



**ACCOUNTANCY
EUROPE.**

TECHNOLOGY BAROMETER

Survey results

FACTS.

**TECHNOLOGY
APRIL 2017**

HIGHLIGHTS

The latest technological advances will undoubtedly have a significant impact on the accountancy profession. With this Technology Barometer, we assessed how our Member Bodies are preparing themselves for such change.

The survey results show our Members have a clear positive outlook for the future and that technology plays an increasingly important role in their work. The institutes also expressed a need for Accountancy Europe to support them more in getting technology-ready.

Understanding our Members' views on technology – and the potential it has to improve the services professional accountants provide – will help us ensure that the accountancy profession makes the best use of technology in the public interest.

INTRODUCTION

Technology, or “the practical [...] use of scientific discoveries”¹, is not something new, nor is the use of technology by the accountancy profession.

However, what is new is that some of the latest technological advancements have led to concerns that the work of accountancy practitioners might become automated. Rather than being supported by technology, many accountants risk being replaced by it.²

This raises the question of whether we are witnessing a historic shift in the impact of technology on the profession. While nobody has the answer to this question, we believe that the mere fact that the question is raised warrants greater attention from the accountancy profession on how technology is impacting its work.

The Technology Barometer aims to provide an overview of how Accountancy Europe’s Member Bodies are reacting to technological changes. It is divided into three sections. First it looks at what kind of work the participating institutes do on technology. It then turns to what role they see for Accountancy Europe, and finally, what kind of work Accountancy Europe is already carrying out in this area.

The Technology Barometer is based on a survey conducted amongst Accountancy Europe’s Member Bodies. The following 36 institutes responded to the survey: ACCA, CAFR, CAI, CECCAR, CIMA, CIPFA, CNDCEC, CPA, DNR, EAA, EXPERTsuisse, FAR, FLE, IAB/IEC, ICAEW, ICJCE, ICPAB, IDW, IRE, IRE/IBR, ISRCG, IWP, KACR, KWT, LAR, LRGA, LZRA, MIA, OROC, SIZR, SKAU, SOEL, SRR FBIH, SRRRS, SRRS, TÜRMOB.

For more information on Accountancy Europe and its Members, please click [here](#).

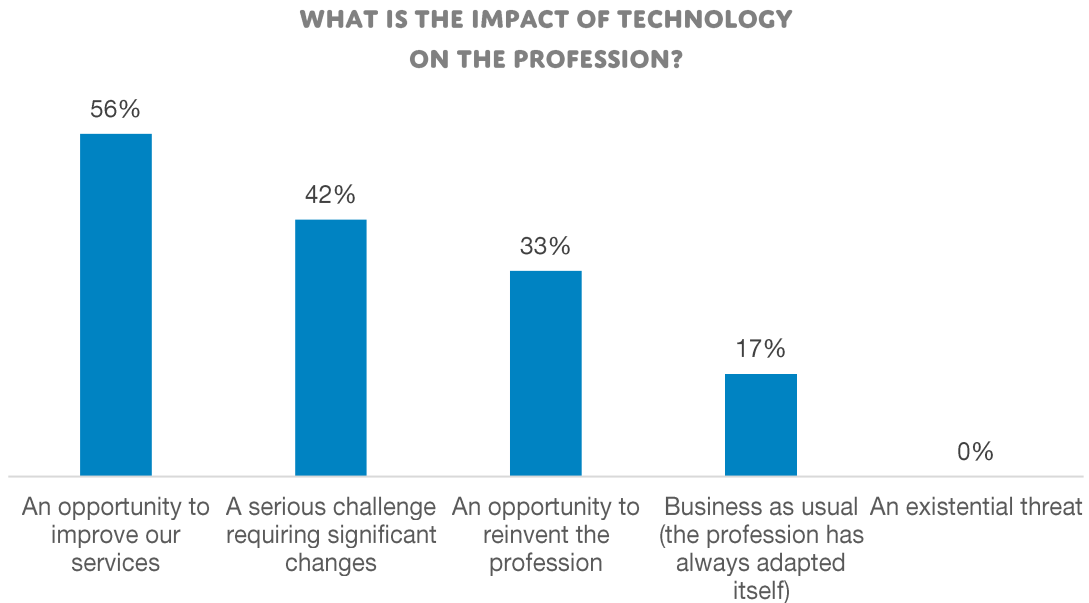
¹ Technology. In: *Cambridge Dictionary* Available at: <http://dictionary.cambridge.org/dictionary/english/technology>.

