

Finance Priorities in the COVID Era: Digital Dominance and Flexible Labour Models

Executive Summary: Singapore and APAC

Security and privacy of data, internal controls, and financial planning and analysis emerge as the top priorities for CFOs and finance leaders in APAC region

It has been a year like no other. COVID-19 has significantly disrupted businesses across Singapore, and the finance function has not escaped unscathed.

Financial reporting has been seriously disrupted, data security has been jeopardised, office shutdowns have hindered third-party providers, supply chain snafus have proliferated and business process outsourcing has often been thrown into disarray. And amid all these challenges, most finance team members have had to transition to remote working.

Early in the pandemic, CFOs and finance leaders were called on to make fundamental strategic decisions with their C-suite colleagues to enable organisations to continue to operate. There was no time to move existing strategic priorities to the back burner. This has had major consequences for the expectations of internal customers – let alone plans to strengthen data security, analytics, cloud applications or other business improvements. All these issues have had to be addressed while managing the inevitable crisis-related responses elevated by the economic impacts of the pandemic.

Top Priorities for Finance Leaders in Singapore and APAC in 2020

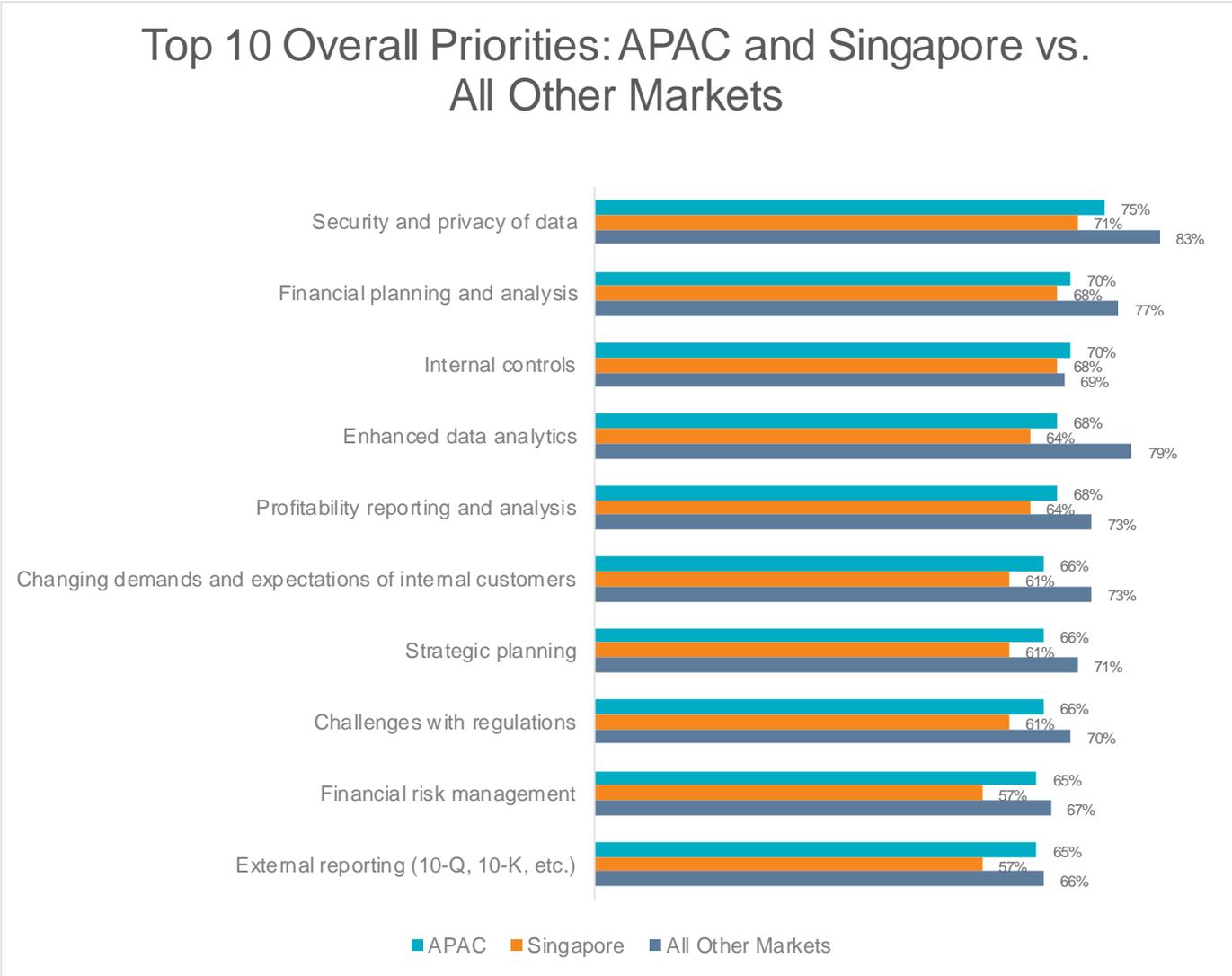
The survey finds that the top three priorities of APAC finance leaders are security and privacy of data, internal controls, and financial planning and analysis. Compared to the global results, APAC respondents place internal controls six places ahead of the place it was given by the global respondents, who consider enhanced data analytics, security and privacy of data, and financial planning and analysis as their top three priorities.

