

World Congress of Accountants – Sydney, November 5-8, 2018 - Synopsis

Keynote Sessions

Keynote 1: Financial upheavals challenging global economic order

Financial crises have social and political consequences far greater than most people imagine when they begin. Economic historian Niall Ferguson demonstrated how history lives in the present and informs our view of the future. The 2008 financial crisis occurred ten years ago but continues to have enduring legacies. He identified six factors that caused the crisis:

1. Banks were undercapitalised;
2. Security markets were contaminated by wrongly rated CDOs;
3. Monetary policy was too loose;
4. The US real estate market (and others) became a bubble;
5. Derivatives markets created new contingent liabilities;
6. Chimerica channelled Asia's glut of savings into the US economy.

In his view, only issue 1 has been satisfactorily dealt with a decade later. He believes that monetary policy continues to be loose (issue 3) and that the US real estate market is still in bubble territory (issue 4) based on economic fundamentals. In respect of issue 2, 5 and 6, he believes that some action has been taken but more needs to be done.

There was also discussion of the impact of cryptocurrencies, as well as the recent political developments such as Brexit and advance of populism around the world on the financial system.

Keynote 2: The death of trust – accounting scandals that shocked the world

Accounting scandals and fraud have impacted trust in business across the globe. New York Times Best Selling Author, Diana B. Henriques and Former Chief Executive Officer of Olympus Corporation, Michael Woodford, shared their personal and professional stories from two of the largest and most significant frauds of our time. The speakers discussed the limits of deregulation, whistleblowing and investor protection, governance practices and the important role accounting and finance professionals have in detecting and reporting corruption and fraud.

Keynote 3: The digital factor – AI, automation and opportunity

Artificial intelligence (AI) will revolutionise entire industries, including the accounting profession. The Co-founder and CEO of ADDO AI, an artificial intelligence advisory firm, discussed the impact of automation, new service delivery models, and the important role of AI in creating value, improving productivity, and innovation.

Keynote 4: The human factor: Harnessing creativity and innovation

The power of creativity and imagination has been known to humans since the very first days of campfires and storytelling. New York Times Best Selling Author of 'The Element: How Finding Your Passion Changes Everything' Sir Ken Robinson revealed that creativity and innovation are the lifeblood of organisations exposed to globalisation, increased competition, digital disruption and diversity.

Keynote 5: Global risks and 'future shocks' [Panel discussion]

This keynote was attended by Ms Jacinta Hanrahan and Mr Benjamin Collins

Facilitator: Tony Jones | Journalist, ABC
Panel Members: Ban-Ki Moon | Former Secretary-General, United Nations
Yanis Varoufakis | Former Finance Minister, Greece
Alison Martin | Chief Risk Officer, Zurich Insurance Group
Keren Elazari | Analyst, Tel Aviv University

This keynote opened with Tony Jones interviewing His Excellency Mr Ban-Ki Moon on his work with the United Nations and the importance of swift action on climate change. The rest of the panel then joined His Excellency to discuss the key risks from the Global Risks Report 2018 and the most effective long-term prevention strategies all governments and businesses should be considering.

Keynote 6: Be the change – future skills, future workplace, future trust, future you

This keynote was attended by Ms Jacinta Hanrahan and Mr Benjamin Collins

This was the final keynote of the congress and it was divided into four distinct speeches:

Future Skills

Role automation is leading to employer demand shifting from job title to skill set. Matt Tindale, MD of LinkedIn Australia, used the power of data to provide a point in time overview of the accounting profession and how to describe your skills in the future.

Future Workplace

Machine intelligence era will help to create leaner and more profitable workplaces. Tomer Garzberg, CEO of GRONADE, showcased why the way organisations currently work is outdated and the inevitability of the change that must be embraced.

Future Trust

As trust in institutions declines, trust in the individual has risen and so the future depends on the individual. Clare Payne, EY Fellow for Trust and Ethics discussed the two essential qualities for the future of the accounting profession: trust and ethics.

Future you

Human connections can break down barriers and impact change. Social Artist and former Accountant Peter Sharp illustrated how small changes in human connection can make a big difference in our wellbeing.

Breakout sessions attended

Breakout A5: The Trust Economy – what it is, and how it's impacting global finance and the future of the economy

This session was attended by Mr Channa Wijesinghe

With breakthrough developments such as blockchain technology and AI, the rules of financial and professional services are being rewritten. Yet, nothing has changed about the pivotal role

trust plays in this. Philipp Diekhoner, author of *Trust Economy*, discussed how trust is now more important than ever before. Trust drives value creation in the digital age and reveals the inherent importance of designing for trust. As technology is reinventing the way we live and work, only the most trusted players will thrive.

