

IMPACT OF EMERGING TECHNOLOGIES AND MEGATRENDS ON THE ACCOUNTING PRACTICES SECTOR



Emerging technologies & megatrends impacting the sector



Net jobs¹ are projected to be created in the accounting practices sector due to:



Hence, upskilling the workforce in technology and soft skills is key

FIVE EMERGING TECHNOLOGIES



FOUR KEY MEGATRENDS



Of which, there are 4 key drivers impacting the sector

2 key technology trends

- Intelligent Automation
- Cloud Computing

2 key megatrends

- Changing public/client expectations
- Workforce challenges

The trends will result in 3 key implications

Technology will act as an **enabler** for practitioners to increase productivity, allowing for greater focus on **advisory tasks**

Trends have created opportunities for practitioners to **learn new skills**

Trends have **enhanced sector appeal** to talent and **managing workforce challenges** becomes a priority

- Increasing **digital maturity** of both clients and accounting practices
- Changing **client expectations** to demand for **more advisory services**
- Increasing **emphasis on non-financial metrics** in valuing businesses

¹ An additional 1,700 jobs would be required by 2025

The sector is projected to have an average CAGR[#] of 1.9% To meet the needs of the sector, accounting practices should:

- Enhance talent attraction and development efforts
- Adopt a mindset shift to explore **wider talent supply sources** (e.g. mid-careerists)
- Identify **growth areas and upskill** the workforce to be future-ready as job tasks evolve

Growth is expected across all functional tracks at varying degrees

*Accelerated growth is expected for:

- Tax
- Risk Advisory^{##}
- Mergers and Acquisitions^{**}
- Financial Forensics
- Business Valuation

*Continuous growth is expected for:

- Assurance
- Financial Accounting
- Restructuring and Insolvency^{**}
- Corporate Secretarial
- Internal Audit

*Note:

Headcount growth is for roles in accounting practices and has taken into consideration supply constraints that may affect the sector's growth trajectory

Accelerated growth: Functional tracks whose upper range of estimated growth rate is **more than or equal to 4.5%** for the next 5 years

Continuous growth: Functional tracks whose upper range of estimated growth rate is **less than 4.5%** for the next 5 years

[#]CAGR refers to compound annual growth rate in headcount, from 2021 to 2025

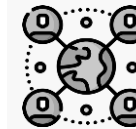
^{##}Risk Advisory represents the Enterprise Risk Management functional track in Skills Framework for Accountancy

****Note:** Indicates slower growth due to economic uncertainty resulting from the COVID-19 pandemic. However, industry players shared that there is potential for a greater degree of growth post-COVID-19

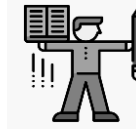
3 key themes to focus for sector upskilling



There is a pressing need to **upskill** in **technology skills** as **job tasks evolve**



Soft skills such as communication and teaming in remote settings are becoming more critical due to COVID-19



Practitioners need a **mindset shift** where they need to be **agile** and **proactive in continuous upskilling** to be future-ready

Skills to build for the sector

Technology skills:

- Artificial Intelligence Application
- Cloud Computing Application
- Data Analysis and Interpretation
- Robotics and Automation Application

Soft skills:

- Adaptability
- Creative Thinking
- Customer Orientation
- Decision Making
- Digital Fluency
- Global Perspective
- Learning Agility
- Problem Solving
- Sense Making
- Transdisciplinary Thinking

Led by...



In collaboration with...

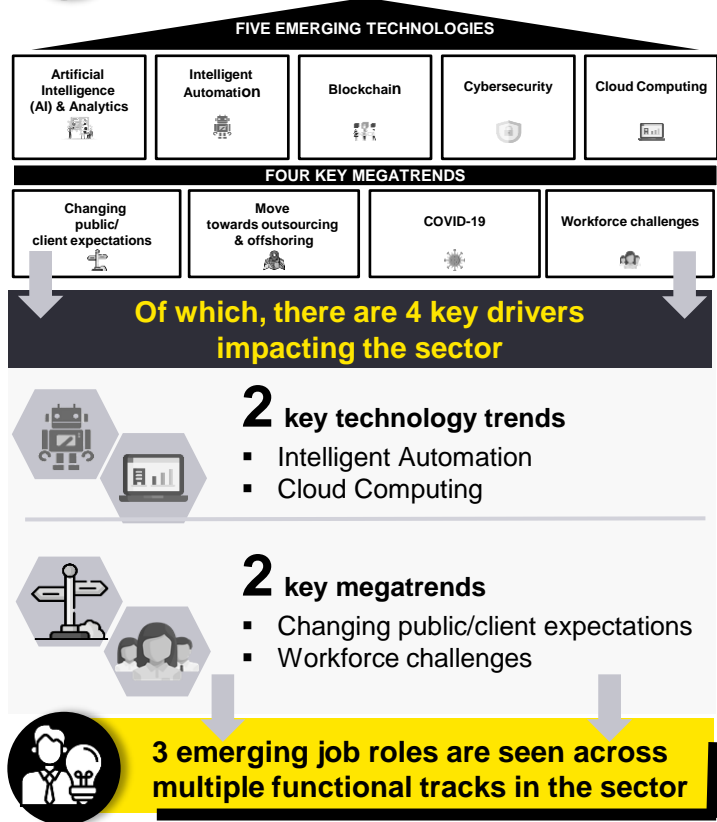


In partnership with...



IMPACT OF EMERGING TECHNOLOGIES AND MEGATRENDS ON THE ACCOUNTING PRACTICES SECTOR

Emerging technologies & megatrends impacting the sector



IT Auditors
(Assurance, Risk Advisory[#] and Internal Audit)

Ethical Hackers
(Financial Forensics)

Environmental, Social & Governance (ESG) Specialists
(Financial Accounting and Business Valuation)

An impact analysis was conducted for 38 job roles to assess impact of key drivers in the next 5 years

H

7 job roles will experience a **HIGH** degree of change in job tasks and require **major job redesign**

- Significant proportion of the job tasks will be **automated by technology**
- **Highly impacted by megatrends**
- Job role will likely be enlarged, reconfigured or enriched and **upskilling or reskilling** is required

M

21 job roles will experience a **MEDIUM** degree of change in job tasks and require **moderate job redesign**

- **Small** proportion of the job tasks will be **augmented by technology**
- **Moderately impacted by megatrends**
- Job role will transform to take on additional duties beyond what is expected, with **moderate upskilling**

L

10 job roles will experience a **LOW** degree of change in job tasks and require **minimal job redesign**

- Job tasks will **remain largely unchanged**
- Job role will continue to deliver outcomes, with **minimal upskilling required**

Recommendations for the way forward

3 strategic thrusts to work on

- Strategic Thrust #1: Embracing Technology**
- Strategic Thrust #2: Investing in Capability Building for the Industry**
- Strategic Thrust #3: Uplifting Sector Image**

- 5 recommendations**
1. Encourage adoption of **emerging technologies** to drive workforce productivity
 2. Drive **job redesign adoption** to maintain long-term competitiveness and agility
 3. Embrace talent from a **wide range of talent supply sources** to meet the sector's manpower demand
 4. Re-assess the current workforce's skills and create a **roadmap for acquiring future skills**, to build a future-ready workforce
 5. Elevate the accounting practices **sector's image and appeal** to attract the best talent

[#]Risk Advisory represents the Enterprise Risk Management functional track in Skills Framework for Accountancy