

Public Accountants Conference 2010

The establishment of Singapore's own independent

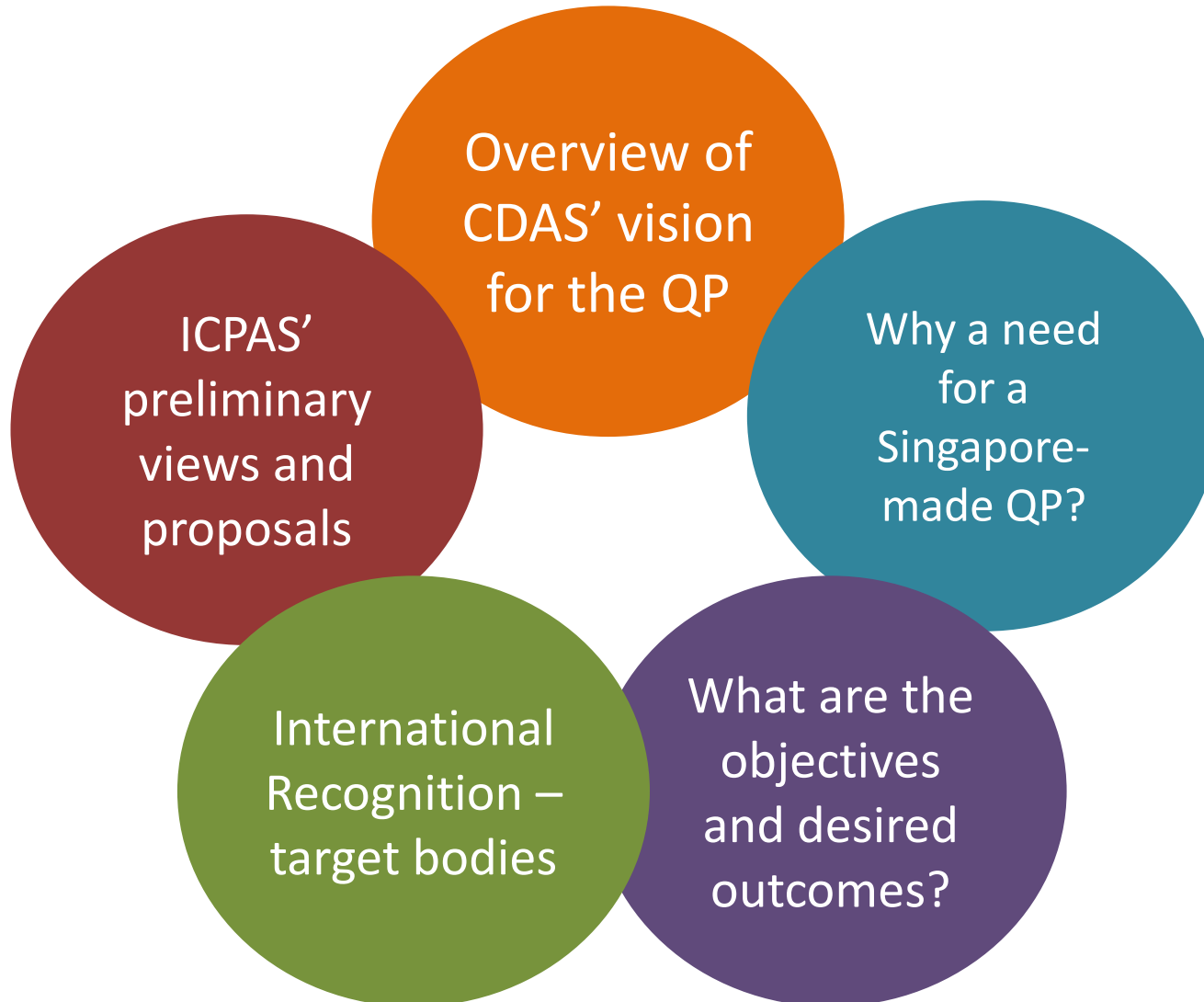
Professional Accountancy Qualification Programme (QP)

