

ACCOUNTANTS FOR BUSINESS

Climbing the ladder: ACCA and social mobility

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.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies at all stages of their development. We seek to develop capacity in the profession and encourage the adoption of global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We seek to open up the profession to people of all backgrounds and remove artificial barriers, innovating our qualifications and their delivery to meet the diverse needs of trainee professionals and their employers.

We support our 140,000 members and 404,000 students in 170 countries, helping them to develop successful careers in accounting and business, based on the skills required by employers. We work through a network of 83 offices and centres and more than 8,000 Approved Employers worldwide, who provide high standards of employee learning and development. Through our public interest remit, we promote appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.

ABOUT ACCOUNTANTS FOR BUSINESS

ACCA's global programme, Accountants for Business, champions the role of finance professionals in all sectors as true value creators in organisations. Through people, process and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

www.accaglobal.com/accountants_business

Contents

Introduction by Helen Brand	3
Summary of recommendations	5
1. Accountancy and social mobility facts	7
2. Benefits to business and employers	8
3. Working with schools	11
4. Access to ACCA: education and training	13
5. Perception of vocational qualifications	16
6. Conclusion	17

Introduction by Helen Brand



Deputy Prime Minister (DPM) Nick Clegg marked the first 100 days of coalition government with a speech¹ focusing on improving social mobility.

Having been established in 1904 with the explicit intention of broadening access to the professions, this renewed focus on social mobility and breaking down barriers is something which ACCA fully supports.

The coalition government has made a strong start in this area by committing to progressive tax changes and reforms to the education system and ACCA welcomes the long-termist approach shown in these most recent announcements, including the establishment of a new ministerial group on social mobility.

ACCA also supports the appointment of former Labour Health Secretary Alan Milburn as the new independent adviser on social mobility. We hope that Mr Milburn will build on his work as Chair of the Panel on Fair Access to the Professions, with which ACCA was involved. ACCA was disappointed that the recommendations outlined in the report were not fully adopted by the previous Government and would encourage this Government to take on some of these proposals, such as encouraging professions and universities to publish more details on the social background of their intake, and ensuring better careers advice in order to raise pupils' aspirations.

It is well documented that many professions remain dominated by the middle classes. The 'Big 4' and other leading accountancy firms have worked with the Social Mobility Foundation in previous years, in order to address this imbalance. While there are disproportionate numbers of middle-class students at universities, over the last 20 years, entry and progression routes to accountancy have by contrast become much more flexible with, for example, open routes to entry into the accounting profession enabling people to become accountants without having to go through a degree course. About 48% of ACCA's UK students are from a non-graduate route. ACCA also offers access to a bachelor degree with a masters degree en route via Oxford Brookes University. This is something which ACCA is proud of, and we look forward to building on this record in the future.

Education and professional qualifications are a key driver of social mobility. Skills and qualifications are of course also important for jobs, which in turn boost economic growth. The UK must focus on 'upskilling' the population if it is to achieve its ambition of being in the top eight countries in the world for skills, jobs and productivity by 2020 and if it is to break down barriers to social mobility.

Funding cuts, higher tuition fees, a reduced number of university places and a record number of applications mean 170,000 people will miss out on higher education this year. However, studying a recognised professional qualification such as ACCA offers a real alternative to university for talented individuals who know what career they want to pursue. Indeed, by embedding a degree within the syllabus of the ACCA qualification working in partnership with Oxford Brookes University, ACCA brings the best of both worlds; academic rigour with relevant skills learned while in employment.

1. http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/100818-socialmobility.aspx

Lord Browne of Madingley's Independent Review into Higher Education Funding and Student Finance contains several positive highlights, including proposals for compulsory career guidance and more equality in the approach to funding part-time and full-time education. ACCA, however challenges the primacy placed on university education as the access route to skilled employment.

Under the recommendations to address the funding crisis, higher education institutions will be permitted to charge much higher fees for their courses, but recommends a 'Student Finance Plan' to ensure that the cost of higher education is fully funded by the graduate employee. These recommendations will inevitably lead to more expensive university education in future. ACCA recognises that while Lord Browne's report refers to some aspects of part-time and vocational learning, the premise behind the recommendations is that most young people, in particular, will continue to choose full-time University education as the main route to employment, despite employer-backed, professional, alternatives being readily available.

