



Career boosting skills for new CPAs

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Contents

INTRODUCTION.....	3
THE DIGITAL IMPERATIVE.....	3
LEADERSHIP AND HUMAN SKILLS	6
Ethical behavior.....	7
Critical thinking	7
Collaboration.....	7
Self-management.....	7
Communication.....	7
ADDITIONAL CAREER-BOOSTING SKILLS	8
CONCLUSION	8
APPENDIX.....	9
The AICPA Foundational Competencies Framework for Aspiring CPAs.....	9
Helpful links and additional reading.....	9
For students	9

INTRODUCTION

As the field of accounting continues to evolve, it is becoming increasingly important for students pursuing a career as a Certified Public Accountant (CPA) to possess a diverse set of skills that go beyond traditional accounting knowledge. While technical accounting proficiency remains a fundamental requirement, employers are also looking for candidates who demonstrate additional competencies.

These skills can be acquired at any point during a student's journey, however, the final stretch of education leading up to the 150 credit hours required for CPA licensure offer an opportunity to focus on areas that can boost career readiness.

Specifically, this report will highlight the importance of data and technology competencies and communication skills, two critical areas that can help students stand out in the competitive job market and enhance their professional development.

Recommendations in this report are based on data and insights from several sources, including:

- A 2023 poll of accounting firms on valuable skill sets
- Interviews with young CPAs, academics, and firm employers
- Uniform CPA Examination Practice Analysis reports
- The AICPA Foundational Competencies Framework for Aspiring CPAs

This report aims to guide people who influence young professionals as they work with prospective students, accounting majors, and CPA candidates to understand skills that employers, particularly public accounting firm employers, highly value. Videos and blogs tailored for students outlining these skills are available on [This Way to CPA](#).

THE DIGITAL IMPERATIVE

As accounting transformed from a trade to a profession – various educational and licensing models were considered, including a law school model, a mandatory master's degree, and other approaches. Ultimately, the model adopted for CPA licensure was the 150-credit hour education model – a higher educational bar fit for a profession that works in the public interest. The education requirement forms one of the 3 E's – along with work experience and the CPA Exam – that are primary requirements for a candidate to be granted a CPA license. The 3 E's also underpin a CPA's mobility – the ability to pursue opportunities wherever clients and life may take them, all with one license. Mobility depends on states having uniform, substantially equivalent core licensing requirements.

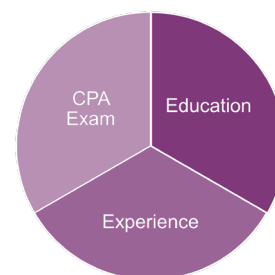
In most states, the focus of the additional credit hours is flexible and undefined, allowing students to match the coursework to their interests, professional development, and career goals. Those credit hours can be an opportunity to maximize job readiness.

Acquiring skills such as data analysis and visualization, IT and cybersecurity, and communication and presentation skills are highly valued ways to use additional credit hours.

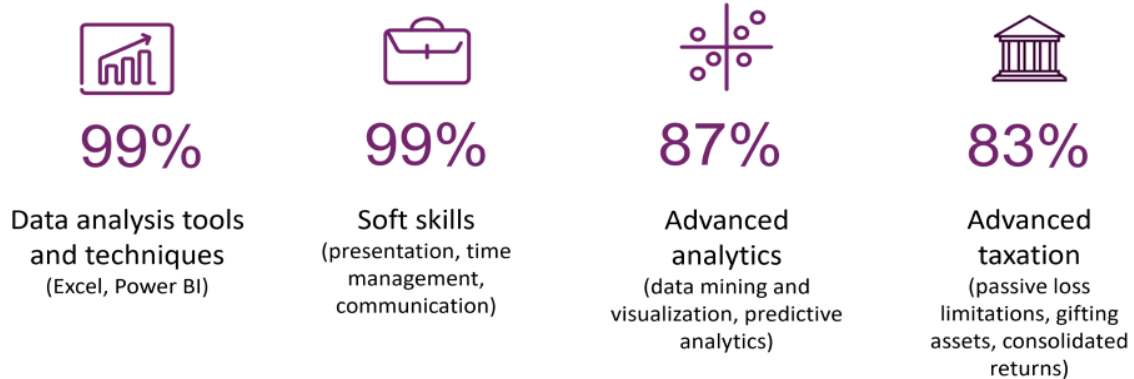
The AICPA recently polled accounting firms on how CPA candidates could be better prepared for work as new firm hires. The poll focused on education beyond the core competencies of intermediate accounting, managerial accounting, accounting information systems, audit, taxation, and others.

