IFAC Accountancy Education

Overview of Recent Changes to the International Education Standards

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Chair, International Panel on Accountancy Education
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The Need for Accountants to Change

- *“35. Change is a significant characteristic of the environment in which professional accountants work, requiring them to develop and maintain their professional competence throughout their careers.”*

Business Case for ICT Skills

- By 2021, 23% of educators say graduates will have data science and analytical skills and 69% of employers say they prefer someone with these skills[1]
- 63% cited lack of skilled teams as a key obstacles to digital innovation[1]
- Finance professionals spend half their time on gathering data and the other half analyzing the data[2]
- Two years ago 78% of CFOs considered proficiency in Excel as the most important skill for their FP&A teams. Only 5% feel the same today. Instead, CFOs rated adaptability to new technologies as the top skill for new hires.[3]
- Data has been called the world's most valuable resource[4]

(1) PwC's 2017 Global Digital IQ Survey: 10th anniversary edition
(2) PwC's Finance Effectiveness Benchmark Report 2017
(3) Adaptive Insights, Q42017 CFO Survey
(4) PwC's Confidence in the Future. How tomorrow's technologies can help the finance function of today

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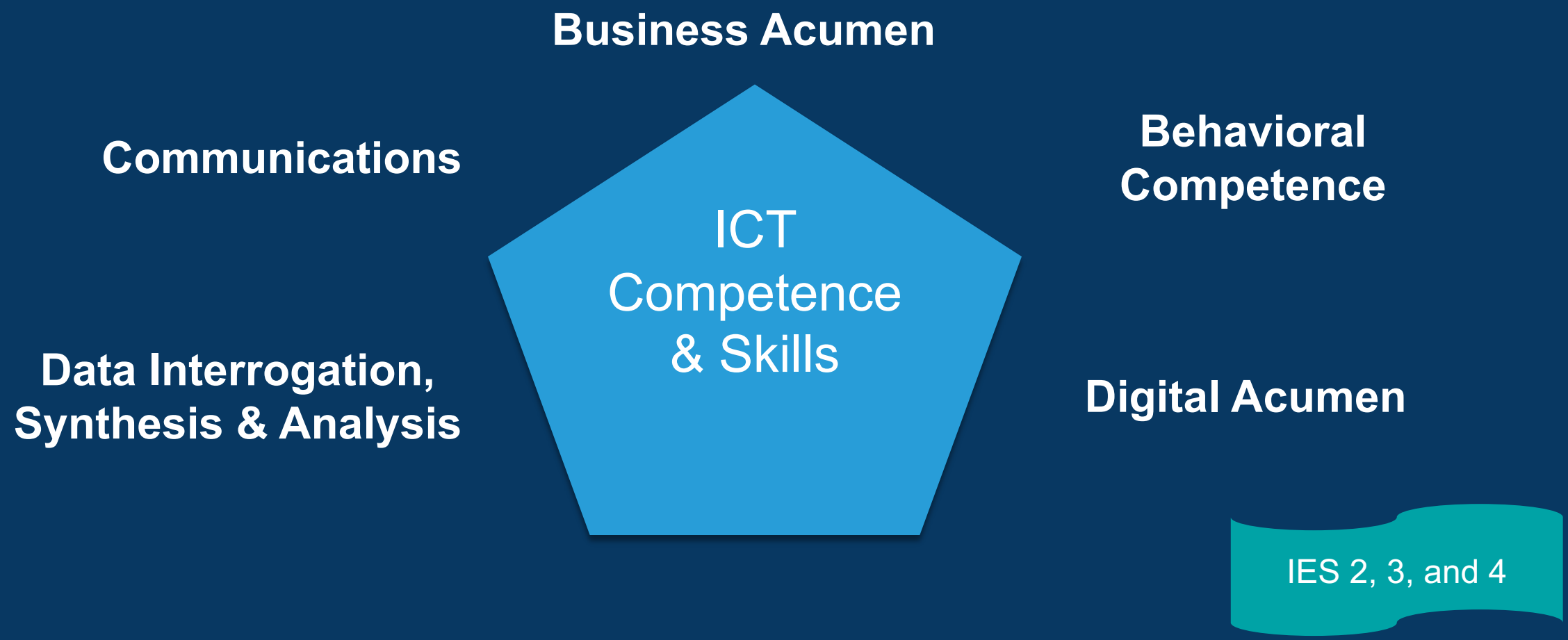
Global CEO Survey

Source: PwC's 22nd Annual Global CEO Survey Trend Series: Talent Trends 2019

Information and Communications Technologies



ICT Learning Outcome

IES 2 (b) Management Accounting

iv) Analyze data and information to support management decision making.

ICT Non-Authoritative Learning Outcome

- Describe how structured, semi-structured and unstructured data are used by an organization to capture and record transactions.
- Use ICT, including data analytics and visualization tools and techniques, to enhance the presentation, communication and interpretation of data and information for decision making.

ICT Learning Outcome

IES 2 (f) Governance, risk management and internal control

v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, or sharing data and information.

