

THE 2nd ACCOUNTANCY RESEARCH CONFERENCE

“Building a Resilient Accountancy Profession and Economy in a Disruptive Environment”

The Future of Accountancy

Presented by Mr. Moses Gathura Kamau – M No. 21332

Preamble:

This paper seeks to interrogate the accountancy profession, its current status and future possibilities in a world which is fast changing, with daily changes in schemes of work, revised laws, technological advancements as well as disruptive global trends such as COVID 19 as well as political events that form our society and human fabric.

Researcher Background:

Mr. Moses Gathura Kamau is an accounting and management professional who enjoys the accounting profession. He is based in Nairobi, Kenya and Dar es Salaam, Tanzania from where he currently shuttles between the two cities offering solutions to clients in the wider East African region.

A member in good standing of the Institute of Certified Public Accountants of Kenya (ICPAK), he is also proud of the hard work and commitment of the members of the Institute, and warmly congratulates them of the continuous daily efforts to promote and develop the accountancy profession.

He also wishes to thank all members, panelists, researchers and organizers of the **2nd Accountancy Research Conference** for their efforts and dedication to the accountancy profession.

The Future of Accountancy

The accountancy profession has been in existence since the beginning of man. Ancient archeological finds have demonstrated the existence of rudimentary mathematical procedures to account for basic needs such as food. This has been demonstrated by finds such as the Cuneiform tablets: (First known trilingual writing script “cuneiform” appears in accounting transactions on clay tablets in Uruk, Mesopotamia) or the more commonly accepted practices on the African continent known as the Barter Trade system which was basically an exchange of goods and services with rudimentary records used to create inventory and transaction records.

Accounting and the accounting profession is however a living practice and has always re-invented itself to meet the needs of the current world and reality that we live in.

As such in the current world we live in we have a litany of laws, rules and regulations and procedures that govern the practice today. These practices are universally agreed upon and form part of the global widely accepted laws, rules and regulations such as Double Entry System of Accounting, formulates organizations such as ICPAK in Kenya, NBAA in the United Republic of Tanzania, ICAEW in the UK and many others.

We however are all in agreement that we are currently living in an age that has provided unprecedented changes in all aspects and spheres of life. These changes have been fueled by technological advancements and a new generation who are not afraid to change the rules of life as we live it.

This changes have also not spared the accountancy profession and practice.

What then does the future bode for the accounting profession? How can the accounting profession fit in this brave new world? Shall we be leaders or followers? Are we in East Africa ready to take charge and develop an accountancy blue print for the future?

Can we as accountants secure our future today?

Yes, we can. We however need to act fast and strategically in execution of strategies that not only secure our future today but for posterity. I have developed three core concepts that I believe if worked upon can secure the future of accountancy for posterity not only for the accounting professional, but also for the better good of the community and society at large. These core concepts are as highlighted below.

The Accountant as a Strategic thinker for the organization

Traditionally the accountant has always been known as the bean counter, the book keeper, the dull and dour profession, preferably situated in the back office, and only required when the management of the organization requires reports, explanations, reconciliations or authorization on payment vouchers. Such schemes and ways of work can no longer work in the future. The world now requires strategic thinking as a key factor in day to day transactions, short and long term planning as well as action plans.

KASNEB has already shown the way in this regard. Our accounting curriculum in Kenya now encourages thinking especially in the higher aspects of the curriculum (from CPA Section 4 to CPA Section 6).

The idea is that the accountant should be reskilled and retooled as a strategic thinker who can sit on the decision table and guide the organization in making decisions that can strategically grow the organization.

Strategic thought is now required in acquisitions, mergers, human resource complement, design, acquisition, deployment of accounting systems for the organization over the internet, wide area networks, intra-regional and global deployment as well as tax management strategies. A good and valid example is the recent expansion of the telecommunications giant Safaricom expansion into the Federal Republic of Ethiopia.

A quick examination of this move highlights that the finance and accounting team should be able to deploy strategies that can lead to market capture in Ethiopia, monitor transactions, enable audit, tax strategies as well as develop a whole accounting system in real time basis all while based at Safaricom Headquarters on Waiyaki Way, Westlands, Nairobi – Kenya.

Other examples include KCB & Equity Bank Group who should be able to account for transactions done say in a village in Rwanda, where they have branches, all from their headquarters in Nairobi.

Unfortunately, most accountants have delegated this task to ICT and IT Departments. As such you will find that the ICT and IT Departments are actually dictating the direction that the organization is taking in development of Accounting and Strategy instead of the process owners who are the accountants. While not discounting the work done by ICT and IT Departments I do believe that we should be in charge of providing thought leadership that can then be worked upon by these departments.

I propose that the accountants and the players in the accounting profession should reflect and develop scheme and way of work that ensure that Accountants reclaim their position as strategic thinkers for the organization. This is the only way that we can ensure a future for the accountancy profession.

Leveraging of new technologies in the Accountancy Profession

The world has tremendously changed with new technologies being launched every other day. Indeed panelists and fellow accountants alike will agree with me that there are new exciting technologies being launched daily that have huge impact on accounting, finance and corporate laws. Some of these include issues such as Block Chain Technology, Crypto Currencies amongst others. While this paper will not delve into the nitty gritty details of what these technologies are and entail, we are all appreciative that this portends to a future that will be immensely different from the norms that we are used to.

Audit tools, tax management tools, ERP, Management reporting systems are all exciting new tools and technologies that are fast changing and offering exciting new frontiers for our profession and engagement with our clients and the wider community at large.

