

Expanding the horizons of the accountant

By Dr. Eliseo A. Aurellado -

THE Board of Accountancy (BOA), under the chairmanship of Hon. Joel Tan Torres, has adopted “Expanding Horizons” as its theme to engage all stakeholders in crafting an appropriate program of education and continuing professional development for the accountants. We believe that the current developments in the Asean region and in our own country have raised the need for greater competitiveness and collaboration. There is also clamor for good governance, transparency and accountability. The accountant of today has to be equipped with the right mind-set and the proper tools for him or her to be a relevant force in a dynamic and challenging business environment.

Our chairman has presented a BOA road map that lists down certain projects—strategies, if you will, that are important to the development of the accountancy profession in all sectors— public practice, commerce and industry, education, and government. The proposed projects/strategies in the education sector address four categories, which I have freely labeled: Blueprint (for the curriculum), Production (for the twin factors of accounting school and accounting teachers), Product (for the student) and Certification (for the Certified Public Accountant, or CPA, licensure examination).

In the education sector, it is worth defining the goal and objective in terms of the desired product that comes out of our accountancy program.

I believe we should graduate a competent, ethically grounded and globally competitive accounting professional. Competence is something that is basic for a professional. However, there could be a mismatch between what we think he should be good at versus what the business community demands. Ethical behavior is the buzzword of today given all the scams and scandals in our society. But how do we inculcate ethical behavior so that even in the face of temptation our professionals are expected to do what is right? With the advent of a borderless economy where goods and services are beginning to enjoy free flow across international boundaries such as what the Asean integration is envisioned to bring about, how do we stand in the face of such competition? Are our graduates prepared for the competition to follow? Or do we resort to protective mechanisms to shield our future professionals? I think we have to engage in a dialogue on what we want the product of our accountancy program will be and the kind of accountant he will become.

Blueprint strategy

THE first project or strategy indicated in the road map concerns the Blueprint, which is a review of the accounting curriculum. For comparison, the typical accountancy curriculum in the US has 120 unit credits. But 150 unit credits are needed for graduates to qualify for the American Institute of Certified Public Accountantsexams. Our present accountancy curriculum features 210 units as a minimum requirement but some schools offer programs that reach up to 265 units. As of this writing the Commission on Higher Education's Technical Council has crafted a proposed accountancy curriculum that has 165 units since some business subjects have been transferred to the senior high school under the K to 12 Program.

Production strategies

THE first Production strategy is conducting regular assessments of accounting schools. We in the BOA have an obligation to regulate the conduct and to monitor the performance of accounting schools. The yardstick that we have been using all these years to gauge the performance of accounting schools is their passing rate in the CPA licensure examination. The CPA license has been the accepted mark of quality. However, given a scenario where not all accountants go for public practice, are there other criteria that can be considered to gauge the performance of accounting schools? How about the number of graduates that land jobs in other sectors of accountancy services? What positions of responsibility are they holding?

The second Production strategy is the posting of performance metrics of accounting schools. A public posting is designed to inform the hopeful student which school would be the best for him or her. But how will academe react to this move? What performance metrics would be relevant?

The third Production strategy is the accreditation of accounting teachers. How do we enhance the accreditation of accounting teachers? What criteria should be followed? What kind of support is needed for accreditation? The value of having good accounting teachers cannot be underestimated because it is a key factor in the performance of students.

Production strategies

THE first Product strategy is instilling in our accounting students the skills and values of ethical conduct, analytical thinking, effective

communication and use of technology. While this strategy addresses the student, his growth and development is, in fact, a function of the curriculum and the teacher.

Ethical conduct normally has its roots in kindergarten and in the elementary grades. We grew up with such slogans as “Honesty is the best policy” and “Cleanliness is next to Godliness.” These values are normally carried over into our later years. Nowadays, we talk a lot about good governance and accountability. But there may be a “disconnect” between what we say and what we do. So how do we train our future accountants to behave ethically? How are these ethical values reinforced at the undergraduate level?

Critical thinking is another desirable skill. While the accountancy profession lives by standards, there are gray areas that beg for critical thinking and interpretation. How do we ensure that our future accountants are equipped with the skill to analyze something objectively and come up with a reasonable response?

Good communication skills, both written and oral, are important in our profession. English is still the business language spoken and some schools have put up “English-only” zones in their campuses to force their students to speak the language in clear and grammatically correct sentences. Likewise, English composition is a desirable output and school curricula still retain courses on this subject. But sometimes the intended communication skill is not apparent in the workplace when the accountant finds himself preparing accounting reports. How do we train our accounting students to speak and write effectively in English, our second language?

Finally, on the technology aspect, it may be a crying need now for the future accountant to have a practical or working knowledge of specific accounting software products and solutions, which are regularly being used by commerce and industry. Also, knowledge in auditing software might be helpful especially when the future accountant chooses a career in public practice. Perhaps, it may be timely for schools to include these software products and solutions in their curriculum or tie up with independent training schools to provide this working knowledge. Certainly, the future job prospects would be better if they are already skilled in the use of accounting software.

The next strategic area is the engagement of students in accountancy-related issues. The Junior Philippine Institute of Accountants student organization appears to be a logical vehicle for the advancement of accounting knowledge and practices to benefit future accountants.

Perhaps, the most important aspect of student engagement should be his apprenticeship in an accredited institution. How should this apprenticeship be institutionalized? How should commerce and industry be engaged to provide this valuable experience? In some professions, a two-year work experience is required to be able to take a licensure examination. Perhaps in the accounting curriculum leading to public practice, the final year may include a more lengthy on-the-job training to complement the review for the licensure examination.

Certification strategies

THE formulation of the CPA licensure examination and its administration has been a big part of the job of the BOA. The strategies proposed are the regular review of the syllabus and the subjects to be

included in the examination, and the enhancement of the administration of the examination. Understandably, many schools are dependent on the CPA licensure examination results to bolster their credibility as a learning institution. This fixation has led to scandals in the past which hopefully has been eliminated by this time with more controls exercised at the Professional Regulation Commission. However, there are still ways of improving the conduct of the licensure examination in terms of content, technology and administration.

Conclusion

THE current BOA has adopted a consultative stance in its approach to educating the future accountant. There may be a need to explore new methods of learning accountancy given the technological developments and requirements of business enterprises. The old ways may no longer suffice. The accountancy profession may need to evolve from its traditional role of financial information processing and reporting into one that is more responsive to addressing the wider functional demands of business. We encourage all accountants in the education sector to partner with us in addressing the concerns that face us as we endeavor to raise the bar in response to the evolving challenges to the profession.

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