In contrast to the huge financial commitment involved for those who choose university, students who study a full professional accounting qualification earn while they work. Doing a professional qualification can often put a trainee at an advantage over their university student counterparts in other ways too. During their training, they gain the real-world business experience valued by employers, which also improves their chances of getting a job when they complete their studies.

There remain some questions to be answered, not least how the coalition will make society more equal at the same time as making significant cuts. With probable cuts in areas such as education spending and welfare support, finding the resources to tackle social mobility in the coming years will be a significant challenge for the coalition government.

A career in accountancy can enhance both economic status and social mobility. The key is to ensure that those from disadvantaged backgrounds are as able to access this option as those from more privileged backgrounds. ACCA has made a determined effort to ensure that this is the case, as examples in this paper will demonstrate. ACCA is firmly committed to ensuring fair access to accountancy and we welcome the coalition government's focus on social mobility. We look forward to working with the government to move forward the social mobility agenda.

Helen Brand
Chief executive

Summary of recommendations

1. CAREERS ADVICE

One of the main barriers to access is the poor quality of careers advice in state schools.² Many pupils, particularly those from lower social backgrounds, do not receive adequate advice and guidance at school about the benefits of professional qualifications, higher education and other training, in spite of strong national and international evidence highlighting the social and economic benefits that good career guidance can bring. The professions and other options available are, on the whole, not widely visible to most young people. Effective information, advice and guidance are essential to ensure that young people have the information they need to make decisions that will impact their future careers and opportunities.

2. BEST PRACTICE

ACCA supports and calls for the sharing of fully evaluated best practice both within and between professions to support social mobility by opening up the professions and encouraging them to reach out to those with ability and talent from disadvantaged backgrounds at an early age.

3. VALUES FIRST

Broadening access to the professions will only become a reality if all those involved in the process of qualifying professionals adopt values at the core of their approach which support the aims of fair access. This will facilitate the design of qualifications, support and entry criteria which truly open up the professions and lead to a complete offering relevant to the needs of those from a range of different backgrounds.

4. OUTCOMES ARE KEY

Too frequently, professions maintain their status by positioning themselves as 'elite' and impose artificial entry barriers in their qualification design. Professions should focus on exit outcomes (ie the standard achieved and evidenced by individuals) rather than on inputs (eg by adopting a philosophy which limits access to those with a perceived minimum prior qualification).

2. <http://www.ofsted.gov.uk/Ofsted-home/News/News-Archive/2010/March/Ofsted-finds-careers-advice-is-still-hit-and-miss>

5. CLEAR PROGRESSION

ACCA believes that effective articulation in syllabuses from entry level to professional level qualifications allows individuals from all backgrounds to commence training and studying at a level which reflects their prior learning and experience. In this way, trainees have a clear aspiration as to how they can achieve professional status, and there is complete transparency for those entering the profession at different points (such as post-graduate) to reassure employers and the public that appropriate standards are in place.

6. RECOGNISE ACHIEVEMENT

Multiple exit point awards should be adopted by the professions to recognise advancement and achievement. Certificates at a range of points in the qualification are motivating and represent real achievements to encourage people of all backgrounds to move on to the next stage. Too often, students give up study because they feel that the final qualification is too far off.

7. PUBLIC POLICY

If the professions are to be seen as relevant and open to people of all backgrounds, this must be supported by government policy which values and promotes professional qualifications alongside academic ones, with a commitment to broadening funding of vocational qualifications and an approach which sees professional qualifications valued and promoted as strongly as academic ones. The reinstatement of equivalent or lower qualifications (ELQs) funding for accountancy is one tangible example of how government policy could help to encourage fair access.

8. FLEXIBILITY

To provide maximum opportunity to people of all backgrounds, qualification design should be as flexible as possible in terms of length of time to qualify, the order in which examinations are taken and work experience gained, the number of examinations which must be completed at one attempt and how the qualification can be studied. This is especially important in the age of flexible working and to reflect the needs of a new generation of entrants to the job market, who increasingly expect to adopt a flexible career path, not necessarily completing their training in one organisation.

9. COALITION OF INTERESTS

Professional bodies can help to create an environment for success by linking the main parties who are instrumental in professional qualifications: the professional body, the learning provider, and the employer. Each party is essential in offering learning, experience and appropriate standards for trainees to qualify successfully, with the skills and competence required in the jobs market. This goes further than joint promotion of the benefits of a professional qualification, although this is important. It includes integrated learning experiences, the adoption and sharing of best practice and mutual support to attract, retain and develop people of talent.

