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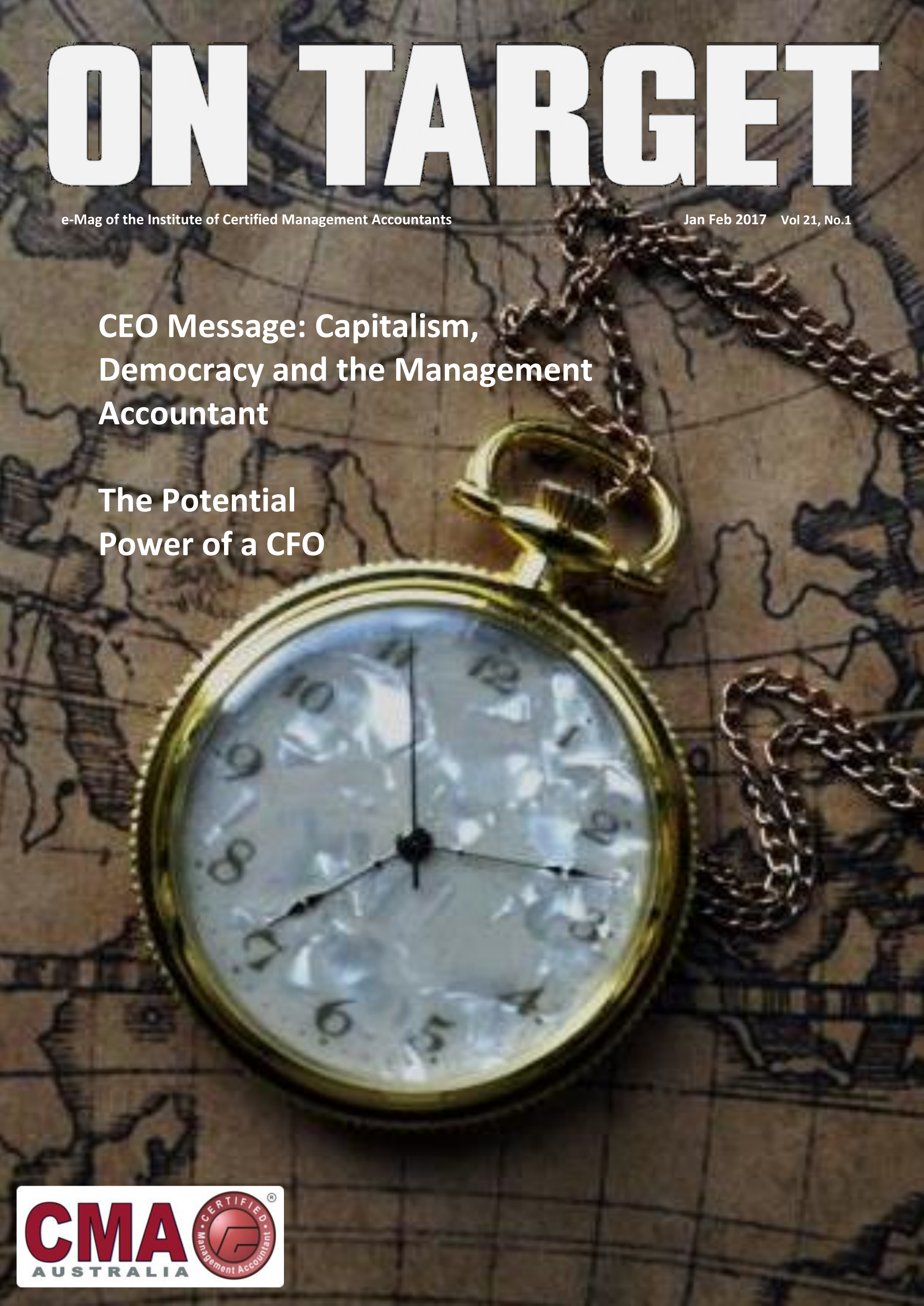

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CEO Message

Capitalism, Democracy and the Management Accountant

Professor Janek Ratnatunga, CMA, CGBA
CEO, ICMA Australia

In 1942, in the middle of the second world war, Joseph Schumpeter (an economist) published his only bestseller, *Capitalism, Socialism and Democracy.* The book was popular for a good reason. It was a tour de force of economics, history and sociology. It coined memorable phrases such as "creative destruction". But it was a notably dark book. At a time when people were looking for hope during their life-and-death struggle with the horrors of the war, Schumpeter offered only gloom. "Can capitalism survive?" he asked. "No, I do not think it can", he answered himself (Economist, Dec 24, 2016).

Schumpeter, unlike other economists, focused on business leaders rather than abstract forces and factors. The young Schumpeter's vision of the *businessperson as hero* — the Übermensch — i.e. the ideal superior man of the future who could rise above conventional morality to create and impose his own values; to then dream up a new world and bring it into being through force of intellect and will.

The dark world that Schumpeter envisage in 1942 never eventuated. The socialist alternative that loomed large back in 1942 briefly held sway after the war, but has since imploded. The emerging world has capitalism to thank for its escape from endless cycles of poverty. Despite this, as Schumpeter grew older, his vision darkened. He became increasingly preoccupied not with heroism but with bureaucratisation, and not with change but with decay.

What would Schumpeter think of the world today? We have the ultimate Übermensch businessperson — President Donald Trump, as the leader of the "free-world". But is he a hero or villain where capitalism is concerned? He has already walked away from deals that would have facilitated free trade in the Pacific region. He is talking about protectionism of the US manufacturing industry, by introducing tariffs on imports; and has encouraged companies to 'onshore' rather than 'offshore' their plants. The surge of populism that brought President Trump to power, is happening across the western world — Brexit has happened — France, Germany and other western countries will most likely follow. But is this populism, and everything that comes with it, the only concern that capitalism has?

