ON TARGET

e-Mag of the Institute of Certified Management Accountants

Sept Oct 2017 Vol 21, No.5

CEO Message: Blockchains - A Major Disruption or a New Dawn for Accountants?

World's Most Widely Applied Risk Management Frameworks has been Updated

APRA's Independent Prudential Inquiry into Commonwealth Bank of Australia

CMA AUSTRALIA

Contents

CEO Message

Blockchains: A Major Disruption or a New Dawn for Accountants?

Professor Janek Ratnatunga, CMA, CGBA
CEO, ICMA Australia

As strategists who steer their company's future endeavours, CFOs and Management Accountants need to advice their organisations to harness the power of "blockchain" technology - and that their companies cannot afford to ignore it.

There is a paradigm shift happening that is going to change businesses in ways that will make them unrecognisable to the standard models of today. *Fortune magazine* (1) states that already, incumbent businesses in countless industries, from finance to energy to health care to food, are seeing the potential of a new disruptive technology that has the potential to trim costs, share and secure information more efficiently, and unleash new products at an unprecedented speed. And these businesses are doing so knowing that one day their very survival may be at stake.

Having witnessed what the advent of digital, cloud, and mobile did to laggard companies, no one wants to be left behind. Remember that when *Arpanet*, the forerunner of today's Internet was introduced in 1969, very few could see its potential. Today, we are seeing the birth of a technology that could, in time, be as important as the Internet.

Blockchains

The technology that is called a *'blockchain'*, is still poorly understood. A blockchain is a sophisticated form of a general ledger (GL). All accountants know that a ledger is a financial database powered by the double-entry system that tracks credits and debits; which in turn are classified as assets, liabilities, income and expenditure.

A 'Blockchain' is a 'Triple-Entry' accounting system; where the third entry is a verifiable cryptographic receipt of any transaction. However, unlike a standard GL of today that is kept under the control of one organisation; a blockchain (in its purest form) is a common record that is accessible to everyone and controlled by no one.

One of a blockchain's distinguishing features is that it locks-in (or "chains") cryptographically verified transactions into sequences of lists (or "blocks"). The system uses complex mathematical functions to arrive at a definitive record of who owns what, when, where and how. Properly applied, a blockchain can help assure data integrity, maintain auditable records, and even, in its latest iterations, render financial contracts into programmable software. *It is a general ledger on steroids.*

Double-entry bookkeeping powered the corporate capitalism of the 18th Century; where investors and entrepreneurs could come together in the form of a 'Corporation'; i.e. recognized in law to act as a single entity. This enabled such entities to take risks of undertaking ventures and projects in search of commercial success; but with limited liability protection if the results turned out to be bad. Even today, such legal entities fiercely guard their information from rivals and competitors; divulging only what is required by law and their social responsibilities. In contrast, blockchains can get even rivals to cooperate by creating a common record that is accessible to everyone and controlled by no one; and as such may be the next-big thing of 21st Century commerce.

Think of it like this. Today, if you are the proud owner of your home, all that you will know from studying the 'Deed" of the property (held in electronic or paper form by a Land Registry) is the boundaries of the land and the names of the former owners and the period that they held the property. With a blockchain, you will be able to access everything about the house, from prices paid, repairs done, insurances claimed, extensions and renovations made, material used, etc. Then for example, if one wants to know if the same aluminium cladding that caught fire in the Grenfell Tower disaster in London has also been used on your property, with a blockchain this information would be instantly accessible to you and other interested parties such as Governments, Building Regularity Authorities and even those interested in purchasing your property.

Cryptocurrencies

One of the early (first) uses of blockchain technology was 'Bitcoin', a cryptocurrency. Bitcoin, which debuted in 2009, uses a consensus mechanism, which allows people to agree on a canonical form of transactions. In mathematics and computer science, the distinction between a "canonical" and "normal" form is that a canonical form specifies a *unique* representation for every object, while a normal form simply specifies its form, without the requirement of uniqueness. Therefore, through a combination of cryptography and economic incentives, this uniqueness prevents double-spending and fraud - all without needing a third party or middleman, like a bank. Even if participants don't trust one another, they can rely on

the shared ledger they create. You don't need honour among thieves - you just need a blockchain.

Where do bitcoins come from? In the old days paper money was issued based on a gold standard in which the standard economic unit of account was based on a fixed quantity of gold. In the USA, the mined gold was deposited at Fort Knox, and the quantity of US dollars issued was based on these gold reserves. But the USA moved away from the gold standard in 1970; followed by all other countries. Therefore today, in the case of paper money, a government simply decides when to print and distribute money without basing it on any standard, be it gold or any other precious metal.

Bitcoin is more like the days of old, with gold. As Bitcoin does not have a central government to issue them, it has to be mined, just like gold. Bitcoin miners use special software to solve math problems and are issued a certain number of bitcoins in exchange for their effort. This provides a smart way to issue the currency and also creates an incentive for more people to mine. However, just like the gold mining in the old days; Bitcoin mining is not easy. Gold mining required a lot of pick-axes, muscle-power and sweat. Bitcoin mining requires a lot of computing power, time, energy and cost. Further, there has been a limit placed on how much Bitcoins can be mined (just like technically Gold has a finite limit); and therefore. the more miners that join, the harder it gets to actually mine Bitcoins. Once a Bitcoin is mined, it can be either stored personally on your home computer (just like gold kept at home), or in a cryptocurrency exchange (protected much like Fort Knox is with its gold depositories).

If Bitcoin proved what was possible with Blockchain technologies, Ethereum, a rival system, took its ingenuity to a logical extreme by creating blockchains that aim to be anything to anyone. Ethereum can create representations of any asset (not just economic incentives for solving math problems as in the case of Bitcoin), which has made it the primary fuel of a digital-token boom.

Digital tokens (cryptocurrencies) are a new asset class, powered by Blockchain technologies. This year alone, hundreds of projects have collectively raised more than a billion dollars through "initial coin offerings" (ICOs) of cryptocurrency representations of various assets or services completed. Even established venture capital firms are pouring millions of dollars into cryptocurrency hedge funds.

Looking beyond this ICO frenzy, one can see a paradigm shift with incumbent businesses in countless industries, from finance to energy to health care to food, seeing the potential of this budding technology to trim costs, share and secure information more efficiently, and unleash new products at an unprecedented speed. They are doing so knowing that one day their survival may be at stake. Having witnessed what the advent of digital, cloud, and mobile did to laggard companies, no one wants to be left behind.

