

STAYING RELEVANT

A Journey towards Finance Leadership



BY
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with the Institute's commitment to equip our finance professional members with the knowledge and resources to effectively perform and better meet the demands of their enhanced roles.

ISCA CFO STRATEGIC FRAMEWORK

The development of the modern CFO can best be viewed as a journey, with an initial focus on developing the core skills in accounting and finance, regulatory compliance and financial reporting to serve as a financial steward of the organisation. Subsequently, the focus expands to encompass acquiring C-suite strategic and soft skills such as communications and leadership to enhance their role as a business partner. Underpinning these two focus areas is the need for a firm grounding in ethics and integrity

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so that the CFOs can remain objective and ethical as they wear more, and sometimes conflicting, hats in tandem with playing the role of a strategic business partner to the CEO as they move up to finance leadership.

To cover this continuum of education and training as well as accommodate the broad spectrum of members at varying stages of their career and phases of professional development, the Institute established

a broad CFO Strategic Framework which was endorsed by the Institute's CFO Committee in late 2012. The Framework comprises five key pillars, namely Research, Capacity Building (Academic), Capacity Building (Applied), Resources and Recognition. These, together with several of the efforts in 2013 and new ones in 2014, are shown in Figure 1.

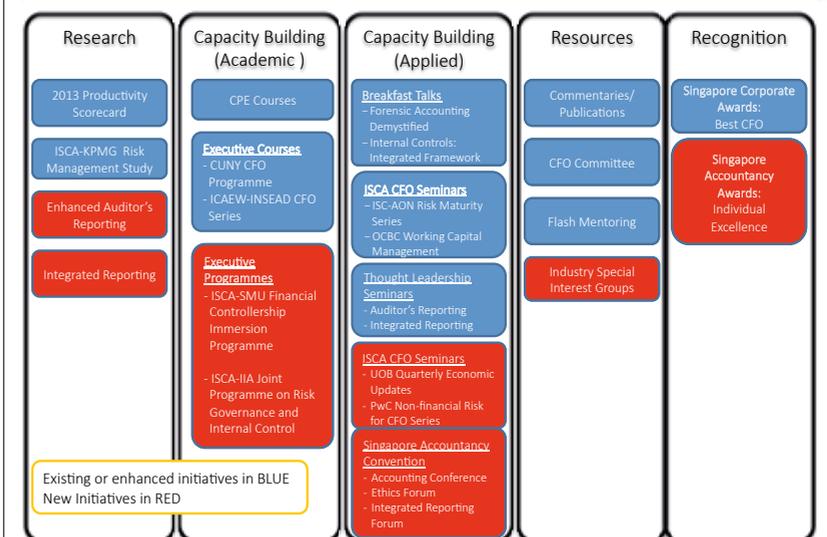
In the March 2014 issue of the *IS Chartered Accountant* journal, the Institute published an extract of the Comment Letter which we submitted to the International Federation of Accountants (IFAC)

in response to its discussion paper on "The Role and Expectations of a CFO". Intended to stimulate a global debate on preparing professional accountants for finance leadership roles, the discussion paper also raised the subject of what professional accountancy organisations can do to prepare our professional accountants for career progression in finance leadership.

PREPARING MEMBERS FOR FINANCE LEADERSHIP

As a followup to our Comment Letter, we thought it useful to also update our members, especially those who are professional accountants in business (PAIBs), about the Institute's specific efforts to help them move up the finance leadership ladder. In particular, we would like to highlight the initiatives we undertook in 2013, and several new ones which we are planning for 2014. This is in line

FIGURE 1 ISCA CFO STRATEGIC FRAMEWORK



RESEARCH

Beyond acquiring a better understanding of the accountancy landscape, promoting thought leadership and strengthening our reputation as a valuable partner in the Singapore accountancy sector, ISCA conducts research to help our members identify their strengths, weaknesses and areas for improvement.

