Leadership profile
Mabel Chan
20 March 2017
MEET MABEL

In her first interview with A Plus as Institute President, Mabel Chan talks through plans to help members flourish in a growing and transforming profession, her goals for this year and the opportunities for Hong Kong accountants to shine. Jemelyn Yadao reports

Photography by Juliet Shayne Lui

A mid the current spate of mergers and acquisitions, Mabel Chan recalls her days riding the rocky wave of organic growth after she set up her own accounting firm in 1999. “Company secretarial services and auditing services were my main streams of work, and then in 2005, things changed,” says the Hong Kong Institute of CPAs President, referring to the year that listed companies were required to include their corporate governance practices in their annual report, including compliance with the corporate governance code.

She started offering risk management and internal audit services to clients – a role traditionally served by the more deeply resourced Big Four. “It was exciting but risky. It was difficult to get clients at first but we got through it. I hired experts to head the new departments and provide those services to listed and private companies.”

That inclination to “start small and think big” made headlines just last year when it was announced that her firm and Grant Thornton Hong Kong had merged. Still, she cares a lot about the development of Hong Kong’s many small- and medium-sized firms. Many SMPs continue to rely heavily on audit and tax services as their main growth engines, and face competition from accounting service providers who are not registered CPA firms. Chan advises them to continue to keep up-to-date and look for opportunities to expand to meet the challenges also brought by digital developments.

“Diversifying all depends on your capabilities and resources,” says Chan. “I would say, find out more about international accounting alliances available to you, or find merger partners locally or in Mainland China to serve Mainland clients better. And of course, build up networks through participating in Institute events.”

Strengthening and communicating to all membership groups, not just SMPs, continues to be one of the Institute’s most pressing tasks, observes Chan, given that membership has become younger and more diverse. “The number of members has increased so much – we currently have more than 40,000 – so it’s important to have a relevant dialogue with all of them, either through face-to-face interactions, Facebook, the CPD and event app – which is currently in the making – and other digital channels,” she says.

She adds that the Institute is working on a digital strategy project under a newly formed digital strategy steering group,
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which is looking into how to better utilize technology to enhance the efficiency of the organization’s internal operations. “We have to revamp our IT system not only to improve the effectiveness of the back office operations but also to serve our members better. It’s still in the early stages, but I’m looking forward to seeing progress on it this year.”

Before sitting down with A Plus, Chan had a lunch meeting with members of the local press. As she points out, the Institute has to put its branding strategy high on its list of priorities, given that the last branding exercise was done some 13 years ago. “How can the media distinguish us from other accounting bodies? Our members can only benefit from a more distinct brand, and from the increased public awareness of the accounting profession, how we help Hong Kong maintain its international financial status, and how – with our skill sets – we can lead businesses in the right direction in this digital world.” Chan adds that as a result of this, the Institute has recently established a Branding and Communication Advisory Panel.

Making progress
As part of Hong Kong’s audit regulatory reform process, the government plans to submit the bill to the Legislative Council later this year. But before that happens, clarity regarding critical areas of the reform is needed, notes Chan.

“There are still gaps between the views of the profession and the government, particularly over key areas such as who will fund the operation of the Financial Reporting Council – a very important and practical part of the reform,” she says. “For the purpose of ensuring audit regulation is independent, the Institute should not have to pay for the FRC. Since it’s being set up to protect the interests of the investors, we think the investors should pay for it.”

Apart from the funding issue, Chan notes that the Institute will continue to urge the government to provide more details about how to separate inspection, investigation and disciplinary functions within the independent oversight body; sanctioning guidelines; a mechanism to set up, approve and monitor the budget of the FRC; and composition of the FRC that, while remaining independent, needs to include a sufficient number of people with relevant auditing experience and knowledge in order to make an informed judgment on the adequacy of audit work.

Also high on the Institute’s agenda is keeping members abreast of international standards on combating money laundering and terrorist financing set out by the Financial Action Task Force, of which Hong Kong is a member. Earlier this month, the Institute held a member forum to seek members’ views after the government issued two consultations in January, one on enhancing anti-money laundering “Our members can only benefit from a more distinct brand, and from the increased public awareness of the accounting profession, and how we help Hong Kong maintain its international financial status.”
regulation of “designated non-financial businesses and professions,” including accountants, as part of the city’s efforts to ensure compliance with the FATF standards, the other on the “beneficial ownership” of companies.