However, cryptocurrencies (such as Bitcoin and Ethereum) are extremely volatile, with the total market value of all virtual currencies having reached $135 billion (up from just under $20 billion at the beginning of the year); until the Chinese Government closed the cryptocurrency exchanges in that country, and collapsed the market to 40% of its value (as I write on Sept 20 2017). More about that later.

Private Blockchains

By showcasing blockchain's fundamental flexibility, Ethereum's rise has also accelerated a deluge of research and development in corporations for private blockchains. The description of a Land Registry Blockchain given earlier is an example of a possible private blockchain. Many companies are adapting and advancing the core Blockchain technology to suit their needs. While some are exploring digital currency and the open-source, free-for-all ecosystem of public blockchains (of which Bitcoin and Ethereum are prime examples), far more are concentrating on how the technology underpinning those systems can add value to their businesses - by helping them with everything from linking medical records to tracking the cost of a product or service at a granular level. Many organisations are thus developing "permissioned" or "private" blockchains, designed for a more centralized architecture, where only authorised operators can join; and this should be of great interest to CFOs and management accountants.

Interestingly, there are those who argue that this new 'ledger technology' is not really a blockchain if the items it tracks are not financial; and suggest that any non-financial ledger should be called 'distributed ledger technology' rather than 'blockchain technology'. However, this argument over terminology is not hampering the rapid development of the next-generation data structures with cryptographic signatures and joint-stakeholder elements. One could say that such ledgers, financial or not, all fall under the "blockchain" umbrella, just like all photocopies were once called Xerox copies. The point is, whatever you want to call it, more and more businesses are looking at ways to exploit the technology.

Many industry insiders believe that public and private blockchains will eventually intersect - just as internal networks came to coexist with and feed the public Internet decades ago. If the Internet is a supranetwork, then a blockchain, in its purest form, is a way to turn these networks into decentralized marketplaces. Ronald Coase, a 20th-century economist, won a Nobel Prize for formulating an explanation for why corporations existed. Their raison d'être, he said, was to maximize efficiencies in business and market negotiations: i.e. deal making is more productive when done collectively. Blockchains could take that principle and multiply it exponentially.

Supply Chain Logistics: A Case Study

An interesting case of Blockchain technology was illustrated in the *Fortune magazine* (1). One where Walmart's vice president of food safety, brought a bag of mangoes from a Walmart store back to his office, placed the container on a conference table, and gave his team a mission, "Find out where those mangoes came from?"

It took six days, 18 hours, and 26 minutes to get an answer. Such a time lag could be extremely costly in the event of an outbreak of foodborne illness - one in which a suspected pathogen is tied to mangoes somewhere. With a week-long delay, Walmart might have had to pull every package of every mango product off its shelves, as a precaution. Farmers, distributors, and Walmart itself would have to bear the losses. This is a clear case of how a blockchain can save money, and thus should be of interest to CFOs and management accountants.

A private blockchain could track and catalogue a product's status across the entire corporate supply chain. Walmart tested one, partnering with IBM for a trial run on Hyperledger Fabric, a blockchain built under the purview of the Linux Foundation's Hyperledger group, where companies collaborate on blockchain R&D.

In the Walmart test, food shipments were tracked and digitally recorded via a blockchain. From the start of their journey at the farm, pallets of mangoes were tagged with numeric identifiers. Every time they crossed another checkpoint - from farm to broker to distributor to store - their status was signed and logged.

All that a Walmart manager needs to do now, is to enter a six-digit "lot" number on a web portal. In an instant, the mangoes' identifying details appear on-screen: Mango spears, 10 ounces, "Tommy" variety (a cultivar optimized for transport). The fruit was harvested April 24 from orchards in Oaxaca, in southern Mexico. A day later, the fruit underwent hot-water treatment to exterminate the eggs of potentially invasive insects. On April 27, an importer received the shipment; after a few more days, it passed through Customs and Border Protection, entering a U.S. processing plant where they were sliced on May 1. From there, the mangoes moved to a cold storage facility in Los Angeles (you can pull up a safety inspection certificate with a click of a mouse). Finally, the lot arrived at a Walmart store.

The time it took to compile and present all this information was about *two seconds*. In the event of an *E. coli* or salmonella outbreak, the difference between two seconds and six-plus days can be decisive, even lifesaving. But in the context of a supply chain, a blockchain is far more than an emergency measure: The granular, secure records in the system could help prevent fraud, and provide an easy-to-use interface for executives to keep tabs on the flow of goods, as well as for regulators to check when necessary. For cost accountants such information is invaluable for product costing; as costs can be attached to cost objects in a granular manner (more on this later).

CFOs and management accountants should be made aware that many companies are now exploring blockchains' potential for their logistics. Maersk, the Danish shipping giant, has started testing a blockchain to track its shipments and coordinate with customs officials. The potential doesn't stop with tangible goods. Many companies and governments think blockchains could help them assemble tamper-resistant systems for storing virtually any kind of data. BAE Systems, the British defence contractor, is exploring sharing cybersecurity threat data on a blockchain. Accenture has teamed up with Microsoft and a United Nations group to build a blockchain for digital identity, especially useful for refugees who lack official documents.

Finance

Even with all these potential applications, there is arguably no industry where the promise of blockchain technology - or its peril - is more apparent than in finance; and CFOs should be well aware of this. Finance is the most obvious extension of blockchain technologies, given the monetary roots of Bitcoin. Trade finance, security clearance and settlements, cross-border payments, and insurance are all areas that could be overhauled and made more seamless. Microsoft is collaborating with Bank of America on a blockchain to digitize and automate the money flow around trades. Northern Trust, the asset management firm, is using Hyperledger Fabric for private-equity deal record keeping. Ripple has built a system to rival the SWIFT interbank money-transferring service using Blockchain technologies. In a very competitive sector where customers demand faster transactions and lower costs, the rewards of building the best blockchain product or service could be vast, and the penalties for missing out, proportionately devastating.

Blockchain Dangers: Hacking

Early exchanges set up for trading cryptocurrency often got hacked. Many early investors lost money in Mt. Gox, an exchange that collapsed in 2014 after hackers pillaged nearly $500 million in Bitcoin. In 2016, hackers took $72 million from the Hong Kong based cryptoexchange Bitfinex in one quick hit.

In contrast, San Francisco's Coinbase, the world's largest exchange for trading cryptocurrency, is one of very few such companies whose own coffers have never been hacked, a distinction that carries extra weight in the realm of blockchain, where several costly breaches (as those mentioned above) have made global headlines. As hackers have never breached Coinbase's own virtual fortress, its impenetrability has earned it a reputation as the safest place to buy and sell Bitcoin.

But Coinbase's individual customers do get burglarized - with surprising and unsettling frequency. How?