A CDAS Strategic Thrust 1 Initiative

Presented by Dr Ernest Kan, President of ICPAS



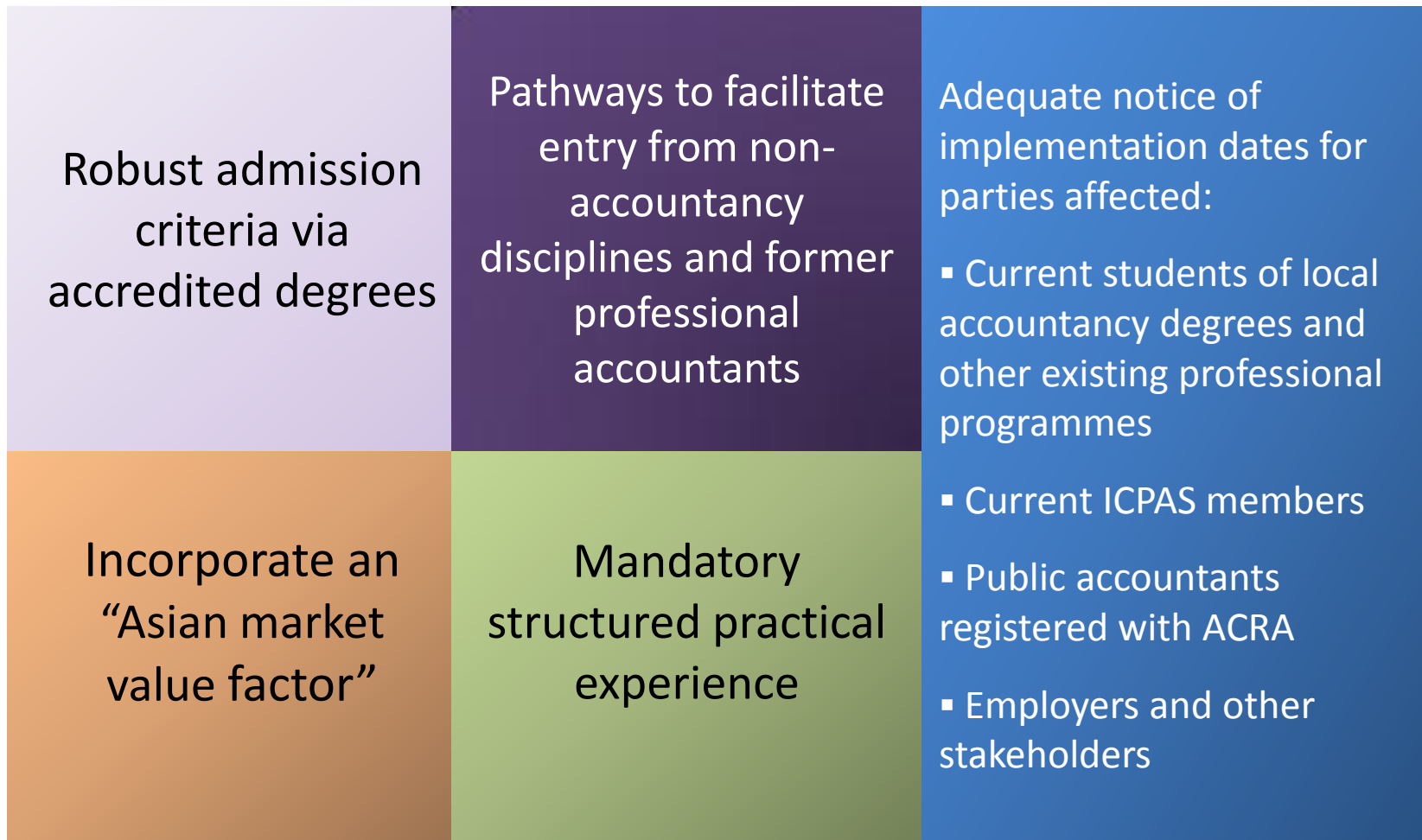
Outline



Committee to Develop the Accountancy Sector (CDAS)

- ❖ Set up by Govt to **transform** Singapore into a **leading global accountancy hub** for Asia Pacific by 2020
- ❖ Strategic Thrust 1 - Offers a **globally recognised, Singapore-branded** professional accountancy qualification, with post qualification specialist certifications
- ❖ Singapore as **the choice** for budding accountants to qualify and qualified accountants to specialise, attracting more **non-accountancy degree graduates** to the sector
- ❖ Strong pool of **accounting talents** to support Singapore's position as the Global-Asia Financial and Business Hub

Key Elements of Qualification Programme



Source: CDAS' report, page 7 re Recommendation 1

Drivers: Roles of **SAC** and **ICPAS**

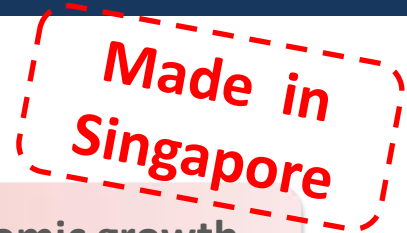
The SAC - provide **independent oversight** of the development and implementation of the qualification programme

ICPAS - develop a **blueprint**, provide **transitional arrangements** to those affected by new scheme, **consult** and **implement the plan**

Both bodies will work **together** very closely

Why the Need to set up our own Examination Programme?

