



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA



CPA Canada

Foresight

REIMAGINING THE PROFESSION.

The Way
Forward

TRANSFORMING INSIGHTS INTO ACTION

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FOREWORD

To prepare for tomorrow's business landscape, Chartered Professional Accountants of Canada (CPA Canada) embarked on an ambitious multi-stakeholder consultation process focused on the future.

Steered by an Oversight Committee, CPA Canada Foresight: Reimagining the Profession combined in-person roundtables and a digital conversation to discuss how the drivers of change – technology, geopolitical instability, changing societal perspectives, environmental and economic issues – will impact the accounting ecosystem.

Throughout the consultation process, we heard from people like you– accountants and non-accountants, leaders from CPA firms, standards-setters, investors, regulators, academics – who either visited our online platform to participate in lively discussions and exchange ideas, or roundtable participants who brought new perspectives on the challenges facing the profession to how ethical standards will need to evolve with the times.

Without your contribution to Phase 1 of Foresight, it would be difficult to re-imagine what the profession might look like in the future. Together, we have created *The Way Forward*.

With all eyes on the future, professional accountants – in Canada and around the world– have free access to a wealth of reports, videos, and other resources from Phase 1 by visiting cpacanada.ca/en/foresight-initiative.

The work from Phase 1 laid the foundation for the work needed to move Foresight into this next phase. Under the direction of the Oversight Committee, Phase 2 will include establishing a governance model, developing a preliminary work plan, and creating shareholder engagement.

As you can see, our journey isn't over. It's just getting started. With our profession serving as a strategic advisor to all sectors of the economy, CPA Canada will continue to play a pivotal role in ensuring professional accountants are prepared to continue to add value to their organizations and clients today, and in the future.

An abstract watercolor-style illustration of a landscape. The scene features rolling hills and a winding path or river. The color palette is diverse, including deep blues, purples, greens, and yellows. In the bottom left corner, there is a white silhouette of a person standing and looking towards the right. A large, solid green triangular shape is positioned in the upper right quadrant, partially overlapping the landscape.

THE WAY FORWARD: TRANSFORMING INSIGHTS INTO ACTION

EXECUTIVE SUMMARY

As accounting enters the digital age, an era of exponential change, the profession in Canada and globally is experiencing unique and unprecedented challenges and opportunities. The digitization of transactions is quickly transforming the landscape and nature of work, and accountants are recognizing the need to shift their focus from hindsight to foresight. This means embracing new technologies and methods that will enable them to harness the power of information in a data-driven world.

In 2018, CPA Canada undertook a strategic foresight initiative to develop scenarios aimed at understanding the complex changes underway and the implications for the accounting profession. CPA Canada assembled a broad cross-section of leaders in public practice, business, government, academia and industry – bringing expertise in traditional core areas of the profession, along with emerging areas such as AI and sustainability – to engage in an extended dialogue to reimagine the future of the profession.

As part of Phase 1 of the Foresight initiative, these leaders participated in a series of discussions over several months through a series of in-person roundtables. The roundtables were complemented by a digital engagement designed to leverage the tremendous scale and insight of CPAs across the country. Further details on Phase 1 can be found in Appendix 1. Summaries of the digital engagement are provided in Appendix 2.

Overall, the Foresight initiative presents an urgent case for change. As participants have come to recognize that many of the profession's current systems were designed to meet the needs of the industrial age. With exponential shifts in technology, globalization, business models, geopolitics, and societal values and norms, they've realized that the time for transformation is now. Otherwise, accountants risk falling behind, losing relevance amongst users, constituencies and future talent, and being replaced by competitors.

THE FORESIGHT INITIATIVE IDENTIFIED SEVERAL CHALLENGES INCLUDING:



a swiftly evolving digital environment led by the overwhelming pervasiveness of technological change



the speed and scope of digitization, including the impact of new technologies such as AI and blockchain



changes in the needs of users and the move to real-time data in making decisions



the exponential increase in data combined with a lack of standards related to data governance and integrity



the increasing importance of intangible assets in driving organizational value



the need for trust and ethics in the information age as people and organizations struggle to understand what information can be relied on

The Foresight initiative has inspired a renewed energy and eagerness to attack these challenges and help the profession move away from dealing in hindsight, to a “permanently proactive” mode. In this new world, accounting will need to pivot to completely new ways of doing things, including:

- measuring value beyond financials to capture societal expectations
- harnessing the power of vast quantities of data to make decisions
- establishing new models for governance and decision-making
- continuously equipping accountants with new technical and enabling skills

For more than a century, the profession has been built on its ability to synthesize vast amounts of corporate transaction information. The result was ordered, thoughtful reporting by CPAs that enabled evaluation of performance to date and served as a platform to consider the prospects for performance. However, the dawn of the digital age demands an evolving view:

- Our perspective on what constitutes “performance” must broaden substantially beyond financial aspects to also consider operational metrics, ESG factors and other dimensions on which stakeholders in organizations want to have reporting.
- Our traditional mindset of looking back in time to report on what has already occurred must be reoriented to a real-time and forward-looking point of view. New and emerging technologies will combine with the digitization of corporate information and allow real-time automated reporting. This will support much more sophisticated modelling of what will occur in the future.

The work from Phase 1 proposes an overarching objective which will guide the Foresight initiative as we move forward:

EACH DAY, EACH CPA WILL BRING INSIGHT ABOUT PERFORMANCE THAT ENHANCES THE ABILITY OF THEIR ORGANIZATION(S) TO MORE CLEARLY FORESEE THE OPPORTUNITIES THAT LIE AHEAD, THEREBY ENSURING THEIR EVOLVING WORK IS APPLIED MORE BROADLY AND APPRECIATED BY A BROADER SECTION OF SOCIETY.

This aspirational objective challenges CPAs to transition from being “keepers of the finances” to becoming proactive contributors to the real-time evaluation of a broader understanding of “performance.” This includes their traditional domain of “finance” but requires that they stretch further.

CPAs will need to refine their sensitivity to the needs and views of stakeholders who are seeking to maximize performance of the organization. Developing new ways to capitalize on the wealth of data at their fingertips will be a key competency. And developing points of view about how the future might unfold will be critical to making valuable contributions to both the tactical and strategic decision-making of their organizations.

This aspiration applies uniformly to CPAs whether they are in industry, government, academia or public practice. For those providing assurance, it signals new directions for the nature of the information that will need to be assured.

To achieve our objectives, the profession will need to change “where we play” and “how we play.”

‘Where to play’ to achieve this objective

When it comes to *where we play*, there are two primary areas where the profession can step forward:

1. *Rethinking value creation*, both in terms of the development of new and evolving models of value creation and in reassessing how accountants add value.
2. *Mastering and shaping a data-driven economy*. Every CPA must ultimately become comfortable in a world that will be data-rich, data-intense and data-driven. In concert with this, CPAs should play a role in the development of standards for data governance and data integrity.

“How to play” to achieve this objective

There are four critically important ways in which we must operate and behave if we are to achieve our objectives:

1. *Development of new skills and competencies*. Accountants will need to learn new skills that are suitable for the fast-changing times.
2. *Effective and flexible governance (decision-making) structure*. To achieve its goal of becoming more relevant to business and society, it is vital that the profession develop approaches that help steer it towards a more effective and efficient way of operating, while also allowing for new forms of experimentation.
3. *Integrity, trust and ethics: CPAs as stewards of the public trust*. The product of accountants’ work is trust and they must explore how to keep ethics at the forefront of the CPA profession as we shift fully into the digital age.

4. *Agility and innovation.* Accountants must be at the forefront of driving organization agility and innovation. Mirroring this, the accounting profession must also react quickly and innovatively to changes in the business environment, ensuring the profession continues to be relevant and responsive, and to protect the interests of our members and the public.

Moving forward with next steps will require the profession to undertake the following:

1. *Establish the appropriate governance (decision-making) model.* There will need to be a governance model for the Foresight initiative that is sufficiently nimble to allow the innovation needed to tackle these major initiatives, while at the same time ensuring that the many stakeholders playing the in “accounting ecosystem” have a voice in the initiative.
2. *Develop a preliminary work plan.* Initially, two pre-working groups will be formed to further explore the two critical areas identified in Foresight Phase 1: rethinking value creation and mastering and shaping a data-driven economy.
3. *Create stakeholder engagement.* A strategy and action plan are currently being developed to raise awareness among members and other stakeholders of the urgency to drive change and to move the profession into the information age.

The challenges facing the accounting profession today are unprecedented. But as the Foresight initiative has proven, the profession is well-positioned to adapt to the information age and the new global realities of the digital era. Through an unwavering vision and commitment to tackling the challenges identified in Phase 1 of the Foresight initiative, the profession has an opportunity to make a broad impact on the advancement of the interests of society and the public good, and to be known as the new purveyors and leaders of positive change around the world.





"IF THE PROFESSION IS TO THRIVE AND MAINTAIN A COMPETITIVE ADVANTAGE, IT MUST BE NIMBLE IN RESPONDING TO GLOBAL CHANGES IN THE BUSINESS ENVIRONMENT."

I. INTRODUCTION

As accounting enters the digital age, an era of exponential change, the profession in Canada and globally is experiencing unique and unprecedented challenges and opportunities. The digitization of transactions is quickly transforming the landscape and nature of work, and accountants are recognizing the need to shift their focus from hindsight to foresight. This means embracing new technologies and methods that will enable them to harness the power of information in a data-driven world.

Alongside this, fluctuating global conditions are reshaping what constitutes value in today's world. These conditions include changing societal attitudes towards inclusion and sustainability, growing distrust of information and institutions, evolving business models, and blurring boundaries between industries. Businesses are adapting to this new reality by increasingly making decisions based on real-time rather than historical information - impacting the traditional role of accounting.

If the profession is to thrive and maintain a competitive advantage, it must be nimble in responding to global changes in the business environment. In doing so, it will be well-positioned to make significant contributions more now than at any other time in its history, as the undisputed stewards of trust operating in the public interest.

A unique, collaborative approach to the opportunity

To address these complex changes, the CPA Canada Foresight initiative assembled a broad cross-section of leaders to reimagine the future of the profession. Experts in traditional core areas of the profession, such as public practice, business, government, academia and industry, engaged in an extended dialogue with experts in emerging areas such as AI and sustainability.

As part of this multi-faceted initiative, Foresight Phase 1 engaged approximately 40 stakeholders engaged in a series of roundtables to develop scenarios aimed at understanding the massive changes underway and the implications for the accounting profession. In addition to the 40 roundtable participants, over 150 CPAs from across the CPA provincial bodies participated in three scenario confirming workshops held in Vancouver, Toronto and Montreal. Meanwhile, approximately 1,200 digital participants from across Canada and globally engaged in a dynamic online conversation, offering valuable feedback and insights that helped to shape the initiative.

Further details on Phase 1 can be found in Appendix 1. Summaries of the digital engagement are provided in Appendix 2.

Preparing to thrive in the information age

Overall, the Foresight initiative presents an urgent case for change. Participants have come to recognize that many of the profession's current systems have been designed to meet the needs of the industrial age. With exponential shifts in technology, globalization, business models, geopolitics, and societal values and norms, they've realized that the time for transformation is now. Otherwise, accountants risk falling behind, losing relevance amongst users, constituencies and future talent, and being replaced by competitors.

The Foresight initiative has inspired a renewed energy and eagerness to attack these challenges and help the profession move away from dealing in hindsight to a "permanently proactive" mode. In this new world, accounting will need to pivot to completely new ways of doing things, including:

- measuring value beyond financials to capture societal expectations
- harnessing the power of vast quantities of data to make decisions
- establishing new models of governance and decision-making
- continuously equipping accountants with new technical and enabling skills



II. THE CHALLENGES

While accounting sits at the intersection of digitization and global change, tremendous opportunities exist for the profession to lead the charge and add significant value in a time of growing distrust of information and organizations.

Before delving into these opportunities, it's critical to examine and understand the magnitude of the challenges facing the profession.

A swiftly evolving digital environment

The overwhelming pervasiveness of technological change is forcing the profession to assess its preparedness and ability to adapt. Technology will inevitably change society as a whole, and with it, accounting, stakeholders and the regulatory environment.

Accountants view technology through the lens of both fear and opportunity. A double-edged sword, both disruptor and enabler, technology's fast and uncontrolled development will create as yet unknown impacts on business, while promising the creation of vast connectivity and access to people, businesses and data like never before.

Technological change is amassing global information flows at breakneck speeds, causing a huge surge in data. No clear models exist to help manage this wave of data, nor how it will be commoditized, standardized or verified in the future. If data is power, then the profession's livelihood depends on its ability to determine the role it will play in identifying, measuring and creating value from this proliferation of data.

The speed and scope of digitization

The shape of change, as *described by a Foresight participant*, is "not like a hockey stick, but more like a cliff." The profession needs to be more adaptable and agile, and more analytical in its big picture thinking if it is to respond to exponential change and explain the impact of technologies such as AI and blockchain.

The urgency rests in the fact that these technologies are quickly eliminating the transactional layer from accounting and will dramatically reshape the services accountants and auditors are expected to provide. As increasing currents of digital and big data continue to disrupt business models, the profession's success will depend on moving away from its traditional role of measuring value after the fact,



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to its ability to “kayak” the torrential rapids of data, reading patterns and tracking the flow of information. Additionally, providing assurance in a digital world of non-financial information will be essential to establishing trust in a society where it is rapidly dissipating.

Users are already choosing real-time data to make decisions

Users are increasingly using real-time information to drive business decisions. More and more, users and even investors are basing their decisions, not on traditional financial data, but on other indicators of value such as social and environmental information. These other indicators are readily available through structured and unstructured means and third-party sources.

In this data-driven environment, a plethora of real-time information means traditional quarterly financial statements and GAAP measures are becoming less relevant as assessments of historical, present or future value. Many large investors are using big data to predict earnings even before companies announce them – and sometimes before management know themselves. As these models continue to improve over the next several years, audited financial statements may no longer be needed at all.

Data governance is untamed

Globalization is happening fast when it comes to data, however, governance is not keeping up. There are no clear or desirable models that emphasize rules or boundaries around who has access to data and whether decision-making should be carried out by machines or humans. While AI is able to make decisions quickly, humans are needed to place rules on data to ensure that machines produce accurate and predictive information that is free of bias.

To tame this “wild west,” new standards and real-time KPIs are required to accurately understand and govern data. Accountants have a vital role to play in devising the standards guiding those processes. The profession currently doesn’t have a business model for real-time assurance or measuring the future economy, and its practices for providing audited data are too slow.

If accountants are to take leadership on this front, their future skill set will require a strong basis in data governance. To do this, the profession will require a common language and taxonomy for data. By leveraging its core attributes of trust and integrity, and its responsibility to act in the public interest, accountants can provide both the rules for data governance and the assurance that decisions are being made based on the value this data brings.

Value is increasingly intangible

Today, societies, individuals and organizations are varying their approaches to measuring value more than ever before, with social and environmental factors weighing more heavily into decisions made by both users and the investment community. Accounting, accordingly, must change its approach to identifying, measuring, reporting and creating value to consider these intangibles, if it is to remain sustainable.

Look no further than the markets for evidence of this shift. Tangible assets tracked by traditional accounting today make up only 16 per cent of the S&P's market value (as opposed to 83 per cent 40 years ago), so the profession must look deeper at how to attribute and quantify value in ways that incorporate both financial and non-financial information. In every scenario, accountants will not only need to understand the marketplace and identify how users and investors determine value, it will also need to "count" intangibles such as brand value, environmental responsibility and social capital.

Stewardship and trust

With the advent of fake news and a growing distrust of traditional institutions and large organizations, a universal challenge facing society is understanding what information, and whether the companies issuing it, can be relied on. This is exacerbated by the fact that individuals are increasingly placing their trust in technology rather than in each other.

Integrity and trust have been the cornerstone of the accounting profession since its inception, but recent corporate scandals have shaken investor and public confidence and as a result, the profession has experienced reputational setbacks, with its practices often subject to public scrutiny. Coinciding with this, blockchain and automation are also taking over some of the foundational skills of the profession, such as validating trusted processes.

To build trust in the information age, accountants will need to shift their roles from that of mitigating and avoiding risk to being more strategic in creating new models that assess value in a fair, comprehensive and accurate way. In creating the conditions that make for a successful society, the profession will be able to retain what sets it apart – ethical standards and its status as stewards of the public interest.

III. THE OPPORTUNITY

In reviewing the challenges facing the profession, there are a multitude of opportunities for accounting to transform itself and thrive in the information age. The CPA will be well-positioned to not only respond to, but lead change, over the next 10 years as it establishes an overarching objective that will guide its future direction, alongside a series of initiatives designed to embrace these opportunities.

Overarching objective for the CPA profession

For more than a century, the profession has been built on its ability to synthesize vast amounts of corporate transaction information. The result was ordered, thoughtful reporting by CPAs that served as a platform to consider the prospects for performance.

The need to gain insight into past performance and generate foresight about future prospects exists today more profoundly than ever. Yet the dawn of the digital age demands an evolving view:

- Our perspective on what constitutes “performance” must broaden substantially beyond financial aspects to also consider operational metrics, ESG factors and other dimensions on which stakeholders in organizations want to have reporting.
- Our traditional mindset of looking back in time to report on what has already occurred must be reoriented to a real-time and forward-looking point of view. New and emerging technologies will combine with digitization of corporate information to allow real-time automated reporting and support much more sophisticated modelling of what will occur in the future.

THE EVOLVING ROLE OF THE CPA WILL:



provide insight on performance

(drive enhanced decision-making by leveraging emerging technologies and the availability of instantaneous information, to provide real-time insight and foresight)



lead and advise with integrity

(across a broader scope and to an expanded range of decision-makers)



provide assurance and trust in information

(expand beyond financial information to encompass a broader range of information sources)

Hindsight has traditionally been the predominant focus of the accounting profession, with a limited priority given to foresight. As a profession, we have an opportunity to make a fundamental shift such that foresight plays a much more dominant role in the way we provide value.

The pace at which segments of the profession's members will experience these inevitable changes will differ dramatically. So, not only do our objectives for the future need to accommodate these tectonic shifts over time, we must accommodate differing segments of the membership shifting at different rates than others.

Therefore, our objectives need to be bold enough to inspire those who are at the forefront of digital change, and broad enough to include all members regardless of the pace at which their individual environments evolve.