Another of Schumpeter's concerns was that of *big government*. He claimed that the state activism (i.e. big government spending) of Roosevelt's New Deal was undermining the free-market. But in 1938 the American government was spending only a fifth of GDP. Today it is spending 38%. Italy (51% of GDP) and France (57%) are also big government spenders. In Australia, its 20%, still a large slice of the GDP. President Trump is talking about big government spending on infrastructure projects. Schumpeter's viewed such intervention as diminishing free-market capitalism, observed the Economist magazine.

Looking at the West today (and that includes Australia and New Zealand), it would not be going too far to echo Schumpeter, and warn that capitalism cannot survive in the next decade — because the problems that led Schumpeter to worry have actually grown. His biggest worry was that capitalism was producing its own gravediggers in the form of an anti- capitalist intelligentsia. Today that very elite — snug in Hills of Los Angeles and in university departments in Cambridge, Chicago and Melbourne — has expanded. Hollywood studios denounce the wolves of Wall Street, the big short-sellers, killers in the tobacco industry and the environmental vandals at large in the oil industry. The liberal sort of academic (meaning the type that favours big government) far outnumbers the conservative kind, by five to one, according to one recent study (Economist, Dec 24, 2016). Despite President Trump saying that he is against big government, his actions in his first week in power reflect that he holds the exact opposite view.

Along with state activism at levels greater than that ever imagined by Schumpeter; *big regulation* has advanced more rapidly than *big government*. One of Schumpeter's great insights from his later years, was that big firms can be more innovative than startups — if given the right incentives. But today's incentives do not favour activity or innovation, from both big and smaller firms. Excessive, and often draconian regulation to peruse tax avoiders and money launderers across international borders, are stifling organisations that do legitimate business. The cost per employee of red tape—endless form-filling and dealing with health-and-safety rules — is multiples higher for companies that have a few dozen staff than for those with hundreds or thousands. Schumpeter called for owner-entrepreneurs to lend dynamism to economies; but today's over regulated industries are against owner entrepreneurs.

Also, today, many big professional firms thrive because of government and regulation. The financial accounting and auditing profession only survives because of government regulation. In Australia, where small companies are not required to undertake a statutory audit; 95% of companies do not get themselves audited. This clearly indicates that audits are only done by companies that are statutorily required to have one done; not because they see any value in the audit process. The same goes for *International Financial*

Reporting Standards (IFRS), which companies must adhere to because of regulation. Today in some countries, SMEs are also required to adhere to IFRS! However, this 'over-regulation gone mad' is the backbone of the financial accounting and auditing profession.

And there are new difficulties that Schumpeter never foresaw. Today capitalism exists without capitalists—companies are "owned" by millions of shareholders who act through institutions that employ professional managers whose chief aim is to search for safe returns, not risky opportunities. Some light flickers on the horizon. High-tech companies are overhauling an ever-wider slice of the economy, including shopping and transport, which should be good for growth (though it also means power is being concentrated in the hands of fewer big firms). The 'sharing economy' — Uber, Airbnb etc., technically can make us all capitalists — but at the expense of the more traditional industries in the transport and leisure industries. Overall, the Economist magazine observes that the rate of productivity growth across the rich world has been disappointing since the early 1970s (with only a brief respite in 1996-2004 in the case of America). There, and in other rich countries, populations are ageing fast. Meanwhile, the fruits of what growth there is get captured by an ever-narrower base.

So how does all this affect the management accounting profession? Its roots go back to the dawn of free-trade across nations — via the Silk Road — where the traders in Europe, the Middle-East, India and China wanted to ascertain the cost and profitability of the trading ventures they undertook over 500 years ago. Later, cost accounting flourished in the industrial revolution of the 1800s; which saw the birth of modern capitalism with the formation of the first joint-stock companies. Today, management accountants provide the decision information required by these companies in pursuing their capitalistic objectives and strategies. In essence, management accounting has powered capitalism by providing the information for companies to *create value.*

In the future, if Joseph Schumpeter dire predictions indeed come true — in the absence of government statutory protection — the management accounting profession will need to reinvent itself; if it needs to still be relevant in an era where capitalistic ideals are diminished, if not completely dead.

Professor Janek Ratnatunga, CMA, CGBA

CEO, ICMA Australia

China Overtakes European Mergers and Acquisitions

Bargain esteem in Europe has fallen by $200 billion in the past year, not boding well for Europe! Following 2016’s Brexit, European businesses are reluctant to spend and it seems only China can rescue to market. Credit Suisse believes China will be able to improve economic standings as it had already spent $144 billion on foreign businesses halfway through 2016. More than 18,5% percent of European acquisitions are owned by China, more than any other country in the world. 2016 saw the $43 billion takeover of Syngenta, a major Swiss pesticide company, by ChemChina, a Chinese agricultural company.

While the rest of the world is being more hesitant with spending, China has seen no reservation with its investing. This is thought to be because 70% of investing from China comes from state-owned companies. The Government itself funds these investments, explaining why there is no shortage of capital. With the state of Europe’s economy, this makes it easier for China to invest and many European companies accept the investment gladly. The worse Europe performs, the better it is for China in terms of low expenditure with guaranteed high reward when the economy picks up again. Credit Suisse is watching this development with anticipation, curious to see how China, a growing Superpower, will affect the market next.

