

REPORT

Accountancy: The future outlook

Global economic conditions continue to dominate business life. They are at the top of the world's political agenda, and updates and debates on economic issues are almost constantly the centre of media attention. Economic downturns now exist in many countries, and it is far from clear how long the downward trends will continue before economic growth is seen again. Nor is it clear what the impact will be in countries and regions around the world, although it is important to recognise that different markets will be affected in different ways.

ACCA is a prominent voice both on the causes of the credit crunch and on what needs to be done to turn round the global economy. It has already published papers outlining its response to the G20's public agenda and analysis of the outlook for regulation of financial markets. It has also considered issues in accounting, such as fair value and the role of international accounting standards in supporting transparent business practices.

ACCA aims to demonstrate how an effective global accountancy profession contributes to sustainable global economic development; to champion the role of accountants as agents of value in business; and to support its members in times of challenge.

ACCOUNTANTS FOR BUSINESS

ACCA believes that accountants add considerable value to business by driving down costs and identifying drivers of value and profitability – and never more so than in the current environment. They are instrumental in obtaining access to finance and strengthening the balance sheet. Accountants are also essential to supporting the small business sector, estimated by the OECD to represent 95% of all enterprises. SMEs make a positive contribution to economic growth, requiring well-rounded finance managers and advisers to ensure small businesses survive and grow.

RESEARCH

ACCA is conducting a range of research projects to add to understanding of the effect of the economic conditions around the world, and ways in which the impact can be managed. The objectives of the research include:

- understanding trends and developments, including perceptions of changing prospects and opportunities in the current economic climate

- identifying areas of concern to members and assessing support and services which ACCA can offer to assist members in difficult economic circumstances
- championing the role of the accountant in business – especially the CFO – and illuminating areas of best practice which will help the companies where they work to add value to business strategy and operations, and to help their employers grow profitable businesses in difficult trading circumstances
- identifying ways in which accountants can add value as advisors
and
- understanding learning points and indicators for moving towards a refreshed global economy.

THE GLOBAL ECONOMY

Perhaps at the heart of the current debate on the economic environment is: where next for the global economy? As the G20 countries formulate strategy to promote stability and stimulate growth, the interconnectedness of our economies, and how they are managed and regulated, is firmly in the spotlight. The development of the global accountancy profession came out of, and has contributed to, the development of the global economy, with the aim of promoting common standards for accounting and auditing, and transparency in financial reporting. As a key stakeholder in the debate, ACCA will seek to address the challenges posed for the global economy, not least the need to ensure appropriate regulation which favours fair competition, capital investment and economic growth; and the removal of barriers inhibiting the lifeblood of our economies – entrepreneurship and innovation.

www.accaglobal.com/economy

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Research introduction

With economies around the world suffering from the global downturn, the role of the qualified accountant has huge importance. Qualified accountants have key roles to play in steering organisations through the current turmoil, enabling them to manage risks and take decisions effectively, while influencing strategic plans to drive future business growth. They can play a major part in ensuring the causes of today's problems are not repeated tomorrow.

LOOKING TO THE FUTURE

So how much demand do chief financial officers, partners and senior accountants foresee for qualified accountants across the world in five years' time? What particular skills will be most in demand? And how will businesses change in five years as a result of the global economic downturn? These key questions are considered in this research.

About this report

ACCA's business intelligence unit working with the BPRI group developed this research on the future outlook of accountancy.

The report is based on telephone interviews with over 750 CFOs, partners and senior finance executives and it was conducted during December 2008 and January 2009. Interviews were conducted by the BPRI group and the report developed jointly.

We would like to thank all of the business executives who took part.

Any questions about the report should be directed to Wendy Towner, head of business intelligence at ACCA, e-mail: wendy.towner@accaglobal.com

DEMOGRAPHICS

This report is based on a telephone survey of over 750 CFOs, partners and senior accountants, across business sectors, in eight countries across three continents including Malaysia, UK, Republic of Ireland, Singapore, Zambia, Hong Kong, Sri Lanka and South Africa.

Respondents were from the following business sectors:

- 40% public practice – medium to large practices, 16% from the Big Four
- 40% corporate sector – 39% multinational companies, nearly 30% with turnover of more than £50million
- 20% public sector – nearly 30% from central government departments and 34% from regional or local government divisions.

Nearly 90% of respondents were members of a professional accountancy body and by sector held the following job titles.