Our objectives also need to be a beacon for future CPAs by demonstrating to potential new members that the profession is focused on the future and will continue to play a central role in supporting a strong Canadian, and indeed, a global economy.

An overarching objective for the Foresight project:

EACH DAY, EACH CPA WILL BRING INSIGHT ABOUT PERFORMANCE THAT ENHANCES THE ABILITY OF THEIR ORGANIZATION(S) TO MORE CLEARLY FORESEE THE OPPORTUNITIES THAT LIE AHEAD, THEREBY ENSURING THEIR EVOLVING WORK IS APPLIED MORE BROADLY AND APPRECIATED BY A BROADER SECTION OF SOCIETY.

This aspirational objective challenges CPAs to transition from being “keepers of the finances” to becoming proactive contributors to the real-time evaluation of a broader understanding of “performance.” This includes their traditional domain of “finance” but requires that they stretch further.

They will need to refine their sensitivity to the needs and views of stakeholders who are seeking to maximize performance of the organization. Developing new ways to capitalize on the wealth of data at their fingertips will be a key competency. And developing points of view about how the future might unfold will be critical to making valuable contributions to both the tactical and strategic decision-making of their organizations.

This aspiration applies uniformly to CPAs whether they are in industry, government, academia or public practice. For those providing assurance, it signals new directions for the nature of the information that will need to be assured.

“DEVELOPING NEW WAYS TO CAPITALIZE ON THE WEALTH OF DATA AT THEIR FINGERTIPS WILL BE A KEY COMPETENCY.”

A hand is shown from the bottom right, holding a large, intricate structure of interlocking blue gears. The gears are of various sizes and are arranged to form a shape that resembles a stylized 'C' or a partial circle. The background is a light blue sky with soft, white clouds. A blue speech bubble is positioned in the upper right quadrant, containing a quote in yellow text.

“SUCCESSFUL ECONOMIES AND SOCIETIES RELY ON TRUST, BUT THERE IS INCREASING EVIDENCE THAT PEOPLE ARE MORE MISTRUSTING OF INSTITUTIONS AND PROFESSIONS THAN EVER BEFORE.”

IV. STRATEGIC DIRECTION

To achieve our objectives, the profession will need to change “where we play” and “how we play.”

“Where to play” to achieve this overarching objective

When it comes to where we play, there are two primary areas where the profession can step forward:

1. Rethinking value creation

Developing new and evolving value creation models

The concepts of “performance” and “value” are highly integrated. “Value” is a measure of worth at a point in time. “Performance” is the impact that an organization’s collective accomplishments create. Performance drives the change in value from one point in time to another.

The work of CPAs has always been vital to measuring and estimating value. In today’s (and tomorrow’s) economy, measuring and estimating value is becoming more elusive. Assets are increasingly intangible (such as brands, relationships or data) and/or non-financial (representing social or environmental value). And the real or perceived presence of future risks constrains value. In today’s frameworks, such assets and risks are simply considered as “hard to measure.”

However, the importance that these assets and risks will hold for our economy and society presents future generations of CPAs with an enormous opportunity – and maybe a duty – to build models and frameworks capable of recognizing and assessing these new “non-traditional” sources of value.

Leading in the evolution of this knowledge and practice domain is essential if CPAs are to retain and enhance their relevance to business and societal leaders.

Reshaping the value CPAs deliver

For CPAs to be recognized and valued by society for the contributions they make and insights they provide, society must recognize a distinctive contribution by each CPA in every interaction.

Traditionally, so much of the value CPAs offered to society took the form of the order they created by synthesizing and reporting on the aggregation of vast amounts of transactional information. As a result, the CPA profession has come to rely on the processes and knowhow of its accounting discipline as comprising the value of CPAs.

The CPA profession must help CPAs in all facets of our economy to reshape their perspective so that they reduce their reliance on accounting reports as their contribution to society. The profession must assist CPAs working in every capacity to reorient themselves, reimagining their work so that they routinely make distinctive contributions on performance insight or foresight.

The CPA profession must be a beacon for future CPAs by demonstrating a focus on the future and the profession's continued ability to play a central role in supporting a strong Canadian, and indeed, a global economy.

2. Mastering and shaping a data-driven economy

Information has always been central to successful economies, allowing companies to review their performance, as well as to operate and serve customers in new, more effective ways. In the digital age, information increasingly takes the form of digital data, and technology allows data to proliferate rapidly. Reliable data exists on a very broad range of operating, financial and environmental dimensions. And data, itself, takes on value as a distinctly identifiable asset.

In an age where data is the information on which all enterprises (public, private or non-profit) will ultimately trade, CPAs must achieve expert-level proficiency to remain relevant. There are two main components to achieving this endeavor – one

“THE CPA PROFESSION MUST BE A BEACON FOR FUTURE CPAS BY DEMONSTRATING A FOCUS ON THE FUTURE AND THE PROFESSION’S CONTINUED ABILITY TO PLAY A CENTRAL ROLE IN SUPPORTING A STRONG CANADIAN, AND INDEED, A GLOBAL ECONOMY.”

that accelerates data mastery by every member of the profession and another that positions the most expert CPAs in the field of data to influence the evolution of the world's data ecosystem.

Data mastery for all CPAs

Every CPA must ultimately become comfortable in a world that will be data-rich, data-intense and data-driven. A data environment makes starkly new demands on CPAs. Continuous information flows must be analyzed and the integrity of real-time data must be assessed. Problems are solved differently. And all information is exchanged electronically. Current CPAs need their skills to be retooled. The profession will only attract new entrants if they see the CPA designation as a means to success in a data-driven world. Re-skilling the entire profession and rebuilding the CPA qualification program to position CPAs as data masters are among the most significant challenges facing the profession.

CPAs partner in shaping the world's data governance and become the stewards of data integrity

Data has always been central to successful economies, allowing companies to operate and review their performance in effective ways. In the digital age, data is more widespread and has become more valuable in and of itself. At a time when data is so integral to business success and societal progress, there is a global void: a lack of standards and frameworks to govern the integrity, security and application of such data. As a result of its legacy in assurance and standard setting, the CPA profession is well-placed to contribute to a much-needed set of initiatives that must ultimately develop around data governance. It is not currently clear where or how these initiatives will originate – formally or informally, in Canada or elsewhere, as an organized program or as a response to a cyber-calamity. Regardless, issues such as data residency, consistency of data format, privacy and national IP strategies, must ultimately be addressed at a policy level. In a world of fake news, there is no more valuable work than to ensure that decision-makers can trust data.

“How to play” to achieve this overarching objective

There are four critically important ways that we must operate and behave if we want to win

Skills and competencies

Accountants, like all professionals, need to be agile, willing and able to learn new skills that are suitable for the fast-changing times. Many routine accounting roles and functions are poised to be replaced by software and automation, but human elements of advice, service and communication will remain intact and become even more important. Accountants will need to work in concert with technology.

This situation poses important questions for the profession. Firstly, *what* will accountants need to learn? What core skills remain essential to the identity of an accountant, and what new capabilities must they offer to decision-makers? Secondly, *how* will accountants conduct their learning? In this rapidly changing world, professional accountants will be required to learn, unlearn and relearn very quickly. To support this, access to learning will need to be flexible and available on demand. This will require rethinking the timing and structure of both our qualification models and continuing professional development.

Effective and flexible governance structure

As described above, the accounting profession is poised to undergo some major changes. The traditional models of governance are complex, resulting in delays and constraints that are damaging in such a fast-moving world. To achieve its goal of becoming more relevant to business and society, it is vital that the profession develop approaches that help steer it towards a more effective and efficient way of operating, while also allowing for new forms of experimentation. For example, the profession must explore how best to partner with non-members, other associated professions and international bodies.

Integrity, trust and ethics: CPAs as stewards of the public trust

Successful economies and societies rely on trust, but there is increasing evidence that people are more mistrusting of institutions and professions than ever before. This is a problem for accountants, and they must work to remedy it. The product of accountants' work is trust, so every incentive exists to ensure that integrity and ethical behavior is fundamental to the profession. Accountants must explore how to keep ethics at the forefront of the CPA program, recognizing the difficulty of translating codes and standards through to actual behavior

Agility and innovation

In business, changes come from various sources and these are often driven by disruptive forces, including market uncertainty, rapid changes in technology, cyber threats, an aging population, climate change and threats to globalization. These forces are creating unprecedented challenges for CPAs and organizations alike. They are also creating unprecedented opportunities. CPAs today need to be sufficiently agile, responding rapidly to changes in the internal and external environment without losing momentum or vision. Continuous, ongoing innovation is critical to maintaining long-term business agility and accountants must be at the forefront of driving organizational agility and innovation. Mirroring this, the accounting profession must also react quickly and innovatively to changes in the business environment ensuring the profession continues to be relevant, responsive, and to protect the interests of our members and the public.

V. NEXT STEPS

1. Establishing the governance model for Phase 2

The ability to successfully move forward on the opportunities identified above will require a continued multi-stakeholder approach and a considerable investment of both time and financial resources. Through the first phase of the Foresight initiative, CPA Canada has fully funded, supported and championed the initiative under the direction of a multi-stakeholder oversight committee. As we begin to consider Phase 2 and develop tangible plans, the profession will develop a broader governance model to ensure the following:

- the urgency of addressing the unprecedented challenges and opportunities identified in Phase 1 means the work of various workstreams must move forward quickly, with clear project plans detailing specific deliverables, outcomes and timelines
- there must be accountability to key stakeholders, including members, users of financial information, regulators and the public



To achieve the above, there will need to be a governance model that is sufficiently nimble to allow the innovation needed to tackle these major initiatives while at the same time ensuring that the many stakeholders playing the in “accounting ecosystem” have a voice in the process.

The proposed model would, as with Phase 1 of the project, be directed by an oversight committee, which would be an independent group of seven to 10 people from key stakeholder groups. The Phase 2 Oversight Committee would be constituted to reflect the broader expertise and commitment needed to successfully lead the workstreams.

Specifically, the Phase 2 Oversight Committee would:

- Approve the mandate of each workstream, ensure that all key stakeholders are included, and set the boundaries and timelines for the outcomes.
- Provide advice and support for the workstreams to ensure that each project delivers on its mandate. This would include ensuring the workstreams have the necessary resources to carry out their assigned tasks.
- Monitor the progress of the projects and hold the workstreams accountable for delivering on their work in the agreed-upon time frame.

In addition to the oversight committee, the governance model will incorporate an advisory council. Membership on the advisory council would be voluntary and comprised of organizations who have an interest in moving the workstreams forward.

Members of the advisory council would:

- Actively participate in research on the future of the accounting profession, including helping to shape the Phase 2 research agenda and to participate in the various working groups. As part of this process, participants will have firsthand knowledge of the findings and the ability to use the learnings from Foresight to shape their own activities and research agendas.
- Participate in an annual (or semi-annual) forum which would provide advisory council members with the opportunity to engage with thought leaders and other experts regarding the future of the accounting profession.
- Be provided with the opportunity to participate in any pilots resulting from the research of the various working groups.
- Contribute financial or in-kind resources to support the agreed-upon workplans.

“THROUGH THE FIRST PHASE OF THE FORESIGHT INITIATIVE, CPA CANADA HAS FULLY FUNDED, SUPPORTED AND CHAMPIONED THE INITIATIVE UNDER THE DIRECTION OF A MULTI-STAKEHOLDER OVERSIGHT COMMITTEE.”



Various stakeholders would be invited to participate as part of the advisory council, including:

- CPA Canada
- CPA provincial bodies
- other international accounting bodies
- IFAC
- regulators such as the OSC and CPAB
- national CPA firms (the seven national firms)
- smaller networks of firms
- professional accountants in business
- other parties with an interest in the outcomes of Phase 2 such as:
 - the investor community
 - Government of Canada
 - large post secondary institutions

It is anticipated that approximately 30 organizations will be invited to participate.

CPA Canada's role would be to continue to support and lead the process under the guidance of the oversight committee. A secretariat would be developed and housed within CPA Canada to support the work of Phase 2.

2. Develop a preliminary work plan

“Where to play”

Initially, two pre-working groups will be formed to further explore the two critical areas identified in Foresight Phase 1 as *where the profession needs to play* to be relevant going forward (rethinking value creation and data governance and integrity).

The mandate of these two pre-work groups will be to further explore these critical areas and develop a comprehensive work plan which will include an articulation of the necessary projects that should be undertaken. The two pre-work groups will report their findings to the Oversight Committee for endorsement.

“How to play”

In addition to the above two pre-workstreams, next steps will also focus on considerations for *how the profession needs to play* to be successful in the future.

Skills and competencies:

All workstreams will be asked to consider the impact of their findings on the skills and competencies required of professional accountants. These findings will inform both the development of the CPA certification program and the profession's post-qualification learning initiatives.

As the learnings from Phase 2 of Foresight become more defined, the work groups will engage the CPA profession's Competency Map Committee to consider the new competencies and skills required of CPAs in the information age. The 2018 CPA Competency Map has already been updated to reflect additional skills requirements in data analytics and information systems. Plans are currently underway to release another version of the competency map in late 2019 to include additional enabling skills. A comprehensive review of the entire competency map is scheduled to commence in 2019 with a planned release of 2021. The learnings from Foresight will inform both the 2019 and 2021 competency maps.

The results of Foresight Phase 1 will be shared with the CPA Professional Learning and Development Strategy Committee (PLDSC). The PLDSC is in the process of developing a profession-wide strategy for professional learning for CPAs, which is focused on new business models, pedagogy and curriculum to support members as the profession continues to evolve in the information age.

"...THE URGENCY OF ADDRESSING THE UNPRECEDENTED CHALLENGES AND OPPORTUNITIES IDENTIFIED IN PHASE 1 MEANS THE WORK OF VARIOUS WORKSTREAMS MUST MOVE FORWARD QUICKLY..."



Effective and flexible governance structure

CPA Canada and the CPA provincial bodies work collectively on behalf of the profession through the auspices of the CPA Collaboration Accord. Currently, the profession is undertaking a review of the Collaboration Accord to ensure that decision-making within the profession is agile, nimble and responsive to the exponential pace of change. The need for further work in this area will be assessed following the outcome of this review process.

Integrity, trust and ethics: CPAs as stewards of the public trust

As digital technologies are transforming the profession it is vital to keep ethics at the forefront. Foresight Phase 1 recognized that accountants' primary work product is trust and that in considering the future we must ensure that integrity and ethical behavior continue to be fundamental to the profession. In January 2018 the International Ethics Standards Board for Accountants (IESBA) established a Technology Working Group to better understand and address the implications of technology trends and developments on the roles and responsibilities of professional accountants in both business and in public practice. The Canadian CPA profession, through its Public Trust Committee (PTC), will continue to monitor the work of the IESBA in this critical area. The role of trust and ethics in a digital age will be integrated into all workstreams and will be informed by the work of IESBA and the Canadian PTC.

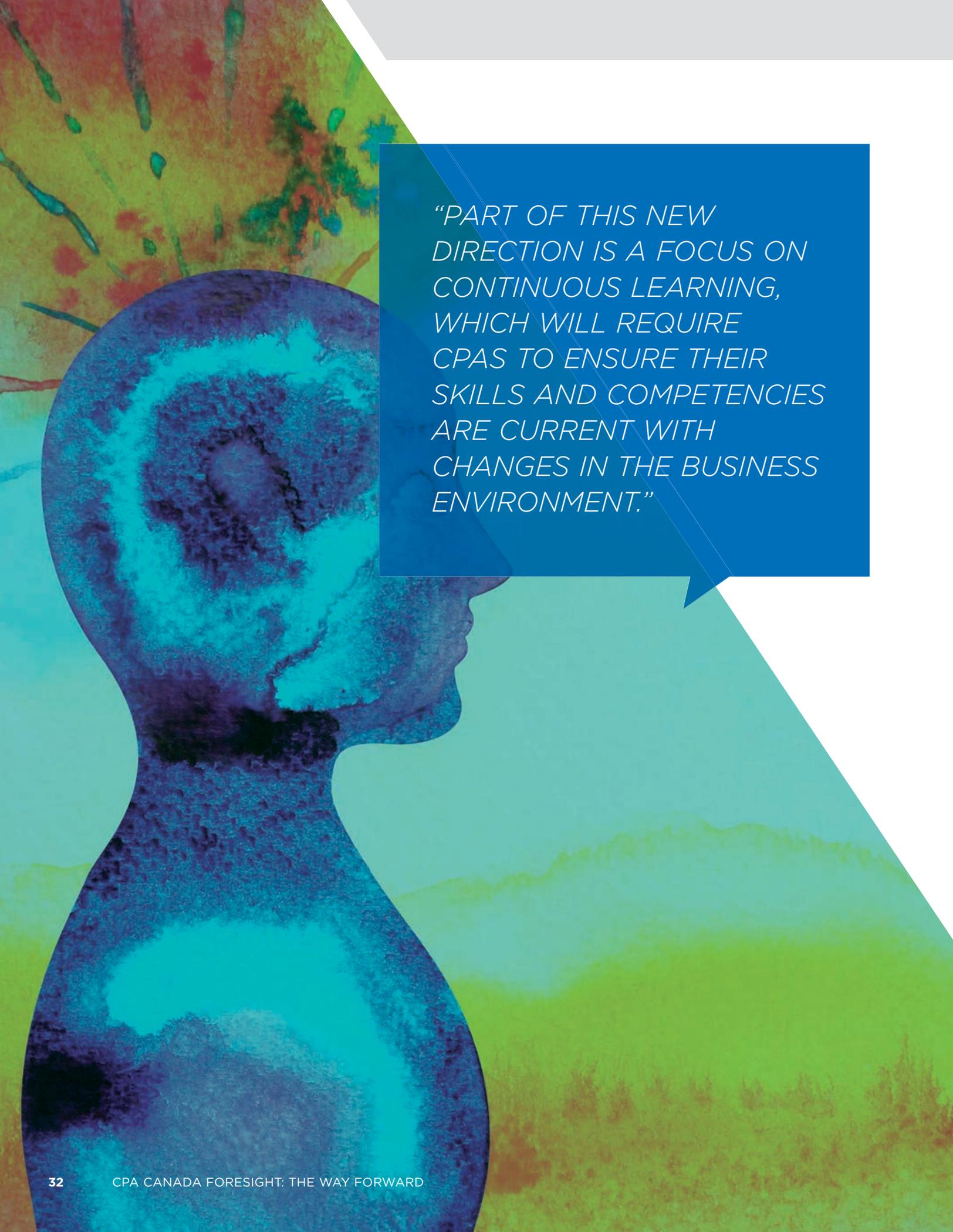


Agility and innovation

Innovation hubs will be established as needed or will be developed in partnership with existing innovation labs or centers. The hubs will allow for experimentation and pilot testing of workstream activity. Insights coming from the innovation hubs will enable the workstream participants to continuously refine and evolve their work. Designs for innovation hubs will be assessed as the work plans for the various workstreams are being developed.

