Highlights of the PULSAR/STAREP EduCOPs event 3-4 November 2022

Jon Hooper, 1 December 2022

Part 1 – Overview of the recent changes to IESs

» Changes made so that professional accountants' skills and competence meet the public interest and the needs of stakeholders, mostly in the areas of Information and Communication Technologies and Professional Skepticism.

» IESs 2,3,4 and 8 were updated accordingly

» What's the need? 69% of employers said they need data science and analytical skills, but only 23% of educators say graduates will have these skills

» Changing environment for accountants means ICT skills must be updated

» Professional scepticism more and more highlighted as key by employers, employees, regulators and students... and the public e.g. German scandal

Part 2 – Implementing the changes

- Practical aspects of implementing the changes related to:
  - o Financial impact of the changes
  - o The scale and timing of implementing the changes
  - o Covid
- Key challenges related to:
  - o Updating curricula
  - o Introducing changes to exams
  - o ToT for lecturers
  - o Training of workplace supervisors

Part 2 – Implementing the changes

- Aligning initial curriculum was the key challenge

- IFAC noted that assessed PAO SMO compliance goes to partial from full due to changes – and this often depends on the influence of the PAO on accounting education and CPD. Example – CPD easier in Germany than universities

- A post-implementation review including workshops and a survey on how the new ICR requirements are being implemented will be launched and carried out by IFAC shortly

Part 3 – The transition from IAESB to IPAE

» Transition from IAESB to new education model over last 3 years. IESs now under IFAC, the Model and Panel are more about implementation.

» The new model aims to be more agile. Its aims for responses that are more than just a new standard. The model is recognized as best practice by OECD

» There is multi-stakeholder engagement – educators, students, PAOs. IFAC accesses Education directors from 160 PAOs, 60 firms.

» Improved knowledge sharing and advocacy.

Part 3 – The transition from IAESB to IPAE

» The Panel provides strategic advice, access to expertise and resources and advocacy.

» 22 members, 5 observers (WB, Academic), 5 innovation teams.

» IFAC is considering amendments to IES 6 on assessments, and there have been suggestions of a new SMO or IES on sustainability. IFAC is also looking at barriers to implementation of IESs.

» Example of IESs implementation in Germany – IESs are the basis of the auditor qualification. The PAO appears to be combining the IESs outcome approach with specific subject areas. Universities are harder to control than the PAO

Part 4 – Hot topics in accountancy education

» US CPA:

  » Looking at changing their model but keeping the core of Audit, Accounting and Tax.

  » 3 options: Tax compliance and planning, Business analysis and reporting, and Information systems and controls. All integrate data analysis and technology.

  » Highlighted challenges of teaching on data analysis

  » Alphabet soup regarding ESG. 91% of companies report on sustainability, but only 51% provide any assurance.

  » Looking at integrating ESG into their syllabi. ICAEW have a similar approach. CAANZ has a separate elective on sustainability

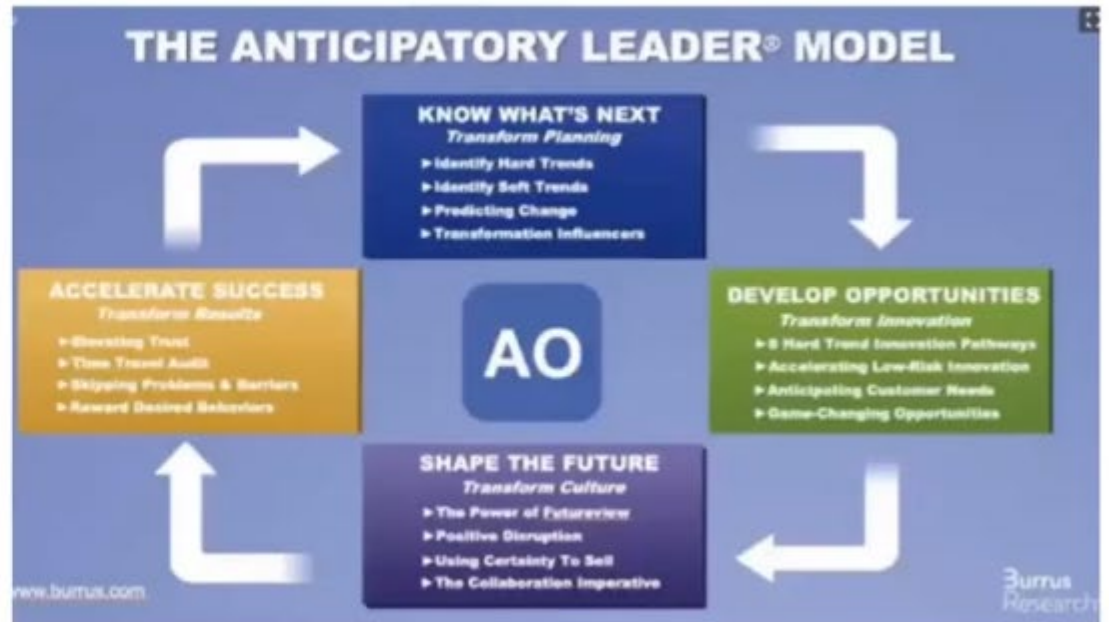# Part 4 – Hot topics in accountancy education