The second productivity scorecard and benchmarking survey for the accountancy sector, which we conducted with global enterprise software and services firm SAP in 2013, gained an even bigger traction among PAIBs with over 200 participants, compared to 126 in 2012. As a result, the second scorecard results, which are scheduled for release in 2Q2014, will allow enhanced benchmarking for respondents to compare not just across their peers in general but also within their



Research studies, and forums to discuss the findings, help identify best practices and gaps; last year's ISCA-KPMG Risk Management Forum is one such example.

respective sectors, and help them better identify the areas where they can further improve.

Another effort is the ISCA-KPMG Risk Management Study, which looked at the risk management structures, systems and disclosure aspect of

Singapore-listed companies. This study, and the forum held in 2013 to discuss the findings and risk governance matters, helped identify the best practices as well as gaps which our members can follow up on.

For 2014, the Institute will work with like-minded partners to conduct research and surveys to help our members better respond to developments in enhanced auditor's reporting and Integrated Reporting.

CAPACITY BUILDING (ACADEMIC)

With the rapid pace of change in the business environment, and increasing public expectations and demands on the profession, continuing professional education (CPE) is vital for our accounting and finance professionals.

To prepare aspiring CFOs for finance leadership, ISCA has established a CPE Framework which provides the continuum of education and training in specific competency areas. In 2013, ISCA launched a record number of 600 CPE sessions, with our PAIB members forming a significant portion of some 15,000 participants. They attended CPE courses ranging from accounting to finance, risk management, taxation, and ethics. Many of the courses garnered good feedback, which attests to their relevance and timeliness. Table 1 lists some of these courses.

TABLE 1 EXAMPLES OF ISCA CPE COURSES

COMPETENCY AREAS	CPE COURSE TITLE
Accounting	<ul style="list-style-type: none"> Preparation of Financial Statements: Essential FRSS Consolidated Financial Statements: Preparation and Presentation in Singapore Context
Finance	<ul style="list-style-type: none"> Financial Tools to Evaluate Project Viability Hedging Funds: Strategies, Risks and Benefits Merger and Acquisition Master Class Business Valuation & Analysis: Corporate Restructuring and Funding
Risk Management	<ul style="list-style-type: none"> Setting up an Enterprise Risk Management Structure: A Practical Approach Internal Controls in SMEs and Subsidiaries Financial Risk Management: Implementation & Monitoring
Taxation	<ul style="list-style-type: none"> Fun with Fundamentals: A Light-hearted Look at the DNA of Tax/Transfer Pricing Strategy Advanced Income Tax Workshop: Managing Income Tax Risks and Avoiding Pitfalls and Errors
Professional Ethics	<ul style="list-style-type: none"> Framework for Resolving Ethical Issues and Conflicts Accounting Ethics: The 36 Red Flags and Detecting Accounting Gimmicks and Fraud

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Beyond CPE courses, the Institute recognises the need for our PAIB members, especially aspiring CFOs, to hear from industry experts who can provide applied practical perspectives and help them keep abreast of the latest developments and emerging trends in CFO and finance-related issues. To this end, the Institute organises networking events and thought leadership seminars.

At the C-suite level, the Institute's CPE course on "The Change CFO: Leading and Driving Change" also proved popular. In addition to offering CPE courses, ISCA teamed up with reputable academic institutions to co-launch professional courses for CFOs and CFO aspirants, such as the City University of New York (CUNY) CFO Programme and the CFO Series jointly organised by the Institute of Chartered



The ISCA Breakfast Talk series for PAIBs, which touches on relevant topical issues, is lauded by members for its relevance, timing and format.

Accountants in England and Wales (ICAEW), and INSEAD, one of the world's leading and largest graduate business schools. We also collaborated with the Singapore Management University (SMU) to promote its Master of Science in CFO Leadership to our members.

There are several new courses in the pipeline for 2014. For example, ISCA recently collaborated with SMU to offer the ISCA-SMU Financial Controllership Immersion Programme which is scheduled for June 2014. This programme is designed to be relatively short in duration but impactful in content. It comprises four modules that are specially designed to provide both academic and practical perspectives and will be delivered by experienced SMU professors and practitioners. The three-day programme will cover the application of the latest in Corporate Financial Management, Valuation, Financial Reporting Standards, Leadership and Management, and Ethics. Programme details are provided in Table 2.

