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TECHNICAL EXCELLENCE

Through the Kaleidoscope

As the national accountancy body of Singapore, one of the key roles of the Institute of Certified Public Accountants (ICPAS) is to empower our members with the right skills and knowledge so that they can successfully navigate the many challenges of a demanding marketplace. With relevant and updated competencies, ICPAS members can confidently carry out their varied roles and responsibilities, and contribute to building Singapore as a leading global accountancy hub for Asia Pacific and a strategic business hub that is plugged into the global economy. One cornerstone of this development is technical excellence.

How does one define technical excellence? The answer would vary according to your perspective, which would in turn be influenced by the role you play in the accountancy profession.

DIFFERENT PERSPECTIVES OF TECHNICAL EXCELLENCE

For the professional accountant in business, technical excellence would likely mean financial transactions properly accounted for and financial statements properly drafted in accordance with the applicable financial reporting standards. For the auditing professional, technical excellence would likely refer to the conduct of an audit according to auditing standards, in addition to compliance with the

financial reporting standards. The standard-setter would view technical excellence as developing standards that are easily understood by the accounting and auditing professionals, and yet can be applied across all relevant industries. For the regulator, it means having professional standards that incorporate regulations so as to better serve the public interest.

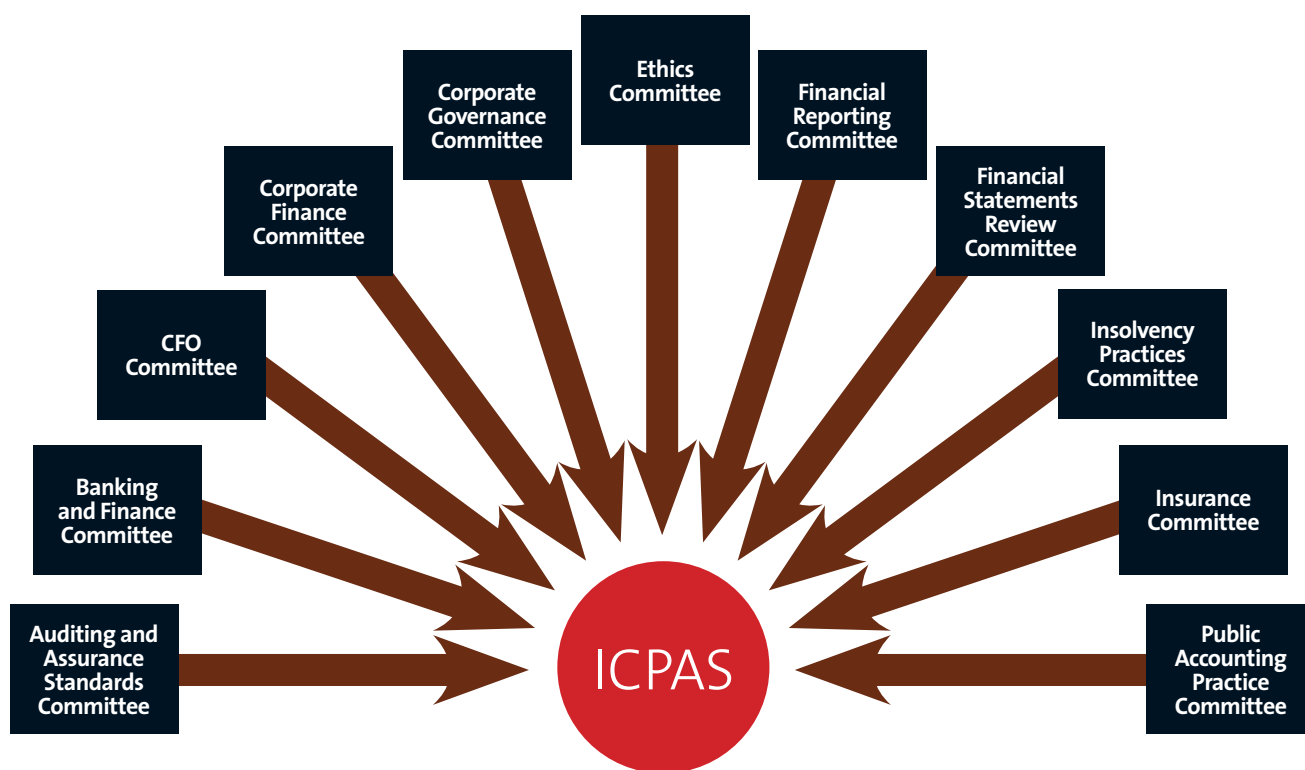
Yes, technical excellence is akin to a kaleidoscope. Although you are looking through the same lens, depending on your perspective, you will see different patterns. As the national accountancy body, ICPAS needs to visualise and balance this myriad of perspectives so that progress towards technical excellence can be made on the national front.

As the Technical Standards Development and Advisory Department (TSDA) of ICPAS, TSDA aims to play a pivotal role in the development of technical excellence in Singapore.

