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Redefining Our Value: The Future ASEAN Accountants

Our Collective Journey Towards Building a Future-Ready ASEAN Accountancy Profession



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On March 11, 2020, the World Health Organization (WHO) officially declared COVID-19 as a pandemic, following the first known outbreak started in Wuhan, China, in November 2019. For almost two years, we have witnessed how society is vastly adapting to the many restrictions introduced by Governments to deal with the impact of the pandemic, creating a world of new normal.

The ASEAN accountancy profession is no exception. We continue to play our role in supporting the region's economy and working with our stakeholders in responding to emerging challenges such as competing stakeholder needs, societal change, workforce transition, technological disruption, and a climate emergency. These are some of the key issues discussed at the 22nd AFA Conference that will be focused on this edition of the AFA Connect.

22nd AFA Conference (Redefining Our Value: The Future ASEAN Accountants)

As highlighted by the Secretary-General of ASEAN, H.E. Dato' Lim Jock Hoi in his keynote address, the 22nd AFA Conference, with its chosen theme provides an excellent opportunity for all stakeholders to discuss and redefine the role of ASEAN accountants in the region's recovery process.

The Conference—our biennial major event jointly hosted by AFA and the Myanmar Institute of Certified Public Accountants (MICPA) served as a platform for learning

and sharing on key topics relevant to the future of our profession, particularly sustainability, digital competencies and skills, and the evolving role of the profession.

AFA has become a hub for closer relation and regional cooperation among ASEAN accountants and contributed immensely to the development of the accountancy profession in the region. I am pleased to share that under my leadership in 2020-2021, AFA together with our member organisations are committed to continue with our collective efforts in developing the ASEAN accountancy profession.

I wish our incoming AFA Office Bearers (2022-2023), President Voravit Janthanakul, Deputy President Doan Xuan Tien, and Treasurer Henry Tan the very best and will continue in my capacity with MICPA to support AFA in achieving our common objectives for the region.

I would like to conclude with a statement by the President of IFAC, Alan Johnson in his address at the Conference:

There are many reasons to be optimistic, especially because of the talent and the entrepreneurship spirit of the youth of Southeast Asia, and there are many things that the profession can do to prepare for a brighter future. With our profession's long-standing commitment to ethical integrity, professional scepticism, and the public interest, I am confident that we will succeed.

I hope you find this edition of the AFA Connect useful.

Thank you.



Navigating the Reporting Landscape: Preparing for the Future of Reporting

Following an [announcement](#) by the IFRS Foundation Trustee Chair Erkki Liikanen on the formation of the International Sustainability Standards Board (ISSB) at the COP26, the Trustee has since announced the [appointment](#) of Emmanuel Faber, former Chair of the Board and CEO of Danone to serve as Chair of the ISSB effective January 1, 2022. These actions further reiterate the IFRS Foundation's response to investors' demand for a comprehensive global baseline of sustainability-related disclosure standards that provide them and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions.

IFAC as part of its ongoing support to the discussion has recently published a [framework](#) for implementing global sustainability standards at the local level, focusing on the [building blocks](#) approach published earlier in May 2021. This was followed by a global benchmarking [study](#) capturing and analysing the extent to which companies are reporting and obtaining assurance over their sustainability disclosures, which assurance standards

are being used, and which companies are providing the assurance service.

With the ISSB climate standard expected to be completed by June 2022, AFA recognises the urgency the build ASEAN accountants and stakeholders' awareness towards this emerging issue. The first panel discussion at the 22nd AFA Conference focused on building an understanding that sustainability is more than just reporting and assurance. It requires a change in strategy and operation, skill, and competency, and more importantly, mindset.

The panel discussion highlighted the need for ASEAN accountants and stakeholders to follow the latest update and direction of sustainability reporting and assurance. More importantly, to actively participate in and contribute to the global discussion and development of the sustainability standards. The panel recognised that climate change in particular is a real and relevant issue for many ASEAN jurisdictions. Thus, ASEAN accountants must ensure that the ASEAN voices will be represented in the ISSB's deliberations on the sustainability standards.

Key Takeaways

1. Actively follow the latest updates on sustainability reporting and assurance.
2. Engage with relevant and multi-disciplinary partners and stakeholders to build awareness towards the discussion at the jurisdictional level.
3. Participate in regional collaboration to build ASEAN's capacity on sustainability reporting and assurance.
4. Contribute to the ISSB's discussion on the sustainability standards.

Future Proofing Our SMP Practice: Building Technological Skills and Competencies

The [AFA Research Report 2020](#) identified 71.2% of Small and Medium Practices (SMPs) opined believe that high investment cost is a major setback in their inability to adopt the latest technology, with the second biggest challenge being lack of IT knowledge amongst employees (59%). In order to stay relevant, SMPs need to leverage technology to transition into modern practice and move their focus from traditional compliance-heavy services to those that matter and will provide more value to their clients. ASEAN SMPs must understand that technological skills and competencies are key components of their future practice.

AFA has long recognise the important role of the ASEAN SMPs as trusted partners and advisors of Micro, Small and Medium Enterprises (MSMEs) in the region. The AFA ASEAN SMP Webinar Series is the Federation's main platform in discussing latest issues relevant to the SMPs, including technological skills and competencies.

The second panel discussion at the 22nd AFA Conference discussed the many challenges that ASEAN SMPs are facing in their digital transformation journey. From the reluctance to take the first step to start due to fear of the unknown and uncertainties, to common perception that the technology is expensive. The panel has rightly identified that the first critical step for SMPs or any organisations to take is to change their mindset and understand that technology adoption is not a luxury but now a necessity to survive.

SMPs can start by exploring the many readily available tools and resources from Professional Accountancy Organisations such as ICAEW, ACCA, ISCA, and MIA, to assess and identify what would work for their businesses. Although it is clear that there is no one-size-fits-all approach that SMPs can adopt, they can learn from the experiences of those who have embark in their digital transformation journey.

Key Takeaways

1. Start now, do not wait! Research, lead, champion, fail and improvise, and continue with your digital transformation journey.
2. Build a mindset for continuous learning and learn from vendors, providers, fellow SMPs, and also the young generation in your organisation.
3. Understand that technology spending is an investment, not a cost.
4. Take advantage of readily available tools and resources to identify what would work for your organisation.

Raising the Bar for Quality: Addressing an Evolving Role of the Profession

Organisations today are dealing with challenges as never before, with emerging drivers of change continue to shape our future. From economic challenges in emerging markets as well as a changing role for governments and cooperation versus protectionism tensions shaping the macro environment, societal shifts such as demographic changes, educational transformation, business model change and evolving stakeholder expectations impacting our future, exponential acceleration in technology and transforming digital capabilities, to emerging workforce trends accelerated by the COVID-19 crisis, the role of the accountancy profession is evolving as we continue to adapt to our surroundings in order to remain relevant.

For stakeholders of the ASEAN accountancy profession, a major development in the last decade affecting the profession is the introduction of the ASEAN MRA on Accountancy Services as a multilateral agreement that recognises the important role of ASEAN accountants for the region's economic development. The [ASEAN CPA](#) designation is a sign of expected quality from the ASEAN stakeholders over the services provided by the ASEAN accountants. This can only be delivered

by qualified accountants, whose capacities are developed by stakeholders such as the Professional Accountancy Organisations.

The final panel discussion at the 22nd AFA Conference looked into how the ASEAN accountancy profession can best evolve to respond to the emerging challenges, and support building of organisations that generate sustained financial returns and long-term value for society. The panel agreed that ASEAN's growing population is an opportunity for the profession to grow and be recognised as a profession that can continue to deliver value. Stakeholders of the ASEAN accountancy profession must continue to collaborate with relevant global partners and stakeholders, such as IFAC to facilitate capacity building of the current and future accountants.

ASEAN accountants must recognise the importance of tapping into the rapid growth in digital technologies, affording new opportunities for accountants to deliver value and performance. Also, understanding skills transformation as jobs are re-imagined, work constructs are changed, education evolves, and careers are disrupted. And finally, exploring potential career destinations, acquiring new skills, and connecting with the latest jobs and talent.

Key Takeaways

1. Stay connected with your Professional Accountancy Organisations and tap into their resources (e.g., updates, and development tools and resources).
2. Keep your eyes open and do not afraid to explore and seize new opportunities.
3. Expand your network and be flexible to work on new things and with new people.
4. Be technology savvy and embrace the digital world, as technology is now an inseparable part of our next evolution.



Re-live the **22nd AFA Conference** now!

Go to **www.afa-accountants.org** and watch the recordings from the Conference.

