

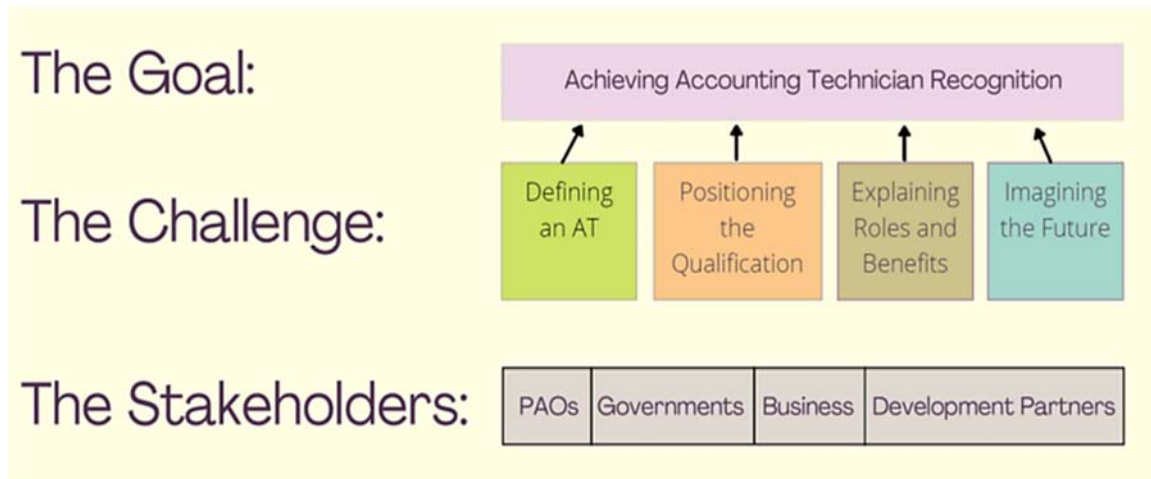
# Discussion Paper: Accounting Technicians: Where to, from here?

## Executive Summary

Based on discussions from the webinar held on 8 July 2021, and other recent work, the following is suggested for consideration:

- Maintain a focus on the topic of Accounting Technicians (AT) given the high level of interest
- Use webinars and online meetings as the primary vehicle to bring together interested members and stakeholders, and explore relevant matters
- Position CAPA as the leading convener of interested parties, at least for the short to medium term, including organisations from outside Asia Pacific
- (Re-) establish a Taskforce comprising appropriate members to:
  - provide guidance on future direction
  - lead events and initiatives; and
  - assist in producing relevant outputs.
- Consider establishing an over-riding objective or goal of ‘Achieving Recognition of the AT Designation’; and
- Consider subsequent webinars focusing on the four challenges pertinent to achieving the goal.

The following image depicts a possible view of the outcomes from the seminar, and includes the five themes discussed in the next section.



## Outcomes from Webinar held on 8 July 2021

The purpose of the webinar was:

- to hear from jurisdictions where the development of Accounting Technicians (AT) is under constant consideration and for others to learn from the experiences and insights of the speakers (and their organisations) in these jurisdictions - see Appendix A; and
- reflect on current key issues, challenges and opportunities for the future development of ATs.

The discussions have been summarised into five (5) key points/needs:

1. A need to better define what an AT is (and therefore what an AT program looks like)
2. A need to ensure the role and benefits of an AT is recognised
3. A need to better position the AT qualification
4. A need to better understand what the future may look like for AT
5. A need to understand the expectation of stakeholders

In addition, other specific topics were suggested for consideration in subsequent webinars:

- Collaborating and/or forming strategic relationships with existing AT organisations
- The changing role of the AT in light of the impact of technology and digitalisation

The five key themes of the roundtable discussion are summarised below.

### 1. Defining an AT and the AT program

It was recognised that, while there are developments in many jurisdictions, there isn't a consistent approach taken in the terminology for this cohort, the definition or indeed the principal elements of the program. Participants considered that it may be useful to:

- ✓ **Define what an AT is:** AT is not a globally recognised term in the wider profession. Different jurisdictions have different definitions and names for an AT and the AT program that they offer. The view of participants was that, as a group of bodies, they could (with the support of CAPA) take the lead in defining a consistent definition of what an AT is? A degree of consistency would help in the developing markets – this could also help with recognition points (discussed under 2 below).
- ✓ **Consider what the AT qualification looks like:** It might be helpful to go back to basics and consider the key characteristics, attributes, and foundational elements. This includes an accepted competency framework.
- ✓ **Measures of success:** consider what the measure of success for an AT might look like, for example would gaining employment with an AT qualification be considered a measure of success?
- ✓ **A qualification that evolves and adapts:** the program would need to keep evolving and adapting as markets develop and change. The current market needs appear to be around Technology, Ethics, Sustainability, and Communications.