3. Create stakeholder engagement

Communication and change management are vital to the success of any large-scale transformation. A strategy and action plan are currently being developed to inform and raise awareness among members and other stakeholders of the urgency to drive change and to move the profession into the information age.



“PART OF THIS NEW DIRECTION IS A FOCUS ON CONTINUOUS LEARNING, WHICH WILL REQUIRE CPAS TO ENSURE THEIR SKILLS AND COMPETENCIES ARE CURRENT WITH CHANGES IN THE BUSINESS ENVIRONMENT.”

CONCLUSION

The time for transformation in accounting is now, and the first phase of the Foresight initiative has laid the groundwork for change in the profession in Canada and around the world. As a result of this initiative, the learnings from Phase 1 will carry the workstreams forward into the second phase of the project.

An effective governance structure that includes representation of all member segments will be developed to ensure the effective governance of the workstreams and successful implementation of the recommended strategy.

Two initial workstreams – Value Creation Model and Data Governance and Standards – will begin to define the opportunities for the profession. Part of this new direction is a focus on continuous learning, which will require CPAs to ensure their skills and competencies are current with changes in the business environment. To be seen as strategic leaders by users and society, they must be technology-savvy, effective communicators and agile learners who embrace and promote innovative thinking.

Parallel to these workstreams, the CPA will engage in a multi-stakeholder communication campaign that focuses on raising awareness among members and other stakeholders of the urgency to drive changes and to move the profession into the information age.

The challenges facing the accounting profession are unprecedented, but as the Foresight initiative has proven, the profession is well-positioned to adapt to the information age and the new global realities of the digital era. Through an unwavering vision and commitment to tackling the changes discussed in this document, the profession has an opportunity to make a broad impact on the advancement of the interests of society and the public good, and to be known as the new purveyors and leaders of positive change around the world.

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Carol Paradine, Canadian Public Accountability Board, Member

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Foresight

REIMAGINING THE PROFESSION.

APPENDIX
ONE

REIMAGINING THE ACCOUNTING PROFESSION

APRIL 2019

**This is an independent report commissioned by
CPA Canada and prepared by Catalytic Governance.**

**Catalytic Governance is an inclusive process that encourages constructive dialogue,
creates shared mental maps and most importantly – drives communities of practice to action.**

**CPA Canada Foresight uses the Catalytic Governance framework – for both in-person
roundtables and online community participation – to engage the Canadian CPA community
to reimagine the future of the profession.**



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CPA Canada Foresight: Report on Phase I:

Introduction

The CPA profession is experiencing unprecedented challenges and opportunities in Canada and globally. New technologies such as blockchain and AI threaten to eliminate or replace many traditional accounting functions. In addition, shifting societal attitudes towards inclusion and sustainability, evolving business models, and blurring boundaries between industries are making historical data less relevant, as transactions will soon be processed, and decisions made, in real time.

The project

To address these fast, complex, and far-reaching changes, the CPA Canada Foresight project has assembled a broad cross-section of leaders in public practice, government, academia, and industry for a series of roundtables aimed at reimagining the future of the profession. At the same time, the project leveraged the scale and insight of the CPA's members through ongoing digital discussions.

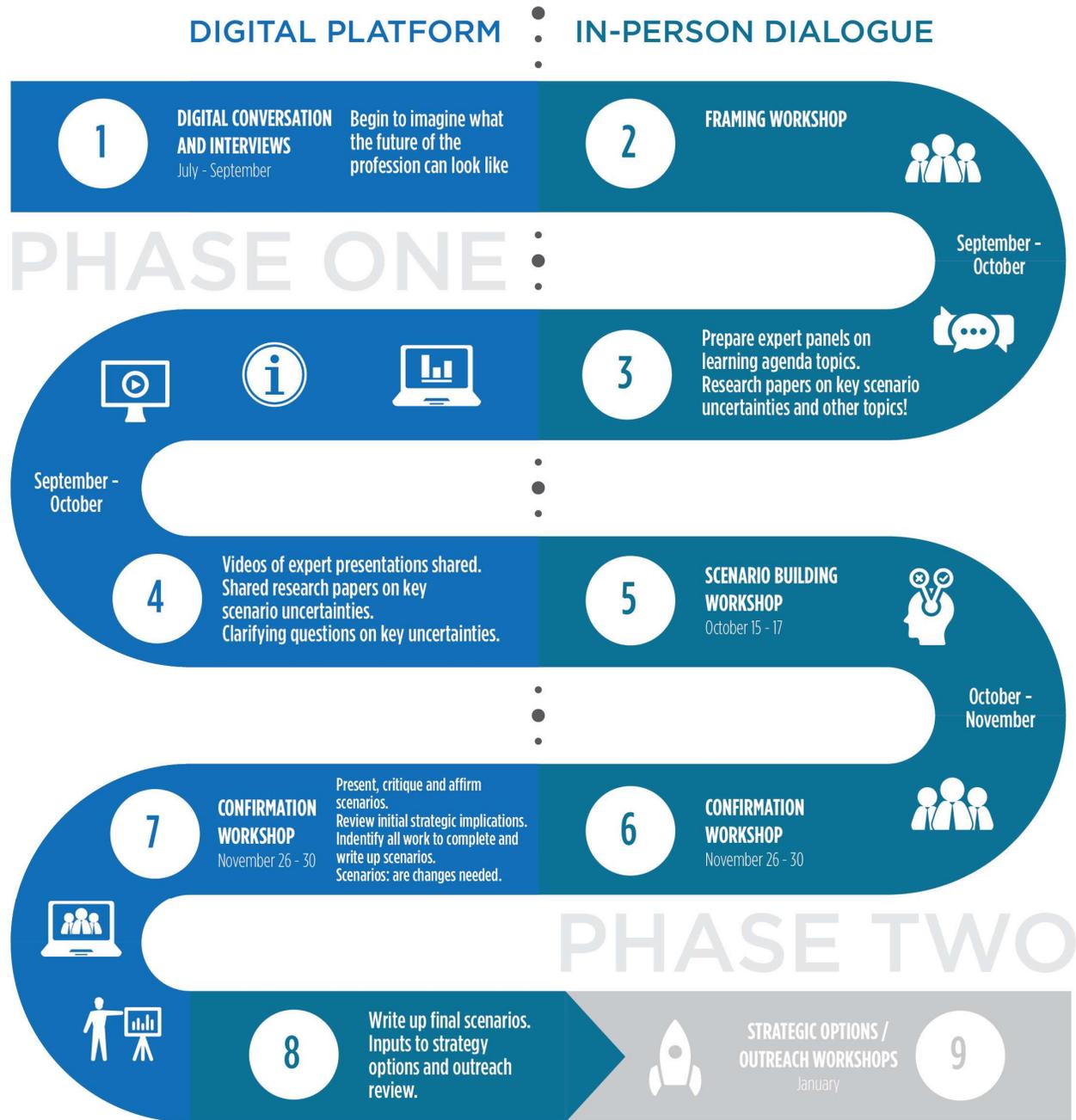
The face-to-face roundtable met in Fall 2018 for three multi-day workshops (one in September, one in October, and one in early December); in between these roundtable workshops, one-day sessions were held to share insights and gain feedback on the process and findings. These sessions included one-day internal workshops held in Winnipeg and Toronto with representatives of the volunteer leadership and management of CPA Canada and CPA provincial bodies. In addition, three one-day scenario confirmation sessions were held (in Vancouver on November 26, Montreal on November 28, and Toronto on December 3), in which with a broader group of members responded to and further refined the draft scenarios.

Throughout, participants in the digital discussions offered feedback on the process and the findings; by the end of Phase One, the digital roundtable included 1,200 participants from across Canada and around the world.

The last meeting of Phase One took place in January 2019, when a group of roundtable participants gathered for a Strategic Direction workshop that tied together the learnings from the digital and in-person roundtables to forge a new strategic direction for the profession over the next 10 years.

The overall roadmap of the project is outlined in **Figure 1**.

Figure 1: CPA Canada Foresight project roadmap

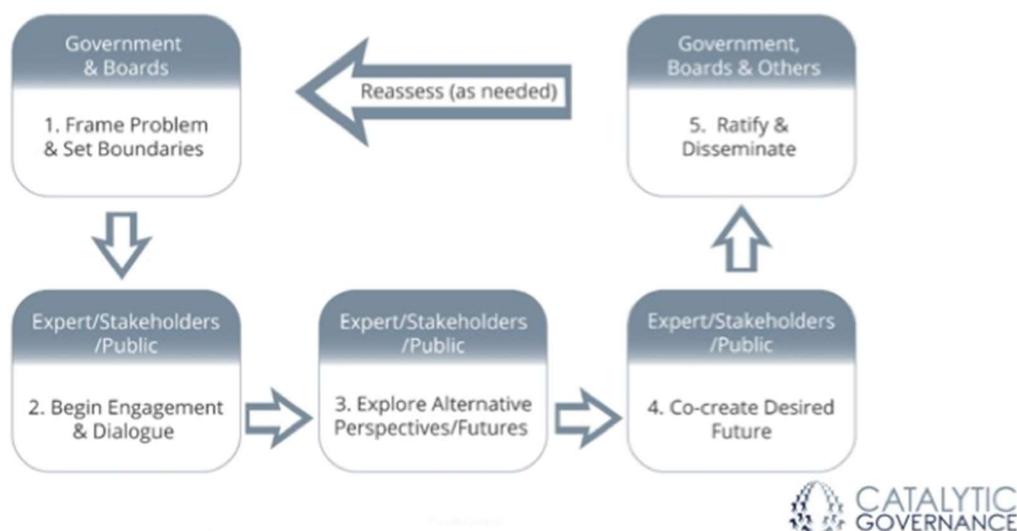


Catalytic Governance

The CPA Canada Foresight project is based on the Catalytic Governance model. Catalytic Governance is based on the insight that effective leadership and governance depend less on traditional command-and-control processes and more on creating shared meanings and frameworks that engage a broad diversity of stakeholders. The model consists of five iterative steps (see Figure 2):

1. Conveners frame the problem and agenda, defining the process to be followed, the range of stakeholders to be included, and the boundaries for acceptable solutions. These conveners engage a wide range of stakeholders around the issue.
2. All conversations and engagement among these stakeholder participants are conducted as dialogue (see next section), leaving participants free to speak for themselves, not as representatives.
3. Participants explore a variety of perspectives on the issue and work together to develop alternative possibilities (scenarios) for how it may unfold in the future. This provides a way for participants to understand and learn from others' points of view, and to start to see the limitations of their own. Ensuring that multiple viewpoints are taken into account creates a richer view of the issue and its possibilities.
4. Stakeholders define their desired future and develop practical action steps to realize that future. Often this will require a process of action learning – taking experimental actions and learning from the result. To be effective, the stakeholder group must include key individuals who are in a position to bring about change and who are willing to take action.
5. In the final step, the conveners take the lead, first by ratifying and disseminating the result of the Catalytic Governance process, and then by acting and encouraging action on the emerging strategy and monitoring the results. Crucially, this step is not a simple end point; it is itself a process of action learning and can feed back into further Catalytic Governance cycles.

Figure 2: The Catalytic Governance process



Catalytic Governance is an ongoing iterative process that surfaces new insights by enabling participants to learn from each other and external leaders, develop a shared understanding of challenges, and apply that learning to reframe the context for policy and strategy.

Two features are especially central to the Catalytic Governance model: dialogue and the use of scenarios. By using dialogue to develop scenarios about possible futures, the Catalytic Governance approach surfaces assumptions, maps common ground, and builds mutual understanding and trust.

Dialogue

The CPA Canada Foresight process used dialogue as its primary tool for exploration. Dialogue is a specialized form of discourse aimed at surfacing assumptions, mapping common ground, and building mutual understanding and trust. Unlike debate, which presumes that there is one right answer (yours!), dialogue is based on the premise that everyone has a piece of the answer.

To encourage the openness and frank exchanges needed for true dialogue, participant viewpoints expressed in these sessions were recorded without attribution.

Scenarios

Using dialogue, participants developed scenarios for the future. Scenarios are plausible stories about how our world might evolve, based on the seeds of change we already observe today. The sources of change are often situated outside the immediate accounting industry and profession: they are global, macro forces – social, technological, economic, environmental and political – with the power to reshape the world, and with it the challenges and opportunities facing the profession.

By illuminating these forces and combining them into a small number of plausible future stories, the scenario process provides CPA Canada with a map of threats, opportunities and future possibilities. We do not know which scenario will play out, if any. But the ideas and conversations sparked by these scenarios have provided a richer understanding of how the profession must change to meet the challenges of the future.

You can't plan for a future you can't imagine.
—Oren Berkovich, CEO, SingularityU Canada, Roundtable Speaker

Key certainties and uncertainties

Throughout the series of workshops, there were several key factors that shifted participants' thinking. Several of these "aha moments" were inspired directly by the information in the expert presentations and the discussions they generated; others arose from the more holistic process of informal conversation, cooperation and shared purpose among participants in the face-to-face and digital roundtables.

"Aha" moments

- **The speed and scope of digitization:** When participants first entered the room, many saw the digital revolution as a significant but essentially linear development from how things were at the turn of the 21st century. The first presentations upended that assumption, laying out a picture of exponential change in the era of big data and vastly increased connectivity. In particular, Sree Ramaswamy's "The Future of Globalization and Digital Flow" had a powerful impact on participants' view of what was coming, noting that the flow of information is up 45-fold since 2008, while flows of goods, services, money and people are flat or decreasing. Similarly, presenter John Seely Brown described the current moment as "a white-water world" in which everyone is swept up in a torrential flow of data. Success depends on the ability to kayak these rapids, reading patterns and tracking the flow of information rather than attempting to capture it and look back on it after the fact. As they discussed these presentations, participants quickly realized that the question was not whether change would happen but how fast and how thoroughly it would disrupt the status quo.

I'm really struck by the idea of a flow of information and patterning of information as opposed to it being a static historical database. We now have an exponential amount of data we have to keep our eye on, and we have to be watching its pattern rather than trying to fix that data and look backwards in a snapshot. How do we change the way we think so that we are looking at data flows and undercurrents? How do you see the forest vs the trees? — Roundtable participant

- **This discussion is not just about accounting/not just about Canada:** These initial presentations also spurred participants to broaden their thinking from an initial focus on Canada and the accounting profession to a more holistic and global perspective. While participants were experiencing these changes from within the profession, and primarily from inside Canada, they came to realize that the changes were far more far-reaching in origin and in scope – understanding and anticipating them would require participants to step outside the comfort zone of their usual framework.
- **Millennials are not that different; the world is what's different:** A presentation on millennials and Gen Z argued that the most-hyped differences between younger and older cohorts are more a function of age and life stage than of actual generational change. What is different is the context for work in the 21st century. As organizational models are becoming more horizontal and network-driven, and the trend is towards open career models and continuous learning, younger workers are shaping their careers accordingly.

*Generation Y are not Martians. Generation Z are not from Pluto.... There's actually a lot more that the generations have in common than we have differences on.... And so the question is really, if this was the organizational world that you were in, and you were 25 or 30, what type of organization would you want to work for?
—Philip Hunter, Senior Consultant, Verity International, Roundtable speaker*

- **Concrete examples of how user needs are changing:** Throughout the roundtables, participants encountered concrete examples of how changes in the social and technological environment are impacting the financial landscape and with it the role of accountants.
 - Real-time decision making: In the second face-to-face roundtable, for example, Amar Ahluwalia (Vice President of Partnerships and Capital Markets at the online lender On Deck) described his company’s data-driven approach, which draws on more than 2,000 data points from 100 real-time data sources to make lending decisions – so quickly, in fact, that the company has had to slow its model down so customers aren’t unnerved by it seeming too fast. In such an environment, traditional quarterly financial statements are increasingly irrelevant.
 - An end to audited financial statements: Similarly, it was noted in discussion that large pension funds are making investments in data that allow them to predict earnings before companies announce them – and sometimes before the management of these companies know themselves. As these models continue to improve over the next two or three years, pension funds may no longer rely on audited financial statements
- **Value is increasingly intangible:** Along similar lines, Jon Lukomnik, roundtable speaker (Executive Director of IRRIC Institute and Managing Partner of Sinclair Capital LLC) looked at what he called the “existential crisis” facing the profession. Noting that today the tangible assets tracked by traditional accounting make up only 16 per cent of the S&P’s market value (as opposed to 83 per cent 40 years ago), Mr. Lukomnik argued that the profession must be able to account for intangible assets if it is to remain sustainable. John Helliwell (Senior Fellow at the Canadian Institute for Advanced Research and UBC Professor Emeritus) drove home this idea, arguing that accountants will need to count intangibles like wellbeing, sustainability and even happiness.

Intangible assets now make up 84 per cent of the market value of the S&P 500. That's up from just 17 per cent in 1975. So the generations of accountants before you could account for the vast majority of things that we investors value. [But] traditional accounting now accounts for a very small minority [of overall value]. —Jon Lukomnik, Executive Director, IRRIC Institute, Roundtable speaker

- **The “Wild West” of data governance:** Presenter Rohinton Medhora unpacked the very different approaches to data governance in different parts of the world. He noted that globalization is taking place extremely fast when it comes to data, more slowly in trade and services, and slowest of all when it comes to labour and regulatory responses. In Canada, participants realized, data governance is still largely nascent, and the accounting profession can play a significant role in developing new frameworks and standards.

*It feels a little bit like the Wild West, with all kinds of things going on, and then it struck us that the Wild West wasn't constructed by people who showed up to ask what's our role? The Wild West was established by people who were entrepreneurial and innovative and enterprising and got there first and decided to do things a certain way. And so, if we sit around waiting for the opportunity to bring our discipline, it's not going to happen. We must figure out what our place is.
—Roundtable participant*

- **CPAs need to create the models:** Participants soon realized that these trends mean that in the future accountants will need to count more and different things – often things we do not yet know how to count. Presenters and participants alike emphasized that accountants need to be involved in *creating* the models and processes used to measure and predict value, not just *reacting* to them.