» IFAC/ICAM:
  - » 'Omnipresent technology and data' – profession can't wait, must develop new competencies
  - » Many models - the Anticipatory Leader Model, T-shaped professional (wide vs deep), ethics in a digital era
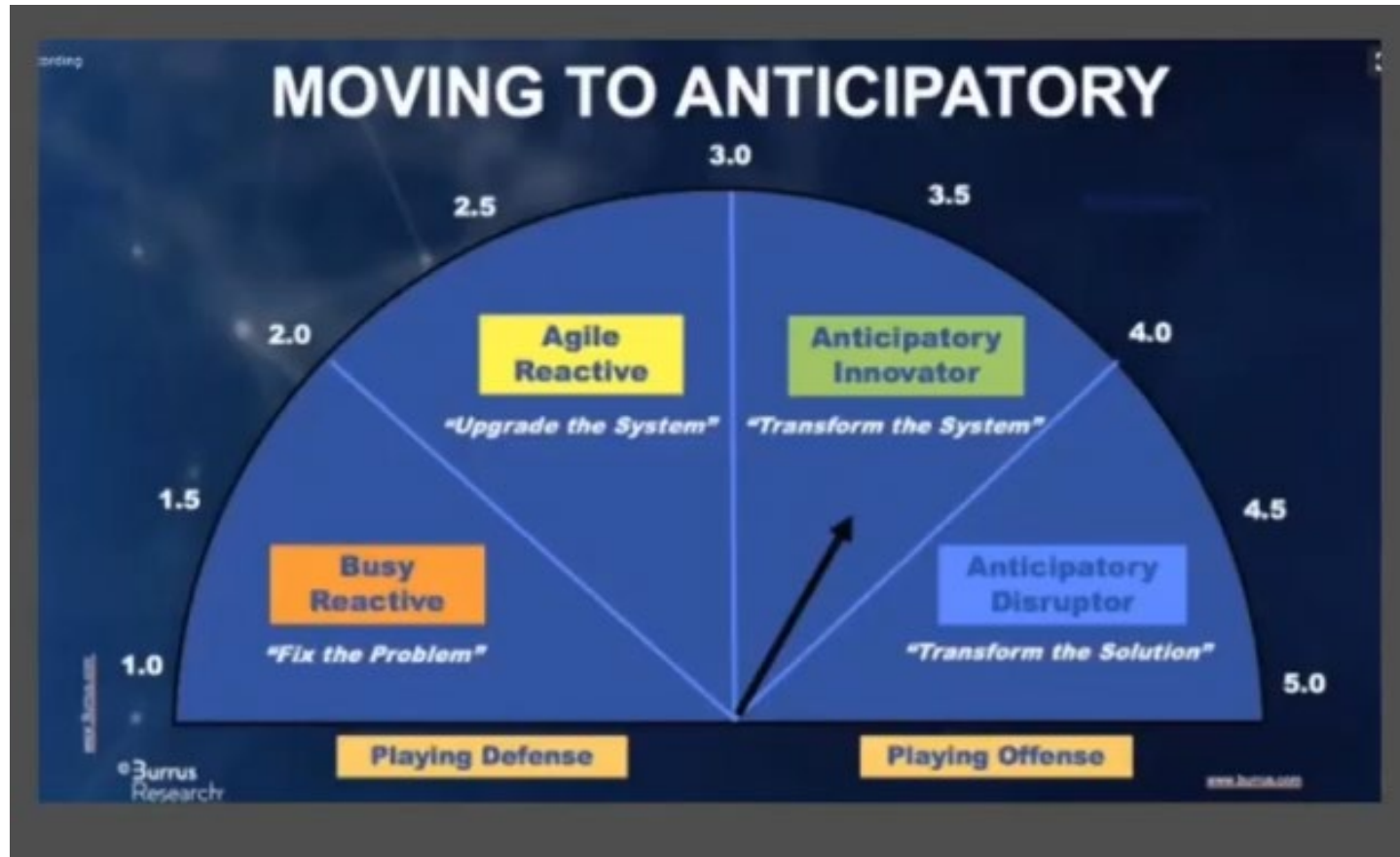
» ACCA:
  - » 5 drivers of change; environment one of them. 50% of GDP depends on nature.
  - » Consumers, investors expect SMEs to address sustainability; SMPs must learn to support this.
  - » Seven core priorities of accountants – one is sustainability.
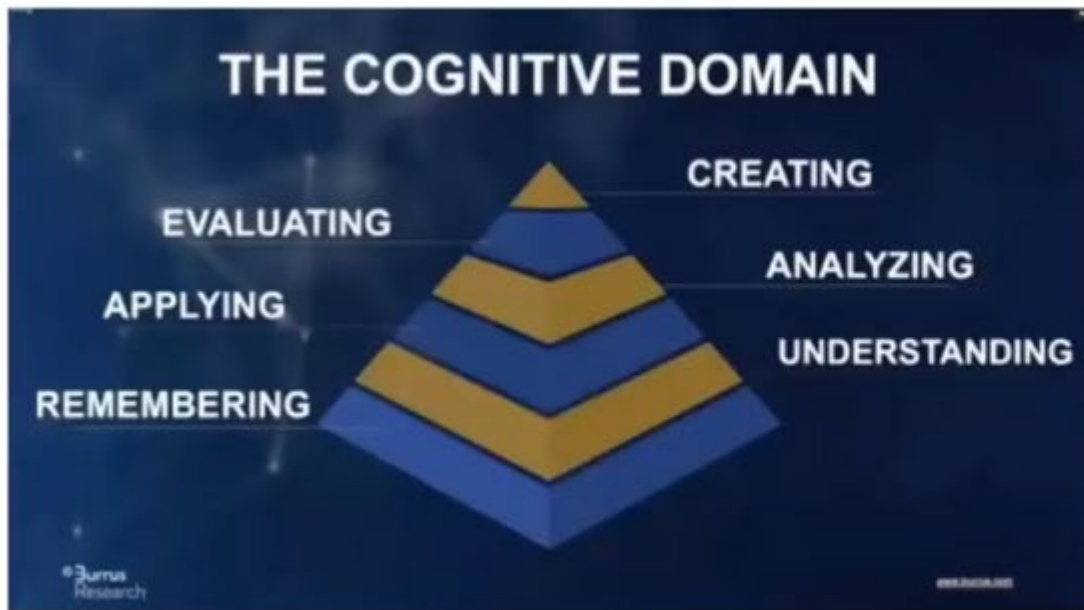
Models galore!

