

# ON TARGET

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Certified  
Management  
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WISHING  
YOU  
HAPPY  
HOLIDAYS!



# CEO Message

## Reports Presented at AGM 2017

An Annual General Meeting of the Institute was held on 5 October 2017 at CMA House Clayton

### **President's Report at AGM 2017**

The Global President of ICMA, *Prof Brendan O'Connell* reported that the Institute is now on its 21st year, having been incorporated in 1996. To celebrate its 20<sup>th</sup> Anniversary, a number of special celebrations were organised in Australia and by the Regional Offices in their respective countries. A cornerstone of these celebrations was the induction of outstanding individuals in the Australia, U.A.E. Cambodia, Indonesia, Philippines, China and Vietnam Regions to the Accounting Hall of Fame<sup>®</sup> and the Management Accounting Hall of Fame<sup>®</sup>. The President, the CEO, and the CFO, travelled to these regions, giving talks at symposiums and handing out the awards. The profiles of awards winners can be seen on the website:

<http://accountinghalloffame.org>

The ICMA also published a *20th Anniversary Yearbook*, with articles such as:

- "The History of the Management Accounting Profession in Australia";
- "The ICMA: 20 Years of Achievement" and
- "Foundation President's Reminiscences".

Also included was the history of all the Regional Offices with photographs of events in each of the international locations. This will be an important historical document for future researchers.

Another successful event to celebrate the 20<sup>th</sup> Anniversary was a symposium in titled *'The Frontiers of Accounting'* that was jointly sponsored by La Trobe University and held in Melbourne, on 28th November 2016. The speakers were leading academics and professionals who were specifically asked to provide their views on specific frontier areas of financial reporting, management accounting, governance and sustainability. There were about 100 participants who attended from Australia and overseas, and as the feedback was very positive, there was much enthusiasm to hold such a symposium every year.

As such, the *'The Frontiers of Accounting 2017'* symposium will be held in association with Macquarie University, on Nov 28 2017, in Sydney Australia. Some of the key papers that will be delivered in Sydney are as follows:



**Prof Janek Ratnatunga CEO, ICMA Australia**

- *"Digital Disruption and the Accountant"*; Mr. Luke Austin, CFO at Huawei Australia
- *"Frontiers of Financial Reporting: Global Convergence"*; Prof Chris Patel, Macquarie University
- *"Disruptive Budgeting in the Digital Era"*; Mr. Aubrey Joachim, Management Accounting Practitioner
- *"Sustainable Cost Accounting: Air, Water and Food"*; Prof Janek Ratnatunga, CEO ICMA
- *"Social and Environmental Accounting: Looking Beyond our Own Boundaries"*; Prof Carol Tilt, University of South Australia
- *"Governance in Member Based Organisations: A New Frontier?"*; Prof Brendan O'Connell, RMIT University
- *"Re-engineering the Management Accounting Curriculum"*; Associate Professor Sophia Su, Macquarie University.

The President reported that the 2017 Hall of Fame and Symposium program will be as follows:

- Cambodia: Intercontinental Hotel, Phnom Penh, Oct 19
- Sri Lanka: Hilton Residencies, Colombo, Nov 2
- UAE: Dubai, Nov 17
- Indonesia: Jakarta Stock Exchange: Dec 6
- Philippines Manila, Dec 9
- Greater China: Hong Kong, Dec 11

In all of the above events, Regional inductees to the Hall of Fame will be formally recognised.

The other activities that the ICMA was involved in the Year

- *Skilled Occupation List (SOL)*:
- Over the past year the Institute was successful in canvassing for the role of 'Management Accountant' to be maintained for a eighth year in the Australian Government's SOL for General Skilled Migration (GSM).

### *Lifting the Institute's Profile in Australia*

- Whilst the Institute is well recognised in its overseas markets, it is still not as recognised as it should be in Australia. As such a number of initiatives were undertaken by the Council to lift its profile in Australia.
- A personal email from the President to all Heads of Accounting Departments in Australian Universities, re-introducing the ICMA, with a copy of the Yearbook;
- The Flyers for the Frontiers of Accounting seminars sent to all Australian Academics inviting them to attend;
- The Patrons and CEO taking a high-profile position on the issues of a lack of transparency and governance in at CPA Australia;
- Taking Newspaper Advertisements in the Australian and the AFR, spelling out that ICMA Council members provide their services voluntarily, and that only the CEO's company is paid a small retainer for the use of his time.

### *Publications:*

- The eNewsletter On Target continued to be published and the web-analytics indicates that it gets on average 2,000 visits and 3,000 page views per month.
- The ICMA changed the name of its world-class academic research journal, the *Journal of Applied Management Accounting Research (JAMAR)*, to *Management Accounting Frontiers (MAF)*. It is hoped that two issues will be published in a year in both print and online modes, starting from the December 2017 issue.

*Computing and IT:* Major IT projects were successfully completed in the year.

- The move of cmawebline.org to the cloud
- the move from the Netsuite CRM to CivicCRM
- The introduction of on-line membership payments.

### *Research & Library:*

- Research and professional development also continued in the two organizations set up by the ICMA: (1) *The Institute of Certified Carbon Analysts and Auditors (ICCAA)* and (2) *The Institute for the Advancement of Corporate Reporting and Assurance (IACRA)*.
- The Library now has over 12,000 texts and professional and academic publications, and has now one of the best libraries in Australia in the professional areas of management accounting and risk management.

### *Constitution:*

- This was revised in keeping with the changing needs of ICMA
- Changes ratified at the AGM last year were confirmed
- Further changes were tabled and ratified at this AGM.

### *Appointment of a Chief Operating Officer (COO)*

- The Council took on the recommendations of a strategy document and appointed a COO in March 2017
- This role was filled by the Hon. Treasurer and CFO, Dr Chris D'Souza, who will also continue his honorary roles

### *Membership Services:*

- Providing Continuing Professional Education (CPE) to members via *Calwest University* in the USA and the *Academy of Finance and Management Australia*.
- Maintaining the corporate website that was in keeping with the enhanced international profile of ICMA
- Designing and maintaining a Member's Only area on the website.
- Publishing 6 copies of the On Target eNewsletter.
- Increasing the holdings of the Library by over 200 texts and professional and academic publications during the year.
- Having a World-Class Customer Relationship Management (CRM) system to handle the membership, invoicing, examinations and accounts.
- Conducting Examinations in all Branch locations and in over 20 countries where students undertake the CMA program online.
- Setting up an ICMA Blog, with links to social media channels
- Continuing with the links to CEO Institute for Member

### **Membership Report**

The Membership Committee Chairman John Donald reported that CMA had a +30% increase in CMAs (2% increase previous year); a +28% increase in professional memberships (+10% in the previous year), and an overall membership growth of +25% (+13% last year). The new Membership Designation of CGBA now has 70 members.