What is the short-term vs. long-term data? What creates value vs. what leaves a legacy? This profession must make those determinations, because otherwise the economists or others such as engineers will do it. —Sree Ramaswamy, Partner, McKinsey Global Institute, Roundtable speaker

While tech will drive the future, it requires educated and broad-based human capital to create intellectual capital. This requires both global movement of people and lifelong education. Both are foundational principles. —Digital roundtable participant

- **Stewardship:** Mr. Helliwell's remarks crystallized participants' understanding of their own role as stewards of the public trust. Not only does the profession create the conditions that make for a happy life and a successful society, its expertise and its legacy of integrity means that accountants are best positioned to make sure that new models for assessing value are fair, comprehensive and accurate.

[The question is not] "What do we have to do in order not to be accused of malfeasance of one kind or another?" That's just avoiding the negative. You want to say, "What should I be advising people to do, so that when they go home at night, they can say, I have done the right thing." And so you can go home at night and say, "I have advised them to do the right thing."

—John Helliwell, Senior Fellow, Canadian Institute for Advanced Research and UBC Professor Emeritus, Roundtable speaker

*We have always been stewards of public trust. But every time we had a financial crisis or ... a bump in the road, [it] narrowed our thinking, narrowed our obligations with respect to compliance. It forced us down a certain road. This [panel] has opened up our eyes
– we have to rethink how we do business going forward.*

—Roundtable participant

I think the greatest challenge will be acting ethically – doing what is "right" versus what is just legal. The more we act in our own self-interest the more we potentially disadvantage others. Second will be the danger of becoming involved in illegal cross-jurisdiction activities.

—Digital roundtable participant

All these insights helped participants to see the many ways that the explosion in data is radically reshaping the world accountants live and work in. Yet while this represented a major disruption, it was not a harbinger of doom. Participants realized that accountants could choose to follow the example of other professions and become hubs for innovation to meet the challenges and opportunities of this new world.

We need to embrace technology wherever possible in order to free up our time to be better advisers. Our clients no longer need us for compliance and historical reporting, they need us to help make them more successful. —Digital roundtable participant

How the world will change: Critical certainties

As participants scanned the future, they identified several ways that the world was changing around them. These *critical certainties* would be factors in any foreseeable future:

- **Exponential growth in technology**
 - Real-time information and AI
 - Accelerating pace of adoption
 - Increasing user expectations for self-service options
- **Shifts in what must be measured**
 - More things to count
 - More of overall value will be driven by intangibles
- **Demographics/population growth**
 - Aging Canadian population overall
 - Pace may be offset by immigration
- **Climate change**
 - Impacts may be moderate or severe, but there is no plausible future in which they do not exist at all
- **A need for ethics, trust, integrity**
 - In a mistrustful world, a trusted advisor is especially critical
- **Unexpected crises and surprises**
 - It's not possible to anticipate every possible contingency
 - Flexibility and adaptability will be essential

What we don't know and can't control: Critical uncertainties

The essential work of building scenarios is identifying *critical uncertainties*: important external variables concerning the future that might unfold in a number of different ways. These uncertainties are external to the profession and outside its control – and they are *critical*, that is, how they unfold will have significant consequences not only for the profession, but also for the world as a whole.

- **Data access and governance**
 - Will the wild west of data proliferation be tamed, and if so, how fast?
 - Will data be openly available, or will there be privacy regulations at a transactional level?
 - What will structure and standards around data governance look like?
- **User needs**
 - How important is trust to stakeholders and the public?
 - Is trust placed in technologies such as AI or in humans (and how much)?
 - Will younger generations have different expectations and needs?
- **Reaction to technology innovation and adoption**
 - Will it be embraced or resisted?
 - What impact will this have on the adoption of new technologies?

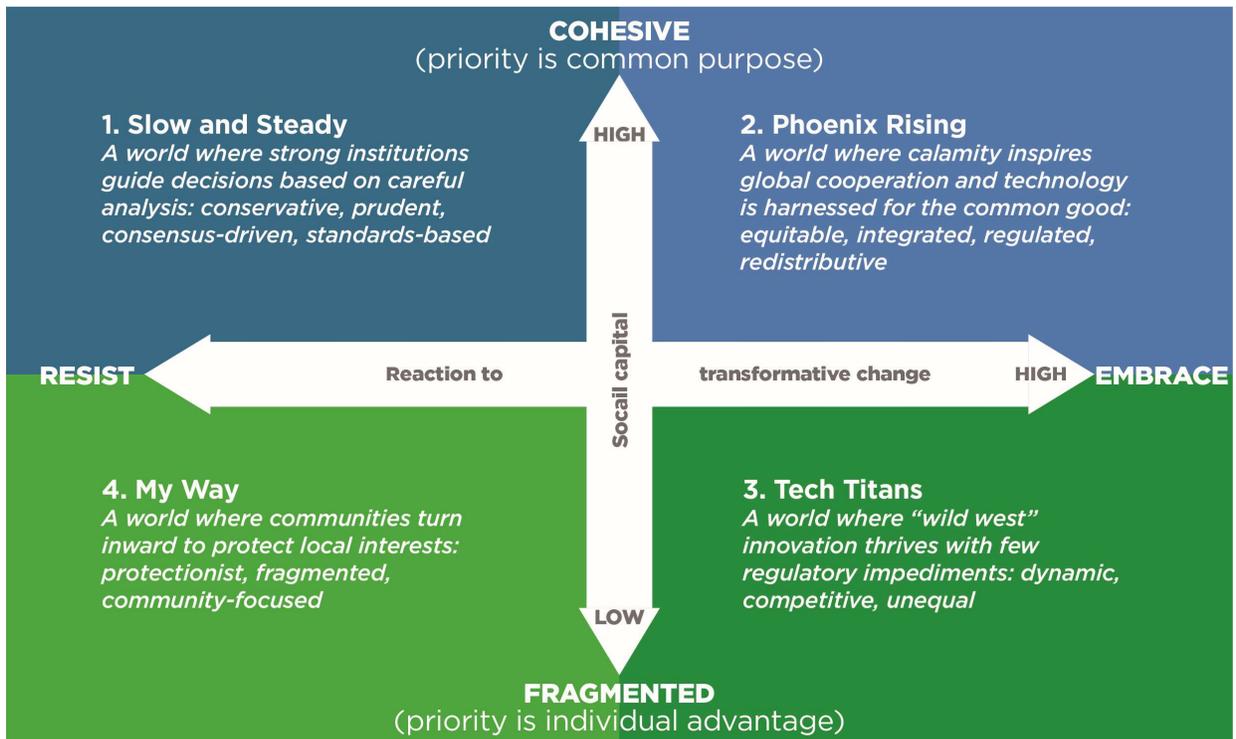
- **Severity and impact of climate change**
 - How will people respond to the increasing risk of climate related disasters?
 - Will there be a global solution to adapt to and/or mitigate the risks of climate change?
- **Inequality/concentration of wealth**
 - Will the have/have-not gap widen or narrow?
 - How will government respond?
- **Global economy/political bodies**
 - Will prevailing trends be towards integration or fragmentation?
 - Will global economies contract or expand?
- **Trust**
 - How important will it be?
 - Where will it be placed?

Participants worked together to identify the uncertainties that they felt would be most important in shaping the future conditions for the world, and hence for the profession. The two that rose to the top in every conversation were *change* and *social capital*.

Change: The question here was not whether change will happen. Participants agreed that climate change and technological change are both already baked into any plausible future: they are underway, significant, and will not stop. The more important question was, how willing will societies, businesses, institutions and individuals be to embrace these changes and the transformations they will bring about in society? This idea of “**willingness to embrace technological and social change**” was incorporated into the x-axis of a potential scenario matrix. At one end of this axis was caution, conservatism and an emphasis on safety; at the other, a willingness to experiment and innovate, as well as a higher appetite for risk.

Cohesion and social capital: The other most important uncertainty centered on the idea of collaboration, cohesiveness, freedom and trust. These were combined into a single axis measuring “**cooperation, cohesion and social capital.**” At one end there was strong collaboration and alignment around shared goals, high trust in institutions, and a willingness to accept some restrictions of personal freedom in the name of the larger good. At the other end was a more fragmented and disjointed reality, with a high premium on individual liberty, and trust vested in local entities rather than large institutions. By crossing the two axes, participants generated the following scenario set:

Over the course of several weeks, with input from the digital roundtable and scenario feedback sessions, these four quadrants were fleshed out into four distinct scenarios.



SCENARIO 1

SLOW AND STEADY

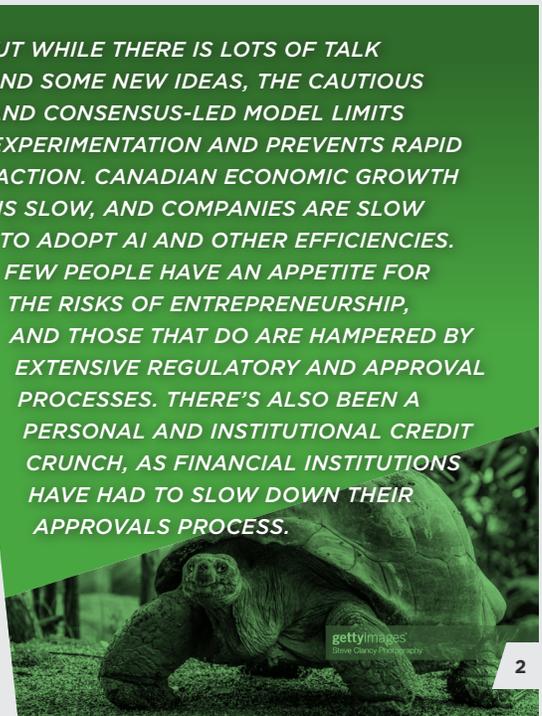
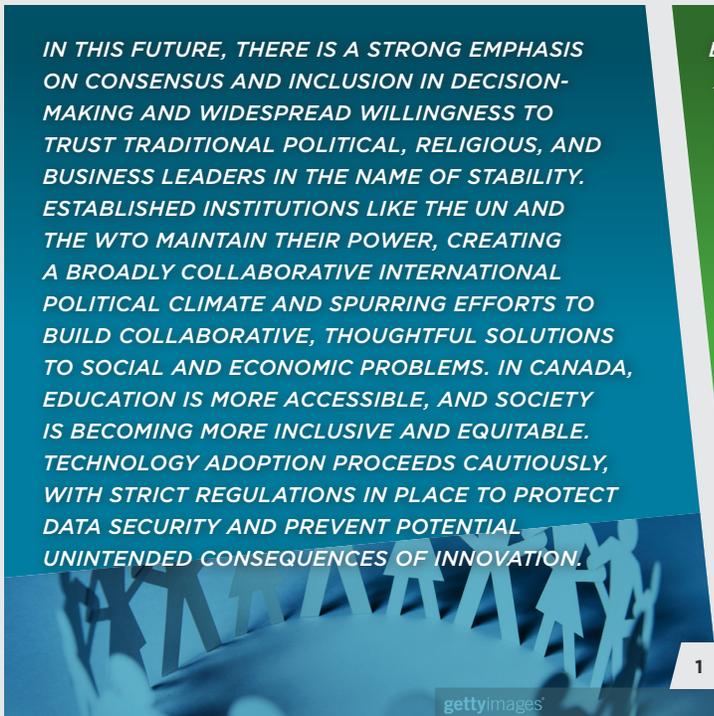
(high social capital/resistance to transformational change)

This is a world where institutions constrain the pace of change and innovation, as society prefers consensus, stability and risk avoidance.

IN THIS FUTURE, THERE IS A STRONG EMPHASIS ON CONSENSUS AND INCLUSION IN DECISION-MAKING AND WIDESPREAD WILLINGNESS TO TRUST TRADITIONAL POLITICAL, RELIGIOUS, AND BUSINESS LEADERS IN THE NAME OF STABILITY. ESTABLISHED INSTITUTIONS LIKE THE UN AND THE WTO MAINTAIN THEIR POWER, CREATING A BROADLY COLLABORATIVE INTERNATIONAL POLITICAL CLIMATE AND SPURRING EFFORTS TO BUILD COLLABORATIVE, THOUGHTFUL SOLUTIONS TO SOCIAL AND ECONOMIC PROBLEMS. IN CANADA, EDUCATION IS MORE ACCESSIBLE, AND SOCIETY IS BECOMING MORE INCLUSIVE AND EQUITABLE. TECHNOLOGY ADOPTION PROCEEDS CAUTIOUSLY, WITH STRICT REGULATIONS IN PLACE TO PROTECT DATA SECURITY AND PREVENT POTENTIAL UNINTENDED CONSEQUENCES OF INNOVATION.

BUT WHILE THERE IS LOTS OF TALK AND SOME NEW IDEAS, THE CAUTIOUS AND CONSENSUS-LED MODEL LIMITS EXPERIMENTATION AND PREVENTS RAPID ACTION. CANADIAN ECONOMIC GROWTH IS SLOW, AND COMPANIES ARE SLOW TO ADOPT AI AND OTHER EFFICIENCIES. FEW PEOPLE HAVE AN APPETITE FOR THE RISKS OF ENTREPRENEURSHIP, AND THOSE THAT DO ARE HAMPERED BY EXTENSIVE REGULATORY AND APPROVAL PROCESSES. THERE'S ALSO BEEN A PERSONAL AND INSTITUTIONAL CREDIT CRUNCH, AS FINANCIAL INSTITUTIONS HAVE HAD TO SLOW DOWN THEIR APPROVALS PROCESS.

SOME BUSINESSES AND CONSUMERS, FRUSTRATED BY THE SLOW AND STEADY PACE, SKIRT THE RULES, TURNING TO UNREGULATED LENDERS AND GREY-MARKET GOODS AND SERVICES. WHEN THESE EFFORTS GO ASTRAY, LEADERS AND REGULATORS RESPOND WITH FURTHER RULES AND STRICTURES, WHICH FURTHER SLOW THE PACE OF CHANGE.



ENVIRONMENTAL CONCERNS ARE THE FOCUS OF MUCH INTERNATIONAL DEAL-MAKING AND STANDARD-SETTING AS INSTITUTIONS SEEK TO MAINTAIN STABILITY IN THE FACE OF INCREASING CLIMATE RISK. BUT DESPITE STRICT REGULATIONS, COUNTRIES STRUGGLE TO MEET THEIR IMPOSED TARGETS FOR CARBON EMISSIONS.



4

IMPLICATIONS FOR ACCOUNTING:

- *Robust need for traditional roles such as external reporting, tax, assurance and performance management*
- *Expanded role in standard setting, establishing frameworks and regulation related to the environment, data governance and fraud*
- *Increased need for CPAs in implementation and operationalizing standards and compliance*
- *Need for collaboration, multi-disciplinary and global view*
- *Enable collaboration, lead multidisciplinary teams, build trust*
- *More moderate pace of tech adoption means profession has more opportunity to keep abreast, become experts/resources for clients re: data privacy, integrity, data security*
- *Opportunity to take advantage of tech efficiencies rather than re-tooling*
- *Enabling skills: communication, flexibility, negotiation, trust and integrity, international mindset, skepticism*
- *Technical skills: reporting, performance management, data, security, environment, auditing, analytics, governance, policy, strategy and risk management*
- *Opportunities in data privacy, data integrity and creating standards around data governance*
- *Reducing client fear and providing frameworks that provide a way forward in light of many of the Drivers of Change; helping companies figure out what to do, when and how*

WHAT METRICS MIGHT INDICATE WE ARE MOVING IN THIS DIRECTION?

- *Lower productivity*
- *Fewer startups*
- *Political continuity — elected officials have longer tenures*
- *Employment predictability — low turnover*
- *R&D spending relatively low, especially corporate*
- *Spending on retraining relatively high*
- *20–25-year-olds looking for opportunities/ fulfillment outside of formal careers*
- *Higher retirement age*
- *Multilateral agreement talks*



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END

SCENARIO 2

PHOENIX RISING

(high social capital/embrace transformational change)

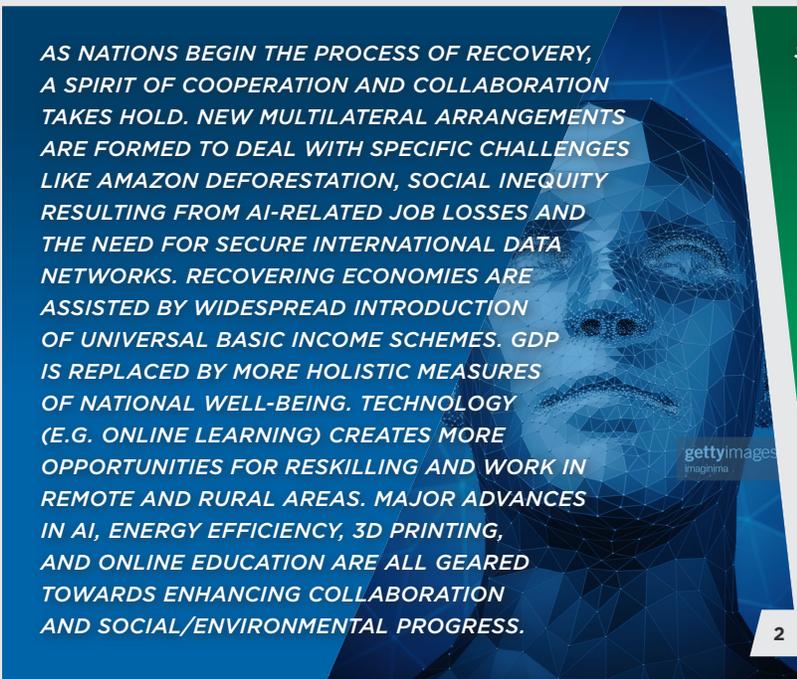
This is a world where a series of major crises force societies to reset priorities, collaborate, and embrace transformative technological & organizational change.

