

Challenges from professional accountants' points of view

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I. Training/Education

Universities should concentrate stronger on the development of practical skills. Obviously, more and more students show deficits in accounting and financial reporting, especially as it relates to US-GAAP and IASB standards. Another suggestion would be a stronger focus on the development of an understanding of the EDP standard software programmes (e.g. SAP), currently used in practice and the development of research skills in an international e-business environment.

II. Also auditing techniques and methods based on specific industrial risks should be integrated into the

The risk-oriented audit approaches in Germany, but especially within US-GAAS and ISA, close the gap between identified company risks and applicable auditing procedures. The problem cannot be reduced just to the selection of the right size of samples, rather than the correct identification of specific company risks and the evaluation of the effectiveness of company controls in place to address this risk in order to design the appropriate audit response. As a consequence, this requires a good basic understanding of possible industrial and financial risks and the companies' business strategies. Therefore, research and science have to take those risks as well as the sectoral business strategies into account.

III. Beginners' understanding and application skills of international auditing and accounting standards

Based on our experiences, currently training and education on these subjects are lagging far behind the rapid pace of the development in practice. This might partially be a problem of language.

IV. Development of new structures for reporting purposes (e.g. in annual reports)

The European countries as well as the associations of accountants have developed different new reporting structures and reporting standards. However, for the non-statutory part of annual/quarterly reports of publicly quoted companies standards are still missing at the European level (Best practices or recommendations).

V. Future Challenge

E-Business and the pressure of capital markets towards accelerated reporting will influence the content of audits and auditing standards in the medium term. We are on the way to „realtime audits“. To develop corresponding standards, which take into account the companies' business processes and its related internal control procedures will be a common challenge.