CAPACITY BUILDING (APPLIED)

Beyond CPE courses, the Institute recognises the need for our PAIB members, especially aspiring CFOs, to hear from industry experts who can provide applied practical perspectives and help them keep abreast of the latest developments and emerging trends in CFO and finance-related issues. To this end, the Institute organises networking events and thought leadership seminars.

The ISCA Breakfast Talk for Accountants in Business series has proven to be the most popular. First launched in October 2012, participation has climbed markedly from 30 participants at the first event to a consistent 70- to 90-member attendance figure at each event. Held every second Wednesday of the month, participants enjoy the convenience of learning about topical issues in the morning before starting the day at work. More importantly, participants are attracted to the 1.5-hour event because of the pertinent topics delivered by experienced practitioners and industry experts. The relevance of the diverse topics, spanning public listing, business continuity, procurement policies and controls, managing fraud risks, risk management and internal controls, IT audit, forensic accounting, transfer pricing, business analytics, revised lease accounting model and revised auditor's reporting, has led to participants' requests for several of the talks to be repeated.

The Institute also collaborated with partners in 2013 to deliver value to our members and enhance their professional competence. We worked with AON, a global provider of risk

TABLE 2

ISCA-SMU Financial Controllership Immersion (Code: CS006E) 6, 10 and 25 June 2014 / 9.00am - 5.00pm (21 ISCA CPE Hours)

The three-day programme will cover the application of the latest in:

- Corporate Financial Management
- Valuation
- Financial Reporting Standards
- Leadership and Management
- Ethics

Course fee for members: \$1,498.00 (inclusive of GST)

[Training of employees is a qualifying activity under Productivity Innovation Credit (PIC). Eligible business can enjoy 400% tax deduction/allowance or cash payout option at 60% of the expenditure incurred.] Visit <http://cpe.isca.org.sg> for more details

management services, insurance and reinsurance brokerage, and human resource consulting and outsourcing, to conduct a series of four seminars which provided an indepth and applied approach and enhanced our members' understanding of mature risk management, the key challenges faced, and key structures in shaping risk maturity and adopting an integrated risk approach for their organisations. For the second year running, we organised with OCBC a seminar which was attended by more than 60 CFO and PAIB members. The latest seminar, "Unlocking Hidden Cash within your Working Capital", which focused on working capital optimisation and management, was very well-received. Another joint initiative was the annual Robert Half-ISCA Financial Leadership Forum where four senior business leaders came together to examine the future of the industry and Singapore's role as a global financial hub.

The Institute is also working with other partners to roll out new initiatives in 2014. Launched in April 2014, the ISCA-UOB Quarterly Economic Update for our CFO and PAIB members will keep them abreast of economic developments in the region that can potentially impact their businesses and inform their decision-making. In the first update, CFOs will be provided further insights about the issue of shadow banking in China. Also launched in April 2014, PwC in collaboration with ISCA will conduct a series of seminars to raise awareness and enhance the understanding of

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Another seminar was the Post-Singapore Accountancy Convention Workshop on Integrated Reporting



Thought leadership seminars, such as the ISCA Forum on Enhanced Auditor's Reporting, prepare CFO members for the changes and potential challenges ahead.

our CFO members about risks beyond those related to financial issues. For example, in the first seminar, PwC will talk about the reputational impact and its management due to vulnerability from cyber and IT security risks.

THOUGHT LEADERSHIP SEMINARS

The Institute organised several thought leadership seminars for our CFO and PAIB members in 2013. One seminar was the ISCA Forum on Enhanced Auditor's Reporting, led by Yeoh Oon Jin, Executive Chairman of PwC Singapore and Chair of ISCA

Auditing and Assurance Standards Committee. The aim of this seminar was to inform our CFO members of the changes in auditor's reporting and the anticipated challenges, gather their responses, and discuss how they can prepare themselves and their organisations.



IIRC CEO Paul Druckman spoke about integrated reporting at a post-Singapore Accountancy Convention 2013 Workshop.