One of Bitcoin's reasons for existence is that it's censorship-resistant. That means no one, not even a government or central bank, can stop a digital currency transaction from happening. This very strength that sets cryptocurrency apart from traditional money (i.e. that transactions are instant and irreversible) is also its fatal flaw. The fraud protections traditional bank depositors rely on, such as charge-backs and the reversibility of a fraudulent transaction done by the targeted bank, are mostly unavailable in cryptocurrency transactions.

Brick and mortar bank robbers have two problems: stealing the money and hiding the evidence. A cryptocurrency solves the second one for the robber because everyone on the ledger is anonymous. Therefore, one of the major features of a cryptocurrency ledger (i.e. irreversible transactions) is one of its drawbacks - and a porthole through which an individual in a heavily fortified cryptocurrency exchange like Coinbase can still be robbed. *Fortune magazine* (2) spoke with more than a dozen victims, including technology CEOs and well-known blockchain proponents, whose Coinbase accounts have been targeted and hacked in almost exactly the same fashion. This is how it is done, in six easy steps:

1. *The Stakeout:* A scammer scouts a target by searching for people who work in the blockchain industry—or by combing social media for mentions of Bitcoin and Coinbase. The attacker finds the target's email address and phone number through online postings or previous data leaks.

2. *The Switch;* The scammer contacts the victim's mobile provider and "ports" the phone number to a device under the

scammer's control. It is surprising how easy for a scammer to take charge of your phone number.

3. *The Disguise:* Because Gmail accounts often link phone numbers as a backup access method, the scammer can now log in and reset the target's email password, then do the same at Coinbase.

4. *The Break-in:* Coinbase requires two-factor authentication ("2FA") in addition to a password. That 2FA now gets texted to the thief, who logs in.

5. *The Getaway:* The scammer moves the money into digital "wallets" under his control. Law enforcement can easily track the movements of the stolen currency recorded on the blockchain, but they can't block transactions, and figuring out who controls the wallets is difficult.

6. *The Laundering:* To try to cover his trail, the scammer can move the currency to foreign "cryptoexchanges," or convert it to other kinds of digital currency that are harder to track. Eventually, he can convert it to cash or other assets.

Coinbase still bears the cost of banking-system protocols, when traditional financial institutions take back fraudulent payments induced by hackers. Individual customer hacks, along with unauthorized credit card purchases of cryptocurrency, cost Coinbase a significant 10% of all revenue it collects, a fraud-loss rate 20 times as high as PayPal's. To combat that, Coinbase has been using analytics to predict which customers have the highest risk of fraud and charge-backs, and pre-emptively limiting their purchasing power or locking their accounts. But that method comes with a downside of its own in the form of frustrated customers - and a backlog of help-desk requests that has stretched into the tens of thousands.

Also, clearly, not only users of cryptocurrency, but also all those who have transactions on internet (and who does not?) should take the following steps for better security: (a) put a "do not port" order on your phone number; (b) do not use text-message 2FA; instead, use an app like Google Authenticator; and (c) use a unique password, one you do not use for other accounts or social media.

Government Controls

A litmus test to the censorship-resistant claim of cryptocurrencies is the action taken by Chinese authorities who ordered in September 2017 for all Beijing based cryptocurrency exchanges to cease trading and immediately notify users of their closure. This signalled a widening crackdown by authorities on the industry to contain financial risks. According to Chinese authorities, as cryptocurrencies such as Bitcoin are "stateless" digital tokens, they thus posed risks as they could be used for illegal actions, such as money laundering. Thus, the Chinese government's view was that rules are needed to support the development of "legal" digital currencies.

With the advent of 'Cloud Computing' it will be interesting to see if the Beijing based cryptocurrency exchanges will simply move to a less hostile jurisdiction and set up their ledgers on-line - away from the controls of the Chinese authorities.

Granular Costing

Today's cost accounting and cost management systems have various systems of attaching direct costs and allocating indirect costs to cost objects such as products, services, customers, segments and white-collar departments. It is in the cost allocating aspect that most problems arise. Traditional cost allocation systems allocate indirect costs using volume based cost drivers such a 'direct labour hours' or 'direct material costs". In contrast, ABC cost allocation systems use both volume and non-volume cost drivers based on activities undertaken. With Blockchain Technologies, all this cost allocation methods - traditional or Activity based - maybe a thing of the past.

Take for example the case of Airbus, the French aircraft maker, that is looking to use blockchains to monitor the many complex parts (and their related costs) that come together to make a jet plane. Daimler, the German automaker, is investigating similar possibilities for its vehicles. This has given rise to a new term in cost accounting, "granular costing", i.e. where the cost of any large cost object (e.g. a motor car) can be built up as the sum of its individual components and activities that went into producing it. Not only can material costs (which are easy to track) but also the cost of human input and overheads be tracked at a granular level using blockchains.

All of this can be a new dawn for CFOs, business analysts and management accountants who embrace the technology; but also, a major disruption for those who cannot grasp its potential.

Professor Janek Ratnatunga, CMA, CGBA

CEO, ICMA Australia

(1) Robert Hackett (2017), "Blockchain Mania", *Fortune,* Sept 1, 2017, p. 26-33

(2) Jen Wieczner (2017), "Hacking Coinbase: The Great Bitcoin Bank Robbery", *Fortune*, Sept 1, 2017, p. 34-41

The opinions in this article reflect those of the author and not necessarily that of the organisation or its executive.

CMA AUSTRALIA

in association with

MACQUARIE University SYDNEY·AUSTRALIA

presents

2017 THE FRONTIERS OF ACCOUNTING SYMPOSIUM

To celebrate the 21st Anniversary of its incorporation in Australia; the **Institute of Certified Management Accountants** is hosting a symposium to discuss the future direction of various themes related to accounting. The speakers are leading academics and professionals who have been asked to provide their views on specific frontier areas of financial reporting, management accounting, governance and sustainability.

Book Early! Limited to 100 Participants

Date: 28th November 2017
Venue: Dunmore Lang College
130-134 Herring Road, North Ryde NSW 2113, Australia.
(Just 5 minutes walk from the Macquarie University and 1 minute from the Macquarie University train station).

Registration Fee: A$10.00 (inclusive of GST)
(includes: Morning & Afternoon Coffee/Tea; Lunch and Symposium Handbook)
Registrations Close on: November 15th 2017

Who Should Attend?
Professional Accountants (CMA, AMAs, CAs, CPAs, CIMA, ACCA), Academic Researchers, Financial Analysts & Controllers, Corporate Auditors, Accounting Standard Setters, Those interested in Sustainability and Governance

SPEAKERS

Luke Austin is the CFO at Huawei's Australian subsidiary. Huawei is a leading (ICT) solutions provider with turnover in 2016 of US$75Bn, more than 170,000 staff, and US$11Bn of R&D spend. Previously, he was the CFO & COO of Lenovo in Australia and New Zealand, and prior to that with IBM. He started his career in Chartered Accounting.

