

## **4.3.2 IFAC Chief Executive's Forum**

**29 Feb - 1 March 2016, New York**

(Previously circulated to member organisations)

Prepared by the Chief Executive

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The theme for the 2016 Forum was “Exploring the Future”, and in this regard the agenda and discussions did not disappoint.

The Forum format was changed this year based on prior year feedback that requested more outside speakers and more opportunity for dialogue and interaction. The format included a ‘working dinner’ and one full day of discussions.

### **Working Dinner**

The guest speaker at dinner from Edelman (IFAC’s communications partner) focused on how trust is gained and retained, noting individuals and organisations gain more trust when dealing with societal issues. Whilst very interesting, the information presented was detailed, and without the opportunity for prior review and analysis, and dinner was perhaps not the best setting to absorb the material and stimulate further discussion.

### **Main Forum**

The Forum kicked off with an extremely well respected economist (Chief Economist at Citi) providing an overview of a possible global economic outlook.

The IFAC CEO focused on the state of the **Global Accountancy Profession** referencing its key characteristics (e.g. bound by same standards and ethics) and the Nexus reports that look at how the profession adds value to an economy.

It was noted that many ‘accountants’ are not members of PAOs, thus providing an opportunity for PAOs to embrace such persons.

Potential opportunities for the profession were listed as:

1. Smart Regulation (IFAC offered to stage a regional forum on regulation, replicating one held recently in Hong Kong)
2. Beyond Financial Reporting (Integrated reporting, etc.)
3. Combatting Fraud & Corruption
4. High-Performing Public Sector
5. Supporting SMEs/SMPs and PAIBs
6. Talent Acquisition (supply and attracting accountants)
7. Technology

Following discussions, ‘global tax arrangements’ was added to the list. A number of persons suggested the profession needs to be involved in this, but noted it was complex and the role played needs careful evaluation.

Small-group sessions discussed the two main topics of the Forum:

### **1. Fraud and Corruption**

Key themes:

- Perceptions of trust in the profession varies around the world
- IFAC focus should be big picture advocacy
- Potentially collaborate with others active in this area

### **2. The Future of Integrated Reporting (IR)**

Key themes:

- Caution that IR will be the panacea in respect to reporting
- Concerns that IR adds to burdens of reporting, since nothing has been replaced
- Need to engage more with CFOs to sell the benefits
- Uptake in the US very low – may prove to be critical in overall success

### **External Speakers: The Future of the Professions**

This was a stimulating session, based around deep research (and a book of the same title). It looked at 'how technology will transform the work of human beings' particularly artificial intelligence, and how this can and will be used to undertake many tasks currently undertaken by professionals.

Mention was made of claims that by 2020 an average desktop machine (US\$1,000 at that time) will have roughly the same processing power as a single human brain; and that by 2050, US\$1,000 of computing will exceed the processing power of all human beings on Earth. (Ray Kurzweil). It was suggested that technology will be able to make judgements that were once the service of professionals, and hence there will be a long term steady decline of human professionals - and the best way to predict the future is to invent it.

### **Panel Session: Investor and Corporate Governance**

Discussions focused on the role of the profession and the investor community in good governance, including whether enhanced auditor and audit committee reporting is proving valuable. It was introduced as a somewhat USA-centric session.

### **Summary Observations**

This year's Forum was very well regarded – the inclusion of external speakers and the topics covered provided a backdrop for broad strategic discussions. It also provided the CEOs with a level of personal development. I concur with the general observations and particularly enjoyed this year's Forum.

The economic outlook and the look at the future of the profession encouraged a long-term view of matters. This sat well alongside consideration of what the profession may wish to increase its focus on, being fraud and corruption and integrated reporting

Together with the Board meeting, and opportunities to network and meet with IFAC staff, the February/March visit is extremely valuable. These matters are discussed in the separate Board report.