

Why you cannot afford not to qualify

Giving up part way on your journey to ACCA qualification may cost you a profitable and successful career in finance.

Iwona Tokc-Wilde, journalist

We know many of you struggle trying to juggle study with family and work commitments, and there are times when you may have your doubts: is it worth all the effort to qualify and become an ACCA member? And we understand you might feel deflated if you fail an exam, and you might question whether you want to carry on with your studies.

But giving up is simply not an option if you want to have access to excellent career opportunities that achieving a respected accounting qualification opens up.

‘When you look at a career as the long game, you can see some fundamental differences in what’s available to those who qualify and to those who do not,’ says Rob Sowerby, professional courses director at London School of Business and Finance.

Earning potential

First of all, accountants who have a recognized qualification can normally demand a higher salary, particularly if they also have a few years’ working experience.

That’s partly because skilled finance professionals are in short supply across the globe. Consequently, many employers are forced to award substantial salary increases to keep or hire qualified accountants.

According to Hays 2018/2019 Global Salary Guides, this is definitely the case in Australia and New Zealand. Typically, the best candidates there can also pick and choose from multiple offers they receive from private practice, commercial organizations and the public sector. In Asia, candidates can also expect pay rises, although the increases may be on the more modest side.

Research by Robert Half shows that 40% of UK employers also find it a challenge to fill accounting roles with qualified professionals.

‘To secure them, eight out of 10 have to offer starting salaries higher than they have originally planned for,’ says Gareth Gage, director at Robert Half UK.

In fact, newly-qualified UK accountants can expect their pay to rise to £38,100 on average, according to a recent salary survey by *Accountancy Age*. And once they gain a few years’ experience, they can command an average salary of £59,700 a year in roles such as team leader and senior associate.

Overall, the survey shows that accountants without a formal qualification earn nearly 30% less than their qualified colleagues.

Promotion prospects

‘Having a recognized qualification and being in demand means that you can now move up the career ladder more quickly,’ says James Brent, business director at Hays Accountancy & Finance. If you are already in employment and want to stay with your current employer, a promotion may be imminent.

It’s true that you may rise within your company just through your ability to do the job. ‘But unless you also qualify, you may not be able to progress past a certain level,’ says Dr Elaine Garcia, senior lecturer at LSBF.

Gavin Butterworth, partner at accountancy firm Butterworth Barlow, agrees: ‘Although qualifications don’t always have a bearing on expertise or

knowledge, it's not uncommon to see capable accountants held back from promotions simply on the grounds that they have not qualified.'

He also points out that younger, qualified accountants often overtake their older and more experienced colleagues who lack qualifications, which goes to show just how important the qualifications are.

Pastures new

Until you qualify, changing jobs may not go as well as you'd hope.

'Your skills may be valued by your current employer, but not having a qualification can seriously hamper your chances of getting a job of equal standing elsewhere,' says Sowerby.

Many employers will choose a newly-qualified job applicant, even if they lack experience, over an experienced candidate without a qualification.

'One reason is the perception of something extra that you have gained with your qualification: the training in problem solving and a deeper understanding of how to adapt your knowledge and skills to listen, analyze and help colleagues and clients in an increasingly advisory-focused profession,' says accountancy commentator and mentor Mark Lee.

Billie Mcloughlin, accountant at Harris, Lacey & Swain, qualified three years ago. She says that the ACCA Qualification was invaluable in preparing her for work in an advisory capacity. 'The extensive amount of knowledge I gained in the practical experience and exams with regard to business strategy now enables me to interpret financial information in a way our clients may not be able to.'

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Client expectations

Does it matter to clients whether or not their accountant is professionally qualified? Of course, it does.

Mcloughlin says: 'When visiting clients to do some complex bookkeeping, I've been told of their delight that my firm had sent a qualified accountant to do the work. And on another occasion a colleague of mine was asked if they were qualified when they went to meet a client regarding their year-end accounts. This just shows how important it is to clients that an accountancy expert is helping to support the growth of their business.'

Also, there are some tasks that can only be undertaken by a qualified accountant.

Butterworth explains: 'Only qualified accountants can register as statutory auditors or for investment business or probate services. Also, many mortgage lenders won't rely on references from unqualified accountants, which can lead to the accountant losing clients regardless of how good they are. We've taken on clients simply because their previous accountant was not qualified.'

Self-employment

If you are looking to set up as self-employed, you may struggle to find clients unless you get those letters after your name.

'When looking for an accountant, many people will want someone who is qualified as this reassures them that the accountant is competent in their field, that they can have confidence in their skills and abilities,' says Dr Garcia.

Qualified accountants are required to adhere to a plethora of rules, standards and guidelines set by ACCA and they must keep up with their CPD. This reassures clients further.

If you intend to offer accounting and tax services, you will need a practising certificate. To apply for an ACCA practising certificate, you must have three years of supervised training with an ACCA Approved Employer, and you must be qualified with two years of post-membership experience. You must also demonstrate that you have achieved certain competencies by completing the Practising Certificate Training Record (PCTR).

Accountants holding a practising certificate and providing such services are required to take out professional indemnity insurance. Their clients can therefore be certain that they will be compensated if the accountant makes a mistake that leads to a financial loss.

Finally, ACCA investigates complaints made against members relating to the breach of the Code of Ethics and Conduct. 'Clients of unqualified accountants do not have this recourse,' says Butterworth