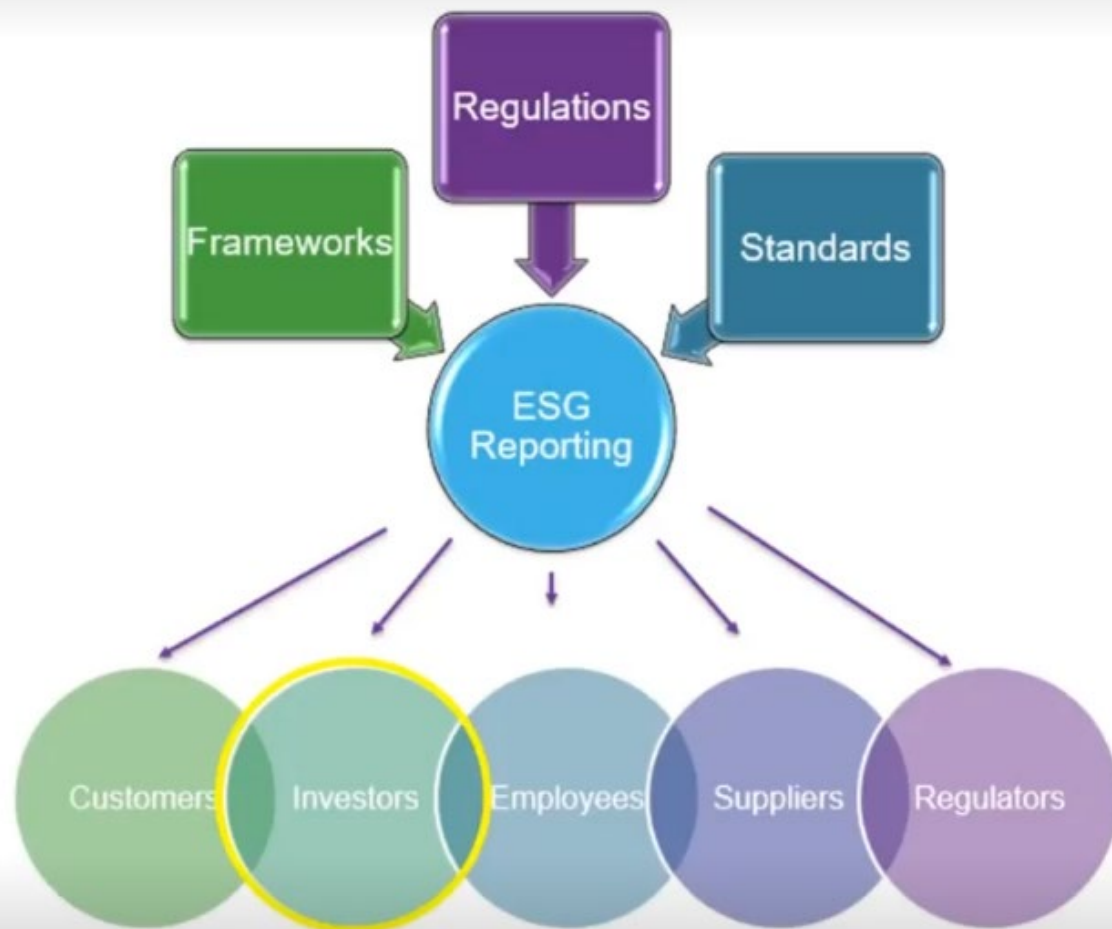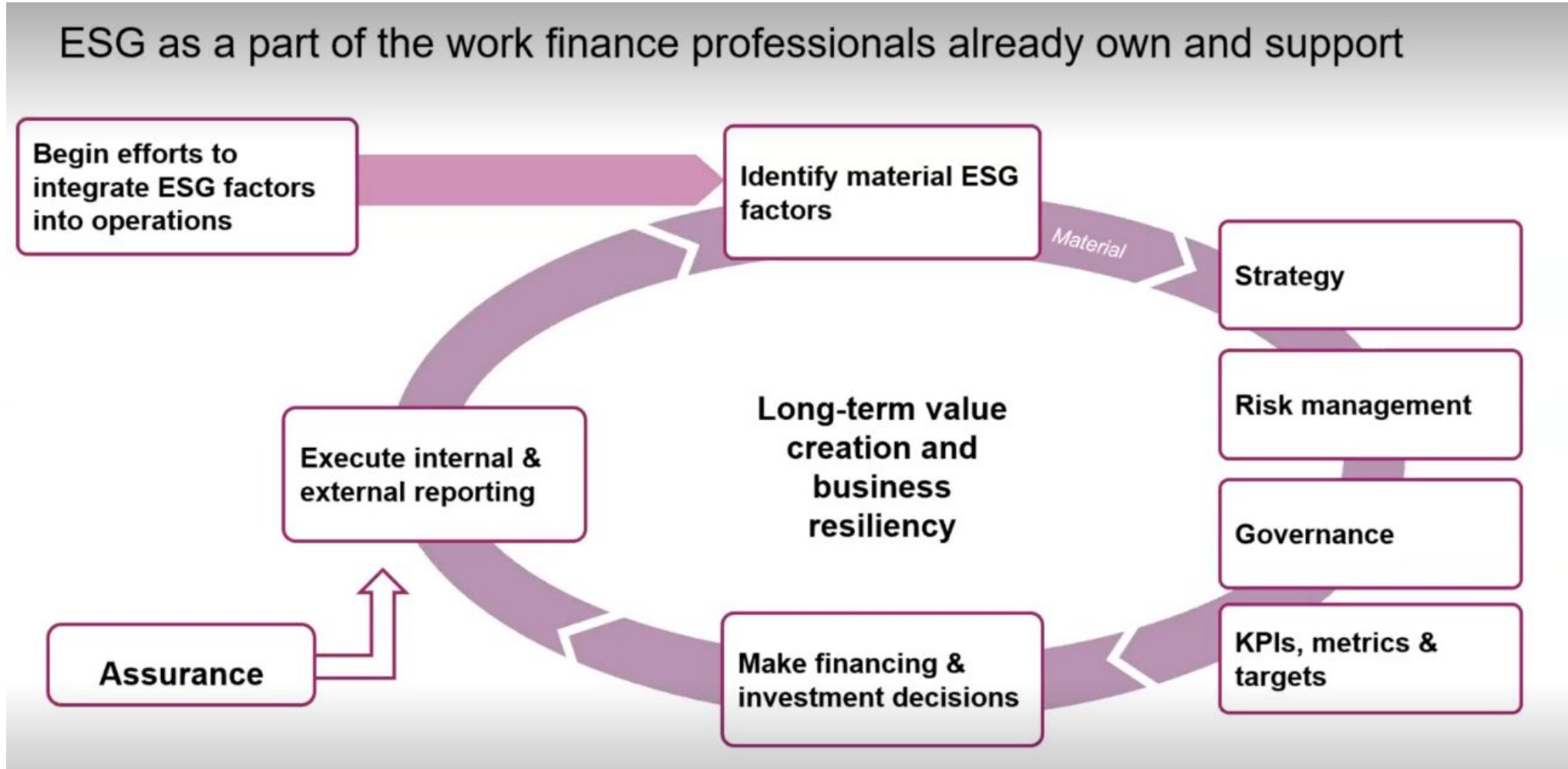» Huge number of models – McKinsey has been busy!

