Deloitte.

Rising to the challenge

Adapting to the future of financial foresight

Contents

Foreword

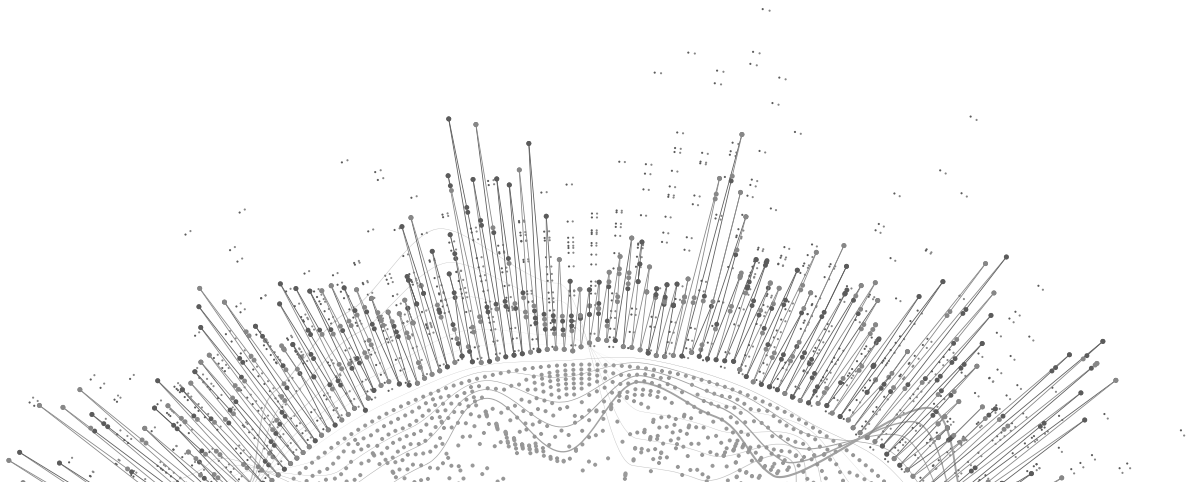
Audit and accounting are the foundation of Deloitte's business, and today they remain at the core of who we are and what we do. We're deeply committed to our role in the financial system, and we aspire to be bold and relentless in defining what that looks like for tomorrow. The world is changing in profound ways. Technologies are driving rapid change in how we live and work, and they are also poised to drive a revolution in the audit and accounting disciplines. We've given a great deal of thought to how our core disciplines will need to adapt to the ever-changing demand for financial foresight.

This paper offers our perspective on the future of audit and accounting—how the profession can stay relevant in that future, and Deloitte's own role in creating it. We explore how investors and businesses are using companies' financial information differently today and the challenges that creates for the profession.

We offer our suggestions on how the profession must evolve to adapt to its new reality, including:

- Moving beyond hindsight as the sole, sacrosanct core of financial reporting and reaffirming financial foresight as its fundamental objective;
- Calling on all participants in the capital markets—management teams, boards, investors, regulators, and auditors—to collectively strengthen the quality and relevance of information used in generating financial foresight; and
- Modernizing the CPA profession—including how it works, how its entrants are trained, and how it embraces digital technology—in order to cement its influential role for the future in business and our economy.

We believe these suggestions require our profession to **look forward and embrace a new purpose:** to provide valued financial foresight that drives sound business strategies and decisions, and to catalyze the implementation of them.



Preparing today for tomorrow

The enduring need for financial foresight

Entrepreneurs, business leaders, investors, and other stakeholders have always been preoccupied with gaining financial foresight about business enterprises. They've always wanted answers to two fundamental questions: How is the company performing, and what are the company's prospects for future success?

Since the implementation of securities regulations 85 years ago, the best sources of reliable information to help answer these questions were the financial statements released after a company's period-end. As a consequence, historical financial reporting has held a preeminent position in the financial ecosystem. Until now.

Today, financial foresight is mainly generated from an abundance of real-time, continuous, forward-looking financial and operational information already available in the market—information like contracts signed, subscribers gained, committed future sales, revenue growth forecasts, asset utilization, cost containment measures, or planned investments.

Financial foresight is also shaped by external factors affecting the company and its business model, such as regulations, competition, or industry, economic and political trends. These and other data points mean that assessments and decisions are made long before historical financial statements are published.

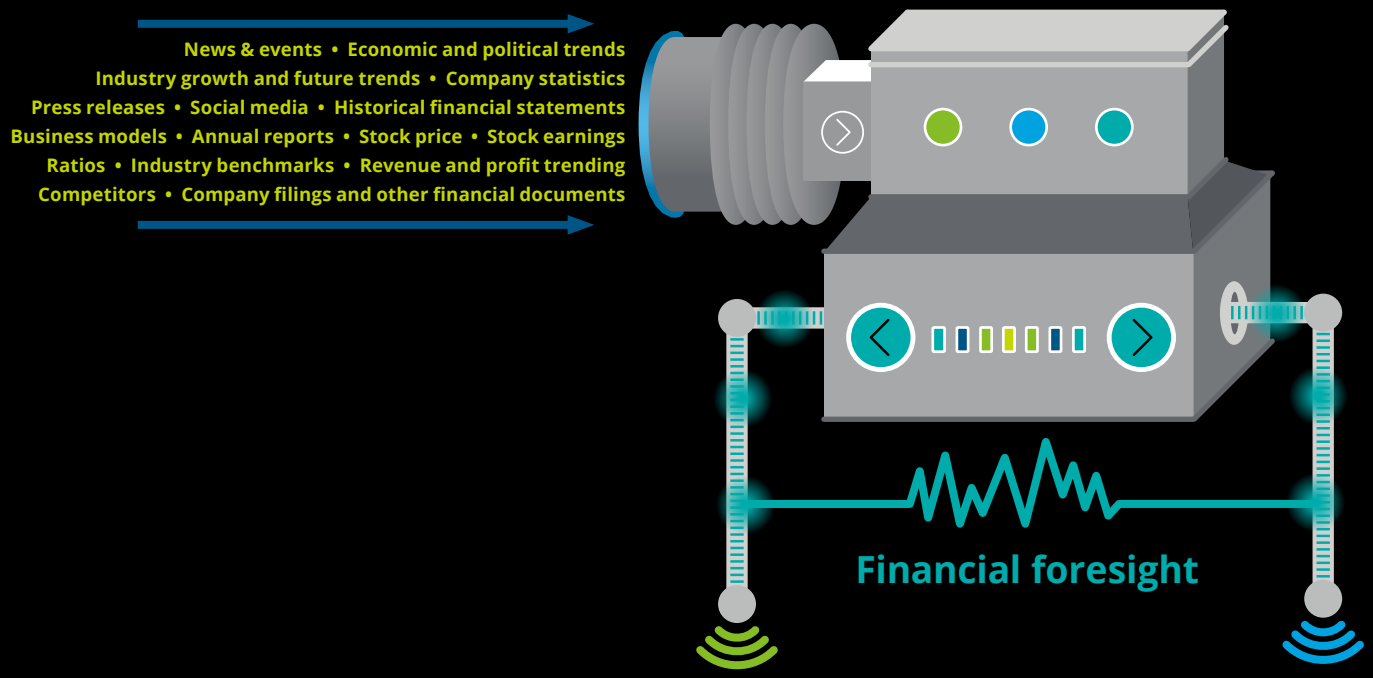
As a result, the role of historical financial statements has changed. They are no longer the primary source for financial foresight. Instead, they are used to understand the impact of past decisions and to confirm that prior judgements—those made based on real-time information—were sound and reliable.

