



GLOBAL CFO CONVENTION

Theme: ‘Digital Transformation in the Profession: Need of the Time’

Monday, 13th April, 2020 via Zoom

A BRIEF REPORT

On April 13, 2020, ICMA Pakistan ventured to hold a Global CFO Convention with renowned foreign speakers on board, most prominent among them was the President of IFAC, Dr. In-Ki Joo. Perhaps, this was the first such global convention organized live on Zoom by a professional accounting body in Pakistan after the outbreak of COVID-19 pandemic. This initiative of the Institute was praised not only by the President IFAC during his key-note address, but also by other international speakers.



The theme of the Global CFO Convention was **‘Digital Transformation in the Profession: Need of the Time’** which was quite relevant to current global scenario amid pandemic outbreak whereby global organizations are moving towards digital technology for business continuity.

The purpose of the Global CFO Convention was to elicit the views of experts and professionals, especially the CFOs, on how the professional accounting bodies can cope up with the emerging trend of digital transformation in the wake of such unexpected scenario of global shutdown of businesses and institutions due to pandemic outbreak and how to utilize the digital technology to move forward. The live convention was quite successful in the sense that some good suggestions were put forward by the Speakers.

Other **Guest Speakers and Panelists** at the Convention included Mr. Jagath Perera, former President, CA Sri Lanka; Mr. Michael Taylor, Chief Economist, ACCA UK; Prof. Lakshman R. Watawala, President, CMA Sri Lanka; Mr. Bilal Ahmed, Big 4 Audit Professional, Mr. Ghulam Abbas, CFO, Panther Tyres, Pakistan; Mr. Ho Yew Kee, Professor of Accounting Singapore at Institute of Technology; Mr. Babajide Ibironke, Group CFO, Viathan, Nigeria and Ms. Gigi Dawe, Director Corporate Oversight and Governance, CPA Canada.



Ms. Javaria Malik, Director MARCOM, the host to this Global CFO Convention on behalf of ICMA Pakistan, welcomed all the guest speakers and participants and briefed about the theme of the Convention. She emphasized on having right people and technology in place to take advantage of the inevitable disruption ahead by developing a clear vision and strategy for finance in a digital world.

Welcome Remarks by President, ICMA Pakistan



Mr. Zia ul Mustafa, President, ICMA Pakistan welcomed and thanked all the participating members, especially international speakers for joining from different time zones in truly extraordinary circumstances. He paid tributes to the people from the medical profession around the world for leading the global fight against the pandemic – ‘We owe you all a debt of gratitude’, he said. Mr. Zia remarked that ‘social distancing’ must not be an obstacle for us rather it may encourage us to work even closer together. He said COVID-19 has showcased the value of IT and digital transformation and organizations should use this time to accelerate the transition. He was of the view that the pandemic has brought three positive impacts on global enterprises viz. improved corporate ability of long-distance collaborative work; realization of the value of digitalizing and emerging opportunities for online marketing and business development. He remarked that businesses that can shift technology capacity and investments to digital platforms will mitigate the impact of outbreak and keep their companies running smoothly now and over the long term.

The President said that at ICMA Pakistan we are creating a positive environment and finding ways on how to continue business as usual to keep our students, Members and employees engaged and the convention taking place today is one such initiative for the profession and for the Members. He hoped that this convention would pave the way further for the growing trend of digital transformation in the profession. It is also an opportunity for the professional accounting community to grasp the emerging trends of digital transformation and how we can prepare ourselves to the new realities.

Keynote Speech by President IFAC



Dr. In-Ki Joo, President IFAC, in his keynote speech said that just two months before we did not expect about COVID-19 pandemic but today it has posed serious challenges in terms of public health care, economic stability, politics and culture but also to our profession. He hoped that the world will very soon be able to cope up with this challenge collectively and wisely with global participation. He was of the view that the pandemic has made us more realistic and capable to accept the challenges and it has also taught us how to convert a home into an office and attach

globally.

The President IFAC said that in the present situation, we must learn from each other through collaboration, especially the SMPs and SMEs must use digital platform to collaborate and share ideas with other organizations worldwide. He said that in present circumstances, many organizations are investing in information technology which was more critical to continue productivity in this crisis period. He added 'IFAC's dedicated COVID-19 page is beneficial for SMEs and SMPs and this page is updated with information shared by IFAC's member bodies, including ICMA Pakistan'. He asked everyone to visit this page and explore the professional opportunities.

