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Headline: Chief finance and sustainability officer among new green roles in finance and accountancy sectors: Study

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Companies that are committed to reducing their carbon footprint and making progress in green finance should consider having a chief finance and sustainability officer (CFSO), recommends a local accountancy study.

A CFSO would have the chief financial officer and the chief sustainability officer reporting to him or her, whose role would be to integrate finance with sustainability in a company's business strategy.

The high-ranking executive would convert the environmental impact of the company's activities - such as greenhouse gas emissions and pollution - into financial metrics to guide the firm's strategy in meeting sustainability goals.

The CFSO is among an alphabet soup of new green professions - such as an environmental, social and governance (ESG) specialist - that is emerging as the green momentum picks up.

It is an uncommon job role that is present in organisations, such as CapitaLand Investment, that already have well-developed sustainability initiatives and commitments, the report stated.

The new study, Sustainability: Jobs and Skills For The Accountancy Profession, was jointly conducted by the Institute of Singapore Chartered Accountants and three other organisations including the Singapore Management University (SMU).

Its report, released at the annual Professional Accountants in Business Conference on Thursday (Aug 25), shed light on the skills that accountants and finance professionals need in order to perform sustainability-related roles, and where the skill gaps lie.

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The study said accountants are well placed for the role of CFSO, as they have the intimate and in-depth finance knowledge to lead their organisation's sustainability agenda.

It said the three trends that are driving finance professionals to expand into the green space are decarbonisation, sustainability reporting and disclosures becoming more widely adopted, and the growth of green finance.

In her keynote speech at the conference, Second Minister for Finance and National Development Indraneel Rajah said accountants can lead the charge in pushing their companies to become sustainable.

Their roles in a company would give them the perspective and knowledge to set sustainability ambitions, institute environmental practices that make business sense, and hold their companies accountable for their sustainability pledges.

The report added that sustainability reporting and disclosures, which can involve complex data, are the most pressing challenges for companies now.

Sustainability reporting has been mandated on a "comply or explain" basis by the Singapore Exchange since 2016, and since 2022, climate-related reporting has been mandatory for listed companies.

"As sustainability reporting picks up, there will be demand for accountants to provide assurance and verify these sustainability reports, so as to hold companies accountable for their plans," added Ms Indraneel, who is also Minister in the Prime Minister's Office.

To bridge the knowledge gaps for working professionals and students interested in this sector, universities have introduced sustainability modules for accountancy and finance students.

Professor Cheng Qiang, dean of the SMU School of Accountancy, said the curriculum at the school has been adjusted to include content on ESG metrics, to meet the rising demand for sustainability accountants.

But the report concluded that more needs to be done, finding that business and accountancy courses at local institutes of higher learning offer few modules on sustainability and even fewer ones on sustainability reporting, and called for specialised courses or modules.