<IR> at which Paul Druckman, CEO, International Integrated Reporting Council (IIRC), spoke. The session helped raise awareness and understanding of <IR> among our members and also served to gather their feedback on <IR>.

For 2014, the Institute will be organising the key thought leadership seminars for the Singapore Accountancy Convention, which takes place from July 30 to August 1. One of them is the Ethics Forum, where a prominent business leader has been invited to share his experiences in remaining objective amid increasing commercial pressures. Another is the Accounting Conference at which Hans Hoogervorst, Chairman of the International Accounting Standards Board (IASB), will share his thoughts, and discuss with a panel of prominent industry leaders, vital issues relating to accounting standards. An engaging

speaker from Hong Kong, whose company has successfully implemented and benefited from <IR>, will share her experience with our members at the <IR> Forum.

The Institute, together with *The Business Times* and the Singapore Institute of Directors, will be organising the Singapore Corporate Awards seminar, "Driving Excellence in Corporate Governance", on 19 May 2014; the seminar will feature some of Singapore's most prominent corporate leaders.

RESOURCES FOR FINANCE LEADERS

Beyond capacity building for members, ISCA also raised the level of technical support resources to support our members' needs. The resources and broad expertise within ISCA enable the Institute to advocate the views of the profession and advance the interests of its members.

The Institute shared its perspective on topical issues in accounting, taking the lead to help members and the public understand topics such as changes in auditor's reporting, the role of ethics, <IR> and cross-border taxation. Our commentaries were frequently published in Singapore's leading business newsdailies as well as regional publications. The Institute also published articles in this journal to share best practices of companies. One such article, on improving working capital, was based on interviews with V. Alagappan, CFO of the Jay Gee Group, and Lelaina Lim, Group CFO of RSH Limited – both of whom are experienced practitioners from the retail sector.

A key CFO resource for the Institute has been our CFO Committee chaired by Jeann Low, Group CFO of SingTel. Comprising seasoned CFOs, the Committee, in addition to providing strategic guidance and expertise for our initiatives, also provided the mentors for the Institute's CFO Pilot Mentoring Programme in 2013. The

CRITICAL ROLES PLAYED BY CFOs IN RISK MANAGEMENT
An Interview With DBS Group CFO & ISCA Member Chng Sok Hui

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DBS Group CFO and ISCA member Chng Sok Hui, in an interview published in this journal, spoke about the critical roles played by CFOs in risk management.

Flash Mentoring Programme, aimed at providing young members the opportunity to learn from experienced CFOs, and in turn, providing senior members a platform to share their experience and help groom the next generation of CFOs, will be conducted again in 2014 as it has received positive feedback from the participants.

The Institute also taps on the expertise of our members beyond the CFO Committee. We conduct interviews with members who are senior CFOs and finance leaders, as well as those in other C-suite positions, so as to share their experience with our aspiring CFO members. Most recently, the Institute interviewed DBS Group CFO and ISCA member Chng Sok Hui, who shared with members the critical roles played by CFOs in risk management.

The Institute will also launch the Industry Special Interest Groups in 2014. This follows the networking and sharing sessions which the Institute organised for our CFO members from October to November 2013. The CFO members said they found the sessions useful as they were tailored to members from specific industry sectors, and suggested that the Institute continue to provide a platform for them to regularly interact

with like-minded members and share best practices within the industry sector. The groups will enjoy briefings on functional topics with specialist speakers on industry trends, and receive updates on accounting and financial subjects relating to the industry.

FOSTERING AND ENCOURAGING LIFELONG LEARNING

The Institute will continue to support our aspiring CFOs, as well as CFOs and finance leaders, in fulfilling their professional development needs with relevant initiatives and resources that help them seize the opportunities ahead. While the focus of the Institute, as well as the ISCA CFO Committee, is to promote the interests of our members, the Institute is cognisant of the larger need to develop the talent pool of finance professionals and help transform Singapore into a leading accountancy hub.

We would like to encourage our PAIB members to participate in the Institute's initiatives to help them move up the ladder in finance leadership. ISCA

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