According to the poll, **99% of accounting firms cited data analysis tools and techniques** (e.g., Microsoft Excel, Power BI) as a valuable competency area for new hires working to complete the 150-credit hour requirement for CPA licensure. As with the CPA Evolution firm demand survey in 2021, data analytics was a [top-needed skill](#) cited by firms.

The 3 E's of CPA Licensure



Top skills firms say are valuable* for new hires



**"Valuable" is defined as "very valuable" and "somewhat valuable" in this poll.
Source: AICPA Jan 2023 firm poll representing 29+ states

"Firms want to know that students have a good foundational knowledge of accounting and technology. The earlier you can be exposed to data, the more you can build that skill set, which is going to set you up for success within your firm."

Holly Hawk, PhD, MAcc, CPA, CGMA, clinical assistant professor, Clemson University, South Carolina, in the [article](#) "Soft and Technical Skills for Students."

"Young professionals can enhance their value by taking a deeper dive into the use of these tools while obtaining their additional credit hours," said AICPA vice president of small firms Carl Peterson, CPA, CGMA. "Today, data analytics is perhaps the most important skill set for firms of the future."

CPAs can use data analytics to provide insight into businesses' financial information, pinpoint process improvements that can help boost efficiency, and improve risk management. CPAs typically use four types of data analytics:

- **Descriptive analytics:** Determining what's happening. For example, reporting on cash flow through organizations, including revenue and expenses, inventory counts, and sales tax collected.
- **Diagnostic analytics:** Determining why it's happening. For example, examining variances and reviewing historical performance to help in forecasting.
- **Predictive analytics:** Determining what will happen. For example, predicting future outcomes by recognizing patterns that can shape forecasts.
- **Prescriptive analytics:** Determining what should happen. For example, forecasting to advise on future growth opportunities or sounding the alarm on potentially poor decision-making.

“We used some of the bigger tools that a lot of companies are using – Tableau, Alteryx – and I found when I first started my career it was very beneficial having some basic level of knowledge on the software.”

Noah Davis, CPA, tax manager, Rea, Shaw, Giffin & Stuart, LLP in Mississippi, in the [article](#) “Young CPAs share the benefits of soft skills and knowledge of data analytics.”

Advanced analytics (data mining and visualization, predictive analytics) ranked second in the firm poll as valuable for new graduate hires. Other technology skills firms viewed as valuable to acquire while working toward 150 credit hours and licensure were:

- Information security, confidentiality, and privacy (78%)
- Information systems and data management (77%)
- System and Organization Controls (SOC) engagements (55%)

These findings align with work in recent years that bolstered changes to the CPA Exam as part of CPA Evolution. Knowledge and skills identified in three practice analyses conducted over the recent past on what is important for newly licensed CPAs include:

- Solid foundational knowledge in auditing and attestation; financial accounting and reporting; taxation and regulation; ethics and professional standards; business law; economics; and research.
- Technology: digital and data-driven mindset including data analytics, also known as digital acumen.
- Higher-order skills – including, but not limited to, critical thinking, problem-solving, analytical ability, and professional skepticism.
- Understanding the business – including its operations, information systems, underlying business processes, information and data flows, and risks and related internal controls.

The 2019 Practice Analysis explored the current impact of technology on the profession and the work of newly licensed CPAs. Respondents to that Practice Analysis supported key themes, including the need for a digital and data-driven mindset and the use of data analytics.

“A digital and data-driven mindset includes understanding the potential sources of data as well as the completeness, accuracy, and relevance of the data,” the [Practice Analysis report](#) read. “Newly licensed CPAs should understand the flow of transactions within business processes and information systems; this will lead to understanding the availability and reliability, i.e., completeness and accuracy, of the data. Given the advances in technology, it is important that [newly licensed] CPAs, at a minimum, have an understanding of data, including where and how it may be accessed and to be able to converse with clients about data and its potential use.”