Models galore!

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ESG as a part of the work finance professionals already own and support

Begin efforts to integrate ESG factors into operations → Identify material ESG factors → Material → Strategy → Risk management → Governance → KPIs, metrics & targets → Make financing & investment decisions → Execute internal & external reporting → Assurance

Long-term value creation and business resiliency

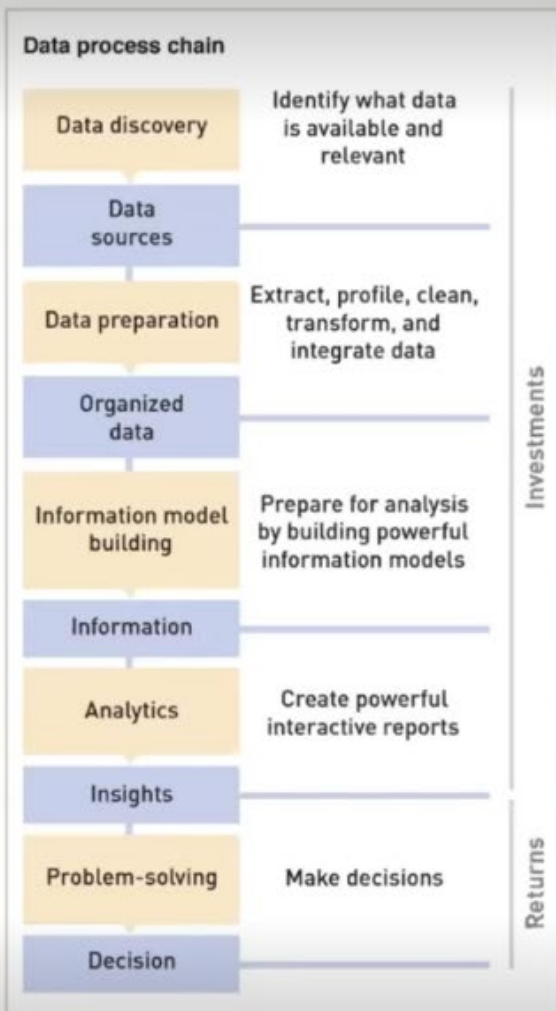# Models galore!

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And my personal favourite,,,

The Gold Medal goes to…..

Models galore!