Professor Chris Patel is Professor at the Department of Accounting and Corporate Governance at Macquarie University. He has acted as an adviser to Asian Development Bank, World Bank, World Health Organization, and the Norwegian Government; and been a visiting scholar at graduate schools in the USA and Canada. He is the NSW President of the ICMA Australia.

Aubrey Joachim is a Global Past President of the Chartered Institute of Management Accountants (UK). He is a management accounting practitioner with experience with UK and US global multinationals Unilever and McDermott International Inc. as well as a large Australian public-sector utility corporation. He has trained thousands of finance professionals across the world and consulted to dozens of organisations.

Professor Janek Ratnatunga is CEO of Institute of Certified Management Accountants. He has held appointments at the University of Melbourne, Monash University and the Australian National University in Australia; and the Universities of Washington, Richmond and Rhode Island in the USA. Prior to his academic career he worked with KPMG.

Professor Carol Tilt is a Professor of Accounting at the University of South Australia. She is on the Board of Directors for Zoos South Australia; and on the governing council of the Centre for Social and Environmental Accounting Research (Scotland). She was formerly a member of the Professional Services Industry Cluster on Aboriginal Employment; and sat on the Board of the Don Dunstan Foundation. She is the SA President of the ICMA Australia.

Professor Brendan O'Connell is Professor of Accounting at RMIT and also President of the Institute of Certified Management Accountants. He has worked as an analyst and bond dealer with major investment banks and has been employed in leading universities in the US, Australia and Asia including Monash University and the University of Richmond in Virginia.

Associate Professor Sophia Su is the program coordinator of Master of Accounting (International Practice) in the Department of Accounting and Corporate Governance at Macquarie University. Sophia's main teaching and research area is in the management accounting field and she has played a significant leadership role in management accounting curriculum renewal at both undergraduate and postgraduate levels.

Professor Michael Tse is Global Chairman of the Institute of Certified Management Accountants. Formerly he was President of ICMA in the 2014-2016 period. He is Professor and Head of Department of Accounting at Holmes Institute in Melbourne. His previous appointments were at Monash University and Deakin University. He is the co-editor of Management Accounting Frontiers, the research journal of the ICMA.

CMA AUSTRALIA

in association with

MACQUARIE University SYDNEY·AUSTRALIA

presents

2017 THE FRONTIERS OF ACCOUNTING SYMPOSIUM

AGENDA

8:45 am
Welcome Address
Prof John Miller, AO, Patron ICMA

9:00 am
"Digital Disruption and the Accountant"
Mr. Luke Austin, CFO at Huawei Australia

9:45 am
"Frontiers of Financial Reporting: Global Convergence"
Prof Chris Patel, Macquarie University

10:30 am
Networking Opportunity (Morning Tea/Coffee Break)

11:00 am
"Disruptive Budgeting in the Digital Era"
Mr. Aubrey Joachim, Management Accounting Practitioner

11:40 am
"Sustainable Cost Accounting: Air, Water and Food"
Prof Janek Ratnatunga, CEO ICMA

12:20 pm
"Social and Environmental Accounting: Looking Beyond our Own Boundaries"
Prof Carol Tilt, University of South Australia

1:00 pm
Lunch Break and Announcement of 2017 Inductees to the ICMA Accounting Hall of Fame® and Management Accounting Hall of Fame®.

2:00 pm
"Governance in Member Based Organisations: A New Frontier?"
Prof Brendan O'Connell, RMIT University

2.45 pm
"Re-engineering the Management Accounting Curriculum"
Associate Professor Sophia Su, Macquarie University.

3:30 pm
Networking Opportunity (Afternoon Tea/Coffee Break)

4:00 pm
Panel Discussion: The Future of Management Accounting Research
Panellists:
Prof Janek Ratnatunga, CEO ICMA Australia;
Prof Brendan O'Connell, President, ICMA Australia;
Prof Chris Patel, Macquarie University;
Prof Carol Tilt, University of South Australia;
Prof Michael Tse, Global Chairman, ICMA Australia

4:30 pm
End of Symposium

REGISTRATION FEES: Payment Options

☐ ICMA Frontiers of Accounting Symposium 2017 ☐ AUD$ 10.00 per attendee

Number of Attendees __________ (Max 5 per Registration) Total Payment $ _____________

Name of Principal Registrant ____

Payment in **AUSTRALIAN DOLLARS**:

- ☐ By Registering via ICMA Website for conference: **https://www.cmawebline.org/frontiers-of-accounting.html**
- ☐ By Bank Draft made payable to the **Institute of Certified Management Accountants** (in AUD) and posted to *ICMA, 5/20 Duerdin Street, Clayton, Victoria 3168, Australia*
- ☐ By Credit Card. Please tick one the following credit cards (only): ☐ Visa ☐ MasterCard

Card Number _ _ _ _ - _ _ _ _ - _ _ _ _ - _ _ _ _

Cardholder's Name: ____________________________ Expiry Date: ______________

Total Amount: _________ Signature: __________________

Fax credit card details to +61 3 85550387 or Scan and email to seminars@cmawebline.org

World's Most Widely Applied Risk Management Frameworks has been Updated

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) today unveiled its 2017 enterprise risk management framework, now titled Enterprise Risk Management–Integrating with Strategy and Performance.

PwC US was once again engaged to work with COSO. This project garnered global interest and feedback, culminating in a Framework that addresses the need for an improved approach for how organisations manage risk to help create, preserve, and realise value.

"PwC and COSO are mutually committed to elevating risk conversations with boards and management," says Miles Everson, PwC Global and Asia, Pacific, and Americas Advisory Leader. "Our role in leading the development of this Framework reinforces the views of industry analysts who recently noted that PwC is on the forefront of the movement to integrate risk management into corporate strategic steering processes."

The unpredictable global economic landscape that is impacted by changing customer behaviors, evolutions in technology, and greater calls for transparency have shaped the new conversation that organisations need to have about risk. In light of this, the Framework incorporates current and evolving concepts impacting enterprise risk management culture, capabilities, and practices.

"The Framework highlights the importance of integrating enterprise risk management into day-to-day activities, and moving away from viewing it simply as a separate function or department," notes Frank Martens, PwC Global Risk Framework and Methodology Leader and Project Lead Director.

