

[Introduction]

With the rapid behavior changing disruption of recent years, and the ongoing stream of corporate governance failures. ACCA has been digging deep into how interconnected risks such as climate change and geopolitical issues are influencing the way we approach risk management. This podcast series will look at what risk culture means and to what extent risk and accountancy professionals understand its impact on performance.

[Rachael Johnson]

Thank you so much for tuning in to the risk culture Podcast Series. I'm delighted today to have Yasir Ghani. He is a active member of our global forum for governance risk and performance, and has been very supportive with our engagement in the Middle East. He works on boards across industries, and has also supported us in the Risk Culture series on our deep dives in banking and health care. And in fact, since you are on the board of a hospital in Dubai, Yasir, it would be great to start really just asking you about the challenges and what priorities at the board level you see given this unique and very fast changing risk landscape that health organizations are facing today with cyber risk and the fact that they're so vulnerable to cyber crime, the advent of AI and where to adopt and Not and of course, we've talked about all the different delivery models, like telemedicine and goodness, new drug discovery too. So could you maybe start today with telling us about the key questions you're looking at from a board level?

[Yasir Ghani]

Rachel, thank you very much. First of all, of giving me the opportunity to come over and have a chat, appreciate that what's happening in the market, specifically talking about Middle East, there's a lots happening. Middle East is experiencing significant investments in AI, particularly in healthcare, driven by government initiatives like Saudi vision, 2030, and UAS AI strategy. These initiatives emphasize, obviously, innovation, digital transformation, integration, you know, technology within the frameworks of the organizational structures. I'll give you a few examples in terms of how this is driving from macro level to micro and organizational level within the region. One of the examples is the Emirati genome program. It's a study which aims to explore the genetic makeup of Emiratis using cutting edge DNA sequencing and AI technologies try to generate quality and comprehensive genomic data about Emiratis. Resulting reference genome will lead to personalized and preventive health care for UAE citizens and a comprehensive understanding of rare genetic disorders and new treatments. The integration of AI technology, including predictive healthcare and personalized medicine, is actually revolutionizing patient care standards across the Middle East, we have organizations or companies, startups or at certain mature stages based in out in Abu Dhabi or Dubai, they are in the forefront of enhancing administrative efficiencies while significantly refining patient diagnostics and treatment processes. Together with that, you know, there are organizations and companies that are actively working on AI powered tools, not only to address major operational challenges, but also improving billing processes, minimizing revenue losses and enhance the overall efficiency of healthcare administration. Healthcare Industry, you know, has emerged, from my perspective, as a prime sector for AI integration, we see that operational intricacies within hospitals or healthcare facilities, such as managing patient information, prescribing medications and performing diagnostics, and it creates a very strong opportunity for automation. Thus, push for AI in healthcare goes beyond just enhancing efficiencies, I reckon it is also driven by the critical need to protect, you know, the sensitive and confidential patient data, what we have seen as a major challenge in healthcare is, you know, it's a vast amount of data and necessity for accuracy. AI, because it's leveraging on machine learning and deep learning techniques, it generally has the capability to process large database and large data sets more efficiently and effectively. So how are the distinctive nature of the healthcare data be with its emphasis on patient confidentiality, you know, it introduces sort of additional complexities in terms of how you are implementing so complexity relating to the implementations we talked about digital transformation transformation in the healthcare sector has become a necessity and integrating these digital systems to bring on and addressing these major challenges. What we have observed, and I think there was a recent study done by Mackenzie, not sure how long ago, but it was pretty recent that I read that 60% of the healthcare organizations find it difficult to implement electronic healthcare records and systems effectively, we are seeing as to where the overall