Although membership growth is not a KPI of ICMA, which instead aims for quality by positioning itself as the only specialist professional body for senior executives with education programs at the master's degree level, members represent the lifeblood of the Institute.

The overall membership of the ICMA now stands at approximately 6,754 members in 53 countries, and over 10,000 member inclusive of students.

### **Education Report**

Prof Janek Ratnatunga, the Education Committee chairman provided an overview of the Education Program of CMA Australia:

The Program has Nine Levels:

- Certified Accounting Technician (CAT)
- Registered Cost Accountant (RCA)
- Registered Business Accountant (RBA)

- Graduate Program (For School Leavers) – GMA & AMA
- Graduate Conversion Program (For Non-Accounting Graduates/ Professionals) – GMA& AMA
- CMA Program (For Accounting Graduates/Professionals) – CMA
- CGBA – For Non-Accounting Graduates
- MBA, CMA program for Global Leaders
- DBA, CMA program for Applied Research

The Program can be undertaken via:

- University Degree (Undergraduate/Masters)
- Recognised Provider Institution
- Corporate In-House

Prof Ratnatunga also reported that to facilitate its educational objectives in addition to its own nine-level CMA education program, the Institute has accredited a number of universities which have master's degree subjects that are equivalent to the CMA program. Some of these universities also provide in-house training and examinations of the CMA program. Accounting graduates can do CMA accredited units at these universities to qualify for CMA status. The details of these universities and the subjects accredited are listed on the CMA Website.

CMA Australia also has *Recognised providers* in Australia and in many different countries the details of which are listed on our website.

#### *Certificates of Proficiency*

The following *Certificates of Proficiency* Programs were designed and offered in 2017.

- International Financial Reporting Standards
- Risk Management
- Islamic Banking and Finance
- Family Business.
- Foreign Exchange Management
- Transport and Shipping
- Supply Chain Management
- Project Management
- Takaful (Islamic) Insurance
- International Business
- International Business Analysis
- Logistics Management
- Wealth Management
- Telecommunications Pricing
- Company Secretarial Practice

- Crisis Management
- Forensic Accounting and Auditing
- Sustainable Procurement
- Cross-Cultural Negotiations
- Performance Budgeting
- VAT Law & Practice (UAE)
- Performance and Valuation
- Accounting Practice (Vietnam)

#### *Membership Pathways*

The Institute of Certified Management Accountant (ICMA) offers a number of *membership pathways* as follows:

- University Graduates in Accounting
- University Graduates in Finance
- MBA Degree Holders
- University Graduates with Non-Accounting Degrees
- Diploma and Advanced Diploma Holders in Accounting
- Members of Other Professional Accounting Bodies
- Members of Other Professional Non-Accounting Bodies
- Part Qualified Students of Other Professional Accounting Bodies
- School Leavers
- Academics
- Distance Education Scholarship Program
- Emerging Professional Scholarship Program

#### *Treasurer's Report*

The Financial statements of the Institute were distributed to all members present and discussed. The Treasurer, Dr. Chris D'Souza then discussed the accounts in detail. The overall financial performance was strong with an operating surplus of \$56,000 and an accumulated surplus of \$ 855,000 and Term Deposits of over 1 million dollars (including subscriptions in advance).

Warm Regards,

**Professor Janek Ratnatunga, CMA, CGBA**

**CEO, ICMA Australia**

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

# Chintan Bharwada Appointed as Head of Business Development

The Institute of Certified Management Accountants, Australia has appointed Chintan Bharwada as Head of Business Development, as it continues its period of sustained new member growth in Australia and overseas.

Leading a team of on-shore and off-shore staff, Chintan steps into the role effective immediately, reporting directly to CMA Australia's CEO, Prof Janek Ratnatunga who was the former Head of Department and Chair of Business Accounting, Monash University and former Dean of Commerce School at University of South Australia.

Says Prof Ratnatunga: *"Chintan has had some impressive experience in education business development both in Australia and internationally. He loves the business of creativity, and understands what the institute need and want. Beyond that Chintan is a good bloke and possesses great network across industries, this makes him fit into the CMA Australia's management team perfectly. I have no doubt CMA Australia will continue to go from strength to strength under his leadership."*

An experienced strategic thinker in education business development, MBA from Monash University in Melbourne, Chintan has previously worked with South Australian Government, and Austrade, where he was a member of the team and led major business development initiatives, including strategic partnerships, planning and executing large scale minister-led business missions, and new business modelling.

Prior to that, Chintan worked at CPA Australia and La Trobe University, where he delivered on industry engagement, member acquisition and retention initiatives.

Says Chintan: *"I'm excited to be joining CMA Australia to head up the business development function at such an important moment in the institute's history. The Institute of Certified Management Accountants has a formidable reputation in this market built on its high standards, depth of academic networks and enviable international acceptance. ICMA's flagship CMA program is the only specialist management accounting and business analysis qualification pitched at the post-graduate level. Along with the existing leadership team, my hope is to build on this legacy as we evolve our industry engagement, dynamic culture and ideas to meet the future needs of the management accounting profession."*

The Institute of Certified Management Accountants, Australia is committed to excellence in financial governance and make a positive impact on society and the economy through strategic financial education, management accounting development and advocacy. Alongside Australia, the Institute's flagship post graduate Certified Management Accountant program is offered in Malaysia, Sri Lanka, Cambodia, China, HK, Cyprus, Philippines, India, Indonesia, Iran, GCC, Papua New Guinea and Vietnam.



**Dr Chintan Bharwada,  
Head of Business Development**

# Global Accounting & Management Accounting Hall of Fame Malaysia Celebration

18 JAN 2018 @ KUALA LUMPUR

TIME: 6.30PM TO 9.30PM

SUPPORTED BY:



## The Institute of Certified Management Accountants, Australia will have the inaugural Global Accounting & Management Accounting Hall of Fame Induction Ceremony in Kuala Lumpur, Malaysia

Four high profile Accounting professionals from business and academia will be inducted to the Global Accounting and Management Accounting Hall of Fame in recognition of a lifetime of achievement and significant contribution to the profession in Malaysia

### Special Welcome:



**Mr Daniel Havas**  
Minister Counsellor (Commercial) and Senior Trade & Investment Commissioner (Malaysia and Brunei),  
Australian Trade and Investment Commission

### Professional Presentations:



**Prof Brendan O'Connell**  
*President of ICMA Australia and Prof of Accounting, RMIT University will speak on:*  
**Anti-Money Laundering Legislations and CFO Responsibilities**



**Prof Janek Ratnatunga**  
*CEO of ICMA Australia will speak on:*  
**Sustainable Cost Accounting: Air, Water and Food**



### Global Accounting & Management Accounting Hall of Fame

The Australian Selection Committee that confirmed the nominations comprised of the founder members of ICMA:

**Mr William Dix, AO**

Former Chairman of Ford Australia and Qantas;

**Professor John Miller, AO**

Former President of the Confederation of Asian and Pacific Accountants (CAPA) and

**Professor Janek Ratnatunga**

Former Chair of Business Accounting, Monash University; and CEO of ICMA Australia

**Dr. Ridzwan Bakar FCMA**

ICMA Malaysian Representative

**Event Cost: Free**

**Drinks and canapés will be served**

**Dress Code: Formal**

**Last Date for RSVP: 10 Jan 2018**

**RSVP: [Click Here](#)**

# Bean Counter or Being Counted? CFOs in the Public Sector

**What does it take to be an effective CFO in the public sector? And what can finance professionals do to have more strategic impact? Mandarin associate publisher James Judge talks to some CFOs (on and off the record) to get the answers.**

In most government agencies, the strategic objectives of the organisation are set out in the corporate plan. The role of finance is to help the executive as a whole make informed decisions about how to reach those objectives and monitor how resource allocations are performing. The approach and mindset of a CFO is critical in meeting these responsibilities — especially in moving from a reactive mindset to a more strategic one.

Living on appropriations, the minimum a public-sector CFO should do is to budget resources to the allocation and when something changes, react to that change. It is here that valuable lessons can be learnt from the private sector, where a CFO needs to focus their attention on how to realise efficiencies to maximise shareholder value or respond to competitors. In this paradigm, a CFO needs to be making recommendation as to where money should be invested up front to realise gains, not merely react to events.

For those agencies where the impacts of services delivered are less obvious (in terms of measuring outcomes) it may be a bit more difficult to evaluate improvements or efficiencies, but CFOs can and

should play a role in not only counting results — but also in making results happen.

## Is it fair to compare government to business?

Governments are in the business of income redistribution. If this seems a strong claim, consider the amount of revenue collected by government that is paid back to the community by way of subsidies and transfer payments.

Despite the absence of a profit motive for most agencies, it's practical in some ways to compare them to private sector organisations. There may be no imperative to return realised efficiencies as dividends, but genuine improvements can result in adding tremendous value to the public — whether that's by way of better health or education outcomes, or more efficient payment or collection systems.

*“Irrespective of hierarchies, good CFOs need to be agitators — making business cases, championing efficiencies and suggesting improvements.”*

Agencies also hire employees. Better decisions around resourcing can make tangible, positive differences to the lives of the two million Australians who now work in government.



### Working with other executives

While many senior executives in government have a policy background, for agencies that have an operational focus, structure can present another real challenge for CFOs. A comparison with the private sector is again useful. In the private sector a CEO is usually surrounded by the CIO, COO, CFO and HRD, who tend to have an equal say in critical decisions impacting on the organisation. In many public sector agencies, the COO sits over the corporate function, not the actual business, and a CFO won't necessarily have the same influence as they are afforded in the private sector.

Unfortunately finance is often treated by other senior public servants in the same way human resources can be treated. Both are often asked to explain what the rules are. In an approach to finance that is truly strategic, the question asked is 'how can we do things differently to get the outcome?' — or perhaps 'how can we do things differently to get a better outcome?'

The policy-heavy background of most senior executives in government means they don't always understand how the finance team can play a role in crafting creative business solutions. In areas like procurement, finance professionals can have a positive role in not only evaluating purchases, but looking at the costs and benefits accrued across life-cycle. One CFO I spoke to suggested that IT tend to run their own procurement processes and were prone to be captivated by the polished sales pitch for the next bright shiny thing.

Even a decision to move people from one part of an organisation to another has implications where finance can add value. A more strategic approach here asks CFOs to not only think about money, but the entire resources of an agency, including people and technology. A truly adept CFO will thus consider how they can foster collaboration, working with IT and HR to plan and implement decisions.

It's not enough to observe the formal reporting relationships of an organisation. Irrespective of hierarchies, good CFOs need to be agitators — making business cases, championing efficiencies and suggesting improvements.

### The role of technology

With advances in data analytics, a lot of financial accounting can now be done with accounting packages, potentially freeing up finance teams from more routine tasks. This means an increased emphasis can be directed to what the figures really mean.

Lynton Norris, formerly director of budget management and funding for the Victorian Health Department and now CEO of the National Health Funding Body (an agency that administers

approximately \$ 1 billion in payments to hospitals each week) points out that:

*"...there is now so much information to hand that at least half the role of a CFO should be devoted to interpreting and analysing the data, forming insights, and using these to advise on strategy and drive effective outcomes."*

Improvements in technology and AI will also mean transactional and compliance functions will need fewer staff. This has ramifications for the skill sets of financial professionals moving forward. While the need to read a balance sheet or a profit and loss statement will never vanish, problem solving skills, negotiating prowess and great communications skills will become increasingly important. Finance professionals of the future will need to understand what the metrics show, craft options to improve upon them, argue the case for change with their peers, rally and motivate their staff and then effectively communicate decisions throughout their agency.

### Building the team

One senior executive I spoke to commented that when he first moved into government, he was shocked at the number of



unqualified people working in finance. This may be changing over time but at all levels and across jurisdictions it's reported that there isn't the formalised attention to continued professional development in the same way that is done in large, private sector organisations.

*"People can see and understand the need to do new things, but not so much how can we stop doing existing things that are no longer really necessary or are low priority activities."*

Although most agencies offer both external and internal training opportunities, finance executives may need to think creatively to ensure that learning is achieved for their staff through on the job opportunities. In NSW, considerable work has been done through the establishment of a service-wide community of practice which has now been operating for some years. This events-based group is focused on engaging, retaining and developing finance professionals (not just accounting roles) across state government and is sponsored by both the CPA and the CA.

Many senior finance professionals working in government report that they are treated as public servants who happen to have a particular qualification, not a collection of finance professionals who choose to work for government (which is how government CFOs overwhelmingly see themselves). In this respect, accountants face the same sort of challenges that other groups of professionals, like lawyers and engineers, encounter in the public sector.

### Doing less with less

A challenge raised by many CFOs is 'how do we do less with less'? This phraseology may seem perplexing for those who aren't working in finance, but is explained well by Austrade CFO Robert O'Meara.

*"People can see and understand the need to do new things, but not so much how can we stop doing existing things that are no longer really necessary or are low priority activities."*

A generally risk averse culture in government means that there are a lot of controls and checks — established ways of operating that present barriers to better ways of doing things. Some of these are essential, but many represent an accretion of practices built up over time that are no longer helpful or necessary.

The [Belcher Review](#) made recommendations for the Commonwealth regarding duplication and other inefficiencies, but there is still a lot of work to be done to implement or build on these in individual agencies. Those working in state government will have their own set of similar challenges. At whatever level of government, CFOs need to challenge a risk aversion mindset and create a culture where staff aren't solely focusing on 'what do I have to deliver today'?