"Adopting the COSO ERM Framework is an opportunity for organisations, regardless of industry, to be innovative when it comes to using risk as an advantage to drive distinctive strategies and enhanced performance. The Framework offers new insight into how boards and management can derive greater value from enterprise risk management," adds Dennis Chesley, PwC Global and APA Risk and Regulatory Leader and Project Lead Partner.

For more information about the COSO ERM Framework,
visit: http://www.pwc.com/coso-erm.

APRA’s Independent Prudential Inquiry into Commonwealth Bank of Australia

The Australian Prudential Regulation Authority (APRA) today announced its intention to establish an independent prudential inquiry into the Commonwealth Bank of Australia (CBA) focusing on governance, culture and accountability frameworks and practices within the group.

The prudential inquiry will be conducted by an independent panel, to be appointed by APRA. Subject to settling the final terms of reference, it is anticipated that the panel will provide a final report to APRA around six months from the formal commencement of the inquiry, and that this report will be made public.

APRA Chairman Wayne Byres said the decision to initiate a prudential inquiry followed a number of issues which have raised concerns regarding the frameworks and practices in relation to the governance, culture and accountability within the CBA group, and have damaged the bank’s reputation and public standing.

Mr Byres said: “The overarching goal of the prudential inquiry is to identify any core organisational and cultural drivers at the heart of these issues and to provide the community with confidence that any shortcomings identified are promptly and adequately addressed.

“CBA is a well-capitalised and financially sound institution. However, beyond financial measures, it is also critical to the long-run health of the financial system that the Australian community has a high degree of confidence that banks and other financial institutions are well governed and prudently managed.

“The Australian community’s trust in the banking system has been damaged in recent years, and CBA in particular has been negatively impacted by a number of issues that have affected the reputation of the bank. Given its position in the Australian financial system, it is critical that community trust is strengthened. A key objective of the inquiry will be to provide CBA with a set of recommendations for organisation and cultural change, where that is identified as being necessary.

“The Chairman and CEO of the CBA have assured me that the bank will fully cooperate with the inquiry, and APRA welcomes that cooperation,” Mr Byres said.

Conduct of the inquiry

The names of the panel members and the agreed terms of reference will be finalised and published at the commencement of the inquiry. The costs of the inquiry will be met by CBA.

Broadly, the goal of the inquiry is to identify any shortcomings in the governance, culture and accountability frameworks and practices within CBA, and make recommendations as to how they are promptly and adequately addressed. It would include, at a minimum, considering whether the group’s organisational structure, governance, financial objectives, remuneration and accountability frameworks are conflicting with sound risk management and compliance outcomes.

The independent panel would not be tasked with making specific determinations regarding matters that are currently the subject of legal proceedings, regulatory actions by other regulators, or customers’ individual cases.

Cyber on the Brain for Australian CEOs

Cyber security is front of mind for Australian CEOs, with investment in cyber defence seen as a top priority, according to the latest Global CEO Outlook study from KPMG.

Australian companies making higher investment in cyber security

Four out of five Australian companies have made "high investment" in cyber over the past twelve months (80 percent vs 66 percent globally), and are also planning higher investment over the next three years. "Strengthening organisational resilience" against cyber-attacks is Australian CEOs' second highest priority for investment overall, with 71 percent of companies preparing to invest compared to 53 percent of CEOs globally. Nearly half (48 percent) said they are concerned about combatting cyber security "fatigue" within their organisations.

Despite this, Australian companies feel no more prepared than their global counterparts for a cyber-attack, with over half, 57 percent (and 57 percent globally) not fully prepared.

"It's clear that Australian CEOs are awake to the threat represented by cyber-attacks, and are investing in defences accordingly. They're more likely to admit they're not where they need to be, and recognise that work needs to be done. In the current environment, following major high profile global and local attacks, this is a commendable approach," said Gordon Archibald, a partner in KPMG Australia's Cyber Security Services practice.

Australia's attitude towards different types of cyber threats varies from global concerns, with more confidence amongst Australian CEOs in their preparation against social media issues or data theft, but less feeling fully ready for ransomware or DDOS attacks.

Source: KPMG 2017 Global CEO Outlook

% fully prepared against	Australia	Global
Equipment/software attack	46 %	50 %
Employee-led data breach	44 %	45 %
Social media hacking	52 %	42 %
Business data theft	54 %	47 %
Customer data theft	52 %	49 %
Ransomware	31 %	44 %
DDOS attacks	31 %	38 %

Leading from the front

Australian CEOs are more likely than their global counterparts to see mitigating cyber risk as an embedded part of their leadership role (94 percent vs 72 percent globally), but less likely to see it as a disruptive growth opportunity (59 percent vs 71 percent).

However, Australian leaders are more likely to see security as prompting innovation in products and services (69 percent vs 53 percent globally). And they are more conscious that the impact of cyber security investment should be tracked, with 50 percent saying that companies "need to be smarter" in tracking, vs 42 percent globally.

Human capital is seen as the key challenge in tackling cyber security (for 65 percent of Australian firms vs 47 percent globally).

"It is very good to see Australian CEOs stepping up to take responsibility for cyber security. There's definite recognition globally that investment and innovation in cyber security can encourage innovation across an organisation. But in Australia, even if cyber defences aren't seen as leading to direct ROI, the investment still need to be justified," Gordon Archibald said.

"The number one hurdle is finding qualified and experienced talent to both address the risks and grasp the opportunities, so it's important that industry, government and academia continue to work together to foster the Australian cyber security sector."

Sydney at the Centre of Booming Australian Fintech Industry

The report, Scaling the Fintech Opportunity: For Sydney and Australia, finds that the number of Fintech startups in Australia has increased from less than 100 in 2014 to 579 companies today, with around 60 percent of all Fintech companies basing themselves in Sydney. Launched today at a special event at by NSW Minister for Trade and Industry, the Hon. Niall Blair.

Fintech is by-and-large driven by local companies, with 512 Australian and 67 offshore companies operating locally. The range of sectors has also diversified substantially, with 10 Fintech categories having more than 20 Fintechs operating locally. The two largest sectors by number of Fintech companies and capital investment are payments (128 companies) and lending (80 companies), with substantial growth in both categories. Payments is expected to continue its growth, with the New Payments Platform going live in 2018, as Fintech companies, locally and globally, seek to benefit from this new national infrastructure. Wealthtech (78 companies) ranks third highest for number of companies and has also continued to grow, reflecting the sophisticated state of our financial services industry.