Accountancy/audit firms (Base: 297)	Private sector (Base: 307)	Public sector (Base: 150)
Partner/Staff partner: 61% Financial director/Head of finance: 10% Audit controller/Partner: 8% Senior manager/Manager: 6% Director: 5% Accountant: 5% Other: 4%	Finance director/CFO: 35% Senior financial controller: 31% Accountant: 12% Finance manager: 9% Managing director: 3% Other: 11%	Finance director/CFO: 36% Accountant: 21% Senior financial controller: 17% Finance manager: 11% Finance officer: 3% Deputy finance director: 3% Other: 8%

Base: all respondents – 754

Part 1 – Demand and future skills

DEMAND FOR QUALIFIED ACCOUNTANTS

Buoyant demand for accountants



Base: all respondents – 754

GROWING LEVEL OF DEMAND

CFOs, partners and senior accountants generally predict buoyant demand for qualified accountants over the next five years, with almost two-thirds of those surveyed expecting demand to increase. Just over a quarter expect demand to stay the same and by far the smallest percentage – less than one in ten respondents – anticipate falling demand.

Many reasons are given for the expected increased demand for qualified accountants. Survey participants around the world, including the most positive markets of Sri Lanka, South Africa and Malaysia, often explain their view by referring to business and economic growth. Regardless of the current global economic downturn, large proportions foresee industrial growth – both domestic and global – as triggering greater demand for qualified accountants. The need for accountants in developing economies such as China, India and in the Middle East is particularly highlighted – often by respondents from Asia Pacific.

Though many respondents believe demand for qualified accountants will increase because of economic growth, many others expect increased demand for the opposite reason – because of the global economic downturn. These CFOs, partners and senior accountants think that a tougher trading climate will make the financial insight that qualified accountants bring even more valuable. Tighter controls on spending will need to be matched with greater creativity in generating income streams.

Economic growth or downturn aside, the trend towards standardisation of accounting and reporting standards around the world is stimulating increased demand for qualified accountants. Many CFOs, partners and senior accountants surveyed specifically identify the adoption and updating of International Financial Reporting Standards and believe that qualified accountants will be needed in increasing numbers to help organisations interpret and apply them.

Many survey respondents believe that the accountancy and business environment is becoming increasingly complex, whether due to additional regulatory burdens, global competition or innovation in business finance and transactions. They therefore think that more qualified accountants will be needed to help organisations operate successfully.

“[Demand will] increase due to global economic rise in China, India and in the Middle East. There are insufficient qualified accountants in these countries, thus an increase in demand.”

MALAYSIA, ACCOUNTANCY FIRM

“There is a general growth in the world in terms of industry and technology, hence the need for qualified accountants in the coming years.”

ZAMBIA, PRIVATE SECTOR CORPORATION

“I think that demand for qualified accountants will increase because we are going through a recession, and businesses need to keep their eye on the ball with regards to expenditure of income and general liquidity.”

SOUTH AFRICA, PUBLIC SECTOR

“It’s going to be a tough business environment and you’ll need people who can get the most out what the business has, for example in the area of tax. It will be about looking at the running of the business, and how much you can squeeze out of the business.”

UK (WALES), PRIVATE SECTOR

“Globally there are a lot of developing countries that need to adopt international accounting standards.”

HONG KONG, ACCOUNTANCY FIRM

“The accountancy field is more and more challenging. The financial standards are always changing, we require people to have more knowledge in the accounting field.”

MALAYSIA, PRIVATE SECTOR CORPORATION

“The amount of legislation that bears upon areas in which accountants are expert is increasing all the time and companies will always need to improve their financial management.”

UK (WALES), PRIVATE SECTOR CORPORATION

“I think demand for qualified accountants will increase because things are getting more complicated, both businesses and standards. Businesses will also want more qualified people running the business, and shareholders will be more demanding of this too.”

SOUTH AFRICA, ACCOUNTANCY FIRM

“Accountants in good and bad times will have roles to play. Generally there is a need for more accountants because of more onerous and more complex standards; and also in the longer term as economies will grow.”

HONG KONG, ACCOUNTANCY FIRM

“[Demand for accountants will decrease] because of the global economy at the moment. It’s affecting all sectors particularly on the advisory side.”

IRELAND, PRIVATE SECTOR CORPORATION

Survey participants from within the Big Four accountancy firms are most likely to predict increased demand for qualified accountants over the next five years. Over three-quarters hold this view. Their reasons reflect all the themes already noted, including expected economic growth, the introduction of more complex accounting and reporting standards, increased numbers of regulations and the need for expert financial and business advice to help organisations navigate through the global economic downturn.

