

DEVELOPING SINGAPORE'S ACCOUNTANCY WORKFORCE OF TOMORROW

The Report of the Accountancy
Workforce Review Committee



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Foreword

Businesses today operate in an increasingly uncertain and volatile environment. Over the last few years, various trends have disrupted the way that we work – for example, the COVID-19 pandemic, advancements in technology, and the increasing urgency of the sustainability agenda to address climate change. There has also been a growing need to guard against bad actors who seek to profit through illicit means and constantly find new ways to commit financial crimes.

Accountants have a crucial role to play in society, especially in the corporate world. With their financial expertise and commitment to upholding ethics, accountants are our first line of defence against any possible risks of fraud or financial misrepresentation. With global trends such as sustainability and Artificial Intelligence (AI), the stewardship role of accountants will also expand to issues such as sustainability disclosures and IT Assurance. Accountants can help businesses navigate today's constantly evolving business environment, while preserving trust. Society needs accountants, who are the guardians of trust for the business community.

However, businesses are facing challenges in hiring accountants. There is greater competition from other sectors and a growing disparity between the starting salaries of accountants and other jobs. This situation is not unique to Singapore. Other countries have also reported similar challenges in attracting and retaining accountants. However, not being alone in facing this problem is cold comfort. We must find our own way to tackle the issues. If left unaddressed, the situation will become increasingly difficult to resolve.

This report is a call for all members of the accountancy ecosystem in Singapore – including employers, accountancy leaders, professional bodies and educational institutions – to take concerted efforts to address the shortage of accountants. The recommendations in this report have been developed through engagements and consultation with various stakeholders in the sector, and seek to address the challenges facing the sector. Some of these recommendations relate to longer-term structural issues and may be difficult to resolve, but are all the more important to address.

I urge all stakeholders to work together to breathe new life into Singapore's accountancy sector. We must ensure that even as businesses embrace new opportunities, we continue to attract new talent to the profession and grow a steady pipeline of young accountants for the future.



Indranee Rajah
Minister in the Prime Minister's Office
Second Minister for Finance and National Development

Message from AWRC Co-Chairs

The business landscape is becoming more complex and challenging, with the need to deal with climate change and its impact on the environment, fast pace of technological changes and the impact of artificial intelligence (AI) on the future of businesses. With these changes, accountancy professionals will need new skills to stay relevant.

Unfortunately in Singapore, with the changing demographics, we have seen a fall in the enrolment of accountancy students resulting in a decline in the supply of accountants. Left on its own, there will be a significant shortage of accountants in the future to support the business and financial hub requirements in Singapore.

It is with this in mind that we embarked on the process of reviewing the challenges facing the accountancy sector with the formation of the Accountancy Workforce Review Committee (AWRC) in late 2022. It was clear that the challenges do not exist in isolation and there was a clear need to address them holistically, with the involvement and commitment of the various stakeholders in the accountancy sector.

Through this journey, we have engaged with relevant stakeholders - from students who are exploring what they wish to pursue as a career;

academia who strive to deliver a balanced curriculum of core accounting skills and in-demand areas; accountants who shared their career experiences; and employers looking to hire accounting professionals. These engagements were aimed at uncovering the challenges faced by the profession, hearing the stories of those who have succeeded, understanding how the profession can be shaped for the future, discovering the joys and passion of those who persevere in the profession as well as gathering sentiments regarding the hoped-for changes that could achieve positive and sustainable impact for the sector.

The Committee comprised stakeholders from diverse backgrounds, so that we could challenge each others' thinking and co-develop well-considered and holistic recommendations.

We thank everyone who has generously contributed their valuable insights and shaped the recommendations in this report.

With these recommendations and the continued collaboration of all stakeholders in the accountancy sector, we are confident that accountancy will be a promising and fulfilling career for generations to come.



Chaly Mah
Chairman, Netlink NBN Trust
Former Chairman, Singapore
Accountancy Commission



Lai Wei Lin
2nd Permanent Secretary,
Ministry of Finance

About the AWRC

The **Accountancy Workforce Review Committee (AWRC)** was set up in October 2022, with the support of the Ministry of Finance and the Accounting and Corporate Regulatory Authority, to address the manpower challenges of the accountancy sector and recommend strategies to ensure a robust pool of accountancy talents to meet industry needs.

The AWRC comprised senior representatives from accounting firms, in-house finance functions, academia and the public sector, offering their multi-disciplinary expertise across different accountancy fields and practice areas. In undertaking its work, the AWRC engaged a wide range of stakeholders from the sector – employers, academics, regulators – as well as professionals (young accountants and mid-career switchers) and students. 48 engagements and focus group discussions were held involving over 300 participants.

Objective

To address manpower challenges faced by the accountancy sector, by developing recommendations to grow the talent pool of skilled accounting professionals and improve the attractiveness of the accountancy career, through better attraction, development and retention of talent

Scope

- Review the adequacy of the sources of accountancy talent pool today, and the professional pathways to enter the accountancy profession
- Identify key factors that are limiting the accountancy sector in attracting, developing and retaining local talent
- Recommend strategies to ensure a robust talent pool of accounting professionals in Singapore to meet industry needs



Members of the AWRC

About the AWRC



Approach to stakeholder consultation

48 engagements and focus group discussions

OVER 300 participants engaged

Profile of participants



Students from universities and polytechnics



Accountants from accounting firms and in-house accounting and finance functions – young accountants as well as mid-career switchers without prior accountancy background



Employers from accounting firms of various sizes and in-house accounting and finance functions



Representatives from universities, polytechnics and ITE

Topics discussed included job roles for accountants in both well-established and emerging areas, as well as adjacent ones; talent management efforts and challenges faced; Singapore Chartered Accountant Qualification's (SCAQ) structure and curriculum; coverage and adequacy of university curriculum, work-study programmes and internships; and perceptions of an accountancy career.

Members of the AWRC

Mr. Chaly Mah (Co-Chair)	Chairman, NetlinkNBN Trust and former Chairman, Singapore Accountancy Commission (SAC)
Ms. Lai Wei Lin (Co-Chair)	2nd Permanent Secretary, Ministry of Finance (MOF)
Ms. Jocelyn Goh	Audit and HR Partner, BDO
Mr. Timothy Ho	Executive Director, Finance Transformation, Deloitte Singapore
Prof. Ho Yew Kee	Former Cluster Director, Business, Communication and Design, Singapore Institute of Technology (SIT)
Mr. Lee Eng Kian	Managing Partner and Head of Audit and Assurance, PKF-CAP LLP
Mr. Lie Kok Keong	Valuation Leader and Partner, Mergers and Acquisitions, PwC Singapore
Mr. Eric Lim	Group Chief Sustainability Officer, United Overseas Bank (UOB)
Mr. Peter Oey	Chief Financial Officer, Grab
Mr. Ong Pang Thye	Former Managing Partner, KPMG Singapore
Mr. Ow Fook Chuen	Accountant-General, Accountant-General's Department (AGD)
Mr. Aslam Sardar	Chief Executive Officer, Institute of Human Resource Professionals (IHRP)
Prof. Christina Soh	Emeritus Professor (Former Dean), Nanyang Business School, Nanyang Technological University (NTU)
Mr. Praveen Tekchandani	Partner, Climate Change and Sustainability Services, EY Singapore
Mr. Don Wee	Council Member and Advisor to Young Professionals Advisory Committee, Institute of Singapore Chartered Accountants (ISCA)
Ms. Yiong Yim Ming	Group Chief Financial Officer, City Developments Limited (CDL)
Mr. Ong Khiaw Hong	Former Chief Executive, Accounting and Corporate Regulatory Authority (ACRA)
Mr. Evan Law	Assistant Chief Executive, Accounting and Corporate Regulatory Authority (ACRA) (formerly Chief Executive of Singapore Accountancy Commission)



Debits and credits. Journal entries. Trial balances.

These concepts are familiar to all accountancy students and professionals, as they form the foundation that every accountant is equipped with.

But how about data analytics, financial forensics, artificial intelligence (AI), cybersecurity and sustainability reporting?

These are the new competencies that modern accountants should equip themselves with, to continue to bring valuable insights to stakeholders.

These competencies are needed to meet the evolving and increasing demands on the accountancy profession, including heightened expectations of accountants' roles in ensuring robust corporate governance and financial reporting, and increased attention on companies' reporting on environmental, social and governance outcomes. With technological advancements, many routine tasks can now be handled by automation and even AI, which frees up accountants to focus on other high-value roles and tasks.

While accountants have traditionally focused on providing oversight on a company's finances, their role has since expanded to include a broader range of issues – corporate governance, risk management, business strategy and optimisation of operations. As the green momentum picks up, the stewardship role of accountants is also expanding to cover sustainability and environmental issues. The accountancy skillset remains highly versatile and valuable, even in the face of global developments and advancements in technology. More importantly, the values that an accountant brings – ethics, integrity and professionalism – will continue to be core in ensuring that they play their role well in different areas of work.

Accountants are integral to all organisations. An accountancy career offers tangible rewards, with competitive salaries, structured career development and progression, and a favourable long-term earning potential in the long run.

Executive Summary

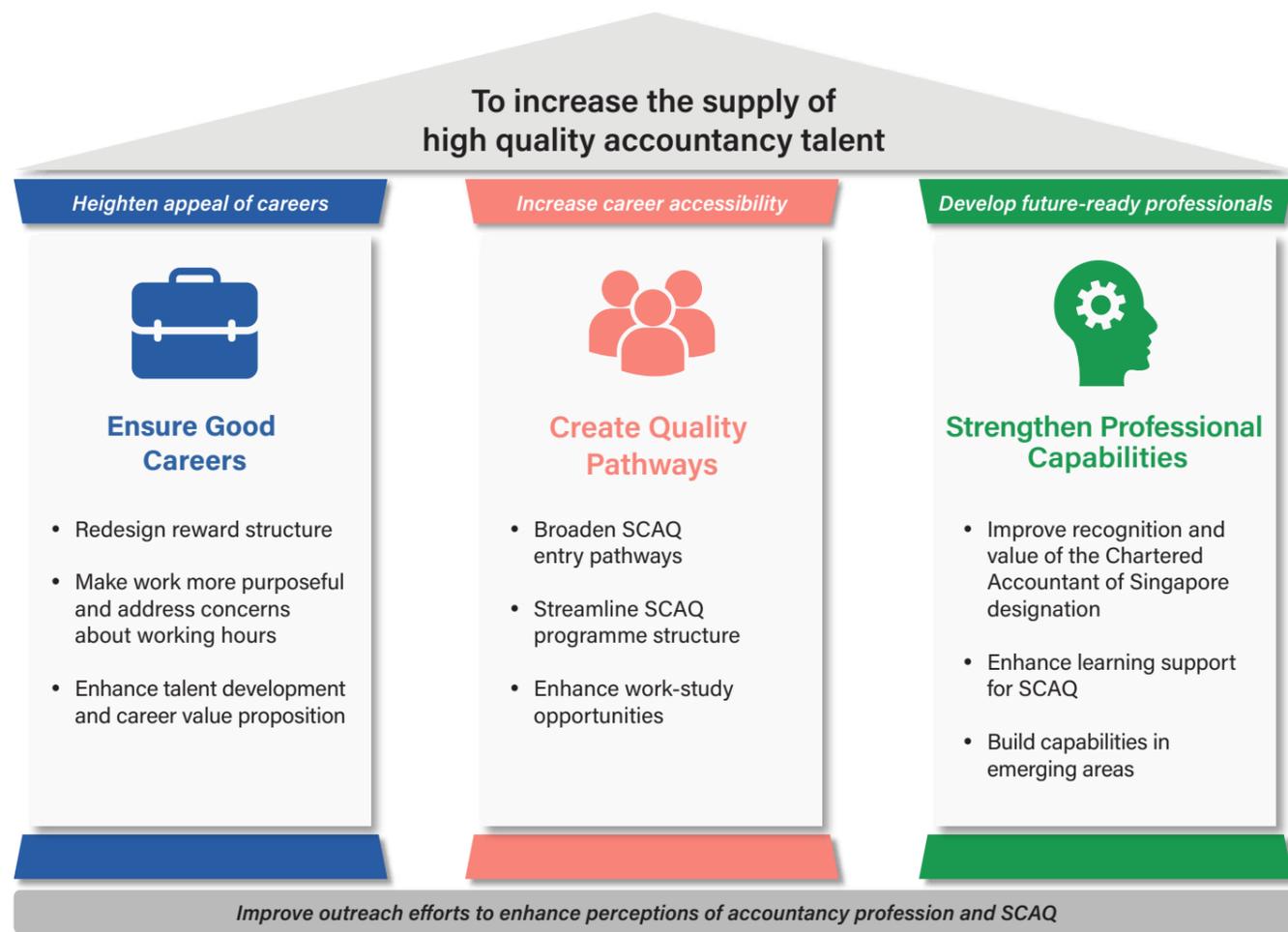


Minister Indranee Rajah and AWRC Co-Chairs at one of the AWRC engagement sessions

Despite this, there is a declining number of students who are interested in studying accountancy, and even fewer pursue the accountancy profession, in part due to misperceptions of the sector. At the same time, those who do not have a background in accountancy find it difficult to enter the profession.