² See for example: Susskind, D and Susskind, R. (2016). *The Future of the Professions: How Technology Will Transform the Work of Human Experts*. Oxford University Press, pp. 256.

Frey, C & Osborne, A. (2013). *The Future Of Employment: How Susceptible Are Jobs To Computerisation?*. [pdf] Oxford Martin Programme on Technology and Employment. Available at: <http://www.oxfordmartin.ox.ac.uk/publications/view/1314>.

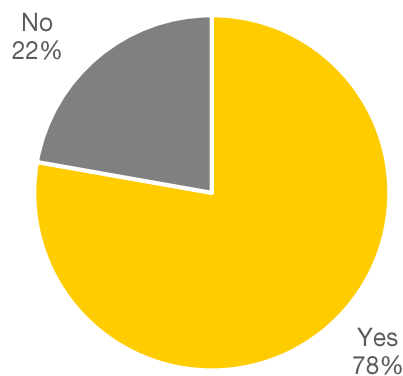
INSTITUTE ACTIVITIES

Respondents had a rather positive outlook on technology. One third believed it is an opportunity to reinvent the profession and more than half thought it is an opportunity to improve accountancy services. On the other hand, not one respondent believed technology presents an existential threat. This does not mean that technology will only bring positive change. A substantial proportion of respondents agreed that technology constitutes a serious challenge that will require significant changes from the profession.



Professional accountancy institutes are looking at technology: 78% of the respondents indicated that they carry out technology-related activities.³

DO YOU CARRY OUT ANY TECHNOLOGY-RELATED ACTIVITIES?

