agree T3B) // Q8.

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CAW4 2023 Base: All respondents (n=1,351) [UK&I (901)] // CAW3 2021 Base: All respondents (n=1,450) [UK&I (725)]

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Purpose initiatives  
are increasingly  
important, creating  
continued  
opportunity for  
Chartered  
Accountants in this  
space



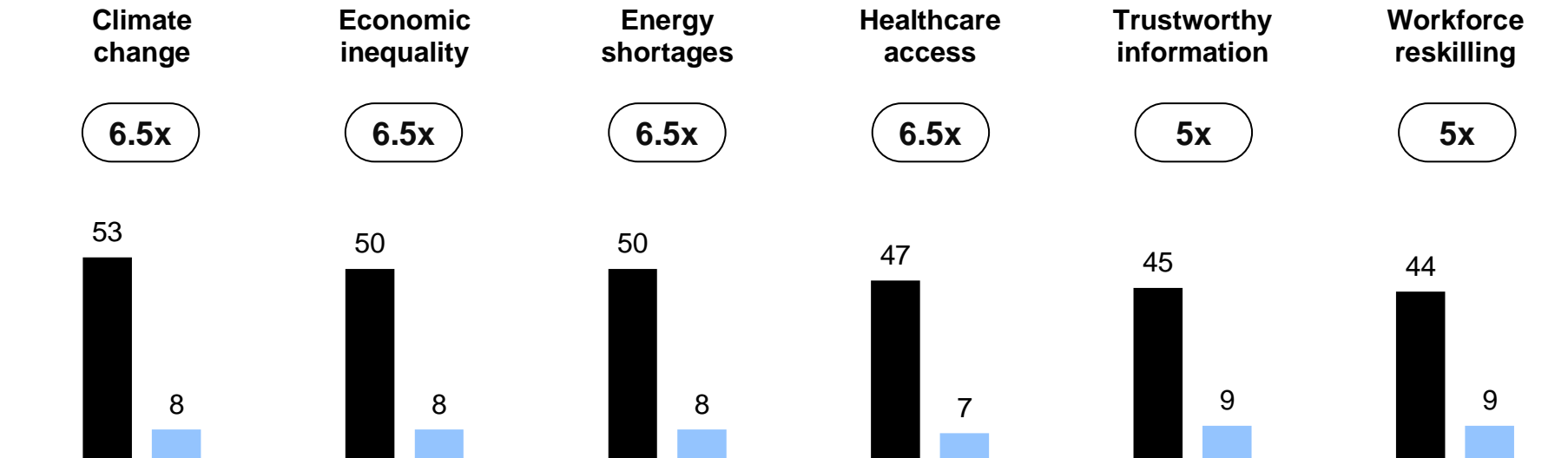
# In the 2023 Trust Barometer research, we see people want more societal engagement from business, not less

GLOBAL 27

On addressing each **societal issue**, business is

■ not doing enough    ■ overstepping

Multiplier  
not doing enough vs overstepping



This offers opportunity for Chartered Accountants to help businesses be bolder in purpose initiatives

2023 Edelman Trust Barometer. BUS\_BND. Think about business as an institution, and its current level of engagement in addressing societal needs and issues. When it comes to each of the following areas, please indicate if you think business is going too far and overstepping what it should be doing, is doing just the right amount in regard to this activity, or is not going far enough in its actions and should be doing more. 3-point scale; code 3, “not doing enough”; code 1, “overstepping”. General population, 27-mkt avg. The multipliers are rounded to the nearest .5.

# However, Purpose has become more important in driving Trust in Accountants, particularly speaking out on social and environmental issues

% Who say the following are very important in building Trust in Accountants (NET Very important)		CAW3 2021	CAW4 2023	Difference
<p><b>68%</b> NET Purpose ESG</p>	Balancing commercial and public interest in their work	31%*	40%	+9 ↑
	Speaking out publicly about social and / or environmental issues	19%*	32%	+13 ↑
	Speaking out publicly about issues that relate to public interest	25%*	38%	+13 ↑
	Driving DEI practices in businesses	36%	39%	+3
	Measuring and reporting on businesses' ESG performance	40%	39%	-1
	Driving sustainable environmental practices in businesses	35%	37%	+2

\* Statements were part of Q2 in CAW3 2021, using a slightly different scale: "This is one of the most important responsibilities that Accountants have to do"