The number one priority for APAC is also supported by the Singapore Cybersecurity Public Awareness Survey's findings, where out of 1,000 individuals, only 4 percent could identify all phishing emails correctly. Despite 66% stating that they know what phishing is, the majority believed they would not fall victim to this sort of cyberattack.¹

When asked about the top finance priority that needs to be addressed over the next year given the global repercussions of the COVID-19 pandemic, APAC respondents reported that they believe that addressing the change in demands and expectations of internal customers needs immediate attention – whereas global respondents are more inclined to prioritise cloud-based applications that support finance.

¹ <https://www.csa.gov.sg/news/press-releases/csa-public-awareness-survey-2019>

As per the survey findings, APAC leaders, in line with leaders in all other markets, consider financial planning and analysis, profitability reporting and analysis, internal controls, and strategic planning as the top finance processes and activities to be addressed over the next year.



The finance leadership of banks and financial services companies has been tested like never before. It is unsurprising that this survey places leadership as the number one staff skill that financial organisations will have to focus on over the next 12 months. It ranks number one both in APAC and globally.

As the COVID-19 global pandemic continues without a clear end in sight, there is uncertainty about the economy, future earnings and other inputs that represent fundamental elements of financial reporting. More than one in five (21%) of the CFOs and finance leaders from the APAC region believe that their ability to continue preparing reliable financial reporting and statements under required timelines has been significantly impacted, whereas only 17% of the finance leaders from all other markets feel this way.

Even before COVID-19 accelerated the adaptation of a future labour model – a blend of full-time employees, staff augmentation, managed services providers and full-outsourced arrangements, accounts receivable and order to

cash remained the most outsourced finance processes in Singapore, while tax services are the most outsourced finance processes in the APAC region.

Now that an increased number of staff are working from home, approximately 22% of CFOs and finance leaders from APAC as well as other markets said their level of concern has increased when it comes to utilising existing security measures to protect finance-related data security and privacy issues.

Looking ahead, 32% of APAC CFOs and finance leaders are planning to reinstate hiring for permanent employees in the next six months: 32% in the next 3–6 months and 22% in the next three months. With regards to temporary employees and contractors, 42% are planning to reinstate hiring within 1–3 months.

What's next?

Here are some of the key actions suggested for CFO and finance leaders:

- Assess which investments in advanced technologies are most likely to enable the organisation to operate at the right size, and in the right manner, to best address current and future disruptions.
- Strengthen supply chain management by applying finance expertise to sourcing location decisions, third-party risk management activities and supplier communications.
- Review and adjust risk assessments in the wake of process and workflow changes made during the shift to remote working models, among other pandemic-related adjustments.
- Evaluate how the finance organisation's labour model – the combination of full-time employees, contractors, external consultants and outsourcing partners – delivers configurability and value in the face of external disruptions of a COVID-19-like magnitude.
- Distinguish between forming a digital veneer around core finance capabilities and operating in a truly digital manner, and identify the core finance organisation changes required to achieve the latter.
- Bolster organisational cybersecurity by bringing to bear fundamental finance expertise on the way data security and privacy spending is benchmarked, investments are allocated, cyber risks are quantified, and third-party risks are identified and monitored.

Download the full report [here](#).

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