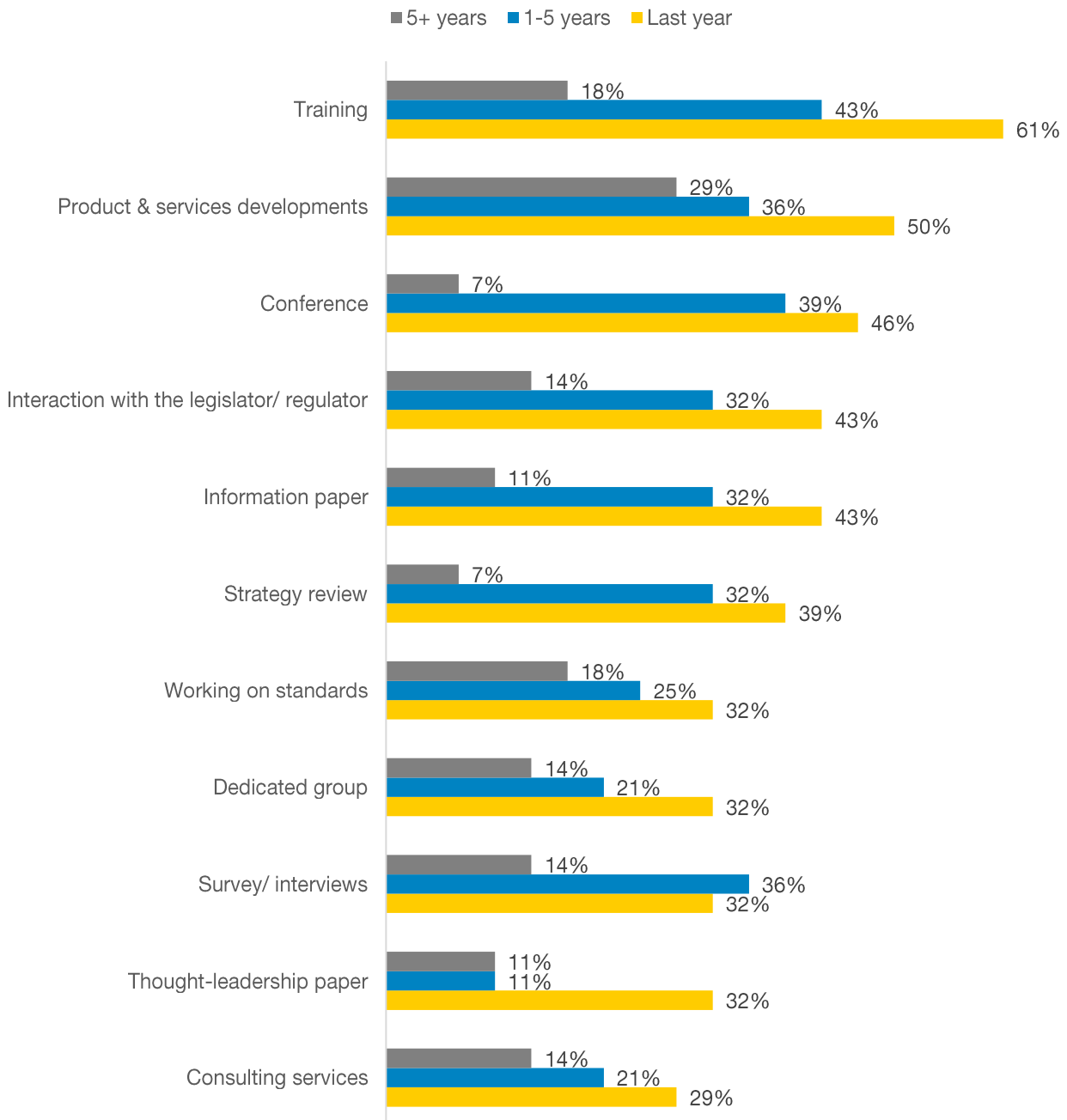


³ The rest of this section is only based on the answers of the 78% of the respondents that carry out technology-related activities.

Institutes carried out activities on technology in a wide range of areas. The most widespread activities included training, product and services developments, and organising conferences.

The number of institutes carrying out a specific technology-related activity increased over the years. For example, whereas more than 5 years ago only 11% published information papers, for the last year it almost quadrupled to 43%. Moreover, around 40% of the institutes carried out a strategy review in the past year, whereas more than five years ago this was only 7%. These results clearly indicate the increasingly important role of technology in the work of Accountancy Europe's Members.⁴

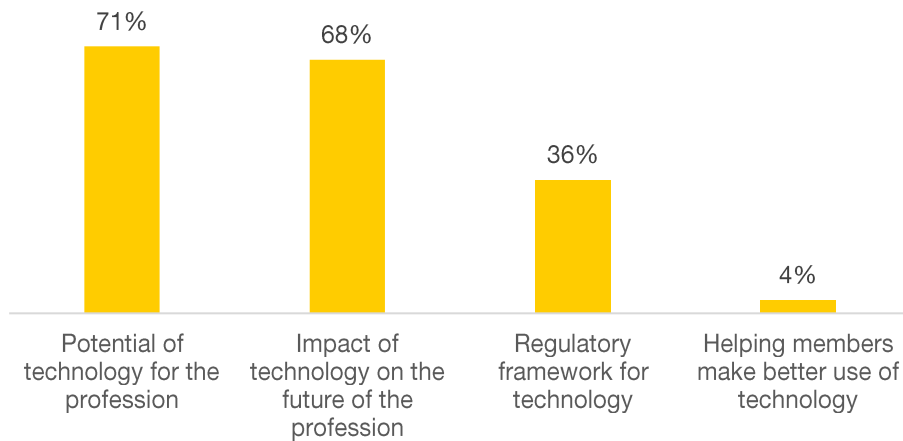
WHAT KIND OF ACTIVITIES HAS YOUR INSTITUTE CARRIED OUT ON TECHNOLOGY?



⁴ When looking at the results of this table, it should be kept in mind that the time intervals are not all of the same duration (1 year, 4 years, or more). Moreover, institutes could have carried out the same activity in any of these time intervals.