These manpower challenges must be reviewed holistically, with their root causes addressed.

The Accountancy Workforce Review Committee (AWRC) – comprising senior representatives from accounting firms, in-house finance functions, academia, and the public sector – has developed a set of recommendations, with the objective of building a sustainable talent pipeline for the accountancy profession.



The AWRC's recommendations span three key pillars:



Ensure Good Careers, by heightening the appeal of an accountancy career and positioning accountancy as a profession of choice. Employers should revisit the value proposition that they offer their employee accountants, and adjust as needed to meet their changing aspirations and meet their desire for purposeful work.



Create Quality Pathways, by increasing the accessibility of an accountancy career to talent from diverse sources. ACRA will work with the Institute of Singapore Chartered Accountants (ISCA) to make the Singapore Chartered Accountant Qualification (SCAQ) more streamlined and accessible to candidates of different backgrounds, while universities should work with employers to expand work-study opportunities, which will improve the work-readiness of students and facilitate their entry into the accountancy profession.



Strengthen Professional Capabilities, to develop future-ready professionals to navigate changes and seize opportunities. ACRA will work with the relevant regulators and ISCA to enhance the recognition of the Chartered Accountant (Singapore) designation and the learning support provided for the SCAQ, while ensuring that the relevant curriculum equips accountants with capabilities in emerging areas.

There is no silver bullet to addressing and overcoming the challenges faced by the sector. The suite of the AWRC's recommendations is intended to be complementary to tackle different facets of the issue. **They require the joint efforts of stakeholders in the accountancy sector to implement them successfully.** They must also be accompanied by coordinated and coherent efforts by all stakeholders to raise the profile of the accountancy profession and to reach out to potential entrants to the sector in an effective and targeted manner.



Overview

Accountants play an indispensable role in the corporate world. They ensure the reliability and veracity of financial information, instilling confidence in investors and supporting business growth.

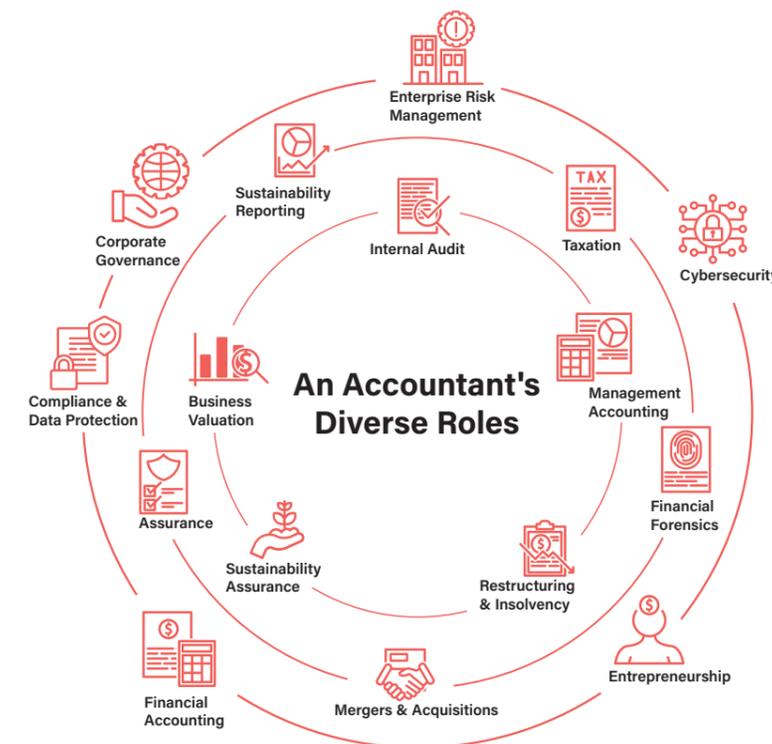
As a global financial centre and a trusted business hub, Singapore requires a strong accountancy sector to support the businesses that operate here and maintain our stable business environment to drive economic growth.

Today, Singapore's accountancy sector is **120,000** strong. Among these, close to 20% are employed in accounting firms, which contribute \$2.95 billion¹ to our annual GDP. The rest are in accounting and finance functions in businesses.



Chapter 1 Impetus and Scope of Review

Accounting is a fundamental component of business management and a key foundational skillset that is highly valuable and versatile. Accountants are often well-placed to pursue diverse areas of work – ranging from well-established areas such as audit, taxation, and financial planning and analysis; to adjacent areas such as risk advisory, financial forensics and mergers and acquisitions; to emerging areas like sustainability reporting and data analytics.



¹ Source: Based on ACRA's AE Survey 2022 of 218 Accounting Entities.

Emerging trends and their impact on the sector

The world of business is not static. The needs of businesses are constantly evolving, and new trends will reshape the accountancy profession in the coming years:

- ▶ **Emerging technologies**, such as automation tools and data analytics, create opportunities for more purposeful work, by reducing repetitive tasks and enabling accountants to offer additional data-driven insights.
- ▶ **Heightened expectations** of the role of accountants in protecting the public interest and maintaining trust call for strong professional accounting skills to deal with complex business transactions, perform risk assessments and analysis whilst ensuring compliance with accounting standards and regulatory requirements.
- ▶ **Increased focus on areas such as environmental, social and governance (ESG)** will impact the accountancy profession and create new opportunities such as sustainability reporting, which utilises the accountancy skillset to tackle key environmental issues.

With these trends, the accountancy profession will remain highly relevant and sought-after, as the demand for accounting services – whether as an in-house capability or provided by professional accounting firms – will continue to grow in volume and scope, and across different sectors.



A good accountant understands the deals teams' commercial views and provides financially sound advice to mitigate financial risks and ensure proper fund flows for seamless deal closure. The long-term rewards of being in an accounting role lie in playing an integral part in shaping the organisation's long-term strategy and business decisions to drive better returns."

Ms Belicia Ong,
Financial Controller, GIC, CA (Singapore)



Stakeholders are expecting more than just traditional bookkeeping from accountants, as new areas such as sustainability reporting and data analytics come into focus. Accountants are seen as valuable assets in various corporate functions due to their systematic and organised approach, honed through their training to pay attention to details and be sensitive to numbers and subject matter. This presents great opportunities for accountants to take on diverse roles in many businesses and companies of different industries."

Mr Eric Choo,
Deputy CEO, Dontia Holdings Pte Ltd and T32 Dental Centre Pte Ltd, CA (Singapore)
Headquartered in Singapore, with a network spanning across parts of Asia, Dontia Holdings is a leading dental services ecosystem encompassing dental services, laboratories, supply, and education.

The new areas of growth are more cross-disciplinary in nature and require professionals with both domain knowledge and accounting skills. These areas include:

- ▶ **Sustainability reporting and assurance** – With the increased focus on ESG in recent years, investors, financial institutions, businesses looking for suppliers, and the public at large are increasingly expecting businesses to adopt sustainability reporting and other relevant ESG-related disclosures. This requires accountants to apply their skills in financial reporting and audits to help companies meet their sustainability-related goals.
- ▶ **IT audits** – IT systems are the backbone of many companies' operations. This requires accountants to be fluent in cyber risk management to mitigate IT-related risks, to ensure the integrity of financial and other data, and that the appropriate internal controls are in place.

- ▶ **Business valuation** – Business valuation is key to harnessing the value of businesses and assets. In today’s knowledge-based and technology-driven economy, one significant area is the valuation of intellectual property, with such intangible assets increasingly becoming a source of competitive advantage. Accountants who have strong financial modelling skills, business acumen and familiarity with valuation standards and practices will be well-positioned to help businesses realise the value of such assets.
- ▶ **Financial forensics** – An unintended consequence of technological advancements is the advent of new types of financial crimes and fraud. Accountants who are equipped with strong data analytics, audit and fraud investigation and technology skills are required to detect and combat such crimes.
- ▶ **Anti-money laundering/ countering the financing of terrorism** – With increasingly sophisticated criminals and stringent, evolving regulatory requirements relating to money laundering and terrorism financing, accountants play a crucial role as professional gatekeepers, in ensuring the adherence to best practices, detecting and preventing such financial crimes.

Feature Story

Embracing Opportunities for Growth

Opening doors with an accountancy education

My decision to pursue a degree in accountancy was driven by its versatility and the recognition that it opens doors to various career choices.

As a Chartered Accountant, I continually undergo various training programmes and pursued other accreditations and certifications, including the Chartered Financial Analyst (CFA) certification and the Sustainability and Climate Risk Certificate by the Global Association of Risk Professionals.

An enriching work experience

During my third year with PwC, I had an overseas secondment in Sydney for over 2 years. This experience broadened my professional horizons and honed my confidence and agility to thrive in unfamiliar environments. This agility has continued to serve me well, particularly as I venture into emerging and uncharted areas, including the fast-evolving field of sustainability in my current role in PwC’s Sustainability & Climate Change practice. In the area of sustainability, accountants play an important role in holding companies accountable for their impact on society, communities, and the environment.



Mr Lee Bing Yi,
Partner, Sustainability & Climate Change,
Financial Services Assurance, PwC Singapore, CA
(Singapore)
*PwC brings together the collective experience of
over 360,000 people across 151 countries to solve
for tomorrow.*

Becoming a Business Leader

The finance function of an organisation plays a pivotal role in every aspect of business. It provides oversight and drives strategy development, goal setting, progress tracking, and results measurement. It works symbiotically with every business function to shape ambition, guide accountability for investments and resourcing, promote productivity and efficiency, and form the basis for rewarding good performance.

My accountancy education and background have helped established a robust foundation in accounting core, leadership competencies, business and entrepreneurial acumen, and exposure to real-world problem-solving. These critical skills have been valuable in my present responsibilities, and past roles as Chief Financial Officer and business head in Singapore and internationally. These skills prepare individuals for careers beyond finance.

What I have personally carried with me is the ability to stay agile in dynamic and volatile situations and environments, taking a global perspective in recognising the significance of strategy, data analytics and technology in advancing and enhancing lives.

These competencies proved vital as I assumed my current role during the peak of the Covid-19 pandemic. They were instrumental not only in navigating through the pandemic but also in strategising for success post-pandemic where business environment has become radically redefined.



Mr Stanley Huang,
Group CEO, SP Group, CA (Singapore)
*SP Group is a leading energy networks
and sustainable energy solutions group in
the Asia Pacific.*

Guiding Business Success, Building Trust

Accounting is the nexus of all transactions that are happening in the world. You appreciate why businesses function the way they do when you understand accounting. My education in accountancy and my initial career as an auditor have been pivotal in shaping who I am today, providing the foundation for my career, allowing me to apply my auditing and accounting knowledge. This sparked my inquisitiveness to understand the “gems” of various businesses across sectors.

