

The future of the accounting profession and emerging issues

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The future of the Accounting Profession



Is the accountant facing imminent extinction?

the future of accounting

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Machine Learning, Artificial Intelligence - And The Future Of Accounting

<https://www.forbes.com/.../machine-learning-artificial-intelligence-and-the-future-of-a...>

Jul 7, 2017 - Rather than fear changes that machine learning will have on **accounting** tasks, it's an opportunity for **accounting** professionals to be excited. ... Machine learning is the leading edge of artificial intelligence (AI). ... Similarly, **accounting** departments and firms will be forced to adopt ...

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A green graphic featuring a white calculator icon with a finger pointing at one of the buttons. Above the calculator, the word 'FUTURE?' is written in white capital letters on a green background.

Many in finance, accounting 'not future-ready', Companies & Markets News & Top...

The Straits Times · 21 hour...

A photograph showing a diverse group of people walking along a city street. Some are looking at their phones, while others are looking ahead. The background shows city buildings and a clear sky.

Singapore finance professionals not equipped for the future: poll

THE BUSINESS TIMES · 1...

A photograph of a modern city skyline, likely Singapore, featuring several tall, blue glass skyscrapers. The buildings are reflected in the water in the foreground, and the sky is a clear blue.

Singapore's finance, accounting professionals say they are not prepared for...

The Straits Times · 1 day ago

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The future of the Accounting Profession



Is the accountant now in mortal danger?

Author and Oxford lecturer Daniel Susskind recently gave interesting perspectives of what the future holds.

The **first future** bears a striking resemblance to the present day. Professionals will use increasingly sophisticated technologies to enhance their traditional ways of working.

The **second future** which Daniel describes, however, is radically different from the first.

The future of the Accounting Profession.....cont'd



The second future

“Here technology doesn’t simply streamline and optimise that traditional approach, it actively displaces the work of traditional professionals.”

It is his view that “increasingly capable systems and machines” will begin to take on more of the roles that are usually associated with traditional professionals.

He predicts that many of these systems will be perfectly capable of performing tasks completely unsupervised, but this, he says, will not be the most radical change

The future of the Accounting Profession.....cont'd



Some of these systems will **still require humans** in order to function.

He believes it is **the people** who operate these machines who will embody **the most important evolution of the future.**

These systems will be “designed and operated by people who look **very unlike traditional professionals.**”

It's not a future where there's nothing for people to do, but it is a future where the sorts of things that they do are quite different to what has been done traditionally.

The future of the Accounting Profession.....cont'd



Daniel says: “For now, in the medium term, these two different futures will develop in parallel. But in the long run we think that the second future will dominate, that we’ll find ***new and better ways of solving problems*** which traditionally only professionals would solve. ***This will lead to the dismantling of those traditional professions.***”

So....is the future of the accountant threatened?

“Some of the most open minded institutions of people that spoken to during studies are the accounting associations who very much see themselves having a role in this transformation.”

The accounting profession understands the “need to help educate and prepare professionals for this new future”, something that Daniel hopes more professions will realize.

Are we now better prepared for the future??

The future of the Accounting Profession.....cont'd



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Tuesday, October 11, 2017 11:00 AM

RADAR SCREEN BY DAVID MBATHA

Why the modern CFO has a bigger role to play in successful companies

LEADERSHIP Boards and CEOs expect financial directors to champion strategy and guide key business initiatives traditionally aligned with other C-suite positions

The role of the chief financial officer (CFO), sometimes referred to as the finance director, has significantly changed in the past 10 years. Following the 2008 global financial crisis, CFOs have been thrust into a new world of challenges and opportunities. The rise of the data and the impact of social and digital media have only added to the challenges of this role.

Traditionally, the CFO role has been perceived as supporting, managing and ensuring the work of the financial committee, credit manager and insurance manager. The duties of this officer have included managing investments, including expenses and tracking regulatory matters – all pretty challenging tasks in themselves.

The way many CFOs have been seen to shift the expectations of the chief executive officer (CEO) and the board of directors, who consider the CFO's work, ultimately requiring a change in focus for the role.

Organisations are in a state of continuous change, demanding growth, understanding and experience from the CFO beyond the basic finance function in terms of growth and operational excellence across all business domains.

That requires a range of skills, from the foundation and basic finance function to strategic one, including the ability to lead the organisation in the next three years.

The survey found that the CFOs are particularly focused on their role as being the ones that will make a difference.

First, developing the firm's reputation and the CFO's ability to gather and analyse data to the correct end is probably priority.

Up to 90 per cent of the CFOs that people skills, the ability to communicate to attract and retain talent, was the priority to improve the finance function.



of the firm such as cloud-enabled ERP systems. The CFOs and finance also expect the CFOs to lead the way in such as strategy and guide key business initiatives that have traditionally been aligned with other C-suite roles such as chief operating officer and even the CEO.