The rising importance of real-time, continuous, and forward-looking information—and the changed role of historical reporting—represents a tectonic shift in capital markets. All players in the financial reporting ecosystem must reflect on how their actions and attitudes have to evolve in response, in order to foster the greatest possible confidence in the information used to generate financial foresight.

Financial foresight

Deloitte defines financial foresight as the consumption and synthesis of a wide-ranging set of data and information available about a company—including its parts, its competitors, and external factors that could affect its future—to understand and validate the company's performance to date and assess its prospects for success.

Companies, investors and lenders alike are interested in the same kind of information. However, investors and lenders are limited to the information the company publicly provides, and they supplement that with their own research and analysis.



The need for financial foresight is constant, and the appetite for it will continue long into the future. What keeps changing is the nature of information available in the marketplace to generate that foresight.

Company management and its directors

They use financial foresight to make decisions on the company's strategy, capital allocation, and operations, and assess whether it's on track to meet current and future performance targets.

Investors and lenders

They use financial foresight to consider whether to invest in a company, analyze probable return on investment, and assess whether the enterprise will meet performance expectations.

The changing nature of financial foresight

Reflecting on the evolution of the financial reporting ecosystem

In shaping the future of our financial reporting ecosystem, it is important to understand the lessons learned and other insights gleaned from the past.

The foundation: To look forward, look back

For much of history, after-the-fact accounts of financial transactions—eventually taking the form of financial statements and annual reports—formed the main basis for predicting a company's financial future. An entire financial reporting ecosystem was built up around historical financial statements and their ability to answer the question, "What happened?"

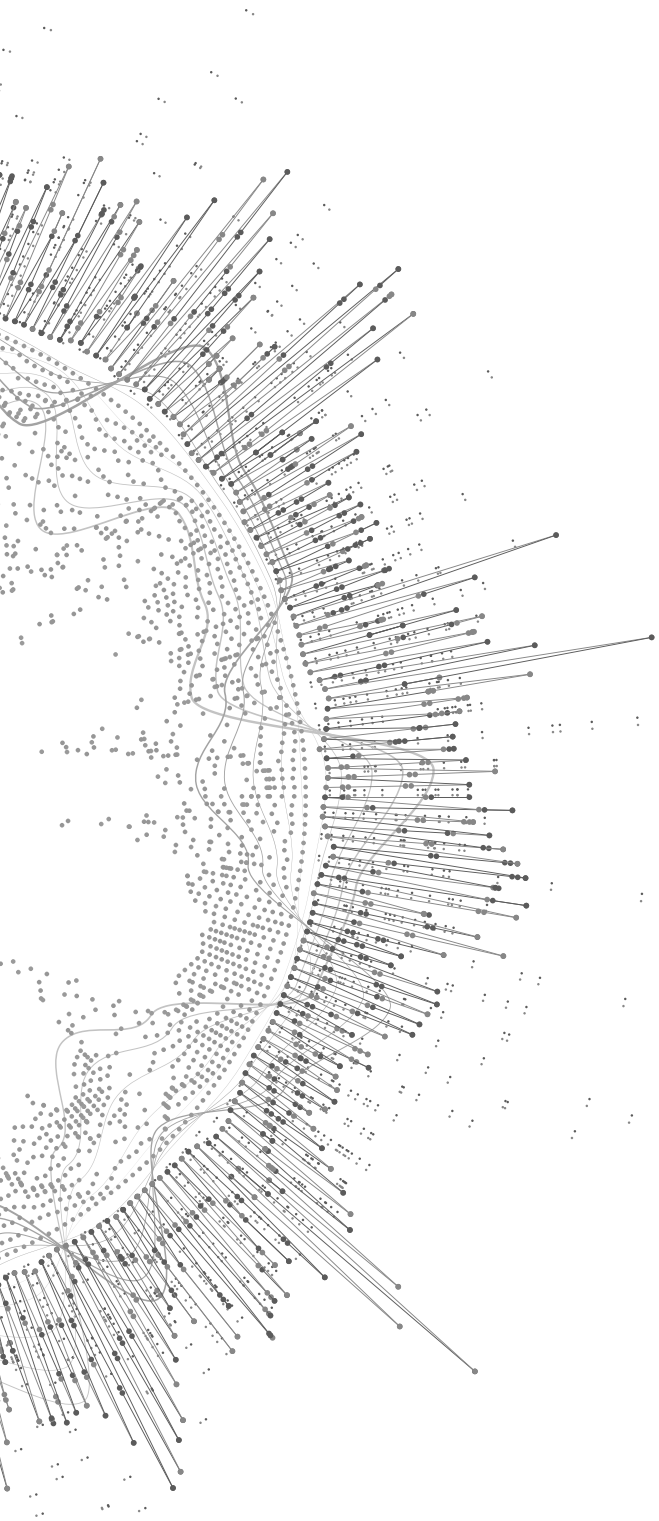
The roles and expectations of the financial reporting ecosystem's key players continuously evolved in a constant effort to instill public confidence in the preparation and accuracy of the historical financial information used to generate financial foresight (see Figure 1).