The Economy in 2017: What to Expect and How to Invest

This year has the potential to be a great one economically, with plenty Capital, fairer approaches from banks in Asia, Europe and the United Kingdom, and strategists believing that the equity risk premium may be somewhat exaggerated. This is not without risk, however, as political tension has caused a slow in China's growth, and disruptive technology as well as Chinese overinvestment threaten business structures.

The Bank's Global Market strategists claim that there are three investment styles which emerged as most successful, offering the best returns, towards the end of 2016. For those looking to do well in both bull or bear markets (that being when an economy is doing well and when an economy is doing poorly, respectively), high-quality growth stocks are recommended. Those interested in value investing should, according to Bank's, invest in the cheaper, high-beta stocks. Income investors are advised to invest in what Credit Suisse dubs 'dividend aristocrats', the dividend-payers that have consistently seen great returns for extended periods of time.

America and Europe saw, in the case of the former, a 1 percent underperformance in the market, and in the latter, a 1 percent outperformance. Both Europe and America did, however, outperform in the market with regard to quality growth stocks. These show the lowest debt-to-equity ratios and bring in the highest annual trailing return. It is a reliable investment that has shown to consistently bring in returns.

The end of 2016 saw a high return on quality growth stocks, a trend common to late-cycle bull markets according to Credit Suisse. This is based on trends seen in America in the 1990s and Japan in the 1980s, but it appears that our growth stock valuations did not perform as well as expected. US and European growth stocks are underperforming in terms of their 12 month trailing price-to-value returns. This sees stocks trading at well under their value. In the midst of a falling global GDPgrowth, businesses that are growing steadily will more likely see new investments. These businesses are attractive at a time when disruptive technologies and Chinese overinvestment put pressure on pricing, and higher salaries in America pressurise the profit margin.

It has been predicted that the cost of equity will decline in Europe as well as America, which will lead to growth stocks outperforming and long-duration assets to rerate. With regard to high-quality growth stocks, Global Markets team suggests looking into mobile internet plays, which has seen significant growth lately and is thought to have the potential to expand.

Those seeking more affordable investments, they can look to high-beta stocks. These stocks are cheaper and see a steady return, especially those deemed 'dividend aristocrats'. The European high-beta stocks are slightly cheaper than the U.S., but both see favourable returns. It is well-advised to invest in dividend aristocrats as they have performed well consistently for at least ten years and can guarantee growth.

European dividend aristocrats are more preferable to American ones for The Bank's Global Market as European dividend aristocrats are more attractive and will not see an interest rate increase like the U.S. The European dividends are likely to consistently outperform and experts say it is a reliable investment.

The Potential Power of a CFO

CFOs have the potential to be a strategic advantage for companies, but many businesses neglect to invest in the proper resources that could help CFOs thrive. Even when steps are taken to achieve this, they are very often unsuccessful.

One of the problems faced by CFOs is that the data needed to organise funds more appropriately is not formatted correctly. Access to information also allows CFOs to give useful and accurate advice on how a company should be spending and investing, information that can be essential to growth. By using software that categorises and files information more manageably, CFOs could make better sense of the information necessary to make vital financial decisions.

A CFO's job is made more useful by reducing their need to organise and compile data. If the data can be organised for them, they are able to spend more time using this information to recognise the problems faced and effect the change needed. Having easier access to information allows for more informed decisions and strategic moves based on finance data. New software allows for CFOs to receive data from various sources that allows them to make more accurate predictions of trends. When there is reliance on a team to provide this information, there is the chance that the team will misjudge the information or not consider factors that a more experienced CFO would. When it comes to the sensitive and essential issue of income and growth, a company relies on the expertise a CFO provides. Making their job easier can only improve the performance of a company. By not relying on others for information, CFOs are also able to make better predictions. New software can indicate trends that a human might not have noticed, trends that could lead to investing with higher returns.

CFOs rely on their teams to provide the data mentioned above. Overseeing teams not only takes time but also allows human error to be made. By automating this process, few to no errors would be made and less time would be spent waiting on people to provide the necessary information. Computer systems would hasten the step between data capturing and data deliverance. Computers also organise information in a way that is more useful to a CFO. It allows the CFO to look at information in various categories and weigh the options with more insight. An abundance of information is only made useful if it is easy to understand and access.

It is believed that a combination of the two approaches above will result in a more efficient role as CFO, and that one without the other will compromise effectiveness. It is clear that technology can revolutionise a job that has the potential to improve a company's income greatly. Technology removes the possibility of missing out on information due to oversight. Taking the time to implement more advanced and useful software seems to be the key to increasing a CFO's success, something more companies should be doing.

How Much Does IT Really Cost?

Modern businesses are increasingly more reliant on IT services as technology becomes essential. Despite the vital role IT services play, there is still contention over how much should be spent on the service. Many CIOs find it difficult to justify spending when companies still underestimate the importance of technology we take for granted. It is challenging for CIOs to lower IT budgets when the rising complexity of technology calls for more expensive equipment and more qualified expertise. Below are a few reasons why the cost of IT remains a mystery to most companies as well as the struggles faced by IT departments when it comes to costing.

IT departments are faced with the task of charging an appropriate fee for their service. This is increasingly difficult as they have to account for several factors such as the number of users, the complexity of the work and the labour involved. A business unit can be charged for the number of users because of the volume of computers and accounts which need attention. This must also find a way to match the level of expertise needed to solve the problems, i.e. whether it is a complex service to multiple users or a simple service to multiple users.

IT funding is often not managed correctly. Not all expenses are brought forward through the right channels, and often certain expenses go uncategorised, causing problems for companies. The CIO has the difficult task of assessing which expenses belong to the IT budget and which do not, and the lines are often blurred. IT-related expenses also cause confusion as they are not officially made by IT yet it falls under technology expenses.