Thinking critically about what can be outsourced is another option. A question such as whether it's optimal to have finance staff chasing

sundry debtors could result in a decision to find someone externally who specialises in that, put some robust KPIs around it and get some better management reporting around that process.

### Looking to the future

A lot of very qualified millennials coming out of university expect to be rapidly promoted to more senior positions. With 41 years in government John Roach, the CFO for NSW Health, makes the point that above and beyond qualifications, to succeed at senior levels, you need to have the awareness and understanding that everything you do will have an impact on staff and multiple stakeholders.

The need for CFOs to be on the front foot will increasingly be important. In areas where there are high levels of community expectation (as is often the case with government) you don't want to be facing surprises. Working in hospitals for instance, John relates that "...it's not enough to be 'one step' behind the director of clinical operations, you need to be 'in step' with them."

The introduction of more co-ordinated discussion in recent years between finance professionals, both within and across agencies, is something that is highly valued. Whole of government solutions can make a lot of sense, as can inter-jurisdictional lessons.

For those thinking of moving into a government CFO role, the position can be very rewarding — but all the CFOs I spoke to warned not to expect many breaks as the workload is constant. Because a great CFO should have a profound knowledge of the business, for those planning on going for a CFO role, it's probably worth considering some roles outside of finance.

Despite the challenges of the future and the changes being wrought by technology, it's certain that some things in government won't change. The best analysis and strategies put together by a CFO or an executive team will, from time to time, be subject to ministerial whims.

*This article was originally published in [The Mandarin](#).*

### About the author

[James Judge](#) is associate publisher – People & Capability – for The Mandarin. Based in Canberra, James has over 25 years experience working as a consultant and advisor across a range of employee relations and human resources fields. He is CEO of Australian Human Resource Professionals, a Member of the Resolution Institute (RI) and serves on the regional advisory committee of the Institute of Leaders and Managers.

# Australia's Top Companies Moving Towards Integrated Reporting, KPMG Survey Shows



The fourth edition of ASX 200 Corporate Reporting in Australia reveals a significant rise in companies moving away from just detailing past financial performance in their 2017 annual reports, to describing how their boards and management are working to create sustainable value for investors and other stakeholders.

The report also shows that over 75 percent of the ASX200 have 'cut the clutter' in their financial reports – removing immaterial information and restructuring reports to make them clearer to users. This is up from 58 percent a year ago.

Nick Ridehalgh, KPMG Lead Partner, Better Business Reporting said: "In 2017, we have seen steady progress in companies adopting the principles of integrated reporting – 25 percent, up from about 14 percent a year ago. There has been a groundswell of movement on this issue over the past 12 months including the AICD, who are now supporting adoption of the principles of integrated reporting, and Australian investors who, like their international counterparts, recognise the importance of integrated reporting in their capital allocation decisions. The G100 group of leading CFOs and ACSI understand the market and business opportunity, and are strongly in favour of companies adopting integrated reporting.

'Encouragingly, more companies are providing evidence of improved internal strategic alignment, and better

engagement with customers, employees and other stakeholders arising from integrated reporting. Globally, there has been substantial progress with 1,600 companies now adopting integrated reporting – Australia still has a long way to go, but the signs are definitely more positive now.

Under integrated reporting, companies provide more information on the broader health of the organisation and the challenges and opportunities it faces in the future, rather than focusing on analysing past financial results. This includes more focus on active governance, resource use and exposure, strategic performance, and management of material risk to create and preserve value. In traditional reports, the reader is often not given sufficient information to fully assess a company's ability to execute its strategy in the future, and so whether past earnings are likely to be sustainable in the medium to long term."

#### Details from the report:

- Over 50 percent of organisations have moved on from purely talking about financial position and performance, and are now also including narrative disclosure on non-financial performance. But mostly this is without specifically connecting it to strategy or strategic objectives – the leading reporters provide this connectivity and are also showing

performance against targets or budgets and using measurable KPIs.

- 78 percent include a high-level discussion of strategy, giving an idea of where the organisation is heading in the short and/or medium term. This year 12 percent of organisations disclosed specific objectives which underpin their high level strategies to give the reader insight into how they intend to deploy their strategy.
- 70 percent of organisations are now identifying their material business risks as well as explaining how they are being managed or mitigated, including 3 percent who are connecting the risks to their strategic objectives, key value drivers and future outlook throughout their report.

Nick Ridehalgh said: "While it is encouraging to see more Australian organisations moving towards adoption of the principles of integrated reporting, we are still behind many other major capital markets. In this report there are perspectives from leaders of companies and investment institutions on the benefits they have experienced in applying integrated reporting both within their organisations and with their key investors and other stakeholders. They see integrated reporting as driving clarity and alignment across the organisation of what is important to create and preserve longer term value – it is driving better business practices."

## What Does a Good Forecast Look Like?

“Does anyone in FP&A ever review the accuracy of their predictive financial models from time to time?” That’s the question I posed on LinkedIn recently, and it generated a surprisingly good discussion. It turns out that FP&A professionals generally care quite a lot about the accuracy of their forecasts.

One of the businesses I worked in was strongly linked to the travel industry. So, our business tended to fluctuate seasonally. But we never seemed to be able to get our P&L and volume forecasts right. It was low margin, high volume business. So, volumes made a big difference. It was so frustrating trying to predict the effect of Easter being early or late, public holidays, school holidays, and other factors like the economy, the weather, and exchange rates.

When we did variance analysis, the Managing Director would get frustrated with us sometimes, because sometimes the explanation for a variance would be that we’d neglected to include a factor in the forecast that we really should have known about (like having a different number of Saturdays in a month). And so, at one stage, we even looked at SPSS statistical modelling techniques as a way of helping.

I’m glad we didn’t go for computerised statistical modelling in the end. It was too expensive and I don’t think the end result would have been much more accurate. And even if it would have increased the accuracy of our forecasts, would that have helped us? Would it have led to different behaviour, different action plans?

### **Is the forecast wrong or the performance?**

One of the things that complicates the comparison of actual performance against forecast, is we’re talking about *performance*, not purely *experience*.



When we forecast the weather, naturally there is nothing that anyone can do to influence the outcome. It just happens. It's a forecast of *experience*. So, any variation between the weather we actually get, and the forecast, is due to the forecast being inaccurate. Improving weather forecast accuracy is all about understanding the factors that are affecting weather, and working out how to build them into a statistical model.

When we forecast *performance*, the one performing is supposed to be trying to influence the outcome. And then it becomes complicated and slightly circular.