The President IFAC acknowledged the leadership and services of Mr. Zia ul Mustafa as the President of South Asian Federation of Accountants (SAFA). He expressed pleasure that ICMA Pakistan is leading by example as 100 percent of its Webinars and Seminars have move online. 'Well Done, Congratulations'.

Guest Speaker 1:

Mr. Jagath Perera, former President, CA Sri Lanka



Mr. Jagath Perera said that in our whole life, we did not see crises of this nature in which every sector of the world, either small or large scale, has got affected and by face it is a health crisis but by nature, it is an economic crisis due to which the low income and least developed countries are at high risk. He added that during the last two weeks all educational institutions and offices have been closed; airlines grounded, restrictions imposed on public gatherings and most of the businesses have moved to remote working on which we have less training.

Mr. Perera said that COVID-19 teaches us the use of digitalization and the organizations should now focus more on ease of digital transformation after this pandemic. He said that's the leaderships must manage the new normal as management skill is the main role player in this situation. He suggested that we must digitalize all operations where possible and make better planning for future crisis; ensure digital investment; serve customers at any point of time from remote locations; make cyber security an important component of business process; and improve productivity in a sustainable manner. He suggested the leaderships of SAFA countries at every level to carefully address the factors that are affecting their own areas of business and make sure that normal life and growth return to keep the economy moving forward.

Guest Speaker 2:

Mr. Michael Taylor, Chief Economist ACCA



Mr. Michael Taylor made a power point presentation on the topic of ‘The global recession – nasty, brutish and short’ in which he analyzed the implications of the pandemic on unemployment, financial markets, oil market, global GDP and Trade. In his first slide he showed the impact of COVID-19 on revenue of USA in last three weeks and claimed that around 17 million people lost their jobs during this period. While comparing the economies of USA, UK and Germany, he said that unemployment rate has increased in last three weeks.

Mr. Taylor analyzed the monthly activity indicators and claimed that these are collapsing with increasing level of volatility seen in the global financial markets. He added that oil prices have also tumbled during last couple of weeks whereas the emerging market debts are also at high levels. He observed that risk aversion has pushed US Dollar high in currency market and the initial GDP impact will be huge for the world, especially USA, UK, Germany and Italy will be hit badly in real GDP growth. He commented that this is the most alarming situation for the world that the loss of GDP globally and the downfall of trade is estimated to be more than the loss sustained during the Financial Crisis of 2008.

Mr. Taylor that our policy response would be that the Central Banks should cut the interest rates; provide cheap funds for banks; boost liquidity and ease capital requirements. He predicted that the world economic activity may return to pre-crisis levels in late 2021 or early 2022 whereas the global trade volume which may fall by around 20% in 2020 would make a strong recovery in 2021.

Guest Speaker 3:

Mr. Ho Yew Kee, Professor of Accounting, Singapore Institute of Technology



Mr. Ho Yew Kee made a power point presentation on the topic of ‘Disruption to the Profession: Digital Technology’ in which he emphasized upon the accounting and finance professionals to acquire industry understanding with good digital skills to achieve sustainable growth. He briefed about the various stages of Industrial Revolution vis-à-vis fast changing technology and especially referred to faster data speed in 5G technology and emergence of new kind of finance professionals.

Mr. Ho Yew Kee pinpointed four drivers of change which include high-speed mobile internet; Artificial Intelligence; widespread adoption of Big Data analytics and Cloud technology. Referring to anticipated disruptions in Jobs/Works, he pointed out the such disruptions may include trends in robotization; changing geography of production, distribution and value chains; changing employment types; obsolete jobs replaced by new and emerging jobs; emerging in-demand roles; growing skills instability and need for re-skilling. He suggested that there is need for making investments in knowledge, skills and digital technology, forging alliances and collaborating with IHLs and making road map for deep skilling. To a question on COVID-19 impact on global economy, he said in Singapore, over 95% workforce are operating from homes. Without digital technology advancement, the entire global economy would have been grounded and the pandemic has given impetus to the evolution of digital technology in the world.