“Different stakeholders within the profession have provided their comments on the proposals to us and now we are finalizing our response to the government. The next step is for us to work closely with the government in finalizing the legislation,” says Chan.

Future-fit plan

The Institute recently kicked off the development of its Seventh Long Range Plan, which will guide the development of the Hong Kong profession for the next five years. The plan will be heavily shaped by the ongoing impact of advanced technologies on the role of accountants. “It will no doubt be a major element of the plan,” observes Chan. “The world is increasingly becoming paperless, more digitized, so members have to adapt.”

Despite some observers forecasting how the rise of artificial intelligence and cloud-
based software will bring about the erosion of the roles of accountants, Chan sees only opportunities. “Digitalization and automation in the business world are eliminating some traditional parts of a CPA’s job and freeing up their time so that they can play a more strategic role. The skill sets required of accountants today are different, they have broadened,” she says.

With that, the pressure is on for the Institute to help the new generation of accountants be well-equipped for the future and more advisory-oriented. “They will need more analytical skills, soft skills, presentations skills, skills such as turning big data analytics into business insights, or predicting future trends, which is why we are devoted to ensuring a smooth transition into the new Qualification Programme that will train accountants to meet changing market needs,” says Chan.

A crucial component of the new QP, which will start in 2019, is the practical experience, Chan notes. “Getting this part right will help Hong Kong accountants be fit for the global market,” she says, adding that a plan on the practical experience component should be finalized later this year.

Chan says that members, especially young members, should also look forward to career opportunities arising from free trade zones. “Hong Kong CPAs can help those international businesses attracted to setting up branches at these free trade zones, especially because of our experience in serving multinational clients and Mainland companies, and our language skills. A lot of us can speak, write and read English, Cantonese and Mandarin, we know the customs and culture,” she says.

There’s also the fresh opportunities brought about by the Belt and Road initiative. Chan foresees strong demand from multinationals in infrastructure development and other companies for services provided by Hong Kong accountants. “I am one example – I am currently working with a telecom company founded by a Chinese entrepreneur, and it now operates in one of the Belt and Road countries,” Chan explains. “There will be a lot more opportunities coming for accountants, especially younger accountants, to develop their careers. I would say, go out there and be prepared for the opportunities that will be presented one day.”

Call to action
To Chan, the Institute’s third female president, women CPAs are just as capable as their male counterparts in succeeding personally and professionally. Which is why it didn’t take long for her to agree

“There will be a lot more opportunities coming for accountants, especially younger accountants, to develop their careers. I would say, go out there and be prepared for the opportunities that will be presented one day.”
In June last year, Chan took up the role of Deputy Managing Partner and National Head of Outbound Market Development at Grant Thornton Hong Kong following the merger between the mid-tier firm and Mabel’s audit and consulting firm, Mabel Chan & Co.

She spoke at the Association of Women Accountants’ seminar celebrating International Women’s Day on 8 March about gender-balanced leadership at the workplace.

“I encouraged women to be confident and follow their dreams. There are certain tasks which bring out the best of the inborn qualities of women such as their detailed-oriented manner; careful observation and calm disposition,” says Chan. “I think I got to where I am by enthusiastically exploring opportunities and working to improve myself. I was given the opportunity to move up and for that I am very grateful. I hope to see more companies promoting gender diversity on boards and senior positions within the organization as quite a lot of boards of listed companies are still male-dominated.”

Chan, who once considered a marketing career, graduated in accounting from City Polytechnic of Hong Kong (now City University of Hong Kong) and gained her Master of Business Administration from Hong Kong University of Science and Technology.

“I was really proud when I became a CPA,” she recalls. “Accounting is one of the most exciting professions as it offers a wide perspective to engage with different facets of business. Those wanting to start their own business should be trained in accounting, know how to read financial information, analyse it and ultimately make business decisions.”

Never did she see herself one day being president of one of Hong Kong’s largest professional bodies. “I am blessed with the strong foundation laid by my predecessors,” she says. “By the end of the year, I hope to have a close relationship with our stakeholders, including government and regulators locally and standard setters internationally, and more importantly, with our members. Through the Institute-organized events, we can better understand their needs. We need their input.”