trend is from a macro level, where governments initiatives are pretty heavy on and then there are organizations that actually are running day to day activities to integrate these technologies to a level that we are still at a place where just a basic implementation of electronic health records is pretty basic, so there's a vast gap in terms of where the future sees itself in, where we currently are, hence creating those risks that I was just referring to, and hence creating those risks that we bring on at a board level. So we have these discussions, what measures are in place to protect this sensitive patient data and ensure compliance with regulations, because regulations is picking up pretty quick as well. You know, as we speak, regulators are constantly working to enhance and to make sure that these visions that are created by are foreseen by governments, and obviously the government initiatives are addressed. And how do we ensure that AI systems are transparent and explainable, especially in healthcare decisions? You know that is, I think, for us when we speak at our board levels, and things that I've addressed, these two remain as fundamental, not necessarily from the perspective of an organizational growth perspective, but obviously from compliance side as well, and patients database and patients confidentiality as well. So both are focusing on lining AI initiatives with obviously their overall business strategies, ensuring that investments in technology sort of support long term goals and market positioning. Can we leverage AI to enhance that service offerings and obviously improve patient outcomes, because almost everything is data driven. So it to ensure that quality of data that they have sort of integrates within these systems, to bring those anomalies is fundamental, you know. And then what sort of partnerships can they explore to accelerate the AI initiatives in the area that you just mentioned, you know, the drug discovery or telemedicine, coupled with these big elements, and I think there is another key risk or concern that is very heavily discussed at board levels and different healthcare industries, is about the talent and skill development. You know, the introduction of AI requires new skill sets. Needless to mention, boards are considering how to cultivate a workforce that is proficient in both AI technologies and their applications in healthcare. Hence, the third set of queries that sort of generate during these sessions that needs to be addressed. What sort of training programs do we need to undertake in terms of upskilling our workforce in AI and data analytics? How do we attract and retain talent? For me, in a Middle East, is doing great in that, in that space where they have actually given that sort of grounds for organizations to address this work, in the space where the government enablement, we call Public Private Partnership, is in place. Government initiatives itself has shown that they are on the track where they want organizations to be, and adoption and support is out there as well. It's just that organizational level challenges and mapping that gap as to where we are to where we want to be, I think that is a primary challenge, based on those three elements,

[Rachael Johnson]

Brilliant. Yes, there's a lot, a lot for healthcare leaders to be thinking about today. And I think, yes, if they hadn't been thinking about their governance and their risk culture, they are now when it comes to the sensitivity of data and all of the automation and AI solutions that you mentioned. So I just wondered what you thought about in terms of security. I mean, we have seen cases around the world, in the UK, of course, here, and then the change United Healthcare case in the States, the cyber attacks. So you know, what does that mean in terms of your approach from the audit committee level as well?

Yasir

[Yasir Ghani]

I think because we don't just leave it to the audit committee level, it's, it's more driven by, obviously, board, through audit committee and management, is very relevant. I think this is one of the, one of the agenda points that that is a must from my perspective. So the the audit committees that I attend and and the audit committee that I am part of as a group, Chief world executive, this is one of the areas that we always talk about. Look at being an accountant. Background of an accounting and finance obviously, I'm not an expert in this, but what we try our best is to make sure that we bring on experts who can actually address this. And one good thing that I've seen, you know, the audit committee, is that I've been part of, you know, there is no pushback in terms of what sort of budget you are carrying, what sort of individuals you're bringing in, I think, not just in healthcare industry, but other industries as well. We've seen this as one of the primary risks, you know, not just addressed by an individual. I said, like at the government level, let's government level as well. Everyone

understand this is something to be addressed. And I think as we move, this is something that is not going to be true, to be honest. And I think it keeps on moving. We still keep seeing those gaps. And I think it's just that we have to be in the forefront of this risk. What I've Observed, apart from the areas of budgets and all those things, I think expertise is has been another key. What I've seen is that we have actually gone out and looked for individuals who are subject matter experts, and not only bring them as attendees, but in certain cases, they are part of the audit committees as well. So I think this is significant when it comes to a change, and I think it's a total paradigm shift when it comes to corporate governance from audit committees perspective, where the understanding was always that financial statements, they should be good in the numbers, they're good in cleaning my financial statements, some sort of understanding of operational risk. But I think this element of technology risk has grown significantly, and we've seen great improvement in terms of how audit committees are actually integrating with these individuals, be it an individual or an organization that they take support of, but they become part of these audit committees ecosystem.

[Rachael Johnson]

Yeah, no, that's really interesting, I think, also just in terms of supply chains as well, doing that kind of due diligence and where your accountancy skills come in. And I think this applies across all industries, supply chain, risk, it was almost a blind spot before the pandemic, and so it'd be great for you to touch on, given all the trade changes happening in the Middle East from a board level, what are the priorities there, and how are you looking at that differently?