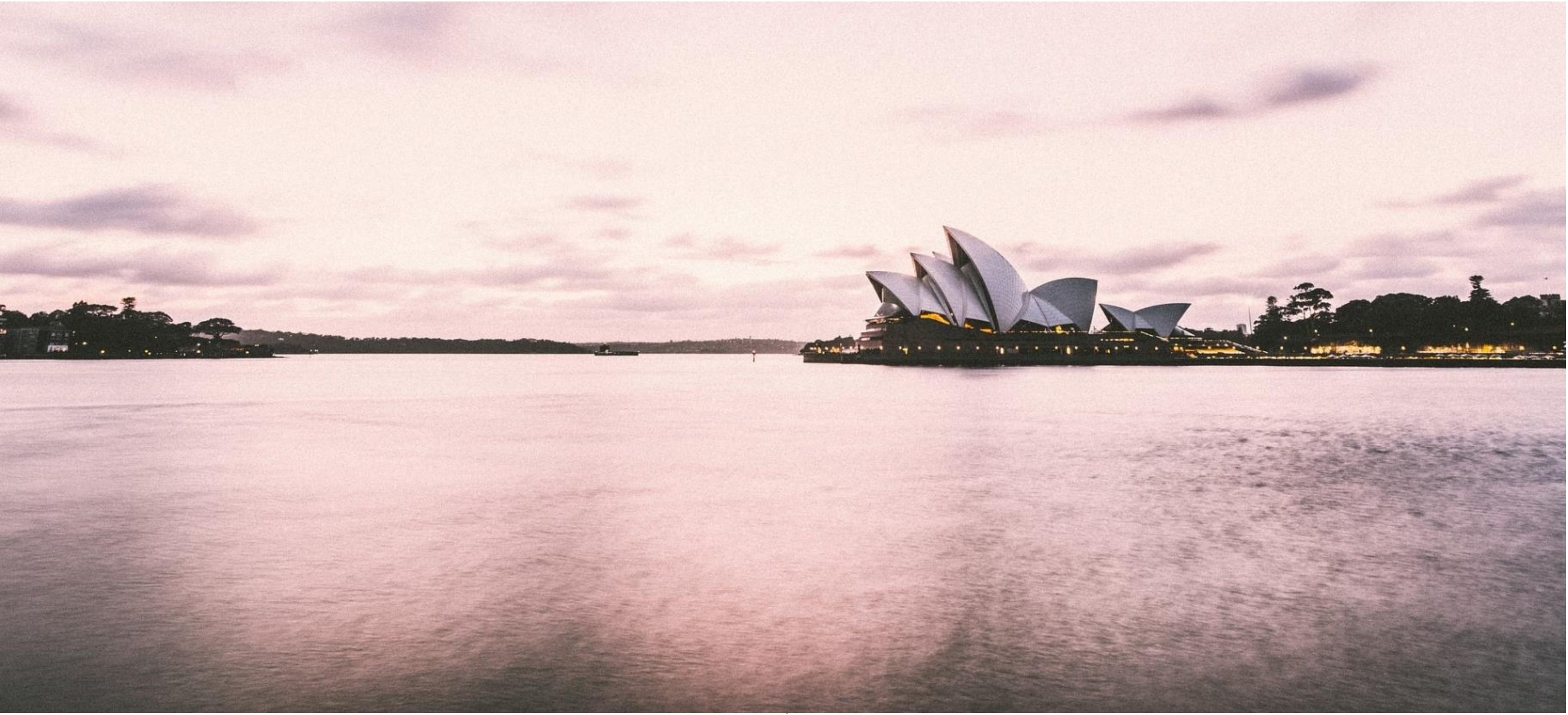
Australian Fintech investment has remained strong with $US675 million invested across 25 deals in 2016 and Sydney has been the major recipient of Fintech venture capital investment at $US171 million between 2014 and 2016. This is despite an overall global decline in investment in the Fintech sector.

However, the report finds that the Australian sector faces threats from international tech giants and disruptive startups entering financial services. Also, regulatory challenges continue to stifle innovation and have the potential to create uneven playing fields for incumbents, startups and tech giants alike. Sydney, and Australia more broadly, doesn't yet have a clear business brand for Fintech and beyond our quality of lifestyle there is a lack of clear incentive for international talent to come to Sydney to start a business.

Fintech covers a broad church of financial technology and is synonymous with the emerging financial services sector of the 21st century. Originally, the term referred to technology applied to the back-end of established consumer and trade financial institutions. Over the past decade, the term has expanded to include any technological innovation in the financial sector, including innovations in financial literacy and education, retail banking, investment as well as crypto-currencies like bitcoin.

Other key findings of the report include:

- Australia has potential to lead the world in areas of fintech innovations such as Payments, Regtech and Blockchain.
- Government policy, support and vision plays a critical role in the growth of fintech, especially in regards to the ongoing development of the regulatory environment and development of skills and talent attraction.
- Although London is seen as the clear global leader there is an opportunity for Sydney to become the Fintech hub of Asia.
- Evolving consumer trends for fintech in Australia show an increasing demand for faster, more convenient and accessible finance and payment services that are embedded into



people's lifestyle and experiences, such as buying a home.

- The report has been produced by the think tank, Committee for Sydney, in its role as coordinator of the Financial Services Knowledge Hub in partnership with KPMG and supported by the NSW Department for Industry. It examines improvements that have been made or initiatives that have been implemented, since 2014 and identifies any areas that need to be addressed to enable Sydney to become a strong and prosperous Fintech ecosystem.

Tim Williams, Chief Executive of the Committee for Sydney said: "Internationally Sydney's financial services sector has been benchmarked and is rising. Apart from its sheer quantum – Sydney's financial services sector creates 9 percent of national GDP and is bigger in scale than the financial services sector in either Hong Kong or Singapore – a key element in its emerging global reputation is the speedy progress we have made in Fintech in Sydney. This report reflects on that progress, the key factors behind it and what interventions or policies may be required to sustain or indeed increase the momentum".

Ian Pollari, Head of Banking Sector, Sydney, KPMG Australia said: "The findings underscore the substantial growth that the fintech sector has seen in Australia over the past 3 years, as reflected in both the increasing numbers of Fintechs operating locally, as well as the level of investment they have attracted. The challenge now is to see the more mature players scale their businesses, locally and internationally. The report also highlights the active nature of many Australian financial institutions in proactively responding to the threats and opportunities of digital disruption, and are doing so through a variety of 'build, buy and partner' initiatives".

5 Ways to Boost Engagement and Productivity in the Office

(BPT) – Step into the office of the future on the first day of work, and the things that you expect in a traditional workplace are not going to happen here.