OUR ACHIEVEMENTS... WITH A BIT OF HELP

Although the size of the department has remained largely the same over the past few years, TSDA has left no stone unturned in our relentless efforts to reinvent ourselves. Through continuous innovation and collaborations with other departments and stakeholders of ICPAS, we have been able to increase the breadth and depth of the resources and services we provide so as to meet the varied needs of the stakeholders.

ICPAS Technical Committees



TECHNICAL COMMITTEES: BACKBONE OF OUR MANY ACHIEVEMENTS

To serve our members, stakeholders and the profession better, their needs as a whole are always in our line of vision. Over the years, TSDA has served as the Secretariat for the various Technical Committees of ICPAS, which are helmed by our more experienced and learned members on a voluntary basis. They have kept TSDA up to date on both the practical implications of revised technical requirements, and the implementation needs of the accountancy profession.

Indeed, TSDA is grateful to all who have contributed significant time and effort, and shared invaluable industry-specific technical expertise throughout their tenure as Technical Committee members. Through their guidance and support, TSDA has successfully embarked on and completed numerous important initiatives which serve to enhance technical excellence in a

number of areas, all for the benefit of our members and the profession. Participants of the ICPAS seminars can attest to their relevance as they learnt about the latest changes in the profession, and were also made aware of potential pitfalls in their professional practice. Here are some of the more notable initiatives over the last two years.

On an annual basis, TSDA organises the Seminar on Observations by the Financial Statements Review Committee (FSRC), where speakers (mainly from FSRC) share their findings on the top 10 common areas where the presentation or contents of the financial statements fall short of compliance with statutory requirements, including the Singapore Financial Reporting Standards (FRS) and to a lesser extent, Singapore Standards on Auditing (SSA).

The annual seminars focus on specific areas pertaining to new and revised accounting standards where members had encountered

application problems; they also cover areas which require more guidance in technical interpretation. TSDA is deeply heartened by the overwhelming response shown towards the FSRC seminars, with the last two instalments attracting over 400 participants each. To raise the standard of financial reporting in Singapore, the FSRC findings¹ are posted annually on ICPAS' Financial Reporting Centre microsite for members' reference.

Following the advent of the Clarified SSAs, ICPAS initiated the Clarity Project with the support of the Auditing and Assurance Standards Committee (AASC) to help raise awareness of the Clarified Standards among auditing professionals. The Clarity Project comprised two components. The first part consisted of the Clarity Seminars – a series of five seminars on the Clarified SSAs organised by TSDA. The seminars proved to be a hit with the auditing professionals, with a total turnout of



ICPAS President Dr Ernest Kan shared his views at the Audit Manual for Small Companies presentation.



Good turnouts at TSDA-organised seminars attest to their relevance to members and stakeholders.



Our facilitator having a lighthearted moment with participants at a TDG event

some 900 participants. The second part of the Clarity Project involved the TSDA-issued *ICPAS Clarity Bulletin*. The publication provides auditing professionals with an essential reference as it highlights the key differences between selected clarified SSAs and the extant SSAs, and summarises the audit implications arising from the changes in the selected clarified SSAs.

In order to provide more guidance to members on the current statutory, regulatory and professional requirements, two Audit Guidance Statements (AGSs) were recently issued by ICPAS, with the help of TSDA and support of AASC. AGS 1 *Sample Independent Auditor's Reports* is a compilation of sample independent auditor's reports used as reference by auditors. In light of the recent changes in auditing pronouncements and regulatory requirements, the reports were reviewed for appropriateness,

and then revised. The newly-issued AGS 9 *Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards* provides guidance for the work to be performed by auditors in accordance with the provisions of the relevant statutory board acts.

To ensure relevance in the current reporting environment, inputs were actively sought and obtained from the relevant regulatory bodies. Indeed, the issuance of both AGSs earlier this year bears testimony to the great success that can be achieved through

collaboration among AASC, TSDA and the relevant regulatory bodies.

The Interpretation for (INT) FRS 115 *Agreements for the Construction of Real Estate* and the Accompanying Note on Application of INT FRS 115 in Singapore (AN) were issued by the Accounting Standards Council (ASC) in August 2010, effective for annual periods beginning on or after 1 January 2011. To better understand the impact of the application of INT FRS 115 on the real estate industry, TSDA had, with the support of the Financial Reporting Committee (FRC),

¹ The FSRC findings posted on the microsite also include other findings not covered during the FSRC Seminar.

➡ Dr Kan “tossing” for all things good in the year ahead with Practising Members at the 2011 PAPC *lo hei* lunch

⬆ A TDG facilitator gave a captivating presentation on the green trends in Singapore



consulted the Real Estate Developers Association of Singapore (REDAS) on the implementation of INT FRS 115. Using insights gained from the consultations, TSDA issued guidance articles to address revenue recognition for the different types of real estate properties in Singapore. These articles were aimed at providing clarifications to members and non-members alike.