A generation ago, companies would race to be the first to publish their financial year-end results and get the freshest information into the marketplace. "Value investors"—those eager to find fundamentally solid businesses with underpriced stocks or high dividend yields—would devour the details of these public filings in search of overlooked or underused information to gain an advantage and realize a superior return.

The external audit played a pivotal role in the financial reporting ecosystem, one that continues to be key in the capital markets. External auditors have long provided an independent, objective perspective to assess companies' financial statements and the story they tell.

Figure 1. Financial reporting ecosystem player roles and responsibilities

A journey through time
The early years and the 1990s



1932

The Ontario Securities Commission, the largest of the provincial regulators is founded.[1]

1975

Microsoft is founded.[2]

1976

The first Apple computer debuts.[3]

1977

The International Federation of Accountants (IFAC) is founded.[4]

1978

The International Auditing and Assurance Standards Board (IAASB) is founded.[5]

1981

IBM introduces its personal computer with Microsoft's 16-bit operating system, MS-DOS 1.04.[6]

1989

Microsoft introduces Office suite of productivity applications.[7]

The '90s:
Computers and the internet make foresight more available

By the 1990s, computers enabled anyone with a spreadsheet program to develop forward-looking financial models and create financial foresight information, while the internet made vast amounts of data readily available to the market. This technology and information revolution first transformed how companies developed their strategies and business plans; eventually, investors themselves began to use the same tools to construct their own models of future financial performance.

As new sources of real-time and forward-looking information became more plentiful, accessible, and rapidly available, the importance of historical financial data diminished. Non-GAAP measures began to creep into financial reporting, both to track company performance and to establish trend lines to guide future expectations.

Regulators and auditors responded to these changes by reasserting their tried and true approach—one entrenched in testing, regulating, and monitoring historical financial information as the primary source for generating financial foresight. The prominence of GAAP information was reinforced and non-GAAP measures were discouraged. Legislation was altered to require audit committees, on behalf of the boards and shareholders, to act more independently and effectively in their oversight of a company's public financial reporting and the external auditor's work.

1993

The dawn of the internet era: Web browsers become commercially available, making vast amounts of data readily available to the market.[8]

1995

Windows 95 launches.[9]

1996

Increasing connectivity. 7.4 percent of Canadian households are connected to the internet. By 2016, 87 percent will be connected.[10]

1998

Research in Motion launches the Blackerry.[11]

The 2000s:

The bubble bursts, and corporate failures bring new regulations

This same period also saw many businesses grow larger, more complex, and more global than ever. And when these enterprises failed or market confidence plummeted—such as during the end of the dot-com bubble in 2000; the financial scandals at Enron, WorldCom, Tyco, and others in the early 2000s; or the global financial crisis of 2007-08—society was aghast at both the scale of financial calamity and the apparent lack of financial foresight. To rebuild public trust in the integrity of the financial reporting ecosystem and restore confidence in financial audits, governments and regulators responded swiftly to these financial shocks with new rules regarding the preparation and audit of historical financial information. Canada's Bill 198 and the United States' Sarbanes-Oxley Act strengthened financial reporting controls and required a company's most senior executives to certify that systems and internal controls were in good working order.

New regulatory bodies—notably the Canadian Public Accountability Board (CPAB) and the US Public Company Accounting Oversight Board (PCAOB)—were created to monitor quality of audit execution and establish greater consistency among public auditors.

These new rules and regulators have brought tangible improvements to audit quality and the integrity of historical financial reporting. Yet company management teams, boards, and audit committees continued to advance their use of new, forward-looking financial information, transforming the way in which the market develops financial foresight.

2000

The dot-com bubble bursts; the TSX loses $70 billion in a single day.[12]

57 percent of workers use a computer.[13]

2001

Enron scandal.

International Accounting Standards Board (IASB) is created to establish International Financial Reporting Standards (IFRSs).[14]

The SEC issues cautionary advice to registrants about including "pro forma" non-GAAP financial information in their press release.[15]

2002

WorldCom and Tyco scandals.

PCAOB created, and SOX is passed in the US.[16] Canada's parallel bill passes.

2003

Canadian Public Accountability Board (CPAB) is created.[17]

55 percent of Canadian households are connected to the internet.[18]

2006

Twitter is founded.[19]

Google buys YouTube.[20]

2007

Apple releases the first iPhone.[21]

2009

The first bitcoins enter the market.[22]

2011

IFRS becomes the standard in Canada.[23]

2012

Online sales in Canada reach $122 billion.[24]

2013

Canadian Professional Accountants (CPA) unification.[25]

2016

87 percent of Canadian households are connected to the internet.[26]

18 years after the BlackBerry's release, 76 percent of Canadians own a smartphone.[27]

2017

Google sells more than one Google Home device every second since Google Home Mini started shipping in October.[28]

2018

Apple becomes first US company to hit $1 trillion value.[29]

The 2010s:

Big data, analytics, AI and the future of financial foresight

In the past decade, big data, analytics, the "internet of things" (IoT), artificial intelligence (AI), and machine learning have accelerated the disruption of traditional financial reporting. These new technologies enable companies to gather and analyze vast amounts of real-time information about their business, continuously refining their financial foresight in the process. The market, ever in search of more accurate predictions, eagerly consumes this new "up-to-the-minute" information. Judgements are made and stocks move based on real-time, forward-looking operating metrics, news about product announcements or recalls, changes in management, employee layoffs, acquisition bids—and even social media posts.

Today, governments and regulators acknowledge the major shift in the information used to generate financial foresight. Yet they remain focused on updating regulations and controls over historical financial reporting and the external audit—and continue to hold up financial hindsight as the sole, sacrosanct core of financial reporting.

We believe this must change. Historical financial reporting should instead be viewed as one of many tools used in gaining financial foresight and making confident business decisions. Today, historical financial information plays a valuable role in confirming—or contradicting—the market's prior financial foresight assessments.

The external audit also remains highly relevant and valuable. The audit opinion provides assurance on the company's after-the-fact reporting. The capital markets react strongly when audit statements with a clean audit report are not provided. Share prices are adversely affected and companies could be barred from participating in public markets.

Valuators are leading the way on financial foresight

Valuing a company is among the purest forms of financial foresight because it seeks to set a financial value on the future prospects of an enterprise. As a result, the valuation profession, which includes many CPAs, has been at the forefront of pushing the boundaries on the concept of financial foresight.