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THERE IS OPPORTUNITY FOR CHARTERED  
ACCOUNTANTS TO BE MORE VOCAL ON ESG  
AND SHOWCASE COLLABORATIONS WITH  
GOVERNMENT IN THIS SPACE

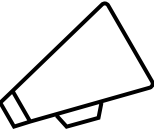
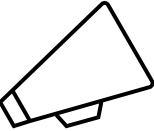


# Both Chartered Accountants and Chartered Accountancy Professional Bodies have seen some declines on measures relating to Purpose

% Who say Accountants are performing very well on the following (NET Performing very well) Ranked by CAW4 2023		CAW4 2023	Difference vs. CAW3
<b>62%</b> NET Chartered Accountants (CAW4 2023)	Balancing commercial and public interest in their work	39%	-
	Measuring and reporting on businesses' ESG performance	38%	-3
	Driving DEI practices in businesses	36%	-1
	Driving sustainable environmental practices in businesses	34%	-2
	Speaking out publicly about social and / or environmental issues	31%	-
	Speaking out publicly about issues that relate to public interest	31%	-
<b>48%</b> NET Chartered Accountancy Professional Bodies (CAW4 2023)	Supporting businesses in measuring and reporting their environmental, social and governance practices	30%	-
	Encouraging commitment among members towards sustainability and driving ESG measures	29%	-6 ↓
	Driving improvements in diversity, equity, and inclusion (DEI) in the accountancy sector	28%	-7 ↓
	Speaking out publicly about issues that relate to public interest	26%	-
	Speaking out publicly about social and / or environmental issues	25%	-



# There is opportunity to be bolder in communications – and speak out proactively on issues

% Who say Accountants are performing very well on the following (NET Performing very well) Ranked by CAW4 2023		CAW4 2023	Ranked performance
Balancing commercial and public interest in their work		39%	1st
Measuring and reporting on businesses' ESG performance		38%	2nd
Driving DEI practices in businesses		36%	3rd
Driving sustainable environmental practices in businesses		34%	4th
<b>Speaking out publicly about social and / or environmental issues</b>		31%	=5th
<b>Speaking out publicly about issues that relate to public interest</b>		31%	=5th
Supporting businesses in measuring and reporting their environmental, social and governance practices		30%	1st
Encouraging commitment among members towards sustainability and driving ESG measures		29%	2nd
Driving improvements in diversity, equity, and inclusion (DEI) in the accountancy sector		28%	3rd
<b>Speaking out publicly about issues that relate to public interest</b>		26%	4th
<b>Speaking out publicly about social and / or environmental issues</b>		25%	5th



# Moving forward, there is appetite for resources from Chartered Accountancy Professional Bodies to guide businesses, as well as greater visibility on partnerships

45%



Say that ESG is an area they'd like to see more resources from Chartered Accountancy Professional Bodies on

34%



Say that ESG is one of the top priorities where Chartered Accountancy Professional Bodies should be partnering with governments

Particularly DEI, Climate Change and sustainable development goals



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Chartered  
Accountants have a  
key opportunity to  
capitalise on their  
position as data  
guardians



AS TECHNOLOGY ADVANCES AND RISK INCREASES, CONTROL OVER DATA IS BECOMING MORE IMPORTANT THAN EVER

# Data accuracy and misinformation are key concerns for Financial Decision Makers in our study, especially for those working in bigger organisations

# 7 in 10

Say challenges relating to data accuracy and misinformation are key concerns for my business (68%)



