

■ BY MAJELLA GOMES

THERE IS A GROWING GROUNDSWELL OF OPINION THAT CURRENT HIGHER EDUCATION IS NO LONGER FIT FOR PURPOSE. BUT IF TERTIARY ACCOUNTING EDUCATION AS IT EXISTS IS BROKEN, HOW CAN WE FIX IT? THE FRAMEWORK-BASED APPROACH THAT FOCUSES ON IMPARTING THE PRINCIPLES OF FINANCIAL REPORTING AND THE CONCEPTUAL FRAMEWORK OF ACCOUNTING – WHILE EMPHASISING PROFESSIONAL JUDGEMENT - SEEMS TO BE THE WAY FORWARD IN A HIGHLY COMPLEX WORLD.

Producing Competent Accountants

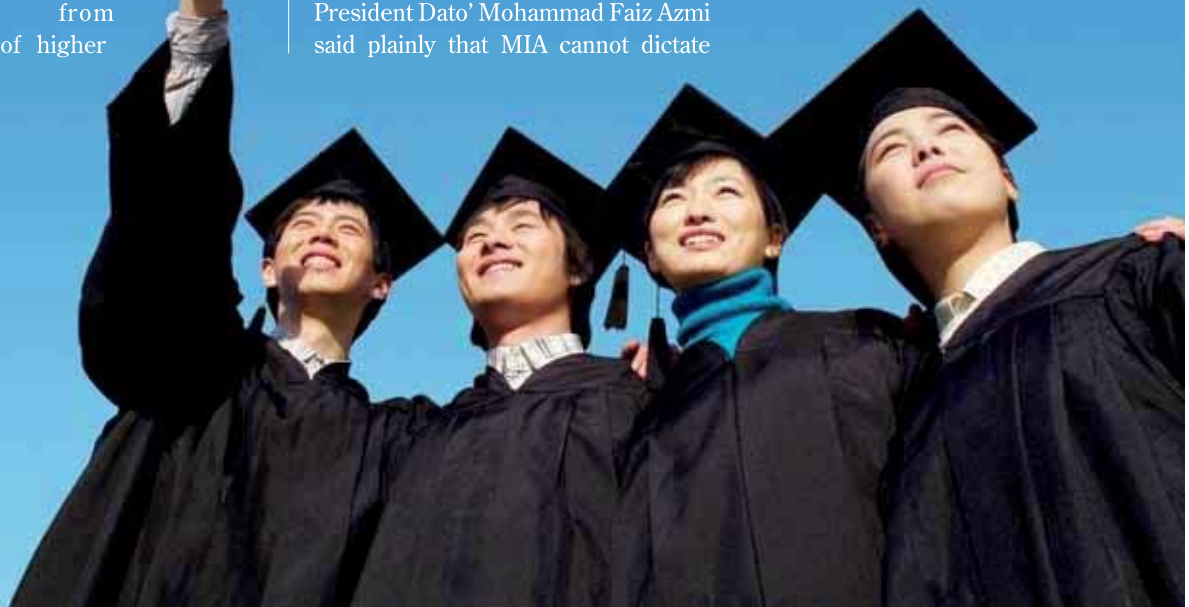
ONE of Malaysia’s goals - and hence, a top priority on MIA’s agenda - is to produce 60,000 competent and ethical accountants to meet projected business demand and support economic growth and nation-building.

Key to producing this pool of talent will be education, training and continuous development. However, employers frequently grouse that trainee accountants emerging from institutions of higher

learning - and who aren’t professionally qualified - aren’t up to the required standard. One of MIA’s obligations is to bridge the gap between employers and academia to ensure that both are on the same page. MIA uses platforms such as the annual National Accounting Educators Symposium (NAES) to try and bring about collaboration and synergies between employers and educators.

Speaking during his welcoming remarks at the NAES 2016, MIA President Dato’ Mohammad Faiz Azmi said plainly that MIA cannot dictate

to institutions of higher learning how they should be administering their accounting courses. However, he noted that “there were currently disconnects between what aspiring accountants were being taught in universities, and what the job market actually required of them. A certain degree of recalibration was necessary.” He exhorted lecturers to “go back and think about what a qualification actually means, and the role of a university degree.”





