

CAPA Seoul 2015 Statement

CAPA Seoul 2015 provided an opportunity to reflect on the threats and opportunities facing professional accountants in an ever-changing macroeconomic landscape, especially focusing on what role Asia-Pacific professional accountants are expected to play to safeguard the public interest and how they should prepare for the future.

Many of the discussions at the conference were based on the following backdrop and context.

- Professional accountants have made great efforts to contribute to improving confidence in financial reporting in response to the global financial crisis. Now, they should further strengthen their efforts to protect the public interest and enhance social confidence.
- Professional accountants should also bolster their efforts to build a solid accounting infrastructure that can play a vital role in securing sustained economic development in Asia.

Among core agendas which were discussed at CAPA Seoul 2015, the following are highlighted:

(1) Efforts to resolve the lack of qualified accountants in the Asia-Pacific region

The establishment of accounting infrastructure is necessary and vital for a continued economic development of the Asia-Pacific region, and the Asian region in particular needs more qualified accountants. Comparisons with developed nations around the world highlight challenges and shortfalls regarding quality, and particularly the quantity of professional accountants. Research and reviews regarding accounting education and professional accountant training systems in the region are required to seek solutions to resolve this lack of qualified professional accountants.

(2) Response to public sector revolution

As the fiscal health of many countries has come under the spotlight in recent years, there are strong demands to improve accounting transparency in the public sector. The application of accrual-basis accounting to the public sector, though challenging and difficult for some countries, is one of the most effective ways to improve accounting transparency. The adoption of or convergence with International Public Sector Accounting Standards (IPSAS) has become an important first step for an increasing number of countries, and professional accountants can play a major role in their implementation.

(3) Strengthening of SMP capabilities

Globalization, rapid technological development and intensifying competition, pose great challenges to SMEs and SMPs in the Asia-Pacific and other regions. Considering the significant role of SMEs in the economy, it is important SMPs' have sufficient expertise and capabilities to help SMEs respond to such changes. As a priority, each PAO needs to consider how to strengthen SMP capabilities through expanded related research and service support. The unique situation of SMPs must also be considered by all International standard-setters.

(4) Response to the new corporate reporting concept - integrated reporting

Amid rapidly changing macroeconomic environments, integrated reporting has emerged as a new corporate reporting concept for a more comprehensive evaluation of an organization based on its long-term ability to create values, rather than on its short-term financial performance. Such a change presents new opportunities for professional accountants. Professional accountants need to contribute to the development of integrated reporting and the enhancement of confidence in businesses' integrated reports by using their expertise in corporate reporting, accounting and assurance areas.

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