

**SMU ACADEMY**



SINGAPORE MANAGEMENT  
UNIVERSITY

# Valuation: All You Need to Know in an Audit Process

Complying with  
Financial Reporting Requirements

PROFESSIONAL





## Overview - SMU Executive Certificate in Valuation for Audit Functions

Fair value measurement is of paramount importance in today's financial reporting. This affects the way companies account for business combinations, intangible assets, employee share options, financial instruments, etc. With increasing corporate activities, this poses significant challenges for preparers of financial statements, auditors, audit committees and boards of companies. There is a need to understand how transactions undertaken by company are accounted for in financial reporting and its impact on capital markets. This gives rise to situations where valuations will need to be carried out and included as part of the financial statements.

The International Accounting Standards Board (IASB) publishes the International Financial Reporting Standards (IFRS) and works closely with the International Valuation Standards Council (IVSC) who sets the International Valuation Standards (IVS). IVSC also published a document "The Role of the Valuer in the Audit Process", which is widely referred to in the market place. In recent years, there have been examples of companies in the news on matters relating to valuation, with issues often centred on the application of valuation approaches, methods, assumptions adopted and the quality of valuers and their work.

In view of the above concerns, we have specifically designed this valuation programme for the audit professionals, members of the audit committees and directors of the company boards. It aims to provide participants with an insight to valuations from the audit perspective, including an understanding of the relevant financial reporting standards, how valuations are carried out and how auditors should review the valuation reports in order to be in line with the current regulatory environment.

### Programme Highlights

Understand the roles of different stakeholders in financial reporting and the capital markets.

Understand the technical aspects of valuation for the respective financial reporting standards.

Learn about the concerns of regulators and to address issues identified.



Understand the concept of fair value measurement.

Learn how to review valuation deliverables for financial reporting purposes.

## Programme Outline

Part 1: Understanding Business Valuation from the Audit Perspective	Part 2: Impact of Valuation with regards to the Respective Financial Reporting Standards	
<p>Day 1:</p> <ul style="list-style-type: none"> <li>- Understand the ecosystem involving valuation, financial reporting &amp; capital markets</li> <li>- IFRS 13 Fair Value Measurement</li> <li>- Business valuation approaches &amp; methods, in accordance to IFRS and IVS</li> <li>- Procedures relating to the valuation deliverables required for financial reporting purposes</li> <li>- Concerns of regulators and addressing key issues identified</li> </ul>	<p>Day 2:</p> <ul style="list-style-type: none"> <li>- Valuation issues pertaining to the following financial reporting standards in the audit process:               <ul style="list-style-type: none"> <li>IFRS 2 Share-based Payment</li> <li>IFRS 9 Financial Instruments</li> </ul> </li> </ul> <p>Day 3:</p> <ul style="list-style-type: none"> <li>- Valuation issues pertaining to the following international accounting standards (IAS) in the audit process:               <ul style="list-style-type: none"> <li>IAS 40 Investment Property</li> <li>IAS 16 Property, Plant &amp; Equipment</li> <li>IAS 41 Agriculture</li> </ul> </li> </ul>	<p>Day 4:</p> <ul style="list-style-type: none"> <li>- Valuation issues pertaining to the following financial reporting and accounting standards in the audit process:               <ul style="list-style-type: none"> <li>IFRS 3 Business Combinations</li> <li>IAS 38 Intangible Assets</li> </ul> </li> </ul> <p>Day 5:</p> <ul style="list-style-type: none"> <li>- Valuation issues pertaining to the following accounting standard in the audit process:               <ul style="list-style-type: none"> <li>IAS 36 Impairment of Assets</li> </ul> </li> <li>- Future developments and its impact on the accounting profession</li> <li>- Case study</li> <li>- End of programme assessment</li> </ul>

## Programme Takeaways

Upon completion of this programme, the participants should have a sound understanding of valuation theory, coupled with practical skills in business valuation. The main objectives are to develop the ability to:

- Understand the ecosystem involving financial reporting & capital markets, and the role of various stakeholders, including preparers, reviewers, overseers, users and regulators;
- Understand the definition and concept of fair value in financial reporting;
- Understand IVS and their relevance and application in financial reporting;
- Understand valuation approaches and methods commonly adopted by practitioners, including key valuation parameters such as discount rates and multiples etc.;
- Understand the technical and practical aspects of the following IFRS and IAS, in relation to the conduct of valuation for audit purposes:
  - IFRS 2 Share-based Payment
  - IFRS 3 Business Combinations
  - IFRS 9 Financial Instruments
  - IFRS 13 Fair Value Measurement
  - IAS 16 Property, Plant and Equipment
  - IAS 36 Impairment of Assets
  - IAS 38 Intangible Assets
  - IAS 40 Investment Property
  - IAS 41 Agriculture
- Gain practical skills, tools and techniques to review valuation deliverables that are in line with applicable IFRS, IAS and IVS; and
- Appreciate the concerns of regulators and address the key issues identified.