Valuations have always been estimating the value of future cash flows an enterprise can generate. Historical financial statements are normally reviewed in a valuation, but they are routinely adjusted to yield better financial foresight information. "Normalization adjustments" eliminate the impact of non-recurring items and additional adjustments convert them to measures of cash flow. Many of these adjustments are informed by "non-GAAP information" set out in public disclosures or provided separately into the valuation process.

As business becomes increasingly technology based, the prominence of certain types of intangible assets has grown—assets like "assembled workforce", "technology platform", "customer relationships" and "subscriber base". These intangible assets bring a new dimension to valuations requiring valuation approaches to adapt and evolve. New financial modeling techniques and other tools create greater insight into the impact of these assets on the overall enterprise value of an organization.

These assets are core to a company's enduring success. Their value builds as an organization carries on operations and reinvests capital.

This growth in value is not recognized on a traditional GAAP-based balance sheet. Without disclosure of information that goes beyond the limits of GAAP, there is little public information available to generate foresight on these assets.

Perhaps information that is commonly referred to as "non-GAAP" should be embraced as "beyond-GAAP" information because of its value in generating financial foresight. Consider these two examples of beyond-GAAP information that could enhance foresight on critical company-developed assets that are not recognized in financial statements:

- A company with a large subscriber base asset could disclose subscriber attrition and sign-up rates.
- A company whose future is built on successful development of new technologies could disclose information about their patents, such as how many and how long they last.

A valuation perspective shines a bright light on the kind of information needed to generate financial foresight. Valuators also assess the integrity of the information they work with, often insisting it be tested or verified in some way.

We expect that at the same time that financial foresight development continues to be dynamic and evolve, the need for assurance on the information on which the foresight is based will also grow.

The future: What's next?

Financial foresight will continue to evolve rapidly in an increasingly digital world. Adaptation won't be optional.

Digitization's expanding impact

The proliferation of digitized business data is already fundamentally changing how financial foresight is developed, and real-time, continuous, forward-looking information will continue to reshape how companies interact with customers, suppliers, and partners.

Since the advent of electronic data interchange (EDI), digitization is powering an exponential increase in the real-time exchange of critical communications and operational and transactional information within and between businesses. Whether through systems software or IoT connected devices, companies are continuously exchanging real-time information on an array of operating metrics that influence automated business decisions.

System aggregated data on compliance with product tolerance standards can affect product design. Real-time operational data drives automatic manufacturing process refinements, quality control reporting, or minimum inventory order quantities. Reported temperature, humidity, and other environmental data prompt automated adjustments to HVAC systems.

These and other automated business decisions within and between businesses will depend on timely exchange of accurate data. The CPA profession will need to consider how it can provide assurance around these real-time flows of information between businesses to provide the confidence needed to support resilient, high-performing business networks.

Will financial foresight soon become "performance foresight"?

At the heart of the need for financial foresight is the drive to earn a return on investment—and the preoccupation with a company's performance this creates. Yet today's investors are evaluating companies on more than just financial performance. Some investors are looking for performance information on other dimensions, such as environmental sustainability and a company's socio-economic impact on communities.

For these investors, having access to a broader information set provides a more complete view of a company's overall performance; in some cases, hitting non-financial performance targets are investor prerequisites.

In response to investors' growing interest in non-financial performance, various frameworks—the International Integrated Reporting Council's (IIRC) integrated reporting framework, for example—have been developed to help companies report more fully using a broader definition of performance.

To ensure its ongoing relevance to the economy and the business community, the CPA profession should strive to participate—eagerly and early—in the development of frameworks, standards, regulation, and guidance needed to report on performance more broadly.

As financial foresight changes, are we collectively keeping up?

Rapid change makes it harder to uncover root causes when things go wrong

Despite an ever-increasing abundance of financial foresight information, and despite continuously strengthened financial reporting and audit controls and regulations, corporate failures continue to confound investors, governments, regulators and the capital markets. The typical reaction is to try to find inaccuracies in the historical financial statements and raise questions about whether management's assessments were too rosy, or allege that the external audit confirmed a materially inaccurate picture.

Yet there seems to be strangely little interest in examining the real-time, continuous, forward-looking information that commonly underpins assessments of a company's prospects before the financial statements are released.

This real-time and operational information (e.g., announcements about units sold or moves into new markets) that's provided to the market is largely unregulated, rarely audited, and subject to inconsistent levels of control and oversight.

Failure in financial foresight is frequently the root cause of the surprise of corporate failures. Shouldn't all players in the financial reporting ecosystem collectively do a better job of vetting the information that supplies that foresight?

A time of change. A call to action.

All players in the financial reporting ecosystem must adapt to a new world

A vast array of new information is profoundly reshaping how we develop financial foresight. Yet this information does not receive nearly the same kind of scrutiny as historical financial information does.

This needs to change—and each of the existing players in the financial reporting ecosystem has a role to play. Together, management teams, boards, investors, regulators, and auditors can strengthen the quality of information used in generating financial foresight, both in terms of how it's developed and how audited results are used to evaluate it.

At Deloitte, we believe it's essential that everyone involved in the financial reporting ecosystem engage in thoughtful reflection and discussion around their role in producing, overseeing, publishing, consuming, and verifying the critical information now commonly used to assess a company's performance and its prospects for future success. We must look at not only the systems and controls in place, but the nature and quality of the information itself as well.

Company management should take time to identify which data, information and metrics are the most important measures of financial foresight for the company. They should then determine what controls, measures and system improvements are needed to ensure that real-time, forward-looking financial and operational information is tested and correct.

Boards of directors should determine what governance approvals are required regarding publicly released information and disclosures—as well as what assurance, independent or otherwise, should be obtained. In addition, boards should assess how much time and attention they devote to historical financial reporting compared with the real-time information that forms the basis for financial foresight on a day-to-day basis.

Investors and their advisors should examine what, if any, assurances they are receiving or should demand in order to be confident that companies' real-time and forward-looking information is as trustworthy as historical financial statements have been in the past.

Governments and regulators should address how they can facilitate market participants' trustworthy use of real-time, forward-looking information for financial foresight, rather than zealously guarding the sanctity of historical reporting alone.