As I strive to be my client’s trusted advisor, understanding how their decisions impact their business financials is paramount in the practice of valuation. Guiding business owners through their challenges, identifying growth opportunities, collaborating with teams from other business units and geographies to address clients’ needs, and witnessing their genuine appreciation for my advice have been one of the most rewarding and exciting experiences in my career.



Ms Chua Ai Leng,
Partner, Valuation, Modelling & Economics,
Strategy and Transactions, EY Singapore, CA
(Singapore), CVA
*EY is a global professional services organisation
with diverse teams across assurance, consulting,
law, strategy, tax and transactions.*

More than ever, the modern accountant not only needs to maintain his or her technical grounding, but also embrace change. To meet these growing demands and seize the new opportunities, the profession must continue building capabilities and depth in newer areas such as sustainability, forensics and analytics, and leveraging new technologies like automation and artificial intelligence to bring valuable insights to organisations and clients.

These are exciting times for accountants – the accountancy profession will be at the forefront of change, in an economy and society that increasingly demands their expertise across diverse areas.

Growing the accountancy talent pool

As Singapore grows as a business hub, so will the demand for accountancy services and the need for accounting professionals.

Today, Singapore's accountancy sector has typically relied on accountancy graduates from Singapore's Autonomous Universities (AUs) and Private Education Institutions (PEIs) to meet their manpower needs. **We will need to expand our talent sources to build a sustainable pipeline of high-quality accountancy talent. However, some challenges lie ahead:**

- ▶ **Falling intake of accountancy students**, with the cohort sizes of accounting degree courses in Singapore's AUs falling by more than 10% since 2018. While this is partly due to the overall population trends in Singapore, with declining birth rates leading to smaller student cohort sizes for all disciplines, there are also fewer students selecting accountancy as their first-choice degree.
- ▶ **Fewer accountancy graduates pursuing the accountancy profession.** Accountancy graduates are increasingly utilising their versatile skillset and business acumen in other sectors with attractive career opportunities and starting salaries, such as banking, technology and consulting.



What fills me with pride as an accountant is the ability to create a tapestry out of various pieces. Numbers tell a story, and through meticulous analysis, I can unravel that narrative to help businesses make informed decisions. It's the satisfaction of being a financial storyteller that truly resonates with me. In essence, being an accountant is not just about numbers; it's about being a strategic partner, a guardian of financial integrity, and a key player in the success of businesses.

It's an exciting and dynamic time for our profession as we take on more strategic and advisory roles."

Mr Yong Yu Ren,
CFO, Penta Power Investment, CA (Singapore)
Penta Power Investment is a distributor and solutions provider of commercial refrigeration and kitchen equipment in Indonesia.

If these trends continue, the accountancy sector may be faced with a manpower shortage in the coming years. This could affect both segments of Singapore's accountancy sector – accounting firms as well as companies' in-house finance and accounting (F&A) function, which largely draw their talent from the former.

Hence, the AWRC was convened to develop recommendations to build a sustainable pipeline of high-quality talent for the accountancy profession. Recommendations across three key pillars – **Ensure Good Careers, Create Quality Pathways, Strengthen Professional Capabilities** – are elaborated on in the next three chapters.



Participants at one of the AWRC focus group discussions



Chapter 2

Ensure Good Careers

Overall, Singapore's accountancy sector provides good careers with competitive salaries and structured career progression, with a high proportion of Singaporeans in the workforce. The accountancy sector comprises two segments:

Accounting firms provide a range of professional services. These firms provide core accounting services such as audit and tax, as well as adjacent and complementary services such as financial advisory, risk advisory and consulting. Accounting firms employ about **20,000** people. This includes about 1,200² Public Accountants regulated by ACRA and qualified to sign off on financial statements when providing audit services to companies.

In-house finance and accounting functions of companies employ the majority of accounting professionals, with more than **100,000** people working in roles such as financial accountants, management accountants and compliance officers

Key Segments in the Accountancy Sector



Functions

Audit, corporate support, tax compliance, business advisory

Internal audit, financial planning and analysis, treasury, tax

Examples

Big 4s, Small and Medium Practices

Finance & Accounting in-house team in any corporates

Typical/ Common Career Pathways

Audit Associate → Audit Senior Associate → Audit Manager → Audit Director/ Partner

Accountant → Senior Accountant → Finance Manager → Finance Controller → Chief Financial Officer

Requirement to register with ACRA

Firms providing public accountancy services must register with ACRA (under the Accountants Act)

Firms that only provide non-public accountancy services (e.g. bookkeeping) do not need to register

Business corporates do not need to register with ACRA, but accountants can choose to pursue necessary qualifications

² Source: ACRA Annual Report 2022/23

Most accountants in Singapore first obtain a degree in accountancy, with a significant proportion choosing to begin their careers in accounting firms. Accounting firms act as a gateway into the industry, as they provide a crucial training ground for young accountants to hone their skills and gain exposure to a wide variety of industries and clients. This in turn opens the door to a wide variety of career opportunities thereafter. With their versatile skills, those who choose to leave accounting firms after a few years are highly sought-after and go on to join in-house finance and accounting functions, or other adjacent areas (e.g. compliance and business analyst roles).

For corporates, the availability of trained accountancy talent from accounting firms ensures that they have a pipeline of professional accountants who have a strong technical grounding, are familiar with commercial issues, and can take on leadership positions in finance. This is also essential for businesses, as a finance function staffed by professional accountants provides the foundation for sound corporate governance.

In accounting firms, accountants also enjoy favourable career prospects, with the potential to eventually become a partner within their firm.

Finding Fulfilment in an Accountancy Career

My accountancy education has provided me with essential skills to succeed in diverse roles throughout my career.

Looking back, as a financial auditor, I found fulfilment in delving into diverse industries, uncovering insights, recommending improvements, and ensuring regulatory compliance. In subsequent roles, including as Vice President of Finance in a conglomerate and real estate company, I gained experience in financial consolidation, performance analysis, strategic planning, and real estate accounting.

Serving as CEO of a listed REIT³ was a career highlight, combining strategic leadership with financial stewardship while capitalising on market opportunities. In my current role as Chief Financial and Sustainability Officer, integrating financial management with sustainability initiatives has added a new layer of fulfilment and learning opportunity, contributing to sustainable business practices and aligning financial strategies with long-term sustainability goals and impact.



Ms Beh Siew Kim,
Chief Financial and Sustainability Officer (CFSO) of
Lodging, CapitaLand Investment, CA (Singapore)
*CapitaLand Investment's (CLI) Lodging portfolio spans more
than 40 countries and over 220 cities.*

As a result, accountants enjoy a rewarding career:

- ▶ **Competitive salaries in the medium term.** Despite relatively modest starting salaries, accountants' salaries generally exceed the median for university graduates a few years after they start their careers, due to substantial annual increments.
- ▶ **Structured career development and progression.** Accounting firms invest significantly in internal training and the capability development of their employees, in order to meet high professional standards. Furthermore, on-the-job coaching provides employees with mentorship and real-time feedback from leaders, enabling them to learn and grow rapidly. Such firms also have structured career development plans and provide their employees with a wide breadth and depth of experiences, including exposure to their clients' management teams from an early stage. These developmental opportunities provide a valuable foundation, putting accountants in good stead to pursue a range of options in the next stage of their careers, including joining a corporate's in-house finance function.
- ▶ **Favourable long-term earning potential.** Accountants have a favourable long-term earning potential because they have a clear pathway to assuming senior roles in finance, such as partners of accounting firms, or financial controllers and chief financial officers in the in-house finance functions of corporates.

Long-term Earning Potential of Accountants

\$405,000

Median Annual Salary of Assurance Partner. Typically with 12 to 20 years of experience.⁴

\$428,000

Median Annual Salary of Chief Financial Officers. Typically with 12 to 25 years of experience.⁴

³ REIT: Real Estate Investment Trust

⁴ Source: Institute of Singapore Chartered Accountants - Salary and Career Snippets Revelation #1 - Accountancy Pathways, Progression and Prospects. Annual salary of assurance partner excludes share of profits from the partnership. An experienced audit partner's income, including share of profits from the partnership (dependent on the firm's compensation plans) may be more than \$604,000.

Besides these tangible factors, an accountancy career also provides a deep sense of purpose and fulfilment to its practitioners. Accountants contribute to society through their role. As stewards of companies' finances, accountants not only contribute to the financial integrity of businesses but also protect the public interest in ensuring that reporting standards are adhered to. Their role as stewards, and their professionalism and ethics, are key in protecting the integrity of capital markets.

So, why are fewer people joining the accountancy sector?

Notwithstanding the compelling long-term career prospects, the accountancy profession is widely perceived to provide relatively lower starting salaries yet require long working hours, especially in accounting firms. Many have cited these factors as deterrents from embarking on an accountancy career. **These issues are especially pronounced in accounting firms, and if left unaddressed, could impact the talent pipeline for the rest of the accountancy sector.**

- ▲ **Lower starting salaries.** The lower starting salary of accountancy jobs makes these jobs less competitive than other job roles available to accountancy talent.
- ▲ **Long and unpredictable working hours.** Long and unpredictable working hours are a common challenge for client-facing roles in professional services, including accounting firms. It is not unusual for accountants to have to work extended hours during peak periods to meet client expectations and comply with the seasonal regulatory deadlines for financial reporting obligations, while ensuring a high quality of work throughout.



Accountancy-related jobs are notoriously known for their long working hours and for not offering the best starting pay."

University undergraduate (participant from AWRC focus group discussions)



It is no secret that professionals need to put in the hours and effort to hone their technical skills and business acumen, especially during the earlier years, but it's an investment that pays off in the long run. Speaking from experience, the hours will get better as one progresses. On reflection, I learned a lot and turned many of my fellow team members into very close friends."

Mr Mohamad Saiful Saroni,
Assurance Partner, PwC Singapore, CA (Singapore)

At the same time, there are a growing number of attractive alternative career options in the technology and financial services sectors, where accountancy graduates would have the aptitude and skills to thrive. Younger accountants now may also be less willing to accept the short-term trade-offs of lower starting salaries, to enjoy the long-term rewards of a career in accounting.

These issues affect the value proposition of the accountancy profession. Graduates may be willing to work long hours with a higher starting salary, but not work long hours with a lower starting salary, especially if they have attractive alternatives.

Recommendations

The first pillar of the AWRC's recommendations - "Ensure Good Careers" - aims to address these issues, by heightening the appeal of an accountancy career, with an emphasis on accounting firms due to their critical role in training young accountants.

1 Redesign reward structure

For accountancy to remain appealing and a profession of choice for graduates, employers will need to redesign their reward structures.

If the accountancy profession is not sufficiently attractive, there will be a knock-on impact – fewer students will choose to pursue an accountancy degree and fewer accountancy graduates will choose to begin their careers in the profession. Among those that do, the attrition in the early years may also be higher. **This will have repercussions on the sector's talent pipeline and future viability.**

Based on the 2023 Graduate Employment Survey, accountancy graduates from the AUs earned a median gross monthly starting salary of \$3,800, which was lower than their AU peers (\$4,313). Accountancy graduates in accounting jobs⁵ earned even less, at \$3,600⁶. While accounting firms have undertaken pay revisions over the years, their starting salaries remain a notch below that of other sectors.

Despite the lower starting salaries, an accountancy career provides good long-term salary and career prospects compared to other professions. With structured progression pathways, accountants' salaries outpace those of their peers within the first few years of their careers. In 2022, a manager in an accounting firm, 5 to 7 years after graduation, could earn close to \$7,000⁷, more than their peers in other sectors⁸. Accountants who took on director roles could earn about \$11,500⁷, which is also higher compared to their peers in similar age groups⁸.