The full cost of IT services can only be estimated before their completion. This estimate is what is discussed and approved by the company, but it is often not what the end total will be due to unforeseen expenses. The volatility of this situation makes it difficult to truly know what IT will cost and this can cause distrust as well as frustration.

Budget limitations can limit IT department activity and often leads to the neglect of maintenance services as the company cannot or will not pay for it. Maintenance is essential to the running of technology and an outdated or faulty system can have negative consequences for business if services fail. Companies often do not value maintenance of this sort because they do not understand its importance or are unwilling to spend money on it.

CIOs have the uncomfortable task of having to explaining and justify IT budgets which undermines not only the CIO but also the capabilities of the IT department. It creates an expectation of proving worth instead of valuing expertise. An overall problem faced by IT is a business' inability to see their value and importance, directly resulting in unfair payment.

Ethics Investigation Guidelines

Undertaking an ethics investigation is a highly sensitive task that requires delicacy and attention to detail. The success of an ethics investigation relies on careful planning and confidentiality, requiring you to be prepared but flexible in terms of adjusting your approach. Information uncovered may call for added steps in your investigation that were previously unknown to be necessary. Here are some guidelines to ensuring a successful ethics investigation:

1. **Ask an expert.** It is wise to seek professional advice when conducting an ethics investigation, consulting an expert on specifics of your investigation that you may not be aware of. Experts will have an extensive knowledge of the questions you need to ask and answers you should receive.

2. **Keep your questions broad.** Asking questions that are too specific or simple will lead to limited answers. By asking broader questions that require a longer or more detailed answer, you allow witnesses or suspects to reveal more information that might be relevant.

3. **Try not to lead the interviewee.** Be cautious not to suggest answers when asking questions, as this can influence the person in question. Questions should be un-biased.

4. **Keep asking questions.** When it seems that there is more to be told, try to coax it out of the person being interviewed to allow a complete account of information to be shared. If it appears that an interviewee might have more to say, allow them to do so as it might be beneficial to your investigation.

5. **Be un-biased when interviewing witnesses.** Try not to reveal your personal opinion of their statement, as a negative response could discourage further cooperation and sharing of information.

6. **Only include the facts.** Anything non-factual can contaminate the validity of the investigations. Opinions are not relevant to your investigation and should thus not be included in your report. There can be legal implications for including anything but facts.

7. **Attempt to fact-check the statements.** In order to validate the results of your interviews, it is important to check the facts provided to ensure they are true. This can be done through comparing statements or doing research, but must be done confidentially to ensure the integrity of the investigation.

8. **Perform a thorough investigation.** You should attempt to be as thorough as possible by doing the necessary research within your given boundaries. With permission, check company files and emails that may be relevant to your investigation. Do so, however, with the advice of a legal expert that can verify if your actions are legal.

9. **Abandon theatrics and cheap tactics to gather information.** An ethics investigation should be conducted professionally and a good relationship with the interviewee is essential to the success of this investigation.

10. **Do not lie.** Lying in an investigation can cause unnecessary conflict with interviewees and a lack of trust will lead to a lack of cooperation. If you are asked a confidential question, it is best to state that it is as such.

An ethics investigation is highly sensitive and should not be taken lightly. Following the correct steps will ensure that the investigation is not only painless but successful.

Difficulties with Decision-making and How to Solve Them

Making decisions in a group can be a challenging due to various factors. Often, this can result in a prolonged process that does not achieve much. By recognising these potential difficulties and learning how to solve them, the process can be made much easier and manageable. Here are several problems commonly faced and how to possibly resolve them:

1. Role-players are unaware of their part in the decision-making process and do not know what impact their opinion will have on the outcome. When people don't know what their role is, it makes it difficult to engage in the discussion productively as they are not sure whether their opinion is valid or wanted. To combat this, make sure everyone knows what their role in the discussion is and to what effect that will affect the final decision. This allows them to contribute appropriately and understand how to assist.

2. Those who are not responsible for making the final decision are made to discuss it. If the people who will be making the final decision are not present at the discussion, there is room for error in judgement by those sent in their place. If the representative is not qualified to suggest action to the CEO, for example, it can have negative consequences. Those making the decisions should be the ones to discuss it, allowing them to fully understand the options and make a more informed choice.

3. Those discussing the decision do not have adequate information about it. Misinformation is unproductive and can even lead to the wrong decision being made. Ensure that everyone is informed before the meeting and express the importance of reading this information.

4. People form a decision before the meeting has taken place. Many people will enter the discussion having already made their decision, leading to a biased and inflexible discussion. To avoid personal opinion affecting the discussion, encourage participants to voice their preferences before the meeting and explain why they hold their opinion. This will allow each person to understand the perspective of others and go into the meeting with a more open approach.

5. People are unclear of how to choose the best decision. It should be made clear what the needs and desires are that call for the decision. This will allow for a more effective and appropriate decision.

6. Participants are intimidated by higher-ranking colleagues. If the CEO or senior executive is present, employees of lower status might feel it is inappropriate to give suggestions or fear the backlash of making a suggestion. To resolve tension, have the more senior staff establish their role in the discussion so that everyone knows what is expected of them.

7. People 'agree' to a decision but are not fully satisfied. To ensure that the decision made is one that everyone is happy with, ask participants to rate their feelings towards the decision from 1 to 5. 1 being they completely disagree and 5 being that they completely agree. This shows how likely a decision will be implemented as well as if the group is happy with the decision made.