The values the qualification programme can bring:



Promote the **Singapore Brand** and contribute to greater **economic growth**
(double GDP contribution from 0.4% to 1%)

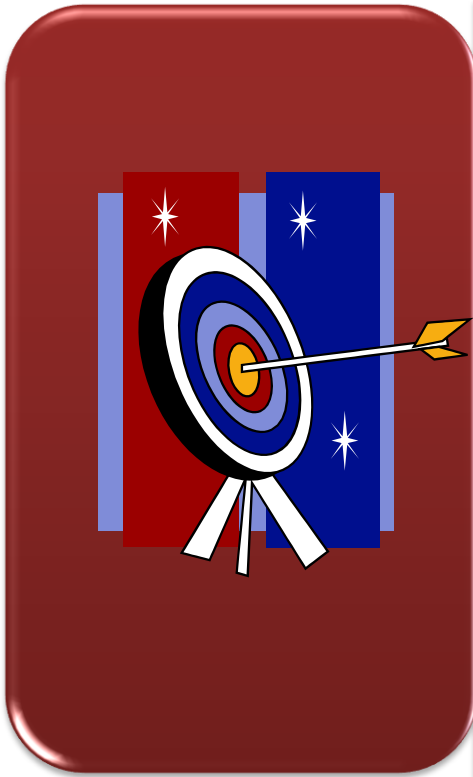
Add value to Singapore's own accountants in a wider spectrum of accountancy work
(expand business opportunities for employers)

Singapore gains autonomy in setting educational standards and enhancing **quality of CPA Singapore**
(better management, reflective of Singapore's advanced economic status)

Contrast between the made in Singapore and made elsewhere - **benefit future generations** of Singaporeans: no need to travel abroad to gain a globally recognised prestigious qualification (\$ and time saved)

Attract **regional talents** at entry level (an inclusive Asian programme)

Objectives of establishing the Qualification Programme



- Upgrade competencies of CPAs to serve the business needs of Singapore and Asia Pacific (for economic growth)
- Gain global recognition and international portability

Seek International Recognition

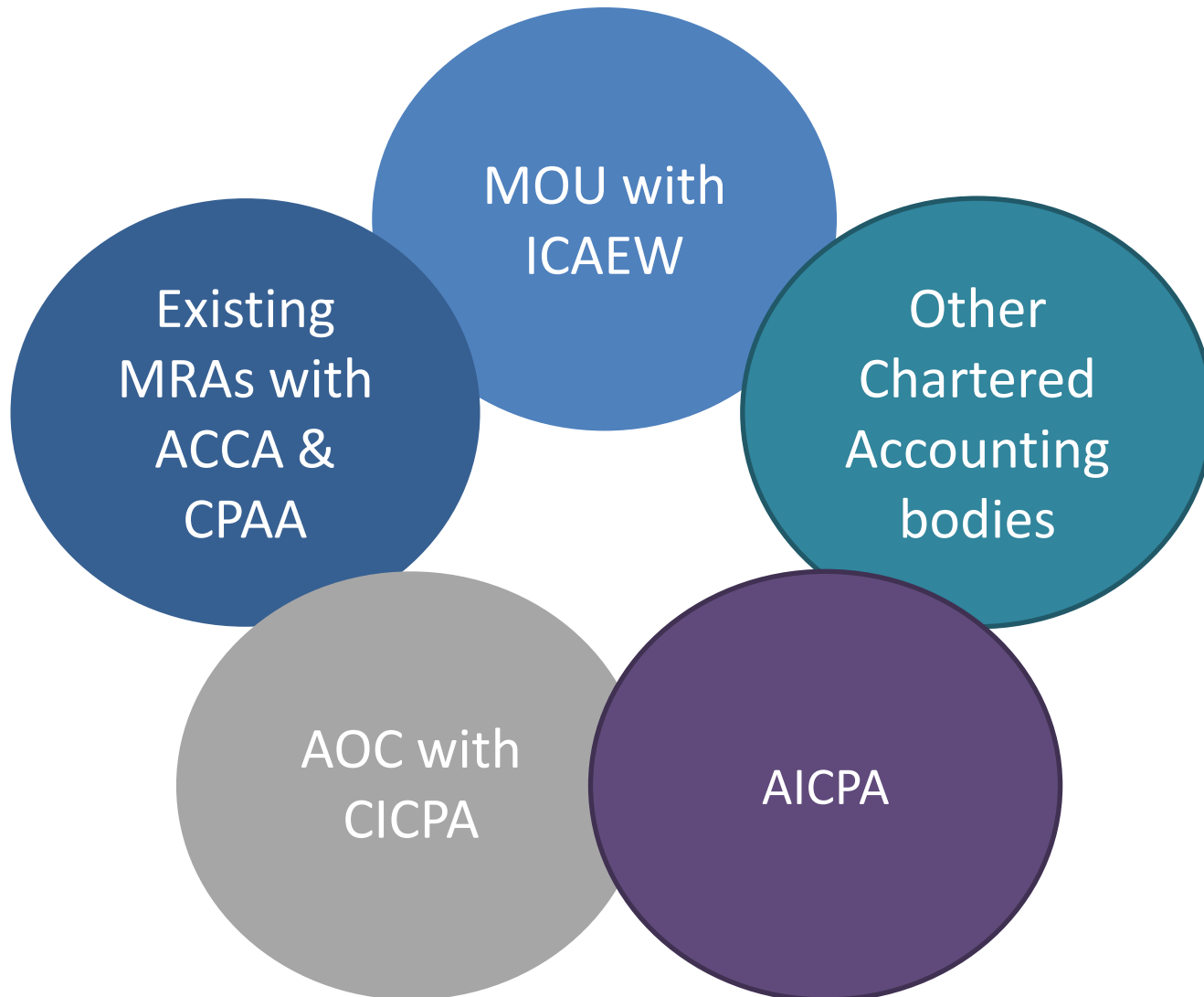


➤ Need to meet external benchmarks

Models for reference:

- High standards of proficiency
- Serving top capital markets in five continents

Target Professional Bodies



Characteristics of a Top Tier Programme

Key elements (3Es):

- **Entry:** Degree graduate entry or equivalent
- **Examination:** Professional education programme, benchmarked at postgraduate level
- **Experience:** Structured practical experience

Entry Pathways

Robust entry requirements:
graduate entry
as foundation

Main entry
(85-100%)
degree
graduates,
multi-
disciplines

Admit a small
number of **sub-
degree holders**
who must
demonstrate
**comparable
admission criteria**

(usually with
exemptions for prior
study, top up with the
Institute's own
professional exams)

QP Entry



Institute of
Certified Public Accountants
of Singapore

Entry Pathways (cont'd)

Conduct accreditation exercises or prior study assessment:

- To ensure entry competencies are clearly **prescribed** to build solid **foundation**, to commence qualification programme
- to ensure good **communication** between **universities and Institute**, in preparing candidates for professional career and studies
- Respect universities' **autonomy**
- ICPAS and universities - a **partnership** in **grooming future generations**

Professional Educational Philosophy

Benchmarked at **Postgraduate** level, learning to learn, embracing **lifelong learning**

Not just exams: emphasis on building **higher level generic skills**

(e.g. presentation, negotiation skills, better communicator)

Focus groups/ workshops or accredited training programme

(with practitioners' guidance for skills mentoring, networking, practice based learning)

Competency-based standards to clearly define learning outcomes

Prof. examinations are **open-book**

(focus on understanding, and applications, away from rote learning, simulating business environment)



Professional Education Programme

Final written exam:

Capstone exam: multi-disciplinary case-type questions involving application and problem solving

Assessments:

rigorous, valid and relevant, with the Institute setting and marking their own assessment/exams

Examination setting and marking processes:

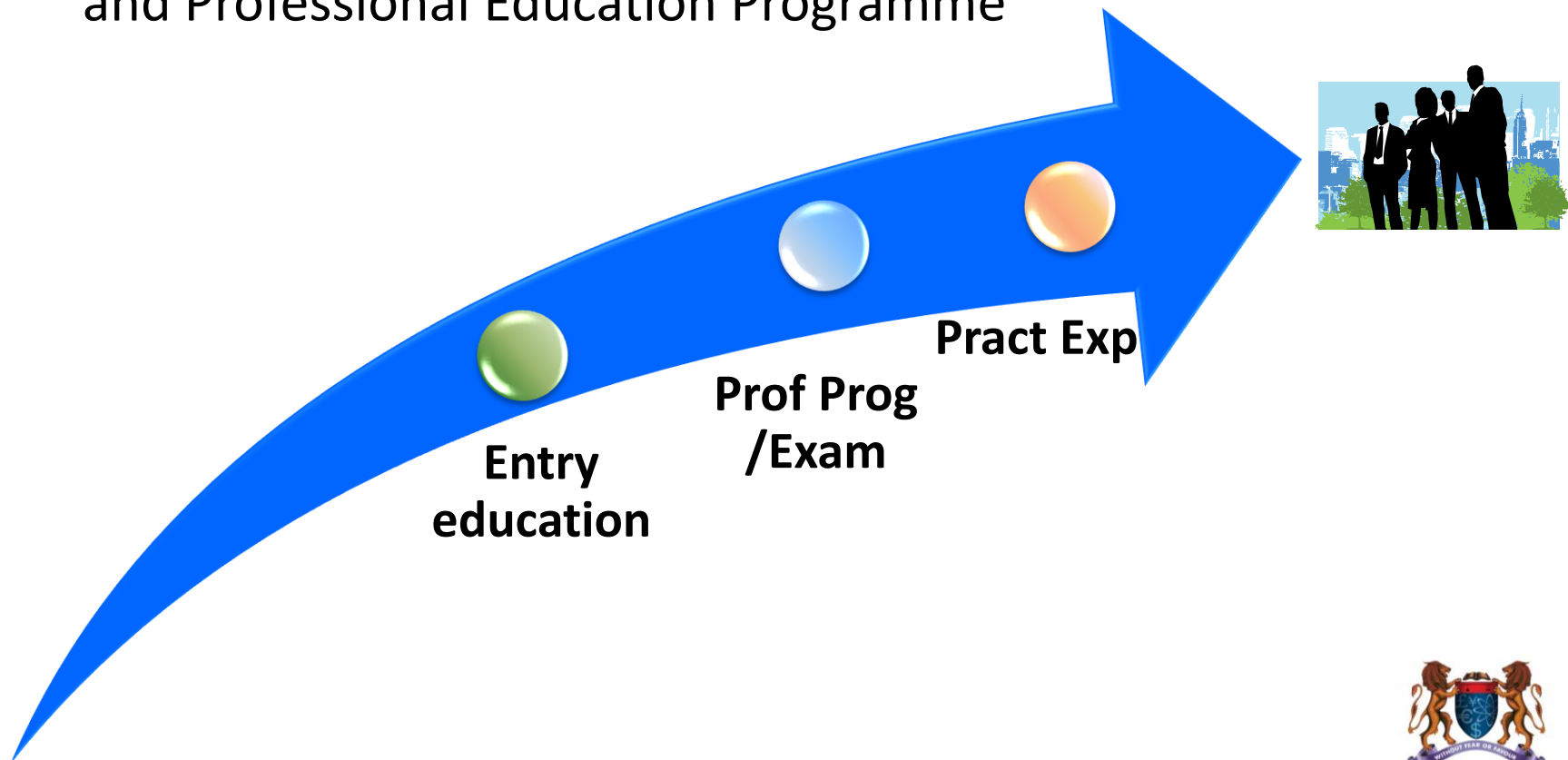
rigorously monitored and managed at high standards