Additionally, research related to the most recently completed practice analysis performed to support the CPA Evolution-aligned CPA Exam (to be launched in January 2024) emphasizes knowledge of technology and the digital mindset. Data and technology concepts will be assessed in all Core and Discipline Exam sections. This includes:

- A focus on understanding how data is structured and information flows through underlying information technology (IT) systems and business processes.
- Determining methods to transform data to make it useful for decision-making.
- Verifying the completeness and accuracy of source data.

- Using the outputs of automated tools, visualizations, and data analytic techniques.

“While the adoption and implementation of data analytic techniques vary widely based on firm size and complexity and size of the client, there is widespread acknowledgment,” according to the Practice Analysis report, “that the use of data analytics is prevalent throughout the profession and [newly licensed] CPAs have an important role [to play].”

LEADERSHIP AND HUMAN SKILLS

“We are not in a numbers business, we are in a people business. We have to build relationships and trust, so having great communication skills and listening skills really helps build a successful client relationship.”

Lisa DeVaughn Foley, CPA, managing member, Baldwin CPAs, PLLC, Kentucky in the [article](#) “Soft skills and analytical skills are key for new hires, say experienced CPAs.”

On par with data analysis, tools, and techniques in the 2023 firm poll were soft skills, with 99% of respondents reporting that CPA candidates should extend their knowledge and understanding of skills such as time management and organization, communication, critical thinking, problem-solving, and public speaking.

“The need for ‘success skills’ ... is equally important to CPAs in public accounting, as well as in business, industry, government, and nonprofits,” said AICPA executive vice president of business growth & engagement Tom Hood.

These skills can help further new graduates’ careers by equipping them for important interactions with clients, managers, and colleagues. This was reflected in a 2020 survey from the [Society for Human Resource Management \(SHRM\)](#) in which 97% of employers responded that soft skills were either as important or more important than hard skills. Further, collaboration, emotional intelligence, empathy, listening skills, and self-awareness are all interpersonal skills that can help a new hire succeed.

“Small firm owners have told me for years that students coming out of college today do not have the soft skills that would increase their value and result in early career success,” said Peterson. “Integrating firm experience with education focused on developing soft skills would result in staff retention and create higher value earlier in their career, while providing better client relationships and value to the firm.”

“You can be the smartest person doing accounting work, but if you cannot communicate it to the non-financial person, you will not be nearly as effective.”

Markus Ahrens, CPA, CGMA, professor of accounting and chair of the accounting and legal studies department at St. Louis Community College-Meramec in Missouri, in the [article](#) “Soft and Technical Skills for Students.”

The AICPA Foundational Competencies Framework for Aspiring CPAs, developed by educators and accounting professionals, includes a list of needed leadership competencies. Those include:

Ethical behavior

- Adhere to the AICPA Code of Professional Conduct and other professional codes of ethics.
- Demonstrate unwavering ethical business practices.
- Explain the importance of ethical principles for the protection of society.

Critical thinking

- Accurately articulate organizational issues/problems/questions.
- Evaluate available quantitative and qualitative data relevant to issues/problems/questions.
- Apply a critical thinking framework to the decision-making process.
- Evaluate alternative answers/decisions to issues/problems/questions.
- State informed decisions supported by critical thinking processes.

Collaboration

- Engage with diverse stakeholders who have common objectives to reach innovative outcomes.
- Serve as both a leader and follower as appropriate for specific circumstances, including working with diverse global teams.
- Constructively negotiate an acceptable agreement between two or more parties.
- Promote diversity, equity, and inclusion in collaborative organizational activities.

Self-management

- Maintain self-awareness to be cognizant of how your behaviors impact others.
- Develop social awareness to respond to the needs of others.
- Build relationships to achieve common goals.

