

Making Sense of Accounting Education in a World of Change: *An Accounting Firm Viewpoint*

From my personal experience working in an accounting firm, and irrespective of whether professional accountants have been in the profession for a number of years or are still grasping the concept of debits and credits, many of their core skills have inevitably remained unchanged. If you believe what others tell you, you might even think professional accountants and aspiring accountants are all about numbers, data, and calculations. While there's definitely some truth in that, the reality, as always, is more complicated.

Having a “good head for figures” is one thing, but I believe our profession is one built around people—with their professional competence being reinforced through practical experience. Most importantly, is the ability of individuals to:

- communicate and distill complex tax, advisory, or accounting issues into meaningful solutions;
- fact-find and apply critical thinking; and
- demonstrate courage, tenacity, and a willingness to challenge clients' and colleagues' conclusions.



Building these skills raises critical questions for those involved in accountancy learning and development: How are these skills best developed, especially when so many relate to professional judgment and behavior?

The International Accounting Education Standards Board (IAESB)'s adoption of a learning outcomes based approach to standards development—that is, focusing on what skills have been achieved through learning and development—provides us with a clue: it's really all about demonstration of skills.

Whether it's on-the-job coaching, mentoring, or applying learning to a specific scenario—real learning happens when the unexpected occurs. While case studies can demonstrate how knowledge or skills can be applied, it's only when reality hits that we are forced to apply basic principles to deal with context and nuance, and think our way through the challenges in front of us. The real skill isn't just a capacity to retain knowledge but an ability to flex behavior to meet changing circumstances.

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The onset of the digital age has led many to conclude that we're living in a period when “disruptors” constantly shape the way in which we operate. Accounting firms are already at the forefront of that change. One consequence is that as technology changes, so too does the importance of continuous learning and development. As a result Continuing Professional Development (CPD) has never been more valuable to safeguard the quality of the services professional accountants in accounting firms provide to their clients—whether for commerce, charities, public sector, or private individuals. That is why the IAESB's plan

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to **revise International Education Standard 7**, which addresses CPD, is so important for the entire profession. How professional accountants take the skills and behaviors acquired in their formative years and adapt these to an ever-changing work environment remains a critical measure of how our profession maintains quality in order to improve trust in all that we do.

Changes from globalization, such as shared service centers and IFRS convergence, along with societal interest in ethical concerns on subjects such as transfer pricing, tax avoidance, and offshoring of profits have led to a need for many professional accountants to “think global but act local.” The landscape, certainly from an accountancy education perspective, is a challenging one.

Taking audit as an example, change has driven practitioners to constantly challenge how they approach audits in order to be more professionally skeptical, effective, and efficient. Some of this has

been driven by (i) revisions and updates to the International Auditing and Assurance Standards Board (IAASB)’s International Standards on Auditing to ensure the standards remain effective in an increasingly global and complex world, (ii) increased regulation (including cross-border coordination by regulators), (iii) more integrated use of technology within audit approaches, and (iv) greater complexity in client accounting issues.

As a result, the IAESB’s work in coordination with other international standards-setting boards as part of the **Professional Skepticism Working Group** will help to identify potential ways in which professional accountants, including auditors, can develop and maintain their professional skepticism.

It goes without saying that technology remains one of the biggest challenges for accounting firms and their staff. I started in the profession 20 years ago—when we shared a rather bulky laptop within the engagement team—and the highlight of the day was seeing our work come to life on a dot matrix printer!

Today, professional accountants are faced with a whole new landscape and language when it comes to technology. For those individuals working in accounting firms challenges include developing newer skills, which depending on their role, could include:

- applying fair value accounting on a newly developed piece of software;
- tagging data using iXBRL for tax authorities;
- using IT to collaborate with clients and across jurisdictions;
- integrating data analytics as part of an audit approach; and
- providing advice on cybersecurity gaps in financial reporting systems.

Information and Communications Technology (ICT) skills remain a critical and ongoing area of professional development for all of us. Professional accountants have to understand not just the functional aspects of technology that we (and our clients) might use day to day but we also need to consider the integrity of data, reports, and visualizations produced.



International Education Standards that balance the challenge of rapidly changing ICT skillsets along with a willingness to review existing learning outcomes will, in my view, provide a sound basis to help the entire profession identify current and future learning needs during this period of great change.

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