

## ANNUAL CONFERENCE

### PROFESSIONAL ACCOUNTING FUTURES

September 15, 2017

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

#### AGENDA

8:00 **Registration, coffee & pastries** – Lower Hallway outside Room L1220

8:45 **Opening Remarks** – Objective is to explore the future of Professional Accounting

Leonard J. Brooks, Director, Professional Accounting Centre

Amrita Daniere, Dean, UTM

Soo Min Toh, Director, Institute for Management & Innovation, UTM

*Governance: Implications for Financial Reporting & Assurance*

9:00 ***Experience with the New UK Requirements for the Long Form Audit Report, and European Reporting Standards – Lessons for North America***

Panelists will comment on the latest developments in response to the desire for enhanced information disclosures in the UK and Europe, with reflections for North American disclosure, as follows:

- Mark Babington, UK Financial Reporting Council – Analysis of UK experience
- Johannes Pastor, Partner KPMG, Toronto – European reporting standards
- Miguel Minutti-Meza, Associate Professor, University of Miami

## **Mark Babington**

Deputy Director, Audit Policy, UK Financial Reporting Council



Mark Babington has been the Deputy Director, Audit Policy for the Financial Reporting Council from March 2015 to the present. Prior to that, he was a Director in the UK National Audit Office, from 2008-2015. First, he led NAO's financial audit work on the Department of Energy & Climate Change Group, the UK Regulators and Competition bodies, and the NAO's work on counter fraud and money laundering, developing ongoing strategy. He was a member of the Cabinet Office Fraud, Error and Debt Task Force, working with departmental stakeholders, Ministers and industry experts to reduce risk and financial losses for the UK. He was also responsible for our strategic thematic work on Financial Management, a wide range of client and stakeholder engagement, and previously held a number of international audit appointments in the European Council, defence bodies, and have worked as the Director of the UK Certifying Body providing assurance to the EU over programme spend. More recently, he led a portfolio of the NAO's work covering: HM Revenue and Customs; Public Financial Management; and Fraud, Error, Debt and Grants (with the Cabinet Office). Strategy and Planning Director for the NAO's work on Mass Market Operations, working collaboratively with a range of clients, stakeholders and colleagues. Qualified Person Responsible for Training for ICAEW trainees.

## **Johannes Pastor**

Partner, Global Financial Services Audit Leader & Insurance Sector Lead, KPMG



Johannes Pastor is currently the Head of KPMG's Global Financial Services Audit practice, Insurance Sector Lead in Canada, and the lead advisory partner for one of Canada's largest banks. Johannes has worked and lived in Germany, United States, Spain and most recently in Canada. During his career, Johannes has audited and advised some of the world's largest-listed financial service institutions (including banks, insurance and asset management companies) with an emphasis on finance function transformation, implementation of IAS 39, IFRS 9, and risk and regulatory projects. He has a background in auditing stand-alone and consolidated financial statements in accordance with HGB, IFRS and US-GAAP, as well as consulting on conversion projects from German GAAP to IFRS- and US-GAAP.

## **Miguel Minutti-Meza**

Associate Professor, University of Miami



Miguel Minutti-Meza is an Associate Professor, Accounting at the School of Business Administration of the University of Miami. His research interests include empirically exploring the auditing and financial accounting and disclosure associated with capital markets; measuring audit quality and separating auditor's characteristics from client's characteristics in tests of audit quality; applied econometrics and research methodology, including matching and Bayesian methods; internal controls; SOX and valuation of private firms; and analytical audit procedures. His publications include articles in *The Accounting Review*, *Journal of Accounting Research*, *Contemporary Accounting Research*, and *Auditing: A Journal of Practice & Theory*. Miguel is Editor of *Contemporary Accounting Research* and serves in the editorial boards of *Journal of Accounting Research* and *Auditing: A Journal of Practice & Theory*. In addition, he frequently referees articles for several other journals including: *Journal of Accounting & Economics*; *Review of Accounting Studies*; *Accounting, Organizations & Society*; *Accounting Horizons*; and *The European Accounting Review*.