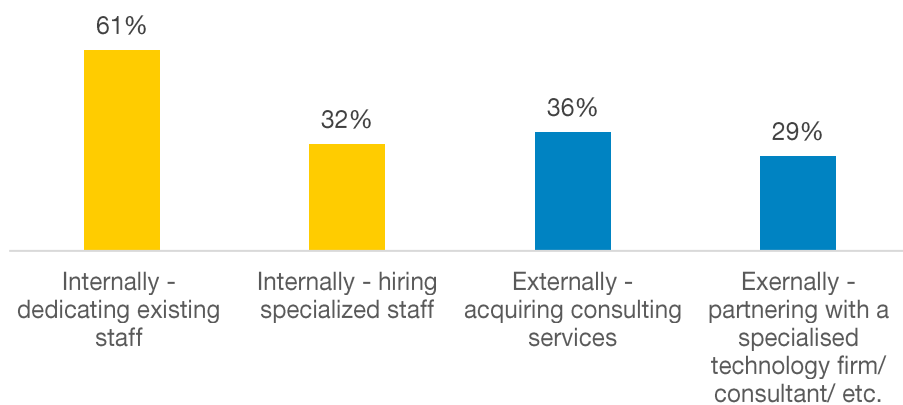
Most of these activities focussed on the potential of technology for the profession and the impact of technology on the future of the profession. However, only a few respondents took on a more practical approach and helped their members to make better use of technology. This might be due to the fact that helping members be technology-ready is the biggest challenge of the participating institutes (see below).

WHAT DO YOU FOCUS ON IN YOUR TECHNOLOGY-RELATED ACTIVITIES?



Respondents had different ways to support their technology-related activities. The most common way to do this was by dedicating existing internal staff to work on technology projects. Some institutes invested in hiring specialised staff. Nonetheless, institutes also looked for external expertise, either by acquiring consulting services or partnering up with specialised technology firms.

HOW HAVE YOU SUPPORTED YOUR WORK ON TECHNOLOGY (INTERNALLY OR REGARDING YOUR MEMBERS)?



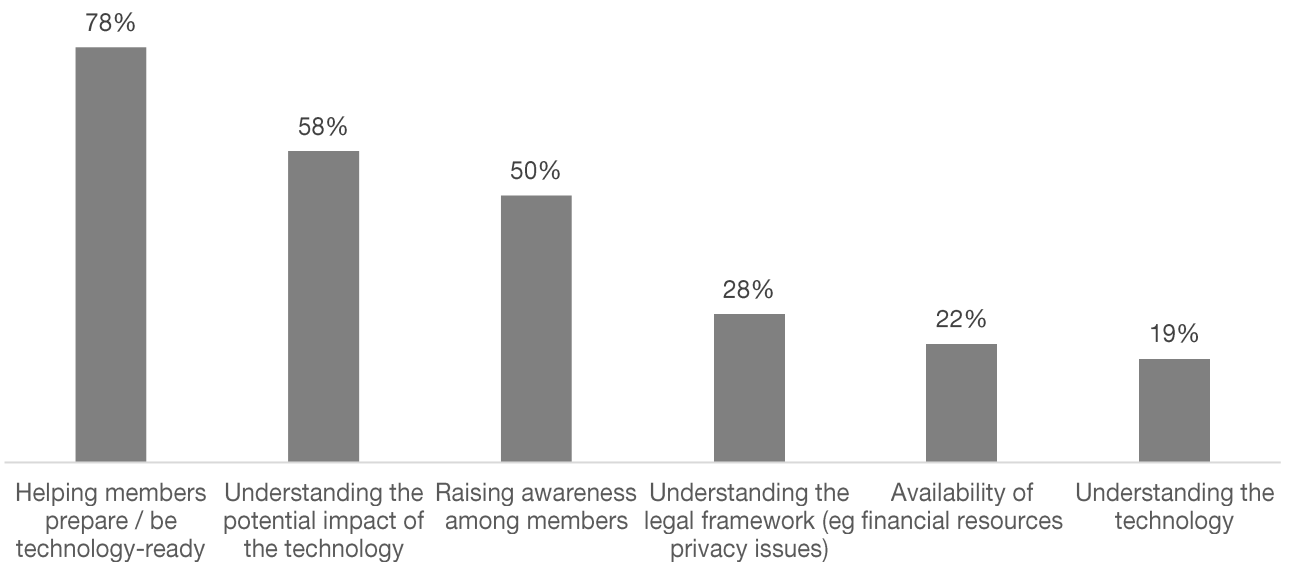
POTENTIAL ACCOUNTANCY EUROPE ACTIVITIES

Respondents indicated on a scale from 0 to 100 how strongly they believed it is important for Accountancy Europe to become more active in the field of technology. With an average of 78, there was clear support for Accountancy Europe to step up its work in this area. It is therefore important for us to take into consideration the challenges of institutes in their work on technology.