Auditors, the auditing profession, and standard setters should look at how to evolve assurance services to assess real-time reporting systems and the operating and financial data they produce. At the same time, standards should be developed to ensure uniform approaches to reporting. The profession must work closely with securities and audit regulators to strike the optimum balance between real-time, continuous disclosure of financial and operating information on which financial foresight is developed, and the historical financial reports with which that foresight is judged.

Tackling the challenges of a financial market where financial foresight is fuelled by real-time, continuous, forward-looking information is much more daunting than focusing on historical financial reporting. Yet if the parties in the financial reporting ecosystem—ourselves included—ignore these changes and challenges, we would be avoiding our shared role in promoting what's in the public interest.

We have collectively benefited from a robust financial reporting system that we have collectively built over decades. We need to ensure it is equipped to handle tomorrow's demands. We must acknowledge today's realities and accept the transformation in how financial foresight is generated.

We must seize the opportunity to make things even better. And we must work together to evolve our financial reporting system so that it endures and adapts for as long as financial foresight is required.

The AcSB is taking a leadership role to enhance the relevance of financial information, as is illustrated by this passage from its Draft Framework for Reporting Performance Measures:

"Therefore, we think the conversation about the framework must include all parties involved in financial reporting—standard setters, management, directors, assurance providers, advisors, investors, contributors, lenders, other resource providers and regulators. Each player in the financial reporting supply chain needs to speak out and take action to promote best practices for developing and reporting financial information that is relevant for decision making. By working together, we can make a difference."

How Canada's CPA profession must evolve

To stay relevant, CPAs need to embrace new thinking and new approaches

Many Deloitte professionals are members of Canada's CPA profession. We're proud of its role in the financial system, and its leadership on important issues facing Canadians and Canadian business. We also recognize that the evolving nature of financial foresight, financial reporting, and corporate governance has powerful implications for our profession and its future.

Canada's more than 200,000 CPAs play key roles in all aspects of our economy. A large portion of CPAs prepare financial statements, internal management information, forward-looking forecasts, and other analyses for the companies they work for. Together, the work of these CPAs across the country supports key decisions made by public, private, and not-for-profit executives, management, and government officials daily. In addition, many CPAs are in public practice, delivering assurance on financial statements or advice on tax, accounting or other financial matters.

All CPAs share a strong heritage built on the value of historical financial reporting, and many, together with their organizations, are moving forward into our changing future, developing new ways to generate and work with financial foresight information. This modernization effort is vital to cementing CPAs' position in providing valuable foresight on companies' ongoing financial condition and future financial performance. As analytics and AI systems automate many routine tasks previously performed by CPAs in financial or management roles, CPAs will need to distinguish themselves by their ability to develop strategies for the future—and drive the changes required to achieve that future.

In short, Canada's CPA profession must look forward and embrace a new purpose: to provide valued financial foresight that drives sound business strategies and decisions, and to catalyze the implementation of those strategies and decisions.

Embracing a new purpose in a changing world

Embracing this new purpose will profoundly affect how Canada's CPA profession thinks about its future. Business is changing fast—and not just because of the factors forcing organizations to adapt to the changing nature of financial foresight. In pursuing its new purpose, the profession must also concurrently consider optimizing how they do so by:

Rethinking how we work

Changing demographics and rapid technological change are transforming the workforce—and the workplace itself—faster than ever. As millennials start to form the majority of our increasingly diverse workforces, companies, professional bodies and accounting firms must ensure they create work environments and support ways of working that attract and engage a new generation of talent and enable them to thrive. CPA employers must focus on creating a sense of purpose that appeals to employees' desire to make a positive contribution to the world around them.

Employers need to ensure their employees' work environment is inclusive, and able to accommodate employees' desire for mobility and flexibility in a "gig economy." And CPA employers need to ensure they offer employees a way to make an impact, use their skills, learn and grow, and take on leadership responsibilities.

Educating for new skill sets

In our digital world, CPAs are going to need very different skills compared with what they needed in the past. As more tasks become automated, CPAs will do less and less recording, aggregating, analyzing, and reporting on transactions—because the machines will be able to do that continuously, in real time. Instead, CPAs will need to be highly adept at finding meaning and deriving insights from financial and operational information generated by machines—to uncover the stories that can influence business decisions, shape strategies, and drive operational plans.

Ensuring CPAs have these new key competencies—problem solving, critical thinking, strategic planning, data analytics, fraud awareness, control assessment, and more—means the CPA curriculum must change. And that also means the CPA profession needs to give serious thought to what must be dropped from the curriculum.

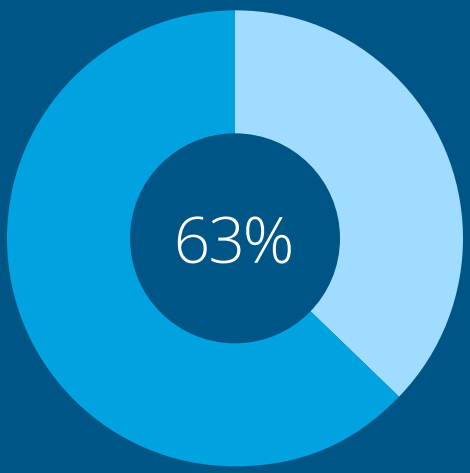
Embracing digital technology

If CPAs must thrive in a digital world, so too must the profession itself. Our professional bodies must embrace digital ways of working, including in terms of engagement with members. They must transform themselves to better reflect today's digital organizations—the kinds of organizations CPAs will be working at every day. Our professional bodies must become more nimble and better able to respond to the changing needs of their members, businesses, and financial markets.

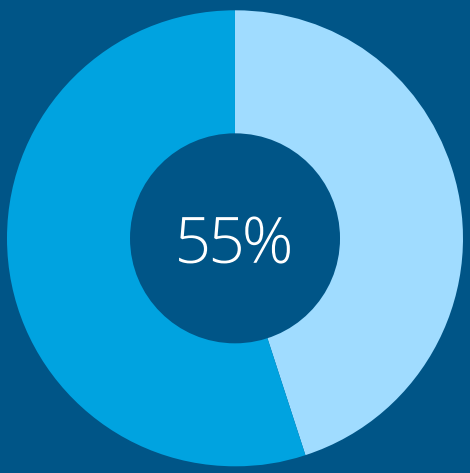
They also need to find ways to be more innovative—to be willing to experiment with new approaches and ideas in an effort to find new, better ways to enable CPAs to create value for the companies they work for. And they must leverage digital ways of working to move faster and reach decisions more quickly than ever before.