IN THIS FUTURE, A SERIES OF MAJOR SHOCKS (INCLUDING CLIMATE DISASTERS, PANDEMICS, AND FINANCIAL DISRUPTIONS) SWEEP THE WORLD IN THE EARLY 2020S; THESE CALAMITIES LEAVE NO ONE UNTOUCHED — INCLUDING THE WEALTHIEST OF THE GLOBAL ONE PER CENT. IN RESPONSE TO THESE CRISES, POLITICAL LEADERS, PROMINENT BUSINESS FIGURES, AND POPULAR MOVEMENTS UNITE AROUND A SHARED COMMITMENT TO CIVIL SOCIETY AND A NEW ETHOS: PROFIT AND PROSPERITY ARE IMPORTANT, BUT NOT AT THE COST OF THE WELLBEING OF GENERATIONS TO COME. IF WE AS A SPECIES ARE TO SURVIVE, WE MUST ADDRESS BOTH CLIMATE CHANGE AND ECONOMIC INEQUALITY, AND WE MUST WORK TOGETHER TO DO SO.



1

AS NATIONS BEGIN THE PROCESS OF RECOVERY, A SPIRIT OF COOPERATION AND COLLABORATION TAKES HOLD. NEW MULTILATERAL ARRANGEMENTS ARE FORMED TO DEAL WITH SPECIFIC CHALLENGES LIKE AMAZON DEFORESTATION, SOCIAL INEQUITY RESULTING FROM AI-RELATED JOB LOSSES AND THE NEED FOR SECURE INTERNATIONAL DATA NETWORKS. RECOVERING ECONOMIES ARE ASSISTED BY WIDESPREAD INTRODUCTION OF UNIVERSAL BASIC INCOME SCHEMES. GDP IS REPLACED BY MORE HOLISTIC MEASURES OF NATIONAL WELL-BEING. TECHNOLOGY (E.G. ONLINE LEARNING) CREATES MORE OPPORTUNITIES FOR RESKILLING AND WORK IN REMOTE AND RURAL AREAS. MAJOR ADVANCES IN AI, ENERGY EFFICIENCY, 3D PRINTING, AND ONLINE EDUCATION ARE ALL GEARED TOWARDS ENHANCING COLLABORATION AND SOCIAL/ENVIRONMENTAL PROGRESS.



2

SUSTAINABLE DEVELOPMENT GOALS AND PRINCIPLES BECOME CENTRAL TO ALL DECISIONS MADE BY GOVERNMENTS, ORGANIZATIONS AND CONSUMERS. DATA NETWORKS PROVIDE CONSTANTLY ACCESSIBLE REAL-TIME INFORMATION ABOUT THE STATE OF SOCIETY AND THE PLANET TO HELP DRIVE RESPONSIBLE BEHAVIOR. INVESTMENTS IN HIGH TECH GREEN INFRASTRUCTURE HELP REDUCE THE WORLD'S CARBON FOOTPRINT.



3



LIGHT-TOUCH PRINCIPLE-BASED REGULATION ENCOURAGES INNOVATION FOR THE COMMON GOOD. HOWEVER, SOME BAD ACTORS (COUNTRIES, GROUPS AND INDIVIDUALS) ABUSE OPEN NETWORKS TO GAIN PROFIT AND POLITICAL ADVANTAGE.

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4

MANY PEOPLE ARE WILLING TO WELCOME NEW THINKING AND ADOPT NEW BEHAVIORS IN THE NAME OF PROGRESS TOWARDS COMMON GOALS. AT THE SAME TIME, THE INTENSIVE AND INTRUSIVE SURVEILLANCE OF DATA AND BEHAVIOUR RAISES MANY CONCERNS. SOME STILL MISS THE MORE FRAGMENTED, INDIVIDUALISTIC PAST WHERE PEOPLE WERE ENCOURAGED TO PURSUE PERSONAL WEALTH AND SUCCESS.

5

IMPLICATIONS FOR ACCOUNTING:

- *Major opportunities to apply our knowledge in new performance indicators that go beyond numbers (into social and environmental realms)*
- *User needs have an international focus*
- *Requires adaptability, willingness to let go of traditional skills and approaches*
- *Fundamental change in corporate governance and oversight (would companies or independent body appoint and pay for auditors?)*
- *In public interest world, need to consider new forms of assurance and how professional accountants can add value from a trust perspective*
- *Seen as an identifier, aggregator and validator of information to support decision making in a data-rich environment*
- *Importance of ethics and the human element in driving organizational strategy*
- *Expanded definition of stakeholders and fiduciary duty*

WHAT METRICS MIGHT INDICATE WE ARE MOVING IN THIS DIRECTION?

- *Anti-Populist movement*
- *Authoritarian regimes (Saudi, Russia) getting cold shoulder from international business and political leaders*
- *Increased enrolment in online courses/MOOCs*
- *Renewable energy commitments from tech giants and big business*
- *Increased philanthropy on part of one per cent*
- *Increased commitment to SDGs; investment in and revenue from SDG commitments increases*
- *Climate events impacting wide segments of population worldwide, including both rich and poor*
- *Reversal of current trends that tend to pull against scenario (Brexit, climate disasters, regionalism, bilateral as opposed to multilateral trade, weakening global institutions authoritarianism)*
- *Multilateral agreements*
- *Stronger global institutions*



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END

SCENARIO 3

TECH TITANS

(low social capital/embrace transformational change)

This is a world where a handful of global tech companies dominate the economic and political landscape, resulting in a dynamic, deregulated and insecure society.

IN THIS FUTURE, THE GLOBAL SITUATION IS INCREASINGLY FRAGMENTED: TRADE WARS ARE ESCALATING, PROTECTIONISM IS ON THE RISE, AND MIGRATION IS BEING CURTAILED WORLDWIDE. THERE ARE HIGH LEVELS OF POLITICAL MISTRUST, AS CHINA, THE U.S. AND EUROPE EACH CHART THEIR OWN COURSE.



1

BUT WHILE GOVERNMENTS TURN INWARD, TECHNOLOGICAL CHANGE CONTINUES TO TRANSFORM SOCIETY. ADVANCES IN ARTIFICIAL INTELLIGENCE, WEARABLE AND IMPLANTABLE TECHNOLOGY, 3-D PRINTING, AND AUTONOMOUS VEHICLES CREATE A "WILD WEST" ATMOSPHERE OF INNOVATION. DUE TO A LACK OF GLOBAL COHESION, PLATFORM TECH GIANTS (THE "TECH TITANS") ACT AS INNOVATION INCUBATORS AND FUNDERS, AND MINIMAL REGULATION ENSURES THAT THESE LARGE PLAYERS RETAIN THEIR ADVANTAGES.



2

AUTOMATION, AI, AND THE "GIG ECONOMY" HAVE TRANSFORMED THE WORLD OF WORK; BY 2030, OVER 80 PER CENT OF CANADIANS ARE CONTRACT WORKERS, FREELANCERS, OR CONSULTANTS, CHANGING JOBS AND EVEN CAREERS BASED ON THE DEMANDS OF THE MARKET. GOVERNMENTS ARE TURNING INCREASINGLY TO PRIVATE COMPANIES TO PROVIDE SERVICES LIKE REVENUE ENFORCEMENT, URBAN PLANNING, AND HEALTH RECORDS, GIVING THESE COMPANIES INCREASING INFLUENCE IN THE POLITICAL SPHERE DUE TO THEIR ABILITY TO ACCESS VAST AMOUNTS OF DATA.



3

THE ECONOMY IS DYNAMIC AND VOLATILE, WITH DEMAND AND INNOVATION DRIVEN BY THE MOST AFFLUENT 20 PER CENT OF THE POPULATION. AT THE SAME TIME, INEQUALITY AND INSECURITY ARE HIGH: WORKERS WITH IN-DEMAND SKILLS ARE CHASED AFTER BY TECH GIANTS, WHILE LESS-SKILLED WORKERS SEE WAGES STAGNATE OR FIND THEMSELVES DISPLACED BY AUTOMATION. SINCE JOB REQUIREMENTS ARE CONSTANTLY IN FLUX, TRADITIONAL DESIGNATIONS AND MULTI-YEAR CERTIFICATION PROGRAMS ARE BECOMING LESS RELEVANT; WHAT REALLY MATTERS IS FLEXIBILITY AND THE ABILITY TO ADAPT QUICKLY TO NEW TECHNOLOGIES AND NEW ENVIRONMENTS. SUCH FAST-MOVING, COMPETITIVE, DISRUPTIVE ECONOMIC CONDITIONS HAVE SPARKED SOCIAL UNREST — AND WHILE TECH ALLOWS VIRTUAL COMMUNITIES TO BRING PEOPLE TOGETHER, IT ALSO ACCELERATES DIVISIONS.

NO

THERE HAS BEEN CONSIDERABLE EXPERIMENTATION AND INNOVATION IN CLIMATE-RELATED TECH, AND CANADA'S TRANSPORTATION AND POWER GRIDS ARE NOW OVERWHELMINGLY DISTRIBUTED AND RENEWABLE. THE NATION'S CARBON EMISSIONS ARE MOVING DOWNWARD, BUT GLOBALLY OVERALL WARMING IS LIKELY TO BE IN THE NEIGHBOURHOOD OF 2.5 DEGREES. TECH COMPANIES ARE ENGAGING IN AMBITIOUS "MOONSHOTS" (E.G. GEO-ENGINEERING) TO ADDRESS THESE RISING CLIMATE CONCERNS.

IMPLICATIONS FOR ACCOUNTING:

- Accountants will need to respond to what Tech Titans perceive as important
- The power of a few large, very complex organizations (coupled with weaker regulatory systems) could lead to more fraud and corruption
- Greater diversity of users, comprising a handful of powerful tech titans and millions of smaller startups and freelance individuals
- Deregulated business environments create a different challenge for accountants — until now, most work has been in response to regulations
- An era of data explosion will require higher levels of analytical thinking and digital communication
- Standard — and some advanced — data functions and processes will be routinized through AI and other software
- Traditional accounting roles will face serious competition from software, AI, distributed ledgers and machine learning
- Blurring of roles between data scientists, computer scientists, engineers — where does this leave accountants?

WHAT METRICS MIGHT INDICATE WE ARE MOVING IN THIS DIRECTION?

- Participation in gig economy increasing
- Tech titans/private entities provide govt services
- Use of biotech and implantable technologies
- Tech players migrating into politics
- Online degrees
- Private providers of education
- New crypto currencies
- Closure of traditional manufacturers (GM)
- Movement away from traditional manufacturing centres
- Increase in web-based crowd funding
- Increase in robotics and AI
- Private projects mitigating climate change
- Insurers refuse to underwrite disaster risks related to climate change
- Self-service medicine
- Average lifecycle of publicly traded companies declining
- Increase in trade wars
- Increased hate crimes/distrust of foreigners
- Increase in sophisticated tech crimes

SCENARIO 4

MY WAY

(low social capital/resistance to transformational change)

This is a world where social cohesion and trust are in short supply, so people and communities turn inwards — and stay close to home — to protect their own interests.



IN THIS FUTURE, THE INTERNATIONAL LANDSCAPE IS FRAGMENTED, AND UNSTABLE, AS MULTILATERAL GOVERNANCE AND STANDARDS HAVE FALLEN AWAY. WORLD POWERS ARE HIGHLY POLARIZED BY ONGOING EVENTS LIKE THE BREAKDOWN OF LONGSTANDING ECONOMIC PARTNERSHIPS SUCH AS BREXIT, CRISES IN GLOBAL FINANCIAL INSTITUTIONS, AND SURGES OF MIGRANTS ESCAPING DANGEROUS OR CORRUPT HOME COUNTRIES. DATA BREACHES AND CORRUPTION HAVE CREATED A PERVERSIVE ATMOSPHERE OF MISTRUST, IN WHICH GLOBAL TECH LOSES OUT TO LOCAL PLAYERS. THERE ARE FEW INTERNATIONAL STANDARDS; WHAT REGULATION THERE IS, IS LOCAL. CLIMATE AGREEMENTS HAVE COLLAPSED AS COUNTRIES ARGUE OVER FUNDING.

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1



NATIONAL GOVERNMENTS ARE EMBRACING POPULISM, AND UNEQUAL ACCESS TO RESOURCES HAS LED TO CONFLICTS BETWEEN COUNTRIES, REGIONS AND CITIES ACROSS THE GLOBE. STATES WITH ABUNDANT RESOURCES LEVERAGE THEM, WHILE OTHERS STRUGGLE WITH SCARCITY, CORRUPTION AND CRIME. AS CLIMATE-RELATED DISASTERS CONTINUE TO MOUNT, NATIONS AND LOCAL COMMUNITIES HAVE BECOME EXPERT AT EMERGENCY RESPONSE, BUT THERE IS NO APPETITE FOR THE INTERNATIONAL COORDINATION NEEDED TO SYSTEMATICALLY ADDRESS THESE CRISES.

2

AS A RESULT, INTERNATIONAL TRADE AND INVESTMENT GROW SLOWLY, AND PRODUCTIVITY IS DOWN. AS ECONOMIC SECURITY BECOMES MORE ELUSIVE, CANADIANS ARE STAYING IN THE WORKFORCE LONGER; YOUTH UNEMPLOYMENT AND INEQUALITY ARE AT RECORD LEVELS. MANY YOUNG PEOPLE ARE OPTING NOT TO INVEST IN DEGREES AND DESIGNATIONS AND ARE INSTEAD LOOKING TO CRAFTS AND TRADES. IN RESPONSE, UNIVERSITIES ARE RETOOLING THEIR OFFERINGS TO INCLUDE CURRICULUM FOCUSED ON APPLICATION WHICH INCREASINGLY USES APPRENTICESHIP MODELS AND EMBEDS REAL WORLD EXPERIENCE.

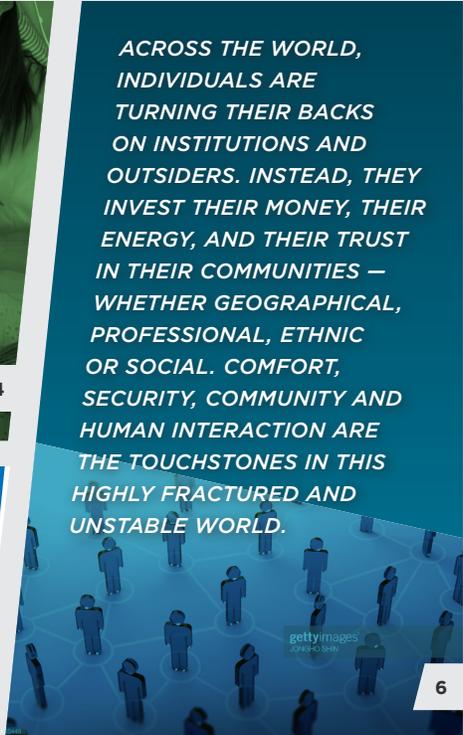
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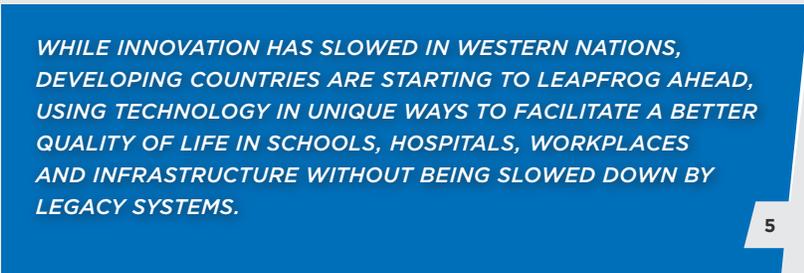
THE BRIGHTEST SPOTS IN THE ECONOMIC LANDSCAPE ARE IN LOCAL COMMUNITIES. BROADER SUPPLY CHAINS CONTINUE TO EXIST, BUT COMMUNITIES PREFER TO EXCHANGE GOODS AND SERVICES WITH THEIR CLOSER NEIGHBOURS. SECTORS THAT SERVE LOCAL NEEDS ARE THRIVING: AGRICULTURE, LIGHT MANUFACTURING, CONSTRUCTION AND DOMESTIC TOURISM.

4



ACROSS THE WORLD, INDIVIDUALS ARE TURNING THEIR BACKS ON INSTITUTIONS AND OUTSIDERS. INSTEAD, THEY INVEST THEIR MONEY, THEIR ENERGY, AND THEIR TRUST IN THEIR COMMUNITIES — WHETHER GEOGRAPHICAL, PROFESSIONAL, ETHNIC OR SOCIAL. COMFORT, SECURITY, COMMUNITY AND HUMAN INTERACTION ARE THE TOUCHSTONES IN THIS HIGHLY FRACTURED AND UNSTABLE WORLD.

6



WHILE INNOVATION HAS SLOWED IN WESTERN NATIONS, DEVELOPING COUNTRIES ARE STARTING TO LEAPFROG AHEAD, USING TECHNOLOGY IN UNIQUE WAYS TO FACILITATE A BETTER QUALITY OF LIFE IN SCHOOLS, HOSPITALS, WORKPLACES AND INFRASTRUCTURE WITHOUT BEING SLOWED DOWN BY LEGACY SYSTEMS.

5

IMPLICATIONS FOR ACCOUNTING:

- The shape of corporations' change — big corporates still exist but mimic attributes of smaller businesses
- Fewer public companies, which could mean less need for CPAs
- Large banks and telcos face competition from smaller players
- Economy is more distributed, facilitating the development of more personalized services
- Tax dollars are collected and managed locally
- Trust is a rare and valuable commodity — are CPAs trusted, or seen as supports of a large institution?
- Business relationships are not commodity-based, instead focused on quality of overall relationship
- Governance falls away — accounting standards are defined by customer and community
- Could lead to less robust standards — but also to new opportunities
- Analytics and data focus on providing customized information, not formal reports — combination of internal/external reporting
- Role for a generalist 'quarterback'
- Competition for CPAs from IT, fintech, engineers

WHAT METRICS MIGHT INDICATE WE ARE MOVING IN THIS DIRECTION?