For instance, a couple of years ago, if I was to predict that Usain Bolt would win all the 100m and 200m races he was to run in the next 2 years, you may have said that was a pretty reasonable forecast. However, as we all know, he lost the last 100m competition of his career. So, my forecast would have been wrong. But was that because of something wrong in my forecasting process? Or because of Bolt's performance? Or should my forecasting process have predicted that Bolt's performance would dip? Or was it less about Bolt's performance, and more about other competitors improving?

It's the same with business. When our sales turn out different to forecast, is that because our modelling wasn't sophisticated enough? Were we over optimistic? Or is it because the Marketing team have done really well or really badly? Are our sales people on a winning streak? Is our pricing wrong?

### Forecasts are always wrong

One person, who commented on the LinkedIn post I mentioned earlier, wondered "who should be blamed" for over predicting gross revenue, for example.

My position is that no-one should be "blamed" for not forecasting what actually happened, for two reasons:

Firstly, as I used to say to my FP&A team, "forecasts and budgets are always wrong". No one in the world is able to predict

what's going to happen with 100% accuracy.

And the main reason for making that rather obvious point is to stop ourselves from focusing the forecasting effort too heavily on the analysis and number crunching. We have to build the models and do the analysis, sure. That takes effort and time. But refining and refining and refining, working on the model the whole time, focusing on the number that comes out the end, without actually discussing the implications with the business, is missing the point.

And that's where my second reason comes in...

We have to remember the reasons why we do (P&L) forecasts:

1. To predict whether we are going to make the return that the shareholders want, so that we can start to take corrective action and/or manage the message;
2. To be confident that if conditions continue in the way that we assume/predict, we will still be able to afford the spending plans we have in mind;
3. To give managers an idea what is expected of them, on the basis of certain assumptions, in terms of business and revenue generation;
4. To give managers an avenue to tell Finance of any changes in their spending plans – these spending plans have an obvious effect on the P&L forecast, but they also may affect some of the assumptions for other parts of the forecast (e.g. advertising campaigns that are linked with discount plans and sales volume assumptions).

And we have to ask ourselves, would we fulfil these objectives any better if we were able to be predict the future with total accuracy? And to be honest, the answer is 'yes'. The better you can predict the future, the more confident you can be in planning, etc. And at one end of the scale, if it were possible to predict the future with perfect accuracy, we could give cast iron

guarantees to our shareholders, and have 100% confidence in carrying out the business plan. And that would mean a very successful business, with investors always willing to put more money in!

But the Pareto principle undoubtedly applies – we probably get 80% of the accuracy of our models from 20% of the effort we put in – so getting that last 20% of accuracy has therefore taken 5 times as much effort.



And actually, the other economic principle – the "law of diminishing returns" – comes into play as well. It gets harder and harder (more time consuming and more expensive) to get more accurate. So, to push past our existing level of accuracy will be, on average, even harder to achieve.

What I'm saying is that it becomes a cost/benefit question. Are our forecasts good enough? What additional benefit would we get out of investing (in time, expertise and sophistication) to get greater accuracy?

Business forecasting pro, Steve Morlidge, also talks about "[Good enough forecasting](#)" in an article on his blog. And if you want an even deeper look into better forecasts, I'd recommend another of his articles – [Why Bother Forecasting?](#) – and you may want to take a look at his book, *Future Ready: How to Master Business Forecasting*.

## Spurious Accuracy

One of the weird terms that resonates with me is, “spurious accuracy”. I kind of like the fact that it sounds like an oxymoron, but it isn’t. It conveys the fact that sometimes we make our forecast models (or analysis in general) so complex that it looks like the answer should be highly accurate. But often all that we’ve done is to increase the likelihood of getting it wrong by increasing the number of factors involved in getting to “the answer”.

There is a temptation to think that adding more factors into a model will increase its accuracy. But that’s not normally the case, unless you’re very careful. You have to take into account the variability of each of the factors you use, because the variability of the final output is a function of the variability of all the factors used in the model.

What that means is that quite often the complexity of a model – the thing that makes it look like it should be accurate – is the very thing that makes it inaccurate – *spurious accuracy*.

## A beautiful model

But it’s not just P&L forecasting that needs a predictive financial model. And in fact, when I asked the question on LinkedIn I was thinking more about other financial models, such as the ones that support project business cases, acquisition appraisal, big contracts and partnership deals, etc.

When we’re trying to make a strategic decision about pricing a big contract, the viability of a project, or how much we should pay to acquire a business, accuracy is very important. We need to use financial

models that build in all the relevant factors. But how do we know how accurate they are?

It would be good to know, wouldn’t it? Then we could refine the information we use, and the models we build, to make better decisions.

There are two problems, though.

Firstly, these models are normally custom built in spreadsheets. One-off spreadsheets are normally throw-away, and don’t normally get revisited after the decision is made.

Secondly, the output of the decision-making models is not normally comparable directly, or easily, with anything in the accounting or MI systems. What I mean is that if we predicted additional revenue, for example, from a deal, there may be no way of tracing any additional revenue we actually get to what caused it. How much of it was due to that deal? How much was due to other factors?

Another problem is that sometimes the assumptions we have to use are not verifiable. For example, we may have to rely on information given to us during due diligence in an acquisition process. And this is the reason that there must be a link between the financial modelling and the legal contract processes in a big deal. Key assumptions that affect pricing or valuation might need warranties in the contract, and such like.

If you want to go deeper into the best ways to do financial modelling, and discover the best practice standards that exist to help you, then I’d recommend [an article](#) that Anders Liu-Lindberg and Lance Rubin recently published on LinkedIn. That’s a

good introduction, and it contains several helpful links to get further help.

## The real value of reviewing the models

As we conclude, it may seem as if the accuracy of predictive models is too difficult to measure, assess and improve.

As we’ve seen above, it *is* difficult. Whether it’s *too* difficult to attempt is a question of cost vs benefit.

Having a forecast is better than not having a forecast. And having a more accurate forecast is better than a less accurate one.

And therefore, finding a systematic way of measuring the accuracy of your predictive models must also have some value.

Even if you don’t arrive at definitive conclusions, the process of the review will:

- Increase the depth of your knowledge and understanding of forecasting best practice; and therefore,
- Improve the accuracy of your forecasts and predictive financial models over time;
- Help you to understand the business and the environment in which it operates; and therefore,
- Help you to give better support to strategic business decisions.

All in all, with all its difficulties, reviewing and assessing the accuracy of predictive financial models should be seen as a rewarding and beneficial process.

## About the author

[Andy Burrows](#) is a freelance writer and blogger in subjects relating to Financial Management and Business Accounting. He has more than 20 years’ experience in senior roles in Finance, and lives in Hampshire, England with his wife and four children. More of Andy’s blog articles, along with other material and online courses for Finance professionals, can be found at [www.superchargedfinance.com](http://www.superchargedfinance.com).





## ASX Listed Companies Are in Good Corporate Health

KPMG Australia's Distance to Default (D2D) report has revealed an improvement in corporate health across Australian Stock Exchange (ASX) listed companies from December 2016 to June 2017.