8. Not enough time is devoted to discussion. Major decisions should not be rushed, and it is therefore important that adequate time is allocated to the decision-making process. Factors such as the number of people in the discussion, the number of items to be discussed, as well as the complexity of the decision can call for longer periods of time needed for discussion.

9. The manner in which a group arrives at a conclusion is not logical. The way in which a decision should be made is methodical and has logical reasoning. This can be achieved through careful discussion and debate, and voting to decide on the best course of action.

10. The process of making the decision is not working. The facilitator of the discussion should ensure that the method used for discussion is effective for the group by asking for feedback and adjusting as necessary.

Making decisions need not be a tiresome task if these suggestions are implemented. Through careful planning, the process can be highly successful and positive for all involved.

Cyber Attack: You Could Be at Risk

With the introduction of the internet came the introduction of malware. Computer viruses, scams and hacking have come with the territory of having access to the internet, but these ‘nuisances’ could be more harmful than you think. It has become increasingly common for hackers to infiltrate private servers and hold information ransom. Companies with confidential client information such as bank account details, medical histories or private information can face major backlash from those they promise to protect. Digital information has become invaluable to companies and the loss of this data could spell the end of a business if their cyber security is not on par.

The U.S. Securities and Exchange Commission (SEC) has prioritised cyber security and aims to eliminate the risk of cyber infiltration by assessing the security of broker-dealers and investment advisors. The SEC assesses security by performing tests on it to see how well security programs can combat cyber-attack. Staff are interviewed about their experiences with previous attacks and what protocol was followed to deal with it. This helps companies and individuals to see where they can improve security. The Commission also teaches them how to improve security effectively and how to handle situations in which they are attacked. Two areas companies should focus on are ensuring the security of client information, and putting in place strict regulation on software management, avoiding the risk of malware.

Technology poses a risk to companies through hacking, but it also has the potential to help the situation. One of the most useful forms of software is a firewall and/or antivirus. This blocks any threat to your system from within your computers and acts as your first line of defence. Restricting access to data can also prevent infiltration as it is an extra step to accessing information, allowing security programs to detect the threat. Individual passcodes to access specific information ensures that if one area is breached, not all information is compromised. Training staff to be aware of the potential risks reduces the chance of infiltration dramatically as they are less likely to introduce malware to servers when they know how to identify it.

The SEC requires companies to have the proper protocol documentation when an incident occurs. This should keep a record of all the actions required as well as taken as it helps the SEC to determine where things went wrong and what can be done to improve a company’s security. Without this documentation, companies can face harsh fines. The security protocols and regulations of a company must be followed strictly to ensure the safety of clients. Failure to do so is punishable.

Learning the Jargon: What Venture Capitalists Really Mean

Venture capitalists assist new, small businesses with capital and help them to enter the stock market. This is an invaluable and asset and while the superficial aim seems to be to help people, there is a level of deception in how small businesses are spoken to to ensure that the VC also comes out on top. Words can easily conceal deeper meaning that shows what the speaker truly intends. When it comes to business, it was essential to know if a VC is trustworthy or not. Here you can find common phrases used by venture capitalists that will help you to fully understand their meaning and intention before making a decision.

1. “It’s too early to make a decision yet” – This means that they cannot see why they shouldn’t invest, but don’t want to appear overly eager.

2. “We need driven founder who are dedicated to the mission” – They need founders who will work unreasonable hours to ensure their success (and yours).

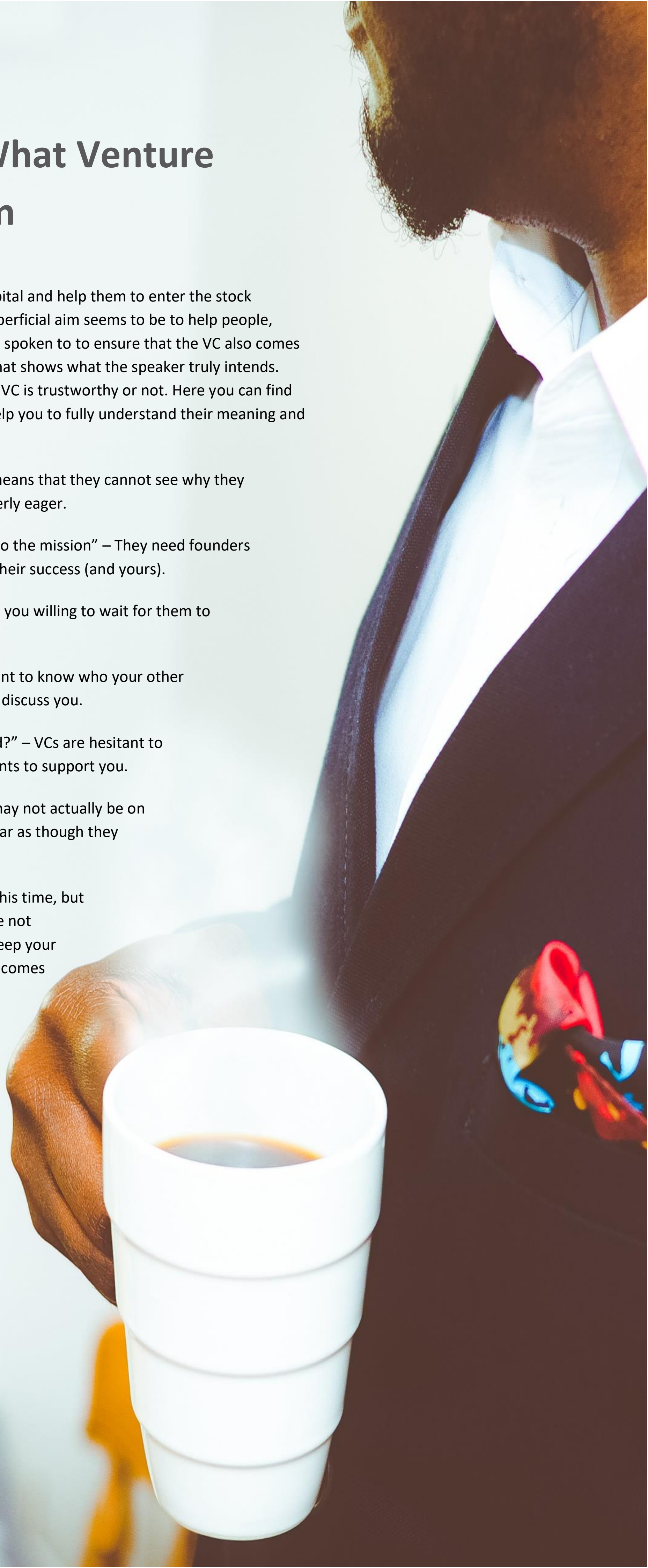
3. “When is your round closing?” – How long are you willing to wait for them to make a decision.