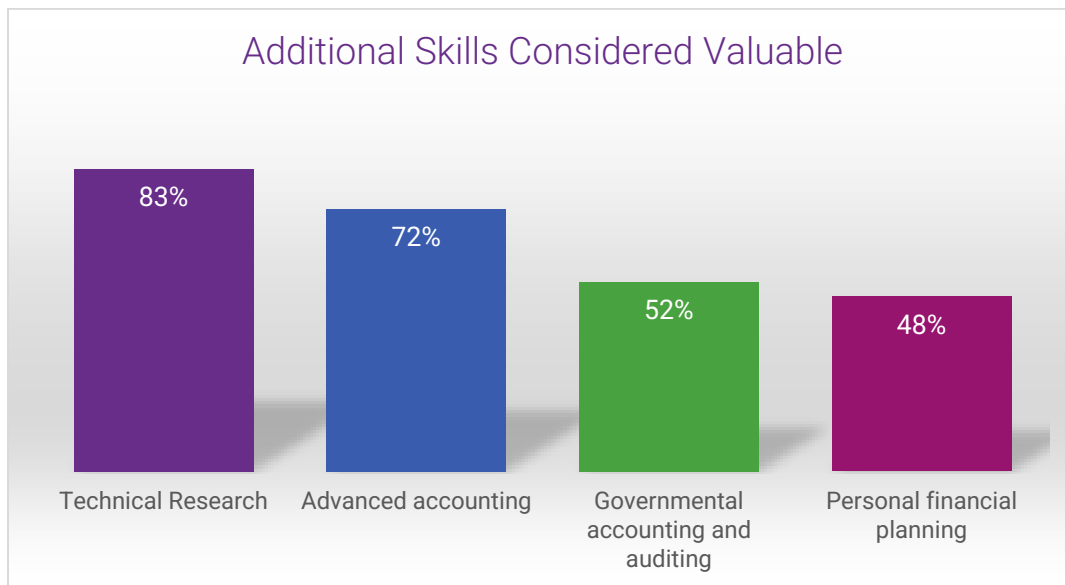
Communication

- Practice active listening to verify understanding of information provided.
- Adapt communication to specific audiences.
- Communicate clearly using accounting terminology and plain language as appropriate.

ADDITIONAL CAREER-BOOSTING SKILLS

Other skills that firms in AICPA's 2023 poll viewed as valuable for new graduate hires to acquire as part of their final credit hours requirement were:

- Technical research (83%)
- Advanced accounting (72%)
- Governmental accounting and auditing (52%)
- Personal financial planning (48%)



CONCLUSION

The last 30 credit hours of accounting education for licensure provide a valuable opportunity for students to revisit their college coursework to date and develop a plan for their professional career, filling gaps that may exist, particularly in the areas of technology, data, and communication skills. As the accounting profession continues to evolve, the ability to analyze, interpret, and communicate complex financial information has become increasingly important. By acquiring these skills, accounting graduates will not only be better prepared to meet the requirements for licensure, but they will also be more competitive in the job market and better positioned to begin their professional careers.

APPENDIX

The AICPA Foundational Competencies Framework for Aspiring CPAs

Educators and accounting professionals developed the framework to define a set of skills-based competencies students entering the accounting profession need, regardless of their chosen career path (public, industry, government, or not-for-profit), or for the specific accounting services they'll eventually perform. Because of the rapidly changing accounting profession, the framework focuses on critical skills instead of traditional subject-content areas or accounting services. Although knowledge requirements will change with time, the foundational competencies the framework identifies will have long-term value and will support a variety of career opportunities for future CPAs.

To download The AICPA Foundational Competencies Framework for Aspiring CPAs as a PDF resource guide, visit <https://www.thiswaytocpa.com/collectedmedia/files/foundational-competencies-framework-pdf.pdf>.

Helpful links and additional reading

State & Territory Licensure Requirements:

<https://nasba.org/licensure/gettingacpalicense/>

<https://nasba.org/exams/cpaexam/>

CPA Evolution: <https://www.evolutionofcpa.org/>

Maintaining the Relevance of the Uniform CPA Examination – Practice Analysis Final Report
<https://us.aicpa.org/content/dam/aicpa/becomeacpa/cpaexam/downloadabledocuments/practice-analysis-final-report-2020.pdf>

For students

Career Prep 101

<https://www.thiswaytocpa.com/education/articles/make-the-most-of-your-education/6-tips-get-head-start/>

Beyond Excel: Technology skills new accountants should know

<https://www.thiswaytocpa.com/education/articles/make-the-most-of-your-education/technologies-accounting-students-should-know/>

Young CPAs Share the Benefits of Soft Skills and Knowledge of Data Analytics

<https://www.thiswaytocpa.com/work-experience/articles/skill-development/benefits-soft-skills-and-knowledge-data-analytics/>

Learn what to study for the CPA Exam

<https://www.aicpa-cima.com/resources/article/learn-what-is-tested-on-the-cpa-exam>