

THE NEW 5,249

Business Mirror Debit Credit November 14, 2016



Joel L. Tan-Torres
DEBIT CREDIT

Tomorrow, November 15, 2016, marks the day that 5,249 individuals join the growing ranks of professional accountants. They will take their oath as professionals with the Professional Regulatory Board of Accountancy (BoA) in the Philippine International Convention Center and other venues to formalize their conferment as the newest batch of Certified Public Accountants (CPAs). They will join the over 172,000 CPAs of the land who are registered with the BoA since 1923, when the first set of CPA Board examinations was given.

These 5,249 will be entering the Philippines accountancy profession amidst exciting and major changes that are in place or are forthcoming in the horizons. The review of Republic Act No. 9892 or the Accountancy Law has been completed with the participation of the various accountancy stake holders. . So many developments have occurred in the local, regional and global accountancy community that necessitate changes in the twelve year old Accountancy Law. These much needed changes are now in the Congress for the start of the legislative process

In the Continuing Professional Development (CPD) area, the recently enacted Republic Act 10912 and the Professional Regulations Commission Resolution 2016-990 bring new rules and requirements affecting all professionals. The new accountants together with their senior colleagues will be required to complete 80 hours of CPD by 2017 and increasing gradually to 120 hours by year 2019. The CPD program is intended to sharpen the skills and update the learning of the all professional accountants.

The full implementation of the Quality Assurance Review (“QAR”) program of those CPAs in public practice will be in place in a matter of time. The QAR, which is the “audit the auditors” For the meantime, those in public practice can continue upgrading the quality and standards of their systems and procedures. They can also actively participate and comply with the various related programs, such as the Philippine Institute of CPA’s Voluntary QAR program , the BoA Engagement Reporting requirement, the office visitation and related accreditation measures.

CPAs who are in the external auditor sector will start complying with the new Auditor Reporting Standards for their audits of financial statements for periods ending on or after December 31, 2016. Likewise, the CPAs in Commerce and Industry will begin submitting the Certificate of Compilation Services in the Preparation of Financial Statements for 2016 as prescribed in BoA Resolution 3-2016. These major changes are intended to increase the transparency and reliability of the information value of the auditor's report and financial statements of companies

There is also a recent pronouncement on Responding to Non-compliance with Laws and Regulations (*NOCLAR*) that was released by the International Ethics Standards Board of the International Federation of Accountants last July 2016. The standard sets out a first-of-its-kind framework to guide professional accountants in what actions to take in the public interest when they become aware of a potential illegal act committed by a client or employer. This standard will take effect on July 15, 2017 or earlier if the BoA decides for an earlier effectivity. Essentially, the standard provides that it is incumbent on the professional accountant after knowing the non-compliance or the suspected non-compliance with laws and regulations, to uphold the fundamental principles of integrity and professional behavior by informing management or the government regulator and to take such subsequent action as may be deemed appropriate in the public interest

The future of accountancy is fast evolving. Sooner than later, all accountants will be witnesses and participants in the future trends of robotics, artificial intelligence, various technology tools and applications, sustainability and integrated reporting, data analytics, cyber security, the reformatted accountancy learning and licensure tracks and many others. These developments will require changes in skills and mind sets of all accountants, senior and junior alike.

Accountants now should also be thinking global. The ASEAN Mutual Recognition Arrangement for Accountancy Services has been signed in 2014 and is now in the final stages of full implementation. In a matter of months, the first batch of Filipino CPAs will be registering with BoA to be conferred as ASEAN Chartered Professional Accountants who can freely move around region to take advantage of the work opportunities in the other ASEAN countries

The new accountants are reminded of their obligation under their Code of Ethics as prescribed in BoA resolution 263-2015. They are enjoined to patronize the various BoA publications including the news magazine entitled "News Ledger", "The Highest Standard" technical journal, and the "Debit and Credit" column in the Business Mirror newspaper. They should be regularly visiting the BoA Facebook (professional regulatory board of accountancy) and the BoA website (www.boa.com.ph). **The new CPAs should attend the accountancy events, including the Accountancy Week Celebration in July; the various conventions, the chapter activities of the various sectoral accountancy organizations; and the BoA events and activities. A number is expected to enlist in the Volunteer Program of the BoA and be more involved in the Expanding Horizon projects**

Central to all these developments and activities are the "Six Point Expanding Horizons Strategic Plan" and the "I am Acct" initiatives of the BoA and the accountancy profession.

These and other activities enumerated above are advocacies of all accountant that will elevate them to a level that exceeds the accountancy global standard.

To the new 5,249 accountants, welcome to the profession.

Chairman Joel L. Tan-Torres is the chairman of the Professional Regulatory Board of Accountancy. He is a Certified Public Accountant who placed No. 1 in the May 1979 CPA Board Examinations. He is concurrently a tax partner of Reyes Tacandong & Co., CPAs. He was the former Commissioner of the Bureau of Internal Revenue from 2009 to 2010.

This column accepts contributions from accountants, especially articles that are of interest to the accountancy profession, in particular, and to the business community, in general. These can be e-mailed to boa.secretariat@gmail.com