Employers should review their compensation structure for accountants by increasing the salaries in the early years, including starting salaries, so that the accountancy profession is competitive relative to other sectors competing for the same source of talent. Ideally, starting salaries should be comparable to the median starting salaries of AU graduates pursuing similar or related degrees, such as business (\$4,350 excluding accountancy courses). To get high-calibre graduates, they would have to consider remunerating them accordingly, such as by

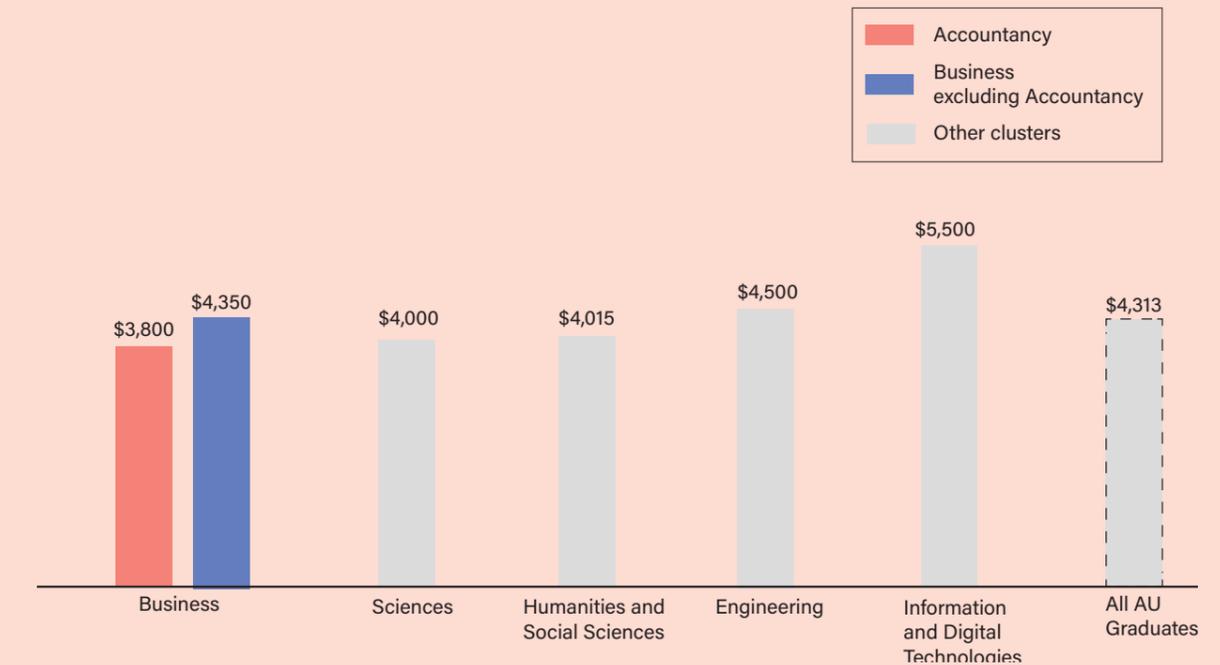
⁵ Accountancy job roles include Accountant (excluding Tax Accountant), Accounting and Bookkeeping Clerk, Accounting Associate Professional (e.g. Assistant Accountant, Audit Accounting Executive), Auditor (Accounting), Budgeting / Financial accounting manager (including financial controller), Intangible Asset Valuer (e.g. Intellectual Property Valuation Analyst), and Tax Accountant.

⁶ Source: Graduate Employment Survey jointly conducted by the Autonomous Universities in 2023.

⁷ Source: Estimated median gross monthly starting salaries (inclusive of bonuses) of First Year Managers and First Year Directors in Accounting Entities based on ACRA's AE Survey 2022 of 218 Accounting Entities.

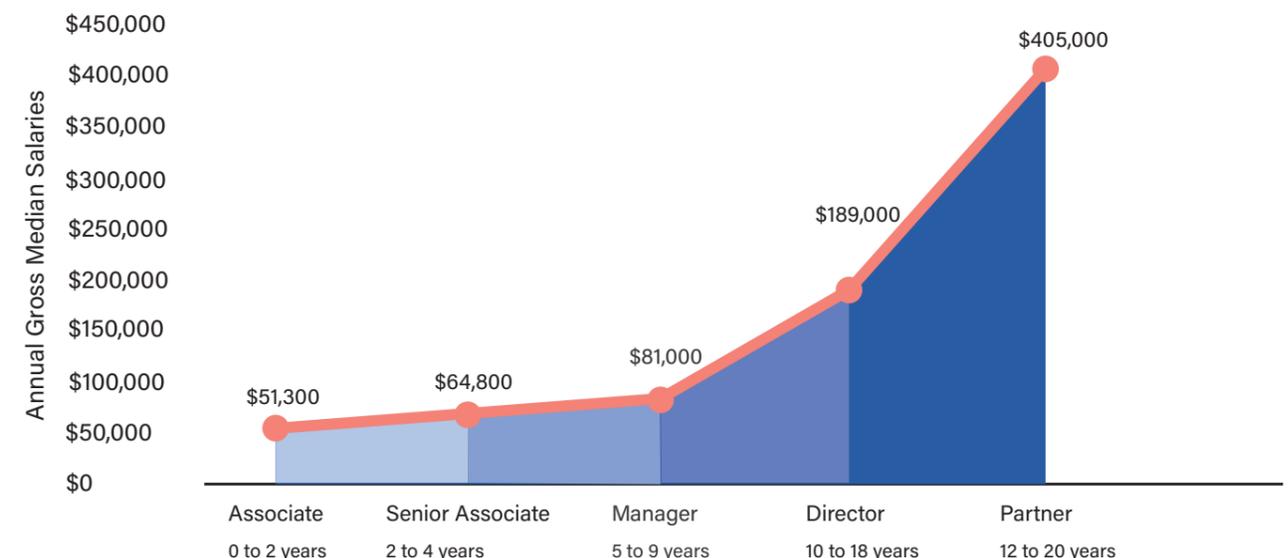
⁸ The median monthly income of resident managers and administrators in June 2022 aged 25 to 29 is \$5,550; the median monthly income of resident managers and administrators aged 35 to 39 in June 2022 is \$9,042 (Source: Labour Force in Singapore 2022, Comprehensive Labour Force Survey conducted by the Ministry of Manpower).

Comparison of median starting salaries for course clusters in AUs (2023)



Source: Graduate Employment Survey jointly conducted by the Autonomous Universities in 2023.

Salary progression of accountancy professionals in Accounting Entities



Source: Institute of Singapore Chartered Accountants - Salary and Career Snippets Revelation #1 - Accountancy Pathways, Progression and Prospects.

setting their salary benchmarks above the median salary for similar degrees. Thereafter, employers could moderate the quantum of annual increments in line with market norms, so that the impact on overall salary cost is manageable.

In doing so, employers may need to incorporate such cost increases into the fee structure for accountancy services.



Increasing our salary would be nice and it would prolong our stay in accounting firms. But it would not be enough for us to stay in the long term. We need a career that's sustainable, especially when we have families and kids."

Young accountant from accounting firm (participant from focus group discussion)

2 Make work more purposeful and address concerns about working hours

People who find purpose and meaning in their work are more likely to be committed to and invested in their work. They will be more willing to go the extra mile and assume more ownership of the tasks that they are entrusted with. But to achieve this, the work that they do has to be fulfilling for them – ideally, it should both provide a source of intellectual stimulation and resonate with their values and beliefs.

Generally, the younger generation appears to view accounting jobs as being less exciting than jobs in emerging fields, like technology. Some even describe accounting jobs as “boring” and “mundane”, with fears that they will be displaced by automation and AI. While such perceptions may be true of job roles that focus on low value-added transactions, such as the posting of journal entries, invoice processing and bank balance reconciliation, the modern accountant has greater responsibilities involving analysis, forecasting and advisory, and can also play a critical role in advancing the sustainability agenda.

Modern accountants are trusted stewards of companies' finances, contributing valuable insights that steer business decisions. They embrace change, by leveraging new technologies to enhance their productivity, and keep their skills up-to-date to contribute in exciting new areas, such as sustainability reporting, IT audits, business valuation and financial forensics. They are also a trusted partner to the many stakeholders who rely on their insights, ranging from executives, investors and regulators. Such an accountant will remain highly sought-after in a profession that is increasingly dynamic and a core pillar of the business ecosystem.



My parents kept telling me that accountancy is a stable, “simple” job. But after I entered university, I realised it's much more complex than what I'd thought. Initially, it's quite basic book-keeping. But advanced courses are not just on accounting but also audit, tax, niche areas like forensics and valuation. So the world of accounting is much larger than I thought. It's been a fulfilling journey so far, because of the breadth and depth of what I have learned."

University undergraduate (participant from AWRC focus group discussions)

Besides salaries, young accountants often share concerns about working long hours in accounting firms, and even students who had not worked in the sector formed negative perceptions after hearing of their seniors' experiences. While long working hours are not unique to the accountancy profession, **more can be done to address this issue, to ensure that students are not deterred from joining the profession even before they graduate.**

Accounting firms have already implemented some initiatives to improve the work experience. Many have ramped up flexible working arrangements, with some making it a core part of their culture. Many firms have also stepped up initiatives in employee wellbeing and staff appreciation. These moves reflect a profession that desires to be progressive and is prepared to embrace change.



During my pursuit of the professional accountancy qualification, the firm provided generous study and exam leave and financial support. The firm also offers flexible working arrangements to the staff and this allows me to spend quality time with my school-going children and listen to them share their day."

Ms Chua Soo Rui,
Managing Director, Nexia Singapore PAC, FCA (Singapore)
Nexia Singapore is a member of Nexia International, an international network of independent accounting firms with more than 100 professionals in Singapore.

Managing Work, Family and Professional Growth

EY's commitment to work-life integration aligns closely with my personal values. During my early years, I was fortunate to have superiors who exemplified a balanced approach to work and family life, serving as effective role models who have shown me that it is possible to manage both work and family. I was granted autonomy to manage my work schedule early in my career, which was instrumental in enabling me to effectively balance my family's needs while excelling in my work responsibilities.

The continuous learning and bite-sized programmes on the latest tools and developments such as technology and artificial intelligence that EY provides also help to level up my professional development over the years.

Beyond my daily work, as I find meaning and enjoy engaging with young professionals and the community, I also actively contribute to the profession through external activities, such as serving on the ISCA Council and the membership committee, and previously chairing the Young Professionals Advisory Committee.



Ms Belinda Teo,
Assurance Partner, EY Singapore, CA (Singapore)
EY is a global professional services organisation with diverse teams across assurance, consulting, law, strategy, tax and transactions.

To enable accountants to engage in more diverse and purposeful work and contribute even greater value, employers will need to recognise them for the crucial, valued business partners that they are, and support them in fulfilling this role. Employers will need to invest in areas that could include:



Accelerating investments in technology to increase the value-add of accountants' roles and enhance productivity. For instance, tools for data analysis and artificial intelligence can perform baseline analysis on financial data, enabling accountants to focus on the anomalies that are detected, while other tools can handle repetitive tasks.



Redesigning their finance functions, such as by outsourcing and automating low value-added tasks, and embarking on job redesign so that accountants can focus on higher value work.



Empowering their employees, by equipping them with the necessary skills and know-how to function in their existing roles productively, but also intentionally exposing them to emerging areas like sustainability reporting, through cross-functional interactions and deployments.



Making operational adjustments to reduce peak workload, such as by front-loading work to the non-peak season where possible, or outsourcing parts of a project where suitable. Alternative staffing models could also be studied – for example, compensating employees on a project basis, to enable them to choose if and when they wish to work longer hours and be compensated accordingly. Accounting firms can also ensure that internships continue into part of the non-peak periods as well, to provide interns with a more balanced holistic view of the working hours.