[Yasir Ghani]

I think this has been pretty interesting. And I think if you are aware of the global geography, I think Middle East has traditionally been a hub for trade due to its strategic location, connecting Europe, Asia and Africa. And where I'm sitting, UAE has been I think the airport has the third or fourth largest in terms of how the trade moves around. But however, you know, these recent geopolitical tensions, conflicts and trade disputes and sanctions, etc, you know, they are creating complexities. You know, we have observed as a company is increasingly reevaluating the supply chain strategies, you know what I mean, to mitigate these risks. You know, associated with these uncertainties, it's very hard to build these uncertainties into your planning. But what I've observed is that in organizations are being more adoptive. Organizations, you know, adopt more flexible approach to supply chain management, focusing on regional partnerships and diversification, so a single source to multiple source. This includes, you know, exploring alternative suppliers and logistic routes to reduce dependencies on those single regions. So the region itself is undergoing a significant transformation in its approach to global trade, you know, and driven by factors like economic diversification and technological advancements and shifting geopolitical dynamics. This, overall, is sort of reshaping the supply chain. Risk Management in the region, the traditional reliance on single service suppliers and long complex supply chains is giving way to more agile and resilient models companies and organizations and increasingly diversifying their supply base, exploring near shoring and all showing options and investing in technology to enhance visibility and responsiveness, there's a small element of AI within that as well the sort of give them short term to medium term predictions in terms of what is required, how is it required? How that should be driven from overall logistics perspective, the geopolitical uncertainties and obviously disruptions are further underscored the importance of robust risk management strategies. So I basically attached this to a risk management strategy of a disruption in supply chains, you know. So what we observed as like organizations are not proactively identifying and mitigating these potential risks. What I earlier mentioned, we have seen organizations building, scenario planning and stress testing, as I said, like, you know, it's all predictive, you know, it's all forward looking, but the build up these scenarios and seeing what has happened historically, and I think you're all aware as to what has happened, and COVID, obviously, was one of the things that has obviously changed all this. But apart from that, over the last year, and a half, the local or regional geopolitical tensions, what we have seen is that organizations are now more forward looking. So the few elements that I talked about obviously diversifying in terms of from single user to multi users that performing or bringing that risk management element within their forward planning, performing that stress testing and building

redundancies. And third and more important is, is understanding in terms of how the complex supply chain structure works and try to mitigate those with more robust, uh, short term decisions.

[Rachael Johnson]

Yeah, the third party risk management is really taking on a new meaning. I also wanted to see what you thought about to what extent the climate is on the radar there, and particularly in the supply chains?

[Yasir Ghani]

Look cop 28 and then obviously cop 29 I think there was a massive focus. Once again, I think a lot of these things generally are government driven. And I think there. Some sense of ownership, sort of trickles down to an organizational level. They bring that element in, and as well, one of the things that I earlier mentioned within the supply chain ecosystem was that what they're trying to do is that they're trying to understand the logistic routes and trying to bring those to more regional rather than international. And I think one of the elements that brings in, obviously the carbon innovation for the trade routes that takes longer than a shorter another element from ESG perspective, not just climate, is the sourcing as well. And some of the areas not to name, but I think there are the sourcing elements, which once again, brings in that overall ESG theme within the supply chain. But as from my perspective, once again, this is my personal opinion on this. This is at a very early stage in terms of embedding. There are a lot of costs that are involved. And I think the way over the period of time and things starts maturing a little more, I think when we might start seeing a lot more emphasis on principally, element of climate what we see at the moment.

[Rachael Johnson]

Yeah, interesting. And, you know, with all the changing stakeholders needs, it would be interesting to hear what you're saying about the composition of boards and how they may be changing, and not just, you know, you mentioned about skills and getting that technological expertise on board. But what about even, you know, with generations, generational shifts in demands. What do you see happening there?

[Yasir Ghani]

I think this has been an interesting topic, specifically topic talking about UAE family offices play a significant role in the UA economy. And I think what I read a year, year and a half back, that they contribute almost 60 to 62% of the local GDP, which is significant, and the structure usually had been the family players themselves being part of the board. This is one of the trends that I'm talking about. Has seen a significant shift. They are more open. And obviously there are many reasons for that, that there are certain incidents that has happened, obviously the drive for IPOs and bringing in corporate governance structure and culture and all those sort of things. But most important element, as you just mentioned, I think it's more about diversification and bringing in vast array of knowledge. And I think what, what they have seen is that two elements in this one is that, as I said, like in in family offices, what we have seen was, then, you know, the entire generation forest was sitting on the board, but we have seen that trend where second or third, even third level family members are now part of the board, primarily for two reasons. One, obviously the skill set. And secondly, what we earlier touch the changes and the technological advancements, I think there is a very fine gap in terms of knowledge and understanding and implementation mindset. So what we have observed that obviously the Gen Z or Gen Y at that, for that, for that perspective, those who are moving into board levels are bringing in those sort of changes that are widely accepted by potential investors and other stakeholders. So we've seen this trend where there's a significant shake up on board composition, on on these two three grounds, obviously knowledge, as we said, the mix of experience and expertise. And third more important is allowing others, when I say others, which is out of the family, individuals or people coming in part of the board. So that is, that is one element of the family business. The other is obviously the listed companies, the companies that are growing. I think there's always a need. Middle East is a growing economy, and they see best practices. And a lot of focus is on corporate governance. So they see a trend in terms of ensuring that we have those expertise at board level. I think regulations in