10. EMPLOYER NEEDS

In the context of professional business qualifications, it is essential to design syllabuses and qualification delivery which meet the needs of the employers. Ultimately, employers will place a premium on individuals who possess the skills and competence which they need in their businesses. Formal feedback mechanisms are essential, to enable programmes and qualifications to be designed and modified to meet the needs of employers, including delivery options which reflect the demands of modern business life.

11. ROLE MODELS

Exposure at school to strong professional role models is essential if professions are to be seen as aspirational and relevant. The professional bodies themselves can do much more in this regard, via campaigns aimed at schools or by engaging them in activities such as business games.

12. ENABLING PROFESSIONS

The professions will only be attractive in the medium to long term if society adopts values which position the professions as enabling and of high standing. Attempts to position professionals as driven by rules, regulations, compliance or processes alone will not, over time, attract people of the calibre required. Rather, they should be seen as highly-competent and skilled people, abiding by binding professional codes of ethics and conduct, possessing relevant skills and knowledge which will allow them to build successful, varied and lasting careers in a wide range of sectors, with options for broadening their work (for example, in the case of accountancy) into general business roles.

13. INTERNSHIPS AND TRAINEESHIPS

Professions could be providing more sponsorship opportunities to a wider range of schools and colleges at low cost to the business. They could be offering funding to support work experience and shadowing.

14. THE ART OF THE POSSIBLE

It is not all about removing barriers to entry. Some of it is about self-belief and society as a whole needs to move away from the view that high grades at A-level followed by a degree are still the best indicator of future success.

15. SCHOOLS AND COLLEGES

ACCA and other accountancy bodies undertake a range of initiatives to raise awareness and aspirations through links with local schools and colleges. Accountants should build on the footprint in schools to put forward a powerful message about the value of the profession, for example, for building a business career.

16. REPORTING

ACCA is committed to increasing the diversity of its intake. Applications from different sectors and backgrounds have been increasing in recent years but nevertheless we recognise that there is more to do. We would be keen for the government to encourage universities and other educational establishments to publish more details on the social background of their intake.

1. Accountancy and social mobility facts

According to the Financial Reporting Council's *Key Facts and Trends in the Accountancy Profession 2010*,³ the six Chartered Bodies have over 293,000 members and over 168,000 students in the UK and Republic of Ireland.

The total number of members of the six Chartered Accountancy Bodies in the UK and Republic of Ireland grew steadily at a compound annual growth rate of 2.5% for the period 2004 to 2009.⁴

A career in accounting offers excellent career options, a steady career development path and a good salary. Accountancy Age provides a neutral salary tracker⁵ using information sourced annually directly from 33,000 accountants across the UK. According to this tracker, a newly qualified ACCA accountant, anywhere in the UK, earns c.£40,000

For a student completing the ACCA qualification in five year, the cost of ACCA registration, subscription and examination fees is a total of £1,455. The additional cost of tuition fees would be dependent on the method of study the student or employer chose.

49% of the ACCA UK student base is female (nearly 35,000 students).

48% of ACCA UK's students are non graduates.

Although there is no definitive figure for how many accountants there are in the world, the International Federation of Accountants (IFAC), the global organisation for the accountancy profession, represents 2.5 million accountants employed in public practice, industry and commerce, government, and academia and who are members of professional accountancy bodies.

3. <http://www.frc.org.uk/images/uploaded/documents/Final%20Key%20Facts%20and%20Trends%202.pdf>

4. Ibid.

5. <http://www.accountancyagejobs.com/salary-checker>

2. Benefits to business and employers

There remains an urgent need to promote the professions to people of talent and ability from all backgrounds. Even in the light of the current economic conditions, there is demand in accountancy. Indeed, accountancy provided the biggest share of graduate jobs in the UK in 2009 — a trend also seen in previous years — making up 18.2% of the total graduate vacancies, according to the Association of Graduate Recruiters' survey published in February 2010.⁶

Looking globally, the shortage of accountants is a result of a number of factors which include the adoption of international financial reporting standards; increases in world trade and regulation; employee mobility and the emergence of new economic markets such as Brazil, Russia, India and China; and the need to handle increased risk, scrutiny and compliance within business, roles well suited to professionally qualified accountants. Supply has not met the demand and this has led to a shortage of finance professionals required to support the growth of the world's major economies.

