

IFAC and CIPFA Announce New International Public Sector Financial Accountability Index to Stimulate PFM Reform

The International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) announced the launch of the Public Sector Financial Accountability Index at CIPFA's 2017 Conference in Manchester, UK.

Developed jointly by IFAC and CIPFA, with the Zurich University of Applied Sciences as knowledge partner, the index will be the first of its kind to provide an accurate global picture of public sector financial reporting quality.

In particular, the index will provide a picture of the extent of accrual accounting and adoption of International Public Sector Accounting Standards. It will also aim to provide a better understanding of accounting and budgeting reform plans, and help stimulate public financial management (PFM) reforms.

The main output will be a regularly updated country-by-country public database. It will initially focus on central government, and expand over time to include state/provincial and local government.

The index will initially be populated with research data on individual countries and regions, collected by various international institutions. National standard setters will be invited to review, comment upon, and supplement the information, after which the first set of data will be made available in November 2017.

2017 CFRR-IFAC Regional SMP Forum

IFAC and the World Bank Centre for Financial Reporting Reform hosted a joint Regional Small- and Medium-sized Practices (SMP) Forum for Europe and Central Asia in Vienna, Austria.

The Forum provided an opportunity to discuss addressing the challenges and opportunities SMPs and medium-sized entities (SMEs) face. More than 20 representatives from regional and national professional accountancy organisations (PAOs) in Central Asia and Southeast and Eastern Europe attended, as well as practitioners, SMPs, and other stakeholders.

International and regional subject-matter experts shared important insights on professional ethics, efficiently implementing international standards, and practice management, among other topics.

Global Artificial Intelligence Adoption Can Help Accountants Beyond Compliance, Finds a Report

Artificial Intelligence (AI) could help accountants beyond the basic compliance work by fostering high quality advisory services, according to a report by a leading global accounting organisation.

The report by a global accounting organisation, entitled *Bot.Me: A Revolutionary Partnership*, focused on the potential of AI to solve global business challenges. It draws on a survey of 2,500 consumers and business leaders in the USA, and the 2017 AI Expert Salon event.

The report highlighted that Artificial Intelligence can automate menial tasks, freeing up time for innovation and broader thinking. Seventy percent agreed that AI has the potential to enable humans to concentrate on meaningful work. In accounting this is expected to lead to a greater focus on high quality advisory services rather than on compliance and bookkeeping.

AI is seen not only as a tool to increase automation, but an emerging technology to handle global challenges, and 63% of respondents agreed that AI will help solve complex problems. In business, 72% of respondents believe that AI will be the business advantage of the future, suggesting AI will be at the forefront for companies seeking a competitive edge.

Fifty five percent of respondents believed AI can boost business productivity, inform strategy and generate growth, and that this outweighs employment concerns.

Ransomware Taking Data Hostage has Given Professionals the Opportunity to Prove their Worth as 'Trusted Advisors'

The recent WannaCry Ransomware cyber-attack has plagued companies in 150 countries holding data for ransom and the accountancy profession was quick to react and offer the following roundup of advice to businesses.

The malware that locks your computer until you pay a fee, in web currency Bitcoin, is not only a business data threat, but is also life threatening.

Digital extortion has been around since 2005 but the most recent attackers have developed cryptware, which encrypts your files using a private key that only they possess. The Ransomware has a countdown clock stating all data would be deleted unless a payment was received.

A leading global accounting organisation in a report has urged worldwide organisations to take immediate action and recommended six steps:

1. Disconnect infected machines from the network and take all backups offline to stop the spread.
2. Activate an incidence response plan with a cross-functional investigation team, across all relevant departments.
3. Identify and address vulnerabilities, such as installing security, updates, malware detection and anti-virus protection, so that attackers cannot re-enter and capabilities will be improved for future attacks.
4. Ensure your systems are patched before powering up PCs and keep systems up to date with an enterprise-level patch and vulnerability management program.
5. Activate business continuity plans by preparing data on requirements of their services.
6. Collect and preserve evidence in a forensically sound manner for investigation.

The severity of cyber threat is high and should be addressed at board level, and sufficient resources should be allocated to protect, detect, respond and recover. Companies do invest in security technology but that is being undermined by different attack methods meaning traditional methods are no longer enough.