ICT Non-Authoritative Learning Outcome

- Explain how data and information is transferred into, within and out of an organization
- Use ICT to analyze the efficiency and effectiveness of processes and controls in an organization.
- Develop appropriate responses to process and control failures.

ICT Learning Outcome

IES 3 (b) Interpersonal and communication

i) Demonstrate collaboration, cooperation, and teamwork when working towards organizational goals.

ICT Non-Authoritative Learning Outcome

- Discuss the potential for emerging ICT to improve processes, controls and stakeholder engagement
- Apply ICT to communicate effectively and enhance professional relationships
- Evaluate how new and emerging ICT has the potential to change the channels of communications from and across systems.

Professional Skepticism Update

- "Individual differences in the exercise of skepticism can be traced to inherited traits and or learned experiences; and that **skepticism as an attitude can be taught and learned, and performance improved**."

IES 2, 3, and 4

Continuing Professional Development

Agenda Item 6-5

IAESB

Implementation Support Materials
December 2018

CPD Frameworks

The IAESB has developed a set of guidance material to support consistency of understanding, adoption and implementation of International Education Standard 7, *Continuing Professional Development (Revised) (IES 7)*.

The purpose of this implementation support material is to promote better understanding of the CPD framework concept introduced in IES 7 (Revised).

Background:
IES 7 (Revised) continues to establish that professional accountants, regardless of sector or size of the organization in which they operate, undertake relevant CPD to develop and maintain professional competence to perform their role as a professional accountant.

The IAESB expects that the revision of IES 7 will enhance accountability in building and improving the quality and consistency of professional accounting education, and as a result, the competence of professional accountants through CPD. The incorporation of the concept of a CPD framework in IES 7 (Revised) is one reason the IAESB expects the revision of IES 7 will accomplish these broad goals:

> *Acknowledging that professional accountants have differing learning and development needs, IFAC member bodies may develop CPD frameworks that can provide structure, guidance, or explanation of concepts in order to support the learning and development of professional accountants. CPD frameworks may help professional accountants identify, undertake, and record relevant CPD.*[1]

This guidance material is intended to support, through further explanation, the example CPD framework included in IES 7 (Revised) at paragraph A10.

The Value of CPD Frameworks:
Within the IESs, establishing that professional accountants undertake relevant CPD to develop and maintain professional competence necessary to perform their role as a professional accountant serves several purposes. It helps protect the public interest, supports the performance of high quality services for clients, employers, and other stakeholders, and promotes the credibility of the accountancy profession.[2]

A common challenge for programs of CPD across many industries, including the accountancy profession, is the perception that CPD is a 'compliance exercise.' When professional accountants do not perceive that CPD is an important aspect of lifelong learning that helps them develop and maintain professional competence, the quality and consistency of CPD undertaken by professional accountants suffers, and the likelihood that CPD will sufficiently serve its several purposes is diminished.

While there is not a universal CPD schema or program framework, some industries include a CPD framework or cycle in their CPD policies or guidance to help overcome the perception that CPD is a 'compliance exercise'. The IAESB studied CPD schemas and program frameworks included in the CPD literature of other professions when developing the example CPD framework included in IES 7 (Revised).

[1] IES 7 paragraph A10
[2] IES 7 paragraph A7

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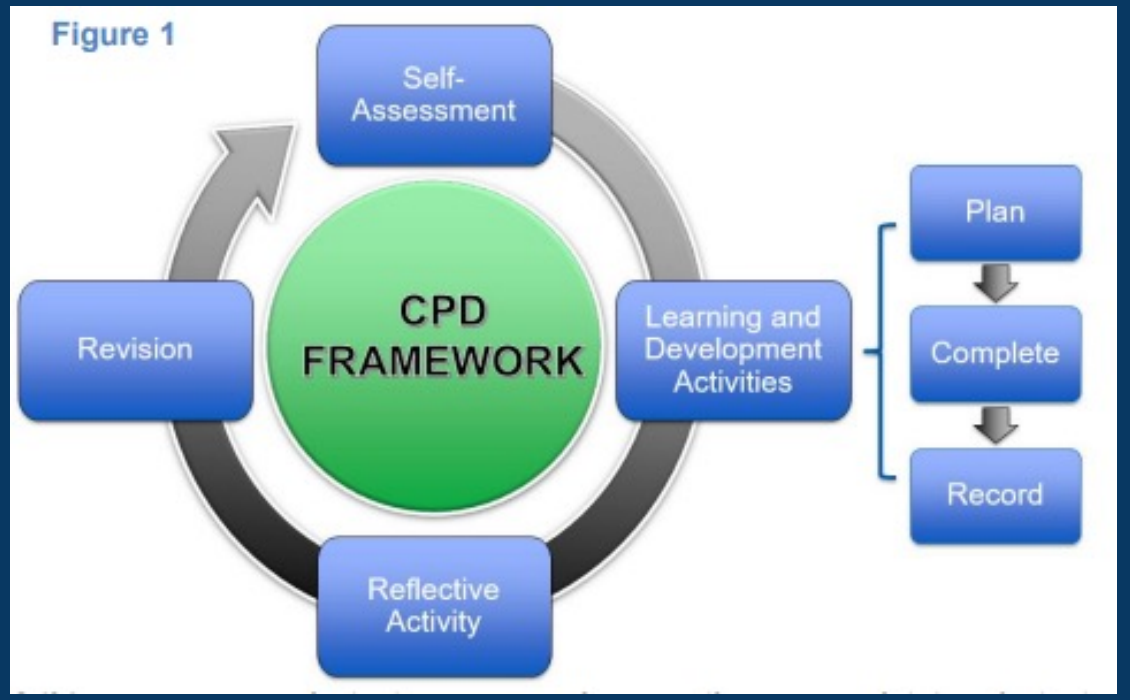

