

# Post-grad qualification programme to add diversity to talent pool

But the accounting profession needs to stem talent loss by reviewing its hiring and work practices, reports **LYNETTE KHOO**

**F**ACED with a severe talent crunch, the accounting profession is flinging its doors wider to non-accounting graduates through an upcoming professional qualification programme.

This soon-to-be launched programme, proposed by the Committee to Develop the Accountancy Sector (CDAS), is slated to inject an additional source of talent into the sector.

Industry practitioners believe that there are benefits from greater diversity in the accounting profession.

"A profession that draws on a broader range of industry-related skills will have a better understanding of the complexities of business, and be better equipped to support business decisions," says Tham Sai Choy, managing partner of KPMG Singapore.

"Understanding the financial performance of a business cannot be done in a vacuum," he adds. "The numbers only come alive with a good understanding of business."

PwC Singapore assurance leader Yeoh Oon Jin notes that a more diverse talent pool of professionals with different skill sets and broader technical knowledge is a positive development as companies in Singapore have become more international and complex.

"Introducing greater diversity within our accounting sector is a reflection of this new reality in Singapore," he adds. "As our firm grows, so does the scope and depth of the work we do for our clients. With more talent to draw from, we can more easily match people with the right skills and experience with our clients' needs."

CDAS had in late 2009 released 10 recommendations aimed at developing Singapore into an accountancy hub. Among its proposals, CDAS called for a Professional Accountancy Qualification Programme (QP) to raise accountancy standards here.

It will be a globally recognised qualification to make certified accountants internationally portable. This also serves as a conversion programme for graduates of other disciplines to join the profession and a pathway for the re-entry of former accountants.

This is in line with other jurisdictions such as the UK and Australia where non-accounting graduates are able to enter the accounting profession through a qualification programme.

The Institute of Certified Public Accountants of Singapore (ICPAS) is tasked to administer the QP under the oversight of the Singapore Accountancy Council (SAC) – the committee that helps to implement CDAS's proposals.

ACCA (the Association of Chartered Certified Accountants) has won the tender to provide consultancy services for the development of the QP.

Darryl Wee, country head of ACCA Singapore, notes that accountants and auditors who are trained in other disciplines bring with them a broader and deeper understanding of business processes and are more adept to provide solutions that take into consideration the different components of business.

"If they rise to leadership positions in the accounting profession, as some have already done, they will influence the accounting profession in looking at issues with different lenses, adding to the diversity of solutions."

## Enhancing standards

Mr Wee notes that gauging from the students who have graduated from ACCA's existing qualification programmes, many non-accountants from engineering, IT, economics and business may actually have an edge over others.



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"The analytical and numerical skills gained from their previous disciplines will be indispensable in getting a strong understanding of accounting and finance matters," he adds.

ICPAS has also been building the talent pipeline, drawing close to 6,000 students from countries such as Singapore, China, Vietnam and Indonesia for its programme every year.

Ernest Kan, president of ICPAS, notes that it is important that the QP be widely promoted, not just locally but also in neighbouring countries to attract the best and brightest to Singapore.

While accounting or audit work requires a fair amount of specialised knowledge and skills, industry practitioners believe the technical knowledge could be acquired through the QP and on-the-job training.

Henry Tan, managing director of Nexis TS, notes that even for traditional audit and assurance that deal with complex accounting standards, it is beneficial to have staff of different backgrounds.

For instance, someone with actuarial experience might find his or her knowledge coming in handy when reviewing impairment, valuation or business forecasts, he says.

By having a post-grad qualification and attaching candidates to approved trainer firms, Mr Tan believes the attrition rates in accounting firms may be reduced.

Nexia TS, which hires some 100 professional staff in Singapore and Shanghai, is currently an approved training firm for both the UK and Australia Chartered Accountancy programme, ACCA approved employer and CPA Australia approved employer. It has a management associate programme that allows its associates to rotate across specialisation areas over one-and-a-half years in Singapore and China.

Ravi Arumugam, chief executive and managing partner at LTC LLP, notes that people who come from multi-disciplinary exposure may be better accountants or undertake advisory work with greater confidence.

"They are not confined in their thinking because of their past education," he says. "Having an accountancy degree does not necessarily make one a good accountant."

He points out that chartered accountants certified by the Institute of Chartered Accountants in England and Wales (ICAEW) are highly sought-after and not all of them have their degrees in accounting.

"The problem here is we tend to streamline things very early in life," he says. "Diversity should be allowed as that makes a person think more broadly."

## Stemming talent loss

Besides drawing talent through the upcoming QP, it is equally urgent for the accounting profession to stem the loss of talent to the higher paying finance sector.

Mr Arumugam notes that in the UK where he used to work in, the accounting profession is able to attract even lawyers, doctors and architects because of the profession's ability to pay well.

"Here, unfortunately, the accounting profession does not get the attention it deserves if you compare it with the medical and legal profession," he says. "The glam factor is lacking for some reason."

"Singapore audit fees are among the lowest in the world for a country seen as first-world ... because the companies do not see a value proposition for audit. A lot of CFOs leave auditors to clean up the accounts because they do not see it as their role to do so. This lowers the value proposition of audit."

Because audit fees are understated, this weighs on the salaries of auditors. Recent corporate scandals or audit failures have further hurt the value proposition of an audit, Mr Arumugam says. At the same time, there remains an expectation gap between what the auditors should do and what companies expect the auditors to do.

Taking issue with the preparers of financial statements, Mr Arumugam notes that many companies tend to leave the auditors to clean up their financial statements. "Some CFOs here are operationally involved in other things and they do not see that it is their responsibility to be technically competent to prepare a set of financial statements that is fully

compliant with the IFRS (International Financial Reporting Standards)."

All these, coupled with a shortage of staff and increasingly stringent audit standards, have contributed to the long hours of work. "Here you have peak, super peak, and really peak and peak," Mr Arumugam quips. "If you speak to the audit partners, they tell you there is no such thing as an off-peak now."

To attract high-calibre talent, the accounting profession has to be competitive in its hiring practices and be willing to adjust work practices to remain interesting, adds Mr Tham of KPMG.

"The accounting profession short-sells itself if it were to simply accept that other professions offer better career propositions."

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