While this may be impacted by the global economic situation, a lack of skills around the world, especially of accountants trained in international accounting standards, is likely to continue for some time and will be exacerbated by the impact of an age demographic across most developed economies, leading to further skills shortages.

ALIGNMENT TO THE NEEDS OF EMPLOYERS

Many employers have put values such as opportunity and diversity at the heart of their HR policies in recent years in order to project a modern image to attract the brightest intake, demonstrate their commitment to inclusive work environments, develop a flexible workforce and recruit from a wide talent pool.

ACCA ensures its qualification in line with the needs of employers. We do this in several ways.

ACCA consults widely on the development of its qualifications. The new ACCA qualification was developed following global consultation with 30,000 stakeholders, who were asked for their views on the skills and competences required of 21st century accountants. Over 10,000 members and employers provided feedback on the development of ACCA's professional development scheme. We believe that such in-depth consultations are essential to ensure the development of relevant qualifications and support. Annual surveys are conducted to ensure the ongoing relevance of ACCA's offerings.

Employers are engaged in joint promotional activities with ACCA. In the UK, a particularly successful graduate partners programme, with companies such as KPMG, Barclays and Shell helps to promote the benefits of professional careers in blue chip organisations. *ACCA UK* also works with employers to develop and promote entry routes to the profession for school leavers which supports their diversity and fair access agendas. ACCA also supports broadening access internationally – in 2008, for example, we participated in a KPMG virtual recruitment fair, promoted globally.

ACCA is increasingly engaging with employer's learning academies and some now teach towards the ACCA qualification – for example, the Ernst & Young Academy in central Europe. Through such approaches, training can be tailored to meet individual organisation's specific needs within the context of a global qualification.

6. <http://www.agr.org.uk/content/Signs-that-graduate-jobs-crunch-will-begin-to-ease-this-year->

BROADER SKILLS

The skills of a professional are broader than subject knowledge and include competence in communications and general management skills. For example, ACCA has partnered with University of Cambridge ESOL (English for Speakers of Other Languages) to offer the International Certificate in Financial English (Cambridge ICFE) qualification, and Cambridge University Press to offer a tailored teaching programme.⁷

Furthermore, all ACCA students now have to complete an online ethics module prior to qualifying to provide orientation and learning around a key dimension of professional life.

ACCESS TO ALTERNATIVE FUNDING

In a number of countries, ACCA has pursued alternative forms of funding to open up the profession to disadvantaged groups, eg the World Bank, government schemes (for example, a government programme in Bahrain), and through its own programme via the Simpson scholarship.

OFFICIAL ACCREDITATION AND INTEGRATION WITH NATIONAL EDUCATIONAL FRAMEWORKS

ACCA seeks ways of opening up the profession through official relationships with government, employers and the education sector. National Qualifications Frameworks, such as the Qualifications and Credit Framework (QCF) in the UK, are useful tools for linking these stakeholders, and ensuring that the qualifications being offered in the education market, are relevant, needed and understood by employers, as well as supporting the public funding mechanism. Education frameworks support student mobility by encouraging recognition of students' achievements, articulation and progression between levels, and equivalence between frameworks internationally. ACCA has successfully obtained formal accreditation as an awarding organisation, and had its qualifications accredited or aligned, to global education frameworks, including the UK, Ireland, Europe, Malaysia, and South Africa.

ACCA also develops relationships with universities around the world. In China a number of prestigious business schools of universities have embedded the ACCA syllabus into the formal degree programme, which allows students to graduate with a national degree in accounting, having also completed all the examinations towards the ACCA qualification, ready to obtain relevant work experience and pursue a professional career. Some UK institutions such as the Newcastle Business School are now adopting this approach and we are strengthening relationships with universities to achieve greater synergy between academic institutions and professional bodies. ACCA believes that innovations such as these provide an essential link to academic studies but also widen access and remove barriers for students.

CROSS-PROFESSIONAL COLLABORATION

ACCA works closely with a number of other professional bodies and universities in the UK and internationally, to facilitate collaboration, engage in research, and to provide 'career pathways' for professionals who wish to move into specific roles and sectors. These include the Securities and Investment Institute, the Global Association for Risk Professionals, the Chartered Institute of Personnel and Development, the Chartered Insurance Institute, the Chartered Institute of Taxation and the Institute of Internal Auditors. It also works closely within the accountancy profession via the Consultative Committee of Accountancy Bodies (CCAB) and 57 global accountancy partnerships. ACCA is also a member of a newly-founded grouping of professional bodies, including RICS, the Law Society and CMI, which seeks to identify and promote the public value brought by professions from across diverse disciplines.