There’s no landline, no file cabinet, no bulletin board. The employee is never taken to an assigned cubicle. In fact, it’s highly unlikely that employees will spend much of their day in the same chair.

The forward-looking workplace design discards all the usual trappings of the traditional office that lock employees into physical departments with seating arrangements, moving toward an open design. While perks such as catered lunches and ping pong tables are getting attention for changing workplace culture, it’s actually the power of technology that is quietly transforming the way we work.

Technology is a tool that gives us a fluid and flexible use of time and space, changing how people get the job done.

“Eventually, the open digital workspace design will not be simply nice to have, it’s becoming more and more expected. It’s going to become mandatory if you want to attract top talent,” says Donna Kimmel, the senior vice president and chief people officer of Citrix.

Welcome to the era of the open workspace, where people can work and collaborate anywhere in the office, wherever they need to be. What do these modern workspaces look like? These are the five traits they have in common:

They ditch the cubicle farm: It’s no longer necessary to spend the day alone in a cubicle rooted to one spot for access to a desktop computer or landline phone. Today, you can easily and securely access, store and share your information from anywhere whether you’re on your laptop, tablet or mobile phone. Without the need for space-wasting cubicles, your building space needs are reduced, in some cases up to 50 percent. And a collaborative environment is created when walls are torn down and open seating arrangements invite conversation and brainstorming.

They accommodate work needs: Because technology frees knowledge workers from being rooted to a single cubicle, the new way is to offer an entire floor of flexible workspaces that accommodate various needs and styles. For example, one day an engineer could be working at a long table with fellow engineers, vendors and a project manager. The following week, that engineer might duck into a small privacy room for a marathon session of focused work.

They invite collaboration: Unlike the traditional cubicle farm, a flexible workspace sends a different message to the team. It invites conversation and innovative ideas by actively engaging with colleagues throughout the day, rather than rushing through a meeting agenda and hustling out.

They increase employee engagement and productivity: Flexible workspaces send a message that employees are entrusted to do their jobs wherever they feel most productive. Great leaders know and understand that their actions speak louder than words. Things like corporate policies and company culture send powerful messages to employees about how they are seen in the organization. With feelings of increased autonomy and trust often come increased levels of employee engagement. Once they have autonomy, the magic starts happening.

"… The data tells us — greater autonomy leads to better engagement, better engagement leads to greater productivity, which leads to better bottom-line results," says Amy Haworth, director, organizational readiness at Citrix.

They embrace BYOD: That is, bring your own device. Sure, many employers may still provide hardware, but as workspaces become more flexible with a burgeoning work-anywhere ethos, employees simply wish to access their work platforms using their own laptops, tablets and mobile devices.

Luckily, it is now much easier to give employees seamless access to documents and networks safely — without draconian security measures to slow connections and processing speed. And as information, applications and work resources move to the cloud, businesses can securely deliver them to any device that has a secure network connection.

For example, Citrix offers a suite of solutions, including Citrix Cloud, XenApp, XenDesktop and ShareFile that makes BYOD secure without sacrificing user experience. If you are interested in learning more, visit **citrix.com/products/**.

The benefits of the redesigned workspace are numerous, says Kimmel.

"They break down barriers between managers, employees and departments. The increased, casual encounters make it easy to approach others to ask questions, make suggestions and solve problems," says Kimmel. "As a result, work gets done more quickly, and employees and managers alike report higher productivity.

"In the end, employees report greater satisfaction, which leads them to stay with a company longer."

Parliamentary Inquiry on Whistleblowers

The reward system that has been proposed by the Parliamentary Committee is a positive step forward – but is very different to the typical US-style bounty system, and anyone expecting a bounty bonanza may need to temper their expectations. Any reward payable under the proposed system is likely to be much more modest that the large payments we've seen in the US.

Firstly, the reward would be a proportion of the penalty imposed against the whistleblower's employer, and currently the penalties here in Australia are far lower than those in the US. And secondly, the proposed system would include a 'cap' on the maximum reward available to a whistleblower.

The proposals cleverly retain many of the advantages of a rewards system whilst including strict criteria to be considered that will likely result in Australia avoiding many of the negative consequences attributed to a US-style system.

They believe this will result in more whistleblowers coming forward, as well as motivating organisations to take whistleblower protection more seriously and improve their internal programs.

However, KPMG is very caution that care needs to be taken in the drafting of the legislation. The legislation should encourage whistleblowers to report through internal reporting mechanisms in the first instance. Bypassing internal reporting mechanisms and going direct to a regulator is not an efficient use of public resources and has the potential to actually detract from the regulators' ability to focus on the most serious breaches. They believe that whistleblowing should continue to be primarily a public good in the first instance, and personal gain should be secondary."

When people think of a reward system they tend to think about the US-style Dodd-Frank bounty system which provides uncapped rewards to whistleblowers and has a very broad focus. There has been heated debate about the ethical issues this type of a system would pose, the litigious culture it may create, and the concept has been deemed 'unAustralian' by some. KPMG has not supported a US-style bounty system, along with many of the other parties who submitted to the Inquiry.

But the reward system proposed by the Committee is a very different proposition to the US style system.

It places a cap on the reward available to a whistleblower and would require a very strict set of criteria to be considered in determining the reward payment. For example:

- the degree to which the whistleblower's information led to the imposition of the penalty
- the timeliness with which the disclosure was made; and
- whether there was an appropriate and accessible internal whistleblowing procedure within the company that the whistleblower felt comfortable to access without reprisal.

Other criteria that would be taken into account includes:

- whether the whistleblower disclosed the protected matter to the media without disclosing the matter to an Australian law enforcement agency, or did, but did not provide the agency with adequate time to investigate the issue before disclosing to the media
- whether the whistleblower received any compensation for adverse action taken against them by their employer (as well as any stipend provided by the Whistleblower Protection Authority); and
- any involvement by the whistleblower in the conduct for which the penalty was imposed, noting that immunity from prosecution (seeking a reduced penalty against the whistleblower etc.) is dealt with by separate processes and that a reward would be regarded as a proceed of crime – if the whistleblower had been involved in criminal conduct (i.e. immunity or reduced penalty, not the reward, is the benefit and incentive).

Any reward payable under the proposed system is likely to be much more modest that the large payments we've seen in the US.

First, the reward would be a proportion of the penalty imposed against the whistleblower's employer, and currently the penalties here in Australia are far lower than those in the US.

Second, the proposes system would include a 'cap' on the maximum reward available to a whistleblower.