Sample Competency Map

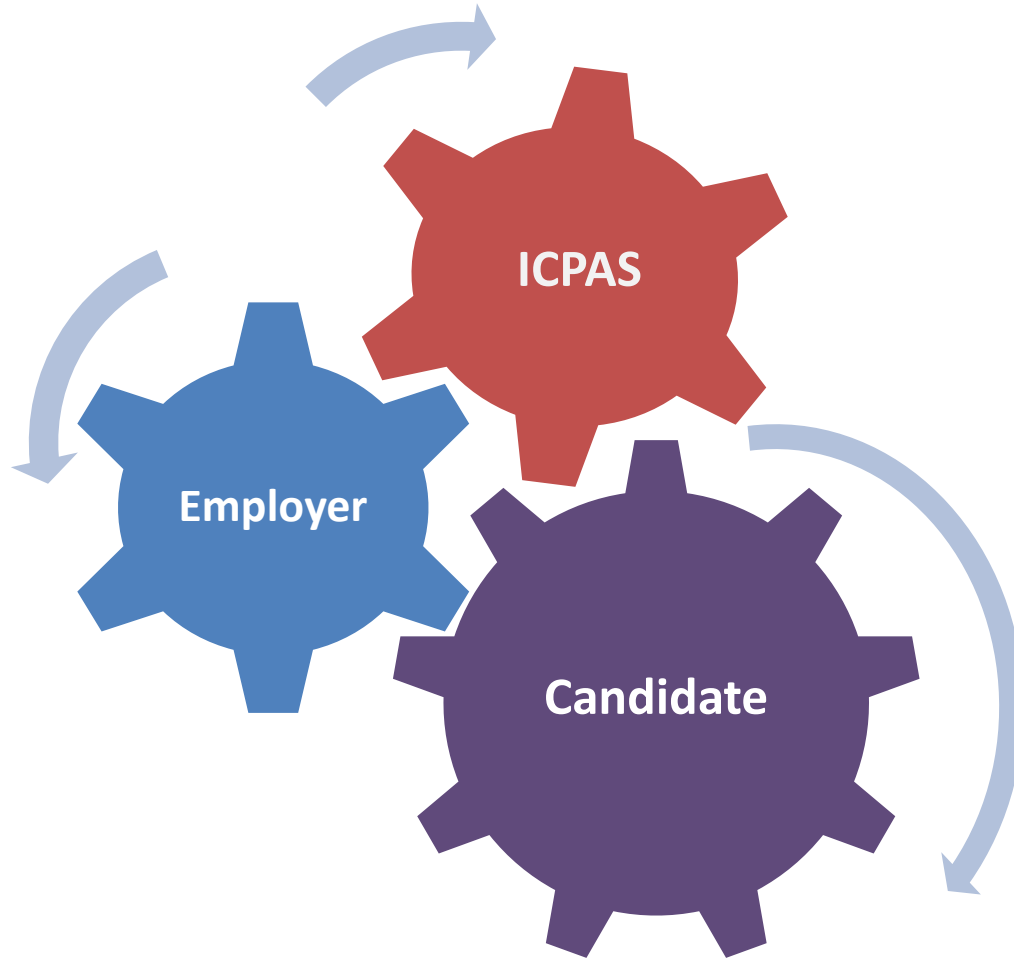


Practical Experience Requirements

- ❖ Key component of 3Es to link Entry requirement and Professional Education Programme



