



**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 that challenged the status quo and considered what implications arising from a rapidly changing environment could mean for the accounting profession. Steered by an Oversight Committee comprised of representatives from across the profession, 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 profession.

Throughout the consultation process, we heard from CPAs across all sectors of the economy as well as standard setters, investors, regulators, academics, and experts in technology and sustainability. This diverse group – representing the "accounting ecosystem" – participated in lively discussions and exchanged ideas through our online platform or in-person roundtables. The dialogue brought new perspectives on both the challenges facing the profession and the potential opportunities as the profession embraces the changes that are shaping the information age.

The contributions of these many dedicated participants to the first phase of our Foresight project have helped shape and reimagine what the profession might look like in the future. Together, we have created *The Way Forward*, a blueprint to engage key stakeholders in some of the critical areas of research needed to move these initial findings into action.

*The Way Forward* champions the profession working together to initiate meaningful change through an open and robust dialogue and research agenda. To support these critical conversations and advance the profession both in Canada and around the world, CPA Canada is providing open access to the wealth of reports, videos and other resources from Phase 1 at [cpacanada.ca/foresight-initiative](https://cpacanada.ca/foresight-initiative).

Phase 1 has laid the foundation. Now, under the direction of an expanded Oversight Committee, Phase 2 will include: the development of research agendas to support the key workstreams identified in Phase 1, the establishment of a governance model to ensure a continued multi-stakeholder focus in guiding the research, and the creation of a comprehensive stakeholder engagement strategy to build the case for the direction identified in Phase 1.

As you will see in reading *The Way Forward: Transforming Insights into Action*, our journey isn't over. It's just getting started. Serving as a strategic and trusted advisor to all sectors of the economy, the Canadian accounting profession will continue to play a pivotal role in ensuring professional accountants are prepared to continue to add value and drive performance for their organizations and clients today, and in the future.

**Joy Thomas**

President and CEO, CPA Canada  
Chair, Oversight Committee



The background is an abstract watercolor-style illustration. It features a large, flowing shape in shades of teal, blue, and purple, resembling a path or a body of water. To the right, there is a solid lime green area. In the bottom left corner, there is a white silhouette of a person standing and looking towards the right. The overall composition is dynamic and colorful.

# 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 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 dynamic and increasingly complex business environments. They will also need to commit to life-long professional development – learning, unlearning and relearning to keep pace with exponential changes that characterize the information age.
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 in the “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 data 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 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.*



## 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, they 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 holding a glowing globe. The globe is covered in a complex network of white and blue lines, representing data connections. Various colored dots (orange, yellow, blue, green) are scattered across the globe, and binary digits (0s and 1s) are visible. The background is dark, and the overall scene is illuminated with a warm, golden light from the right side.

*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.*

## 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.

*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.*

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 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. Reskilling 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.



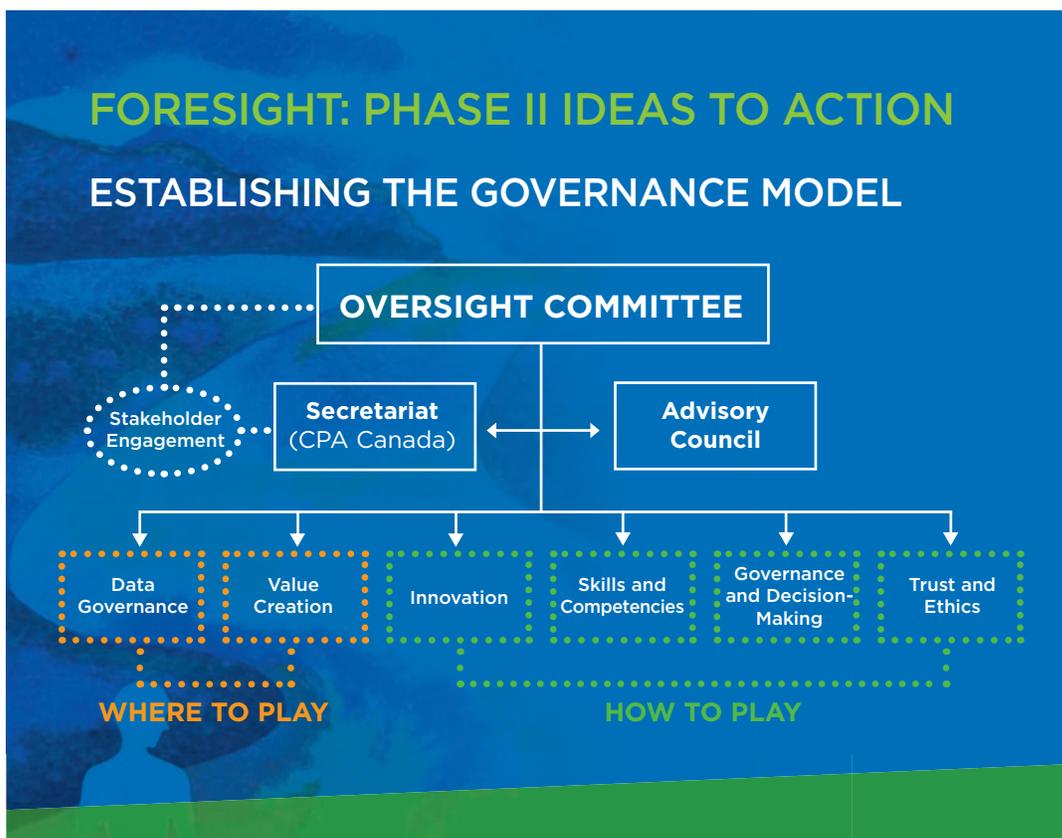
*IN THIS RAPIDLY CHANGING  
WORLD, PROFESSIONAL  
ACCOUNTANTS WILL NEED  
TO LEARN, UNLEARN AND  
RELEARN VERY QUICKLY.*

# 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 in the “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. This new 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 the development of the various research agendas and sharing learnings as the workstreams move 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 research 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 work plans.

*PHASE 2 MUST ENSURE  
THAT ALL STAKEHOLDERS  
IN THE “ACCOUNTING  
ECOSYSTEM” HAVE A VOICE  
IN THE PROCESS.*



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) to inform decisions around the development of new curriculum and pedagogy to help our members prepare for, and embrace, a reimagined profession.

*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 centres. 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.



*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.*

# 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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