Deloitte's 2018 Global Human Capital Trends survey predicts tremendous future demand for human skills such as:

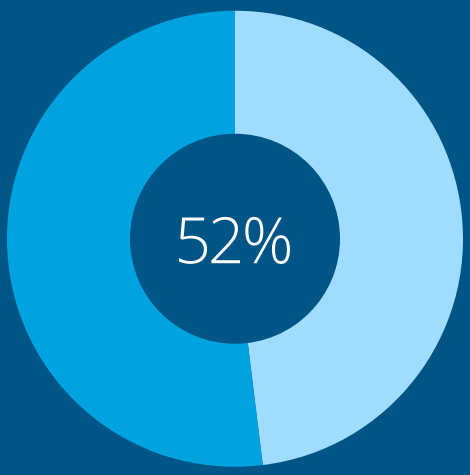
Complex problem-solving



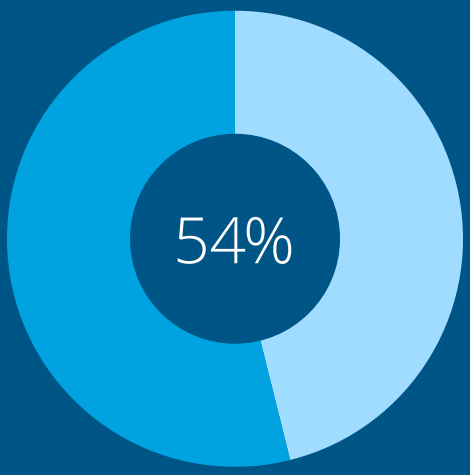
Cognitive abilities



Social skills



Process skills



While 65 percent also predict strong demand for technical skills, research shows that the technical skills to create, install, and maintain machines account for only a small fraction of the workforce.

Reinforcing this view, a recent World Economic Forum study found that the top 10 skills for the next decade include essential human skills such as critical thinking, creativity, and people management.[30]

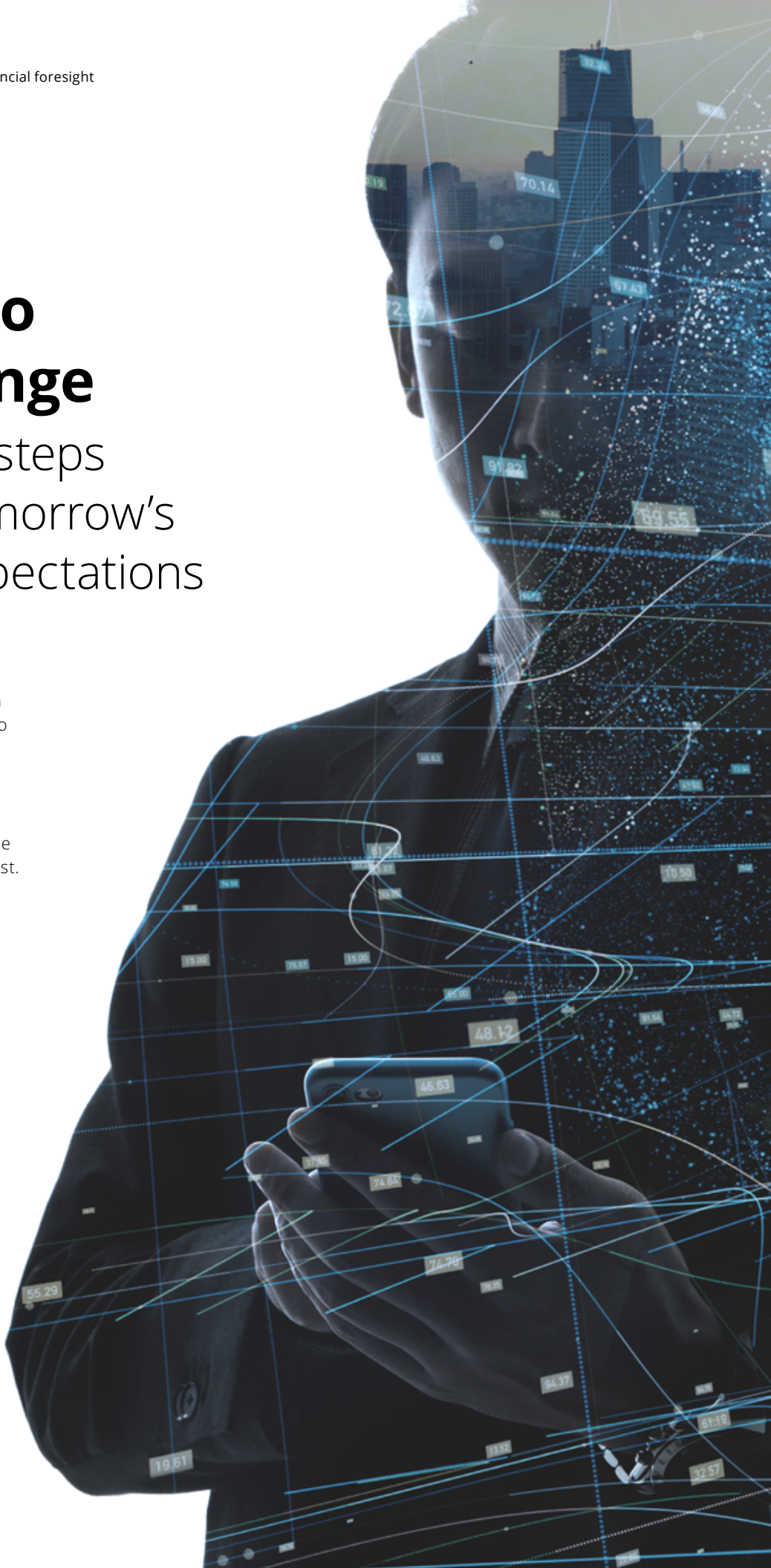
Our efforts to lead the change

Deloitte is taking steps today to meet tomorrow's demands and expectations

At Deloitte, we've already taken steps to lead the way in the evolution of the CPA profession in Canada. We're making bold, deliberate choices to stay at the forefront of changes in our business, our economy, our society, and our profession.

We are driven to help shape the evolution of financial foresight while continuously meeting the expectations of audit regulators and earning trust.