Small organisation

55%



Medium organisation

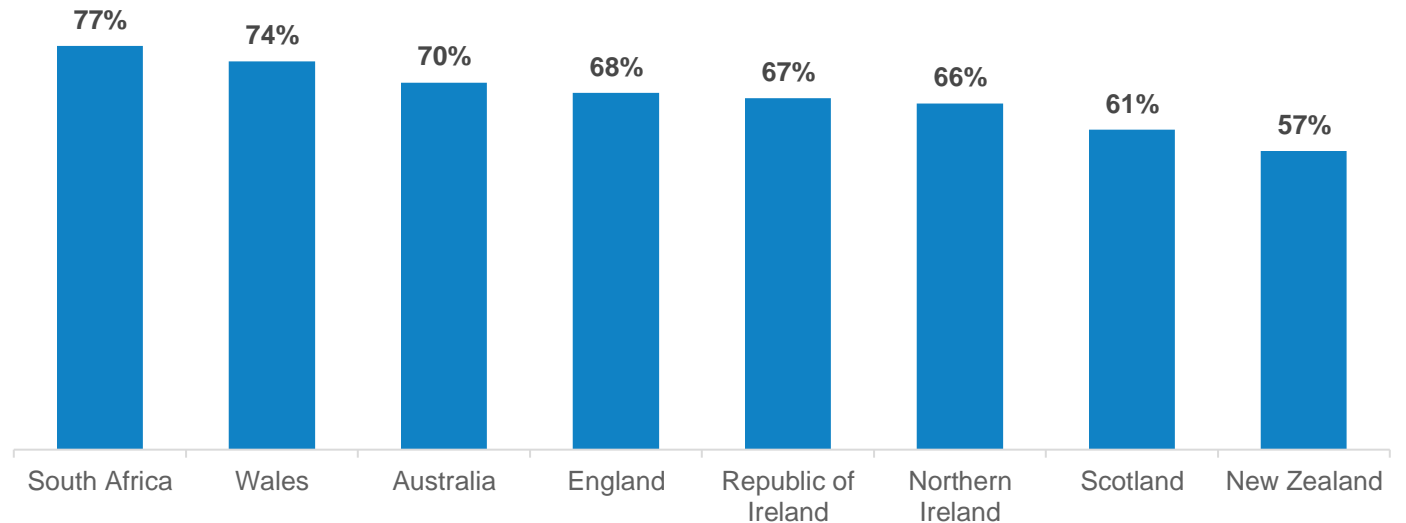
75%



Large organisation

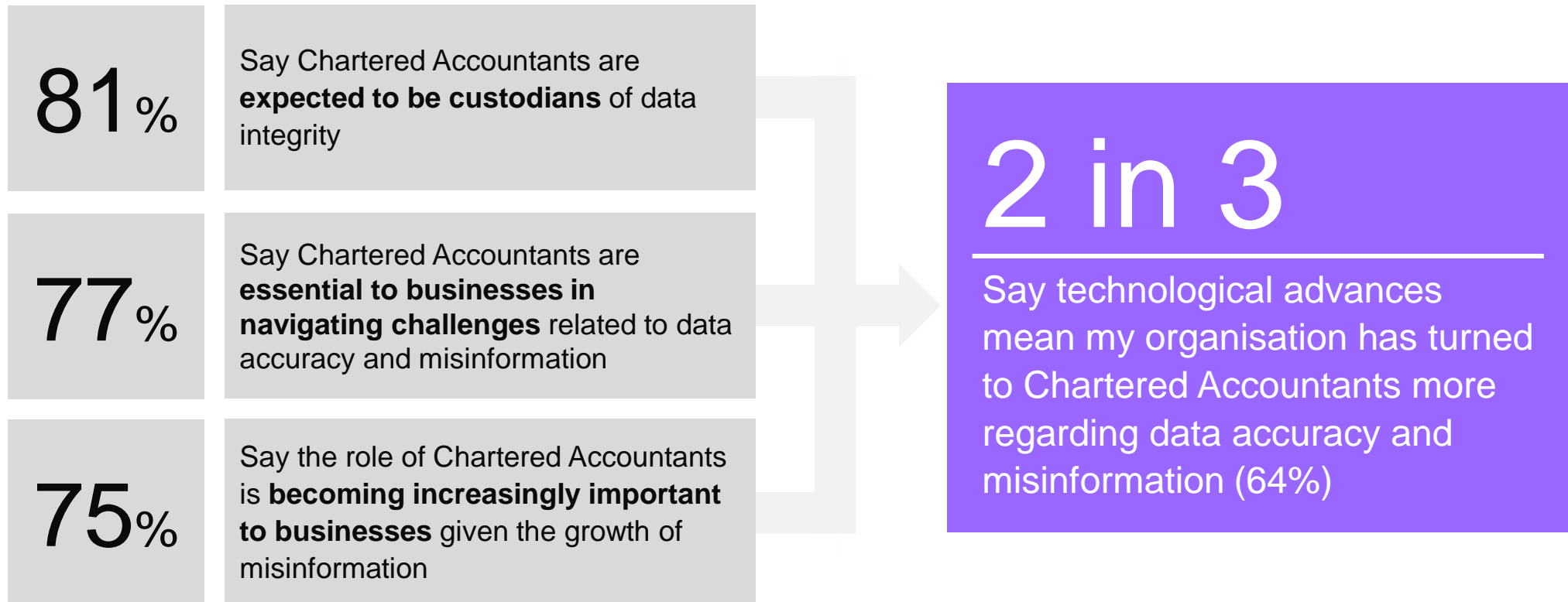
84%

% Who say challenges relating to data accuracy and misinformation are key concerns for my business (NET Agree)