Schemes that employers may consider tapping on include the Accountancy Job Redesign Initiative, Productivity Solutions Grant for the Accountancy Sector and Robotic Process Automation Support Scheme.



Participants at the launch of the Productivity Solutions Grant for the Accountancy Sector

Support schemes offered by ACRA and other agencies



Supports the digitalisation of Small- and Medium-sized Practices (SMPs) to improve productivity

- Productivity Solutions Grant (PSG) for the Accountancy sector
- Robotic Process Automation (RPA) Adoption Support Scheme



Equips mid-career individuals with the necessary skillsets to take on accounting job roles in either In-House F&A Functions or Accounting Practices

- Career Conversion Programme (CCP) for Accounting Professionals

Workforce SG programme administered by NTUC Learning Hub



Supports the talent development and capacity building efforts for accounting professionals to acquire deeper skills in sustainability reporting and assurance

- ISCA Professional Certification in Sustainability



Helps Accounting Entities and business corporates to enhance the roles of accounting and F&A professionals, and adopt technology to improve the function's productivity, increasing the value and attractiveness of accounting and F&A job roles

- Accountancy Job Redesign Initiative

Workforce SG programme administered by the Singapore National Employers Federation (SNEF)



Provides jobseekers who are looking to enter the sector and accountancy professionals exploring new career tracks within the sector with career guidance, job matching services, skills upgrading courses, and industry-specific events

- Accountancy Career Hub (ACH)

Joint initiative by NTUC's e2i, ACRA and ISCA

Leveraging Skills and Technology for Strategic Insights

Delivering insights through the application of accounting skills

My accountancy education has equipped me with numeracy and reporting competencies, enabling me to expand into broader public sector finance work, such as fiscal planning and central finance system administration. These core skills have empowered me to present recommendations and make data-driven decisions that will enhance operational efficiency and improve allocation of resources.

Embracing digitalisation

The accounting practice will continue to undergo digitalisation and automation, and likely at an accelerating pace, given the momentum of Artificial Intelligence (AI) developments. Accountants will have to move up the value chain and leverage these digitalisation developments to better support decision making. For example, use more timely preparation of financial data to support real-time decision making, or leverage analytics to generate richer and deeper financial insights.



Mr Wong Zi Hao,
 Director (Innovations & Improvements), Finance Transformation, Accountant-General's Department
The Accountant-General's Department partners Government agencies to raise finance capabilities and drive finance transformation across the Public Service.

Beyond the specific measures, accounting firms should promote a culture that promotes mutual respect and trust. There should be openness in communication, to enable staff to voice any concerns, with the commitment that the concerns raised will be addressed. This will allow expectations to be communicated candidly, such as the inevitability of longer working hours during the year-end reporting season, with more moderate hours throughout the rest of the year.

Ultimately, accounting firms should be mindful of the changing aspirations of young professionals - their desire for better work-life balance, flexible work arrangements and a greater sense of fulfilment - and take active steps to enhance the employee experience.



I knew I wanted to start my career in the audit field as I believe audit provides a solid foundation in accounting principles, financial reporting, and auditing standards. This foundational knowledge is valuable for various career paths within accounting and finance. Besides that, auditors often work with clients across different industries and gain understanding of the various business models they operate under, for example, regulatory environments, and operational challenges. This was most appealing to me as I believe that the exposure will broaden my understanding of the business world and enhance my adaptability."

Ms Nurul Iffah, Audit Senior, Helmi Talib
An independent member of Kreston Global, Helmi Talib Group is a Singapore-based professional accounting firm with over 80 employees.

Elevating Quality and Excellence for the Profession

In my role as Audit Manager at KPMG in Singapore, I have experienced first-hand the power of our collective effort to continuously raise the benchmark for our industry. The emphasis on quality has been instrumental in promoting a cycle of learning, skill sharpening, and broadening of perspectives.

After earning my Singapore Chartered Accountant certification, I have been given ample opportunities to deepen my learning through advanced training programmes. In addition to enhancing my ability to address complex challenges, many of these opportunities also helped to hone my people management skills and gave me the confidence to lead teams and manage various stakeholders.

The mentorship programme has been particularly impactful. Guidance from my mentors has sped up my learning and fine-tuned my ability to dive deep into the heart of issues. Being able to interact with clients has also enhanced my ability to deliver a tailored approach to their specific demands.

What stands out for me working at KPMG is our commitment to keep innovating. This forward-thinking attitude has helped me make a real transformative impact in how we approach our audit work.



Ms. Vinodini D/O Ravi,
Audit Manager, KPMG Singapore, CA (Singapore)
KPMG in Singapore is part of a global organisation of independent professional services firms providing Audit, Tax and Advisory services.

3 Enhance talent development and career value proposition

Accountancy is a profession that provides ample opportunities for professional development. Most accounting firms make substantial investments in capability building for their staff. **These opportunities for professional development remain a key reason for people to pursue the accounting profession.**

To enhance the appeal of an accountancy career, employers (especially accounting firms) could leverage on the structured developmental opportunities available to their accounting staff, as a key competitive advantage vis-à-vis other firms. Employers could proactively emphasise these developmental opportunities in recruitment campaigns and outreach events to potential candidates regardless of whether they have a background in accountancy.

At the same time, employers should continue to make investments in their people's development, and update their professional development plans as the demands of the industry evolve to remain competitive in the battle for talent.

Employers currently employ a linear talent development model. For instance, those who join accounting firms may begin working as auditors for some years before being rotated to different functions, and promotions tend to take place on a cohort basis as well. This approach to talent development may not be as appealing to current and future generations of students and graduates, who value broader exposure and mobility from an early stage in their careers.

To enhance their talent development model, employers may consider offering and/or expanding:



Management associate programmes, to groom candidates who demonstrate high potential and support them in becoming specialists or future leaders in the profession;



Structured rotations to different departments, to develop accountants who have a versatile technical skillset and a well-honed business acumen; and



Postings to other countries, to provide international exposure and develop accountants who are culturally sensitive and have strong networks, both in Singapore and abroad. International experience is very valuable in a globalised business environment, and accountants will need to be able to apply their skills in different cross-border contexts.

Employers that offer a compelling value proposition, by successfully meeting the aspirations of current and future generations of students and graduates, will be able to distinguish themselves from other firms and remain in demand.

Empowerment Through Continuous Learning and Employers' Support

Building global connections

I am grateful to my firm for the transformative secondment opportunity to the New York office which has reshaped my perspectives both professionally and personally. The exposure has provided me with countless opportunities to form global connections and stay ahead in learning new and diverse ideas from thought leaders as I triangulate the shifts that the market and industry grapple with.

Embracing continuous learning and maintaining a curious mindset

My advice to young professionals entering the accountancy field is to embrace continuous learning and maintain a curious mindset. Work is going to constantly evolve with new market needs and technologies. What is more important is to reimagine what will bring value. For instance, technologies such as Generative AI is developed to serve people. Therefore, more than learning the science behind a new technology, it is also important to learn about people, what makes them tick and understand them while achieving high trust, collective outcomes as we make a technological leap.



Ms Carissa Tan,
Assistant Manager, Audit & Assurance (A&A),
Deloitte Singapore, CA (Singapore)
Deloitte, one of the world's leading professional services firms, has an employee strength of about 3,000 people in Singapore.

Building Expertise Through Diverse Training Experiences

I started off as a management associate at a listed company and through job rotations, was provided opportunities to learn at various departments such as tax, internal audit, risk management, enterprise resource implementation, corporate treasury and group consolidation before finally specialising in operational finance. Currently, at GIC, I am able to use my knowledge to provide well-rounded advice beyond my direct work scope. Having experience in leading cross-functional projects has also helped to hone my strategic thinking and project management skills.



Ms Belicia Ong,
Financial Controller, GIC, CA (Singapore)
GIC is a professional fund management organisation that manages Government assets.



Chapter 3

Create Quality Pathways

The accountancy profession offers a rewarding career in the long term, with competitive salaries, structured career development and progression, and a favourable long-term earning potential. However, those who do not have a background in accountancy may find it challenging to benefit from these opportunities.

Possible reasons include:

- ▶ **Rigorous process to attain professional accountancy qualifications.** Those who aspire to become full-fledged chartered accountants have to attain a professional qualification like the Singapore Chartered Accountant Qualification (SCAQ). In the case of the SCAQ, candidates who do not have a recognised degree in accountancy would need to complete the Foundation Programme and Professional Programme, and fulfil 3 years of practical experience in an Accredited Training Organisation (ATO). This is similar to the practice for other comparable international professional qualifications as well, to ensure that a Chartered Accountant (CA) possesses the necessary accountancy knowledge, skills and experience to practise. For those with an accountancy degree, it will take them 2 to 3 years after graduation to attain the SCAQ, assuming they complete part of the practical experience through internships as an undergraduate. This is longer than the qualifying path for other professions. For those who have to complete both the Foundational and Professional Programmes, the entire SCAQ journey can take up to 4 to 6 years.
- ▶ **Limited pathways to becoming a professionally qualified accountant for those who do not possess related qualifications.** There are structured pathways for those with a degree or diploma in accountancy. However, fewer pathways exist for aspiring accountants who do not possess the relevant university or pre-university credentials.

Today, only a few non-accountancy graduates have successfully pursued a career in accounting. Even accountancy graduates may not choose to pursue a professional qualification in accountancy given the long path to qualification, especially since they are also highly sought after by employers in other industries that may offer a more compelling career, especially in the near term.



Why does the Bar exam only require 6 months for a lawyer to be qualified, compared to 3 years for an accountant? It takes longer for an accountant to be qualified compared to other professions."

Academic, local university (participant from AWRC focus group discussions)

Background on the Singapore Chartered Accountant Qualification (SCAQ)

The SCAQ was launched in 2013 as the national professional accountancy qualification programme to train and develop a strong pool of accounting professionals in Singapore. As Singapore's national chartered accountant qualification, the SCAQ was modelled after similar programmes offered by leading professional accountancy bodies in established jurisdictions such as Australia, Hong Kong, New Zealand and the United Kingdom.

Today, the SCAQ is widely recognised and internationally portable through recognition arrangements with leading professional accountancy bodies from Australia, New Zealand, Ireland, Scotland, and the United Kingdom.

The SCAQ comprises:

- ▶ 6 modules at the Foundation Programme Level
- ▶ 5 modules at the Professional Programme Level (which includes a Capstone module)
- ▶ 2 Ethics and Professionalism modules
- ▶ A 3-year Practical Experience component

Upon completion of the SCAQ Programme, a candidate can apply for full membership at the Institute of Singapore Chartered Accountants (ISCA) to be conferred the designation of Chartered Accountant (Singapore).



Recommendations

The second pillar of the AWRC's recommendations seeks to address these issues, by **Creating Quality Pathways** to improve the accessibility of the professional accountancy qualification and an accountancy career.

1 Broaden SCAQ entry pathways

Currently, there are **limited pathways and support for aspiring accountants** who do not possess a background in accountancy.

The SCAQ – Singapore's national chartered accountant qualification which is overseen by ACRA and administered by ISCA – offers the following pathways:



Accountancy graduates from autonomous universities enjoy the most streamlined pathway. They can embark directly on the Professional Programme and receive exemptions, due to the wide coverage of the accountancy curriculum at these universities.



Candidates from other degree backgrounds have to first embark on the Foundation Programme. These include accountancy graduates from foreign universities and private education institutions, fresh graduates and experienced professionals who did not study accountancy in university. They may receive some exemptions, depending on the extent of accountancy knowledge and skills they acquired during their education.