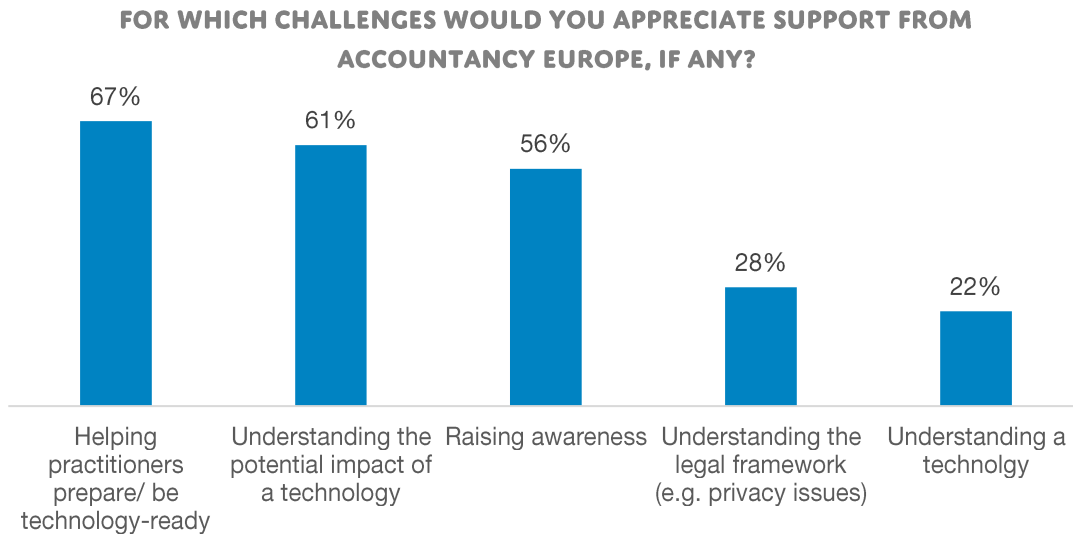
Participating institutes indicated that their biggest challenges were to:

- help their members to be technology-ready (78%)
- understand the potential impact of technology on the profession (58%)
- raise awareness (50%)

WHAT ARE YOUR BIGGEST CHALLENGES WHEN DEALING WITH TECHNOLOGY ISSUES (INTERNALLY OR REGARDING YOUR MEMBERS)?



Most respondents indicated that they would appreciate support from Accountancy Europe to understand the potential impact of a technology, to help practitioners be technology-ready, and to raise awareness. These results are in line with the previous question on the institutes' biggest challenges related to technology.



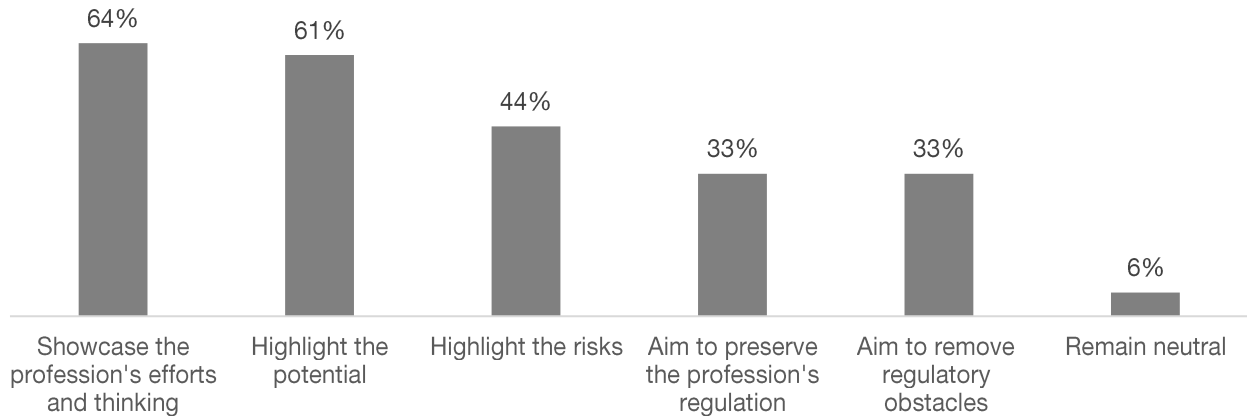
Most respondents indicated that they would like Accountancy Europe to facilitate cooperation & exchange of best practices, as well as provide information on relevant developments.