We've made sizeable investments in talent and resources to move forward in the areas we encourage our profession to focus on: leading technologies, modern and future-oriented ways of working, proactive forward thinking, and constructive relationships with regulators.



Acting now, building for tomorrow

Here are some of the things that we've done to lead the change:

Our work environment

In 2013, we began transforming the way we work and interact with each other. We've deliberately designed our new workplaces to foster a culture that encourages connectedness and collaboration, supports inclusion, and provides choice in working environments and styles. Our professionals are better able to collaborate, provide on-the-job coaching, and capitalize on immersive technology to conduct their work. We've already transformed our office spaces in 10 offices across Canada—Toronto, Edmonton, Kitchener, Langley, Montreal, Ottawa, Prince Albert, Quebec City, Saskatoon, and St. John's—with more to come.

Insightful corporate reporting

With some of our largest clients, we're exploring new ways to better tell their story within their current regulatory framework, focusing on meaningful alignment of strategy, long-term performance target metrics, real-time disclosures, and after-the-fact reporting.

Innovation

We are transforming every part of our business, adapting to the reality of doing business in a digital world.

Omnia

As AI and analytics play an increasingly critical role in business, Deloitte's Omnia practice offers a suite of AI services to help companies establish an AI strategy, manage and transform data, and drive data-based insights.

DSpace

DSpace is an innovation lab where Deloitte designers and developers accelerate the development of emerging technologies, using rapid prototyping to transform ideas into tangible models.

Deloitte. Digital

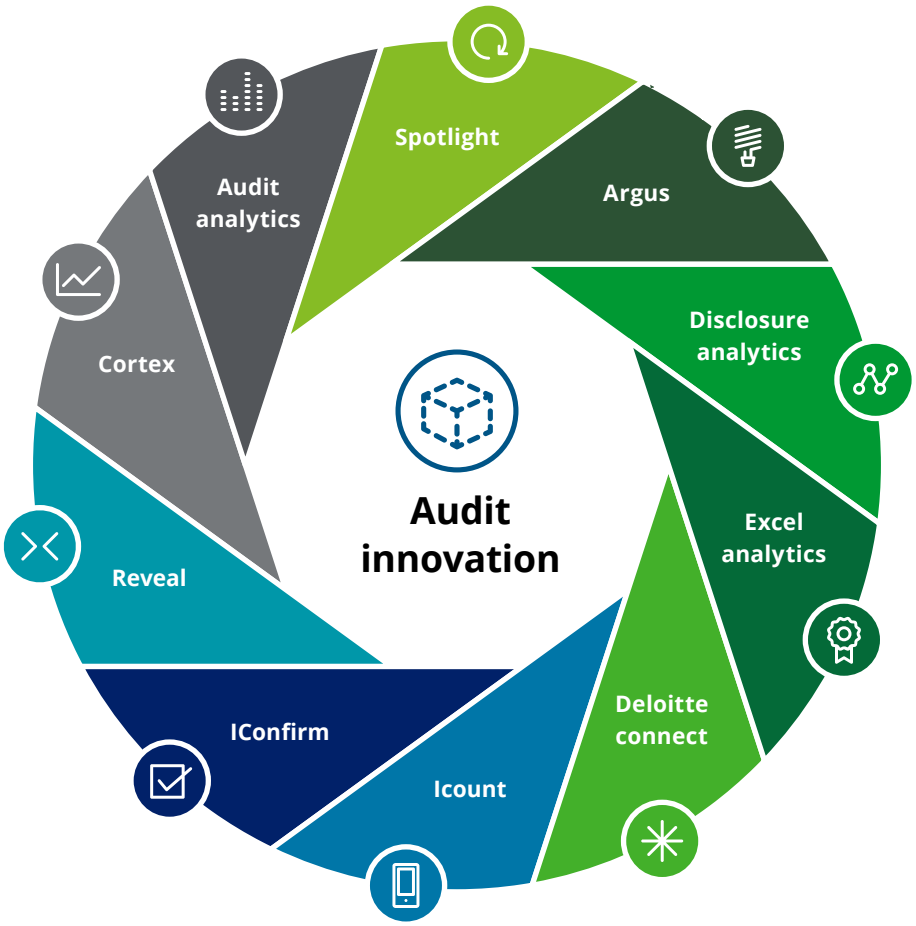
Deloitte Digital combines cutting-edge creative with trusted business and technology experience to define and deliver digital solutions and experiences for enterprises, including strategy, mobile, social, web, cloud, and content management—and even blockchain technology.

Deloitte Greenhouse

The Greenhouse isn't just a space, but an experience, combining a thoughtfully curated environment with deliberate facilitation to help our clients and our people achieve breakthroughs on business challenges.

Discovery Zone

At the Discovery Zone, we research emerging technology trends to identify those "exponential" technologies that will disrupt our world—and bring them in-house so our clients can experience them first-hand.



We're also transforming how we do audits of financial statements. We're exploring ways to examine more audit evidence, develop greater insights into the business of the companies we are auditing, and shift the efforts of our highly trained auditors from routine tasks to more exclusively focus on those requiring professional judgement.

Cortex
Cortex seamlessly acquires and prepares data for analysis—transforming data into insights. It provides an improved audit experience by digitizing data acquisition and enabling our professionals to perform advanced analytics to deliver a smarter audit. Cortex won the 2018 'Audit Innovation of the Year' at The Digital Accountancy Forum & Awards.[31]

Audit analytics
We are leveraging specialists and technology-powered solutions in our audit delivery model to transform the way we plan and execute our audits.

Spotlight
Spotlight accelerates and simplifies the gathering of client data into a format suitable for enhanced analytics and analysis. Flexible and scalable, Spotlight allows our professionals to serve corporations of varying size with equal ease. Journal entry testing is among the most common applications.

Argus
This artificial intelligence tool quickly processes, highlights, and extracts key information from electronic documents.

Disclosure analytics
These automated side-by-side peer comparisons help identify emerging disclosures and industry trends, contributing to more informed disclosures.

Excel analytics
Deloitte's proprietary tool focuses testing on high-risk transactions and streamlines common audit test procedures.

Deloitte connect
This online collaboration and information-sharing tool facilitates two-way dialogue between clients and their audit teams, assisting in managing workflow and enabling clients to assess and monitor engagements as they proceed.