7. <http://www.financialenglish.org>

RECOMMENDATIONS

Employer needs

In the context of professional business qualifications, it is essential to design syllabuses and qualification delivery which meet the needs of the employers. Ultimately, employers will place a premium on individuals who possess the skills and competence which they need in their businesses. Formal feedback mechanisms are essential, to enable programmes and qualifications to be designed and modified to meet the needs of employers, including delivery options which reflect the demands of modern business life.

Best practice

ACCA supports and calls for the sharing of fully evaluated best practice both within and between professions to support social mobility by opening up the professions and encouraging them to reach out to those with ability and talent from disadvantaged backgrounds at an early age.

Values first

Broadening access to the professions will only become a reality if all those involved in the process of qualifying professionals adopt values at the core of their approach which support the aims of fair access. This will facilitate the design of qualifications, support and entry criteria which truly open up the professions and lead to a complete offering relevant to the needs of those from a range of different backgrounds.

Outcomes are key

Too frequently, professions maintain their status by positioning themselves as 'elite' and impose artificial entry barriers in their qualification design. Professions should focus on exit outcomes (ie the standard achieved and evidenced by individuals) rather than on inputs (eg by adopting a philosophy which limits access to those with a perceived minimum prior qualification).

Coalition of interests

Professional bodies can help to create an environment for success by linking the main parties instrumental in professional qualifications: the professional body, the learning provider, and the employer. Each party is essential in offering learning, experience and appropriate standards for trainees to qualify successfully, with the skills and competence required in the jobs market. This goes further than joint promotion of the benefits of a professional qualification, although this is important. It includes integrated learning experiences, the adoption and sharing of best practice and mutual support to attract, retain and develop people of talent.

Enabling professions

The professions will only be attractive in the medium to long term if society adopts values which position the professions as enabling and of high standing. Attempts to position professionals as driven by rules, regulations, compliance or processes alone will not, over time, attract people of the calibre required. Rather, they should be seen as highly-competent and skilled people, abiding by binding professional codes of ethics and conduct, possessing relevant skills and knowledge which will allow them to build successful, varied and lasting careers in a wide range of sectors, with options for broadening their work (for example, in the case of accountancy) into general business roles.

3. Working with schools

The UK's growing skills shortage is dramatically impacting many businesses' ability to recruit people with the right skills and attitude for work. It is therefore important that young people are engaged and educated at an early age in order to provide them with information about all of the options that are available to them.

ACCA has a long history of working with schools and universities to promote accountancy as a profession of choice. These are supported in countries around the world by dedicated programmes – for example, promotional activities at Widening Participation events at UK universities designed to encourage school students from all different backgrounds to apply to universities; an annual job hunting competition in China, where teams of students compete for the prize of a work experience placement with prestigious organisations; a 'CFO challenge' in Singapore, allowing students to learn about best practice finance management; and financial literacy programmes in East Africa, endorsed by government departments.

ACCA undertakes a range of activities within schools in the UK, from placing adverts within relevant publications to running school business games. Our presence encourages students to consider accountancy as a potential career route. With over 6,000 schools in the UK, ACCA member and employer support is fundamental in spreading the ACCA message.

Many ACCA members and employers already engage in the schools market, by giving presentations, offering work experience placements or attending school careers fairs. However, research demonstrates a demand for more accountancy work experience placements and involvement with work-related learning activities to support students learning.

An *Accountancy Resources for Schools* pack has been designed to assist teachers, ACCA members and Approved Employers when discussing a career in accountancy with students in the UK. This resource, which includes video case studies, fact sheets and classroom activities, can be used with individual students or entire classes and is available free of charge.⁸

We run business games in collaboration with the Inspiring Futures Foundation and Career Academies UK, and exhibit

at UCAS fairs. For the last three years we have worked with Pure Potential, an organisation that runs events across the country targeting student groups that traditionally do not go on to university. ACCA works with UK employers to encourage them to offer Work Related Learning and provides web resources, support and guidance for employers on 'Engaging with Schools'. We have also partnered with the National Education Business Partnership Network (NEBPN) to promote work related learning opportunities in schools.