ADVANCING ACCOUNTING EDUCATION LOCALLY

The NAES is also a platform to expose academics and educators to the latest thinking on accounting education. Since Malaysia is converged with international standards such as the IFRS (International Financial Reporting Standards) and the IASs (International Auditing Standards), it is imperative that local accounting education is up to speed with the latest developments.

A key development is the International Accounting Education Standards Board (IAESB)'s new International Education Standards (IES) Framework for Competence and Excellence. "The purpose of the Framework is to set educational concepts, spur learning and development, enhance professional accounting education and maintain international education standards," said Prof Dr. Sidharta Utama, Member, IAESB.

The pursuit of competency and excellence is a never-ending and ongoing process. "We are constantly improving professional competency," he affirmed. Once qualified, accountants must attend Continuing Professional

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Development (CPD) programmes to ensure professional competence.

Besides aiding professional development, the Framework will help accountants identify areas of professional interest, e.g. tax, audit or data analytics. They will have to demonstrate their improved competency after taking the related CPDs.

The key concepts of the Framework relate to four sectors: professional accountants, aspiring professional accountants, learning outcomes and proficiency levels. The Framework specifies the requirements for entry to professional accounting education programmes, and explains the rationale for the principles to be used in setting educational entry requirements.

TEACHING PROFESSIONAL JUDGEMENT

Professional judgement is one of the most difficult concepts to

impart, and is largely acquired through experience. Given that evolving standards rely heavily on the accountant's interpretation and their ability to use professional judgement and scepticism, it is thus logical that current accountancy education is focusing more intently on ensuring understanding of the conceptual accounting framework, and subsequently, nurturing judgement through framework-based teaching.

"All IFRS teaching has to be based on this (the principles of accounting and the conceptual framework). We have to ensure that the principles can be used at all levels of accounting classes, regardless of level. We also have to consider the competency levels of professional accounting bodies and how far they are aligned to the current standards because accounting education programmes have to be able to produce the people who can do the work," said Prof. Dr. S. Susela Devi, Dean, Faculty of Business Technology

PRODUCING COMPETENT ACCOUNTANTS



& Accounting, UNITAR International University.

Framework-based teaching was developed by lecturers from the University of Pretoria, South Africa, and is basically very student-centric. “Framework-based teaching is innovative in that it helps students understand the concepts of financial reporting and relate these to their courses.” Framework-based teaching will entail increasing focus on the concepts that underpin financial reporting, teach students how to judge based on those concepts and dispel common misunderstandings of the concepts.

“Students must learn how to do this, to exercise courage and defend their judgements,” she urged. Exercising judgement will become more important as IFRS becomes more complex and globalisation and technological advances lead to more complex business transactions and environments.

There are extensive implications for the educators of accounting students with framework-based teaching. “The training of accountants will have to change. The exercise of judgement needs to be given due emphasis. Currently, this emphasis is taught only in the last semester of the final year but ideally, it should be taught in the first

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year because exercising judgement or discernment is not something that can be learnt overnight. It takes time to develop.” This means that the trainers must themselves fully understand the framework before they attempt to teach it.

The challenge lies not only in changing educators’ approaches but students as well. Students first exposed to framework-based teaching were unable to grasp this initially because they were used to rote learning and spoon feeding. “We need to build on soft skills,” she advised. “Students have to want to learn and understand, especially Gen Y students (or Millennials) who have limited attention spans. The challenge is to teach a framework which is still evolving, to teach students how to make judgements in line with the standards, when the standards themselves are not yet hard and fast. The environment, as it stands, is fluid and dynamic.”

The new style of teaching will

require more analysis and thinking, she said. “Financial reporting involves a lot of judgement and this is not likely to decrease anytime soon. Mere box-ticking will be replaced with careful analysis.” She stressed that there will not be single answers; rather, there will be critical examination of alternative accounting treatments for various classes of transactions.

With so much on educators’ plates, is there a clear path that will allow everyone to move forward in the same direction, without getting left behind? Dr. Susela proposed an integrated approach that involves academia, the corporate world and the profession. “There will have to be collaborative research on teaching IFRS using the framework-based approach,” she concluded. “Besides this, we will need sharing sessions between practitioners and academics, and access to more resources and materials to support teaching.” ■