Icount
This enables professionals to use their phones on-site to record their physical inventory count observations and transmit the results in real-time to the audit team.

IConfirm
This coordinates the confirmation process on an online platform, offering a differentiated experience for our professionals and clients by automating and streamlining the confirmation process, including preparing, sending, receiving, and monitoring activities.

Reveal
Reveal provides the ability to model the relationships between data sets to produce powerful visualizations based on those relationships. It easily identifies outliers for inquiry, and makes regression analysis simpler to use than ever.

Always looking—and thinking—towards the future

Deloitte publishes insights and perspectives year-round to bring guidance and clarity around the always changing, always complex Canadian business landscape.

The Future of Canada Centre (FCC) series

Deloitte's FCC series advances the national dialogue on a broad spectrum of topics that matter to our firm, our clients, and our country, with original research and policy analysis.[32]

Future of Canada Centre thought leadership

- The Infinite organization: Realizing lasting success
- The future belongs to the bold: Canada needs more courage
- Canada at a new crossroads: 25 years later
- Outcomes over optics: Building inclusive organizations
- Bold bets for our country: It's time for deliberate action

Exploring a new world of corporate reporting

This publication series focuses on the future of reporting and what changes can be made using non-GAAP measures in today's current GAAP framework to make corporate reporting more relevant and valuable.[33]

Exploring a new world of corporate reporting: Is more less?

- Part 1: Plotting the course
- Part 2: Beyond the status quo
- Part 3: Looking to the future
- Part 4: Raising the game

Global perspectives on the future of finance

This is research from Deloitte member firms worldwide on the future of finance and the digital disruptors transforming how the work of finance gets done.

Global publication series:

- Future of finance in a digital world[34]
- The "Crunch time" series for CFOs[35]
- CFO Insights series[36]
- Finance trends and the digital controllership[37]

The bottom line

The old certainties of financial reporting—and financial foresight—are being changed forever by new technologies and abundant sources of real-time, continuous, forward-looking information.

Management, boards, investors, regulators, auditors, and other stakeholders in the financial reporting ecosystem must now work to ensure that their actions, practices, and rules and regulations are modernized to deal with the challenges of this new information environment—and ensure tomorrow's financial foresight can be trusted and relied on.

The CPA profession itself must play a pivotal part in this modernization effort. The profession must build on its time-honoured legacy rooted in historical financial reporting and make the changes needed to adapt and thrive in the new world of financial foresight. Deloitte is proud to take a committed leadership role in shaping our profession's evolution.

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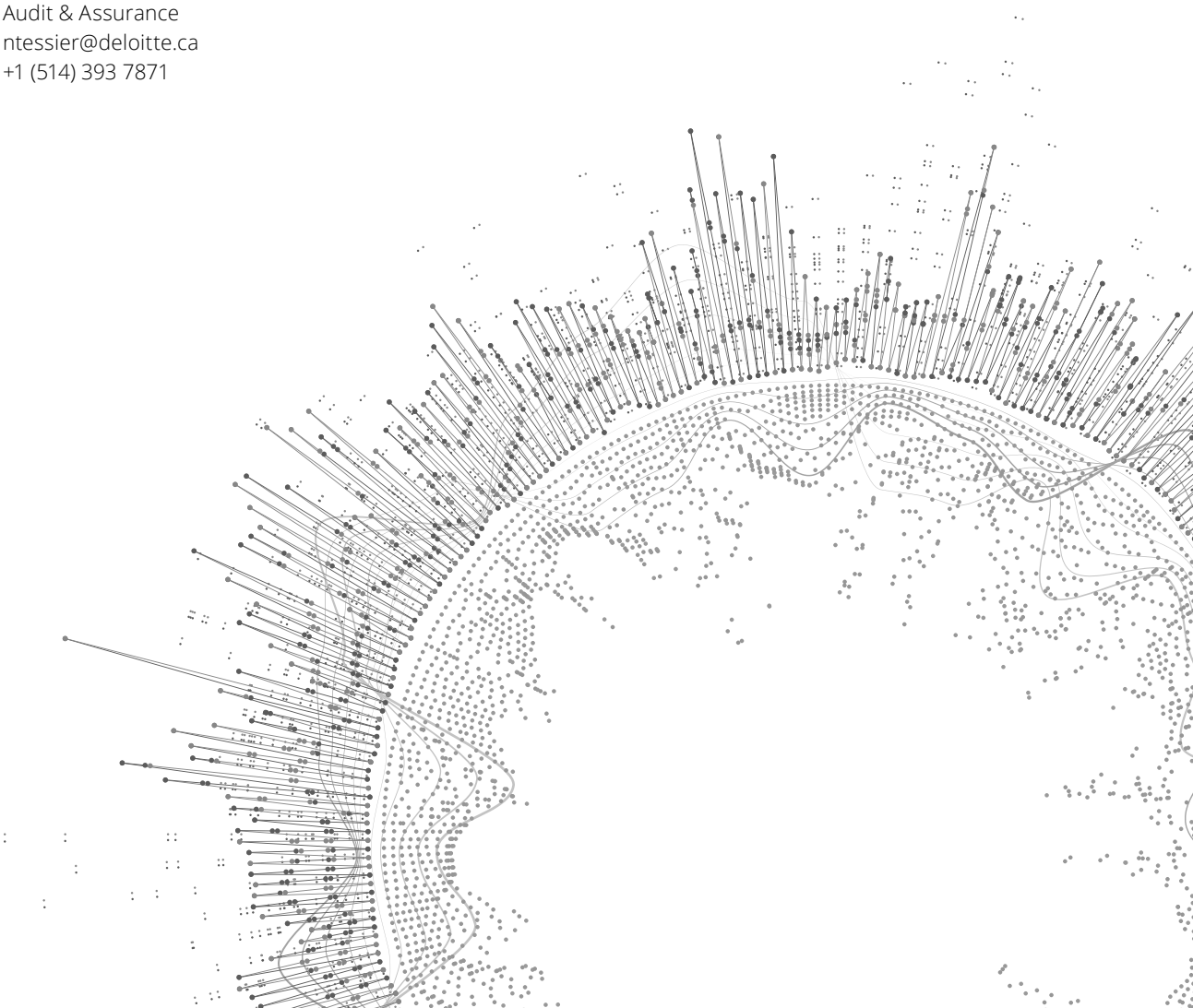

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