Around one third of the respondents said they would like Accountancy Europe to interact with legislators on these issues. This is broadly in line with the proportion of respondents that indicated interaction with the legislator as one of their activities on technology (see above).



When discussing with the legislator, institutes believed Accountancy Europe should mainly showcase the profession's efforts and thinking, as well as highlight the potential of technology.

**IN OUR INTERACTION WITH THE LEGISLATOR REGARDING TECHNOLOGY,
ACCOUNTANCY EUROPE SHOULD:**



CURRENT ACCOUNTANCY EUROPE ACTIVITIES

Technology is one of the horizontal priorities of Accountancy Europe's strategy for 2017-2018. This led to several initiatives in the field of technology. For example, our periodical Technology Updates⁵ seeks to provide information on relevant developments and to advertise the work of Accountancy Europe's Members in the field of technology. We also hosted the Digital Day⁶ conference on 29 March 2017, with the aim to raise awareness and foster a better understanding of the potential impact of technology.

Moreover, technology is a horizontal issue that features on the agenda of several expert groups. For instance, the Small and Medium Enterprises (SME) Forum and the Corporate Governance and Company Law Working Party are looking at the digitalisation of company law. The SME Forum is also working on a consultation on data localisation measures. To support small and medium practitioners, we publish information papers on technology-related topics, for example on *Moving to the Cloud*⁷. Finally, Accountancy Europe responded to the International Auditing and Assurance Standards Board (IAASB) *Request for Input: Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics*⁸.

⁵ Accountancy Europe, (2017). *Technology Updates*. [online] Available at: <https://www.accountancyeurope.eu/tag/technology-update/>.

⁶ Accountancy Europe, (2017). *Accountancy Europe Digital Day*. [online] Available at: <https://www.accountancyeurope.eu/events/29-march-2017-digital-day/>.

⁷ For example, Accountancy Europe, (2016). *Moving to the cloud*. Available at: <https://www.accountancyeurope.eu/publications/moving-to-the-cloud/>.

⁸ Accountancy Europe, (2017). *Accountancy Europe Comment Letter: Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics* [online] Available at: <https://www.accountancyeurope.eu/consultation-response/iaasbs-request-input-exploring-growing-use-technology-audit-focus-data-analytics/>.

CONCLUSION

The Technology Barometer results indicate that most of Accountancy Europe's Members consider technology as a serious matter. A large majority of respondents had carried out one or more technology-related activity. In doing so, they encountered a few challenges. The biggest ones were to help their members be technology-ready and to understand the potential impact of technology on the profession. Most respondents said they would therefore appreciate some support from Accountancy Europe to tackle these challenges. The Accountancy Europe team will take these views into consideration in its future activities.

The participating institutes had a clear positive outlook for the future: the majority saw technology as a way to improve the services of the profession. This is not an isolated approach. As Steve Jobs said "Technology is nothing. What's important is that you have a faith in people, that they're basically good and smart, and if you give them tools, they'll do wonderful things with them."

Accountancy Europe will work together with its Members to ensure that the accountancy profession makes the best use of technology to advance the public interest.



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Accountancy Europe

ABOUT ACCOUNTANCY EUROPE

Accountancy Europe unites 50 professional organisations from 37 countries that represent close to **1 million** professional accountants, auditors, and advisors. They make numbers work for people. Accountancy Europe translates their daily experience to inform the public policy debate in Europe and beyond.

Accountancy Europe is in the EU Transparency Register (No 4713568401-18).