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 KOHOO

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

- Thuan Sai Ong, managing partner, KPMG Singapore

"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.

- Yohk Oon Jin, PwC Singapore assurance leader

"They (accountants and auditors who are trained in other disciplines) will influence the accounting profession in looking at issues with different lenses, adding to the diversity of solutions."

- Darryl Wee, country head, ACCA Singapore

"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."

- Ron Arumagum, chief executive and managing partner, LSP LLP

"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.

- IPAS has also been building the talent pipeline, drawing close to 6,000 students from 28 countries such as Singapore, China, Vietnam and Indonesia for its programme every year.

- Ernest Kan, president of IPAS, notes that it is important that the OP is 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 specialized knowledge and skills, industry practitioners believe that technical knowledge could be acquired through the OP and on-the-job training.

- Henry Tan, managing director of Nexis TS, notes that even for traditional audit and assurance that deals 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 coining in handy when reviewing impairment, valuation or business forecasts, he says.

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

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

- Ron Arumagum, chief executive and managing partner at LSP LLP, notes that people who come from multi-disciplinary experiences 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 accounting degree does not necessarily make you 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 grooming talent through the upcoming OP, it is equally urgent for the accounting profession to stem the loss of talent to the higher-paying finance sector.

- Mr Arumagum 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 glass ceiling is looking 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 their accounts because they do not see it as a matter of principle. This lowers the value propositions 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 propositions of auditors, Mr Arumagum 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 Arumagum 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)," he says. "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 audit peak," Mr Arumagum says. "If you speak to the audit partners, they tell you there is no such thing as 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 Thum of IIA Singapore.

- "The accounting profession should sell itself if we were to simply accept that other professions offer better career propositions.