

**Accounting and Finance**

# MARKET LEADER



Business English

Sara Helm





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This unit looks at the broad range of work skills that the modern accountant needs.

## BEFORE YOU READ

Discuss these questions.

- 1 In your country, what process do you have to go through in order to be able to work as an accountant?
- 2 Briefly describe any national accountancy qualifications which exist in your country.

## READING

### A

### Understanding the main points

Read the article on the opposite page and say whether these statements are true (T) or false (F). Identify the part of the article that gives this information. Correct the false ones.

- 1 Most accountants work for accountancy firms.
- 2 There are a number of different specialist areas in accounting.
- 3 Accountancy firms only operate in their domestic market.
- 4 Accountancy training is mainly organised locally.
- 5 With a recognised accountancy qualification, you are sufficiently trained for the rest of your working career.
- 6 IFAC does not expect accountants to get any further training once they have obtained their initial accountancy qualification.
- 7 Giving its accountants business-skills training can have a serious impact on a firms' success.

### B

### Understanding details

Read the article again and answer these questions.

- 1 Which phrase in paragraph F has the same meaning as *the edge* in the title?
- 2 What are the three main advantages of an employee who holds a recognised accountancy qualification?
- 3 Why do accountants generally train in their own country?
- 4 How does IFAC describe itself?
- 5 Which two broad sets of skills do large accountancy firms value as much as the purely technical accounting skills?
- 6 What does KPMG see as being the most important asset in its accountants?
- 7 Which major barrier to this does KPMG's Senior Training Manager mention?
- 8 Which markets would currently benefit from having more accountants trained to a high level?
- 9 Which attributes do employers need their internationally mobile employees to share?
- 10 What sort of economic benefits would a stronger accountancy profession bring to developing countries, according to ACCA's Chief Executive?



# Business skills give you the edge



by Rod Newing

**A** Anybody can call themselves an accountant, but a recognised qualification generally guarantees proper training, experience and professional standards.

**B** Most accountants work in-house for companies or organisations in the private, public or voluntary sectors. Those employed by accountancy firms, on the other hand, usually specialise in very specific areas, such as auditing, taxation, insolvency or forensic accounting. Naturally, each specialism has different training requirements.

**C** Despite the existence of global accounting practices serving global clients, the accountancy bodies that oversee training are almost entirely domestic and serve the needs of their domestic market.

**D** Although the widespread adoption of international accounting standards is making training easier, taxation is a national issue. Therefore, accountancy training naturally tends to occur at a national level. 'We are not educating accountants to work anywhere in the world, but to work in their own national

environment,' says Jim Sylph, Executive Director of Professional Standards at the International Federation of Accountants (IFAC).

**E** IFAC describes itself as 'the global organisation for the accountancy profession'. It has 2.5 million members from all areas of the profession, belonging to 157 member and affiliated bodies and accountancy associations, from all over the world.

**F** But accountancy training is not just about the initial qualification. The big challenge is keeping accountants up to date in a changing world. To support its members, IFAC sets very broad standards for education programmes, including continuing professional education and lifelong learning.

**G** The current trend is to emphasise strategy and management over the purely technical subjects, because strategic and managerial skills can give the big global practices a competitive advantage.

**H** In this way, at Pricewaterhouse-Coopers (PwC), the concept of the 'business adviser' runs right through from newly qualified accountants to

partners. This includes skills such as managing teams, and coaching and appraising people. Business and relationship skills have huge financial implications. Indeed, they often determine the length of time that the business relationship between an accountancy firm and its customers exists.

**I** Similarly, global training at KPMG concentrates on values, skills and behaviours. However, KPMG's main strategic focus is the mobility of its workforce, and it views the lack of portability of national qualifications as the main barrier to this. 'It presents challenges within the profession,' says Michael Walby, Senior Training Manager at KPMG. 'We need to be able to get our resource to the opportunities, irrespective of geographical boundaries. The profession needs to work together across the various institutes to take advantage of future opportunities.'

**J** 'If you get training right, it can make a significant difference to competitive advantage,' says Ms Kilbride, Associate Partner for Global Learning at Deloitte. This is especially the case in small or emerging markets that are growing rapidly. They face challenges to consistency and quality because of a rapid influx of people.

**K** According to Mr Blewitt, Chief Executive of the Association of Chartered Certified Accountants (ACCA), increasingly employers want people who can move around the world with a common accounting language and set of standards and ethics. He states, 'There is an inexhaustible demand from developing nations. With a qualified accountancy profession, these countries will continue to be able to attract inward investment and aid from agencies such as the World Bank.'

**FT**



**VOCABULARY****A****Definitions**

Paragraph A lists four accountancy specialisms. Match these words and phrases from the article (1–4) with their meanings (a–d).

