



The Future of Accountancy

Presentation by:

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Contents



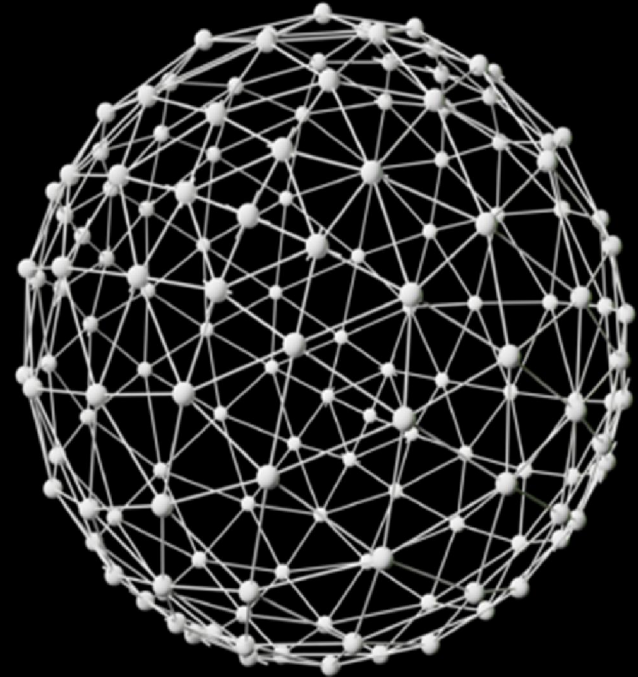
- 
- Accounting rich history

- 
- Key milestones so far

- 
- The Future

- 
- Interactive session

Accounting rich history



Accounting rich history



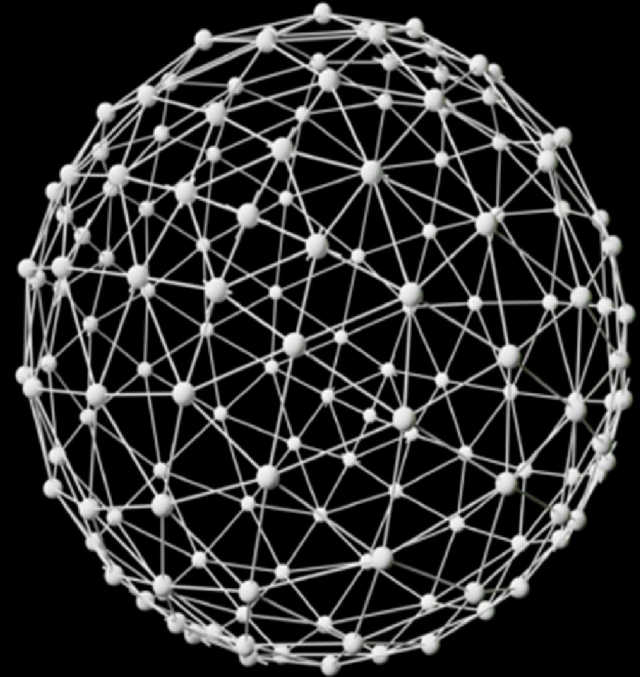
- The history of accounting is thousands of years old and can be traced to ancient civilizations.[
- The early development of accounting dates back to ancient Mesopotamia, and is closely related to developments in writing, counting and money[
- In India, Chanakya wrote a manuscript similar to a financial management book, during the period of the Mauryan Empire.
- The Italian Luca Pacioli, recognized as The Father of accounting and bookkeeping was the first person to publish a work on double-entry bookkeeping

Accounting rich history



- The modern profession of the chartered accountant originated in Scotland in the nineteenth century.
- Early modern accounting had similarities to today's forensic accounting.
- Accounting began to transition into an organized profession in the nineteenth century with local professional bodies in England merging to form the Institute of Chartered Accountants in England and Wales
- What about Kenya?