ACCA has also provided funding and endorsement to broaden participation in the '*You and your money: personal finance in context*' programme run by the Open University, particularly aimed at those in socially and financially disadvantaged communities in the UK.

Finally, ACCA also awards several scholarships to support people of all backgrounds who show particular talent and ability, including the following.

Two scholarships each year to study the MBA course. The scholarship covers the full MBA course fee which includes textbooks and assessment and is awarded to those individuals who best represent ACCA's core values of opportunity, innovation, diversity, accountability and integrity.

The Simpson Scholarship, which exists to reward talented ACCA students who have already proven themselves to be of sufficient merit and distinction in ACCA examinations. Each year, the Simpson Scholarship funds the ACCA examination and registration fees of five students for a period of five years or until they become members – whichever happens first.

The ACCA/KPMG Nurture Scholarship Award, which enables successful candidates to gain a world class accounting qualification, and subsequently develop and build a career in an international service organisation.

Each year, the Michigan ACCA Scholarship Foundation awards the 'Scholarship for Academic Excellence in Corporate and Business Classes' to one student at each of four Michigan law schools: Michigan State University College of Law, Thomas M. Cooley Law School, University of Detroit Mercy School of Law and Wayne State University Law School.

8. Available by contacting: schools@uk.accaglobal.com

RECOMMENDATIONS

Careers advice

One of the main barriers to access is the poor quality of careers advice in state schools – this was highlighted further in March 2010 in a report by the schools inspectorate Ofsted.⁹ Many pupils, particularly those from lower social backgrounds, do not receive adequate advice and guidance at school about the benefits of professional qualifications, higher education and other training, in spite of strong national and international evidence highlighting the social and economic benefits that good career guidance can bring. The professions and other options available are, on the whole, not widely visible to most young people. Effective information, advice and guidance are essential to ensure that young people have the information they need to make decisions that will impact their future careers and opportunities.

Role models

Exposure at school to strong professional role models is essential if professions are to be seen as aspirational and relevant. Professional bodies themselves can do much more in this regard, via campaigns aimed at schools or by engaging them in activities such as business games.

Schools and colleges

ACCA and other accountancy bodies undertake a range of initiatives to raise awareness and aspirations through links with local schools and colleges. Accountants should build on the footprint in schools to put forward a powerful message about the value of the profession, for example, for building a business career.

9. <http://www.ofsted.gov.uk/Ofsted-home/News/News-Archive/2010/March/Ofsted-finds-careers-advice-is-still-hit-and-miss>

4. Access to ACCA: education and training

The traditional route to the accountancy profession was via training contracts, based on graduate entry only. Historically, too, articles were expensive and therefore by definition, access was restricted to certain segments of society, as defined by wealth.

Within the accountancy profession worldwide, there is still a predominant emphasis on graduate entry, especially for registered auditors. Many bodies around the world maintain university degrees, or their equivalent, as a minimum entry requirement, and many require specific academic qualifications in accounting and business.

ENTRY QUALIFICATIONS

ACCA believes that the emphasis on ‘inputs’ and not ‘outputs’ is a significant barrier to opening up the professions, to the extent that this philosophy prevails. We have long sought to promote the accountancy profession to people of all backgrounds and provide multiple entry points which reflect prior learning.

To illustrate this, an individual may commence studying towards ACCA in the following ways.

An individual may pursue ACCA’s Certified Accounting Technician qualification (CAT), with no requirement for formal qualifications, although exemptions from certain papers are granted for relevant qualifications. The CAT programme has now become part of a more flexible suite of entry-level qualifications called Foundations in Accountancy (FIA) – introduced at the beginning of 2011. This provides foundation skills and knowledge in accounting. Once the second level of Foundations in Accountancy has been completed, he or she may progress to either technician status or to the professional ACCA qualification. A similar approach also applies to people completing the technician qualification offered by the Association of Accounting Technicians. FIA maintains ACCA’s commitment to offering an entry route for experienced people who do not possess formal academic qualifications but demonstrate aptitude to attempt professional accounting qualifications.