- |                       |   |
|-----------------------|---|
| 1 auditing            | a) when a company's financial records are officially checked because illegal activity is suspected  |
| 2 tax accounting      | b) an accountant working in this area acts for a person or company that is no longer able to pay their debts or a company whose liabilities exceed its assets |
| 3 insolvency          | c) preparing a person's or company's financial information in order to calculate the proportion of their profit which they must pay to their government       |
| 4 forensic accounting | d) checking an organisation's activities or performance or examining a person's or organisation's accounts to make sure that they are true and honest         |

**B****Word search**

Read paragraphs G and H again and match each of these nouns or noun phrases with either PwC or KPMG.

- 1 business adviser concept *PwC*
- 2 mobility
- 3 values and behaviours
- 4 team-management skills
- 5 coaching
- 6 employee appraisal
- 7 relationship skills

**C****Sentence completion**

Use words and phrases from Exercises A and B to complete these sentences.

- 1 Due to a sharp drop in sales, the company was not able to pay its creditors and eventually entered into .....
- 2 Accountants need to deal with clients, so it is important for them to have ..... skills as well as technical ones.
- 3 It is important to have ..... skills if you are going to be responsible for groups of employees.
- 4 Accountants involved in ..... check that their clients' financial statements present a true and honest picture of the company.
- 5 The company was suspected of being dishonest in its financial reporting, so the ..... accountants were called in to investigate its dealings.
- 6 Accountants need to develop ..... skills in order to give appropriate feedback to the teams they manage.



**D Word partnerships**

Match the sentence halves to make sentences similar to ones in the article.

- |  |   |
|--|---|
| 1 Global accounting practices serve              | a) a wide range of education programmes.              |
| 2 A recognised qualification guarantees          | b) a significant difference to competitive advantage. |
| 3 Accountancy bodies that oversee training serve | c) global clients.                                    |
| 4 IFAC provides                                  | d) challenges to consistency and quality.             |
| 5 Good training can make                         | e) proper training.                                   |
| 6 Emerging markets face                          | f) the needs of their domestic market.                |

**E Linking ideas**

- 1 Find five words or phrases in the article which express contrast or similarity. Identify the sentences in which they appear and state which idea they express.

**EXAMPLE:** *Anybody can call themselves an accountant, but a recognised qualification generally guarantees proper training, experience and professional standards.*  
(lines 1–5)  
'But' expresses contrast.

- 2 Write five sentences of your own, using the linking words and phrases you found in Exercise 1.

**F Understanding expressions**

Choose the best explanation for each phrase from the article.

- '... not just about the *initial* qualification.' (lines 39–40)
  - occurring at the end
  - occurring at the beginning
- '... have huge financial *implications*.' (lines 60–61)
  - consequences
  - difficulties
- 'There is an *inexhaustible* demand ...' (lines 96–97)
  - never-ending
  - enormous

**OVER TO YOU**

- Do an Internet search of the accountancy firms mentioned in the article. Which areas of professional training do they provide, and which firm looks the most interesting to work for? Write a short report.
- Vocabulary Exercise B lists several non-technical aspects of accountancy work. Explain what they might involve and whether you think they make the job more interesting.
- Which of the accountancy specialisms mentioned in the article do you think would be the most interesting to work in? Explain your ideas in a short presentation.



This unit looks at the development of the accounting profession around the world.

## BEFORE YOU READ

Discuss these questions.

- 1 Which professional accounting organisations operate in your country? Are they local or international?
- 2 What advantages are there to both employers and employees in having links with professional accounting bodies?

## READING

### A Understanding the main points

Read the article on the opposite page and answer these questions.

Identify the part of the article that gives this information.

- 1 How are some of the UK accounting bodies helping to develop the accountancy profession overseas with local institutes?
- 2 What does ACCA think about the fact that some of the accounting organisations it is supporting will most probably become its competitors in the future?
- 3 As well as accountancy, which other area of training has CIMA identified as being essential to overseas accountants?
- 4 Robert Jelly mentions that there is a growing need for a common set of accounting qualifications around the world. What reasons does he give for this?
- 5 Which set of accounting standards is in the process of being adopted by over a hundred countries?
- 6 What benefit would a well-established accounting profession bring to developing economies?
- 7 In spite of UK help, what is the most important factor in the development of a strong accounting profession in developing countries, according to Neil Wallace?

### B Understanding details

Read the article again and answer these questions.

Identify the part of the article that gives this information.

- 1 What proportion of ACCA's members are registered outside the UK?
- 2 Which programme do CIMA and ICAEW's projects in Bangladesh belong to?
- 3 Which Bangladeshi institute is CIMA helping?
- 4 In which developing regions is the accountancy profession becoming more important?
- 5 What sort of jobs do the visiting Bangladeshi accountants have?
- 6 What does Anton Colella, Chief Executive of ICAS, want to see happening in Eastern Europe?
- 7 Which organisation has been established in Kazakhstan?