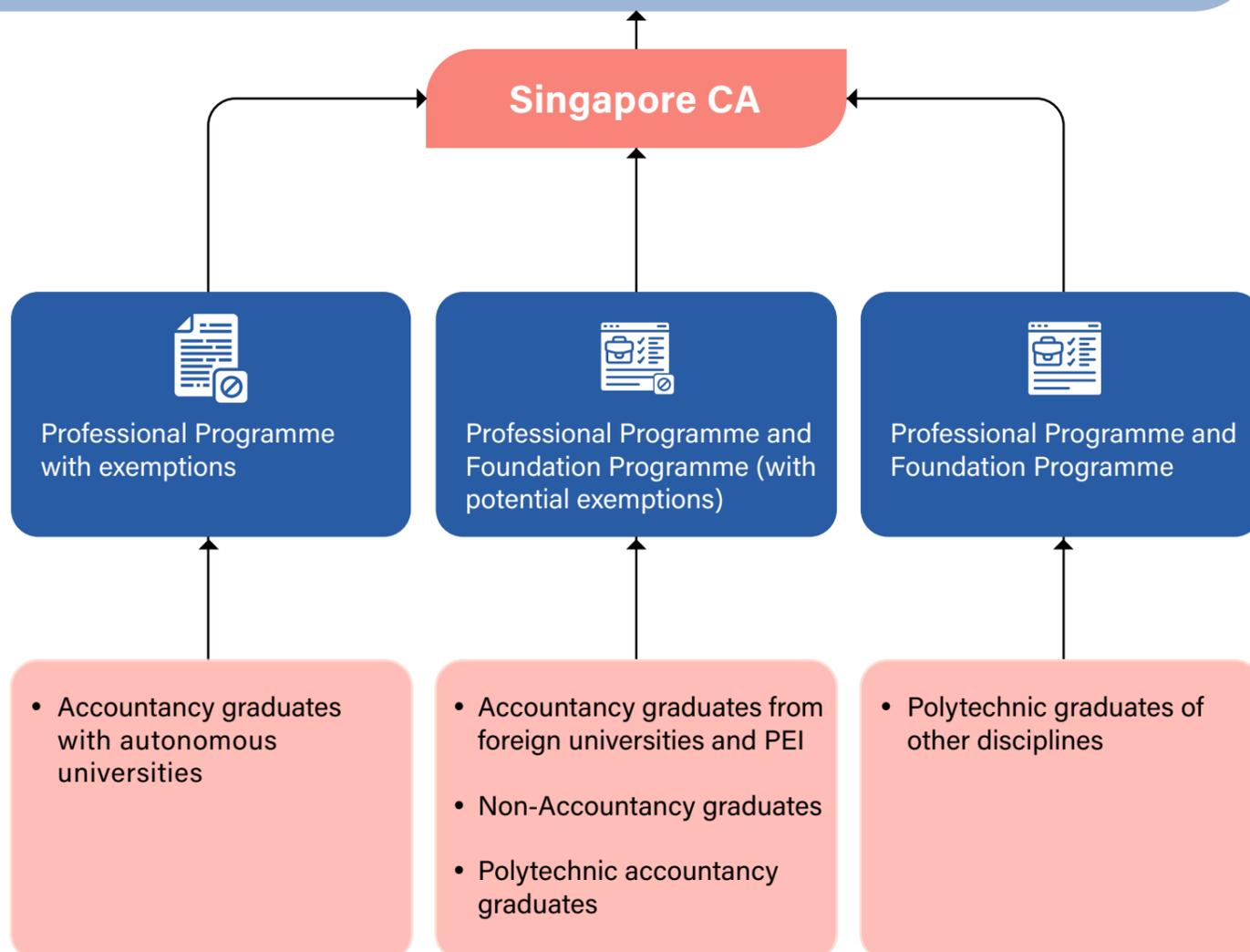
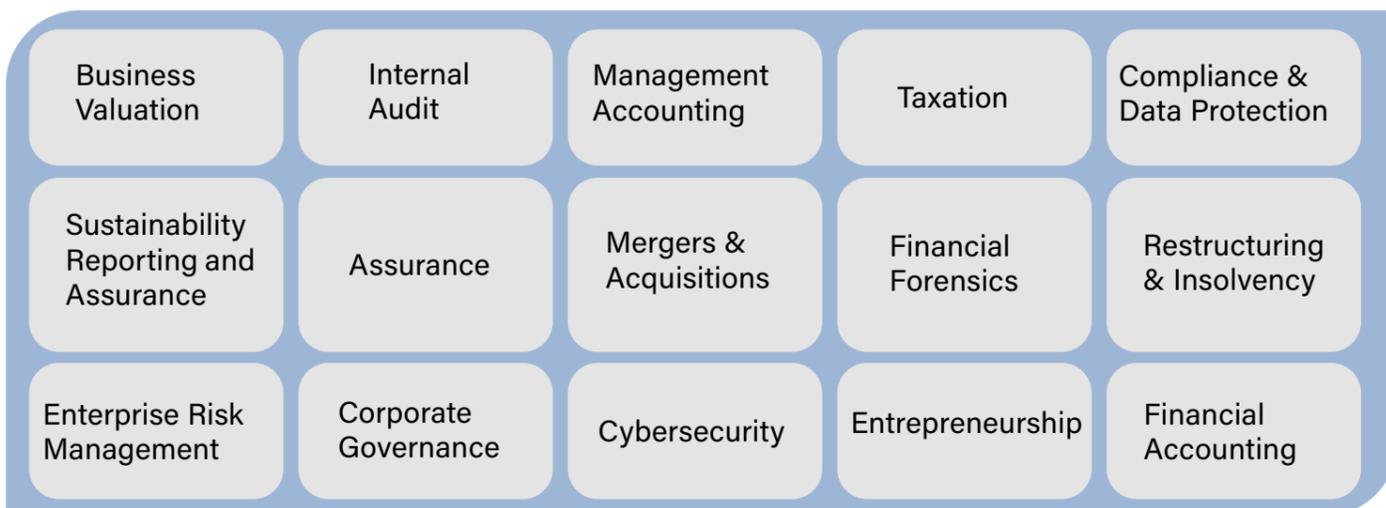
Limited accessibility for polytechnic graduates. Prior to 2024, only polytechnic accountancy graduates who enrol for the Advanced Diploma in Accountancy offered by Ngee Ann Polytechnic could embark on the SCAQ. There were no entry pathways for polytechnic graduates who did not study accountancy, even if they are interested in pursuing an accountancy career.

While there have been efforts to attract more students to study accountancy and eventually pursue the profession, it may not be sufficient to only rely on accountancy graduates as the only source of talent, due to Singapore's overall population trends.

Instead, employers should expand their recruitment pool to also tap on talents who do not have a background in accountancy, such as non-accountancy graduates from universities and polytechnics and career switchers. While an individual's prior university training provides an important foundation, it should not be an impediment to pursuing a career of their choice. With the right support, those who do not have a background in accountancy can acquire the necessary skills to become successful accountants.

To support more individuals to enter the accountancy profession, we will broaden existing pathways and streamline the requirements for aspiring accountants. This will also allow us to expand and diversify our talent sources, to meet the growing demand for accountancy-related services. While some efforts are already underway, more can be done.

Pathways and career opportunities for individuals with Singapore Chartered Accountant (CA)



Make SCAQ more accessible to everyone, regardless of background. Starting in 2024, polytechnic graduates of any field will be able to embark on the SCAQ directly, without having to pursue an Advanced Diploma in Accountancy. This provides flexibility for aspiring accountants to determine their own pace of learning. Those who prefer structured learning can continue to pursue an Advanced Diploma or enrol in training courses provided by registered learning organisations.



Increase exposure of accounting to non-accountancy undergraduates and offer an accelerated pathway if they have completed the relevant accountancy modules in universities. As there may be students of other degrees, such as Economics, Business Management or Science, who may be interested in acquiring accounting knowledge, ACRA will work with universities to develop and introduce more accountancy minors and double degrees (with accountancy), to expose more students to basic accounting and possible career options in the accounting sector. Those who have completed accountancy modules and minors can subsequently enjoy an accelerated pathway to fulfilling the SCAQ's requirements.



Do more to support mid-career switchers in transiting to an accountancy career. Currently, mid-career switchers can apply for the Career Conversion Programme for Accounting Professionals, which includes a 9-month training programme by the hiring employers. To provide more options for those who seek a mid-career switch into the accountancy profession, ACRA will explore partnering institutes of higher learning to provide more structured training and employment opportunities, with possible integration with the SCAQ.



Engagement sessions with SCAQ Accredited Training Organisations (ATOs). An ATO is an employer that has been certified by ISCA to possess the appropriate standards of staff training, accountancy resources and development for SCAQ candidates to fulfil the practical experience required to qualify as a CA (Singapore).

Navigating A Career Change

Motivation for change

I studied Life Sciences but the laboratory work did not excite me. Meanwhile, I enjoyed and could make sense of the concepts taught in my elective accountancy module. This provided me with assurance that accounting could be an interesting career option for me.

Overcoming initial challenges

The switch was not without its challenges. To close the knowledge gap, I pursued an accountancy professional qualification. This required me to balance my study commitments – specifically fulfilling class attendance and examination preparation versus my audit work priorities. However, with perseverance and interest in the job, these initial challenges were overcome.

Employer’s support

I am always grateful for my employer’s receptivity to employ candidates without an accountancy degree as they embrace the value that diversity brings. The firm provided instrumental support like exams preparation, structured training, study leave, work arrangements to accommodate my exams, and a buddy system to enable this transition.



Ms Gan Linhui,
Audit Technical and Training Senior Manager, Mazars,
CA (Singapore)
Mazars is a leading international audit, tax, and advisory firm with more than 350 professionals in Singapore.

2 Streamline SCAQ programme structure

While the structure of the SCAQ is broadly aligned with other professional qualifications, some prospective candidates may not pursue it due to the qualification process required.

For example, local accountancy graduates from Singapore's autonomous universities would already have received a rigorous and broad-based education in accounting. They would have received a comprehensive training in basic, intermediate and advanced accounting concepts, which is further underpinned by a foundation in general business and management to develop their business acumen, and projects and presentations to hone their soft skills.

Despite the rigorous training that they would have received, accountancy graduates who undertake the SCAQ are still required to complete the Professional Programme and fulfil 3 years of practical work experience.

Similarly, non-accountancy graduates may be deterred by the SCAQ's requirements even after the entry pathways are broadened.

We can do more to streamline the SCAQ’s programme structure, to increase its accessibility to prospective candidates.



Candidates want to pass the SCAQ and attain the CA quickly.”

Employer, professional services firm (participant from focus group discussion)



Students at Acctraordinary 2023, a career fair jointly organised by the Polytechnics and ITE.