Of course, not every business executive surveyed expects demand for qualified accountants to increase. Just over a quarter of all participants expect demand to stay the same, while survey participants in Western Europe are particularly likely to anticipate a fall in demand over the next five years.

Survey respondents in this region, regardless of sector, typically explain their view by reference to the depth of the global economic downturn. Some in the private sector specifically anticipate increased business failures, as well as seeing a potential current over-supply of accountants. Partners in accountancy firms refer to a fall in transactions and a general tightening of belts leading to less demand for accountancy skills, as well as lower trainee recruitment. Public sector accountants are also concerned that the global recession, particularly the negative impact on banking and financial services, will cause a fall in demand for qualified accountants in five years’ time.

FINANCIAL SKILLS MORE IN DEMAND

When asked unprompted what financial skills will be more in demand in five years, CFOs, partners and senior accountants identify numerous areas of expected need. However, a strong common theme emerges – a growing global expectation that accountants will fill relatively complex roles.

These roles, and the skills they require, reflect the challenges facing today’s organisations – particularly the need for risk management and for forward-looking analysis. Survey participants see accountants as becoming strategic advisers to the business, rather than backroom number-crunchers focused on day-to-day accounting.

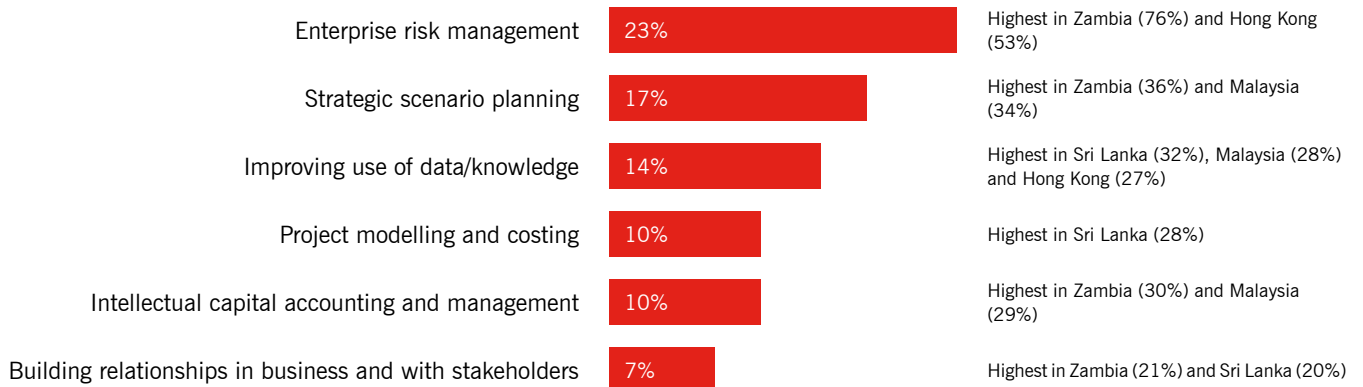
At the same time, in some developing accounting markets there remains a strong, ongoing need for more qualified accountants who can demonstrate even basic accounting skills. In South Africa, for example, 14% of survey participants believe general/basic finance skills will be more in demand in five years’ time. Many respondents there note the current shortage of skilled accounting expertise. In such markets good opportunities remain for individuals who can apply sound, basic accounting expertise to help fill current skills gaps.

The survey findings indicate the appropriateness of the ACCA’s global theme for 2009 – Accountants for business – which acknowledges the increasing importance of the accountant as strategic adviser to business, a role that is becoming even more critical during the current tough economic times.

Successful accountants of the future will still need technical competence – that remains an essential requirement. But they will also need to develop the rounded business skills encouraged by the ACCA Qualification,

FINANCIAL SKILLS MORE IN DEMAND (1)

Global focus on complex roles, particularly in Zambia and Asia



Base: all respondents – 754

including those linked to strategic planning and personal effectiveness. The changing environment is going to make accountancy as a profession more challenging, and accountants are going to have to be more than technical advisors to cope.

As a respondent from an accountancy firm in Malaysia says, there is ‘a greater push for smart accountants, not only looking at numbers but also involved in other decision-making within the organisation’.

This view appears to be reflected across business sectors.

Top of the list of financial skills expected to be more in demand is enterprise risk management. Almost a quarter of all participants identify this skill set, but it is a particularly popular choice among CFOs, partners and senior accountants in Zambia and Hong Kong. Respondents in Asia Pacific in general see great need for more enterprise risk management expertise.