# FDMs recognise the role that Chartered Accountants can have in ensuring data governance - leading their organisations to use Chartered Accountants more





Chartered Accountants' role as data guardians is confirmed as many businesses have relied on them to navigate recent challenges related to data and misinformation

# 7 in 10

Say their organisation relies on Chartered Accountants to ensure the integrity of data (69%)



Small organisation

54%



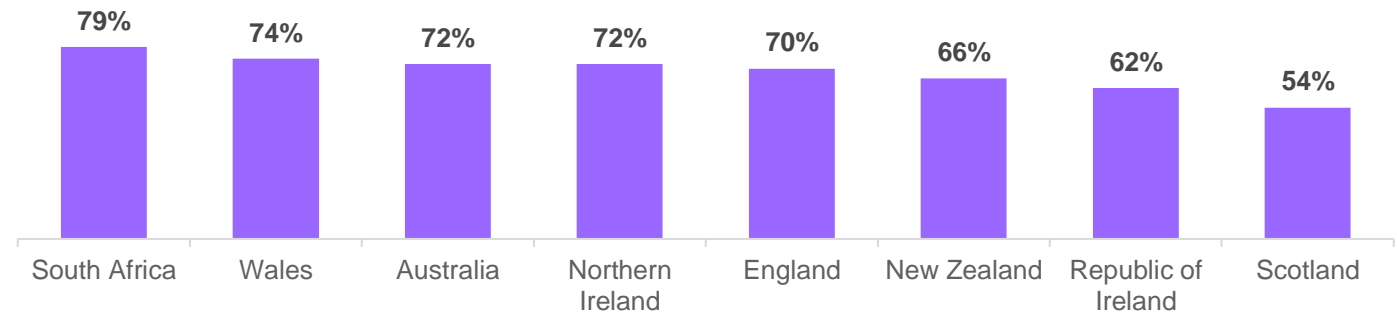
Medium organisation

79%



Large organisation

83%



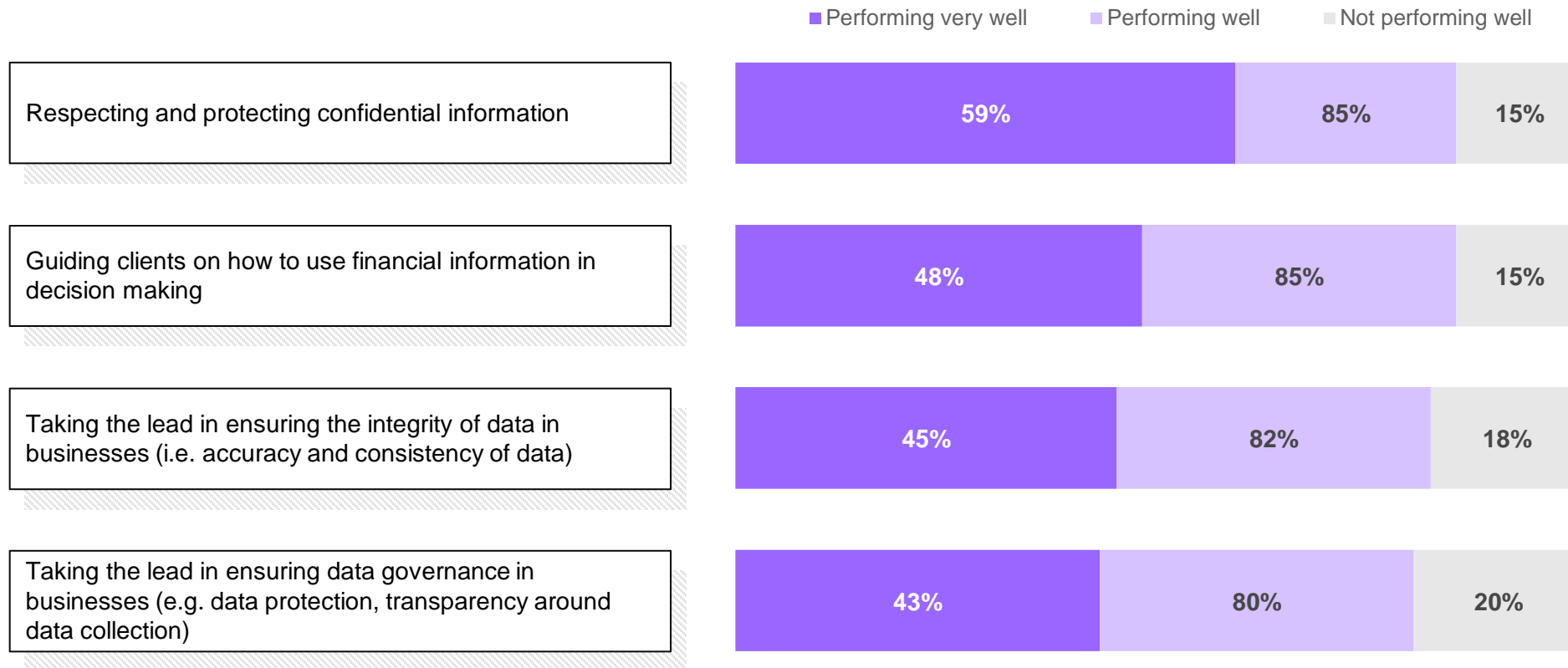
CAW4 2023 Q104. Still thinking about the role of Chartered Accountants, how much do you agree or disagree with each of the following? (NET Agree T3B)

