



Equipping

In the globalised scenario, the expectation of the society of the accounting profession is increasingly manifold. The trust and confidence built over decades have been shaken to a certain extent by some financial sector frauds and scams that occurred in the recent past. But the accounting profession as a whole has responded positively to the challenges encountered and has used the opportunity to reinforce stronger methods, processes and systems to enhance the capabilities and competences and thereby restore the credibility of the accounting profession.

future

by T N Manoharan FCA

Accountants

Education Program

During the pre-qualification stage, a strong foundation needs to be laid to facilitate grooming a student (trainee) with core competence over accounting, finance and related subjects. The education standard should ensure that students gain enough advanced professional accountancy knowledge to enable them to function as competent professional accountants in an increasingly complex and changing environment. An equally important goal is to enable the students to acquire organisational and business knowledge besides empowering them with information technology knowledge and competences. The program of professional education should provide potential professionals with a framework of professional values, ethics and attitudes for acting in an ethical manner that is in the best interest of the society and the profession. The education process should be such that a combination of a good formal education and sound practical training is provided so that a student pursuing the professional course gets the best of knowledge, capabilities and competences.

Practical Experience

The practical training framework should promote developing professional skills encompassing intellectual skills, technical and functional skills, personal skills, interpersonal and communication skills and organisational and business management skills. The student, during the course of training, should be able to enhance ethics, knowledge and develop ethical sensitivity. The workplace learning and guidance given by the employer should provide an understanding of the issues, situations and matters in proper perspective for exercising professional judgment not only from a technical angle but also from an ethical dimension. Practical experience should infuse in a student a commitment for lifelong learning and imbibe the culture of ethical behaviour.

It is therefore important that appropriate pre-qualification and post-qualification education requirements are considered to support those professional accountants in providing IT related and evaluative related services.



Information Technology

Information technology (IT) is all pervasive in business. In the present day globalised environment, E-commerce is assuming significance. The IT environment requires adequate knowledge. Competence in professional accountants is being able to perform a work role to a defined standard with reference to a given work environment. Information technology affects how organisations are structured, managed and operated. Entities can no longer develop business strategy separated from IT strategy, because IT is an enabler of business initiatives. Information technology is changing the nature and economics of accounting activities. Professional accountants often play important roles as managers, advisors and

assurance providers in the adoption, deployment and use of various information technology by organisations of all types and sizes. It is therefore important that appropriate pre-qualification and post-qualification education requirements are considered to support those professional accountants in providing IT related and evaluative related services.

Assessment Methodology

There is a need for establishing high quality assessment methods to evaluate the attainment of the capabilities and competences of the student. The assessment must be reliable and valid. Reliable assessment methods produce consistent, objective results over time. Valid assessment methods assess the desired outcomes and may use the quantitative and qualitative measures. The assessments need to be appropriate for the professional knowledge, professional skills and professional values, ethics and attitudes. Assessments need to be acceptable to the stakeholders and serve the public interest.

Soft Skills Empowerment

Every accounting professional needs to be equipped with soft skills. Knowledge is power and when coupled with ability to communicate, it gives greater empowerment. As accounting professionals, we often need to convey our ideas; negotiate business deals; get things done by the team members; train and groom the next generation of professionals; represent clientele before statutory authorities and many times impress upon the nature, need and value of services rendered. All these facets of profession call for effective soft skills. As chartered accountants, we always believe in the principle "substance over form". When the world is giving due attention and as much importance to 'form' is given to 'Substance,' we should take cognizance of this aspect and act, or else products of inferior quality but attractively packaged may take away sizeable share in the services market. Chartered Accountants should not lose out by being considered as a product, rich in content but poorly packaged. All of us agree that it is more difficult to produce a product with quality than to wrap it up attractively. When our fraternity can boast of comprehensive knowledge with specialisation in core areas, why not embark on the easier exercise of adorning the intellect with skill sets?

Specialisation

No professional accountant can master all areas of accountancy. Specialisation within the profession is necessary to ensure that a range of services can be

provided with a sufficient depth of knowledge and expertise in each area. For example, the audit of the financial statements is one area of specialisation, which demands a higher level of education and training in audit, and related areas. Auditing involves the application of analytical skills, professional judgment and uses appropriate forms of technology and adheres to a methodology. In view of the nature and magnitude of various stakeholders' interest involved, enhanced or specific professional competence should be required before an individual assumes the role of an audit professional. An accounting body should be in a position to design suitable post qualification courses to enable members achieve enhanced knowledge to specialise in selected areas.

Continuing Professional Education (CPE)

CPE which is a post qualification requirement is necessary to sustain capabilities and maintain competences of professionals. Although the responsibility for developing and maintaining competence rests primarily with each professional, accounting bodies in each jurisdiction should facilitate access to CPE opportunities to their members. They should promote CPE activities with adequate resource to assist their members adhering to the lifelong learning commitment. There should be mandatory prescription of CPE compliance by the members and there must be effective measurement methodology in place for periodical evaluation. Accounting bodies may prescribe specific or additional CPE requirement for members working in specialised areas or areas of high risk to the public. Accounting bodies would do well to establish a systematic process to monitor the fulfillment of CPE norms by their members. Accounting bodies may adopt either an input based approach or Output based approach. Alternatively, they may follow a combination of both approaches. While the Input based approach is considered easy to measure and monitor, the Output based approach is considered to be more effective in achieving the objective.

IFAC and Regional Bodies

It is essential that we develop knowledgeable and competent accounting professionals and an effective CPE mechanism to improve and sustain such competences. The International Federation of Accountants (IFAC) and its boards have been

continuously endeavoring to establish standards and guidance to member bodies in this regard. It requires special mention that the International Accounting Education Standards Board (IAESB) has come out with the following 8 accounting education standards:


- IES 1** – Entry requirements to a program of professional accounting education
- IES 2** – Content of professional accounting education programs
- IES 3** – professional skills
- IES 4** – professional values, ethics and attitudes
- IES 5** – practical experience requirements
- IES 6** – assessment of professional capabilities and competence
- IES 7** – continuing professional development:
A program of lifelong learning and continuing development of professional competence.
- IES 8** – competence requirements for audit professionals

Needless to mention that regional bodies like SAFA can and do play a vital role in guiding and assisting in efforts to develop competent professionals.

Conclusion

We must appreciate that only a competent professional can meet the expectation of the stakeholders and uphold the image of the accounting profession. We should join hands in this task of strengthening the competences of professionals and thereby contribute to the development of strong Economies across the World.

The author is a past President of the Institute of Chartered Accountants India and a member of the International Accounting Education Standards Board of IFAC.



Reliable assessment methods produce consistent, objective results over time.