Enterprise risk management aims to manage risks by taking an integrated view of all the various uncertainties that exist across an organisation. By highlighting this particular skill, accounting executives are responding to the general expectation around the world that management needs to act responsibly and take steps to mitigate any significant risks threatening future business performance. As the sub-prime mortgage crisis shows, businesses need to understand their exposures and accountants have a key role to play here.

Two other financial skills frequently identified as likely to be in more demand both relate to organisations’ ability to take effective decisions in an uncertain world. Some 17% of those surveyed expect strategic scenario planning to be more in demand in five years, while 14% think the same of

“The roles of qualified accountants have widened, encompassing those of decision-making, advisory and consultancy.”

MALAYSIA, PRIVATE SECTOR CORPORATION

“Accountancy plays a major role in most of the organisations. Accountants are multi-tasking.”

SRI LANKA, PUBLIC SECTOR

“I believe that business is getting more complex; it’s important that decisions are taken with an understanding of the numbers behind them.”

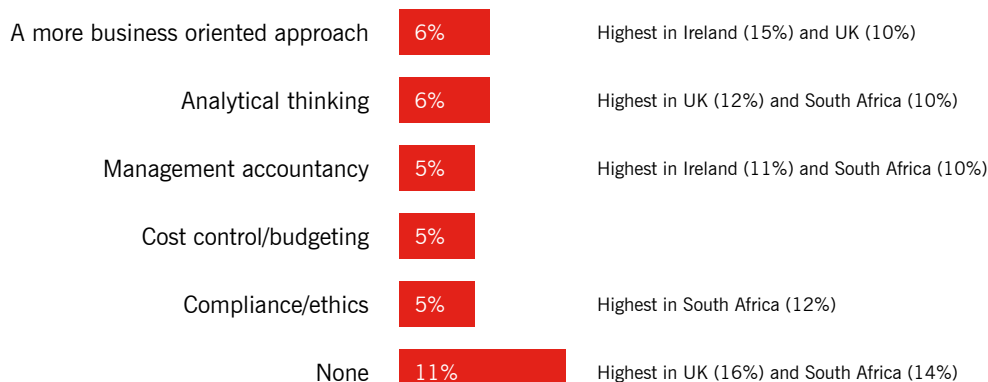
UK (ENGLAND), PRIVATE SECTOR CORPORATION

“With the complexities of transactions eg all the complex, dynamic financial instruments, there is a need for more qualified accountants. They will have to deal with expansion, greater competition and give intelligent advice to management.”

SINGAPORE, PRIVATE SECTOR CORPORATION

FINANCIAL SKILLS MORE IN DEMAND (2)

Business roles in higher demand in UK, Ireland and South Africa



Base: all respondents – 754

“Finance is playing a bigger role in the economy. Financial services are growing. As more regulations are introduced there will be a call for more accountants/auditors.”

IRELAND, PRIVATE SECTOR CORPORATION

skill in improving the use of data or knowledge. These are both particularly popular choices for participants in the Asia Pacific region. It isn't just the numbers that count, but the story the numbers reveal, in the light of deep business knowledge.

Similarly, significant numbers of CFOs, partners and senior accountants also foresee increased demand for project modelling and costing skills (10% of the total). By applying data within sophisticated models, skilled accountants can generate information of real use when evaluating potential investment decisions and ensuring that scarce resources are applied effectively to maximise returns.

Skill in the area of intellectual capital accounting and management is also expected by one in ten participants to be in greater demand, particularly those in Zambia and Malaysia. The view reflects the increasing importance of intangible assets in the modern business world.