Breakout B3: Assurance of the future – building credibility and trust

This session was attended by Mr Channa Wijesinghe

The session discussed the transition from the ‘old’ way to the ‘new’ way:

Old way	New way
Industrial era	Information era
Process thinking	Systems/matrix thinking (connected)
Value = mostly tangible	Value = mostly intangible
Financial reporting (double entry)	Integrated reporting (accounting for multiple capitals)
20 th century – Financial Audit	21 st century – Value focussed Business Assurance

Integrated reporting has been put forward as an enabler of better external transparency, supported by additional detailed information as required by key stakeholders.

This emerging framework for external reporting goes beyond the traditional focus of financial performance and position to consider all material drivers of strategic value. This strategic focus on reporting has brought with it issues and challenges in determining the scope of an assurance engagement over the broader suite of disclosures, for example, how to go about obtaining assurance around narrative (i.e. description of strategy and value drivers, business model, governance, risk management or compliance with specific reporting frameworks) and future-oriented information (i.e. lead indicators like net promoter score, staff engagement, innovation pipeline, ethical supply chain, as well as compliance or code of conduct breaches).

The session also provided an insight into the future technologies and tools that will be used to support both the preparer and auditor in providing this broader suite of information more quickly, accurately and at a lower cost; as well as the likely impact on resourcing and skills required to manage, report and assure the data underlying these claims.

Breakout E5: Protecting against cybercrime – data, dollars and risk

This session was attended by Ms Jacinta Hanrahan

Cybercrime is on the rise. Large company cyber breach cases like Target and Sony Pictures, with exploits such as GPS Hijacking and Zero Days, have led to massive costs and reputational damage. The risks are no different for accounting firms. Cyber criminals see professional tax and accounting firms as easy and high-profile targets, as they often hold the key to customers’ finance systems and a large amount of real data can be gathered from a single breach. Increased use of digital currencies only increases this risk.

Cyber security expert Keren Elazari spoke about the major trends and problems businesses must deal with in the digital age. She shed light on new security threats and posed simple, practical methods to act to prevent cyber-attacks.

Breakout F3: Young accountants changing the world

This session was attended by Mr Benjamin Collins

Speakers: Shelley Cable | Senior Consultant, PwC Indigenous Consulting
Charlotte Hayes | CFO, Invictus Games 2018
Priya Singh | General Manager, Fonterra New Zealand

Shelley Cable is an Indigenous Australian, whose work in financial literacy took her to the United Nations, and who is currently working to unlock the potential of accounting through Indigenous participation. Shelley spoke about the underrepresentation of Indigenous Australians in the accounting profession, her work with the United Nations Expert Mechanism on the Rights of Indigenous Peoples, and the power of financial literacy and independence to Indigenous communities, both in Australia and around the world.

Charlotte Hayes, CFO for the Sydney Invictus Games, shared her inspirational story embracing those wounded, injured and ill, current and former servicemen and women.

Priya Singh works directly for the CFO of Fonterra, New Zealand's largest company. Originally from Fiji, her passion for mentoring the disadvantaged led to her first social enterprise, Mentor Me Fiji, a mentoring program for orphan girls to reach university education. More recently she launched Karma Collective to support young entrepreneurs in the third world by matching them with business mentors. Priya spoke about the importance of work that contributes to the varying needs of society, and how she accomplished this by focussing on something she termed, "work that feeds" – for her physical self, for her sense of purpose, and for those around her.

Breakout F4: How data and digits can make your stakeholders say "yes"

This session was attended by Ms Jacinta Hanrahan

Speakers: Brendan Hargreaves | General Manager, Cleanaway
Kate Boorer | CEO, Young Professional Women Australia

Numbers tell a story and there is an imperative to deliver compelling commercial proposals that demonstrate how financial analysis equates to positive business outcomes. Discussions included:

- Ways to transform financial presentations and communications to make them more accessible and impactful to all your stakeholders;
- Creating financially savvy and impactful visual aids; and
- Doing less, but influencing more, by making your business communications come alive.

Other announcements

RMIT Ethics Game

RMIT School of Accounting has announced the launch of a virtual reality game *Serious Game Bogart Technologies* to educate accountants on the new code of ethics. The 'Serious game' combines the seriousness of education with the fun of virtual games. The objective of the

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game is to assist the global accounting profession to become familiar with the structure and content of the new restructured and revised code of ethics.

In RMIT's game, which launches in February 2019, accountants join a fictional technology firm, Bogart Technologies, where they practice making ethical decisions, recognise ethical issues, and increase awareness of ethical responsibilities.

This game provides the equivalent of three CPD hours to participants.