



THE FUTURE OF ACCOUNTANCY

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The Rich History of Accounting



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 Rich History of Accounting



The Italian **Luca Pacioli**, recognized as The Father of accounting and bookkeeping was the first person to publish a work on double-entry bookkeeping way back in **1494**.

However am sure our African Ancestors had equally a robust way of documenting and counting their cows and goats as well as chicken, It is sad that history is unkind to us not to recognize what our contribution is to accounting history.

The Rich History of Accounting



African Ancestors had equally a robust way of documenting and counting their cows and goats as well as chicken.

It is sad that recorded history is unkind to us not to recognize what our contribution is to accounting history.

The Rich History of Accounting



But perhaps our biggest challenge will be to write the future of this profession so that generations to come after us will learn something about our role in rewriting this skewed history.

It therefore means we must rethink and contribute more to emerging knowledge in accountancy and our presence in world bodies such as IFAC

The Rich History of Accounting



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.

ICPAK



ICPAK was established in 1978 by CAP 531

Objective - to regulate the activities of all Certified Public Accountants by ensuring:

Credibility

Professionalism

Accountability.

IAS Standards (now known as IFRS Standards) were adopted as the financial reporting standards in Kenya effective for financial statements covering periods beginning from 1st 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 Taxation Treaty



**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 Organizations for Economic
Cooperation and Development(OECD) TP guidelines on
taxation of capital and income**

The Future of Accountancy



The following define the future of accounting:

- 1. Big data**
- 2. Cloud computing**
- 3. Evolving smart and digital technology;**
- 4. Continued globalization of reporting/disclosure standards**
- 5. New forms of regulation**
- 6. Greater public pressures and stakeholder expectations**

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Big data

- a. data that is high **volume**, high **velocity**, and/or high **variety** and **veracity**
- b. Requires new technologies and techniques to capture, store, and analyze it.
- c. Used to enhance decision making, provide insight and discovery, and support and optimize processes.

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Big data

**Big data is creating need for multidisciplinary professions-
finance, technology and information**

**Big data's growing popularity is undeniable, vast amount of
data being collected and stored.**

**Big data is reshaping business priorities. Companies are
now able to create data-driven goals and measure them
accurately through analytics,**

Many firms listing data as an asset.

The Future of Accountancy



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 put, 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.

The Future of Accountancy



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 for **better service** to customers and stakeholders

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Evolving Smart and Digital technology

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

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New forms of regulation

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

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Greater public pressure and stakeholder expectations

Social and environmental considerations now key;

Accountants expected to unearth corporate fraud;

Assumption of stewardship roles

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Continued globalization of reporting /disclosure

Financial statements preparation

Self assessment returns

Information sharing

Imposition of penalties

Conclusion



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

END OF PRESENTATION



Questions and Answers