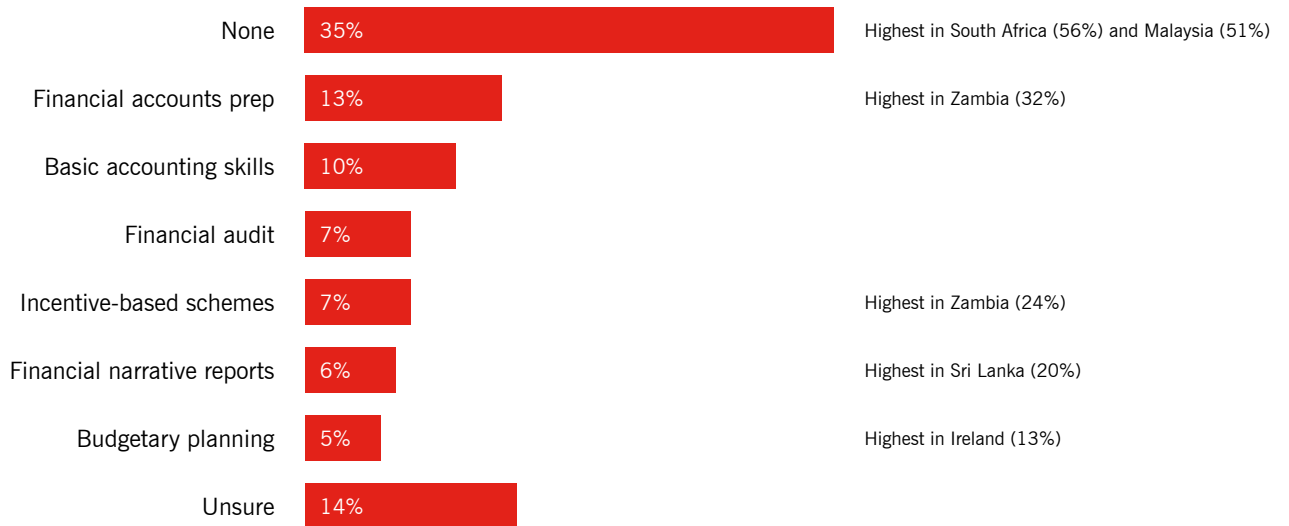
Nearly one in ten of all respondents, believe that skill in building relationships in business and with stakeholders will be in increased demand in five years. This type of so-called 'softer' skill is particularly important in modern business, where accountants are expected to communicate effectively both internally and externally.

Many survey participants emphasise the need for accountants to fulfil business roles in future. For example, 6% of all participants identify a more business-oriented approach as likely to be more in demand, particularly those in Western Europe.

A number of other skills sets were also named by more than 5% of all survey respondents as likely to be in greater demand. Analytical thinking, for example, is particularly popular among participants in the UK and

FINANCIAL SKILLS LESS IN DEMAND

Over a third of respondents do not expect any financial skills to be less in demand in the next five years



Base: all respondents – 754

South Africa. Demand for the more traditional accounting skills of management accountancy and cost control/budgeting is also expected to increase, with management accountancy particularly highlighted by respondents in Ireland and South Africa.

Skills related to compliance/ethics are also expected to be needed. Many CFOs, partners and senior accountants see the business world as highly regulated, with compliance pressures only expected to increase as governments and regulators assess what actions need to be taken to reduce the risk of another sub-prime mortgage crisis occurring.

FINANCIAL SKILLS LESS IN DEMAND

Many respondents – over a third of the total – do not expect any financial skills to be less in demand in the next five years. This is particularly true of participants in South Africa and Malaysia, reflecting the current skills shortage perceived to exist in these markets.

Where CFOs, partners and senior accountants do anticipate falling demand for some skills, this is typically in relation to the more basic accounting capabilities, including financial accounts preparation. Specific skills expected by more than 5% of all participants to be in less demand also include financial audit, expertise related to incentive schemes, financial narrative reports and budgetary planning.

An expected fall in demand for basic accounting skills can be explained by increased outsourcing of backroom processing to specialist service providers. Such outsourcing frees up highly skilled, qualified accountants to focus on more value-adding activities and to act as true business partners, advising on strategic investment decisions, business development and performance improvements.

At the same time, where basic accounting activities are not outsourced, they are increasingly assumed to be a ‘given’ part of the qualified accountant’s technical toolkit. Accountants are expected to do more in their organisations than ever before, taking on wide-ranging roles, and both core and advanced skills are required.

Part 2 – Future business conditions

BUSINESS CHANGES DUE TO ECONOMIC DOWNTURN

The global economic downturn is a major issue for all CFOs, partners and senior accountants around the world, whether in private corporations, accountancy firms or public sector organisations. So how do they think that businesses might be different in five years' time as a result?

The survey findings reveal considerable consistency across the world. Many business executives foresee a tougher business environment. Credit, risk and funding issues feature strongly. However, there are some variations between markets.

There is widespread agreement among survey participants that businesses will be cautious in giving credit – 87% of the total doing so very or quite strongly. This suggests that CFOs, partners and senior accountants are concerned about the financial stability of clients and customers. Given the need for governments around the world to create financial packages to prevent the collapse of high street banks, institutions that once would have been considered extremely low credit risks, this view is understandable. Participants in Ireland appear particularly concerned about the giving of credit, a result which is consistent with respondents' general pessimism in terms of future demand for accountancy skills and references to economic recession.