terms of three years of board position, independent audit committee members, independent risk committee members, great focus on building risk committees at board level, rather than management level. All of these trends sort of shows that from stakeholders perspective, whoever that could be, you know, think the question is, what, what stakeholder are we talking about? Is the government entity? Is it the shareholder? Is it the suppliers? I think they all are looking towards that sort of change within the boards. And hence improvements, visibly can be seen through both the independent organizations and from the government's perspective.

[Rachael Johnson]

Can you just remind me too are all the corporate governance rules and regulations in the UAE? Are they for listed companies, or do they include family offices?

[Yasir Ghani]

It's a good question. There are certain rules for family offices themselves as well, so they adhere to but I think the sort of emphasis in terms of importance and ensuring that, you know, those corporate governance rules are explicitly implied, I think that's mostly for the listed companies.

[Rachael Johnson]

Yeah, so we could go on talking all day, and so it would be really great for you to end on like any advice you would give to younger ACCA members in the region and what their accountancy skills might do given all of these transformations you're talking about today,

[Yasir Ghani]

I could be biased on this thing. Accountancy is one of the most important qualifications that I see, and I think, from my experience, I sense that this has helped me a lot. I've been in different roles. Have done risk. I've been part of audit. I've been I've been part of the investment committees. Now I am part of my group's ESG Compliance Committee. I sense that to an extent, in this accounting profession itself, gives you a lot you may not think. And I think if I take myself 20 years back and see myself now, I would say that this was a great decision that I made, to become an accountant. My first advice for students is to never give up, you know, pass the exams and become a member of ACCA. This is a great Association. It's such a great support, a great set of members globally, and the support that they get is outstanding. But specifically, talking about what's happening in current day and age, we see a lot of automation and a lot of things that are significantly changing. Once again, going back to my example as to what what we had as options 20 years back, I think that has opened up doors significantly to people who are qualifying right now. I think the profession is very fast moving. I think things are changing significantly as for our members, you know, sky's the limit when it comes to the roles that they can do in a tax you know you can be part of audit, be it external, internal risk, corporate finance, investments, etc. So sometimes it seems like a limitless option, but what I tell you know, if I have to give like few good top two three advices to individuals or qualifying and becoming members, you know you need to be strategic in whatever role that you're doing, being a junior accountant to maybe a CFO, whatever. Be more strategic. You know, you should be connected to the business. You know, you should be heard, and you should not just be a number cruncher. You know, that's, that's what I've observed. Number one, I think I've seen people who are very successful members are normally those who who just do, not just crunch numbers, and they're not just bookkeepers. So that is number one thing. Number two for me is partnership. You know, just involve with business. Try to get an understanding as to what's going on, and be more proactive and forward looking. Unfortunately, as an accountant, just talking about an accountant, you're always backward looking as we are closing books of what has happened, apart from few accruals that we put in. But it has to be, it has to be forward looking in a partner with your businesses. Try to get an understanding. Be part of communities. If you can be part of a session that you can last, but not the least, the most important is tech savvy. And I think what we are seeing is a significant shift people in the last 10, 12, or 15 odd years. What changes we have seen in terms of technological advancements within if I just say accountancy,

professional finance itself, automation of things. And I think what we see in next five, seven years is mind boggling. So individuals must be tech savvy. We will see robotics, Process Automation I've seen them, data analytics, AI in tax and accounting. So if you just qualify and stick to as to what you are doing, might not take you a long way. So these are my top three, four quick takes on what I believe upcoming accountants should undertake to put their mark, hopefully in their careers and professions.

[Rachael Johnson]

Excellent. Yeah. Thank you so much, Yasir, it's been great catching up with you and look forward to seeing you at our next forum meeting, and indeed, hopefully I get to come to Dubai, and we'll do more great things around the region as well. Thank you so much

[Yasir Ghani]

Looking forward. Appreciate thanks for your time. Have a great day. Rachel

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