Key milestones so far



The advent of ICPAK



- Established in **1978** by CAP 531
- Objective - to regulate the activities of all Certified Public Accountants by ensuring:
 - Credibility
 - professionalism; and
 - and accountability.

Adoption of IFRS



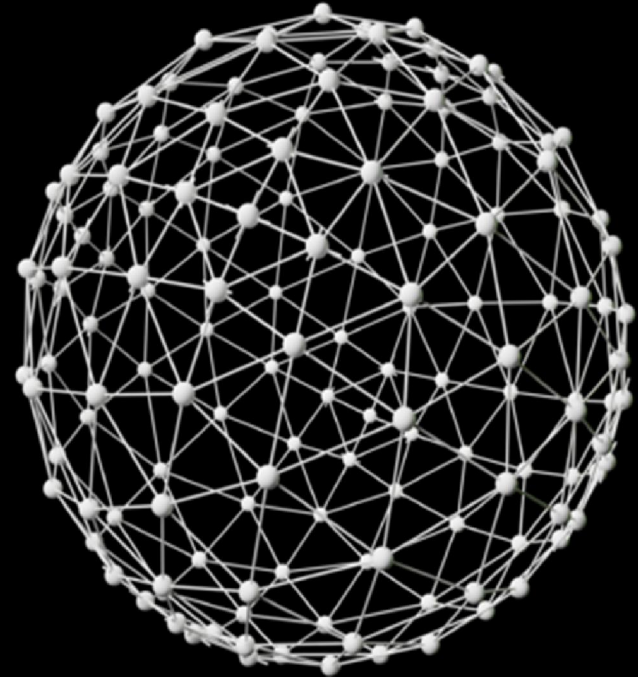
- IAS Standards (now known as **IFRS** Standards) were adopted as the financial reporting standards in **Kenya** effective for financial statements covering periods beginning 1 January 1999.
- The **advantages** of adopting one set of global accounting standards include:
 - renewed clarity;
 - possible simplification;
 - Transparency; and
 - comparability between different countries on accounting and financial reporting

Double tax treaties



- Increased number of double tax treaties
- Kenya to become a member of common reporting standards
- Information sharing agreements among revenue authorities already in place
- Kenya has adopted OECD TP guidelines on taxation of capital and income

The future of accounting



The future of accounting



The following define the future of accounting:

- Big data
- Cloud computing
- Evolving smart and digital technology;
- Continued globalization of reporting/disclosure standards; and
- New forms of regulation
- Greater public pressures and stakeholder expectations

Cloud computing



- Cloud computing - the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or a personal computer.
- **Simply**, it is the use of hardware and software to deliver a service over a network (typically the Internet).
- **Cloud computing** enables users to access files and use applications from any device that can access the Internet. An **example** of a **Cloud Computing** provider is Google's Gmail.

Cloud computing



- Cloud-based accounting systems have raised the prospect of an agile and competitive service.
- Cloud computing likely to reduce technology infrastructures and a departure from expensive hardware storage solutions
- Enabler of remote access to devices, applications and databases through cloud computing services.
- Accountants to use technology to better service customers and stakeholders

- Increasingly use of sophisticated and smart technologies
- Greater use of social media via smart technology to improve collaboration, disclosure, engagement with stakeholders and broader communities



- Increased regulation and the associated disclosure rules have the greatest impact on the profession. This is imminent because of:
 - Rampant corporate fraud
 - Massive tax avoidance
 - Base erosion through transfer pricing
 - Money laundering as exposed via the many international scandals



Greater public pressures and stakeholder expectations



- Social and environmental considerations now key;
- Accountants expected to unearth corporate fraud;
- Assumption of stewardship roles

Raising
Expectations

- Financial statements preparation
- Self assessment returns
- Information sharing
- Imposition of penalties

My view of about the future of accounting:

- Technology won't take your job, but it will change it
- It's a good time to be an accountant
- Try to have a specialty
- There are new opportunities in growing towns

Interactive session



Contact details



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