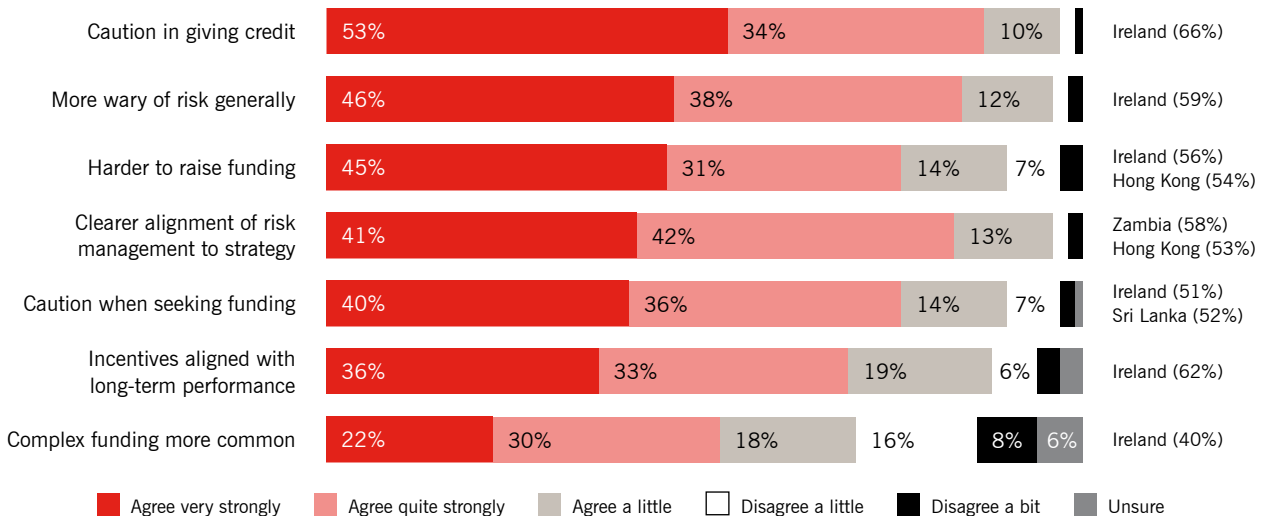
There was a strong consensus that businesses will be more wary about risk generally in five years' time, with 84% of all survey participants agreeing with this idea very or quite

strongly. There is also a widespread expectation that there will be a clearer alignment of risk management to strategy (particularly among those in Africa). This is clearly a reflection of the impact that the sub-prime mortgage crisis and the ensuing global economic downturn has had, and will continue to have, on business life. Management teams have arguably been found wanting in their risk management strategies in the past. Investors and other stakeholders, including governments and regulators, will place increasing emphasis on the need for high standards of risk management. It is not surprising, therefore, that CFOs, partners and senior accountants, as noted earlier, see enterprise risk management as a skill area that will be of increasing demand.

Survey participants also tend to expect a tougher time for business in terms of fund-raising. Not only do they expect it to be harder to raise funds (with 45% agreeing very strongly with this idea, particularly respondents in Ireland and Hong Kong), but they also expect businesses to demonstrate more caution when seeking funding (particularly those in Ireland and Sri Lanka). The finding suggests that recovery from the global economic recession to take some time. Investors are currently

BUSINESS CHANGES DUE TO ECONOMIC DOWNTURN

Key issues are risk and credit management; complex funding is relatively undesirable



Base: all respondents – 754

being selective about the public companies they back, while private equity funds too are applying stringent selection criteria before deciding to invest in a business.

There are clear implications for accountants and the roles that they play in business life. There will be a need for careful assessment of investment opportunities, drawing on complex skills in analysis, project appraisal and scenario planning. Qualified accountants working within business will also have a key role to play in putting together and presenting the business case for funding in order to persuade potential investors to provide their support. This will require a combination of technical expertise as well as analytical ability and sound communication skills.

Given recent criticism of management short-termism, particularly of the linkage of executive bonuses to short-term targets, it is perhaps unsurprising that many CFOs, partners and senior accountants predict changes related to executive remuneration and reward. The majority of all those surveyed expect to see incentives aligned with long-term performance – 69% holding this view very or quite strongly.

There is much current debate in the wider business world about the incentivisation of management and how their interests should be aligned – whether with the long-term success of the enterprises they lead and/or with shareholders. It seems clear, however, that some changes will be required, driven by government legislation or regulators who impose new corporate governance requirements.

Survey participants were also asked for their views on complex funding arrangements, specifically whether they believe they will be more common in five years' time. Though the majority (70%) agree that complex funding will be more common, substantial numbers do not. Almost one in ten disagree a lot with this idea. In fact, opinions appear more split about this suggestion than about any others.

