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How to Win the Battle for Professional Accounting Talent: The Uniform Global IICPA® Training Program

01 May 2019 by Michael Schemmann¹

“[T]he accounting profession has gotten away with short-changing its members for decades, telling Baby Boomers and latchkey Generation Xers „to keep their heads down and pay their dues for a once-a-year review with a manager and the distant hope of a shot at the possibility of maybe being considered for partner,“ writes Daniel Hood, editor-in-chief of *Accounting Today*.²

Today’s young hires fresh out of university expect levels of

- managerial involvement,
- feedback,
- mentoring,
- flexibility and
- empowerment

that the profession has simply never provided to young accountants before, requiring more of managers’ and partners’ time; time that their predecessors would have spent on client work and billable hours. Daniel Hood continues:

„They’ll more than make up for those billable hours, though, through rising employees who can do the work more efficiently with new technology, and who are prepared to expand their firm’s capabilities far beyond their current scope. By spending the time to properly lead, develop and invest in the next generation (and the one after that, and the one after that), today’s managers and leaders can build much stronger firms and a stronger profession for the future.“

It’s important for professional service firms to realize that this investment will pay off in employees who are motivated, talented and devoted. Bruce Tulgan congratulates Millennials on these facts: “You’ll be the most high-maintenance workforce in history — but you’ll also be the most high-performing.”

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² Daniel Hood, “Stop fighting the war on talent.” *accountingtoday* Voices 26 November 2017 citing Bruce Tulgan, founder of Rainmaker Thinking, a consultancy focused on intergenerational workplace issues.

IFAC writes that „future accountants will increasingly need education in digital technology (including cloud computing and use of big data), globalization (outsourcing of accounting services), and evolving regulations (tax regulation, new forms of corporate reporting, integrated reporting regulation, and so on).“ Digital technologies are the „key competency area where professional accountants have skill gaps. Accountants lack knowledge in transformation of new disclosure regulations, new forms of disclosures, and awareness of the interconnectedness of financial and non-financial reporting. Professional accountants will need the skills to provide more all-inclusive corporate reporting, which tells less about the numbers and more about the narrative of the organization. Unfortunately, at the moment, few universities have developed curriculums for accounting students in line with their future needs.“³

The change in who accounting firms are hiring

About 80% of public accounting in the United States is handled by the Big4, namely Deloitte, PwC, EY and KPMG, grossing roughly \$65 billion a year (2018); worldwide \$148.16 billion with 1,005,050 employees.⁴ The Big4 used to be hiring armies of university graduates each year, expecting them to complete the U.S. CPA exam within a certain time frame before considering them for promotion.

Graduate recruitment at auditors and accountants could fall by as much as 50% in 2020 due to the impact of artificial intelligence (AI), according to Steve Varley, chairman and managing partner for the UK and Ireland at EY to the *Financial Times*.⁵ At the same time, the increase in technology means graduates with skills in areas such as data analytics and computer sciences are in high demand. The *Financial Times* quotes Jim Peterson, a US-based accounting specialist and author, as saying: "Firms will no longer need armies of junior staff but instead will need the best algorithm design geeks in the world."

In assurance, the CPA is the basic qualification for most audit roles, but audit is changing as technology pervades every industry.⁶ Accounting and auditing professionals who make the grade are called "accounting plus" and had a minor or double major in

- data science or
- data analytics,
- computer science,
- programming or
- management information systems.

The Big4 increasingly hire people with a variety of different backgrounds. Technologists are the second-largest segment including new employees with an engineering or computer science degree.⁷

³ Muhammad Azizul Islam, QUT Brisbane, "Future of Accounting Profession: Three Major Changes and Implications for Teaching and Research, IFAC 10 February 2017. citing a.o. from "Professional accountants – the future: Drivers of change and future skills", ACCA's *Think Ahead* magazine, June 2016.

⁴ Big Four accounting / audit firms revenue worldwide in 2018, statistica.com

⁵ „Technology transforms Big Four hiring practices,“ *Financial Times*, 09 May 2016
<https://www.ft.com/content/d5670764-15d2-11e6-b197-a4af20d5575e>

⁶ Dan Butcher, "PwC is hiring for assurance, but doesn't just want accountants. " *eFinancialCareers.com* 22 November 2016, citing Carmelina Lalley of PwC's assurance. "The audit profession as a whole is changing, and at PwC the audit is changing with the invention of data analytics tools now used in the audit – it's not people with paper and a pencil walking through factories anymore," Lalley said. "Our auditors are doing everything via tools that pull whole populations of data together versus shuffling paper files, which doesn't happen anymore." Lalley advises students and experienced candidates alike to become as data literate as possible, in addition to gaining accounting knowledge.

