

**ACCA**

Think Ahead

# Shaping your ACCA

**Financial Services  
focus groups 2018**



In July 2018, ACCA's extensive outreach programme consulted 17 members within the financial services sector in London and Edinburgh. The main findings from those meetings are summarised below.

The purpose of these consultative meetings is to find out about the challenges our members face in the financial services sector and to propose and implement appropriate solutions.

**Disclaimer**

The views expressed are those of ACCA members attending the focus groups, and do not necessarily reflect the views of ACCA.

## **Financial Services**

# Shaping Your ACCA

## **focus groups 2018**

# 1. Challenges

Post financial crisis fall out  
New digital only players  
Regulatory change  
Systems  
Contraction in the asset management market  
Brexit  
The role of accountants is changing  
Talent

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## Post financial crisis fall out

Members in London have noted that some banks are still struggling ten years post-financial crisis. For instance, Deutsche Bank has been through its fifth capital raise since then. It has promised the world transparency and has disclosed some old trades that were never exposed before. However, they seem to still struggle with sense of direction and ACCA could come in offering some guidance/coaching/support.

## New digital only players

The increase in tier-2 digital banks such as Revolute causes concern to traditional banks. Tier-2 financial institutions can apply for banking licences and can operate within six weeks, whereas traditional banks need to wait anything between six months and two years. So, there needs to be a better understanding about how well digital banks are regulated and scrutinised.

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## Regulatory change

Members in London and Scotland noted that regulatory change is putting a strain on the resources within the banks. A lot of money is injected into trying to understand and interpret regulations and ensuring compliance.

A small talent pool will be spread even more thinly going forward. People are also weary of moving internally from statutory to regulatory teams, for instance. The challenge is attracting people into organisations that would be able to deal with the regulatory change and driving compliance.

For insurers this is even more pertinent with the introduction of IFRS 17. The challenge is that some insurers will find themselves parallel running IFRS 17 and IFRS 9 for up to two years before the 'going live', which will impact on their ability to thoroughly assess, design and implement processes and system changes before the effective date. For a change initiative of this scale and complexity, the cost of both internal and external resources can be substantial and are front-of-mind for many insurers. Yet, the scarcity of talent is of greater concern and members believe that securing people with the right skills is a significant challenge.

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Members in London and Scotland acknowledge the changing nature of their roles turning them more into project managers.

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## Systems

Digitisation is gathering pace. There are over 300 systems in some of the big banks that are spread across sites across the world. This creates a regulatory challenge, making it very important to correctly interpret the data.

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## Brexit

Brexit is still seen as an issue for financial services in London, less so in Scotland. Brexit is a cause for major concern and some banks have experienced lack of and in some instances a freeze on investment in their London operations/bases with some headquarters relocating to other European capitals.

## Contraction in the asset management market

In Scotland, a contraction in asset management is being observed with a large number of acquisitions and mergers taking place. This places enormous pressures on companies in relation to change management, streamlining processes and staffing. Job relocation impacts on contracts market and a need to retain staff.

## The role of accountants is changing

Members in London and Scotland acknowledge the changing nature of their roles turning them more into project managers. Big data is a big part of their day-to-day roles now too. Though automation poses a challenge to accountants, they feel optimistic about opportunities to develop their roles and becoming more strategic leaders. Besides, they are confident that, even with automation taking over some basic tasks, human intelligence is still required to analyse it and make judgements on the data validity.

Attracting and retaining talent is one of the key challenges for the banking sector.

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## Talent

Attracting and retaining talent is one of the key challenges for the banking sector. Banks are trying to adapt to changing working environments, introducing different value systems and staff competencies, keeping up with the changing times and bearing in mind skills that will be required in the future. Flexible / home working is being encouraged in some banks and members feel this should continue and be introduced across all banks.

Another concern is that the roles within banks are pretty limited, do not offer variety and in most instances graduates are being allocated to a certain team/ department without prior consultation with them. After qualifying graduates find it hard to keep using what they've learnt at work as the roles have changed and do not offer much variety.