Practical Experience Requirements



**Tripartite
Relationship:
Candidate,
Employer and
the Institute**

Practical Experience Requirements



- ❖ Some bodies used to require training contracts (articleship), now more flexible, focusing on a **structured training process** involving accredited training organisations or supervisors as mentors
- ❖ Emphasize the importance of **Employers and Supervisors** in the qualifying process, with regular communication amongst the 3 parties
- ❖ **Training** provided to approved training organisations or accredited employers/supervisors to ensure they discharge prescribed duties properly

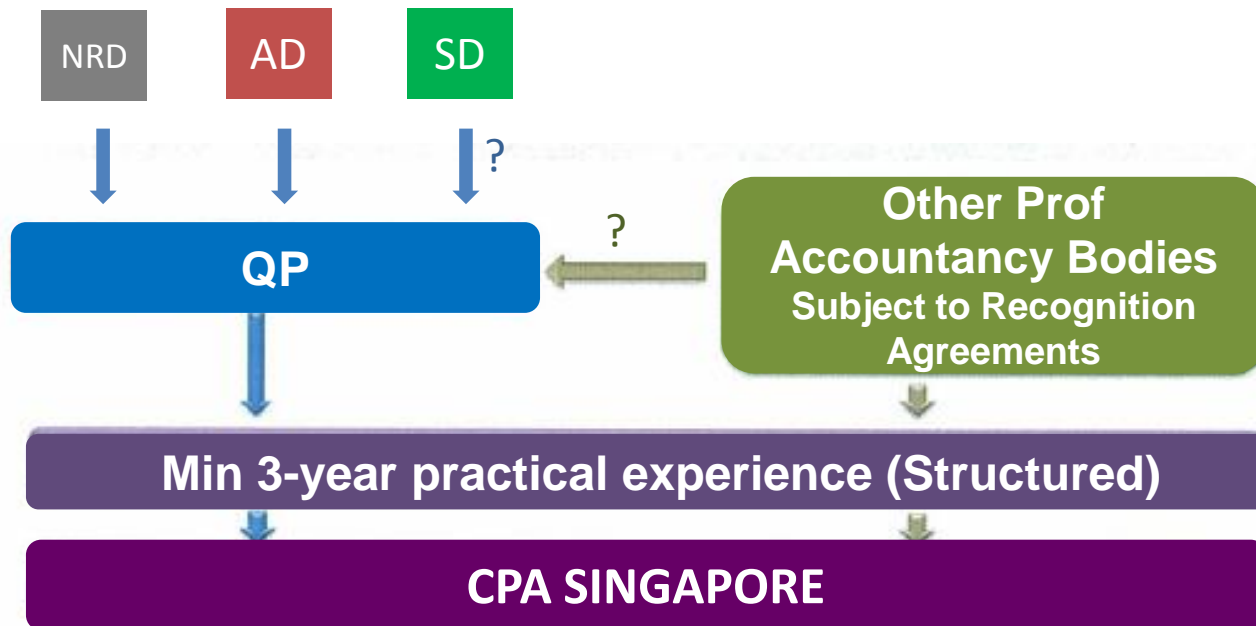
Practical Experience Requirements

(Cont'd)

- ❖ Minimum of **3 years'** experience required, not just in audit or public practice. Most bodies now permit wider scope of practice.
- ❖ **Competencies** to be achieved are clearly defined for all parties to work towards the same objective: ensuring the candidate achieve **the appropriate capabilities** to meet the high standards of qualifying as a CPA/CA
- ❖ Guidance/ training given to maintain full experience **records** – a key responsibility of candidate to **keep and document** relevant work experience, **open to inspection** by the Institute
- ❖ **Institute conducts QA** to ensure process works well → regular feedback for continuous improvements