⁷ Dan Butcher, "PwC only hires 2% of experienced applicants for U.S. roles – here's how they decide who makes the cut. " *eFinancialCareers.com* 12 April 2016.

Daniel Hood, “The profession’s biggest challenges,” cites in *accountingtoday.com* 01 October 2018, citing Tamera Loerzel, a partner at ConvergenceCoaching.

„A number [of leaders] worried that firms were avoiding making any choice at all — not adapting, but not fighting either. 'Not confronting the many changes head on and being complacent or taking a *wait-and-see* approach is the No. 1 issue facing CPAs,' said Tamera Loerzel, a partner at ConvergenceCoaching. 'CPAs must act now — both in their personal learning and skills development and in their firms and organizations. CPA leaders must place their bets on a few changes to drive now to stay relevant and competitive and meet the demands and needs of their clients and organizations,'“

And Wesley Middleton, managing partner of MiddletonRaines+Zapata and author of *Violent Leadership: Be a Force for Change: Disrupt. Innovate. Energize*, worried that the pull of the past would prevent accountants from changing to meet the future.

“As a profession we are struggling with letting go of the past and the way things have always been done to embrace an ever-changing economic model,’ he said. ‘Our clients and our future leaders that we are recruiting to join this profession are demanding innovation and a change in mindset or we face irrelevance in the market. Although the movement is underway, I am amazed at the lack of widespread support and the lack of action for change in our profession. It is not only a technology disruption, it is a generational disruption that is occurring, causing us to rethink our cultures and our strategies for recruiting and retention, and forcing us to face uncomfortable questions about our purpose.’“

The future role of auditors

Jon Raphael, national managing partner for audit transformation, Deloitte & Touche LLP, New York writes:⁸

“One might think that cognitive technologies would reduce the need for, or possibly even eliminate, auditors. It is true that cognitive technologies enable the automation of tasks that have been conducted manually for decades, such as counting inventories or drafting communications. However, this can liberate the auditor's time to focus more on risk areas and less on rote tasks.“

“By allowing auditors to spend more time exercising their professional judgment, and enabling them to better understand their client's business, we are confident that future-state cognitively-transformed audit processes will also enhance the skills and satisfaction of the auditor. Although new skills will be required, we see plenty of demand for well-trained auditors for decades to come.“

The ICPA® – International Certified Professional Accountant®

The International Certified Professional Accountant® was created in 2003 and trademarked in the United States and internationally as a truly global professional designation to be taught and tested entirely in English at international schools of business, predominantly in Europe and Asia, to

⁸ Deloitte Wins 2018 'Audit Innovation of the Year' at The Digital Accountancy Forum & Awards Two-time award winner Deloitte recognized for its Audit-Transforming "Cortex" data platform“ www.prnewswire.com 05 October 2018.

enhance uniformity of professional knowledge and terminology, mobility of staff, and independence from national decrees and proscriptions.

The ICPA is

- taught and tested at colleges and universities as an accomplishment at a point in time,
- is awarded like a university degree for life at a
- one-time fee
- no annual renewals and
- without CPE requirements. The IICPA believes that professional accountants fulfill the requirements by keeping pace and complying with laws and regulations, practices and events, equal to or exceeding CPE course work.

The ICPA is also a students' first stepping stone to the national professional auditing certificate such as the CPA after which it is modeled, the CA, WP, DEC, etc.

The ICPA Course material

The International Certified Professional Accountant (ICPA), while modeled after the U.S. CPA, eliminates what are internationally considered „U.S.-specific redundancies“ in REG, FAR and AUD — required for the practice of public accountancy and consultation only in the United States — but adding a heavy dose of New Technology to BEC.

Redundancies of the U.S. CPA's review material and testing are omitted, namely:

REG – Regulations of the U.S. CPA exam:

- U.S. Federal Taxation of Individual and Entities, replaced by International Taxation including Tax Treaties
- U.S. Government Regulations
- U.S. Business Law,
replaced in the ICPA Exam Review by International Commercial Law.

FAR – Financial Accounting and Reporting of the U.S. CPA exam:

- U.S. GAAP, replaced entirely by IFRS International Financial Reporting Standards
- U.S. SEC Reporting Requirements
- U.S. State and Local Governments.