### 2. Recognising the role and benefits of an AT

There was consensus that there needs to be recognition of the AT qualification (and its benefits) in the wider profession. In some jurisdictions, while the AT terminology is not used, there are similar certificates and diplomas. Participants considered that the following could be explored:

- ✓ Identify and explore ways to get wider recognition of ATs. This includes recognition nationally, regionally and globally
- ✓ **Mutual recognition between AT bodies:** could there be opportunities to have such recognition and would this assist in international recognition.
- ✓ **Public Sector:** In some jurisdictions, where there are very few qualified accountants in the public sector, the AT cohort can become the starting level to growing the finance talent pool.

### 3. Positioning the AT Qualification

In addition to obtaining or improving recognition for ATs, it was considered that there needed to be clarity around the positioning of the qualification within the wider profession. Suggestions included:

- ✓ **Educate:** the market and the wider profession to recognise ATs. There was acceptance that it might take time within each jurisdiction (including universities and education system) to accept that the AT is a relevant part of the profession, but that, with support of stakeholders, it could be possible to educate the market.
- ✓ **Clarify:** as to why it is a useful addition to the profession.
- ✓ **Explain:** that there are different types of finance professionals.
- ✓ **Embed:** the AT program into the education system so that it can be seen as a genuine part of the profession.
- ✓ **Emphasise:** that it is a professionalised cohort (with its own ethical /corporate governance frameworks).
- ✓ **Recognise:** that the AT qualification is an outcome in its own right (perhaps as an alternative to a university degree), but it can also be a pathway to a professional qualification (if an individual wants to continue with a further chartered qualification).
- ✓ **Provide a clear career pathway for ATs:** if ATs choose not to continue to study for a further qualification the AT should still be able to establish a career with the AT qualification.
- ✓ **Internationally recognised qualification:** The challenge with international recognition will be to find a mutually agreed way to streamline the program and bring all stakeholders on board.

### 4. Understanding what the future looks like for the AT profession

ATs exist in all jurisdictions - albeit not specifically recognised. However, some question what the future holds given developments in accounting software, and the rise of artificial intelligence. But is this correct? If we are able to define an AT and the AT program, ensure the role and benefits of an AT is recognised, and better position the AT qualification, then ATs may have a clearer, more established role in the professional accountancy supply chain. This will allow:

- ✓ Developing economies to access ATs easier than professional accountants (PAs);
- ✓ Well-trained ATs to continue to provide cost-effective services as an alternative to PAs;
- ✓ ATs to develop their skills and knowledge to meet future challenges - technology remains a tool - both inputs and outputs will still require understanding, interpretation and analysis and ATs will be well-placed to provide this analysis.

### 5. Understanding and working with stakeholders

It was acknowledged that in considering all the above, it would be important to understand what key stakeholders' expectations and/or needs are. For example:

- ✓ **Donors and development partners** - and their interest to support PAOs develop this sector.
- ✓ **Jurisdictions/governments** – what are their issues?
- ✓ **Private and public sector employers** – assess capacity and skills gaps.

## **Appendix A: Update from developed jurisdictions**

### **IPA Australia**

The Institute of Public Accountants (IPA) in Australia has worked on building stronger relationships with those operating as accounting technicians.

With a view to 'professionalising' this cohort of accountants, IPA has developed a new (online) Certified Accounting Technician qualification which will be embedded in the suite of IPA qualifications. The program has nine modules across three areas of focus:

- 1) What do you need to know before you go into practice? – Modules 1 to 3
- 2) What do you need to know once you are in practice? - Modules 4 to 6
- 3) What do you need to know to evolve your business? – Modules 7 to 9

This follows the Association of Accounting Technicians in Australia recently joining the IPA Group, which also includes the Institute of Financial Accountants in the UK. More than 75% of IPA members either service small businesses or are small businesses in their own right. IPA estimates the program may attract 15,000 practitioners, many of whom are not currently a member of a PAO, but may be registered as accounting technicians or tax agents under Australia's regulatory requirements. IPA effectively aims to provide the infrastructure of a large firm for the benefit of these smaller practices and businesses.