Training, Upskilling, Information Sharing

The future of accountancy demands that practitioners of the accountancy profession upskill train, learn, unlearn and learn again so as to meet the challenges of the future. Indeed it is only with information sharing that we shall be able to mold our new world and carve a place for the accountancy profession.

We are happy with the uptake of ICT and new learning tools as witnessed by the uptake of ICT by ICPAK.

We are also proud of the conveners of the Accountancy Research Conference. It in itself demonstrates the hard work that ICPAK and its partners are undertaking to develop the accountancy profession not only today but for the future.

Research amongst East Africa Accounting Practitioners on The Future of Accountancy

As part of this submission, we need to do research amongst peers and industry thought leaders to find out as well as share ideas on what we believe the future of accounting shall be. As such I

have prepared a detailed form leveraging online technology from where participants can give feedback and insights on this topic.

This feedback has been collected from respondents based in The United Republic of Tanzania & The Republic of Kenya and this adequately provides a holistic view of East Africa as well as a microcosm representation of the world we live in at large.

Summarized views are as presented below:

A copy of the feedback form is also attached for your review.

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Respondent Feedback Form

THE FUTURE OF ACCOUNTANCY

This Questionnaire has been developed by Mr. Moses Kamau as part of his research paper on the "Future of Accountancy".

The researcher looks forward to your warm and valued feedback as well as valued opinion ICPAK continues to play an important role in promoting research in the subjects of accountancy and finance in Kenya and beyond. The Institute successfully held its inaugural research Conference in 2020 themed, "The Evolution of Accountancy Profession to meet the 21st Century Global Challenges".

It brought together over four hundred delegates drawn from the public, private sector and academia who took part either as presenters or participants. Against the backdrop of this success, the Institute is determined to hallmark this event as an annual event that contributes to the development of the accountancy profession in the realms of research.

This year's Conference comes at a time when the world is reeling from the effects of COVID19 pandemic and

experiencing unprecedented wave of technological transformation which is changing business models. In order to achieve a sustainable economic growth trajectory, organizations must change their metrics to adopt innovative solutions that would underpin development to adapt to the changes in the business environment. It is against the foregoing that this year's Research Conference is themed; "Building a Resilient Accountancy Profession and Economy in a Disruptive Environment.

The Researcher, Mr. Moses Kamau is a Certified Public Accountant who delves into issues that affect the profession and looks to developing insights that can help the profession moving forward. As part of this research paper titled " The Future of Accountancy " he warmly requests for your kind feedback on thematic issues raised below and your valued contribution towards this topic.

This is an electronic document and we humbly ask that you fill in electronically and send back to the sender.

1. What are your opinions on the role of the accountant of the the future? Kindly share your thoughts on the viability of an accountant being a strategic thinker for the organization

2. How should the accounting profession leverage new global advances in technology? What does new technology mean for the accountant of the future?

3. How can we improve on Training, Upskilling, Information Sharing for accountants?

Title of research:**The Future of Accountancy****Objectives:**

The overall objective of this research project is to get feedback from respondents to explore the thoughts and ideas of accounting professionals on what they feel is the future of the accounting profession in East Africa.

Research Questions

- What are your opinions on the role of the accountant of the the future? Kindly share your thoughts on the viability of an accountant being a strategic thinker for the organization
- How should the accounting profession leverage new global advances in technology? What does new technology mean for the accountant of the future?
- How can we improve on Training, Upskilling, Information Sharing for accountants?

Justification for the research project:

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This project gathers data from Certified Public Accountants known to the researcher. These are peers who can adequately provide user information that and share, discuss and provide solutions that can make sense to the accounting profession.

Involvement of the sample group in the research process:

Using questionnaires, the respondents have been requested to provide information on the research subject as per questions highlighted above. The data is then recorded and tabulated for presentation at this year's Research Conference themed; "Building a Resilient Accountancy Profession and Economy in a Disruptive Environment.

The researcher hereby wishes to declare that further research is still needed from various peer groups, members of public, thought leaders and the wider society at large. This will also help to minimize research risks which can be caused by issues such as 'reliability', 'validity', 'subjectivity' and 'objectivity'.

SUMMARIZED RESPONDENT FEEDBACK

	Research Question	Summarized Feedback
1	<p>What are your opinions on the role of the accountant of the the future?</p> <p>Kindly share your thoughts on the viability of an accountant being a strategic thinker for the organization</p>	<p>Respondents are of the opinion that the accountant holds an important role in society split into two main headings:</p> <p>As a public servant and member of society, the accountant of the future should be at the forefront of public awareness on issues such as public debt management, county finances and expenditure information dissemination, training youth, women and children on personal finance.</p> <p>For the organization of the future, respondents gave feedback that the accountant has to move towards a more advisory role, leveraging technology to do the day to day routine tasks leaving him or her with time to do strategic thinking and leading for the organization.</p>
2	<p>How should the accounting profession leverage new global advances in technology? What does new technology mean for the accountant of the future?</p>	<p>Respondents gave feedback that accountants should be at the forefront in leading the change in accounting systems, ways and schemes of work to take advantage of new technological advances. Technology is fast changing and accounting systems and ways of work should take advantage of new trends such as crypto, and virtual systems.</p>
3	<p>How can we improve on Training, Upskilling, Information Sharing for accountants?</p>	<p>Respondents gave feedback that all accountants should make time, financial effort and sacrifice to ensure that they are constantly upskilling and retraining so as to maintain their competitive edge while at the same time adding value to their skills and careers.</p> <p>There was also raised a query on the need for accountants to have a public platform which can be modelled around a social network where they can share information, knowledge, as well as peer networking.</p>