And of course, the reward would only be an option when the allegations are investigated, founded and a penalty is imposed on the wrongdoer

Regional Office and Branch News

Australia

Prof Nava Subramanium, CMA, organised a Professional Forum titled *'Management Accounting goes Digital: Will the move make it wiser?'* by Professor Paolo Quattrone, on Wednesday 20th September at the *Governance, Accountability and Law Centre* at RMIT University. It was well attended by ICMA acade*mics including Prof Janek Ratnatunga, ICMA CEO and Prof Brendan O'Connell, ICMA President.*

Standing Left to Right: Dr. Dina Wahyuni; Prof Janek Ratnatunga, ICMA CEO, Prof Brendan O'Connell, ICMA President and Prof Nava Subramanium, CMA.

Another event in Australia was a talk given by Professor Janek Ratnatunga on '*Sustainable Cost Accounting'* to the Melbourne Chapter of the *Institute of Chartered Accountants of India* on 23rd September. There was much discussion by the participants. Dr Chris D'Souza, the ICMA COO also gave a talk on the benefits of taking ICMA membership.

Sri Lanka

Students undertaking the Manufacturing & Marketing Simulation Game

In July 2017, the 27th program was conducted by Professor Janek Ratnatunga at the Kingsbury Hotel in Colombo Sri Lanka. The program is offered exclusively by the *Academy of Finance*, in Sri Lanka. Over 65 senior managers including CEOs and CFOs from all sectors of the Sri Lankan economy attended this program held over 7-days.

Students celebrating with Professor Janek Ratnatunga after the gruelling 7-days of the intensive CMA program.

Professor Janek Ratnatunga, CEO of ICMA Australia conducted the seminars. These seminars are reputed to not only impart 'World-Class' knowledge; but also enable participants to apply this knowledge immediately in practice.

Official photograph of the participants with Professor Janek Ratnatunga, CEO of ICMA, Australia; and Mr Kapila Dodamgoda, Regional Director of ICMA in Sri Lanka

Indonesia

The *Centre for SMART*, the Regional Office for Central Java, Special Region (Yogyakarta & Sulawesi) organised a *Certified Business Valuer* (CBV) CPD program, as well as a 7-day CMA program in August 2017 in Solo, Indonesia. Dr. Intiyas Utami, CMA, the Regional Director was the principal organiser, and Professor Janek Ratnatunga, ICMA CEO was the chief resource person from Australia.

In addition to Prof Janek Ratnatunga, the other resource persons conducting the CMA course were Dr. Basuki, CMA; Dr. Noorlalile Soewarno and Prof Dr. Bambang Tjahjadi.

Students with Prof Dr. Bambang Tjahjadi, ICMA Management Accounting Hall of Fame Inductee in 2016; who was also one of the CMA Program Facilitators.

In other Indonesian activities, Dr. Ana Sopanah, the Regional director for East Java attended the *Indonesian Institute of Accountants National Conference (SNA)*. A number of other CMA members also attended.

Pictured are: Dr Ana Sopanah, ICMA Regional Director East Java; Prof Eko Ganis: Prof Sidharta Utama, ICMA Accounting Hall of Fame Inductee 2016; Prof Unti; Prof Grahita, and Dr. Puji Handayati, CMA.

Cambodia

Dr Ruwan Hulugalle, ICMA Cambodia Regional Director, is busy preparing for ICMA's October activities in Phnom Penh (CMA intensive course, a Project Management Certificate of Proficiency course, and a Gala Dinner. A charity element has been added to the Gala Dinner as the Regional Office is looking to raise funds for a rural school in Cambodia through the dinner, which will be a much needed CSR activity for ICMA in Cambodia.

Dr Ruwan is hoping he can get some regional participation at the Gala dinner. He hopes to will grow the regional concept further as the Mekong region programs get further underway which will be an added benefit to ICMA Australia membership (i.e. Regional networking). The updated invitation is shown below:

Iran

The first CMA introduction seminar was held to a group of approximately 120 professionals from different industries who registered to hear about ICMA Australia. The event was organised by the *Segal Training Institute* and Mr. Alireza Najjar Sarraf, CMA, the Regional Director, and held on Thursday Sep. 28.

Dr. Aziz Alivar, CMA, of the Technical Committee of *Iranian Association of Certified Public Accountants,* delivered a keynote speech on management accounting which was followed by Mr. Sarraf introducing the CMA professional designation and addressing the various questions.

A composite of the pictures taken at the event is seen below.

What's On in the World of the CMA?

- October 12-15, and 20-22, 2017: Airlangga University CMA Preparatory Program, Surabaya, Indonesia.
- October 14-16, and 20-23, 2017: 4th CMA Preparatory Program, Ruwan Hulugalle and Company, Phnom Penh, Cambodia.
- October 19th, 2017: Accounting Hall of Fame & Management Accounting Hall of Fame Awards 2017, Cambodia.
- November 2, 2017: Accounting Hall of Fame & Management Accounting Hall of Fame Awards 2017, Sri Lanka.
- November 11-18, 2017: 22nd CMA Preparatory Program, SMART Education Group, Dubai, UAE.
- November 28, 2017: Frontiers of Accounting held at Macquarie University Sydney, NSW.
- November 29, 2017: Accounting Hall of Fame & Management Accounting Hall of Fame Awards Dinner 2017, Melbourne, Australia.
- December 6, 2017: Frontiers of Accounting 2017 and Accounting Hall of Fame & Management Accounting Hall of Fame Awards 2017, Indonesia, organised by ICMA Indonesia Branch.
- December 9, 2017: Frontiers of Accounting 2017 and Accounting Hall of Fame & Management Accounting Hall of Fame Awards 2017, Philippines, organised by ICMA Philippines Regional Office.
- December 11, 2017: Frontiers of Accounting 2017 and Accounting Hall of Fame & Management Accounting Hall of Fame Awards 2017, Hong Kong, organised by ICMA Greater China Regional Office.
- January 15-18 2018. Certified Global Business analyst (CGBA) at MultiMedia University, Cyberjaya, Malaysia.
- January 19 2018. Accounting Hall of Fame & Management Accounting Hall of Fame Awards Inaugural Awards, Malaysia.
- February 17-25, 2018: CMA Preparatory Program, Academy of Finance, Colombo, Sri Lanka
- February 22-28, 2018: 1st CMA Preparatory Program in Abu Dhabi, SMART Education Group, UAE.

Private Providers

Wharton Institute of Technology and Science (WITS), Australia

Academy of Finance, Sri Lanka

IPMI (Indonesian Institute for Management Development), Indonesia

Multimedia College (MMC), Malaysia

Business Sense, Inc. Philippines

HBS for Certification and Training, Lebanon

SMART Education Group (UAE)

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

Bhandal (Pvt) Ltd, Pakistan

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