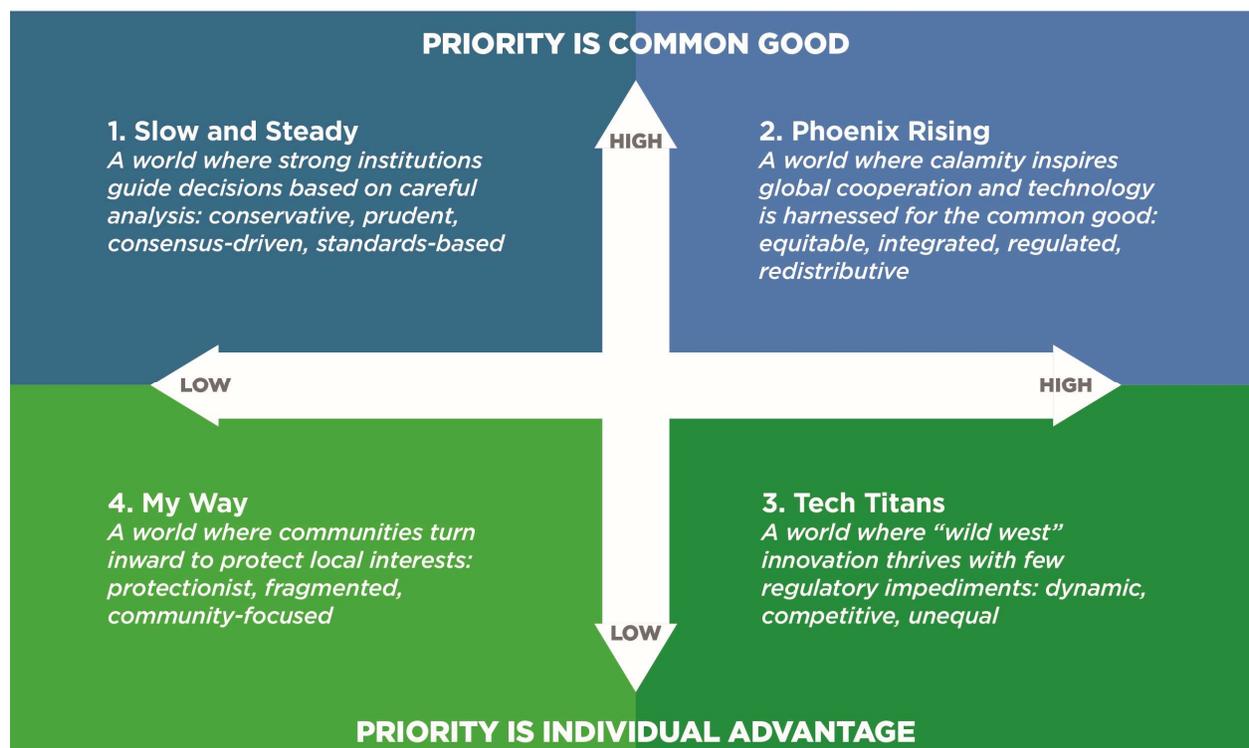
- How much of food supply is grown locally?
- Pipeline issues between provinces (B.C. vs Alberta)
- Plants closing (e.g. GM)
- Rising cost of urban living
- Tensions at G20
- Conflict: challenges over Brexit, EU, Irish border, NATO; resources; climate disruptions
- Extremism in elections
- Decline in public capital markets in favour of private equity and crowdsourcing
- Trade stays stagnant or declines
- Less standardization of data governance
- Global or national growth/GDP declines
- Degree of trust declines (Edelman trust barometer)
- Data breaches in retail and social media
- How much power is generated off-grid
- Enrolment in traditional university degrees vs. apprenticeship models
- Levels of immigration, both legal and illegal
- Limits on migration; people stranded by closed borders
- Levels of inequality/social disparity

END

Workstreams

Each of the above scenarios represented a different set of considerations for the future of accounting, and each one suggested a set of responses CPAs could take today to prepare for the future. These are represented in Figure 3 below.

Figure 3: How CPAs might prepare for each future today



At the December Confirmation and Action Planning workshop, participants mapped the common ground across the four quadrants, consolidating their observations into eight potential workstreams that would help prepare the profession for a range of possible futures.

1. Key skills/“Core & More”

- **Goal:** Identifying – and as necessary redefining – the core skills of a CPA. The workstream aims 1) to make CPA more relevant to users, employers and society; 2) to make CPA more attractive to new candidates; and 3) to make the profession more rounded and multi-disciplinary through lifelong learning.

While tech will drive the future, it requires educated and broad-based human capital to create intellectual capital. This requires both global movement of people and lifelong education. Both are foundational principles. —Digital roundtable participant

2. Learning and professional development

- **Goal:** To develop the future learning/professional development model that will guide the education of CPAs. Key steps include identifying and expanding points of entry into the profession; determining the need for multiple levels of proficiency and/or specializations; incorporating soft skills and creativity as well as technology like AI into learning; and exploring wider use of mentorships, internships and other forms of practical learning.

3. Sandbox

- **Goal:** Create a hub for experimentation and innovation built on sharing, open access and open source principles. The aim is to inspire, unite and support our members through innovation that helps to create a more nimble and adaptable profession.

4. Value creation

- **Goal:** Explore how societies, individuals, organizations and companies create, measure and report value – and understand the CPA's role in and connection to value creation. Key tasks include: identifying the tangible and intangible drivers of value and how to measure them; understanding what information users need and how that will evolve as real-time decision-making and a holistic view of value take hold more widely; and understanding how to build critical mass and momentum around a new way of thinking about value.

I think this era offers an opportunity to rebuild the profession around the broader base of value creation and multiple capital consumption – i.e. the total business model, versus our historic focus on financial accountability and compliance. —Digital roundtable participant

5. Partnerships

- **Goal:** Foster partnerships that allow CPAs to succeed in the marketplace. Key tasks include assessing existing affiliations as well as exploring new ones, while avoiding duplication, making efficient use of resources, managing costs around needed innovation, shifting to a collaborative (rather than a competitive) mindset, aligning roles with appropriate skills, and ensuring that CPAs have a voice.

6. Governance structure

- **Goals:** 1) to enhance the way the CPA Profession works together; 2) to make the decision-making process more nimble; 3) to build greater efficiency and agility in what we deliver to members; and 4) to create the capacity to drive more value to members.

7. Data governance

- **Goal:** Leverage our core attributes of trust and our existing public interest responsibility so that CPAs can provide both the rules for data governance and the assurance that they are being followed. The aim is to make data governance part of Canadian and international accounting standards.

8. Stakeholder engagement

- This is the communication and change management initiative that harnesses the inputs from all the other workstreams. The goal is to develop strategy and action plans that will inform members and markets of the urgency to drive change in the profession.

As a young member of this profession, I'm incredibly encouraged by everyone that I've been able to interact with through this process. I've just been blown away by the diversity of viewpoints, the different perspectives. But I think the number one thing I'm really blown away by is how much progress we've made as a group in challenging our own assumptions, our biases, our viewpoints and just the broadening of perspectives. —Roundtable participant.

Creating a strategic direction

Overall, the Foresight project made an urgent case for change in the accounting profession. Participants came to recognize that many of the profession's current systems were designed to meet the needs of the industrial age. As exponential shifts in technology, globalization, business models, geopolitics, and societal values and norms are reshaping the world, the profession must embrace transformational change now or risk falling behind, losing relevance amongst users, constituencies and future talent, and being replaced by competitors.

Participants in the roundtables were energized and eager to attack these challenges and help the profession move away from its traditionally reactive stance to a "permanently proactive" mode. They called for the profession to pivot to completely new ways of doing things, including measuring value beyond financial statements to capture societal expectations; harnessing the power of vast quantities of data to make decisions; establishing new models of governance and standards; and continuously equipping accountants with both core and soft skills.

A Strategic Direction workshop held in January 2019 represented the first step in turning these sweeping ambitions into actionable plans, providing the bridge between Phase One and Phase Two of the Foresight project. At this session, a smaller working group of roundtable participants tied together the learnings from both the digital and in-person roundtables to forge a new strategic direction for the profession over the next 10 years. There was not enough time in this workshop to deal with all the workstreams in detail, so partnerships and the sandbox were integrated into the discussion of governance and innovation and agility. Also, it was acknowledged that stakeholder engagement work would need to be undertaken by communications experts.

The overarching framework they developed, outlined below, will guide the workstreams and serve as an overarching direction for the profession:

Goals and aspirations

The accounting profession has always aspired to create value by assuring information, providing insight on performance, and advising with integrity. These three elements will remain central to the profession, but they take on new meaning in the information age:

- **Providing insight on performance:** Traditionally such insight has been mostly based on historical information, but as real-time information becomes more ubiquitous, value will come from providing real-time insight, and even foresight.
- **Assuring information:** Financial information is only one of the many types of information that will be important in future decision-making. To provide the value of assurance in the future, accountants must deal with a much broader range of information sources.
- **Advising with integrity:** This means providing advice not just to finance professionals, but to a broader range of decision makers within organizations.

Overall, participants felt a goal for the accounting profession should be to ***ensure that its evolving work is applied more broadly and appreciated by a broader section of society.***

Strategic direction

To achieve this goal, the profession will need to change “where we play” and “how we play.”

When it comes to where we play, there are three primary areas where the profession can step forward:

- **Develop a new model of value creation:** Accountants have always measured and evaluated assets that contribute to value. However, in the digital age these assets are more likely to be intangible (brands, relationships or data) and/or non-financial (social or environmental value). Under current models, such assets are hard to measure. But given these assets’ increasing importance to our economy and society, accountants have an opportunity – and possibly the duty – to build models and frameworks capable of recognizing and measuring them. This is not a straightforward task, but it is essential if accountants are to retain and enhance their relevance to business and societal leaders.

In addition to measuring value created, accountants must provide periodic insights into an organization’s performance towards its goals. New and emerging technology combined with digitization of transactions will enable real-time reporting, decision making and support sophisticated modelling of likely future events. Consequently, new approaches to performance evaluation are necessary.

- **Partner on data governance and become the stewards of data integrity:** Data has always been central to successful economies, allowing companies to operate and review their performance in effective ways. In the digital age, data is more widespread and has become more valuable in and of itself. But at a time when data is so integral to business success and societal progress, there are few standards and frameworks to govern data integrity, security and application. Given its legacy in assurance and standard setting, the accounting profession is well placed to address key governance issues such as data location, format and extraction; IP strategy; and privacy. In a world of “fake news,” there is no more valuable work than to ensure that decision-makers can trust data.

When it comes to how we play, there are four critically important ways in which the profession must operate and behave, in order to effectively partner with its key stakeholders and maintain relevance:

- **Build relevant skills and capabilities.** In addition to new strategy, business modelling, partnering, communications, and valuation of intangibles skills, accountants must become digitally savvy. Digitization of transactions means that accountants will have to be much more familiar with data security, data analytics, structured and unstructured algorithms and real-time reporting. Accountants, like all professionals, need to be agile, willing and able to learn new skills that are suitable for the fast-changing times. In the coming years, many routine accounting roles and functions will be replaced by software and automation, but the human elements of advice, service and communication will become even more important. This means that accountants will need to work in concert with technology. This poses important questions for the profession. Firstly, what will accountants need to learn? What core skills will remain essential to the identity of an accountant, and what new capabilities must they offer to decision makers? Secondly, how will accountants conduct their learning? This may require rethinking the timing and structure of professional development.

- **Create an effective and flexible profession (governance structure):** In this rapidly evolving environment, traditional models of governance are strained, sometimes leading to damaging delays and constraints. If the profession is to become relevant to business and society beyond finance professionals, it is vital that it develop more effective and efficient ways of operating, while also allowing for experimentation. For example, the profession must explore how best to partner with non-members, other associated professions and international bodies. It might also establish an innovation hub (sandbox) to experiment with new technologies and methodologies, to ensure their success before rolling them out to the members.
- **Integrity, ethics and stewardship:** Successful economies and societies rely on trust, but mistrust of institutions and professions is at extraordinary levels. This is a problem for accountants, and accountants must work to remedy it. Accountants' primary work product is trust, and they must ensure that integrity and ethical behavior continue to be fundamental to the profession. It is vital to keep ethics at the forefront of the CPA program, recognizing the difficulty of translating codes and standards through to actual behavior.
- **Agility and Innovation:** CPAs today need to be sufficiently agile to respond rapidly to changes in the internal and external environment without losing momentum or vision. Continuous, on-going innovation is critical to maintaining long-term business agility. Accountants must be at the forefront of driving organization agility and innovation. Mirroring this, the accounting profession must also react quickly and innovatively to changes in the business environment ensuring the profession continues to be relevant, responsive, and to protect the interests of our members and the public.

Priorities and next steps

Next, participants worked to consolidate the potential workstreams identified at the Action Planning workshop and set priorities and a sequence for implementation to unfold over the next few years. Their recommendations include:

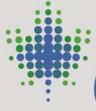
- **Value Creation** and **Data Governance** were identified as the two most critical priorities, and participants urged that they be acted on immediately as no current models exist. Given the ongoing transformative shifts in user needs, business models and societal expectations, combined with the "Wild West" of data, participants felt that these two workstreams offered the most fertile opportunities for the profession to demonstrate its worth and differentiate itself from potential competitors – both known and unanticipated.
- Another high priority was **Effective Governance**. The group saw this workstream as comprising two separate elements. The first is to establish a governance model for the next phase of the project to ensure that the stakeholders charged with overseeing the project have the direction and authority they need to govern the workstreams in meeting their intended objectives. The second is to arrive at an enhanced governance model for the overall profession – one that would provide oversight on its activities and help in implementing the new models and approaches generated by the various workstreams.
- The next priority was **Agility and Innovation**. Participants noted that the profession must foster an experimental culture and continuous learning mindset in order to become nimble in adapting to change. They called for the creation of an Innovation Hub that would operate in parallel with the other workstreams, envisioning this as a place for experimentation and pilot testing of workstream activity. Insights coming from this hub would enable the workstream participants to continuously refine and evolve their work.

- The **Skills and Competencies** workstream would draw on the work being done in other workstreams to identify new learning and attributes members of the profession will need in the future. It would start by identifying skills and competencies needed for existing CPA Canada projects, and later expand to reflect insights emerging from the output of other workstreams. These competencies will need to be updated on far more often than the current schedule of every two years to reflect the changing needs of users, the profession and society. A key competency that will be foundational to the profession's efforts is the ability to effectively partner with its stakeholders and organizations outside the profession to accomplish all workstreams.
- In addition, participants identified the need for a workstream addressing **Trust, Integrity and Ethics**, as these values underpin the profession and should be incorporated into all workstreams.

Phase Two of the Foresight project will work to engage multiple stakeholders in implementing these workstreams.

The challenges facing the accounting profession – like those facing the wider world – are unprecedented and even existential. Yet as we stand at the crossroads, the Foresight process has shown that the profession is potentially well positioned to adapt to the changing needs of the future. If it can marshal the imagination to tackle the recommended areas above and the commitment to maintain the momentum generated through the roundtable process, the profession stands to not only thrive but to make a significantly greater contribution to society and the public good. With bold action and visionary leadership, accountants can become the indispensable advisors and stewards of the new digital economy.

When we started this whole process, I'm going, "Please dear God, just get me to retirement so I don't need to learn blockchain!" I gravitated to the slow and steady [scenario] — which was good, great — and it's not gonna happen. Now I'm in the "bring it on!" category. —Roundtable participant



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Foresight

REIMAGINING THE PROFESSION.

APPENDIX
TWO

REIMAGINING THE ACCOUNTING PROFESSION
DIGITAL ENGAGEMENT REPORT

APRIL 2019

**This is an independent report commissioned by
CPA Canada and prepared by Catalytic Governance.**

**Catalytic Governance is an inclusive process that encourages constructive dialogue,
creates shared mental maps and most importantly – drives communities of practice to action.
CPA Canada Foresight uses the Catalytic Governance framework – for both in-person
roundtables and online community participation – to engage the Canadian CPA community
to reimagine the future of the profession.**



**CATALYTIC
GOVERNANCE**

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Foresight Overview

What do we know... what are the critical certainties facing the profession...

- The accounting profession is at a crossroads as new technologies eliminate or replace many of its traditional functions. This presents both risks and opportunities.
- Shifting societal attitudes, evolving business models and blurring boundaries between industries is making historical data less relevant.
- Foresight, not hindsight, is imperative as transactions are processed and decisions made in real time.
- The proliferation of unverified non-GAAP information often produces the equivalent of “fake news,” which in turn creates trust issues.
- Sustainability of the planet, the economy and our society is at risk.

Why Foresight – Why now?

- Develop a holistic view of the changing nature of business and the role of the accounting profession (both in Canada and globally).
- Employ *strategic foresight* through a multi-stakeholder scenario planning exercise.
- Outcome is the development of a work plan which identifies the key projects the accountancy profession must undertake to become future ready.

Digital Engagement Overview

The digital engagement was designed to complement the in-person consultation, expanding the reach of the consultation to the broader community.

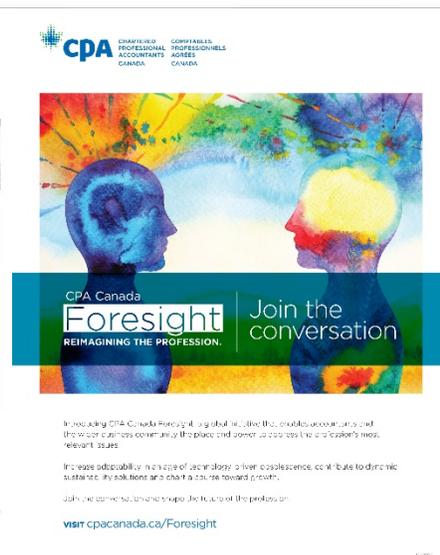
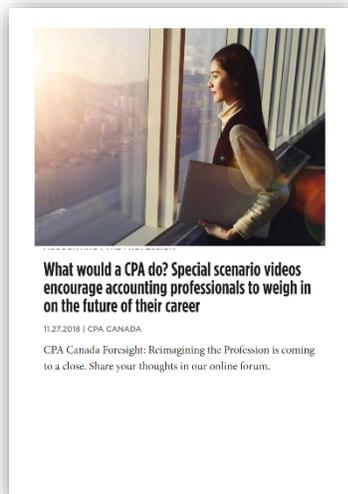
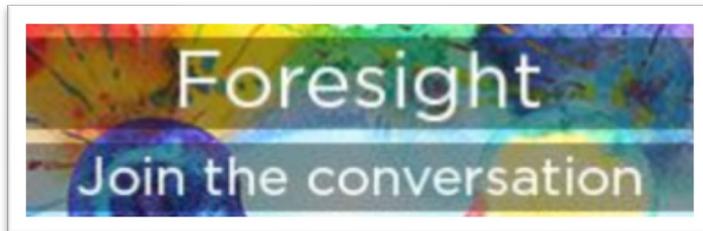
In order to be effective the digital engagement must respect three core principles:

Transparency	Participants must see how their input fits within the broader consultation
Timeliness	Reponses and additional content will be shared in a timely manner that enables the digital participants to engage effectively in the conversation
Inclusion	The process will support the inclusion of diverse voices

How did we engage participants?