4. “Are you speaking to anyone else?” – They want to know who your other options are and will probably contact them to discuss you.

5. “Do you have any other investors in this round?” – VCs are hesitant to support new businesses when no-one else wants to support you.

6. “(other investor) and I go way back!” – They may not actually be on close terms with this person but want to appear as though they know people you already approve of

7. “Unfortunately we cannot invest with you at this time, but wish you all the best for the future” – They are not interested in investing with you but want to keep your relationship amicable in case your business becomes successful.



Regional Office and Branch News

ICMA 20th Anniversary International Symposiums

In the latter part of 2016, Prof Janek Ratnatunga (ICMA CEO) and Dr. Chris D'Souza (ICMA CFO) conducted a number of 20th anniversary Symposiums in ICMA's global regions. In October, it was in Cambodia and in November in Dubai. These celebratory symposiums were reported in the last issue of *On Target*.

In December, they were joined by Prof Brendan O'Connell (ICMA President) on a 'Road Show', starting with Australia, and then to overseas regions of Indonesia, Philippines, Hong Kong and Vietnam.

At all these events, *Global Accounting Hall of Fame* awards were presented to senior individuals for their 'Lifetime of Achievement' to the profession.

For more information about the Hall of Fame awardees worldwide, see http://accountinghalloffame.org/index.php/global-inductees/indonesia

The following are some highlights of the "Road Show" events:

Indonesia

The ICMA Indonesia Branch and the 3 Regional Offices in Indonesia held two symposiums.

The first, the '*Frontiers of Accounting'* symposium on Dec 5, 2016, at the *State University of Malang*, Malang (near Surabaya) had 1,300 participants. At this event a *Global Accounting Hall of Fame* award was given to Dr. Mohamad Nasir, the *Minister of Higher Education and Research*, who is an accountant.

The second, the '*International Management Accounting Conference'* on Dec 7, 2016, was at the *Jakarta Stock Exchange*. It had 150 very senior participants. Here *Global Accounting Hall of Fame* awards were given to Dr. Sri Mulyani the *Minister of Finance*, and two other senior academics; Prof Sidharta Utama from the *University of Indonesia* and Prof Bambang Tjahjadi from *Airlangga University.*

Some of the presenters in the seminars were Prof Brendan O'Connell (President ICMA Australia); Prof Janek Ratnatunga (CEO ICMA Australia); Prof Bambang Tjahyadi (Professor at Airlangga University); Mr Langgeng Subur (Deputy Ministry Indonesia); and Mr. Ahyanizzaman (CEO PT Semen Indonesia).

The symposiums were reported in many National and Regional Newspapers. The TV was also there.

Congratulations to the entire Indonesian organising teams for two magnificent symposiums.

Dr. Mohamad Nasir, the Minister of Higher Education and Research, delivering his Keynote Address. Dr. Nasir received a Global Accounting Hall of Fame Award.

Participants singing the Indonesian National Anthem, "Indonesia Raya" at the start of the ICMA-State University of Malang conference.

Mr. Heru M. Sidik, CMA, the Chairman of the ICMA Indonesia Branch taking a 'selfie' with Prof Janek Ratnatunga at the Symposium at the Jakarta Stock Exchange.

Some highlights of the Jakarta conference are shown below.

Philippines

The next stop on the 'Road Show' for Prof Brendan O'Connell (ICMA President), Prof Janek Ratnatunga (ICMA CEO) and Dr. Chris D'Souza (ICMA CFO) was the Philippines.

The '*Strategic Management Accounting Forum'* was held on December 10th at the *Edsa Shangrila Hotel* in Manila. There were over 100 attendees. Prof Janek Ratnatunga, CEO ICMA gave a talk on "Financial Statements and Reports in a Digitized World", and Prof Brendan O'Connell, President ICMA talked of "The Frontiers of Integrated Reporting". The other speakers, Mr. Alexander Wolboldt and Mr. Francis Miranda, were drawn from amongst the distinguished members of ICMA.

At this function, *Global Accounting Hall of Fame* awards were given to Dr. Joselito Diga, the CFO of *United Laboratories, Inc*. and to Dr. Arnel Onesimo Uy, who has held many senior appointments at *De La Salle University*.

From Left to Right: Mr. Alexander Wolboldt; Mr. Francis Miranda, Dr. Joselito Diga, Dr. Arnel Onesimo Uy; Prof Janek Ratnatunga (ICMA CEO); Prof Brendan O'Connell (ICMA President); Dr. Chris D'Souza (ICMA CFO) and Mr Henry Ong, ICMA Regional Director, Philippines.