IPA takes an inclusive approach to integrate ATs into the broader accountancy profession, and believes that there needs to be a strong AT community to support the increasing demands on the wider profession. ATs are a part of the profession and have a strong role to play in growing markets. There is a growing demand for an education framework at the AT level. It emphasises the AT designation in its own right, whilst recognising it can be a pathway to other qualifications.

Reflection: In Australia, IPA is positive about the role of ATs and the demand for their skills.

### **Association of Accounting Technicians UK**

AAT UK, established in 1980 was set up by the main PAOs in the UK – the market at that time recognised the need for a separate body providing a qualification which recognised the skills needed at a more foundational level – and which could provide a pathway for the individual to enter into a professional qualification (i.e. through a non-graduate route).

Recently, student numbers have increased in two areas: school leavers through the UK Apprentice program; and mature students wishing to change careers. Majority of students study online as it provides a flexible way of studying and supports the changing career. There is a growing recognition within accountancy firms that AT training is relevant and practical for firms to invest in, and a better quality of talent is coming through the apprentice route. Many students continue through the pathways option to study for a professional qualification. Firms are recognising that ATs often do better than the graduates (in exam pass rate and work performance), since the combination of work experience and the AT education program helps them in their professional progression.

Independent research on the future of ATs and required skills indicated that basic accounting and book-keeping are the most important and critical skills needed. The analysis also indicated that, even though artificial intelligence and automation will be important and will carry out a lot of AT type work, humans will still be needed to understand outputs, make decisions, and communicate internally and externally. The research has led to Technology, Communications, Ethics, and Sustainability being embedded into the revised qualification (from February 2022).

Reflection: The future is one of change and increasing demand for ATs – but there needs to be a higher recognition of the value of ATs and what they can offer to businesses, and in a more cost-effective way than other options.

## **Appendix A: Update from developed jurisdictions**

### **National Institute of Accounting Technicians, Philippines**

In the Philippines, university students with an accounting degree are likely to become ATs. While many study for the CPA, the pass level has been historically low, particularly because universities were focusing predominantly on teaching audit rather than accounting skills. While many wanted to work as CPAs, they lacked the necessary skills and qualifications. The AT path provides some certainty towards employment.

On the demand side, many businesses required accountants with basic accounting skills to carry out basic accounting work (such as filing tax returns or doing the payroll) – these skills were not taught at university. This led to a mismatch in supply and demand and led to the formation of NIAT (and a new training and certification program). The program focused on the needs of the market.

NIAT grew its membership by marketing to HR in businesses – it has approx. 30,000 members. All of its members have 4-year degrees in accounting, and some are CPAs (auditors) – the latter occurred because audit firms recognised the value of basic accounting and bookkeeping skills and therefore decided to train their CPAs through the AT certification program.

Currently, there is an increasing demand to understand and use online accounting software, therefore, the next step for NIAT is to understand and develop the AT certification program to include technology and train people to become ‘digital book-keepers’.

### **Pakistan Institute of Public Finance Accountants**

PIPFA was initially incorporated in October 1993 as AAT Pakistan, formed by ICAP, ICMAP and the Auditor General of Pakistan. In 1993, it changed its name to PIPFA because most of its membership worked in the public sector. PIPFA has developed its training to meet the market needs.

There is a need for compliance roles (other than financial accounting, such as AML compliance) and these are filled by ATs. There is also a need at mid-management level to provide support to senior management (to help management in their decision-making processes). AT’s fill this demand and provide a solid resource base.

Recent developments to the qualification include, Technology, IES2 (technical competences) and IES4 (professional values, ethics, attitudes). During COVID-19, online learning platforms have been offered for studying.

Over the next few years, PIPFA will seek approval to become a statutory body and will also seek support from the Auditor General for the adoption and implementation of IPSAS in public sector accounting.

Organisations that recognise their growing and diverse needs, including for tax services and for work in the public sector, are approaching PIPFA for training and supply of ATs at operational and middle management levels. In the future, PIPFA considers that there will always be a need for a reliable and trained workforce for reporting, executing and transferring data and information for setting future strategies and for contributing to growth and development of organisations.

A key challenge for PIPFA therefore, is keeping the qualification up-to-date and relevant. Online classes offering flexibility is important, followed by a relevant CPD program.