The expectation that complex funding arrangements will be more common is particularly strongly held in Ireland, where survey participants also tend to think fund raising will be more difficult. Thus perhaps some CFOs, partners and senior accountants expect that more complex arrangements will be needed in order to supply businesses with the funds they need. If raising finance is going to be more difficult, then accountants will need to be more creative in coming up with solutions, and some of these may be considered relatively complex.

On the other hand, complex financial derivatives – and managements' and other stakeholders' lack of understanding of them – have been highlighted as contributing to current economic problems. Those who think complex funding will be less common are perhaps anticipating that such arrangements will be unattractive to stakeholders (including regulators and governments), being seen as higher risk.

Highlights from markets and business sectors

HONG KONG SAR

Over half (55%) of survey participants in Hong Kong expect demand for qualified accountants to increase, with China's growth often cited as a cause. Just 8% predict a decrease.

The majority of respondents anticipate more demand for enterprise risk management skills (53%), while 31% identify strategic scenario planning, 27% improving the use of data and knowledge, 18% project modelling and costing and 16% intellectual capital accounting and management. A significant proportion (11%) predict increased demand for carbon reporting and 10% for skills in building relationships.

Businesses in future are expected to be more wary of risk, more cautious about giving credit and to have more difficulty raising funding.

MALAYSIA

Most CFOs, partners and senior accountants surveyed in Malaysia (87%) foresee increased demand for qualified accountants. Just 2% expect a decrease, with 10% thinking demand will remain the same.

Participants expect many skills to be more in demand, including strategic scenario planning (34%), intellectual capital accounting/management (29%), enterprise risk management (29%), improving the use of data and knowledge (28%), building relationships in the business and with other stakeholders (21%), project modelling/costing (21%) and analytical thinking/analysis/including fair value expertise (7%). Some expect basic accounting, financial accounts preparation and financial audit to be in less demand.

Businesses in future are expected to be cautious about giving credit and when seeking funding, and wary of risk.

REPUBLIC OF IRELAND

A significant minority (16%) of survey participants expect demand for qualified accountants to fall, while 45% think demand will increase and 39% expect it to stay the same.

Asked which financial skills will be in more demand, 15% of CFOs, partners and senior accountants said a more business oriented approach, 12% strategic scenario planning, 11% management accountancy, 9% compliance/ethics and 7% enterprise risk management. A notable 8% identified insolvency skills – Ireland being the only country where more than 5% of respondents did so.

How might the economic downturn affect business? Participants foresee the alignment of incentives to long-term performance, and have significant concerns about credit, risk management and fundraising.

SINGAPORE

Most survey respondents in Singapore (79%) expect demand for qualified accountants to increase. Only 3% surveyed predict a decrease.

The skill most likely to be in demand is enterprise risk management (named by 30%), followed by the ability to improve data/knowledge use (15%), strategic scenario planning (10%), intellectual capital accounting/management (9%) and project modelling and costing (8%). Compliance skills are taken for granted, with 11% of participants expecting decreased demand for financial accounts preparation and 9% a decrease in basic accounting.

Businesses in future will be more wary of risk, have clearer alignment of risk management to strategy and show more caution in giving credit.

SOUTH AFRICA

Most survey respondents (88%) expect demand for qualified accountants to increase. Just 2% think it will decrease.

Unlike most other countries, participants expect demand to grow for compliance as well as complex advisory skills. Some 14% expect increased demand for general/basic skills, 12% greater need for compliance/ethics skills, 10% management accountancy, 10% analytical thinking/analysis/fair value, 8% audits, 8% cost control/budgeting and 6% IT skills. The majority of participants (56%) don't think any financial skills will be in less demand in five years.

CFOs, partners and senior accountants expect businesses in future to have a clearer alignment of risk management to strategy and to show more caution in giving credit.

SRI LANKA

The vast majority (88%) of participants in Sri Lanka expect demand for qualified accountants to increase. Just 6% expect demand to fall and another 6% forecast it staying the same.

Almost a third of participants (32%) expect increased demand for skills in the use of data/knowledge, with 28% naming both project modelling and costing and strategic scenario planning. Other skills expected to increase are enterprise risk management (22%), relationship building (20%), intellectual capital accounting/management (16%) and carbon reporting (6%). Demand for basic accounting and compliance skills is expected to decrease.

Future businesses will be more focused on risk and cautious about both seeking funding and giving credit.

UK

CFOs, partners and senior accountants in the UK are relatively pessimistic about future demand for qualified accountants – 15% expecting it to decrease over five years. Even so, 43% predict increased demand.