This means the modern day CFO is required to develop and master unique skills that may not have been critical a decade ago.

Recent studies on the skills have found that to succeed in today's business environment and follow in tomorrow's, the CFO needs to excel in the following five areas.

First, they must require a strategic outlook and intimate knowledge of the business that focuses on growth and optimisation of the value from investments.

The CFO is also expected to understand emerging technology including where things are needed – cloud based solutions, emerging work and collaboration platforms.

Driving innovation is also key role that needs developing new revenue and cost based on data insights to help drive change towards cutting costs and building innovation.

Secondly, the art of effective communication is a complex financial

TOP NEWS



'Nudging' economist Thaler wins Nobel Prize

US economist Richard Thaler, one of the founding fathers of behavioural economics, has won this year's Nobel Prize for economics.

Prof Thaler, of Chicago's Booth business school, co-wrote the popular book *Nudge*, which looked at how people make bad or irrational choices.

Thaler said he had been nominated "nudging" – a term he coined – may help people to exercise better self-control. He will receive 900,000 from the committee.

"I will try to spend it as imprudently as possible," the 72-year-old economist said.

Prof Thaler's work led to the UK saving a "nudge unit" under former prime minister David Cameron.

It was launched in 2000 to find innovative ways of changing public behaviour and has offices in the UK, New York, Singapore and Berlin.

One of the Nobel prize judges, the Swede, said Prof Thaler's work had explained how human psychology shaped economic decisions.

"Richard Thaler's designs have explained many other researchers working in his footsteps and it has paved the way for a new field in economics which we call behavioural economics," Mr Stenroos said.

The panel said Prof Thaler's research helped people to recognise marketing goals and had had a major impact on public policy, law and even how to "nudge" people into doing more long-term planning, such as saving for a pension.

Thaler's work has also been influential in the UK, where he has helped to design the "nudge unit" under former prime minister David Cameron.

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The future of the Accounting Profession.....cont'd



Today we live in a world that is driven and powered by the fluid advancements in technology. Although Daniel discusses the changes in the way we will perceive professions in the future, he sees **the present** day as “***one of the most remarkable periods of technological change***”

No matter how sophisticated and advanced **technology** may become in the not too distant future, there will always be the questions surrounding the level of ***influence*** they have over people's lives.

The future of the Accounting Profession.....cont'd



The accounting profession will face significant changes in the next three decades, and professional organizations, their members, and educational institutions should respond.

The three changes—evolving smart and digital technology, continued globalization of reporting/disclosure standards, and new forms of regulation—inform some major challenges for the profession.

Important changes in the accounting profession, expected to be encountered by the year 2025 are highlighted below:

The future of the Accounting Profession.....cont'd



First, accountants will **use increasingly sophisticated and smart technologies** to enhance their traditional ways of working, and these technologies might even replace the traditional approach

Second, **continued globalization will create more opportunities and challenges** for members of the accounting profession. While globalization encourages the free flow of money from one capital market to another, enhanced overseas outsourcing activities and the transfer of technical and professional skills will simultaneously continue to pose threats to resolving local problems (with different cultural, financial, and tax systems).

Third, **increased regulation**, and the associated disclosure rules, will have the greatest impact on the profession for years to come. For example, increased regulation is imminent because of massive tax avoidance, transfer pricing, and money laundering as exposed via the panama papers. Many professional (tax) accountants will be affected by intergovernmental tax action to limit base erosion and profit-shifting.

Emerging issues



Because of greater public pressures and stakeholder expectations, social and environmental considerations are getting importance alongside economic concerns in contemporary organizations.

We see a range of stakeholder groups[i] including shareholders, workers, governments or regulators, non-governmental organizations, media, and the community have a growing interest in organizational, social and environmental issues.

Because of the widespread ***stakeholder concern and associated regulations*** toward social and environmental considerations, contemporary organizations are facing challenges to find sustainable solutions to deal with ***the complexity of integrating financial, social, and environmental performance.***

Emerging issues



Quite tied to this, new forms of regulation (such as integrated reporting <IR>, which is required for South African-listed companies, and supply chain transparency disclosures, which are required for many California-based companies) are emerging and members of accounting organizations are already engaged in this transformation.

The regulatory concern for different social and environmental issues, along with the associated measurement and reporting complexities of these issues, has allowed accounting professionals to open their minds to the possibility that accounting has the capacity to change.

The important implication is that all professional accountants will be expected to **look beyond the numbers**, which will, in turn, enhance ***collaborations among members of multiple professions***, including accountants, doctors, lawyers, environmental scientist, sociologists, and so on.

Emerging issues



<https://twitter.com/UNWebTV/status/918129450058899456>

Questions & Comments



Interactive Session



END
Thank You!