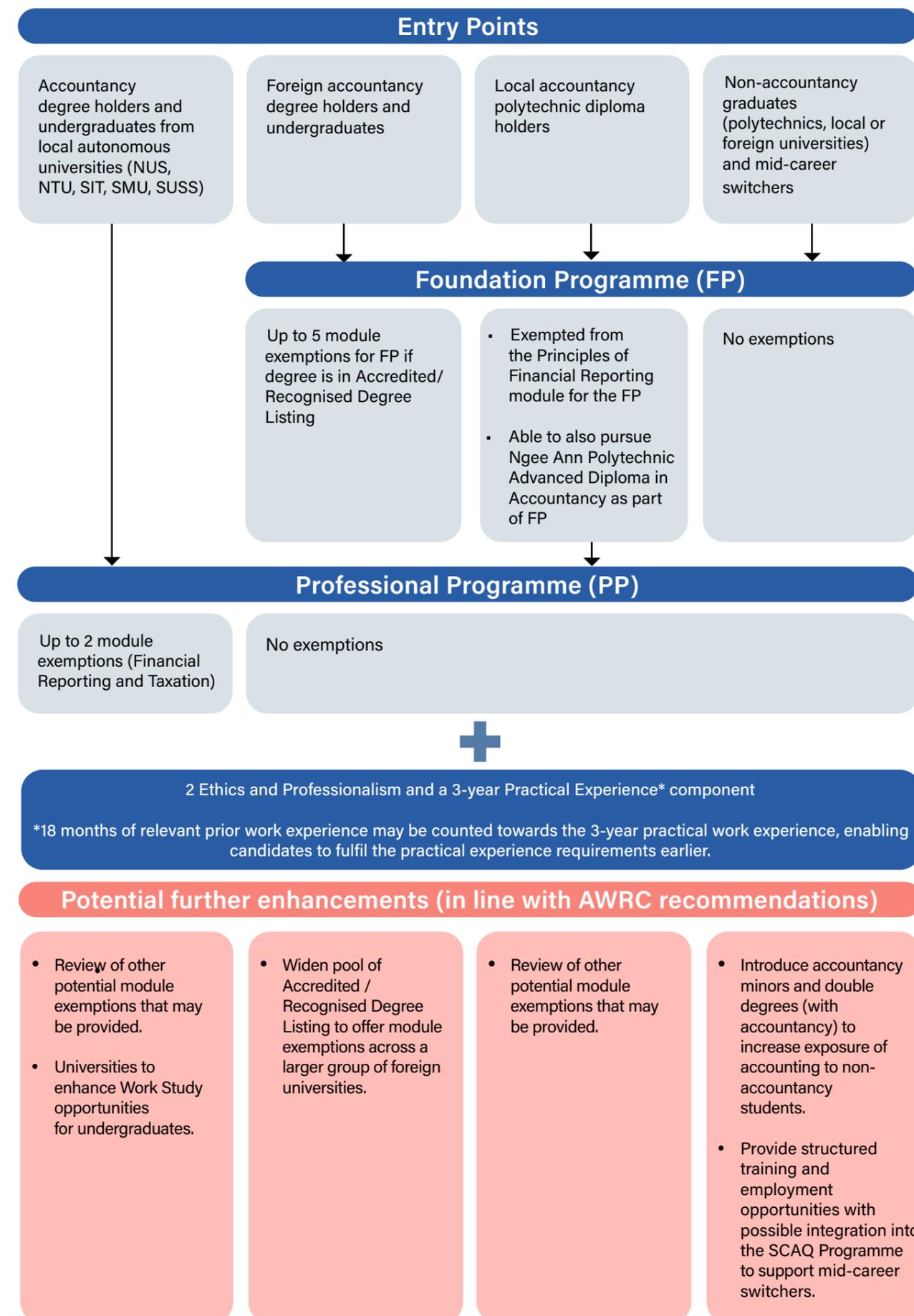
Offer more exemptions for the SCAQ's modules. Today, accountancy degree graduates can qualify for exemptions for up to 2 Professional Programme modules⁹, if they have completed the relevant modules in universities. Recently, ACRA has also started to exempt polytechnic accountancy graduates from the Principles of Financial Reporting in the Foundation Programme. ACRA and ISCA will continually review the SCAQ's curriculum and the accountancy curriculum offered by universities and polytechnics. Where there are overlaps, ACRA will consider granting exemptions to reduce the length of time required for candidates to complete the SCAQ, if they have fulfilled the necessary prerequisites.

Streamline the practical experience requirement. As some individuals may have accumulated related work experience before embarking on the SCAQ, ACRA has recently given greater recognition to prior relevant work experience that can be counted towards the 3-year practical experience requirements for the SCAQ, from 12 months to 18 months. This will make it easier for candidates to fulfil the practical experience requirements and obtain the CA (Singapore) earlier. In addition, ACRA and ISCA will explore ways to recognise the experience of candidates who may not be working in an ATO but whose work is of an accountancy-related nature.



⁹ Taxation and Financial Reporting.

Enhancements to SCAQ for different stakeholder groups



3 Enhance work-study opportunities

Internships provide students with valuable hands-on experience, allowing them to apply their classroom knowledge to real world situations and expand their professional networks. Most students typically undertake internships that are 8 to 10 weeks in duration outside of the academic semesters, and some students may try out multiple internships in different firms and industries, before deciding on where they intend to begin their careers.

Similar to internships, Work-Study Degrees (WSDegs) allow students to gain industry exposure early, improve their work-readiness upon graduation, and enable a smoother transition for them into the workplace. These are undergraduate degree programmes jointly developed and co-delivered by universities and employers. The work stint in WSDegs tend to be longer than internships and comprise about 30% of the duration of the degree (e.g. 6 to 8 months). This allows the company to structure it to be a more authentic and representative work experience, and also allows students to contribute more meaningfully and better appreciate the work of a full-time employee. **With their longer duration and integration between work and studies¹⁰, WSDegs add an invaluable and even more robust practical element to the classroom learning, creating a richer, more holistic university education for students.**

For example, the Nanyang Technological University (NTU) recently launched a new 4-year Bachelor of Accountancy in Sustainability Management and Analytics which builds on NTU's existing 3-year Bachelor of Accountancy programme, with new features such as a 30-week internship component for practical industry exposure, and opportunities to work or study overseas. Through these, students will be able to enjoy an accelerated pathway to becoming a Chartered Accountant as the internship component meets the SCAQ's practical industry experience requirement.



The WSDeg enables the application of theoretical learning in a practical setting concurrently. The programme allowed me to apply the various concepts taught at school across multiple clients of different industries and reinforced my conceptual understanding. Beyond enhancing my knowledge and personal growth, the work element also developed my skills in managing stakeholders' expectations which is not typically covered in school."

Mr. Johannes Ng, Audit Senior Analyst, Deloitte Singapore

Deloitte, one of the world's leading professional services firms, has an employee strength of about 3,000 people in Singapore.

Given the clear benefits of such programmes, universities and employers should work together to expand work-study opportunities to reach even more students and employers.



The Bachelor of Accountancy (Sustainability Management and Analytics) incorporates a 30-week work component with ATOs. This is in line with the national drive for structured work-study degrees to integrate students' classroom experience and on-the-job training to enable students to gain work exposure and relevant skills, attitudes and behaviours to enhance their job-readiness upon graduation. The benefits of the work study are echoed by many employers as it enables students to gain a deeper understanding of the essential skillsets crucial for their career advancement and success."

Assoc Prof Premila Gowri Shankar,
Head of Accounting Division, Nanyang Business School,
Nanyang Technological University, CA (Singapore)

Students who embark on such opportunities will gain valuable work experience, enabling them to:



Enjoy higher starting salaries and faster career progression. Employers may incentivise such graduates to return to their firms to pursue full-time employment, by hiring them as year 2 associates, in recognition of their previous work experience and job-readiness.



Fulfil the SCAQ's practical work experience requirement more quickly. The SCAQ will recognise the experience gained by students during the programme, allowing them to fulfil the requirement for 3 years of practical work experience more quickly.

Employers who collaborate with universities on such programmes will benefit from having access to quality talent who are even more work-ready. During the undergraduates' work-study attachments, employers should compensate them appropriately for their relevant skills and longer internship commitment, with stipends that are competitive with other industries.

A structured, quality programme will help students to better understand the work that accountants do, and positively influence them to pursue a career in accounting.

¹⁰ Students on such programmes will typically work for 4 days and attend lessons for 1 day per week, with a reduced modular workload.

Work-study opportunities for Accountancy

Such programmes aim to address some of the manpower challenges faced by the accountancy sector. Some benefits for various stakeholders include:

Students



- Students to gain significant and meaningful professional work experience during undergraduate years with a well-structured career development pathway and able to better transit to the workplace upon graduation.
- Graduates can begin their careers as Year 2 associates, with higher starting salaries.
- Graduates can complete the Singapore Chartered Accountant Qualification (SCAQ) within a shorter duration.

Employers



- Employers can train and retain talents with the relevant skills and aptitude to meet the needs of the company.
- Companies can gain early access to a steady supply of talent pipeline and prepare them to take up suitable job roles.

IHLs



- Stronger partnerships between IHLs and industry leaders to nurture and shape the next generation of professionals.
- Provide prospective students with deep industry knowledge and meaningful career opportunities for the workplace.

Feature Story

From Curiosity To Competence: Hands-on Learning Beyond The Classroom

Fascination with numbers and hands-on learning

As an aspiring accountant, my curiosity with how numbers narrate the tale of an entity has been the driving force. The audit industry offers a hands-on and holistic comprehension of the accounting practices. This makes the WSDeg a perfect fit for my career goals as it not only provides a glimpse into the audit process but also the potential for a full-time role post-graduation.

My WSDeg takeaways

With guidance from senior staff and managers, I had the opportunity to oversee the entire audit process for a few small entities. This facilitated my personal growth on many fronts – independent learning, client communication, understanding of the audit process, develop technical appreciation in hedge accounting and consolidation, customising audit testing approach tailored to address risks adequately etc. The experience reaffirms my plan to join the audit industry to deepen these skills. I aspire to one day mentor others and contribute to upholding the essential competencies of future auditors and accountants.



Mr Johannes Ng,
Audit Senior Analyst, Deloitte Singapore



Chapter 4

Strengthen Professional Capabilities

The accountancy profession will continue to evolve, as it did over the past decades. Trends – such as emerging technologies, heightened stakeholder expectations and an increasing focus on areas such as ESG – will reshape the accountancy profession. But the core role played by accountants will remain – to be financial stewards and guardians of the capital market.

While core accounting competencies will remain relevant regardless of how the profession evolves, the modern accountant will need to refresh their existing skills, and add new skills to their existing toolkit. Only by doing so will they be able to continue to bring valuable insights to their organisation and/or clients.

Accountancy degree programmes at universities equip students with a strong technical grounding in the fundamental skills and provide exposure to emerging areas during their studies. However, those 3 to 4 years alone may not be sufficient to equip an accountant with all the skills and knowledge that they will need for the rest of their career.



As a fresh graduate from university entering the workforce, I felt that my knowledge was incomplete, especially in the audit field. If you were to use a pie to describe, it is like an empty pie crust without filling.

Pursuing the SCAQ has enabled me to build on my existing knowledge and improve my business acumen as we are required to apply different subjects and consider both qualitative and quantitative factors."

Young accountant from commercial firm (participant from focus group discussion)

This is where pursuing a professional qualification and being a member of a professional body are crucial, as they ensure that accountants stay abreast of the latest developments such as regulatory changes, evolving standards and technological advancements.

- ▶ **As a professional qualification, the SCAQ complements a young accountant's university education, by developing and deepening their core accounting skills and competencies.** Candidates who fulfil the SCAQ's requirements are conferred the CA (Singapore) designation and admitted to ISCA, Singapore's national accountancy body.
- ▶ **As a professional body, ISCA looks after the professional development of its members.** ISCA members are required to fulfil periodic Continuing Professional Education requirements, which ensure that their skills are kept up-to-date with developments in the profession and industry. ISCA membership also provides invaluable access to a network of top finance and accounting professionals.

These professional developmental opportunities are not only limited to classroom learning. The CA (Singapore) designation is also internationally portable via mutual recognition arrangements with leading professional accountancy bodies from Australia, New Zealand, Ireland, Scotland, and the United Kingdom. This opens doors for growth through international work exposure.

While accountancy is a profession that provides ample opportunities for professional development, not all accountancy professionals avail themselves of these opportunities. Some accountants do not pursue the SCAQ, as they view it as being only relevant for auditors. Not attaining a professional qualification precludes them from joining a professional body, which leads them to miss out on valuable professional development opportunities and professional networks. This could in turn affect the quality of accountants in Singapore in the long run.



The CA Singapore enhances one's proficiency and standing in targeted areas of finance practice. Besides mapping a clearer career path and progression, the Chartered Accountant is better equipped with specialised expertise to aid decision-making and risk management, and provide counsel in niche areas such as digital technology or market-specific practice to serve the finance needs of the organisation."

Mr Stanley Huang, Group CEO, SP Group, CA (Singapore)



Recommendations

The third pillar of the AWRC's recommendations seeks to address these issues, by **Strengthening Professional Capabilities** to develop future-ready professionals.