The report analysed the default risk of nearly 2000 companies, based on results from financial statements and market information, including share price. The D2D score was attributed to each company/sector, on a scale of 0 to 5: five being the furthest from default.

Gayle Dickerson, KPMG Partner Restructuring Services, said: "2017 was one of the least volatile years for some time on the ASX. While business confidence remains reasonably strong, there is cautiousness about the broader economic and political environment, both nationally and globally. This business confidence, combined with the major banks reporting lower levels of bad debts off already low levels, suggests improved corporate health across the ASX. However, there are clear winners and losers across the sectors."

Despite talk of housing bubbles deflating amid softening demand from Chinese investors, real estate was the highest performing sector with an average D2D score of 4.2, followed closely by financial services, with a score of 3.8. Energy (1.15) and materials (1.22) were the lowest performing sectors in the analysis. Sectors outperforming the average ASX D2D score (1.96) included retail and consumer markets (2.28); consumer discretionary (2.41); consumer staples (2.33); utilities (2.63); telecommunication services (2.12); and industrials (2.20). Healthcare (1.74) and information technology (1.47) both fell below the average.

Comparing the June 2017 D2D results with December 2016, some interesting trends appeared. While the average consumer discretionary D2D score improved from 2.25 to 2.41, driven by stronger performance in automobiles and household products,

there was a widening disparity between the 'haves and have nots' in retail. The report's analysis reflects that while there were more consumer discretionary companies performing above a score of 3 there were also more reporting below 1, particularly in specialty retail. In contrast, consumer staples fell from 2.49 to 2.33 – a trend largely influenced by the competitive pricing war in the supermarket industry, according to the report. The materials and energy sectors showed an uplift in performance, their average D2D score increased by at least 10 percent.

Carl Gunther, Partner Restructuring Services, added: "Although the energy sector score lifted due to improvement in oil and gas prices, over half of companies that make up this sector have a D2D score below 1. They are predominantly explorers and live hand-to-mouth from one capital raising to the next. Interestingly, 1 in 5 of ASX-listed companies are what we call zombie companies, in that they have been reporting a D2D score of under 1 for 3 or more periods. That equates to over \$11.1 billion of market capitalisation tied up in these companies that could be deployed to better or higher use."

Despite an overall improvement, some sectors saw a decline in performance. Healthcare, information technology, telecommunication services and consumer staples all suffered.

### Retail Analysis

With Amazon's entry to Australia continuing to dominate headlines, the D2D report spotlights the performance of the retail and consumer sector, which saw a decline from 2.40 to 2.28 from December 2016 to June 2017.

The report also revealed an increase in the proportion of retail and consumer markets' companies performing below the ASX average D2D score, with 52 percent of participants now performing below

the ASX average. This is an indicator of pressure in the sector as compared to the ASX more broadly.

“Pressure is particularly evident across companies in the distributor and specialty retail industries. This decline may reflect retailers looking to sell direct to customers rather than wholesale through distributors, which typically generates a higher margin and stronger brand control. Given the squeeze on discretionary spending, specialty retailers are struggling to stay relevant unless they have a strong omni-channel and in-store experience,” said Gayle Dickerson.

Dickerson warned that while cutting costs is a necessary tool to help reign in spending and potentially save a distressed retailer, it can also signal the beginning of a downward spiral.

“It is difficult to cut your way to growth. Retailers also need to think in terms of innovation and readjusting the business model to a truly customer-centric model or they won’t set themselves up for long term growth,” she said.

“With clear ‘haves’ and ‘have nots’ emerging in retail and consumer markets, traditional retailers have rarely been under more pressure from more sources. Those on the edge need to re-consider their strategy, review their locations, really know their customers, and consider how they are going to fund the investment needed to stabilise their business, amid increasing pressure on margins and overseas competition. Those retailers relying on a bumper Christmas may be disappointed as there is little to indicate consumers will be anything less than savvy, given that pre-Christmas discounting of inventory has become something to expect and consumers’ growing appetite to buy their Christmas goods in advance on the Australian Black Friday and Cyber Monday sales,” added Dickerson.



# Accounting for Unchartered Waters

The use of water from the huge Murray-Darling River Basin in eastern Australia remains a contentious issue after more than a decade of legal wrangling, policies and plans. But, there is a stronger consensus about how much water the basin actually contains, thanks to an emerging discipline called water accounting, developed by a team including a Swinburne researcher.

Professor Keryn Chalmers, Dean of Swinburne Business School, was part of a team of financial accountants who developed a conceptual framework for general-purpose water accounting that informed Australian Water Accounting Standards.

These standards are final and available for voluntary adoption by industry and government and important to water reform.

Every drop, including rainfall, evapotranspiration, surface and ground water is counted. The information will guide the Council of Australian Governments when it meets in 2017 to decide how much water is required to maintain river flows.

“The goal was to create a useful reporting system to inform decision-makers about water resources, including allocations,” said Chalmers. In an audit of existing water reporting processes the researchers found a patchwork of methods in which some water users were not considered.

Chalmers’ team established a collaborative process involving hydrologists, engineers, water-users and policy-makers. The outcome was a rigorous method to report water stocks and flows.

“The concept is really similar to general-purpose financial accounts; you have a balance sheet that identifies water assets and liabilities,” said Chalmers.

The Bureau of Meteorology now publishes its annual National Water Account for the ten nationally significant water regions in Australia, including the Murray-Darling River Basin using the principles of general-purpose water reporting.

The approach has had an influence globally as well, with the team’s ideas contributing to an emerging international discipline of water accounting.

Water accounting methods will be integral as society is forced to manage its water resources more carefully.



## Regional Office and Branch News

### Australia - Global Accounting and Management Accounting Hall of Fame 2017



**Emeritus Professor Peter Chandler, AM, KSJ, giving the welcome address.**

A VIP dinner was held at the Rendezvous Hotel, Melbourne President's Room on the Nov 29th 2017 to induct outstanding individuals in Australia to the Global Accounting Hall of Fame® and the Global Management Accounting Hall of Fame®.

The evening started with an inspiring welcome address by Emeritus Professor Peter Chandler, AM, KSJ who congratulated ICMA on its achievements over the last 21 years, despite many roadblocks placed by competitors.

The next formal part of the evening was the induction of high achieving individuals to The *Management Accounting Hall of Fame*®; which is an award open only to managerial accountants, CFOs, Strategy Analysts etc.



Professor Brendan O’Connell, ICMA President; Dr John Miller, AO; Mr Bill Dix, AO and Professor Janek Ratnatunga, ICMA CEO.



Emeritus Professor Peter Chandler, AM, KSJ and Professor Brendan O’Connell, ICMA President inducting Mr Bill Dix, AO into the Global Management Accounting Hall of Fame. In the picture is Professor Janek Ratnatunga, ICMA CEO, who read out the citation.