AUD – Auditing and Attestation of the U.S. CPA exam:

- GAAS, SQCS, PCAOB,
replaced in the ICPA Exam Review material by ISA International Standards on Auditing issued by IFAC through IAASB, the International Auditing and Assurance Standards Board.

Additions by the ICPA's review material and testing:

BEC – Business Environment and Concepts:

- Advanced Excel Skills
- Big Data Science and Analysis
- Robotic Process Automation
- Artificial Intelligence
- Blockchain Fundamentals.

The ICPA Exam

The present ICPA Exam, which will change by a strong emphasis on technologies, is on one day from 08:00 until 16:55 hours in May and November covering (see <http://www.iicpa.com/IICPA%20Professional/courseandexamination.html>)

- Financial Accounting and Reporting
- Management Accounting
- Internal and External Control
- Internal Control
- Financial Management
- Banking and Financial Markets
- Economics
- International Commercial Law
- International Taxation
- Blockchain Fundamentals

The ICPA Exam is set by the IICPA and graded at no cost the participating schools of business. The ICPA Examination may be repeated at the discretion of the participation school of business until passed.

Accounting firms are invited to contribute and benefit

The ICPA program is inviting accounting firms to sponsor professors of accounting and/or delegate from their professional cadre instructors to select international Schools of Business, initially in the upcoming economies of Eastern Europe, the Near East, Central, South and Southeast Asia, to teach the *ICPA Exam Review* course in English <https://www.amazon.com/ICPA-Exam-Review-Michael-Schemmann/dp/1981384790>, providing a mobile, uniformly educated pool for recruitment for the sponsoring firms to fill their staffing and succession needs with examined entry-professionals who have the necessary qualification to “hit the road running.”

The suggested sponsorship contributions are anywhere from \$20,000 annually to full pay, recoverable in part (or exceeding the initial outlay) by a share in the licensing fees from successful ICPA Exam candidates charged by the IICPA, which could be returned by the firms to the new hires in the form of signing bonuses.

A draft sample of a search announcement by and for the Schools of Business is attached.

Sample of a Search Announcement

_____ **[name of Accounting Firm] Professor of Accounting**

University of _____ School of Accountancy

Deadline	Month Date, 20XX
Date Posted	Month Date, 20XX
Type	Tenured, tenure track
Salary	Highly competitive
Employment Type	Full-time

The School of Accountancy of the School of Business at the University of _____ is seeking candidates for a tenure-track Assistant / Associate Professor position holding the _____ [name of the accounting firm] Endowed Professorship of Accounting.

Primary duties include

- (1) teaching accounting at the graduate and undergraduate levels,
- (2) engaging in the preparation and delivery of study programs that address new technologies for accounting and finance,
- (3) working with doctoral students,
- (4) preparing students for professional accounting exams by teaching related review courses,
- (5) assisting in the writing and/or editing of parts of such exam review course materials, and
- (6) performing services as assigned and as appropriate for the level of appointment. The position will start _____ 20XX.

Required Qualifications: Experienced candidates who have proven teaching excellence, knowledge and abilities in the application of new technologies, commensurate with appointment as

- (1) either an assistant or associate professor professorship of accounting at a recognized university, or
- (2) a record of outstanding capabilities in the development and application of technologies applicable to the field of accounting and/or finance.

Preferred Qualifications: We are seeking candidates holding a post-graduate degree and a recognized professional public accounting designation such as CA, CPA, WP, etc. Candidates who have expertise in big data analytics and/or with a record of externally-funded research and development are strongly encouraged to apply.

Salary: Competitive and commensurate with experience.

To Apply: Candidates must apply online at http://_____ and attach:

- (1) a cover letter,
- (2) a curriculum vita,
- (3) a list of three references, and
- (3) at least one recent paper relating to accounting technology.

Applications must be received by _____, 20XX. Review of applicants will begin immediately.

Please direct questions and inquires to _____, Director of the _____ School of Accountancy, at _____@_____.

All application materials must be attached at time of application. The candidate selected for this position will be asked to submit a disclosure and consent form authorizing a background investigation.

The University of _____ is an Equal Employment/Equal Educational Opportunity Institution. All qualified applicants will receive equal consideration for employment without regard to race, color, religion, national origin, sex, sexual orientation, gender identity, gender expression, age, genetic information, disability, and will not be discriminated against because of their protected status.