IES 7

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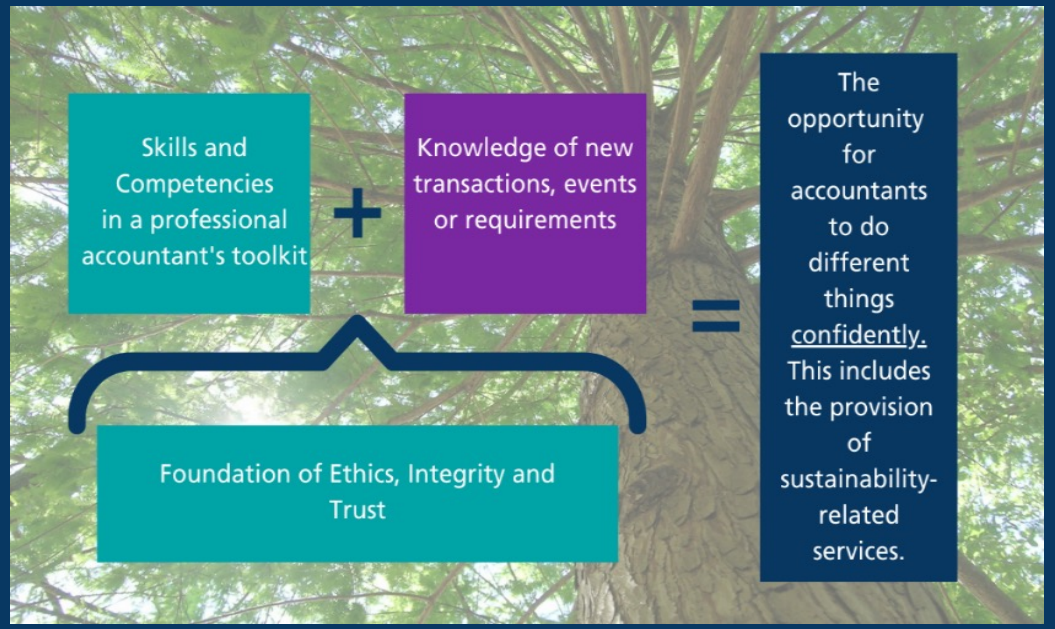
Looking Forward

- What is the impact of ESG to the IES?

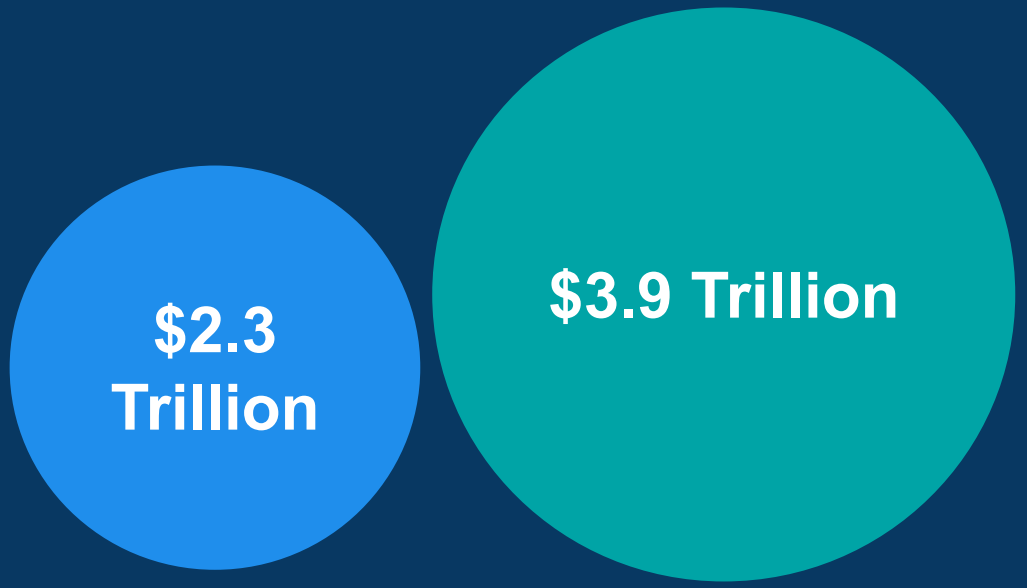


The Case for Change

The Desire for Companies to Play a Role

83%	Consumers
91%	Business Leaders
86%	Employees

The Case for Change



Total Global Sustainability Funds

Source: Morningstar

Thank You!