Emeritus Professor Peter Chandler, AM, KSJ and Professor Brendan O’Connell, ICMA President inducting Dr John Miller, AO into the Global Management Accounting Hall of Fame. In the picture is Professor Janek Ratnatunga, ICMA CEO, who read out the citation.

The two individuals who were inducted to the Management Accounting Hall of Fame® were the two Patrons of ICMA, namely Mr Bill Dix, AO who has led a long and distinguished career, dominated largely by the Ford Motor Company, but also including involvements with some other of Australia’s most iconic enterprises; and Dr John Miller, AO, a distinguished academic and professional including Professorships at Monash University and Swinburne University and President of the Confederation of Asian and Pacific Accountants (CAPA).

Next was the induction of high achieving individuals to the *Accounting Hall of Fame®*; which is a general award open to all accountants, CFOs etc., Financial and Managerial.

The two individuals who were inducted to the *Accounting Hall of Fame®* were: *Professor Chris Patel* who has an extensive research record including being appointed to assess the quality of research grant applications by the Norwegian Government to the Research Council of Norway, and by the Canadian Government to the Social Sciences and Humanities Research Council of Canada; and *Mr Ches Baragwanath*, the former Auditor-General of the State of Victoria, who built a reputation as an aggressively independent Auditor-General.

The individuals were inducted to the Halls of Fame in recognition of their significant contribution to the profession and academia.



Emeritus Professor Peter Chandler, AM, KSJ and Professor Brendan O’Connell, ICMA President inducting Mr Ches Baragwanath, AO into the Global Accounting Hall of Fame. In the picture is Mr Richard Mifsud who accepted the award on behalf of Mr Baragwanath.

# Frontiers of Accounting Symposium 2017

To celebrate the 21<sup>th</sup> Anniversary of ICMA’s incorporation in Australia, a symposium titled *‘The Frontiers of Accounting 2017’* was held at Macquarie University, Sydney, Australia to discuss the future direction of various themes related to accounting. The speakers were leading academics and professionals who were asked to provide their views on specific frontier areas of financial reporting, management accounting, governance and sustainability.

Prof John Miller, AO, Patron ICMA gave the *Welcome Address*, which was followed by Mr. Luke Austin, CFO at Huawei Australia talking of *“Digital Disruption and the Accountant”*.



Professor Brendan O’Connell introducing Mr. Luke Austin, CFO at Huawei Australia and his topic *“Digital Disruption and the Accountant”*

Professor Carol Tilt, University of South Australia presenting her paper on *“Social and Environmental Accounting: Looking Beyond our Own Boundaries”*.



Mr. Aubrey Joachim, presenting an excellent argument for implementing *“Disruptive Budgeting in the Digital Era”*.

Some of the speakers relaxing at dinner after the symposium. In the picture from left-to-right are: Prof Chris Patel; Dr. Paulina Permatasari, ICMA Regional Director of West Java; Prof Brendan O’Connell, ICMA Global President, Prof Janek Ratnatunga, ICMA CEO; Dr. John Miller, AO, ICMA Patron; Prof Carol Tilt and a recent PhD of Macquarie University.



The other speakers were Prof Chris Patel, Macquarie University on *“Frontiers of Financial Reporting: Global Convergence”*; Mr. Aubrey Joachim, Global Past President of the Chartered Institute of Management Accountants (UK) on *“Disruptive Budgeting in the Digital Era”*; Prof Janek Ratnatunga, CEO ICMA, on *“Sustainable Cost Accounting: Air, Water and Food”*; Prof Carol Tilt, University of South Australia on *“Social and Environmental Accounting: Looking Beyond our Own Boundaries”*; Prof Brendan O’Connell, RMIT University on *Governance in Member Based Organisations: A New Frontier?* and Associate Professor Sophia Su, Macquarie University on *“Re-engineering the Management Accounting Curriculum”*.

After the afternoon coffee break, there was a lively *Panel Discussion on The Future of Management Accounting Research* with 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; and Prof Michael Tse, Global Chairman, ICMA Australia.

## Cambodia



RHC Education, the representative of the Australian Institute of Certified Management Accountants (ICMA Australia) in Cambodia, Thailand, Myanmar, and Laos, conducted its 2nd annual *Global Accounting & Management Accounting Hall of Fame Gala Dinner* on October 19, 2017 titled “*A Night of Fellowship, Recognition, and Charity*” presided over by Dr. Ruwan Hulugalle, Regional Director of RHC Education with VIP guests Professor Janek Ratnatunga, CEO of ICMA Australia and Professor Brendan O’Connell, Global President of ICMA Australia.

**Dr. Ruwan Hulugalle, of RHC Education (the Regional Director of ICMA) giving his welcome speech**



**At the table are Professor Janek Ratnatunga ICMA CEO; Mr. Nge Huy, Partner of KPMG who was a Global Accounting Hall of Fame Inductee; Dr. Ana Sopanah, ICMA Regional Director of East Java and Dr Chris D’Souza, ICMA COO.**

The evening recognized great achievements in the fields of accounting and management accounting and inducted Mr. Kak Key, Partner of Morrison Kak and Associates, Mr. Nge Huy, Partner of KPMG, and Mr. Philip Wong, CFO of Edotco, into the Global Accounting and Management Accounting Halls of Fame for their lifetime of achievement in the fields of accounting and management accounting.

The evening also recognized the new “Certified Management Accountant” (CMA) members of ICMA Australia.

A charity element was added to the Gala Dinner as the Regional Office is looking to raise funds for a rural school in Cambodia, which is a much-needed CSR activity for ICMA in Cambodia. The dinner raised nearly USD \$1,200 for improvement of a rural school in Cambodia. Dr. Ana Sopanah, ICMA Regional Director of East Java also attended the Gala Dinner.

Cambodia is one of 50 countries which has members in ICMA Australia, Australia’s only post-graduate level management accounting professional association, and ICMA Australia has around 10,000 members globally.



Professor Janek Ratnatunga, surrounded by staff of RHC Education at the Gala Dinner.



In the picture are Ms Heng Seida, President KICPAA, Dr Ana Sopanah, Professor Janek Ratnatunga and Dr. Ruwan Hulugalle.

During the period an official visit to the Kampuchea Institute of CPAs and auditors (KICPAA) was also organised, and fruitful discussions were held on possible avenues of co-operation between KICPAA and ICMA.

The Inductees to the *Global Accounting Hall of Fame* were: (1) Mr. Key Kak who drafted the law called “Law on Corporate Accounts, their Audits and the Profession of Accountants” and its application Anukrets, which was the first foundation of current accounting and auditing profession in Cambodia; and (2) Mr. Nge Huy, the first Cambodian Audit Partner of KPMG, and currently the Head of Audit in KPMG Cambodia.