Robust marketing campaign (July 2018 – ongoing)

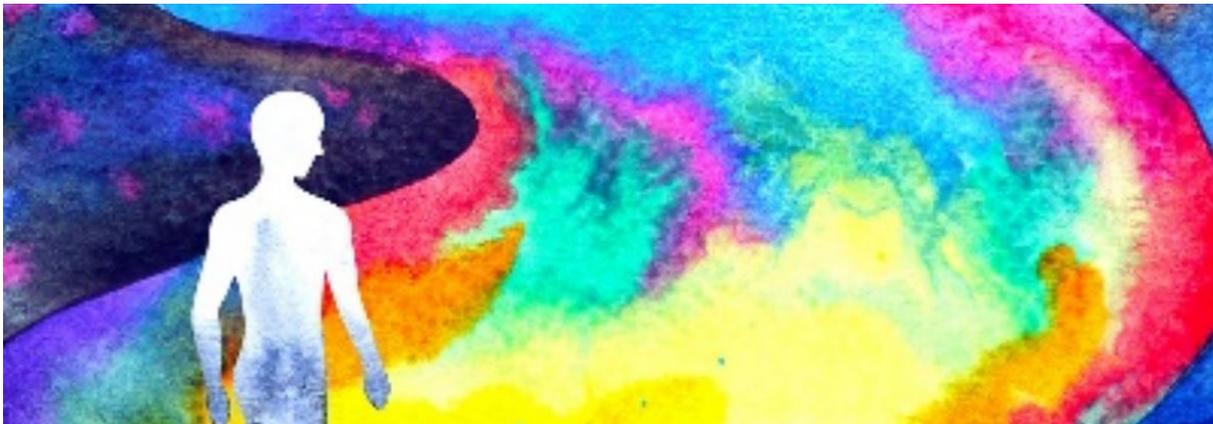
Used social media, Pivot and member news stories, conference sessions, and stakeholder outreach to drive members and other interested participants to the digital site.



Marketing Campaign Results

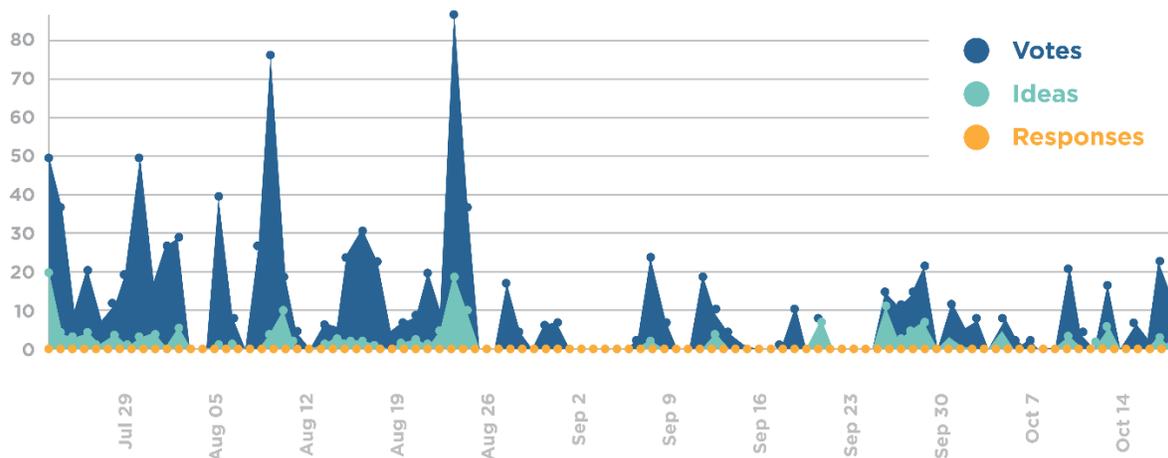
Topline Numbers

- **6.2M Impressions**
Number of interactions with the campaign across all platforms
Main Drivers: advertising and social
- **31,000+ Page Views**
Number of unique page views across Soapbox sign-in and CPA landing pages
Top traffic sources: social, web redirect, direct, email, Forbes Asia
- **1,200+ Sign-ups**
Number of participants that signed up for a Foresight account

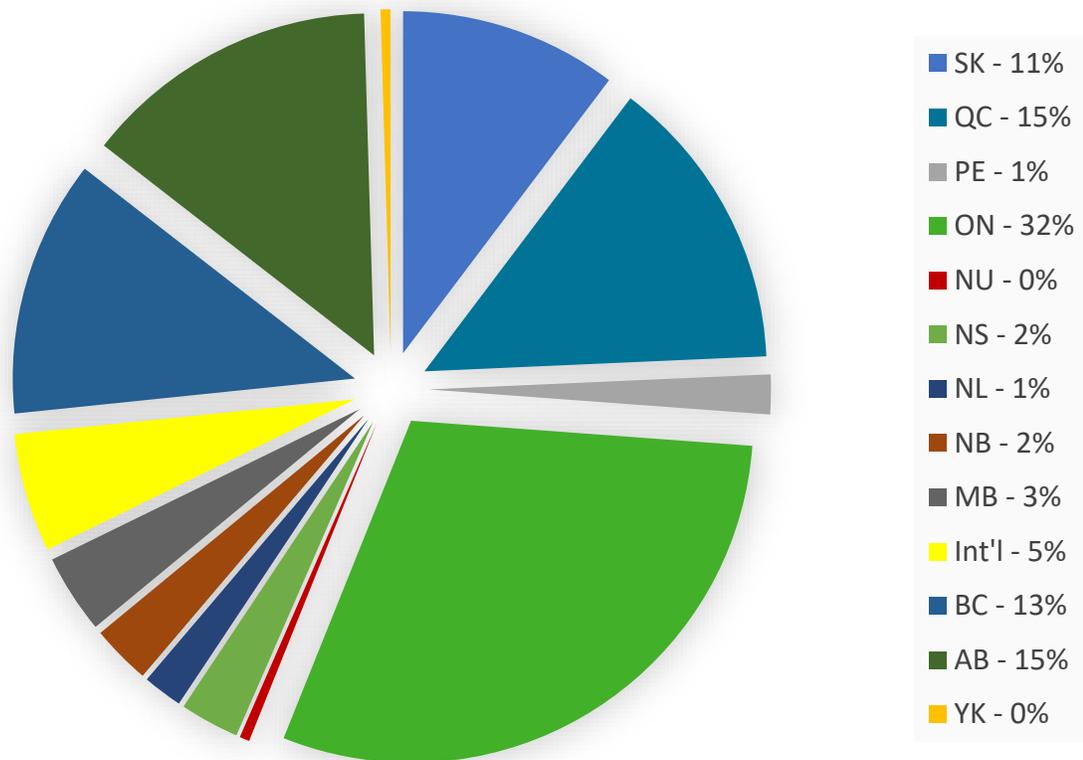


What we saw

- Over the six months that the CPA Canada Foresight Project has been running, more than 1,200 individuals have joined the platform to share their perspectives, insights and ideas around the future of the profession.
- Overall participation on the platform was constructive, engaged and thoughtful.
- We saw significant increases in activity after key influencers became engaged in the platform, for example after the Council of Chairs session in Winnipeg and The One conference in Halifax.
- Going forward, our recommendation would be to leverage these influencers to support the ongoing growth and engagement of the community.



The Community



- 1206 active users
- 1390 votes
- 294 ideas
- 371 comments

Key Insights

How did we engage participants?

In reviewing the comments across the 28 questions that were put to participants, there are five core themes that emerge as areas of interest.

As the dialogue progressed the conversations around these themes also evolved.

For example the conversation around technology started at a very granular level (with a focus on specific accounting activities) then evolved into a broader conversation around trends (AI, blockchain, etc.) and in the end the conversation moved more to an exploration of what skills and mindsets would be required for accountants to leverage the full potential of technology.

Further, none of the insights stands on its own, but rather they are each woven into the others – for example skills ran through the discussions of technology, transformation, impact etc.

- Need to transform the profession
- Embracing technology
- 9 Hub stories
- Sustainability
- Trust and leadership

Need to transform the profession

Given the focus of the project, transformation of the profession is not a surprising theme. What was interesting were the differing perspectives on how the profession could evolve and what the drivers of this change would be (technology, policy, globalization, increased localization, new entrants into the profession) and whether the transformation would be driven by the profession or imposed by external forces.

While no one suggested that the profession would not change, attitudes towards change ranged from those who see change as a threat and a negative to those who are excited by the potential for innovation and transformation.

The greatest fear appeared to be around the potential for technologies like AI to replace functions that have traditionally been the domain of accountants – this was particularly acute in the audit space.

There was also significant discussion around competition from other professionals – specifically MBAs. Some questioned how CPAs would be differentiated from MBAs.

Among those who were excited about a transformation, the ability to be viewed as a thought partner and trusted advisor was the strongest driver.

All of this led to comments throughout the platform that raised the question of defining the profession going forward – changing how both accountants and those outside of the profession view accountants.



Need to transform the profession – Supporting Quotes

“How does accounting stay relevant in the age of AI?”

“I think this era offers an opportunity to rebuild the profession around the broader base of value creation and multiple capital consumption – i.e. the total business model, versus our historic focus on financial accountability and compliance.”

“We will be irrelevant if we don't change. Program of study needs to be rigorous and well respected. I have noticed a decline in respect for the designation. We also need to have an understanding of the operations and various departments that make up a business or org, not just accounting and tax.”

“The biggest challenge is to define what we mean by “the profession.” We are fragmented, each seeing themselves as the whole, unwilling to recognize the importance of the other. Audit is often held out as the pinnacle of the profession but a number of challenges face this aspect of the profession.”

“If we don't change and become more relevant, the finance function will be subordinated under HR (have already seen this happening in some organizations) and MBAs will take over.”

*“To be a driver of change in our society. To promote and support, through concrete actions and aligned standards, the key and essential elements of a possible future. Accounting needs to evolve as an institution (and profession) towards the same reality: to embody this change.” **

“The profession needs to be ready for radical change. The profession needs to hammer out a new set of competencies that are required to be relevant in the new economy. We are headed for a wave of major disruption, and many accountants haven't even begun to prepare themselves. We need to catch up...”

** Statements were from the French submissions*

Embracing Technology

Throughout the conversation the impact of technology on the profession was at the fore.

As mentioned above, the attitudes towards this impact ranged from fear – the robots are coming and they are going to take our jobs – to enthusiasm – the robots are coming and now, because they are doing the things that are more operational, I am going to be able to focus on being a thought leader and trusted advisor.

Of emerging technologies AI and distributed ledger technologies were the two that were raised most often.

Many highlighted the need for accountants to not only develop the skills to leverage emerging technologies, but also to become experts in these technologies in order to be better advisors.



Embracing Technology – Supporting Quotes

“I see our irrelevancy coming about only if we don't stay current with innovations – IT and non-IT. The idea of AI has been around for decades and we're still not really close to true 'AI' (admittedly the term itself is a source of great contention). Hopefully forums like this will be the beginning of a movement to ensure we don't lose touch.”

“Routine reporting, auditing, tax return roles will largely be replaced by software. CPAs will be squeezed into smaller specialized niches where strategy and creativity are required. Rather than flourishing, CPA roles will be more competitive. Results analysis and review of output will expand.”

“We need to embrace technology wherever possible in order to free up our time to be better advisers. Our clients no longer need us for compliance and historical reporting they need us to help make them more successful.”

*“Technology should not become a weapon against humans, but serve and support our evolution, it should serve to foster collaboration, not to separate more. We cannot, as accountants, make technology a god and a savior of our society.”**

** Statements were from the French submissions*

Skills

Skills, training and curriculum were themes that wove through the dialogue.

In alignment with the conversation around technology, many flagged that for accountants to thrive in an exponential future they would need to develop new skills that would enable them to leverage the potential benefits of technology.

In addition to tech skills, there was also a call to focus on more soft skills – communications, leadership, mentoring.

The need to update curriculum – both at the university level and in continuing education – to reflect the evolving skills. Again, the call was made to ensure that there is a distinction between CPAs and MBAs.



Skills – Supporting Quotes

“While tech will drive the future it requires educated and broad-based human capital to create intellectual capital. This requires both global movement of people and lifelong education. Both are foundational principles.”

“As the profession faces accelerating innovation and disruption (e.g. AI and machine learning), we should work more closely with the education sector to ensure the right skills and competencies are being developed to support our profession.”

“IT must become part of our training. So much of what we do utilizes and relies on technology. Technology changes so quickly it will be even more important for us to understand those changes and their impact. As well as what they can do to make us more relevant.”

*“Although AI continues to disrupt some aspects of our work, we will always need advisors that can be trusted. The communication tools will never stop changing but the content of conversations will likely remain the same.” **

“Education inflation has rendered the CPA designation not sufficient to obtain many senior level jobs in both private and public sector organizations. Often an MBA or other master's degree is required. CFOs can no longer be 'back office accountants' – need to understand the operations of the organization to add value.”

** Statements were from the French submissions*

Sustainability

The topics of impact and sustainability – environmental, social, economic – were not prominent at first, yet as the conversation evolved they emerged as a point of significant discussion. Notably, these emerged first and strongest in the French conversation.

Perspectives were not consistent. Some participants advocated strongly for accountants to take a leadership role in changing what is measured and valued as it relates to sustainability, while others argued that accountants need to provide core business advice and that the environment does not fit into that.

Threads on this topic were some of the most active, with significant discussion around how to transform perceptions of what is core business data and if and where sustainability metrics fit.



Sustainability – Supporting Quotes

“There is beginning to emerge a realization that the current 'linear economy' needs to be supplanted by a 'circular economy' if the world is to support over 10 billion people while trying to achieve long-term environmental sustainability. Accounting needs to evolve to support the circular economy.”

“We must prioritize the business skills needed to support engineers, entrepreneurs, investors, salespeople who become business owners, and so on with the information they need. It is not our job to protect the environment.”

*“Could one protect one's loved ones while remaining open to bigger questions? Could one think of oneself while thinking of others? Could one look after one's interests while leaving space for the interests of others? Can we be unique while contributing to a larger whole? ...” **

“The CPA needs to rapidly train students and members on environmental, social and governance (ESG) reporting, climate change disclosure, and reporting against sustainability development goals (SDGs). Canada is behind in this area; the CPA could be influencing change with all sizes of organizations.”

“More heart, more consciousness, more importance to humans, more meaning, things you can not buy, invent or create, things that technology can not really offer and areas in which it will always be limited. These should be reflected in business and financial statements ... ”

** Statements were from the French submissions*

Trust and Leadership

In a platform with many divergent opinions, one thing came through clearly – accountants want to protect and grow their reputations as trusted professionals, particularly in an era where trust in leaders and information is decreasing.

Pride in the profession was consistent throughout the dialogue – with many calling for a greater focus on communicating to potential accountants their ability to drive positive change through the profession.

The overall message was that accountants need to be leaders and focus on taking actions that build the profession’s reputation as a source of trust, ethics, and sound advice across all areas of business – not just finance.



Trust and Leadership – Supporting Quotes

“Part of the answer must be the CPA brand – awareness, trust, value beyond debits and credits.”

“The CPA profession needs to ensure its relevance in an ever changing world. We need to ensure the profession is viewed as 'the' credible voice within all aspects of business and the 'go-to' resource as a trusted financial, strategic and general manager. This encompasses technology as it's pervasive.”

“That accounting is seen by young people as a profession that can make a positive difference to society and the human condition. That the best and brightest students will pursue accounting and earnestly desire to become CPAs, proud to be part of a trusted and rewarding profession.”

“Our biggest obstacle is our collective ability to continue adding value as a trusted business partner as the world of business continues to evolve. The question is not where we need to be in 10 years; it's how we add value in every year.”

“A trusted and ethical professional will be seen as someone who ensures that while the law is upheld, business decisions consider the societal and ethical impacts of their actions. Thus we will have to struggle with resolving, as an example our role in tax planning?”