TSDA wishes to thank all parties, be they members of the Technical Committees or other stakeholders, for their contributions in these collaborative efforts which unquestionably provide valuable guidance to the accounting and auditing profession. We are confident that the channels of communications established through these collaborations, whether formal or informal, would serve as the cornerstones of even more exciting collaborations in the years ahead.

TSDA: REINVENTION THROUGH CONTINUAL INNOVATION

With the Internet fast becoming a primary source of information, ICPAS recognises the need for distinctive platforms for the Institute to demonstrate thought and practice leadership, as well as practice development across different aspects

of the accountancy profession so as to provide members and non-members alike with a reliable source of technical-related resources. To support this vision, TSDA has collaborated with ICPAS' Information and Communication Technology (ICT) Division to launch the following microsites in 2010:

- **ICPAS Centre for Auditing and Assurance** (www.icpascaa.org.sg), which serves as a one-stop centre providing information about auditing and assurance, particularly in the Singapore context
- **ICPAS Centre for Financial Reporting** (www.icpascfr.org.sg), which provides information about financial reporting, particularly in the Singapore context
- **ICPAS Ethics Centre** (www.icpasethics.org.sg), which provides a platform for raising awareness and discussing current ethical issues within the accountancy profession

Since their inception in 2010, the microsites have been accessed by thousands of visitors, attesting to their relevance as critical resource centres. As part of our initiatives to continually innovate and upgrade the quality of services provided to our members, we will be enhancing the layout and contents of these microsites this year. Some enhancements in the pipeline include:

- Layout improvement to allow visitors greater ease of navigation
- Content enhancement to provide visitors with more guidance on the application of relevant accounting, auditing and ethical concepts

VALUE CREATION

TSDA has provided a number of services and materials that are relevant and useful to the accountancy profession. One example is the provision of technical advisory support to ICPAS

“I AM VERY SATISFIED WITH THE PROMPT RESPONSE AND, MOST IMPORTANTLY, RELEVANT DETAILS PROVIDED. MY QUERY HAS BEEN ATTENDED TO AND ANSWERED. KEEP UP THE GOOD WORK!”

~MEMBER WHO RECEIVED TECHNICAL HELP FROM TSDA



Dr Kan presenting a token of appreciation to one of the speakers at a Clarity Seminar

members. Not only does the technical advisory support service allow members to obtain guidance on accounting, auditing and regulatory requirements, it also serves as a channel for members to consult on practical application of accounting or auditing standards. Through the technical advisory support service, we hope to help raise the overall level of technical excellence for professional accountants in business, and auditing professionals. TSDA responded to approximately 270 technical queries in 2011, and received good ratings from the majority of respondents.

Much like a relay race, our initiatives on seminars and Technical Discussion Groups (TDGs) do not stop at the conclusion of the events. To further extend the value chain for our members, once the objective of raising awareness has been achieved through the events, ICPAS' CPE Department takes over by offering educational courses on these topics. Participants can enrol in these courses as part of their continuing learning process. Our Research Department would also take on board any interesting topics of research value and explore the possibilities of mining such topics

to create greater value for members. Over the years, the scope of these topics has progressively increased as more and more external stakeholders have expressed interest in collaborating with TSDA. Some of these joint ventures are:

- International Financial Reporting Standard for Small and Medium-Sized Entities: Train the Trainers Workshop, and International Financial Reporting Standard for Small and Medium-Sized Entities: Adopting the Standards and What's in for You; both workshops were held in partnership with ASC to enhance the level of knowledge in IFRS for SMEs
- A Sustainable Development for Businesses – What Corporate Social Responsibility (CSR) Means to a Finance Professional; this seminar was organised in partnership with Singapore Compact to foster awareness of CSR
- Filing of Receipts and Payments and Procedures for Obtaining Tax Clearance in a Winding Up; this seminar was a joint effort with IRAS and Insolvency Practitioners Association of Singapore to create awareness of new filing procedures in insolvency





Between 2010 and 2011, over 2,000 participants greatly benefitted from these seminars and TDGs². Certainly, the widespread interest shown in technical matters augurs well for the future development of technical proficiency in the accountancy profession. For 2012, TSDA will continue to keep an eagle eye on collaborative opportunities with other national professional accountancy bodies, industry associations, public accounting firms and potential partners to deliver initiatives that are of value and benefit to our members.

TECHNICAL EXCELLENCE: A BALANCING ACT

While the notion of technical excellence has similarities to a kaleidoscope's patterns as they vary according to the individual's role in the accountancy ecosystem, the core substance of technical excellence remains the same. As the national accountancy body, ICPAS has set the attainment of technical excellence firmly in its sights. While TSDA has been working towards the Institute's vision through various initiatives, TSDA is aware that the attainment of technical excellence is a tough balancing act with no one-size-fits-all solution.

That said, TSDA is confident that with the continual calibration of skill-sets within the team and unwavering support from our various stakeholders, we will be able to achieve our shared goals of transforming Singapore into a leading global accountancy hub for Asia Pacific, supported by well-qualified and highly-respected CPAs *Singapore*.

² Figure does not include attendance for FSRC and Clarity Seminars