



## **18 May FCM digital conference on the accountant of the future: Digitalisation and other forces shaping the profession.**

### **Sum Up**

**Panagiotis Alamanos**, FCM President & SOEL representative, said that the accountancy profession is going through numerous changes in culture, technology and the world of work. It is facing a number of challenges, such as the pandemic. Fewer young people are attracted to a career in accounting and there are many reasons for this. Additionally, the profession is facing opinions that automated software will replace accountants and their skills will no longer be in demand. Workers are being required skills that need to be regularly updated – the qualification acquired at the beginning of the professional career is no longer sufficient. These concerns need to be addressed. Cybersecurity will be a major concern that will need to be tackled in the profession. Robust systems of cyber protection are going to become an integral part of our work. Digitalisation will have most profound impact on the new generation of accountants. Our understanding and definition of accountant needs to be rethought in order to embrace the future. The definition of an accountant needs to be narrow enough to maintain clear distinction between what is and what is not an accountant, and broad enough to include non-traditional roles and occupations. Satisfying both is very difficult but is going to be vital if we want to convince the public that the profession is vital is value creation in the global economy. We need to take stock of challenges ahead and keep the discussion alive.

**Narayanan Vaidyanathan**, Head of Business at ACCA, has an optimistic vision. He said that we need to evaluate historical context of digitalisation and the profession. As we look ahead to cognitive technologies, it is not the first time that new technologies are hitting the accountancy profession. Technologies have come, and some have gone, but accountants remained; the number of accountants even increased. According to an ACCA study, there is a 25%, on average, of adoption of new technologies, but 85% of people surveyed plan to adopt the new technologies before the end of the decade. The success of the profession has been in the ability



to partner effectively with new technologies and bring human & machine component to a meaningful role. There are opportunities to continue doing that. Digitalisation is happening and it is important to embrace it. There is a misconception that professionals will need to become extremely tech-savvy, which is not the reality. It is about understanding what clients need and create customized outputs in a flexible way. When it comes to careers, professionals often go to delivering outputs; what is not considered enough is the purpose and strategic fit in the organisation – this needs to be addressed before delivering outcomes. When it comes to skillset, there are different types of jobs that include technology but don't involve being a technologist. There is a sense that some new technologies are relevant only to big organisations which is not the case. There are benefits in effective partnerships when it comes to bringing together different skillsets. Learning mindset and continuous journey are very important. We want to be able to give professionals transferable skills. Emotional intelligence, vision or problem-solving skills are vital. Professional accountants are employed to have an opinion and to be liable for that opinion. The idea is to be able to use the technology and understand many elements of judgement. The role of humans is more important than ever. The profession needs to be a part of the discussion otherwise there is a gap. Technology in our lives is inevitable and we need to embrace it. The starting point for skills is understanding – there is a lot of misconception around technology and what it can do. For him, accountants must develop these skills:

- Understanding Artificial Intelligence (that has quite narrow capacities)
- Understanding Data and the risks it creates
- Being able to link technologies with strategies

**Lisa Padmore**, IFAC Board member and chair of the IFAC Technology Advisory Group, said that technology has changed how we do life. When it comes to data governance, we are looking at the shift that has been made in economies of the world. Data is no longer a commodity but an asset that unlocks insights and allows to make more informed decisions. Like any massive



change, there is to be some structure to it. We have seen that digital economy that has been emerging has weak legal requirements. There is a need for structure to be brought in by the profession. Data management has value chain. Based on the training and experience that professional accountants have, they are well placed to bring value out from the data that companies have. Addressing the issue of cybersecurity is vital – it is not just about the IT department. Professional accountants need to understand the threats and how to protect the organisation. Technology is making the professional more attractive; we need to move forward as a profession. In terms of skills, we need to understand what we want machines to do for us. As things are evolving, accountants need to consider the areas where they need to obtain new skills. She recommends to:

- Get informed of the threats
- Update security programs
- Conduct an environmental scan
- Use good backups
- Involve the clients on the digital transformation you get into

She also mentioned that insurance is available to face the risks digital transformation brings with it.

**Ashok Haldia**, former Secretary ICAI/SAFA, said that the profession must align itself with technological developments if it wants to remain relevant. Digitisation is not a new concept for the accountancy profession. Technological developments were always there, although rather slower than now. The technological shift is vital for the profession to remain relevant. It is important to breach the gap between the technological developments and the profession. The profession needs to collectively figure out how to adapt to technological advancements. The transformation that will come in the future will be different than seen before; reporting will change as the expectations of stakeholders will increase. Digitalisation will increase the value



of accountants and transform the profession for the better. Digitisation of finance and accounting is not just about software, it is about the process of transformation that requires many skills, and not just technological ones. Professionals need to understand not only what new technologies can do but also how to best use it.

FCM SECRETARIAT

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