

Chartered accountants and the turbulence of change

Twenty years ago, a typical employee only had one device - a landline. Fast forward to 2018, where cell phones, laptops, and notebooks are completely integrated into our lives.



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In fact, Thomas Frey, futurist and author of *Communicating with the Future* predicts that, in the next few years, most Americans will have 6.9 devices each.

The result is also expected to change radically change jobs and the way we work.

Futurist Graeme Codrington predicts that, thanks to the prevalence of technology, by 2030, nearly half of today's jobs will either be automated or outsourced. Over 2-billion jobs will disappear, with most coming back in different forms in different industries. In the future, we can expect change at an unprecedented rate.

'It's completely changing and drastically different to the world we see now,' says Stuart van der Veen, CA(SA) and founder of [Paper Plane](#).

Van der Veen adds that he has observed notable changes in the chartered accounting profession. "Newly qualified CAs need to be prepared to get their hands dirty, support and flourish in high growth and scale environments."

Threats and opportunities

A challenge facing the chartered accounting profession is the prospect that many of the staff making up very large audit teams will be replaced by IT systems that are able to process complex and large volumes of data at a much faster rate than the average person.

This means that CAs at all stages of their career must acquire fresh, relevant skills to remain relevant.

‘Young CAs coming through must digitise and disrupt the very way that accounting, reporting, management accounting, taxation, and audit and assurance work, to better serve society,’ says van der Veen. ‘We’ve only seen the tip of the iceberg.’

There is no room for complacency. Van der Veen explains: “Jeff Bezos, founder of Amazon.com, recently said: ‘Day two is stasis. Followed by irrelevance. Followed by excruciating, painful decline. Followed by death. And that’s why it’s always day one’.”

Some chartered accountants may express reservations at the thought of acquiring new skills to the extent that will be required. They may well ask, “Is it worth the effort?”

“What Bill Gates said is really relevant,” cautions van der Veen. “We always overestimate the change that will be required in the next two years and underestimate the change that will occur in the next ten. Don’t let yourself be lulled into inaction’.”

Alex van der Watt, professor of practice at the University of Johannesburg, accounting education specialist, and advisor to South Africa Institute of Chartered Accountants’ (Saica) initial professional development unit, is confident that chartered accountants will rise to the challenge.

“The accounting profession has adapted to many changes in recent years, including globalisation and increased regulation,’ explains van der Veen. ‘It will, however, require possible changes to our qualification model in terms of content and the way in which content is delivered.’”

“There will always be a demand for CAs but in a different role,’ says van der Watt. ‘Increasingly they will be required to interpret information rather than provide information, and to solve complex business problems.’”

The disruptors

“The technology driving the change and disruption includes blockchain, machine learning, artificial intelligence, the internet of things and drones,” says Van der Watt. ‘But technology is fast changing. In five years, it may be different.’”

The disruptive nature of today’s technology cannot be compared to the impact of technological advances such as the introduction of the first telephone by Alexander Bell. The rate of change is accelerating at an unprecedented rate.

“We’re seeing the performance curve dissect the expectation curve earlier and earlier,’ says van der Veen. ‘Disruptive technology doesn’t create incremental improvement, it changes the fundamental way in which ecosystems collectives and individuals plan, transact, record and report.’”

New training model

As the needs of business change, training models to produce CAs will need to be tailored accordingly.

“We don’t need to throw the concept of a traineeship away,” says van der Veen. “We need to make sure that traineeships caters for a different way of working. Starting and successfully running a business, with a CA on your board as a training officer, should count as traineeship.”

“For firms, the pyramid is dying and the model needs to change. Smart talent wants variety, challenge and upside.”

Adaptability will be the name of the game for CAs seeking sustainability. Aside from a set of fresh competencies, there is likely to be a greater shift of emphasis towards being a critical thinker and a lifelong learner, rather than focusing purely on technical ability.

In a project called CA2025, the Saica, together with the Independent Regulatory Board for Auditors (IRBA), has commissioned research into the expected competencies of CAs and registered auditors in the future.

The research project is expected to be concluded in 2019.

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