# Professional bodies: global profiles



by Jennifer Hughes

**A** In Chartered Accountants' Hall, there is a memorial to past presidents of the Institute of Chartered Accountants in England and Wales (ICAEW). Names  
5 such as Waterhouse, Coopers, Peat and Young display the largely British roots of the profession.

**B** But these days, the ICAEW and other UK accounting bodies are looking overseas. 'Accountancy is an international business,' says Vernon Soare of the ICAEW. 'We are developing to support our members and the firms they work in.' Today, there is  
15 much talk of partnerships with local institutes and developing an international reputation for the qualifications they offer.

**C** Over half of the Association of  
20 Chartered Certified Accountants' (ACCA) 122,500 members are registered overseas. ACCA feels that work that helps the standing of the profession across the world helps its members, even if it is supporting bodies that will  
25 eventually become competitors.

**D** Both the ICAEW and the Chartered Institute of Management Accountants (CIMA) are working on World Bank  
30 projects in Bangladesh to develop professional services to support its economy and businesses. CIMA is studying the accounting profession and the operations of the Institute of Cost and Management Accountants of Bangladesh.

**E** CIMA is also establishing joint ventures with a number of overseas institutes and looking at local language  
40 training. 'The main part of our growth strategy is employer-led. We listen to them carefully. There has been a huge shift in the finance function. Finance processes are being outsourced [to a variety of countries], so there is an increasing need for common qualifications around the world,' says Robert Jelly, Director of Education at CIMA.

**F** In the UK, the ICAEW has hosted  
50 Bangladeshi accountants working towards the Institute's certificate in International Financial Reporting Standards (IFRS). These are the accounting rules now accepted or in

55 the process of being adopted by more than 100 countries. The group includes academics, regulators and government officials. 'They are not simply learning the technical side, they are learning  
60 how to teach it and pass it on,' says Mr Soare. The aim is to develop a stronger accounting profession in the country to help build a stronger economic system.

**G** Another exciting area is Eastern  
65 Europe and central Asia. The Institute of Chartered Accountants of Scotland (ICAS) is working in Armenia and Kazakhstan to bring together Russian speakers from across the region to help develop the profession and to discuss IFRS.

**H** 'It is a fast-developing part of the world. We have a good reputation in the region due to the development work  
75 we have already done there,' says Anton Colella, Chief Executive of ICAS. 'We want to build strong national institutes. The demands and pressures on the global profession are increasing, particularly in developing nations, where IFRS and international audit standards are proving very challenging.'

**I** But all the institutes insist the UK  
85 profession is not looking for world domination. 'There is always going to be a need for local control. You need to understand local customs, to build groups of professionals who have loyalty to each other and to their local profession,' says Neil Wallace, Director of International Services at ICAS. 'Take Kazakhstan. It now has a chamber of auditors, and the profession is developing alongside the economy, something all developing countries need.'

**FT**

## C How the text is organised

What do these words refer to in the article?

1 they (line 18)

2 its (line 24)

3 its (line 31)

4 them (line 42)

5 these (line 53)

6 it (line 72)



## VOCABULARY

**A Word search**

Find words or phrases in the article which fit these meanings.

- 1 An area of work that needs advanced education and specific training (paragraph A)  
accountancy p.....
- 2 Official organisations which represent people of a particular profession (paragraph B)  
a) accountancy b..... b) accountancy i.....
- 3 The set of new accounting rules that over 100 countries have adopted or are in the process of adopting (paragraph F)  
I..... F..... R..... S.....
- 4 A person or organisation chosen by the government to ensure that an industry or system operates legally or fairly (paragraph F)  
r.....
- 5 Someone who has a responsible position in a government organisation (paragraph F)  
g..... o.....
- 6 Official body of auditors, who check that a company's financial report is true and honest (paragraph I)  
c..... of auditors

**B Vocabulary development**

Find different forms of the word *develop* in the article and use them to complete these sentences.

- 1 ICAS is working in Armenia and Kazakhstan to help ..... the profession.
- 2 Several institutes have been doing ..... work in Eastern Europe.
- 3 ..... nations need a strong accountancy profession.
- 4 Accountancy is a fast-..... profession.
- 5 There is much talk of ..... an international reputation for the qualifications that overseas institutes offer.

**C Sentence completion**

Use words and phrases from Exercises A and B to complete these sentences.

- 1 In the future, many accountants in developing countries will produce company accounts which comply with .....
- 2 Although developing countries need international help to establish the ..... in their countries, success will depend mainly on having strong local control.
- 3 Many ..... are working hard with these countries to develop local qualifications with an international reputation.
- 4 Some countries even have a ..... of ..... for the first time.
- 5 It is equally important that their ....., who are responsible for making sure that an industry or system works legally or fairly, have a good understanding of accounting.
- 6 The international accountancy profession is ..... fast.