Pathway to Becoming a CPA Singapore

The following diagram depicts the routes for qualifying as a CPA Singapore

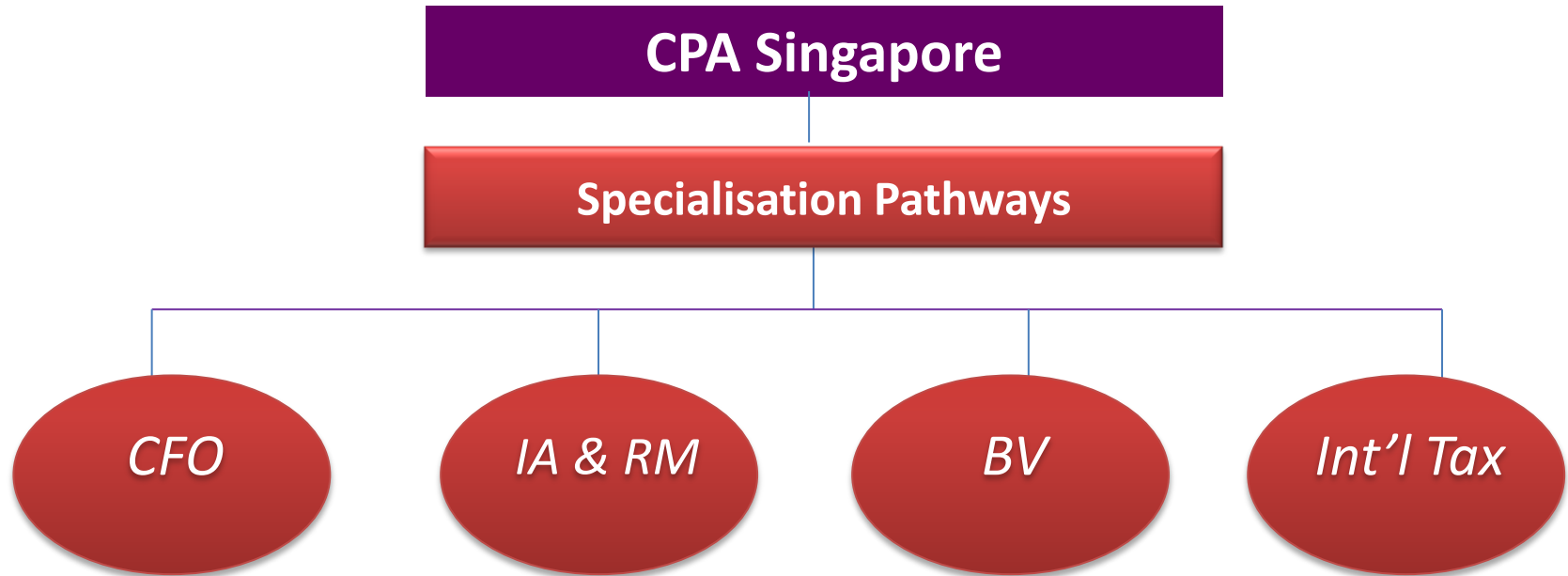


NRD: Non-relevant degree holders

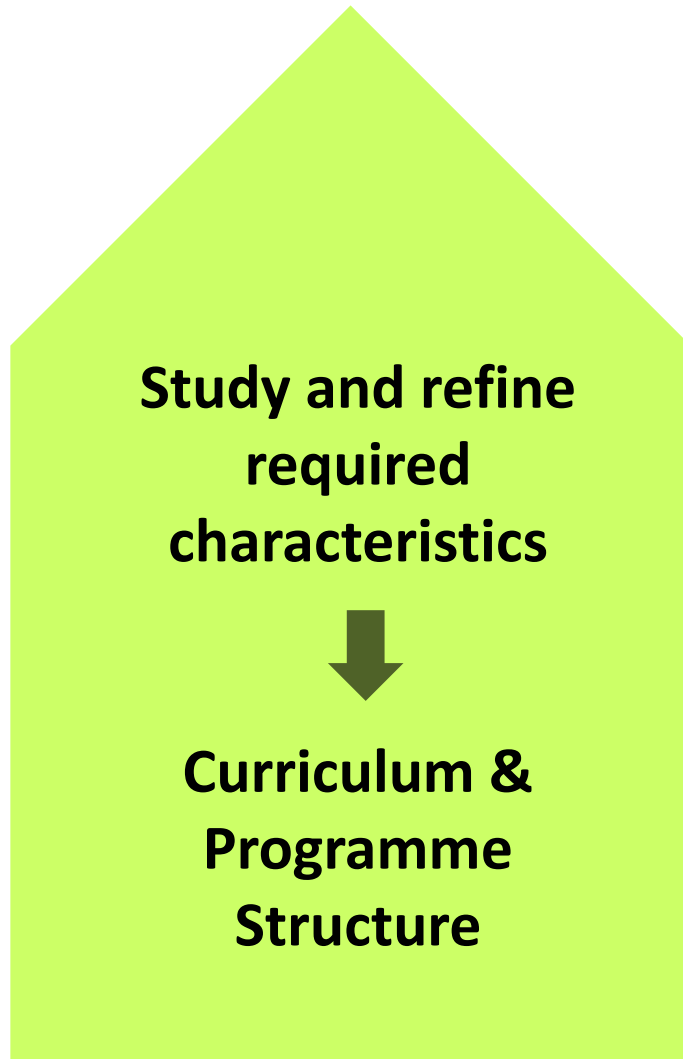
AD: Accounting degree holders (main route)

SD: Sub-degree holders?

