

## Are You Future Ready?

### **AICPA ENGAGE mega conference focuses on rapidly approaching changes**



A much anticipated annual spring event that my colleagues and I have looked forward to these past three decades has been the AICPA Practitioners Symposium. After a long, hectic busy season, the conference provides the opportunity to catch up on developments in the profession. Recently, the 2017 event brought the latest iteration which quintupled the size to over three thousand participants for AICPA ENGAGE. The increase was accomplished by combining six of the AICPA's most popular educational offerings. While the old version provided a broad array of practice management, accounting, tax, technology, advisory and marketing topics, the new rendition drilled down extensively on each of these areas. While crowd control was an issue, the wealth of options for developing skills and knowledge was overwhelming.

An advantage of an assembly of this magnitude is the opportunity to draw top name speakers. A highlight was an engaging and practical keynote presentation by television's Shark Tank star, Kevin O'Leary, known on the show as "Mr. Wonderful." He shared his philosophies for growing a successful business and prudent personal investing. But more about that later.

Another address I always look forward to is given by AICPA President, Barry Melancon. This year he teamed up with Kimberly Ellison-Taylor, current AICPA Chairman. Along with giving a detailed account of the state of the profession, Melancon usually succeeds in instilling the fear of God into participants, with regard to the future and its implications for the profession. In this he did not disappoint. At first, he tried to soften the impact, stating "We will not recognize our profession in ten years." Once that sank in, he revised the statement indicating that from a practical standpoint the time frame was more likely to be five years. He referred to Bill Gates who had noted that we tend to overstate the expected rate of adoption of new technology in the next two years, but tend to understate that rate when estimating the next ten years.

While covering all aspects of the profession, Melancon and Ellison-Taylor delved into issues that were bringing profound change to the world of accounting and auditing. Things like artificial intelligence, robots, blockchain, big data analytics, machine learning, and cybersecurity. I have written in the past how future competitors may not be the traditional ones. Companies like Google,

who are masters of accumulating and managing data, may move into the profession's space. Melancon indicated that our competitors may be companies that have not even been formed yet.

Most people are aware of H & R Block's incorporation of IBM's artificial intelligence agent, Watson, into the tax preparation business. There is more to that development than just filling out tax forms. Accountants need to be perusing client tax data to determine ways to advise clients on financial and business matters, in order to bring value to a service that otherwise can and will be performed by robots. Melancon reported that by the year 2020 up to 40% of basic accounting work is expected to be performed by robots.

An ongoing objective of the AICPA is to see that needed resources are available to CPAs at all levels. An immediate challenge arises from the technology investment of the Big Four firms that Melancon pegged at \$100 million. Also, a consortium of banks is investing a similar amount for the development of blockchain, a technology that will revolutionize the speed and processing of banking transactions, while potentially changing the fundamental focus of the external audit process. (See the November 2016 issue of the Audit & Accounting Alert for a discussion of blockchain). Assuring that small CPA firms have access to technology of those degrees of sophistication will not be easy.

Some of the initiatives to help prepare CPAs for the oncoming changes are:

- New AICPA Audit Data Analytics Guide under development to address big data tools and technologies for use in audits;
- RIVIO clearinghouse – a collaboration between AICPA affiliate, CPA.com, and Confirmation.com. According to the RIVIO.com website, "The online platform was designed to meet the need for accurate, source-driven and verified information and facilitates communication among three distinct users - CPA firms, private businesses and third parties. RIVIO is an acronym for Repository of Intelligent Validated Inputs and Outputs;
- Startup Accelerator sponsored by the AICPA and CPA.com will provide up to \$20,000 in funding plus expertise, coaching and mentoring to startups designed to help accountants 1) shift more from routine tasks to value-added work through technology (i.e. automation, artificial intelligence, blockchain, and others), and 2) develop new competencies that adapt to technological and business change;
- Cybersecurity Risk Management Reporting Framework – recently rolled out by the AICPA to standardize the description, reporting and attesting to an entity's cybersecurity program;
- Management accounting initiatives such as Global Management Accounting Principles, Agile Finance Revealed (a program sponsored by Oracle "about a new breed of collaborative finance, enabled by technologies and investing in a range of evolving skills and competencies."), and Future of Learning ( a collaborative AICPA endeavor);
- Sustainability and Integrated Reporting resources (See next article).

Integra International is well represented in AICPA technology endeavors. Steve Ursillo, Jr., Partner with Integra member firm, Sparrow, Johnson & Ursillo, Inc., is a member of the AICPA Information Management and Technology Assurance Executive Committee. At the ENGAGE Conference, Steve presented a workshop on cybersecurity risk management program essentials, as well as a session titled Cybersecurity: A Governance and Audit Committee Perspective.

Ironically, while much of the coming technological development will eliminate many traditional accounting jobs, the *2017 CPA FIRM Top Issues Survey* reported by Melancon and Ellison-Taylor indicated that finding and retaining qualified staff were the top issues of concern to most firms. That reality emphasizes the important role that forward-looking training and motivation will have on current and future accountants. So much so that Melancon stated that the profession needs to target students at the high school level in order to attract them before they go in a different direction.

A final, optimistic note was made by Kevin O'Leary in his talk. He disputed his fellow "Shark," Mark Cuban, who recently remarked that accountants would be replaced by automation and robots. O'Leary clearly revered the role his accountant had played in his business success over the years. He stated unequivocally that the wisdom that accountants bring when advising business owners could not be replaced. O'Leary shared the three attributes that successful contestants on the Shark Tank exhibited: 1) They could articulate their idea in 90 seconds or less; 2) they could explain why they were the right team to execute the business plan; and 3) they knew the numbers. Who better to help the entrepreneur to "know the numbers" than an accountant?

Further details can be found at [Melancon: 'We need to evolve as a profession' and Kevin O'Leary Says CPAs Can't Be Replaced. Take That, Mark Cuban](#)

(<https://www.accountingtoday.com/news/melancon-we-need-to-evolve-as-a-profession>) and (<http://blog.aicpa.org/2017/06/kevin-oleary-says-cpas-cant-be-replaced-take-that-mark-cuban.html#sthash.LXX9mSRF.dpbs>)