Competency in compliance areas is increasingly taken for granted. However, 12% of UK survey participants expect greater demand for analytical thinking and analysis (including fair value), and 10% a more business oriented/commercial approach. Greater demand is also expected for control/budgeting skills (chosen by 9%), compliance/ethics (6%) and management accountancy (6%).

As to how the downturn might affect business, respondents expect caution in giving credit and a strong focus on risk management. Funding is also expected to be an issue.

ZAMBIA

Around two-thirds (68%) of participants expect demand for qualified accountants to increase, while 24% expect demand to stay the same and 8% think it will decrease.

Many expect demand to increase for skills in enterprise risk management (76%), strategic scenario planning (36%), intellectual capital accounting and management (30%), project modelling and costing (22%), improving the use of data and knowledge (18%), carbon reporting (10%) and relationship building in the business and with other stakeholders (8%). Around a third (32%) envisage less demand for financial accounts preparation (32%).

Businesses are expected to be more wary of risk generally, to align risk management more clearly to strategy and to be cautious in giving credit.

PRIVATE CORPORATIONS

Survey participants in private corporations generally expect demand for qualified accountants to increase over the next five years – 62% of those in medium corporates do so, and 58% of those in large corporates. Survey participants in Singapore are particularly optimistic about demand, with 77% of respondents from private corporations (regardless of size) expecting an increase. Just under a third of all corporate participants think demand will stay the same.

A quarter of respondents expect skills in enterprise risk management to be in greater demand, while significant numbers also expect increased demand for strategic scenario planning and improving the use of data/knowledge.

Those seeing an increase do so because of anticipated business and economic growth, complexity in business and finance, a demand for assurance and control, and the belief that accountants are always needed.

ACCOUNTANCY FIRMS

Survey respondents in accountancy firms are generally more likely to expect increased demand for qualified accountants over the next five years than participants in other sectors. This is particularly notable in Singapore, where 95% of accountancy firm respondents predict increased demand, and in Zambia, where 80% of participants from firms do. Large firm respondents are also most optimistic – 77% of such respondents from Big Four firms predicting increased demand.

The top three skills expected to be most in demand relate to enterprise risk management, strategic scenario planning and improving the use of data/knowledge

Reasons given include increased industrialisation and economic growth, ongoing changes in financial accounting and reporting, and the role that accountants can play in helping business respond to the economic downturn.

PUBLIC SECTOR

The majority of CFOs, partners and senior accountants in public sector organisations expect demand for qualified accountants to increase – 61% holding this view. Just under a third (27%) expect demand to stay the same, and 10% anticipate a decrease. Participants in Malaysia are particularly prone to expect an increase, with 80% survey respondents there giving this opinion. Participants in the UK and Ireland tend to be less optimistic about increasing demand.

In line with other sectors, respondents are most likely to expect increased demand for skills in enterprise risk management, strategic scenario planning and improving the use of data/knowledge.

Increased demand is expected for a variety of reasons, including the need for effective risk management, tighter reporting and other regulations, the adoption of International Financial Reporting Standards and anticipated economic growth.

Conclusion

It is clear that CFOs, partners and senior accountants anticipate some significant changes to business life taking place over the next five years. Regardless of an entity's size or its public/private status, the repercussions of the global economic downturn will be felt. In particular, businesses will be more focused on risk management and the importance of its alignment with strategy. Survey participants are also braced for a world where finance is harder to raise, and where organisations are more cautious in their approach both to raising finance and to giving credit.

These expectations shape the degree of demand that CFOs, partners and senior accountants anticipate for qualified accountants in general, and for the specific skills they can supply. Gone are the days of the technical accountant sitting permanently behind a desk in an isolated office, remote from the business, simply processing data and compiling accounts.

In the modern world, basic accounting, auditing and accounts preparation skills are increasingly taken for granted. On top of these, qualified accountants need to demonstrate complex business and managerial skills. They need analytical ability and an understanding of the interconnectedness of risk across complicated entities. They also need the ability to communicate with peers and external stakeholders so that they can understand the future vision for the business, as well as clearly understand its past performance.

Business success depends on the ability to make sound decisions in a risky, uncertain world. Qualified accountants can help management teams to make those decisions, based on information drawn from accurate data and informed by broad business knowledge. These may be tough times for all organisations around the world, but they are also potentially exciting and enabling times for qualified accountants who have the opportunity to step up and take the lead in driving future business success.

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 131,500 members and 362,000 students throughout their careers, providing services through a network of 82 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

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