## Who Should Attend?

Audit professionals, members of the audit committees, directors of the company boards and anyone who would like to gain an understanding of the conduct of valuation in the audit process and address the concerns of the regulators.

## What is the Teaching Pedagogy?

A participant-centered teaching pedagogy based on interactive seminar-style approach and supported by relevant case studies and group breakout sessions. Reading materials (including a valuation text book) will be given to participants of the programme. The programme will end with an assessment to evaluate your learning and understanding.

## Trainers Lineup



Eric Teo is the Chairman of the International Valuation Standards Council (IVSC) Membership and Standards Recognition Board. The IVSC is the global organisation which produces the International Valuation Standards (IVS) for the valuation profession.

Eric is also the Founding Chairman of the Council of the Institute of Valuers and Appraisers of Singapore (IVAS). The IVAS (a member of IVSC) is an institute set up to advance the business valuation profession under the auspice of the Singapore Accountancy Commission. Eric is a Chartered Accountant (Singapore), Chartered Accountant (Australia and New Zealand), CPA (Australia), Chartered Valuer and Appraiser, Senior Fellow of Finsia and Fellow of the Royal Institution of Chartered Surveyors (RICS).

Eric has over 25 years of professional experience and is a Business Valuation Pracademic, serving as Consultant to organisations and as an Adjunct Associate Professor/Faculty at various universities. This include Nanyang Business School (Nanyang Technological University), School of Business (Singapore University of Social Sciences), Design and Specialised Businesses (Singapore Institute of Technology) and School of Business and Governance (Murdoch University). He was an Executive Director with Ernst & Young (EY) Transaction Advisory Services Group and has worked in both the Singapore and Australia practices. He was a founding member of EY Global Valuation & Business Modelling (VBM) Network's Technical Standards Group (TSG), has served in the Steering Committee and led the EY Asia Pacific VBM TSG from 2012 to 2015. He was also a member of the EY Global VBM Learning & Development committee and was involved in the development of learning curriculum and training materials for the global valuation practice. His experience includes providing advice in relation to corporate strategy, investments and divestitures, fairness opinions and business valuation. He has led in transactions relating to litigation support, tax planning, restructuring and compliance, capital raising, mergers and acquisitions, shareholder disputes and financial reporting. Eric has worked with companies from various industries and his clients include SMEs, GLCs, MNCs and public listed groups.

### Programme Fee

Full Fee: S\$5,350 per participant (including GST)

After 70% subsidy: S\$1,605  
(Singapore Citizens < 40 years old and PR)

After 90% subsidy: S\$605  
(Singapore Citizens > 40 years old)

You may further utilise your Skillsfuture Credit of S\$500 to defray the nett fee of the programme.

### Registration

For more information or to register, please scan the QR code below.



Jason Doan is a Chartered Valuer and Appraiser (CVA) and has participated in the development of materials and teaching for the CVA programme. Jason is also a Chartered Accountant (Singapore), ISCA Financial Forensic Professional (FFP) and Fellow of the Singapore Institute of Arbitrators (FSI Arb).

Jason has over 17 years of professional experience with a Big 4 accounting firm and a regional law firm and has been involved in various assurances, financial advisory and business valuation engagements. Jason has led in transactions relating to business strategy, shareholder disputes and litigation support, tax planning and statutory compliance, restructuring, capital raising, mergers and acquisitions and financial reporting.

He has experience in the valuation of intangible assets, companies, equity interests, biological assets and options. Jason has worked with companies from various industries in the US, Singapore and in the region. His clients include SMEs, GLCs, MNCs, public listed groups and government agencies.

Other trainers will join for various parts of the programme, where applicable.

### Customised Programme

This programme may be organised as a customised offering tailored to your organisational needs.

### Learning Journey

After the completion of this programme, executives may follow up with the following programmes:



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