The Inductee to the *Global Management Accounting Hall of Fame* was Mr. Phillip Thai Foong Wong who is a Senior Finance professional with substantial Asia Pacific management experience in a Global MNC, and currently Country Managing Director of *Edotco (Cambodia) Co., Ltd.*

Ruwan Hulugalle & Company, the official representative of the Institute of Certified Management Accountants of Australia in Cambodia, Thailand, Myanmar, and Laos, was proud to be the **official evaluator** for *Miss Global 2017* held in Phnom Penh on November 17, 2017.



Participants of the 4th CMA Intensive program at the Intercontinental Hotel in Phnom Penh. Also in the picture are the facilitators, Prof Janek Ratnatunga and Dr Chris D’Souza.



The Royal Court for 2017 (pictured) was: (1) Miss Brazil; (2) Miss Bahamas; (3) Miss Germany; (4) Miss China and (5) Miss Somaliland

The Miss Global Final Competition consisted of candidates from 60 countries, with Miss Brazil awarded the title of Miss Global 2017 at the end of the evening in front of a seated audience of nearly 3,000 people including Deputy Prime Minister Men Sam An and Information Minister Khieu Khannarith and an audience of thousands watching live on television.

You can see a video of some of the event including the cut to the top 11 finalists [here](#)

For more, you can see a video including the cut to the top 5 and questions and answers [here](#).

## Dubai



The 22nd CMA program was conducted by the SMART Education Centre in Dubai, UAE in November 2017. The program was again facilitated by Professor Janek Ratnatunga, the CEO of ICMA Australia and Dr Chris D'Souza, ICMA COO/CFO.

Some of the participants of the 22nd CMA Program in Dubai with the facilitators, Prof Janek Ratnatunga and Dr Chris D'Souza.

## Vietnam

A CMA Networking Event was held in Hanoi, Vietnam on 14th October 2017, where 40 members and invited guests have joined. At this event, the Vietnam CMA community welcomed 26 new members who are at least manager level from large organizations, such as, Vietcombank, BIDV, MBBank (Big Three local banks), Standard Chartered Bank, ANZ, Viettel (Largest telecommunication company), Unicharm (Japan), Total Gas (France), etc.



The CMA Community in Vietnam.



The new CMA members celebrating their achievement.



Mr. Long Phan, ICMA Vietnam Regional Office Director, introduced new members to a development plan for CMA community in Vietnam for the year ending June 2018. A professional topic about *Lean Accounting for Sales and Marketing* functions was also presented in this event.

Mr. Long Phan, ICMA Vietnam Regional Office Director, congratulating new members.

## Sri Lanka



**Left to Right:** Mr Murali Prakash, ICMA Australia Sri Lanka Branch President; Mr Kapila Dodamgoda, ICMA Regional Director; Dr Chris D’Souza, ICMA COO & CFO; Prof Janek Ratnatunga, ICMA CEO; Dr Indrajit Coomaswamy, the Governor of Central Bank; Prof Brendan O’Connell, ICMA President; Hall of Fame Inductees Prof Wimal Wickramarachchi, Mr. Rajan Asirwatham, Prof M. T. A. Furkhan and Mr. James Mather; His Excellency Bryce Hutchesson, the High Commissioner for Australia in Sri Lanka and Dr Nalaka Godahewa, Director of the Academy of Finance – the exclusive provider of the CMA Australia program in Sri Lanka.

Institute of Certified Management Accountants (Australia) held the Global Accounting Hall of Fame and Global Management Accounting Hall of Fame Award Ceremony and VIP Dinner amongst an exclusive gathering of eminent academics, professional and a distinguished group of corporate leaders. Chief Guest of the event was Dr Indrajit Coomaswamy, the Governor of Central Bank. His Excellency Bryce Hutchesson, the High Commissioner for Australia in Sri Lanka graced the event as the special Guest of Honour.



A part of the packed hall of over 200 VIP attendees including H.E. Bryce Hutchesson, the High Commissioner for Dr Indrajit Coomaswamy, the Governor of Central Bank; Dr Chris D’Souza, ICMA COO & CFO; Mr Priyan Fernando, former COO of American Express Global and Dr Ruwan Hulugalle, Regional Director of ICMA in Cambodia.

Professor Brendan O’Connell, Global President of CMA Australia and Professor of Accounting at RMIT University and Professor Janek Ratnatunga, CEO of ICMA Australia and Former Chair of Business Accounting, Monash University along with Regional Directors from around the world were also present at the event.

ICMA Australia Global Hall of Fame is intended to honour the professionals and academics in recognition of the distinguished service contributions to the progress of accounting and management accounting in their respective countries.

The inductees to the *Global Accounting Hall of Fame* were *Mr. Rajan Asirwatham*, who was the Senior Partner and Country Head of KPMG Sri Lanka (formerly Ford Rhodes Thornton & Co) for well over four decades, from 1961 to 2008; and *Mr. James Mather* who was the Senior Partner of Ernst and Young from 1970 to 2001 playing a monumental role in the way Ernst & Young developed.

The inductees to the *Global Management Accounting Hall of Fame* were *Prof M. T. A. Furkhan*, who was one of the prime movers in establishing in 1965, the basic roots of the management accountancy profession in Sri Lanka, when he brought the Institute of Cost and Works Accountants (now CIMA) to Sri Lanka; and *Prof M. W. Wickramarachchi* who is a path breaker in academic accounting education in Sri Lanka and was the founder of Department of Commerce at University of Kelaniya and Department of Accountancy and Financial Management at University of Sri Jayawardenepura.



The Council of the ICMA Australia Sri Lanka Branch, with Prof Janek Ratnatunga, ICMA CEO; Dr Chris D’Souza, ICMA COO & CFO; Dr Indrajit Coomaraswamy, the Governor of Central Bank; Prof Brendan O’Connell, ICMA President and H.E. Bryce Hutchesson, the High Commissioner for Australia in Sri Lanka

Professor Janek Ratnatunga, surrounded by staff the Academy of Finance at the Hall of Fame Awards



## CMA EVENTS CALENDAR

- 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.
- Dec 3-9, 2017 CMA Intensive Program at Mercu Buana University Jakarta, Indonesia, organised by Inspire Consulting.
- 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 16-19 2018. Certified Global Business analyst (CGBA) at MultiMedia University, Cyberjaya, Malaysia.
- January 18 2018. Accounting Hall of Fame & Management Accounting Hall of Fame Awards Inaugural Awards, Malaysia.
- January 31-Feb 1, 2018, Certificate of Proficiency in Family Business program at STIE Prabanas, Surabaya, Indonesia.
- Feb 2-9, 2018, CMA Intensive Program at Mercu Buana University Jakarta, Indonesia, organised by Inspire Consulting.
- 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

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