Standing from Left to Right: Mr. Alexander Wolboldt; Ms. Rachel Jinayon, Dr. Chris D'Souza Prof Brendan O'Connell; Prof Janek Ratnatunga and Mr Henry Ong. Kneeling from Left to Right: Ms. Krizha Ligo; Ms. Tine Buenaflor; Ms. Zerah Carlet; Ms. Irene Navarro and Ms. Mary Peji., who were the key organisers of the 'Strategic Management Accounting Forum' that the staff organised in Manila, in December 2016.

Prof Janek Ratnatunga, CEO ICMA, with the staff of Business Sense, Inc., the Regional Office in Philippines, celebrating after a very successful the 'Strategic Management Accounting Forum' that the staff organised in Manila, in December 2016.

Hong Kong

After the Philippines, the 'Road Show' continued to Hong Kong; where Prof Brendan O'Connell (ICMA President), Prof Janek Ratnatunga (ICMA CEO) and Dr. Chris D'Souza (ICMA CFO) were joined by Prof Michael Tse (ICMA Global Chairman).

Left to Right: Prof Michael Tse (ICMA Global Chairman); Ms Loretta Mak, CMA; Prof Janek Ratnatunga (ICMA CEO) and Dr. Chris D'Souza (ICMA CFO).

A CPD program for members was held on December 15th at the ICMA Hong Kong Branch Headquarters at 141 Thomson Road in Wanchai. The event was hosted by Prof. Allen Wong, the Global Vice-President of ICMA, and the Regional Director and Chief Executive of the Greater China Region.There were over 75 attendees. Prof Janek Ratnatunga, CEO ICMA gave a talk on "Financial Statements and Reports in a Digitized World", and Prof Brendan O'Connell, President ICMA talked of "The Frontiers of Integrated Reporting".

At this function, *Global Accounting Hall of Fame* awards were announced for *Mr. Chan Loi Shun Dominic*, the Executive Director and Chief Financial Officer of Cheung Kong Infrastructure Holdings Limited; *Dr. Lee George Lam*, Chairman of Macquarie Infrastructure and Real Assets of Macquarie Group of Companies; *Mr. Lau Kai Hung Allen* who runs a consulting practice serving listed public companies and multinational corporations operating in Hong Kong and the Mainland China; and *Prof. Anthony Wu*, who is a Standing Committee Member of the Chinese People's Political Consultative Conference National Committee of the People's Republic of China *(PRC)*.

Vietnam

The last stop on the 'Road Show' was Hanoi, Vietnam. This last leg was only by Prof Brendan O'Connell (ICMA President) and Prof Janek Ratnatunga (ICMA CEO).

A CMA Australia 'Grand Conference' was held on December 17th, 2016 at the *Bao Son Hotel*, in Hanoi. The event was organised by Mr. Long Phan, Regional Director of ICMA in Vietnam.

The picture shows for Mr. Trinh Duc Vinh, the Global Accounting Hall of Fame inductee, flanked by Prof Brendan O'Connell on his right and Mr Long Phan on his left.

There were over 100 attendees. Prof Brendan O'Connell, President ICMA started the conference with his talk on "The Frontiers of Integrated Reporting". This was followed by Prof Janek Ratnatunga, CEO ICMA, who gave a talk on "Financial Statements and Reports in a Digitized World".

At the conference, a *Global Accounting Hall of Fame* was announced for Mr. Trinh Duc Vinh, the Deputy Director of Accounting and Auditing Policy Department in the Ministry of Finance, Vietnam.

Prof Janek Ratnatunga, CEO ICMA, giving a talk on "Financial Statements and Reports in a Digitized World", at the CMA Australia Grand Conference in Hanoi, Vietnam in December 2016.

Prof Janek Ratnatunga, CEO ICMA, flanked by some of the participants at the CMA Australia Grand Conference in Hanoi, Vietnam in December 2016

Prof Janek Ratnatunga, CEO ICMA, with the staff of AFA Research and Education,

What's On in the World of the CMA?

- Jan 27-Feb 9, 2017: Visit to the ICMA sponsored Calwest University, Northridge, California, USA, by Prof Janek Ratnatunga, CEO, ICMA.
- Feb, 14-15, 2017: Certificate of Proficiency in Project Management program, organised by Prabanas University and the Centre for SMART, Surabaya, Indonesia.
- Feb, 17-28, 2017: CMA Preparatory Program, Centre for SMART, Jogjakarta, Indonesia.
- Feb 25 – March 5, 2017: CMA Preparatory Program, Academy of Finance, Colombo, Sri Lanka.
- April 22-29, 2017: CMA Preparatory Program, SMART Education Group, Dubai, UAE.
- May 6-16, 2017: 3rd CMA Preparatory Program, Ruwan Hulugalle and Company, Phnom Penh, Cambodia.
- May 18-24, 2017: Intensive CMA Preparatory Program, IPMI, Jakarta, Indonesia.
- July 15-23, 2017: CMA Preparatory Program, Academy of Finance, Colombo, Sri Lanka

Private Providers

Navitas Workforce Solutions, Australia

Wharton Institute of Technology and Science (WITS), Australia

Academy of Professional Education, India

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Multimedia College (MMC), Malaysia