A-level student entry training schemes offer an alternative to talented students. This offers an alternative to university where students earn while they work towards a professional accounting or tax qualification, gaining a qualification faster than those who attend university. A-level student entry schemes offer a different way to acquire professional qualifications and are particularly suited to those who have a clear career in mind when they leave school. Combining formal study with on-the-job experience and personal coaching, puts everything students learn in their studies straight into action. The entry requirements are two A-levels and three GCSEs or equivalent in five separate subjects (including English and maths).

A student with university matriculation qualifications may register for the professional ACCA qualification.

Graduates are offered exemptions, to reflect prior learning. Graduates of relevant accounting disciplines may be offered exemption of up to nine papers, meaning they progress directly to the ‘professional level’ of the ACCA qualification. There are 48 universities in the UK which have designed their accounting qualification to meet the needs of the accountancy profession and are awarded maximum exemption from the ACCA examinations.

Foundations in Accountancy (FIA), a new flexible suite of entry-level awards, is completely open access and no prior qualifications and/or experience are required to start at any level. FIA maintains ACCA’s commitment to offering an entry route for experienced people who do not possess formal academic qualifications but demonstrate aptitude to attempt professional accounting qualifications.

ACCA believes in the importance of alternative routes to high-value education outside a traditional campus-based education. At a time when places are squeezed, the convention that traditional university programmes are the only option should be challenged and opportunities for degree equivalent qualifications in business could be increased.

ACCA believes that multiple entry points, with a single standard for qualification, form the best method for opening up the professions to people from all backgrounds. However, we also believe that to be successful, there should be clear articulation throughout the educational syllabuses to allow seamless progression to qualification and to ensure complete transparency around the quality standards being applied.

FLEXIBILITY AND COST

A traditional model for qualification in the professions is via training contracts and post-graduate training. This limits the available talent pool, and creates barriers relating to age and availability of training vacancies. While graduate training is a highly valuable and successful route to qualification, access is restricted by its very nature, to the number of available training positions. As the audit threshold rises in the UK, there is evidence to suggest that there will be fewer traditional training opportunities in audit, especially outside the largest firms.

However, it has also long been recognised that professional accountants play a vital role in the corporate and public sectors, with accountancy bodies specialising in these sectors, or having members across diverse sectors in wide ranging finance roles. A modern model of training is therefore appropriate, based on flexible work experience requirements and educational programmes which can be pursued in a variety of ways to suit the competences required by employers. ACCA has already made considerable advances in this area.

A flexible time limit is provided, of up to ten years, for students to complete the examinations.

ACCA encourages trainees to pursue work experience at the same time as studying for the relevant papers. However, this is not mandated and, indeed, since 1963 ACCA students have also been able to study full-time prior to obtaining relevant work experience. This allows study to suit different working patterns and students' needs.

Direct entry traineeships, pursued by a number of employers in the UK, allow students to complete a professional qualification and obtain a degree in accounting while earning and obtaining work experience.

Wide-ranging learning support is made available, via partners, to cater for different study preferences: formal learning at colleges (via universities or ACCA Approved Learning Providers), formal study text books, virtual learning and a wide range of technical materials. Furthermore, computer-based examinations may be taken for some of ACCA's papers. When these are required they may be sat at the employer's premises.

A flexible practical experience requirement has been designed which allows employers to tailor their learning programmes to the type of work appropriate to their needs and the competences required for different roles. By offering a relevant framework to employers, ACCA has been able to broaden the range of employers who offer professional training opportunities (and ACCA now works with 8,527 Approved Employers around the world).

The cost of qualification remains a significant issue. However, ACCA is a cost effective option. For a student completing the ACCA qualification in five years, the cost of ACCA registration, subscription and examination fees is a total of £1,455. The additional cost of tuition fees would be dependent on the method of study the student or employer chose. This is important as there is evidence that many students continue to fund themselves where they are not in formal training contracts.

WITHDRAWAL OF FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQS)

A barrier to access has been created by the withdrawal of funding for ELQs, a particular source of support for mature students and for broadening access to the professions. Withdrawal of funding creates obstacles which prevent mature students from obtaining a professional qualification which would enable them to contribute positively to the UK economy. An extension of the exemption to students who received their awards more than five years ago and part-time students would help to mitigate the impact on this group.

RECOMMENDATIONS

Clear progression

ACCA believes that effective articulation in syllabuses from entry level to professional level qualifications allows individuals from all backgrounds to commence training and studying at a level which reflects their prior learning and experience. In this way, trainees have a clear aspiration as to how they can achieve professional status, and there is complete transparency for those entering the profession at different points (such as post-graduate) to reassure employers and the public that appropriate standards are in place.