CAW4 2023 Base: All respondents (n=1,351) [England (400), Wales (101), Scotland (150), NI (50), ROI (200), Australia (125), NZ (125), RSA (200), Small organisations (635), Medium organisations (416), Large organisations (300)]



# And Chartered Accountants are seen to be meeting this challenge - performing well on ensuring the protection and integrity of data

**% Who say Chartered Accountants are performing very well on the following (NET Performing very well)**

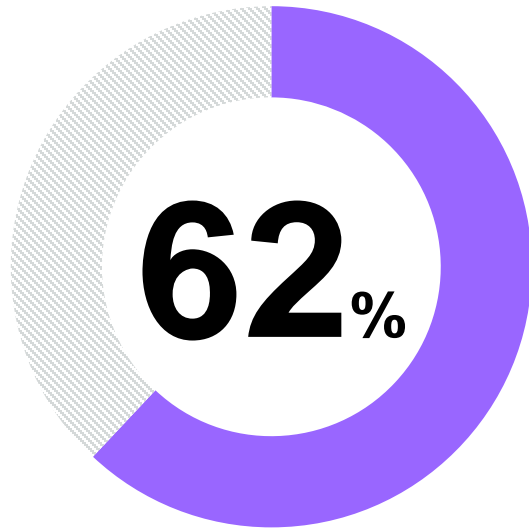


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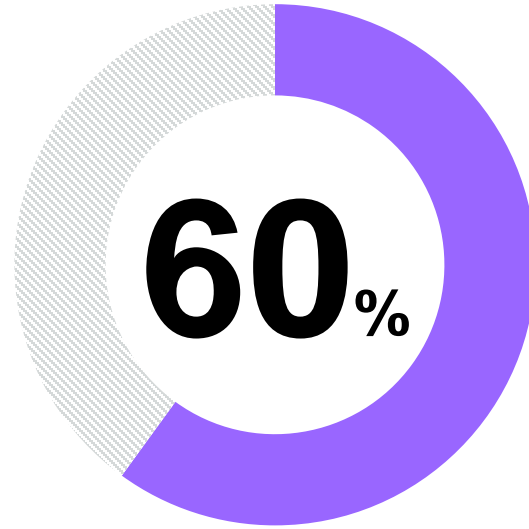
# THERE ARE SOME CONFLICTING NARRATIVES AROUND THE THREAT OF ARTIFICIAL INTELLIGENCE AND AUTOMATION