Prior to his academic career, Miguel's gained work experience as an Audit Manager in an Internal Audit Department, and as a Public Accountant.

Miguel received a Ph.D. and an MMPA (Master of Management & Professional Accounting) from the Rotman School of the University of Toronto, and a BA from the Tecnológico de Monterrey (ITESM). He has been awarded numerous Fellowships and Scholarships including those from Ernst & Young, the Canadian Public Accountability Board (CPAB), the Canadian Credit Management Foundation, and the Banco de Mexico.

**10:30** *Coffee Break*

**10:45** *Improving Corporate Governance and the Role of Professional Accountants*

Panelists will comment based in their experience, activities and vision, as follows:

- Catherine Jackson, President, Jackson Principled Governance, Canada – experience advising Boards of Directors
- Audrey DeMarsico, Partner, Hansell LLP – visionary Delaware Law Journal article
- Robert Pozen, MIT Sloan School of Management

**Catherine Jackson,**

President, Jackson Principled Governance, Canada – advising Boards of Directors



As the founder of Jackson Principled Governance, Catherine leverages 15 years of experience in board-level engagements as well as her investor perspective to help board members better govern their organizations, including the environmental and social risks that their organizations face.

She applies a principled approach to governance through partnering with boards who seek her advice. Catherine advises on the board’s role in governing their organization particularly as it relates to environmental, social and governance risks. She helps boards to recognize issues before they become irreversible risks to value, and helps them prepare to fulfill their oversight function with the information they need to make sound decisions. As a result, boards are able to build relationships of trust with their stakeholders, and ensure that both their reputation and that of their organization is protected.

Catherine writes and speaks regularly about corporate governance and responsible investment, and has been interviewed by and quoted in numerous financial press journals including Financial Times, Wall Street Journal, New York Times, Bloomberg, Globe & Mail, Investment & Pensions Europe, and others.

**Audrey DeMarsico,**

Partner, Hansell LLP – visionary Delaware Law Journal article



Audrey is a Partner at Hansell LLP, a firm formed in Toronto in 2013 in response to a demand for expert, independent legal counsel in all areas of corporate governance. Audrey has experience advising on a broad range of legal issues, including directors' duties, risk management, corporate restructurings, and numerous other corporate, commercial, and regulatory matters. She has also advised on commercial litigation, class proceedings, constitutional challenges, and administrative law. Prior to joining the firm, Audrey practised for almost a decade at Osler, Hoskin & Harcourt LLP, where she was involved in major transactions and litigation files.

**Robert Pozen,**

MIT Sloan School of Management



Bob Pozen is a Senior Lecturer at the MIT Sloan School of Management, and a Senior Fellow at the Brookings Institution. He has extensive experience in business, government and journalism.

Bob was executive chairman of MFS Investment Management from 2004 to 2011; during this period, the assets of MFS more than doubled from a starting point of \$130 billion. From 1987 through 2001, he served in various positions at Fidelity Investments including President of Fidelity Management and Research. He also served as Associate General Counsel of the SEC in the late 1970s, and Chairman of the SEC's Advisory Committee on Financial Reporting in 2007-2008. He was a member of the President's Commission to Strengthen Social Security, and served as Secretary of Economic Affairs under Massachusetts Governor Mitt Romney.

Bob has taught at Georgetown and NYU as well as Harvard and MIT. He has published seven books, mainly on financial issues. His latest book, *Extreme Productivity: Boost Your Results, Reduce Your Hours*, was #3 on *Fast Company's* list of best business books for 2012. In addition, he often writes editorials for the *Financial Times*, *The Washington Post* and *The Wall Street Journal*.

Bob is an outside director of Medtronic, Nielsen, and AMC (a second-tier subsidiary of the World Bank), and is also on the governing board of several non-profit organizations. He received the 2011 Fund Action Lifetime Achievement Award for his work in the mutual fund industry.