PANEL DISCUSSION

Moderator: Mr. Ather Saleem Ch, Member National Council and Chairman CPD Committee, ICMA Pakistan

Panelists:

- 1) Ms. Gigi Dawe, Head Corporate Oversight and Governance, CPA Canada
- 2) Mr. Bilal Ahmed, Big 4 Audit Professional, Kimi Island
- 3) Mr. Ghulam Abbas, CFO, Panther Tyres, Pakistan
- 4) Mr. Babajide Ibironke, Group CFO, Viathan, Nigeria
- 5) Prof. Lakshman R. Watawala, President, CMA Sri Lanka
- 6) Mr. Jagath Perera, former President, CA Sri Lanka



Mr. Ather Saleem Ch., the moderator, started the panel discussion by saying that digital transformation is inevitable and how our profession responds to this inevitability is to be seen. He posed several questions to panelists (in sequence as under) of which one question was asked across the board to all the panelist that:

What new subjects the Accounting institutes should introduce for future accountants?

Ms. Gigi Dawe

Qs. When both actuals and forecasts can be produced instantly on demand, traditional cycles become less relevant. Finance organizations will still need to meet external demands for cyclical information, but outside investors may also want more frequent performance information. Will we still be relying on periodic reporting to drive decisions or decisions will be real time?



Ms. Gigi Dawe responded that periodic reporting will no longer drive decisions and financial statements would be getting lesser value with real time information gaining more significance. She was of the view that the success of Financial professionals depends much on diverting from traditional models of cyclic reporting to real time information. She said COVID-19 has changed the thinking of organizations and accountants and now they are more focused toward digitalization and use of technological advancement in the profession.

Ms. Gigi Dawe observed that we are living in a debt-driven environment where the traditional quarterly financial statements and gap measures are becoming less relevant. She added that big data tool provides real time data and many organizations worldwide are using big data which enables them to analyze financial data quickly with high-speed variation for achieving efficiency. She said if the profession is going to thrive and maintain its competitive advantage, it must respond to the emerging changes in business environment. She concluded by saying that my prediction is that we would soon be getting away from cyclic reporting.

Mr. Bilal Ahmed

Qs. What risks and opportunities digitalization pose for offshore jurisdictions?



Mr. Bilal Ahmed explained in detail about the innovative steps taken by the offshore centres/jurisdictions despite having small population and said that this could also be relevant for Pakistan. He said that most of the work in these jurisdictions are carried out for the registered entities through remote work force. In terms of opportunities, Pakistan

can learn a lot from the experiences of these offshore centres such as exploring technologies like Block Chain which is a great innovation in reporting transactions; cryptocurrency and Digital IDs which facilitate peer to peer lending and provide facilities to customers not available.

Mr. Bilal further said that these offshore centres are innovating more and more in use of technology and making sure that remote work teams become more relevant and productive which has led to reducing cost and improving quality of service. He suggested that markets like Pakistan which has many gaps, can learn from these innovations as already the Philippines, India, Vietnam and China are working in accounting profession with lot of firms based in developed countries and providing these services. Mr. Bilal was of the viewpoint that the biggest threat is the cybersecurity as it is quite riskier; adding that use of cloud server can lead to data breach in many circumstances and if this happens it would be difficult to handle with. Another threat, he pinpointed, is the kind of tax structure in a wholly digitalized world. He emphasized that the tool necessary for accountants now is the 'big data' which could enhance their skills in analyzing data. He identified, social skills, leadership, data mining, digital technology and remote working as the important skills-set that should be introduced in the professional education of accountants.

Mr. Ghulam Abbas

Qs. There are so many technologies evolving today; how they will impact the accounting profession and shape its future. Do you see accounting job taken over by Artificial intelligence?



Mr. Ghulam Abbas said the being associated with the profession for the last 20 years, he has seen many transformations such as shifting of the profession from manual accounting to automated accounting. He added that there was an echo then that accountants would lose their jobs and thereafter, era came when automated accounting shifted to ERP systems and there was the same echo again. Today every business around the world is using ERP system. He said that if we compare the strength of professional accountants working in businesses with the strength that they had 20 to 25 years back, we find that their strengths in business has increased substantially which is due to the fact that businesses have become more complex and sophisticated and they are geared up to derive more value out of the human resources; hence needing more professionals to run the show. He predicted that identical situation will happen with all emerging technologies like blockchain, big data, artificial intelligence, though these would have some impact on the accounting profession but they cannot take out the role of accountants in the business.