Edinburgh is still considered to be a hub for financial services and there is reluctance for staff to relocate to Glasgow. The offer of a new position in Glasgow needs to be made more attractive for staff to even consider relocation.

Some members in Edinburgh have found that post-qualifying the roles in banks were limiting and often staff ended up doing roles they didn't really want to do. The work in banks does not offer the variety which is observed when doing consultancy work.

# 2. Member views on ACCA

On the future of the profession  
Stronger partnerships for ACCA

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## On the future of the profession

Members in financial services agree that AI/robotics will bring more complexity into finance teams with systems automating certain processes. This in turn will encourage finance professionals in particular to adapt their knowledge and become more strategic advisers displaying strong analytical, commercial and forecasting skills. Such change will lead to less traditional roles developing in the future. With roles being replaced by AI, how to ensure AI's compliance and adherence to ethical standards? This is perhaps a topic of research for ACCA in the future and something that needs to be addressed by standards setters.

Members believe, however, ethics will be at the forefront of everyone's thinking and be well imbedded into public mind-sets. The hope is for the public to change their perception of the financial services sector post-financial crisis and view it in a more positive light. Members do feel the public view accountants as ethical and hope that this perception will translate into their trust in financial services too.

Members value ACCA's rigour in regulating members and believe that puts ACCA in great standing.

Recent changes to the ACCA qualification with the introduction of the new Strategic Business Leaders case study exam were well received by members as they felt it will allow graduates to acquire business essential skills such as business acumen, commercial awareness, analytical skills and ability to analyse and present data. This change will make the ACCA qualification even more attractive to potential students, keeping it relevant.

## Stronger partnerships for ACCA

Members highly regard ACCA's partnership with CA ANZ, especially those members who are planning on relocating to Australia or New Zealand. This makes the qualification truly global and removes barriers for members who are willing to work in those countries.

Members suggest ACCA should continue establishing partnerships of this scale and look at big markets such as China and India which are exponentially growing markets.



# 3. Support needed from ACCA

There is a growing need in content that would prepare members to be more of project managers, strategists, analysts and business leaders.

Members in financial services ask for more diversified content that has more of a business focus rather than accounting / technical focus.

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## Support needed from ACCA

Members in financial services feel they are well supported in terms of technical content; however, acknowledging the fact that the roles are changing so drastically and becoming more commercially heavy, there is a growing need in content that would prepare members to be more of project managers, strategists, analysts and business leaders in the full meaning of the word.

Members would particularly like ACCA to focus on subjects such as AI (particularly, it would be interesting to know how to audit AI), relevance of the profession (looking at it 10 years from now), what the role of internal audit will be in the future and so on. IFRS 17 for insurers and its application and best practice examples are one of the subject areas that are of particular interest to insurers and will remain so for the next two years.

ACCA should also support members who decide to become semi-retired – perhaps offer suggestions on available career options? NED route is one of the options, but how many members are aware of the entry routes and requirements?

After 3-5 years of membership members could be asked to sit some sort of refresher course to remind them of ethical standards and the role accountants play in business. This could be delivered through a structured training or through refresher exams or quizzes/business games.

Members in financial services also find they would benefit (and especially those over 40) from social media training that will help them understand and use it more effectively. Staying relevant and keeping up with technological advances is a key concern for more senior members as in today's work environment companies will have 3-4 generations in one office. How to keep staff at both ends of the age spectrum on the same page and in tune becomes pertinent to financial institutions.

In terms of training support, members in financial services ask for more diversified content that has more of a business focus rather than accounting / technical focus. They'd like to see events covering areas such as project management (as that's where they see the profession heading), key trends and UK topical content. In terms of AB magazine content, members find it has a lot of technical content still and they would rather see more case studies, interviews or business related stories that offer solutions and practical examples of solving a problem. Career planning advice would be quite useful too.