

# “ ACCA HAS A GLOBAL STRATEGY - to be number one in developing the accountancy profession the world needs. ”

*Robert Stenhouse*



## **ACCA** Think Ahead

ethics and professionalism at its heart.

These are important as the landscape for business and professional accountants is being reshaped by many current and emerging drivers. The ACCA research “Professional Accountants – the future: Drivers of change and future skills” identified the four key drivers as increased regulation, technology, globalisation and society's expanding expectations of business.

Our professional insights and research helps ACCA, our members and indeed wider communities and stakeholders understand these drivers of change. This research helps us see that the world is changing fast. Our research programme with our members, employers and partners around the world has supported us in making significant changes to our qualification to ensure it remains the market leader.

As a result, the ACCA Qualification is modern, rigorous and relevant and has been endorsed by regulators around the world. It sets the standard for the profession – and keeps our members in demand with employers.

Our Seven Professional Quotients deliver ground breaking insight into what organisations need in the future, and this blend of quotients ensures that the ACCA Qualification is best in class and leads the field.

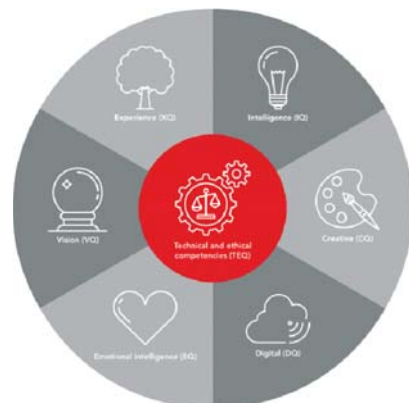
## **Robert Stenhouse**

President  
Association of Chartered Certified Accountants (ACCA)

**The coming decade brings with itself a whole new playground for the accounting profession. How do you see the coming years and ACCA's role in the posited new financial landscape?**

ACCA sees the future as a place where the profession will be in demand. Indeed, we are optimistic about what lies ahead, and the value the profession can bring.

ACCA's role in this bright future is about building and sustaining a profession that is needed, one that is trusted and one that has



**Q What are the emerging trends in the accounting landscape and how is India taking the lead?**

Increasing regulation continues to be on the landscape, such as accounting standards where IFRS adoption is still to come and the application of IFRS17 has been delayed globally from 2021 to 2022.

**A**

The roll out of IndAS for the listed and large companies is largely completed now, but developing human capital which can actualise these IFRSs still needs to be progressed and ACCA is helping that process along. ACCA realises the importance of global standards not only for the accountancy profession, but for the global economy, and we incorporated IFRS into our Qualification back in 1996.

Additionally In the longer term India needs to consider the best approach to accounting for companies that are not large or listed, the SMEs. Do they want to maintain the status quo? Or does SME reporting need to be kept on largely the same principles as are in IndAS to help with understanding the numbers, training the profession?

Many countries around the world are also looking at the impact of technology on corporate reporting in the future and the need of investors to understand the wider impact and longer term sustainability of businesses. India clearly needs to be at the forefront on these issues. Global regulations and requirements need to be designed to permit appropriate developments and encourage better and more relevant reporting.

**Q Emerging technologies such as block chain and artificial intelligence are revolutionising business accounting globally. How do you see this digital upsurge changing the accounting profession?**

**A**

Technology is already impacting the profession and will continue to change how the profession works.

ACCA and our members are excited by the opportunities that the use of emerging technologies provides to drive the efficient operation of business. This gives a unique opportunity for accounting/ finance professionals: tech and digital transformation should enable finance to shift up the value chain – from score keeper to communicator and business partner.

Transactional tasks are being automated through the use of technologies such as robotic process automation. ACCA's research suggests that instead of replacing roles in finance teams the impact has been to focus time and effort on resolving issues and hence improving customer service. When combined with tools such as AI and analytics this gives the accountant the opportunity to be at the forefront of enabling organisations to drive strategic solutions.

The application of blockchain, mainly at this point through private ledgers, is providing opportunities across supply chains to improve processes. Our report **'The race for relevance explains all this in a lot more detail'**.

**Q Ensuring Fairness in accounting procedures remains a cornerstone of trust. How does ACCA promote and practice fair accounting procedures globally?**

**A**

Fairness and transparency are important aspects of the profession and how it operates.

It is vital for ACCA as an organisation - and the profession itself - to deliver what we call public value – this means acting in the public interest, promoting ethical business, and supporting economic growth.

In the broadest sense, one tangible way we ensure fairness is by working in global partnerships with governments, policy makers and accounting standard setters to help create and sustain accounting practices and rules. We take part in national and global consultations, and we work with national bodies to build standards and sustain the local profession.

We also help develop fairness in the accountancy profession through the education and training provided to our members and students.

When it comes to fairness and the practice of accountancy, in part, it is based in giving a true and fair view of a business' performance and position. A number of factors are needed to do this:

- High quality accounting standards that should foster the right approach
- Good corporate governance to challenge management and ensure that there is proper oversight of the reporting to shareholders
- The involvement of professional accountants exercising their judgement appropriately and following their code of ethics

ACCA contributes to ensure the first two and through our qualification and CPD work to develop the qualities for the third.