Recognise achievement

Multiple exit point awards should be adopted by the professions to recognise advancement and achievement. Certificates at a range of points in the qualification are motivating and represent real achievements to encourage people of all backgrounds to move on to the next stage. Too often, students give up study because they feel that the final qualification is too far off.

Flexibility

To provide maximum opportunity to people of all backgrounds, qualification design should be as flexible as possible in terms of length of time to qualify, the order in which examinations are taken and work experience gained, the number of examinations which must be completed at one attempt and how the qualification can be studied. This is especially important in the age of flexible working and to reflect the needs of a new generation of entrants to the job market, who increasingly expect to adopt a flexible career path, not necessarily completing their training in one organisation.

Public policy

If the professions are to be seen as relevant and open to people of all backgrounds, this must be supported by government policy which values and promotes professional qualifications alongside academic ones, with a commitment to broadening funding of vocational qualifications and an approach which sees professional qualifications valued and promoted as strongly as academic qualifications. The reinstatement of ELQ (or an equivalent) funding for accountancy is one tangible example of how government policy could help to encourage fair access.

5. Perception of vocational qualifications

A significant barrier to the accountancy profession is the perception of vocational qualifications. Educational frameworks continue to place a primacy on academic qualifications, and public policy advocates the importance of university education. The professions can be seen as 'top up' qualifications post-graduation rather than a relevant and rewarding alternative. Strong anecdotal evidence from ACCA students around the world shows that parents and career advisers do not always appreciate the benefits of a professional qualification, and can perceive a university route as the preferred option.

A related barrier is that professions are not always fully perceived as aspirational.

The reality for professional accountants is that they can use their skills to pursue a wide variety of career options. Indeed, over 63,000 of ACCA members globally work in small businesses and 60% of the membership in the corporate sector. Nor do they remain in accounting and finance roles – they migrate to general business, set up their own businesses, or pursue wider career options.

In reality, the barrier between academia and the professions is being lowered.

ACCA has enjoyed a partnership with Oxford Brookes University (OBU) since 1999, allowing students who complete the Advanced Diploma in Accounting and Business and submit a dissertation to be awarded a BSc in Applied Accounting. This was the first time a professional accountancy body has worked in close collaboration with a university. This has broadened the appeal of the accountancy profession by offering a cost-effective, relevant route to obtaining a first degree or an additional degree relating to accountancy. Since 2001, ACCA has also collaborated with OBU to offer a bespoke global MBA, offered via a virtual campus. Through this successful partnership, ACCA has been able to provide additional value to aspiring professionals while ensuring it offers a clear and consistent standard in its offerings.

A further barrier to entry to the professions is the perception that the professions are not for 'people like me' or that the work they engage in (particularly in business-related professions) is boring and compliance led. This is an image which has in particular been stoked by recent emphasis on regulation and compliance, especially post-Enron – a risk which continues in the wake of the global economic crisis of the past few years. The work of professional accountants is highly varied and leads to a range of career choices. The professions themselves can do more to help in this regard by identifying and projecting positive role models, and by demonstrating that professions are not just for 'the elite'; but opinion-formers throughout society, in government, the media and careers advisers can also play a role in encouraging more people to see the professions as an attractive option.

RECOMMENDATIONS

Internships and traineeships

Professions could be providing more sponsorship opportunities to a wider range of schools and colleges at low cost to the business. They could be offering funding to support work experience and shadowing.

The art of the possible

It is not all about removing barriers to entry. Some of it is about self-belief and society as a whole needs to move away from the view that high grades at A-level followed by a degree are still the best indicator of future success.

Reporting

ACCA is committed to increasing the diversity of its intake. Applications from different sectors and backgrounds have been increasing in recent years but nevertheless we recognise that there is more to do. We would be keen for the government to encourage universities and other educational establishments to publish more details on the social background of their intake.

6. Conclusion

To enable social mobility and to ensure that the UK has a more balanced economy, action is needed on many fronts. The government needs to invest in education and skills that give people chances beyond their teenage years, and a careers service that provides guidance where it is most needed. But it is not just about what government must do. The professions also have their role to play, as outlined above.

What is needed is consistent, joined-up action that will ensure social mobility and accessibility for those that need it most.

PAMR-AFB-CTL