Mr. Abbas suggested that the accountants must keep themselves abreast with the changing business environment as the adoption of these technologies is very slow in organizations. He was of the view that there was no requirement for introducing new subjects on emerging technologies by the accounting bodies as these are quite technical subjects and the accountants' responsibility should only be to focus on the application of these digital technology tools in businesses and organizations.

Mr. Babajide Ibironke

Qs. Digital Transformation is reaching every corner of the world, can we rely blindly on the reports and analysis generated by AI. What should finance professionals be mindful of while relying on such reports.?



Mr. Babajide Ibironke responded that as accountants and finance professionals, we always work in public interest and shall continue to do so. He said that evolution of technology and digital landscape will continue and its pace is phenomenal as evident from emerging technologies like 5G, smart cities, smart work places etc. The accountants and

finance professional therefore cannot remain oblivious of the importance of digital technology. As finance professional we should be mindful of the velocity, value, variety and veracity of the changes taking place around us and develop analytical skills such as expertise in data mining.

Mr. Babajide Ibironke He was of the view that finance professionals should be more concerned with the integrity of financial data. He agreed with Mr. Ghulam Abbas that technology cannot replace accountants. On introducing new subjects for accountants, he underscored the need for having soft skills in the curriculum of accounting bodies.

Prof. Lakshman R. Watawala

Qs. How Digital Transformation is changing finance and accounting profession in your country and what skills a future professional will need?



Mr. Lakshman R. Watawala congratulated ICMA Pakistan for organizing the convention. He said digitalization has been taken over by COVID-19 and we are all working under lockdown situation from our homes. He said that Sri Lanka was one of the first country in Asia which opened its economy way back in 1977 and it was feared that our central bank and other institutions would not compete with globalization and we will collapse but we were cleverer by introducing computerization in our banks.

That was really the turning point in the whole digitalization process that has taken place in the banking sector. In addition, we went into mobile phone service in 1989 and today we are using the smart phones as a tool of digitalization. This is how we have progressed and our banks have now announced that we are going to be a cashless society. Mr. Watawala further said that under the present lockdown situation, digitalization has helped us for instance home delivery of food stuff are being made through mobile phone and Whatsapp by departmental stores; cash required for daily use can be withdrawn from ATMs instead of going to banks, online classes for students are being conducted where students' attendance is over 90 percent.

Mr. Watawala said that when we compare the Asian countries with Europe, USA, we see a huge difference. COVID19 started from China but they stayed firm and now they are restarting their economy but USA and Europe are greatly affected by this pandemic due to which our garments exports to these countries have suffered. All our factories are closed and our workers are unemployed and we are facing problems to pay their daily wages. All countries are in same turmoil due to this situation. He said we must focus on the local economy instead of global economy. If we want to prevent our people from dying from starvation and hunger, we need to grow our foodstuff in our own countries. We also need to build the local manufacturing industries which were affected by the Free Trade Agreement with different countries.

Mr. Watawala suggested that as management accountants, we must evolve from an accumulator and reporter of financial information to become a most strategy-oriented business partner. This is the key word today i.e. if you are a strategist you can make savings for your company and keep the country moving forward. He also said that data governance, big data, data analysis and data visualization are the tools which our accountants must be well versed in. Big Data is now important for CMAs as it is playing a major role and our students must be given practical aspect of big data. Strategic Finance is another area for students.

Mr. Jagath Perera

Qs. How domestic business groups in Sri Lanka are embracing digital transformation?



Mr. Jagath Perera initiated by referring to the common question to all panelist about new subjects for accountants. He said the accountants and finance professional must know how to apply the digital technology in their day to day operations and they must be geared up to understand that the financial and non-financial data going out of the organization are controllable, understandable and verified. He said our profession must be ready to take this challenge.