Bob graduated *summa cum laude* from Harvard College, and obtained a law degree from Yale Law School where he was a member of the editorial board of the *Yale Law Journal*. He also received a doctorate from Yale Law School for a book he wrote on state enterprises in Africa.

**12:15** *Lunch* in the IMI Rotunda

Keynote Speaker: *The Future of Financial Accounting* – Thomas Linsmeier

Thomas G. Ragatz Accounting and Law Distinguished Chair, University of Wisconsin-Madison. Dr. Linsmeier is a former member of the FASB, and a Special Consultant to the SEC.



Thomas J. Linsmeier is the Thomas G. Ragatz Accounting and Law Distinguished Chair in the Department of Accounting and Information Systems at the Wisconsin School of Business. Dr. Linsmeier's area of expertise is in financial reporting for derivatives, risk management and other standard setting activities. His research has explored the role of accounting information in securities markets, including the usefulness to investors of fair value and market risk management disclosures, the valuation-relevance of earnings component information, and the economic effects of changes in accounting regulation. His work has been published in *The Accounting Review*; *Journal of Accounting Research*; *Review of Accounting Studies*; *Accounting Horizons*; *Management Science*; *Journal of Accounting, Auditing, and Finance*; *Journal of Business, Finance and Accounting*; and *Financial Analysts Journal*.

Dr. Linsmeier served as an appointed member of the Financial Accounting Standards Board (FASB) from July 2006 – June 2016. He also has served as Academic Fellow and Special Consultant to the Office of the Chief Accountant at the U.S. Securities and Exchange Commission (SEC).

He received his Ph.D. and MBA from the University of Wisconsin–Madison and his BBA from the University of Wisconsin-Milwaukee.

***Innovative Financial & Non-financial Reporting***

**1:30 Risk Management and Performance Disclosures – Works in Progress**

- Stacey Nagle, Partner, Deloitte Canada – results of a new Deloitte Study
- Brian Fiedler, CFO, Give & Go Foods – CPA Canada initiatives
- Christopher Ittner, EY Professor of Accounting, Wharton, University of Pennsylvania

## **Stacey Nagle**

Partner, Deloitte Canada



Stacey is a partner in Deloitte’s Audit & Assurance practice. She has been with the global Deloitte Firm for more than 20 years, with 10 of those years spent in our U.S. practice. Stacey has extensive public company experience, focusing on companies in the manufacturing and investment management industries; however, she has served a number of different industries during her tenure. She is a Chartered Professional Accountant (Chartered Accountant) as well as a Certified Public Accountant in the United States.

Stacey is a member of Deloitte’s Canadian Audit Quality Board, providing oversight over the effectiveness of Deloitte’s audit quality agenda. She is also a member of CPA Canada’s Canadian Performance Reporting Board. Stacey co-leads Deloitte’s work in advancing the discussion on “The Future of Corporate Reporting” and the role our profession should play in shaping that future, which has focused on enhancing the effectiveness of reporting within the existing accounting and regulatory framework, as well as looking forward to what a different framework might look like and how the CPA profession can play a more valuable role in providing assurance on other corporate reporting elements beyond the financial statements.

Stacey is actively involved in the Deloitte’s learning and growth activities and regularly facilitates technical accounting training for employee. She is a strong advocate of our Firm’s Inclusion strategy, and a member of the National leadership team for Deloitte’s women’s network.

## **Brian Fiedler**

CFO, Give & Go Foods



Brian Fiedler is the Chief Financial Officer of Give & Go Prepared Foods, an international food company based in Toronto. He has over 30 years of international business experience with leading firms, such as Coca-Cola, Colgate Palmolive, Canadian Tire and PricewaterhouseCoopers in Canada, and overseas in Australia, New Zealand and Malaysia.

Brian has extensive experience in accounting and financial reporting, strategic planning, financial analysis, risk management and taxation in both public and private company

environments. In addition to his role as an AcSOC member, he is also a former member of CPA Canada's Canadian Performance Reporting Board.