Specialisation Pathways



Way Forward



Tentative Milestones

(subject to further discussion with SAC)

In consultation with SAC

- Propose new structure, implementation plan and transitional arrangements to SAC
- Discussions with SAC, refine & finalize proposals
- Dialogues with key stakeholder groups
- **Issue QP plan (incl transitional arrangements)**
- Engage consultants to develop QP
- Initiate dialogues with potential MRA bodies
- Set up **Accreditation Board** to draw up policies and guidelines for accreditation of universities, employers and supervisors

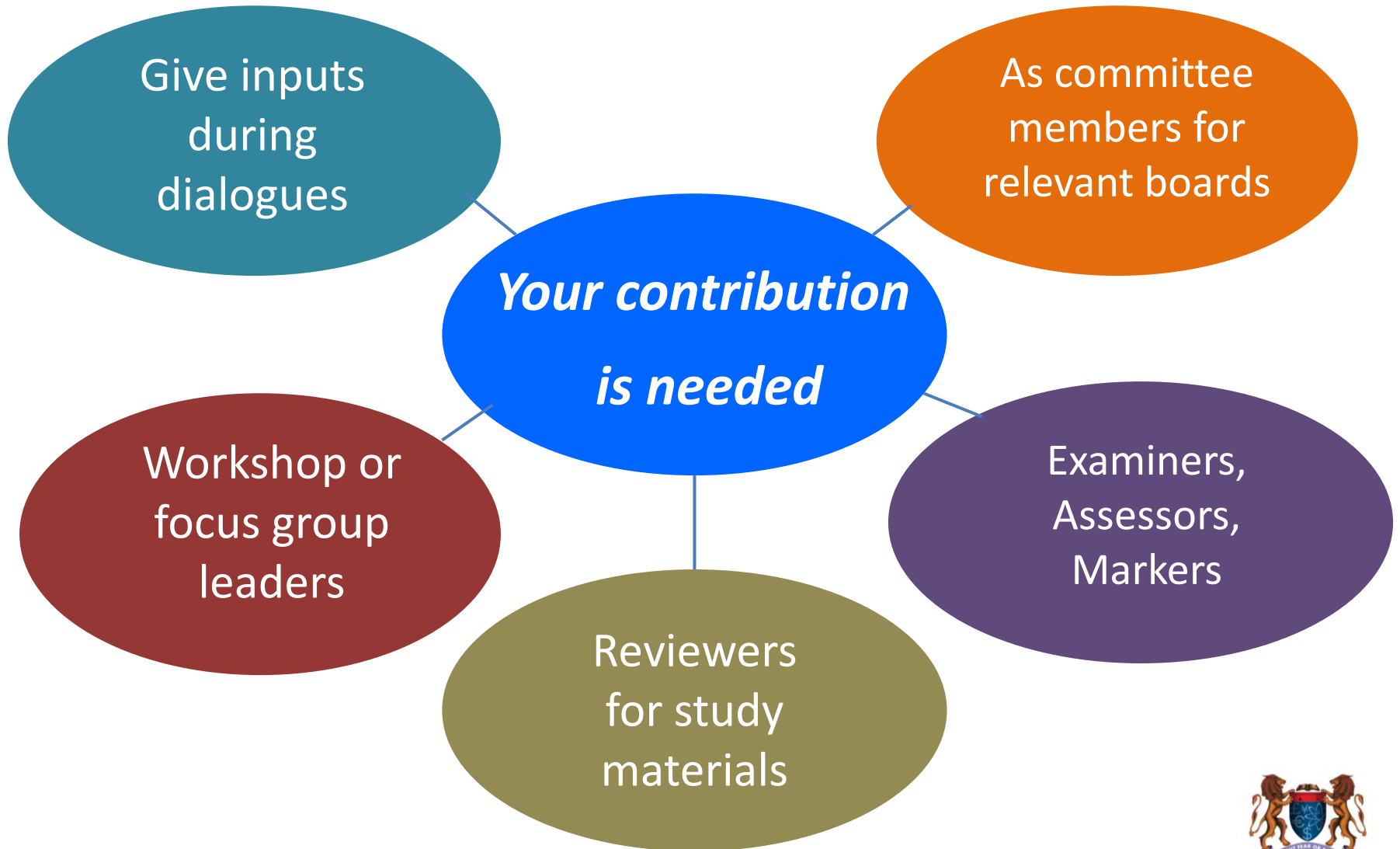
Tentative Milestones

(subject to further discussion with SAC)

Periodic reporting and consultation with SAC

- Establish **Exams Board** to set pilot and actual exam papers, formulate relevant policies, and oversee marking of exams, development of study materials, focus groups and other assessment
- Accredit **universities** for pre-entry
- Accredit **employers and supervisors** for structured practical experience requirement
- Recruit and train **focus group leaders**
- Issue detailed **competency requirements** and learning **outcomes**
- Train and recruit new **staff support** - new scheme will involve more resources
- Set up **IT systems** to support programme
- Publish **study materials** etc.
- Promotion** of QP
- First QP modules launched**
- Further dialogues** with potential **MRA bodies**

We are in this together....



Conclusion



Professional Development Initiative