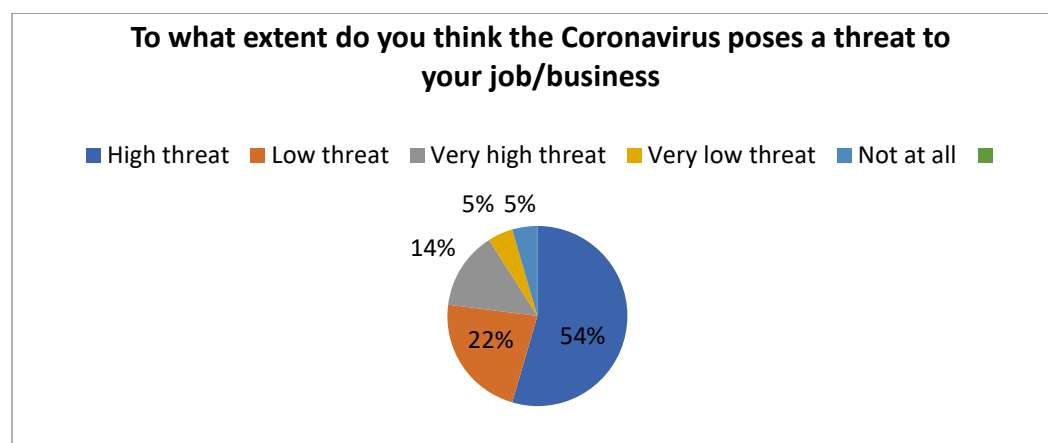
Mr. Perera pointed out that at CMA Sri Lanka, we introduced a new subject on Digital Business Strategy which covers the areas of business which are going to be affected by digitalization and what should be the role of accountants. On embracing of technology by domestic business groups are concerned, Mr. Perera said that a maturity analysis of such companies is required to understand their present status and to define the expectation level for them to move forward in a specified period of time. He said that banking and financial professional sectors are much ahead but there is room for improvement.

Q&A session

At the conclusion of the Panel Discussion, Q&A session was held during which few questions from audience were taken up due to paucity of time. These questions related to sustaining of economies in the present environment; saving of wealth of organizations by CFOs in this situation; and policy initiatives to be taken by the Pakistani Government during and after the lockdown. The answers were responded by Ms. Gigi Dawe from Canada; Mr. Babajide Ibironke from Nigeria and Mr. Ghulam Abbas from Pakistan.

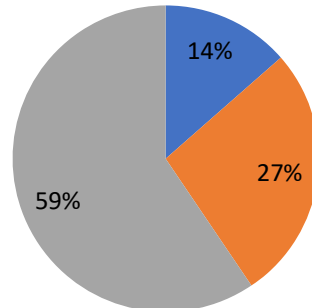
Live Poll

Live poll was also conducted during the online Convention where three questions as under were presented to participants on implications of COVID-19 and their employment and profession.



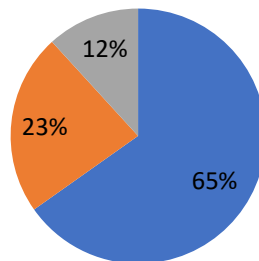
Do you think 'Working from Home' would affect your performance and efficiency in the long run?

■ Not at all ■ To a great extent ■ To some extent



Has your organization allowed you to 'Work from Home' during lockdown imposed by the Government?

■ yes ■ To some extent ■ No



Closing Remarks & Vote of Thanks

By: Mr. Shehzad Ahmed Malik, Honorary Secretary, ICMA Pakistan



Mr. Shehzad Ahmed Malik thanked all the speakers and panelists for sharing their thoughts and experiences and also to valued members and students for joining live as participants. He said that the theme selected for this global CFO Convention is quite relevant and critical in the present age of technological advancement, especially in the current COVID-19 pandemic scenario. He stated that digital technology will create and enhance opportunities for the finance professionals all over the globe and it is upto us how we avail these opportunities not only for our own benefit but also for the benefit of the society and the profession as a whole. He hoped that the exchange of innovative ideas and thoughts among the professional community at the Convention will help them to grasp the future opportunities.

Mr. Shehzad Ahmed Malik briefed about the digitalization initiatives taken by the regulators in Pakistan, especially the SBP, SECP and PTCL in promoting branchless banking and telecommunication facilities in the country. Lastly, he thanked Mr. Zia ul Mustafa, President and Mr. Ather Saleem Ch, Chairman CPD Committee for making this live convention possible. He also appreciated the efforts of the Secretariat in organizing the Convention and engaging members and students.

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