Business Sense, Inc. Philippines

Smart Education Group, UAE

HBS for Certification and Training, Lebanon

Institute of Professional and Executive Management, Hong Kong

AFA Research and Education, Vietnam

Institute of Finance and Management PNG

TOP Academy, Malaysia

Segal Training Institute, Iran

Centre for SMART, Salatiga, Indonesia

Ruwan Hulugalle & Company, Cambodia

AUSTRALIA

Global Head Office

ICMA Australia

CMA House
Monash Corporate Centre
Unit 5, 20 Duerdin Street
Clayton North, Victoria 3168
Australia
Tel: 61 3 85550358
Fax: 61 3 85550387
Email: info@cmawebline.org
Web: www.cmawebline.org

Australian Contacts

New South Wales
Professor Chris Patel , PhD, CMA
Branch President
Macquarie University

Northern Territory
Professor Lisa McManus, PhD, CMA
Branch President
Charles Darwin University

South Australia
Prof Carol Tilt, PhD, CMA
Branch President
University of South Australia

Western Australia
Dr. Vincent Ken Keang Chong
Branch President
UWA Business School

Queensland
Dr. Gregory Laing, PhD CMA
Branch President
University of the Sunshine Coast

OVERSEAS REGIONAL OFFICES

CHINA (including Hong Kong and Macau)
Prof. Allen Wong, FCMA
Regional Director and Chief Executive - Greater China
12/F, Tai Yip Building, 141 Thomson Road,
Wanchai, Hong Kong Tel: (852) 2574 1555
Fax: (852) 2574 1455
Cell: (852) 9156 7561
Email: info@cmaaustralia.org
allen.wong@cmaaustralia.org

INDIA (Including India, Pakistan, Bangladesh, Nepal and African subcontinent)
Main Regional Office (Mumbai)
Dr. Chintan Bharwada, FCMA
Regional Director - India
Juhu, Mumbai 4000049, MAH, India
Tel +91 8108440817
Website: icmaindia.org
Email: info@cmaindia.co.in

INDONESIA
Special Capital Region (Jakarta) Regional Office
Ms. Arum Indriasari – Jakarta Centre

IPMI Business School
Jl. Rawajati Timur I/1
Kalibata, Jakarta, Indonesia
Tel +62 21 7970419
E-mail : arum.indriasari@ipmi.ac.id

West Java Regional Office
Ms. Paulina Permatasari, FCMA
Regional Director - West Java
Jl. Pagarsih # 156
Bandung, West Java, Indonesia
Email: paulinapssj@gmail.com

East Java Regional Office
Dr. Ana Sopanah, CMA
Regional Director - East Java
GRAHA Inspire
Jalan Cakalang Kavling AURI No 16
Malang, Indonesia
Email: anasopanah@gmail.com

Central Java Regional Office
Dr. Intiyas Utami, CMA
Regional Director - Central Java
Jl. Sinoman Tempel No. 256
Salatiga, Central Java, Indonesia
Email: intiyas@staff.uksw.edu

LEBANON
Mr. Fawaz Hamidi, CMA
Regional Director - Lebanon
Boulevard Centre-136
PO Box 171, Tripoli, Lebanon
Tel: 06-433761
Email: hbs@cmamena.com
www.cmamena.com

MALAYSIA
Mr Raja Hisham, MBA
Deputy Regional Director - East Malaysia
No. 24-2 Jalan BK 5A/2C
47180 Puchong
Selangor, Malaysia
Email: rajahisham@top-academy.com.my

PAPUA NEW GUINEA
Dr Thaddeus Kambanei, CMA
Regional Director - PNG
Malagan Haus, Suite 02, Level 2
Section 15, Lot 8, Reke street, Boroko
P.O.Box 1581, Vision City, Waigani
National Capital District, Papua New Guinea
Email: Thaddeus.Kambanei@yahoo.com
http://www.cmapng.com

PHILIPPINES
Mr. Henry Ong, FCMA
Regional Director - Philippines
2502B East Tower Tektite Building
Philippine Stock Exchange Center,
Exchange Road
Ortigas, Pasig City 1600, Philippines
Tel: (+63) 631-6241 or 634-6476
Email: hong@businesssense.com.ph
http://www.cmaphilippines.com

SRI LANKA
Mr Kapila Dodamgoda, CMA
Regional Director - Sri Lanka
No. 3, St Kilda’s Lane, Colombo 3, Sri Lanka
Tel: +94 114 515253 or +94 112590113
Email: kapiladodamgoda@yahoo.com
http://www.cmasrilanka.com

UNITED ARAB EMIRATES
Mr. Shakeeb Ahmed, CMA
Regional Director - U.A.E. & GCC Countries
#101, First Floor, Al Shamookh Building
P.O. Box: 7073, UAQFTZ
Dubai, United Arab Emirates
Email: shakeeb@smarteducationgroup.org
Mobile: +971-55-1062083
Website: www.cmadubai.org

CYPRUS
Mr. Christos Ioannou BA (Hons), MBA , CMA
Regional Director-Cyprus
11A Dafnidos 6041, Larnaca, Cyprus
Email: chioanou@cytanet.com.cy

VIETNAM
Mr. Long Phan MBusAcc, CPA, CMA
Regional Director- Vietnam
Level 3, GP Invest Building, 170 La Thanh Street
Dong Da District, Hanoi, Vietnam
Email: longplt@afa.edu.vn

IRAN
Mr. Alireza Sarraf, CMA
Regional Director- Iran
Unit.4, No.3 Koozegar Alley (after Beheshti Str);
Vali-e-asar Str,
Tehran, Iran
Email: sarraf@experform.com

CAMBODIA
Dr Ruwan Hulugalle, CMA
Regional Director - Cambodia
18/F, Canadia Bank Tower
No. 315 Ang Duong Street
Phnom Penh, Cambodia
Email: ruwan.hulugalle@gmail.com
Website: www.cmacambodia.org