1 Improve recognition and value of the CA (Singapore) designation

The CA (Singapore) designation signals to employers that its bearer is a fully qualified accounting professional who has either completed the SCAQ, or is a member of one of the professional accountancy bodies that ISCA has reciprocal membership or mutual recognition agreements with¹¹.

Given the CA (Singapore) designation and the SCAQ's function as a mark of quality, why are they perceived to be relevant only for auditors?

This could be because obtaining the CA (Singapore) designation is not mandatory for pursuing many accountancy careers in Singapore. It is only mandatory for those who intend to be an auditor registered with ACRA as a Public Accountant, to sign off on audit opinions of a company's financial statements. Due to this requirement, the CA (Singapore) designation is crucial to take on senior audit roles in accounting firms and serves as an important milestone for an auditor's career development. To support their auditors in pursuing the SCAQ or equivalent professional qualifications in accounting, many accounting firms provide sponsorships of their examination fees and conduct preparatory courses.



My experience as an auditor has honed valuable skill sets that continue to benefit my current role as an academic. This includes having a strategic perspective as well as communication and interpersonal skills enabling effective interaction with diverse teams and stakeholders."

Assoc Prof Premila Gowri Shankar, Head of Accounting Division, Nanyang Business School, Nanyang Technological University, CA (Singapore)

¹¹ As of 1 January 2024, ISCA has 5 Reciprocal Membership Agreements or Mutual Recognition Agreements with CA ANZ, CAI, CPA Australia, ICAEW and ICAS. Such agreements allow for members of professional accountancy bodies to be qualified in another jurisdiction, enabling them to use their professional membership as a passport for international career mobility.

However, the SCAQ is much more than a qualification for auditors. It prepares its candidates for successful careers as accountants, by providing them with the relevant in-depth expertise that they will require. This is evident in the SCAQ's curriculum, which covers a wide variety of topics – from assurance, to taxation, to business value, governance and risk.



The SCAQ is relevant to both professional and commercial accountants. The CA (Singapore) designation carries significant value, as the completion of a professional qualification signals an individual's abilities and competencies in dealing with complex financial products and business models."

Employer, professional services firm (participant from focus group discussion)



Engagement sessions with SCAQ Accredited Training Organisations (ATOs).



The formal classroom training during the university, the SCAQ, and the regular structured trainings within the firm were instrumental in preparing me for my career in audit in my early years."

Ms Carissa Tan, Assistant Manager, Audit & Assurance (A&A), Deloitte Singapore, CA (Singapore)

With accounting standards and business transactions becoming increasingly complex, accountants in in-house finance and accounting functions of companies need to be well-equipped to produce accurate and high-quality financial reports and deliver valuable financial insights to the organisation. **The SCAQ, and the access it offers into the professional accountancy body ISCA and the wealth of professional development, networking and other resources available, ensure that accountants have the necessary professional development to meet these needs.**

Regulators should emphasise to companies the importance of employing professionally qualified accountants in their key finance functions. This is particularly crucial in companies with high public interest such as listed companies, where accountants play a key role in assisting the company directors to discharge their fiduciary duties over their financial statements and protect the public interest. Doing so will enhance the quality of financial reporting and corporate governance in Singapore.

Pillars of Corporate Success: Unlocking The Value of Qualified Accountants

It is critical for companies to hire qualified accountants in key finance functions. They bring sound technical skills, well-rounded business acumen, and strong ethical values. The quality of output from a qualified professional compared to an unqualified professional is clear as day and night. The qualified professional's Continuing Professional Education (CPE) obligations give the employer the assurance that the qualified accountant is up-to-date on the changes in the law and regulations, compliance and governance codes, reporting standards, and is abreast of the latest developments in the accounting and finance space such as finance tech, AI, machine learning, etc. which are all impacting the job.

Due to the nature of our work, accountants have visibility of the organisation at both the granular and bird's eye view level. This insight makes the accountant an invaluable resource to the top management which depends on timely and accurate information, analysis, and advice to make operational and strategic decision. Regardless of the macroeconomic factors, qualified accounting professionals are needed when an organisation is doing well - to assist in the growth and expansion, but also when a company is not doing so well - to rehabilitate and restructure the company back to profitability and growth.

One of the most impactful experiences in my career was leading the financial restructuring of a SGX mainboard listed civil engineering group in severe financial distress when I joined as its CFO. Despite the immense challenges, the successful rehabilitation of the group was a testament to the resilience and dedication of the team. We brought the company back to solvency. The takeaway from this experience was that successful execution not only depends on you and your capability, but also the backing of qualified team that is also equally resilient.



Mr Mohamed Amanullah,
Group CFO, Sysma Holdings Pte Ltd, FCA
(Singapore)
*Sysma Holdings Pte Ltd, a property, construction
and engineering group listed on the Catalist
board of SGX-ST since August 2012 until
privatisation in September 2023.*



Professionally qualified accountants play a crucial role in maintaining financial governance, risk management, advising strategic decision-making, and maintaining ethical standards.

They i) apply financial reporting standards and framework ensuring financial statements, regulatory filings accuracy, ii) implement controls to mitigate and manage identified financial risks, iii) analyse financial trends and performance metrics to provide insights for strategic decision-making, and iv) provide financial insights, scenario analysis, and strategic recommendations to support business strategies, investments, and growth initiatives."

Ms Beh Siew Kim, Chief Financial and Sustainability Officer (CFSO) of Lodging, CapitaLand Investment, CA (Singapore)

2 Enhance learning support for SCAQ

Having only been introduced in 2013, the SCAQ is relatively new compared to other professional accountancy qualifications. Passing the SCAQ only became a criterion for ISCA membership in 2018, with previous cohorts being able to obtain ISCA membership if they had a degree in accountancy from NUS, NTU or SMU upon completion of a conversion programme.

During its early years, candidates cited difficulties in passing the SCAQ exams, and either opted to pursue other qualifications or chose not to obtain a professional qualification altogether. As with the introduction of any new requirement, it took some time for candidates and the market to adjust and embrace the SCAQ.

While the passing rate of SCAQ has improved throughout the years, there are still perceptions that it is difficult to pass. **The SCAQ currently has a passing rate of 75% or higher¹², which is comparable to - and in some cases, exceeds - the passing rates of other qualifications. More candidates are enrolling in the SCAQ and passing it on their first attempt.**

¹² Based on June 2022 SCAQ examination figures.



Exams are tough but manageable if you are committed. The level of rigour is appropriate."

Young accountant from accounting firm who completed the SCAQ (participant from focus group discussion)

Regardless of the SCAQ's improved passing rates and perceived difficulty, ACRA and ISCA will continue to do more to support different groups of candidates in their SCAQ journey. This will also complement the efforts to broaden the entry pathways to accountancy and streamline the SCAQ's programme structure. For example, ACRA and ISCA could collaborate on the following:



Development of self-study materials to provide learning support for candidates who wish to learn at their own pace



Partnerships with more training providers to develop preparatory courses to offer more comprehensive support for candidates



Work with IHLs to better align the IHL curriculum with the competencies expected by the SCAQ, so that students are more prepared when undertaking the SCAQ

3 Build capabilities in emerging areas



To continuously enhance my skills, I participate in seminars and webinars like the CPE training conducted by ISCA that are directly relevant to my field of work. These sessions have been invaluable in keeping me updated with the latest industry trends and advancements. They provide me with opportunities to deepen my understanding and stay abreast of emerging technologies, trends, and methodologies."

Mr Yong Yu Ren, CFO, Penta Power Investment, CA (Singapore)

Several trends have been reshaping the accountancy profession in recent years, making it more exciting, dynamic and vibrant. These include technologies that can enhance productivity, heightened expectations of the role of accountants and emerging job roles that are influenced by societal and economic demands.

While these may appear daunting at first glance, they also create new job opportunities for accountants. Emerging job roles for accountants include financial forensics to detect fraud, sustainability reporting to tackle environmental issues, and even IT audits to ensure reliability and security of financial reporting systems and information.

But accountants will need to refresh their existing skills and add new skills where appropriate, to harness these trends and take on new job roles. The existing educational avenues largely address this need:



Universities regularly update their syllabus and integrate emerging areas into their curriculum. This exposure ensures that students are well-equipped as they enter the workforce and are able to apply their skills to diverse roles.



As Singapore's national professional body for accountancy, ISCA drives the professional development of its members through its CPE requirements, and offer courses on emerging areas. ISCA members must fulfil a minimum number of CPE hours to maintain their CA (Singapore) designation.

There is room for ACRA, ISCA and the universities to leverage their existing partnerships for closer coordination, to build capabilities in emerging areas in a more cohesive manner.



Through collaboration with industry leaders and consultations with accreditation bodies, we enhance our course offerings to equip students for industry demands. Our iterative review process aligns curriculum content with SCAQ standards, prepare students for certifications and enhance their career opportunities."

Assoc Prof Koh Sze Kee,
Cluster Director, Business, Communication and Design,
Singapore Institute of Technology



In collaboration with industry experts, we co-design, co-deliver, and co-assess our Pre-Employment Training (PET) and Continuing Education and Training (CET) programmes to ensure relevance. We also partner with ACRA to launch the Advanced Diploma in Accountancy, providing a pathway for diploma holders to become Chartered Accountants. Our faculty members engage in industry attachment stints to acquire capabilities in emerging areas, ensuring students acquire up-to-date industry knowledge and practical skills."

Mr William Lim,
Director, School of Business & Accountancy, Ngee Ann Polytechnic, CA (Singapore)

As ISCA and the universities continue to regularly review and update their curriculum, they may take concerted efforts to engage the industry and ACRA (as the accountancy sector lead and regulator), to benefit from their perspectives of key developments and challenges in the industry. This will ensure that the curriculum is not only updated with the latest industry developments, but is also forward-looking to anticipate future developments that will shape the profession. The expertise of key industry leaders could also be harnessed through such closer collaborations.



Chapter 5 New Way Forward

The AWRC's recommendations serve as a roadmap forward for developing Singapore's accountancy profession, which will be key to strengthening Singapore's position as a leading global accountancy and trusted business hub.

These recommendations are diverse and complementary, spanning the three pillars of **Ensure Good Careers, Create Quality Pathways and Strengthen Professional Capabilities**. Some recommendations are already being implemented, while others will build on existing efforts.

The principle underpinning the AWRC's recommendations is the aim to ensure that the accountancy sector will remain vibrant and attractive and to have a sustainable pipeline of high-quality talent, so that accountants continue to fulfil their role as trusted stewards of companies' finances.

The AWRC's recommendations are certainly not the only way to achieve this objective. The stakeholders in Singapore's accountancy sector should continue to play their part in developing and promoting the profession and are not limited to only implementing the AWRC's recommendations. We welcome additional efforts from industry players and other relevant stakeholders to do even more to achieve the spirit of the AWRC's recommendations.

With these joint efforts, the accountancy profession will once again be a profession of choice.



Participants at the Accountancy Innovation Challenge.

About Ministry of Finance

The Ministry of Finance aims to advance the well-being and development of Singapore through Finance. The Ministry strives to achieve a balanced budget through prudent and sustainable fiscal policies, foster a regulatory environment conducive to business and enterprise, ensure prudent investment of the Government's reserves and other public funds, and sets policies for government procurement, customs regulation, accounting standards and business regulation.

We achieve this together with our departments (Accountant-General's Department, Singapore Customs and VITAL), and statutory boards/bodies (Accounting & Corporate Regulatory Authority, Inland Revenue Authority of Singapore and Tote Board).

For more information, please visit www.mof.gov.sg.

About Accounting and Corporate Regulatory Authority

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers. We are responsible for developing the accountancy sector and setting the accounting standards for companies, charities, co-operative societies, and societies in Singapore. ACRA fosters a vibrant and trusted business environment that enables innovation and growth and contributes towards making Singapore the best place for business.

For more information, please visit www.acra.gov.sg.

Read more at:

