

PROFESSIONAL ACCOUNTING CENTRE (PAC)
2022 PROFESSIONAL ACCOUNTING FUTURES CONFERENCE

**THE IMPACT OF MACROECONOMIC CHALLENGES ON
PROFESSIONAL ACCOUNTANTS AND INVESTORS**

Afternoons of November 10 & 11, 2022 Online using Zoom

Originating From
The Institute for Management & Innovation Complex
University of Toronto Mississauga, Mississauga, Ontario

PAC is pleased to acknowledge funding support for this conference from CPA Ontario

EXPANDED AGENDA

Day 1 - November 10, 2022

12:45 Sign-in on Zoom

1:00 Opening Remarks - Recent months have witnessed huge macroeconomic challenges on multiple fronts - uncertainty about pandemic recovery, inflation, supply chain challenges, the effects of war, and the dramatic manifestation of climate risk events. This conference brings together leading academics, practitioners, standard-setters and regulators to better understand the complex challenges posed for investors and for professional accountants in meeting their functional obligations, thought leadership objectives, and in protecting the public interest. Keynote speakers and panelists will address these challenges, and comment on and debate adjustments made, and longer-term practices and ideas developed and/or modified.

Leonard J. Brooks, Director, Professional Accounting Centre
Soo Min Toh, Director, Institute for Management & Innovation, UTM
Craig Smith, EVP, Member & Student Services, CPA Ontario

1:15 *Macro-Economic Developments and Accounting Estimates*

Lakshmanan Shivakumar,
Professor, London Business School



Professor Lakshmanan Shivakumar is a prolific and influential academic researcher, who has been invited to talk at universities and conferences in over 25 countries. He was formerly the subject area Chair for the Accounting group at London Business School and has been a member of the School's Executive Committee. He has held visiting positions at the University of Chicago Graduate School of Business, the Indian School of Business, the Australian National University, Singapore Management University, and the University of New South Wales. He has been a member of the academic council for the University of Cyprus and a council member of the American Accounting Association.

His main research interests are in the areas of financial reporting quality, stock-return predictability, and macro-accounting. He has published articles in several top-tier accounting and finance journals and is (or has been) a co-editor of the *Review of Accounting Studies* and *The Accounting Review*. His research on financial reporting quality includes an examination of the role of conservatism in financial reporting and earnings management in firms issuing public equity. On stock return predictability, his research has addressed issues relating to the causes of underlying price momentum and post-earnings-announcement drift anomalies. His studies have explained how aggregate corporate profits drive future inflation and how corporate taxes affect macroeconomic growth.

An award-winning teacher, Shivakumar teaches Financial Statement Analysis, Securities Analysis and Financial Modelling. He also consults for bankers and consulting firms on valuation, financial analysis and investment strategies. His research has been presented to regulators and development agencies worldwide, including the African Development Bank, the Federal Reserve Bank of New York and the Singapore Stock Exchange. He is a member of the Financial Reporting Advisory Board, which advises the UK Government on its financial reports.

There will be an opportunity to share your views. Type in the Q & A tab.

2:15 *Global Uncertainties and their Implications for Accounting, Auditing, and Financial Reporting*

**Dan Simunic,
Professor Emeritus,
University of British Columbia**



Dan Simunic is currently Term Professor of Accounting at Simon Fraser University and Professor Emeritus of Commerce and Business Administration at the University of British Columbia. He has also served as Visiting Professor at various universities around the world.

Dan's research interests are in the economics of auditing and in international auditing. He has published research papers in numerous scholarly journals, including the *Journal of Accounting Research*, *Journal of Accounting & Economics*, *The Accounting Review*, *Contemporary Accounting Research*, and *Auditing: A Journal of Practice & Theory*.

Dan obtained a Ph.D. in economics and accounting from the Graduate School of Business, University of Chicago in 1979. He worked in the Chicago office of Ernst & Ernst (now Ernst & Young) and served for 10 years as a technical advisor from Canada to the International Auditing Practices Committee (now the International Auditing & Assurance Standards Board) of the International Federation of Accountants. Dan is a U.S. CPA (State of Illinois - inactive) and a former FCGA (British Columbia). Dan served as Co-Editor of *Contemporary Accounting Research* from 1997 to 2000, as the Editor of *Auditing: A Journal of Practice and Theory* from 2005-2008 and as a Co-Editor of the *Journal of Contemporary Accounting & Economics* from 2000 to 2020. Dan was inducted into the Canadian Accounting Hall of Fame in 2021.

There will be an opportunity to share your views. Type in the Q & A tab.

3:15 Break

3:30 Panel: *Impact of Macro-economic Developments on the Accounting Profession – Accounting Standards, Estimates, Auditing and the Profession in General*

Panelists will discuss the impact of current macroeconomic developments which raised issues which raised complications and uncertainties for assumptions, estimates, valuations, going concern decisions, adequacy of disclosures, and raised the likelihood of inclusion of more noise and bias when making judgements as well as the challenges of competing non-gap disclosures. Following their personal comments, the panelists may engage each other, and will answer questions from the audience.

Panelists will include:

- Tom Lanoue, Partner, Deloitte
- Cameron McInnis, Chief Accountant, OSC
- Brad Owen, Partner-in-Charge, Department of Professional Practice, KPMG
- Dan Simunic, Professor Emeritus, University of British Columbia for the Q & A

There will be an opportunity to share your views. Type in the tab.

Tom Lanoue

Partner, Deloitte, LLP



Tom Lanoue is an Audit & Assurance Partner with Deloitte Canada. He is a Chartered Professional Accountant in Ontario.

Tom has over 13 years of public accounting experience serving both public and privately held companies. He has significant experience with the resolution of complex accounting, auditing, and financial reporting issues. Tom serves multinational clients, experienced in supporting them through acquisitions, divestitures, mergers, restructurings, initial public offerings, registration statements and various types of debt offerings.

Tom is passionate about the talent experience for professionals, evidenced as he one of the co-founders of the Deloitte Canadian Young Professional Forum (CYPF) and a member of the Global Young Audit Forum. The CYPF aims to elevate the talent experience for young professionals within the firm by promoting audit quality, talent programs and projecting the voice and perspective of young professionals to firm leadership regarding strategic firm matters.

Tom lives in Toronto with his wife and son and enjoys spending time with his family outdoors as much as possible.

Cameron L. McInnis, FCPA, FCA, CPA (Illinois)
Chief Accountant,
Ontario Securities Commission



Economic Uncertainty and Financial Reporting

Cameron McInnis is the Chief Accountant of the Ontario Securities Commission (OSC) and is responsible for providing specialized accounting advisory services to the Commission, its senior management and staff, as well as market participants. Cameron represents the OSC at the International Organization of Securities Commissions (IOSCO) as chair of the Accounting Subcommittee on Issuer Accounting, Audit and Disclosure, and has represented the Canadian Securities Administrators on many domestic matters such as a past member of the Audit and Assurance Standards Oversight Council, and the IFRS Discussion Group of the Canadian Accounting Standards Board. Further, Cameron is a current member of the Board of Directors of the CBV Institute (Canadian Institute of Chartered Business Valuators). Cameron joined the OSC in 2001 and previously served as Associate Chief Accountant at both the OSC and the British Columbia Securities Commission. Cameron worked at a major accounting firm for several years prior to beginning his securities regulatory career.

Brad Owen
Partner-in-Charge of the Department of Professional Practice
KPMG LLP



Impact of Macroeconomic Developments
on the Accounting Profession

Brad is an Audit Partner with KPMG LLP and the Partner-in-Charge of the Department of Professional Practice – Assurance and Financial Reporting since 2017. Brad is also the former Chair of the Board of Directors of KPMG Canada having served in that role from 2017-2020.

Brad was previously the Business Unit Professional Practice Partner for the Greater Toronto Area from 2010 to 2017. He is a licensed CPA (CA) (Ontario) and US CPA (Illinois).

Brad has acted as Lead Engagement Partner or Engagement Quality Control Reviewing Partner (EQCR) for some of KPMG LLP's largest Canadian and multinational clients in various sectors including the Technology, Media & Telecommunications, Consumer Markets and Financial Services sectors. Brad is an accredited Securities Partner and an

SEC Reviewing Partner and has led a number of US and Canadian equity and debt offerings and prospectuses. In addition, he is a member of the Canadian Securities Administrators' Financial Reporting Advisory Council. Brad is experienced in US GAAP, IFRS, OSC and SEC financial reporting matters.

Brad is a member of the United Way's Major Individual Gifts Campaign Cabinet and was the former Co-Chair of KPMG's United Way Campaign from 2015 to 2017.

Dan Simunic
Professor Emeritus
University British Columbia

See Dan's biography above



5:15 *Adjourn until tomorrow*

Day 2 – Friday, November 11, 2022

12:45 Sign-in on Zoom

1:00 Opening Remarks

Leonard J. Brooks, Director, Professional Accounting Centre
Dushyant Vyas, Associate Director, Professional Accounting Centre

1:15 *Standard Setting under Macro-economic Uncertainty*

Nick Anderson
Board Member
International Accounting Standards Board (IASB)

Nick Anderson was appointed as a member of the International Accounting Standards Board (IASB) in 2017. He has over 30 years of practical experience, mainly as a buy-side investor using and supporting the development of high-quality financial reporting.



Nick joined the IASB from Janus Henderson Investors in the UK, where he served as global equity portfolio manager and head of equity research. He was responsible for overseeing the sharing of research and best practice across Janus Henderson's equity teams. Before this Nick worked at several asset management firms including Schroders and Insight Investment.

Nick was a member of the UK Accounting Standards Board from 2007 to 2013 and a founding member of the Corporate Reporting Users' Forum (CRUF).

He has a degree in economics, University College, Durham, UK.

2:15 *Preparing for Long-run Inflation and Investing During Downturns*

Anup Srivastava, BTech, MBA, PhD
Professor and Canada Research Chair in Accounting
Haskayne School of Business
University of Calgary



Anup is a world leading scholar, writer, and speaker on the financial, valuation, strategy, governance, and executive compensation issues of modern technology companies. He holds the prestigious Canada Research Chair, awarded by the Canadian Government, and is a Professor at Haskayne School of Business (University of Calgary). Previously, he was a professor at Kellogg School of Management (Northwestern University) and Tuck School of Business (Dartmouth College).