*“An honest and trustworthy professional relies on factual and reliable data to support their analysis. They put knowledge and skills to the benefit of society without worrying about the underlying politics and their own personal interests.” **

** Statements were from the French submissions*

Next Steps

- Share back the output of the scenarios consultation and final report with digital community
- Based on the priorities emerging from the final report, identify communities of action to move workstreams forward
- Engage and consult with digital community, creating ownership and communities of action



Process and Detailed Findings

Digital Engagement Process and Timing



Framing Questions (July - Sept)

Draw digital users to
the conversation
Feed insight into roundtables
480 active users



Scenario Feedback (Nov - Dec)

Confirm scenarios and
engagement of wider
community of stakeholders,
including digital users
1022 active users



Refining Questions (Sept - Oct)

Refine questions for
the digital users
Identify topics to be
explored in depth
Feed insight into scenario
building roundtables
734 active users



Communities of Action (Jan onwards)

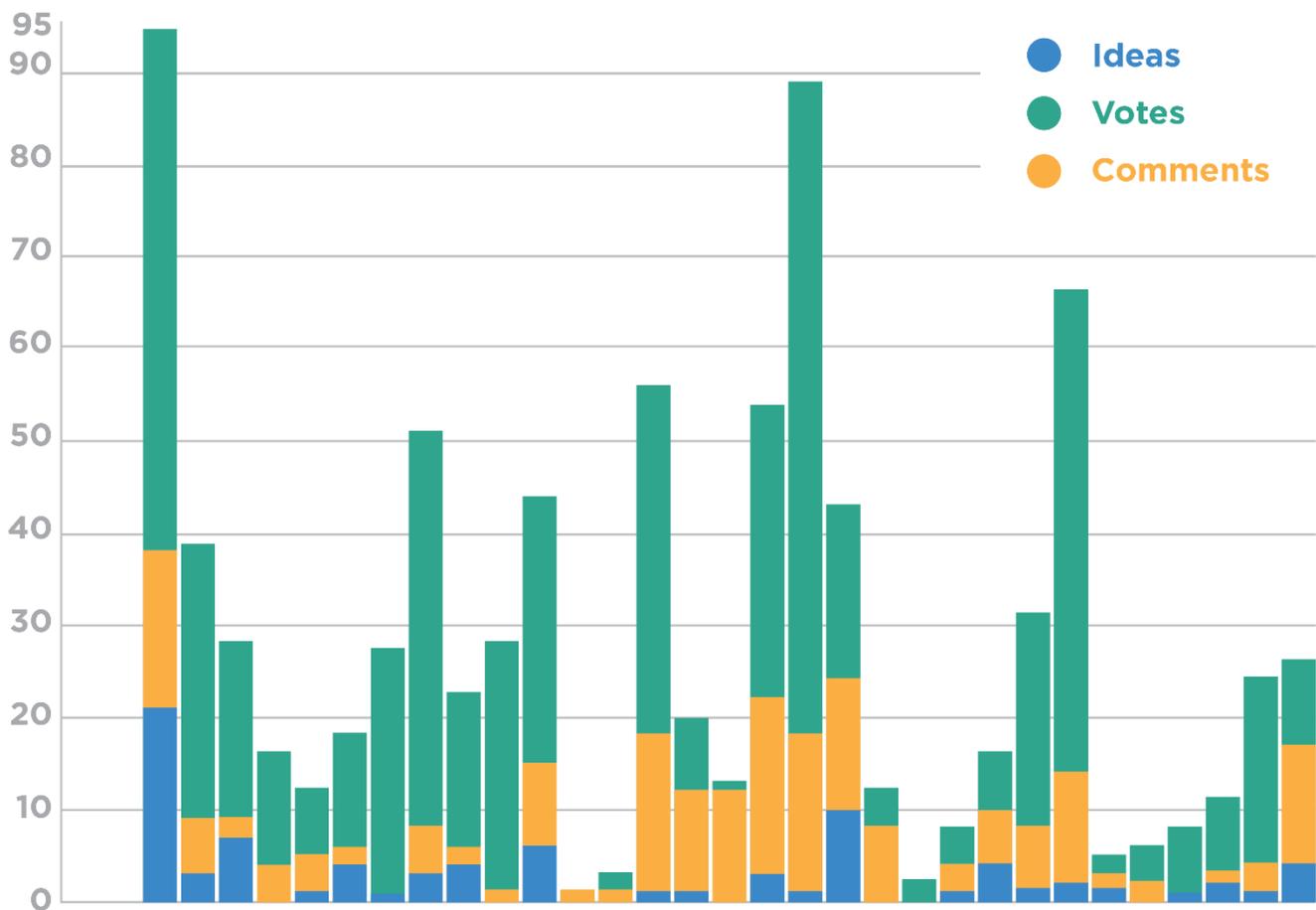
Share final report
and next steps
Build communities around
priority areas going forward
1206 active users

Framing Questions (July – Sept)

- **Objective:**
Establish awareness of the process and commitment to the conversation
- **Digital Implications:**
Create pre-launch communications leveraging CPA platforms
- **Questions:**
What do you see as the most significant challenges facing the profession in the next 10 years?
If we remain on our current course, where would you expect the profession to be in 10 years?
In your ideal world, what would the profession look like in 10 years?
What obstacles do you see that would prevent the profession from achieving this ideal state?



Community Involvement



- 480 users
- 113 ideas
- 219 comments
- 751 votes

Insights

The focus on technology and its impact on the profession remains at the fore of the conversation.

However, there is significant discussion within the community about what a technologically disrupted future will look like – and what it will mean for accountants.

Another key trend is the discussion around skills development and what it means to be a CPA.

“The profession should put more emphasis on technology. CPA will need to start to blur the lines between accountants and IT professionals. Basic training in data analytics and foundational programming would allow those in industry especially to provide greater value to the organizations they serve.”

“To be recognized as leaders in the decision-making process around the adoption of technology solutions while retaining the credibility necessary to perform the critical role of maintaining and/or providing an opinion on the financial well-being of businesses globally.”

“In 10 years, all Big 4s would have technology to replace CPAs. Industry would start replacing CPAs with machines that can do work for CPAs. Smaller companies may still have CPAs in the short term but eventually, once the technology is older and cheaper they will adopt the technology too.”

“Can we harness emerging technology to capture the experience we are going to lose in the next decade as so many professionals leave the workforce? CPA Canada is perfectly positioned to develop this network and market it to all industries to provide experienced professionals where there are none.”

“CPA needs to lobby all levels of government to restrict the use of the word ‘Accountant.’ Engineers have this, lawyers have this, medical doctors have this, but we don’t. Allowing anyone to call themselves accountants goes against our mandate of protecting the public and is putting people at risk.”

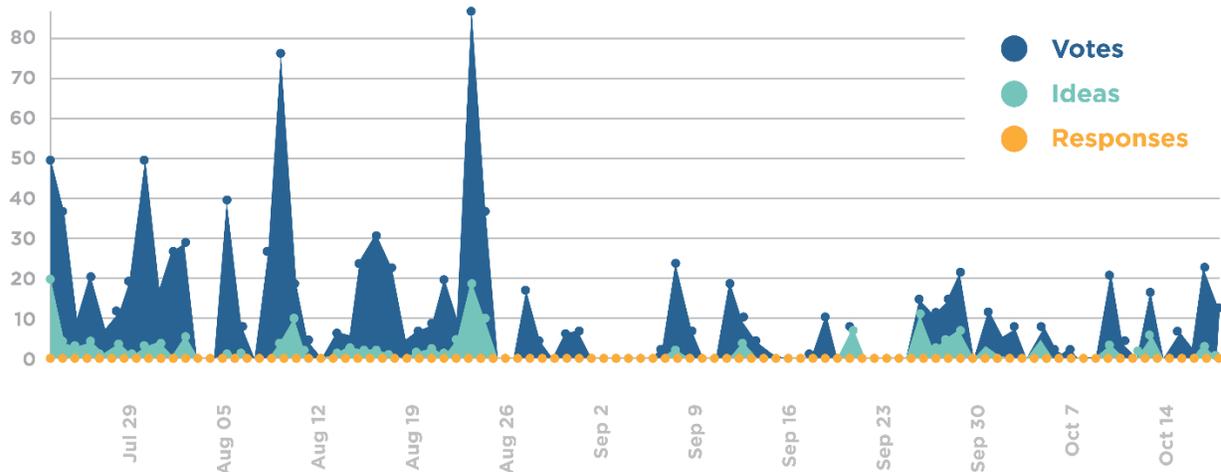
“There are many CPA’s who have been brought into the fold with varying levels of skills based on the route they took to get there. This has muddied the waters about what employers can expect a CPA to be able to do. CPAs will also need to upgrade skills en masse; prof bodies need to provide options.”

Refining Questions (Sept – Oct)

- Objective:**
 Build a link between the in-person framing roundtables and the digital community
- Process:**
 Provided videos of expert speakers from framing workshops to get input from digital community. Continued to use social media and other engagement to drive people to Soapbox site
- Questions:**
 If there was an oracle who could see the world in 2030, what is the question that you would ask them about the information age that would help you to understand how the work we do might change?
 Our economy is changing but we are not capturing and/or measuring all of the activity in the system (for example, human capital, natural capital, sharing economy and data). What implications might this have?
 Recognizing the changes in our communities, our economies and our world, in 2030, what could it look like to be a trusted and ethical professional?



Community Involvement



- 734 users
- 172 ideas
- 291 comments
- 1026 votes

Insights

Discussions emerge around adopting an entrepreneurial mindset.

Data – its use, capture and manipulation is also a topic of significant interest.

A new discussion emerged around responsible business practices and sustainability.

The conversations evolved significantly since the launch of the project – the online community is now exploring the less absolute nature of technology and transformation.

Where earlier comments used stronger good/bad dichotomies, the conversations now are more nuanced.

“Competencies such as risk taking and entrepreneurship. If we want to be innovative with advent of technological change then I suggest we need to take some chances (not be held back because we don't have all the data – we never will) and to pursue those ideas that meet a need (an idea or product that can be commercialized).”

“Another skill set for CPAs to consider is the ability to better understand large and complex data sets, ability to meaningfully question relevance, accuracy and completeness of data sets in a given context, and to work with ‘technical’ data scientists to produce actionable insights to drive/support decision making for clients/applicable business units in an organization.”

“Ensure people have control over the privacy of their data and confidence that the technology was designed to protect them and their rights.”

“As technology evolves, the profession will need to stay abreast of the electronic tools available in managing the raw data captured. This raw data, once assembled into meaning reports with respective analysis, will ensure integration of the professional as a business partner.”

“Society as a whole needs to change their mindset on what a successful business is. New certifications such as B Corp need to be celebrated more and rewarded in our society rather than profits and shareholder ROI. Leaving the world a better place than we found it should be the goal of all businesses.”

“The ability to use information and forecast future trends and actions that your business will take on. We are generating data all the time with web usage, investments, interaction, but we do not measure all of this activity in a way that will benefit our companies.”

There is an emerging discussion around the future of learning and skills development.

There was a specific discussion around the evolution of learning options to support emerging technologies.

The conversation around data – and how CPAs can help make sense of it – remained a topic of interest.

“While 1 hour webinars explaining new technological terms (blockchain, AI, etc) is a helpful introduction, I find that CPA Canada should be putting a lot more resources, or at least partnering with other institutions to create training programs to beef up CPA's skills in these areas. Perhaps the CPA student requirement should be changed to have mandatory computer science courses, with a section in the CFE that tests this.”

“To what extent will the role of a CPA evolve into a ‘storyteller’ who can make sense of all the big data and analytics that exist? There is so much talk about data and AI but what does that mean for you, or your client's, business? Will we be able to turn all that data into meaningful insights?”

“CPAs in 2030 will continue to be recognized for their strength in numbers and professional skepticism... and will be increasingly valued as systems thinkers capable of breaking down the complex data to tell the story of impact (financial, social, environmental, +) of organizations and systems.”

“Most of the posts below make sense. I would add, perhaps, a specific training or certificate would be required with the evolving changes occurring globally with the economy. This would add another level of trust for users and stakeholders.”

Scenario Feedback (Nov-Dec)

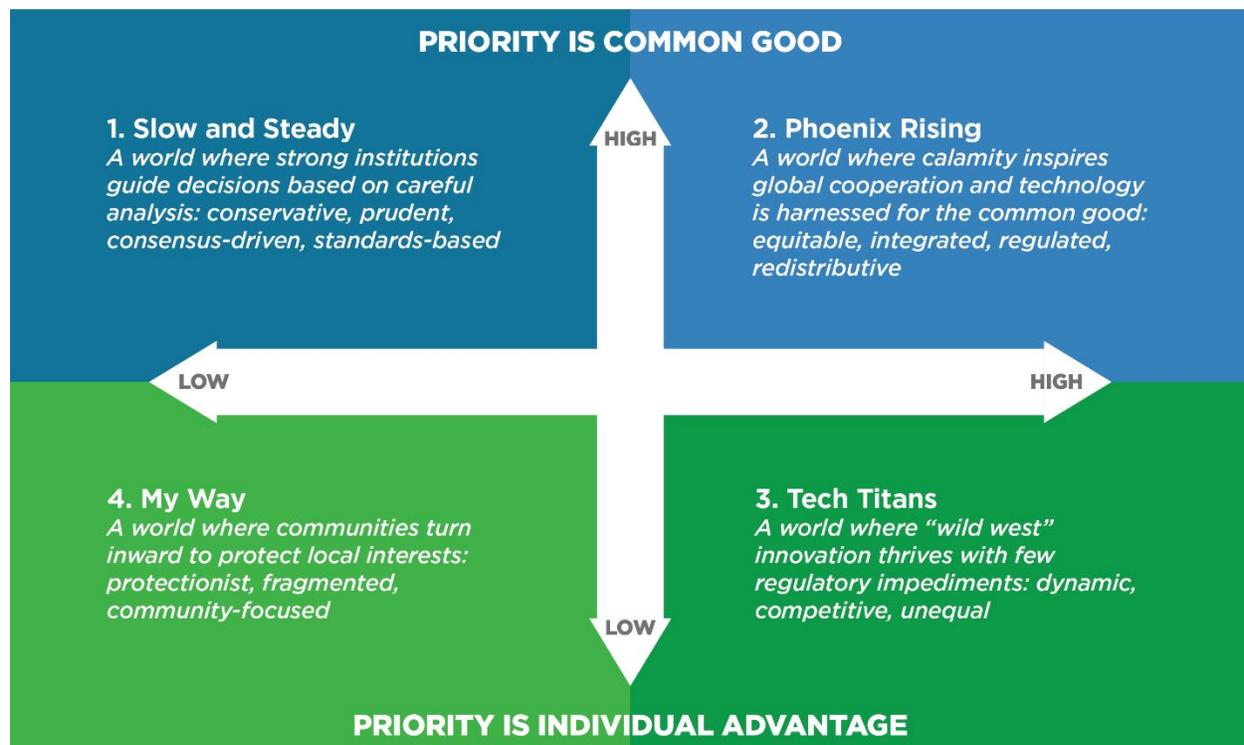
- **Objective:**
Scenario feedback and further development
- **Process:**
Integrate digital inputs into the in-room dialogue
Creation of scenario videos to enable the digital community to act as their own round table.
- **Questions:**
What about this scenario is plausible and why?
What should be removed from the scenario and why?
What is missing and should be added?
What are the major challenges for accounting under this scenario?
What are the major opportunities for accounting in this scenario?
In considering the various scenarios, what priorities emerge for the profession?



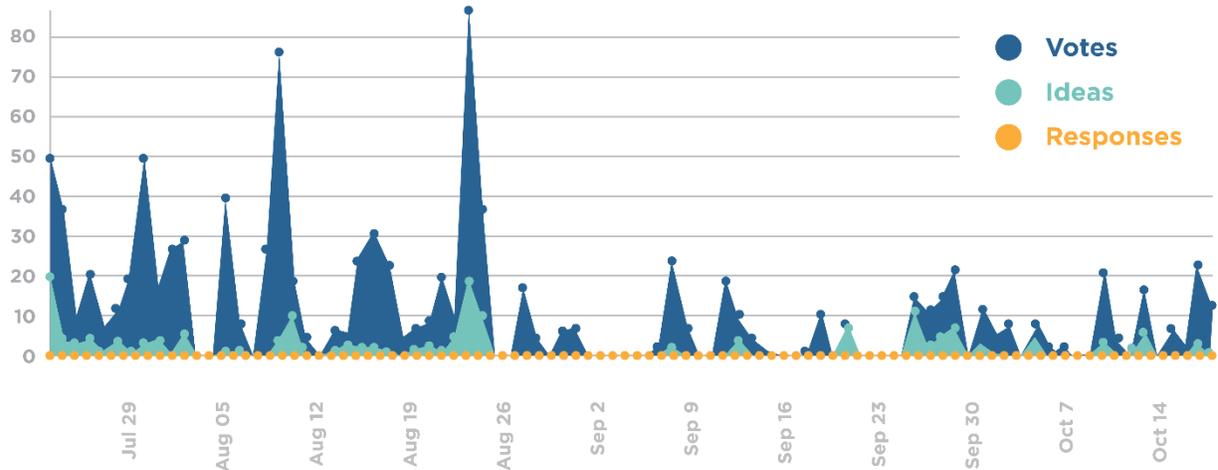
What are scenarios?

*“Scenarios are stories about the ways that the world might turn out tomorrow...
...that can help us recognize and adapt to changing aspects of our current environment.”*
-Peter Schwartz

CPA Foresight Matrix



Community Involvement



- 1022 users
- 277 ideas
- 363 comments
- 1295 votes

Insights

In Round 4, the online community was a virtual round table – presented with the same content and questions as the in-person roundtables.

Due to the large number of questions and time required to view the videos we did see a decrease in the number of comments on the refining questions (specific to the scenarios) though we did see that activity on the site remained good with a strong response to question 28 – the priorities setting question.

The impacts of globalization, questions around what role the profession should play related to sustainability, and planning for a volatile, uncertain, complex, ambiguous (VUCA) future ran through both the conversations at this stage, with question 28 highlighting the need to move with speed in an era of radical change.

“In a global world, where there are several major international issues, isolating oneself may limit partnerships, chances of prospering and collaborating, and potential to evolve and learn. There is a lot of wealth in sharing information, resources and ways of doing things” *

“Given the far reaching impact of blockchain, AI, cryptocurrency and other such initiatives, it’s evident that larger institutions – which cross borders – will have to provide guidance and oversight to ensure a consistency of standards and safety.”

“I don’t see a lot of careful, conservative, consensus-driven decision-making on the geopolitical landscape these days, which does impact our regulatory environment. In a VUCA* world, I’m concerned that our current decision apparatus is lacking – (*volatile, uncertain, complex, ambiguous).”

“Starting to see many non-CPA’s developing technology solutions that offer cheaper services. Need to invest in integrated technology solutions that take care of the transaction-based work.”

“I think the greatest challenge will be acting ethically – doing what is ‘right’ versus what is just legal. The more we act in our own self-interest the more we potentially disadvantage others. Second will be the danger of becoming involved in illegal cross-jurisdiction activities.”

Insights – Priorities for the Profession

“Priorities should focus on survival in the technological era. Future CPA skills need to be relevant to the market needs. The association need to integrate technological skills in the program. Can start by integrating relevant accounting and tax software in the learning.”

“The profession needs to be ready for radical change. The profession needs to hammer out a new set of competencies that are required to be relevant in the new economy. We are headed for a wave of major disruption, and many accountants haven't even begun to prepare themselves. We need to catch up.”

“The CPA needs to rapidly train students and members on environmental, social and governance (ESG) reporting, climate change disclosure, and reporting against sustainability development goals (SDGs). Canada is behind in this area & the CPA could be influencing change with all sizes of organizations.”

(note this comment received 3 upvotes and 4 downvotes – as noted earlier this is an area where there appears to be a divide within the community)

“Put people and life at the center; be open to various possibilities, offer more flexibility, decrease the importance of LT forecasts (everything changes too quickly), include the notion of continuous renewal, value the contribution to the community, stop wanting to control everything.” *

** Statements were from the French submissions*

Communities of Action (Jan onwards)

- **Objective:**
Build community of action
- **Process:**
Share back the output of the scenarios consultation and final report
Based on the priorities emerging from the final report, identify communities of action to move priorities forward
- **Questions:**
What are the core skills that define a CPA?
What emerging skills do we need to adopt today to prepare for the future?
What does the business community – our employers, our clients, our investors or other stakeholders – need from us as CPAs?





CPA

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