



**CHALLENGE STATEMENTS**

# Audit Innovation

The Fourth Industrial Revolution is upon us. Emerging technology breakthroughs in artificial intelligence, robotics, and predictive analytics will result in transformed audit tasks moving towards automation of routine control testing and procedures, wider implementation of cognitive technologies, and focus on client systems and source data. With the advent of technological breakthroughs listed above, clients expect the audit process to incorporate these technologies.

**How can auditors apply these technologies and what kind of solutions might be presented to reinvent audit?**

# Client Engagement

Accounting firms prosper when there is an influx of demand for professional accounting or advisory services. However only the bigger firms, such as the Big 4 firms, appear to see significant demand for such services. The census showed that the smaller firms generated little revenue from advisory services. This is largely attributed to the lack of awareness that smaller firms provide such services, as well as perceived lack of capabilities in advisory work. In addition, Singapore remains a small market compared to ASEAN. Although a number of firms have joined international accounting networks, regulatory and network barriers limit market access to the regional markets.

**How might accounting firms reach out to new domestic and international clients, tapping on global talents and resource, by matching the services required by clients to the capabilities of the firms?**

# Client Engagement

Audit departments in accounting firms offer audit services to clients as part of their business model. However, at times, clients may request to adjust their pre-agreed periods of audit engagements with these firms. This causes disruptions to schedules and manpower planning. In addition, there are times of fluctuating demand for audit, advisory and consultancy work. This may result in under-utilisation of manpower or manpower crunch.

**How might accounting firms manage the scheduling of projects internally and externally (with clients), find ways to better deploy manpower to other business areas, and manage manpower scheduling to maximise resource leveraging?**

# Governance, Risk and Compliance

The effective management of strategic risk is a key factor determining the competitiveness of an organisation.

Whilst the management of conventionally quantified risk is well understood, the identification and detection of strategic risks in a hyper-connected economy is not. Arguably, this issue is most pronounced in the field of supply chain management, where exceptions in the conduct, compliance, and security of supply chain partners can rapidly undermine operations and prospects for growth.

In this context, new solutions for the identification and detection of strategic risks in the supply chain are required, emphasising action at the earliest emergence of the issue.

**How might we enhance the detection of emerging strategic risks in the supply chain?**

# Human Capital

The pace and frequency of digital disruption in the professional services sector presents a series of challenges:

- The skills of practitioners risk becoming obsolete and outdated
- New technical capabilities must be rapidly developed and deployed
- Valuable learning of experienced practitioners can be lost in workforce churn
- The process of automation typically leaves behind a set of complex and high level tasks
- The costs of retraining and upskilling escalate considerably

In this context, solutions are required to align the matching of jobs and talents throughout an employee's career so that the individual may add maximum value and the resources available to the employer are maximized.

**How might we enhance the matching of jobs and talents throughout an employee's career?**

# Human Capital

The accounting profession has done well to engage students during their undergraduate years to help them learn more about the profession to make necessary career decisions by the time they graduate. Comparatively, the profession's engagement with pre-graduates before undergraduate years has been little. Consequently, compared to other professions such as law and medicine, students in their early years as well as pre-graduates have much less information and knowledge on hand about the accounting profession to meaningfully consider the profession when charting out their educational paths and courses to pursue.

**How might the accounting industry build better awareness and understanding of the accounting profession amongst pre-graduates even before undergraduate years?**

# Human Capital

As businesses evolve, there is now a greater need for diverse skill sets within the profession to address changing business needs. Such diverse skill sets needs often go beyond the typical accounting knowledge we are familiar with and may include highly technical areas of expertise. In addition, the demographics of accounting professionals are changing. Millennials now make up the majority of the workforce in many countries and their expectations may differ from the traditional workforce.

**How might the accounting industry better attract and assimilate talents with multi-disciplinary backgrounds and/or different expectations to join the profession? How might accounting firms optimally engage with and harness the unique strengths of millennials?**

# Human Capital

The Fourth Industrial Revolution is upon us. Emerging technology breakthroughs in artificial intelligence, robotics, and predictive analytics will result in transformed audit tasks moving towards automation of routine control testing and procedures, wider implementation of cognitive technologies, and focus on client systems and source data. Auditors will see evolved roles and new skills required in light of technological disruption. The current audit workforce model of having a large base of junior auditors performing manual audit procedures and relying on statistical sampling to project conclusions upon entire populations may become obsolete.

**Propose the future workforce model taking into consideration succession planning, skillsets required and expectations of clients.**

# Finance Function

The mega trends prevailing in the dynamic world we are in today posts many challenges for the finance function. Manual, repetitive processes may mean finance functions are costly and inefficient. Decentralised and geographically dispersed finance functions may find it a challenge to maintain consistency in the quality of finance information, giving rise to inaccuracies and delayed management decisions. Lack of architectural strategy in big data may mean the advantages of insights and analytics may not be fully realised. The opportunities for digitalisation is great.

Digital finance is enabled by converging technologies and business trends, each with tremendous potential impact. Many of the [Essential 8 Technologies](#) (*Internet of Things, Augmented Reality, Virtual Reality, Blockchain, Artificial Intelligence, 3D Printing, Drones and Robots*) will help transform the finance function of the future. Digitalising the function would open up many possibilities; perhaps VR can bring centralised finance teams right to the field. Maybe a Blockchain can connect the ledger to the supply chain.

**Propose digital solutions to bring these opportunities of tomorrow to the finance function of today.**

# Global Practice

The next generation of accountants is agile, adaptive, global by nature and appreciate flexible working arrangements from their workplaces. Global projects now means timezones are challenging the traditional 9-5. Whether it be remote communications, flexible project models, new ways of learning and upskilling, or flexible ways of working, the over-arching theme is 'Flex at Work'. Technology is already playing a huge role in helping all types of firms achieve this today, but what about emerging technologies?

Can VR help us feel like we're in the same place at the same time? Can AI help us to forecast our flex needs, to help us manage our time, or predict our learning needs and help us to absorb this knowledge?

**What can we do to harness the opportunities of emerging tech, to revolutionize flexible working practices and platforms for the accountants of tomorrow?**

# ORGANISERS



## SINGAPORE ACCOUNTANCY COMMISSION

The Singapore Accountancy Commission (SAC) spearheads the development of the Singapore accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool; developing the industry to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. SAC is a statutory body under the Ministry of Finance.

For more information, please visit [www.sac.gov.sg](http://www.sac.gov.sg)



## CPA AUSTRALIA

Founded in 1886, CPA Australia is one of the world's largest professional accounting bodies representing more than 160,000 members working in 125 countries around the world. CPA Australia advances its members' interests through education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation and the promotion of value of CPA Australia members to employers, government, regulators and the public. The world-renowned CPA designation is synonymous with professional credibility and international portability. CPA Australia has been operating in Singapore for 64 years, having arrived in this market in 1954 under the auspices of the Colombo Plan. For more information, please visit [cpaaustralia.com.au](http://cpaaustralia.com.au)