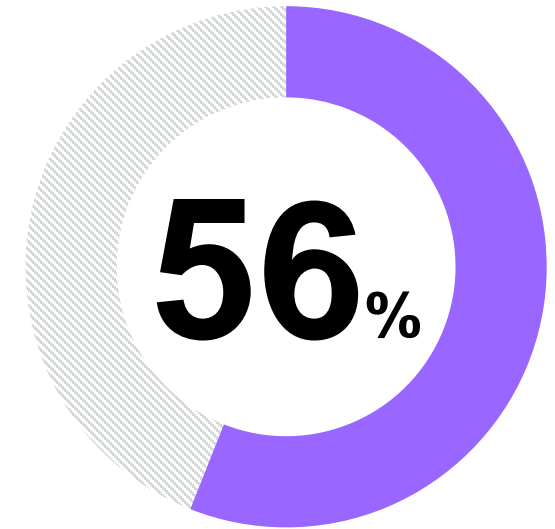
On one hand, financial decision makers recognise the potential threat that AI and automation can pose



Say the role of Chartered Accountants is under threat from AI / automation



Say the role of Chartered Accountants is under threat from developments in blockchain



Say the role of Chartered Accountants is becoming less important in business due to emerging technologies





# Yet at the same time they are confident that digitalisation and the rise of AI will ultimately not affect the importance of Chartered Accountants

# 8 in 10

Say that the value Chartered Accountants provide could not be replaced by automated systems (80%)



Small organisation

76%



Medium organisation

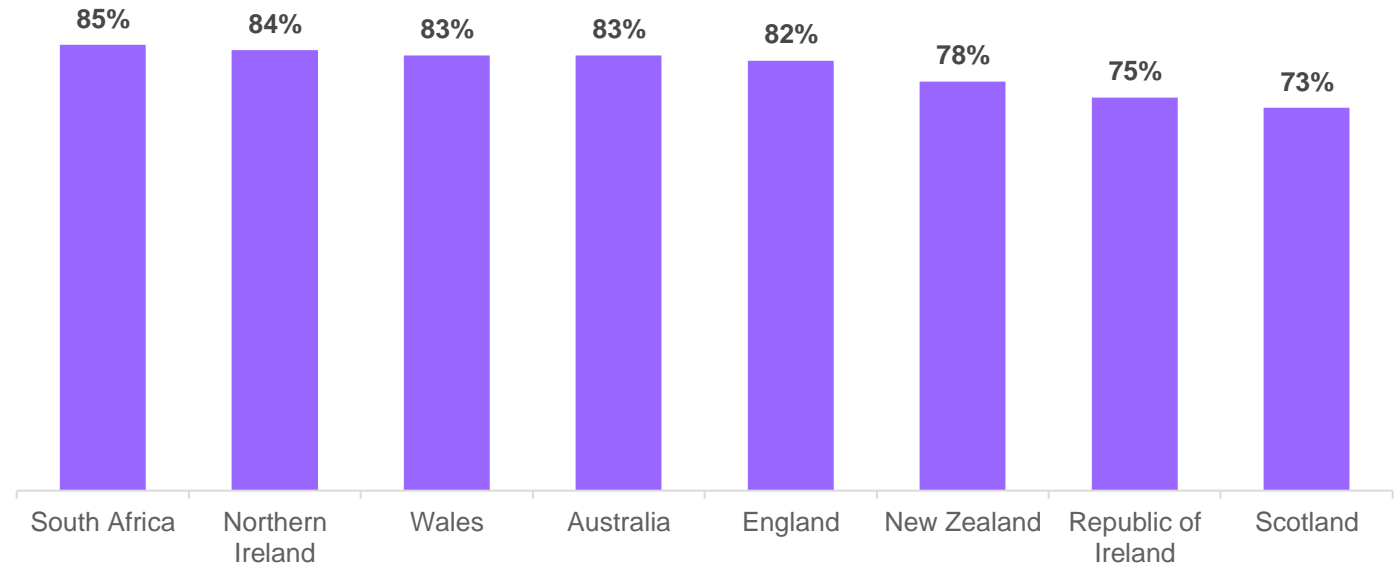
84%



Large organisation

85%

% Who say the value Chartered Accountants provide could not be replaced by automated systems (NET Agree)





In fact, on the contrary, Chartered Accountants are actually helping businesses with their digital transformation

There is opportunity to *utilise* rather than be afraid of automation

## 8 in 10

Say they have used / intend to use Chartered Accountants to lead the digital transformation in their organisation (77%)

■ Have used ■ Intend to use ■ Do not intend to use



## 8 in 10

Say Chartered Accountants are expected to be tech savvy (81%)