### **Christopher Ittner**

EY Professor of Accounting, Wharton, University of Pennsylvania



Professor Ittner's research focuses on the design, implementation, and performance consequences of performance measurement, cost management, and enterprise risk management systems. His articles have been published in the *Harvard Business Review* and leading academic accounting, marketing, and operations management journals. He is an editor of *The Accounting Review*, and has served as senior editor at *Production and Operations Management* and associate editor for *Accounting, Organizations and Society*, *Management Science*, and several other academic journals. His work on the association between customer satisfaction measures and financial performance received the American Accounting Association's Notable Contribution to Management Accounting Literature Award.

Professor Ittner teaches management accounting in undergraduate, MBA, and executive education sessions as well as marketing metrics. In addition, he runs management accounting doctoral courses for students from throughout the United States and Europe. He is the recipient of several MBA teaching awards.

Professor Ittner received his BS from California State University, Long Beach, his MBA from UCLA, and a Doctorate in Business Administration from Harvard University.

**3:00** *Coffee Break*

**3:15** *Disclosure Gaps - Traditional Financial Statements and Stock Market Valuations*

- Dimitry Khmelnsky, Vice President, Head of Accounting & Special Situations Group, Veritas Investment Research - non-GAAP metrics, KPIs, and risks posed by misuse.

### **Dimitry Khelnitsky**

Vice President, Head of Accounting & Special Situations Group  
Veritas Investment Research, Toronto



Dimitry is Head of the Accounting & Special Situations Group focusing on organizations that pose a financial risk. Dimitry is also Head of training helping clients and their analysts on analyzing complex accounting issues. Prior to joining Veritas in 2006, Dimitry was at Ernst & Young in their assurance practice.

### ***Key Areas for Future Professional Accounting Research***

**4:00** Panel members will offer their insights and reflections on the day, as follows:

- Steven Huddart, Penn State University
- Jeremy Justin, CPAB
- Gord Beal, CPA Canada

### **Steven Huddart**

Smeal Chair Professor and Department Chair of Accounting, Penn State University



Professor Huddart's research examines how decisions are affected by information, incentives, social norms, and behavioral biases. He has examined the relationships between disclosure and insider trading; the financial reporting, taxation, compensation, and valuation aspects of employee stock options; the effects of ownership structure on corporate value; and the determinants of investors' decisions to trade. His publications have appeared in the *Journal of Accounting Research*, *Accounting Organizations & Society*, *Management Science*, *The Accounting Review*, *American Economic Review*, *Accounting horizons*, *Contemporary Accounting Research*, *Journal of Accounting & Economics*, *Econometrica*, *The Quarterly Journal of Economics*, and the *Journal of Finance*

Steven served as KMG Professor of Accounting prior to assuming the Smeal Chair. He obtained his Ph.D. in Accounting from Yale University, and a Bachelor's degree in Mathematics from the University of Waterloo.

## **Jeremy Justin**

Regional Vice-President, Stakeholder Engagement & Thought Leadership, Canadian Public Accountability Board (CPAB)



As a Regional Vice-President, Jeremy Justin is responsible for Stakeholder Engagement, Thought Leadership and Standards. Jeremy's responsibilities include engaging with a variety of different stakeholders in Canada and internationally including audit committee members, audit firms, investors and other regulators on issues related to audit quality including researching and publishing discussion papers on audit quality and discussing current issues.

Prior to joining CPAB, Jeremy practised at Deloitte where he provided advice on accounting, assurance and financial reporting matters and led the audits of large public companies.

## **Gordon Beal**, Vice-President, Research, Guidance and Support CPA Canada



Gord Beal, CPA, CA, M.Ed. is Vice President of Research Guidance and Support at CPA Canada. His team is responsible for knowledge development and the creation of guidance and thought leadership on current and emerging issues that will help to shape the future of the CPA profession.

Gord's 25+ year career spans professional services, finance and operations leadership, time in the public sector, and NPO governance, with a focus on organizational adaptability and resilience.

**4:45** Closing Remarks by Prof. Brooks