Anup received BTech in Mechanical Engineering from the Indian Institute of Technology Delhi, MBA in Finance from the University of Delhi, and PhD in Accounting from Texas A&M University. Anup brings vast corporate experience of fourteen years to academics. His roles included that of a banker, consultant, and corporate executive, in both manufacturing and knowledge-based enterprises. He worked with traditional industrials as well as asset-light enterprise software firms. He worked at billion-dollar conglomerates as well as cash-strapped startups.

His research highlights the key finance and accounting elements disrupted by the progression towards knowledge economy. He has published numerous articles in scholarly journals, such as *Management Science*, *Accounting Review*, *Journal of Accounting and Economics*, *Journal of Financial Economics*, and *Review of Accounting Studies*. More important, Anup has published over thirty articles in top-practitioner management journals, such as *Harvard Business Review* and *California Management Review*. His work has been cited in BBC, Bloomberg, Financial Times, New York Times, Wall Street Journal, Economist Intelligence Unit, National Public Radio, Globe and Mail, Forbes, Chicago Tribune, Barron's, and Reuters.

3:15 Break

3:30 Panel: *Investors Use of Accounting Estimates during Macroeconomic Uncertainty*

Current macroeconomic developments have raised issues for investors based on complications in and uncertainties of assumptions, estimates, valuations, going concern decisions, and the relevance of non-GAAP measures of performance. Panelists will comment on the challenges to be faced by the investment community in using accounting estimates during such challenging macroeconomic times when estimates are likely to include more noise and to be prone to bias.

The panel will include:

- Maria Ogneva, Professor, University of Southern California, Marshall
- David Milstead, Journalist, Globe and Mail
- Anish Chopra, Portfolio Management Corp
- John Aiken, Head of Research (Canada) and Senior Analyst at Barclays

There will be an opportunity to share your views. Type in the Q & A.

Maria Ogneva

**Associate Professor of Accounting,
University of South California, Marshall School of Business**

Maria Ogneva's research focuses on accounting-based risk assessment, accounting information and market efficiency, accounting-based equity valuation, and earnings quality. Her recent research is devoted to the role that accounting information plays in macroeconomic forecasting. Her work has been published in *Journal of Accounting and Economics*, *The Accounting Review*, *Review of Accounting Studies*, and *Journal of Finance*. She is an associate editor at the *Journal of Accounting Research*, *Journal of Accounting and Economics*, and *Management Science*. Professor Ogneva was also named one the world's 40 best business school professors under the age of 40 by Poets&Quants.com. She served on the faculty of Stanford University before joining USC's faculty.



Maria received her PhD, University of Southern California; MS, BS, Moscow State University

David Milstead
Reported & Journalist
Globe and Mail



David Milstead is a reporter for The Globe and Mail. A business journalist since 1994, David began writing for The Globe and Mail in 2009.

David is an Oberlin College graduate, and passed the Level I exam in the Chartered Financial Analyst program in December 2007. He has also worked for the Rocky Mountain News in Denver and the Wall Street Journal.

Anish Chopra
Managing Director and Portfolio Manager
Portfolio Management Corporation



Anish Chopra is a Managing Director and Portfolio Manager at Portfolio Management Corporation, a boutique investment manager. Prior to this, he oversaw over \$100 billion in investment management mandates as Managing Director of the Innovative Solutions Group at TD Asset Management.

Anish is actively involved in the community including serving as Immediate Past Chair of the Board of Directors of the CBV Institute and a member of the Investment Committee of the Princess Margaret Cancer Foundation. He is a former Chair of CFA Society Toronto and is a past member of the Ontario Judicial Council and the Canadian Accounting Standards Board.

Anish holds both a Bachelor of Arts in Chartered Accountancy Studies and Master of Accounting (Gold Medalist) from the University of Waterloo. He is a Chartered Professional Accountant (FCPA, FCA), where he was elected to Fellowship and is a CFA Charterholder. He is also a Chartered Business Valuator (Canadian Gold Medalist) and holds FCBV honours as a Fellow of the CBV Institute.

John Aiken
Head of Canadian Research at Barclays
Senior Analyst, Canadian Financials



John Aiken the Head of Canadian Research at Barclays as well as a Board Member of Barclays Capital Canada and Senior Analyst. Based in Toronto, Mr. Aiken is currently responsible for Canadian financials. Prior to joining Barclays in September 2009, Mr. Aiken spent three years at Dundee Capital Markets, Vice President and Senior Analyst responsible for Canadian financial services. Before that, he held a similar position at National Bank Financial and worked within the finance group of Bank of Montreal. Mr. Aiken holds an M.B.A. from the University of Toronto and a B.A. from the University of Western Ontario. Mr. Aiken is also a CPA, CA and CFA charterholder.

5:15 Closing Remarks & Adjournment - Len Brooks & Dushyant Vyas

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