**Q In recent reviews of the UK audit industry, questions are being raised on the dominance of the big 4 global audit firms and the conflicts of interest in the industry. What is your take on the issue?**

**A**

ACCA has been very proactive in this space and recently submitted policy views to various UK government consultations: the Competition and Markets Authority's Statutory audit services market study and the Kingman Independent Review of the Financial Reporting Council. ACCA will also be responding to the Brydon Review into UK Audit Standards.

ACCA believes that audit has immense value to business and the wider economy by supporting trust and confidence in companies' financial statements, and therefore the effectiveness of capital markets in raising capital. But in the wake of several recent high profile corporate failures, it is clear that change is needed.

It's important that legislation and regulation are focused primarily on improving audit quality, and ACCA will use this as the central premise against which to evaluate the proposals outlined in the respective reviews.

Another important consideration for prospective solutions is what those within the audit profession frequently refer to as an 'expectation gap'; where discussions about the future of audit and its role, alongside the responsibility of the profession are hard and often unsuccessful because there is no general consensus of what an audit can, should and does achieve. Recent ACCA research has shown that this expectation gap has broadened. ACCA recommend that the profession acts proactively to address the wider public's concerns.

With recent multiple reviews into the sector, it's important that there are conclusions which incorporate a holistic review of the system, an understanding – and addressing of – the expectation gap as it stands, and due consideration of all recommendations to date. The Brydon Review could potentially be well placed to fill this role. However, it is important that the global consequences of any UK focused developments are fully evaluated.

ACCA looks forward to working with the relevant stakeholders in the UK on the most workable solutions for improving audit quality.

**Q** What are some of the global best practices, especially in fintech, that the developing economies should be adopting to be future ready?

**A** FinTech has been causing significant digital disruption to global finance for almost a decade – it's not a new phenomenon. It is one of the major drivers of a wider digitisation shift that is accelerating the rate of change within the profession.

Overall, ACCA believes that the rise of FinTech is good news for industry innovation and consumer choice.

For example, the ability of smaller businesses to access credit through pooled loans available through an intermediary web portals can reduce friction and aid with access to credit; and ultimately to more efficient financial markets.

However, the regulatory challenges posed by the speed of innovation places tough demands on governments and business alike.

Professional accountants have a key role to play in navigating obstacles and while the rise of FinTech will reduce the labour time of much contemporary finance work, the fast-evolving nature of technology adoption will also necessitate transformations in tax compliance, audit and reporting processes. So emerging economies need to take all this and more into account.

This will in fact place greater emphasis on the importance of having forward-thinking professional accountants equipped with a strong digital understanding and vision to guide firms through the opportunities and challenges ahead.

Professional accountants can create value in this fast-moving sector, for example through supporting effective fundraising and management of capital to enable growth, and by playing an essential role when assessing valuation for new types of business models.

Regulators in some economies like UK and Singapore have adopted a so-called 'sandbox' approach where new ideas in areas like FinTech can be developed with the visibility of the regulator. In other words where the regulator may provide assistance to start-ups (eg capital, working space, expertise in relevant regulatory areas the new business model might affect) so that innovation and regulation can go hand-in-hand rather than be enemies of each other – something that other economies may also want to consider.

The sound analysis that professional accountants provide will prove essential to FinTech as it becomes even more embedded in the fabric of the economy and society. This enhanced remit, accelerated by the coming together of the financial and technological worlds, must be embraced.

**Q** ACCA is known for its well-crafted and highly effective Continued Professional Development Programmes. Please tell us more about them.

**A** Our world-leading finance qualification will keep our students and members in demand with employers. And what we offer post qualification is equally important to ensure that our members continue to develop relevant skills through CPD based on our quotients model.

CPD is a vital part of ACCA membership. It helps our members to unlock the potential of their life-long career journey and helps to shape the future of the profession. CPD provides our members with

the skills they need to perform their day-to-day job, as well as enhance their employability for the future.

Because we think ahead, we're able to create life-long learning tailored to the changing profession. And that means our members stay ahead of the competition. Professional ethics lies at the heart of our CPD. Our approach also fully complies with the CPD standard required by the International Federation of Accountants (IFAC), of which ACCA is a member.

**Q** ACCA's presence has been growing well during the last decade in the Indian subcontinent also. What is ACCA's roadmap for expansion in India and what collaboration opportunities do you foresee?

**A** At ACCA we believe in providing opportunity and open access to people of ability wherever they are in the world. Towards this endeavour, we have been working in India to create global professional accountants, who can deliver high global standards.

The Indian accounting landscape has taken great strides forward over the last couple of years encompassing landmark changes like the convergence towards IFRS.

These and other changes like the recent qualification changes are designed to offer students in India a global qualification. Additionally we are building strong relationships with education institutions, universities, learning partners and employers in India to bring in global best practices.

**Q** We were delighted to have you as a part of the IOD's Golden Peacock Awards Ceremony in London in October, 2018. Our heartiest congratulations to you on taking up the Presidency of ACCA this year. What are your strategic plans for the coming year, with regard to India and Accountancy Profession?

**A** Thank you, it's been a delight to take part in your awards.

ACCA has a global strategy – to be number one in developing the accountancy profession the world needs.

This global strategy translates well to national strategic aspirations – we will continue to work in India to develop the profession that is needed here.

We cannot do this alone. And that is why our work is collaborative and consultative. We look forward to continuing our relationship with the IOD and the many other partners across India, from employers to learning providers to policy makers – to continue with this work.

As interviewed by

**Amanjit Kaur**  
Senior Manager, IOD