

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1. INTRODUCTION

This chapter summarises the research objectives, research questions and findings and discusses the appropriate recommendations. The Malaysian Institute of Accountants in their Circular No. 19/2001, announced the coming into force of the Accountants (Amendment) Act 2001 on 28 June 2001, which amongst other matters, confers each member to hold the designation of "Chartered Accountant".

5.2. SUMMARY AND CONCLUSIONS

This study was an attempt to investigate the adequacy the accounting curriculum at universities, the post graduation needs of an accountant in future and the implications of the common "Chartered Accountant" designation.

Adequacy of Entry Prerequisites

Less than 22% of the respondents agreed that the students entering universities were prepared for an environment where they were required to open mind and think independently.

Revamp of Accounting Curriculum and Teaching Techniques

Statistical tests have confirmed that accountants are of the view that the accounting education curriculum has to be revamped with a conclusive departure from traditional methods of mere transfer of knowledge to training students to be able to adapt themselves to changes in environment/circumstances. Multi disciplinary accounting knowledge is essential to meet the professional demands

of the future. Knowledge of information technology fundamentals is no longer an added advantage but a prerequisite for survival in the business world. However changes are being slowly implemented in various public universities, for example the reverting back to a four year course for accounting.

Practical Training / Industrial attachment

Almost 97% of the respondents recognised the importance of the practical training or industrial attachment and concurred that it should be made compulsory and be assessed as part of the curriculum. However, serious thought should be given to its implementation and any other issues arising so that the students will reap maximum benefits from the training. This has been addressed in the Halatuju Report, (Susela, 2001) and is an area for future research.

Non Accounting Skills

Meritorious performance in pure accounting based subjects is no longer the primary consideration factor for employers of accountants. Communication (96%), entrepreneurial (71%) and public relations (83%) skills together with strategising capabilities ((85%) has by passed outstanding academic excellence, as important human resource evaluations. This has been recognised in the Halatuju Report, (Susela, 2001) especially in respect of communicational and inter-personal skills

Education For Graduates

Most respondents also disagreed that the fresh graduates from universities were ready to meet the realities of the business world but were divided in opinions relating to whether they could manage with the advent of globalisation, with the

pessimist having only a slight edge over the optimists. However, with the revamping of the accounting education curriculum, future graduates may be better equipped to face the dynamic business world and globalisation.

Need for a Competency Examination

A high majority (65%), supported the need for some form of assessment to gauge competency and proficiency including the candidates professional judgment on a wide range of contemporary business issues and compliance. In consequence, they also agreed (65%) that the competency test should be held in stages; i.e. at the end of each year of practical experience and should assess him on the level of proficiency that he is expected to have acquired within that period. However, no concern was expressed regarding the centralisation of the competency examination nor that the task of setting the exam should be segregated from those involved in preparing the students for the examination.

Qualifying Examination

On the question of the qualifying examination for graduates of foreign universities and professional bodies, no distinct opinion was obtainable from the data regarding whether the competency examination should be open to both accounting and non accounting degree holders and whether a competency examination is still necessary once a candidate has successfully completed the qualifying examination but most agreed that the qualifying examination should be taken after completing the three years accounting experience. Possibly this response could be due to the fact that most of the respondents are qualified

accountants. This is an area for future research whereby a study should be conducted on the perception of accounting students.

Continuing Professional development Programmes

More than 70% of the respondents agreed on the sufficiency of CPD programmes provided by MIA to complement maintenance of professional and competency of accountants.

Single Designation For Accountants

On this issue, respondents were divided in their opinions as to whether it would serve to harmonise the public's perception of accountants in Malaysia and synchronise their esteem in relation to their foreign counterparts.

Need for Mother Body Affiliation

However a clear majority disagreed that disassociation with their foreign professional bodies on attaining membership with MIA would contribute to the deterioration of their competence and proficiency. This could be due to the fact that they are satisfied with the CPD programmes provided by MIA or alternatively it could be from a cashflow viewpoint whereby they save the payment of subscriptions in foreign currency. This also provides scope for future research.

5.3. RECOMMENDATIONS

The general consensus is that curriculum for accounting graduates needs to be heavily revamped to cater for the needs of the constantly changing business environment in which they will be employed. The importance of relevant information and communicational technology content in undergraduate studies cannot be overemphasised. Routine transfer of knowledge has to be replaced

with dynamic and pragmatic methods of teaching to adequately equip students to face the realities of the business world. This can be achieved through the use of case studies, compulsory assignments requiring the capacity of inquiry, research, logical thinking and critical analysis. The horizons should be broadened to incorporate skills of communication, public relations, and entrepreneurship. However marked changes and improvement are underway for ensuring that the curriculum taught at the institutions of higher learning are commensurating with the realities of the business world.

It is therefore useful for Malaysian accounting educators to participate actively in local and international forums on accounting education and share the experiences of fellow educators elsewhere (Susela (2001)).

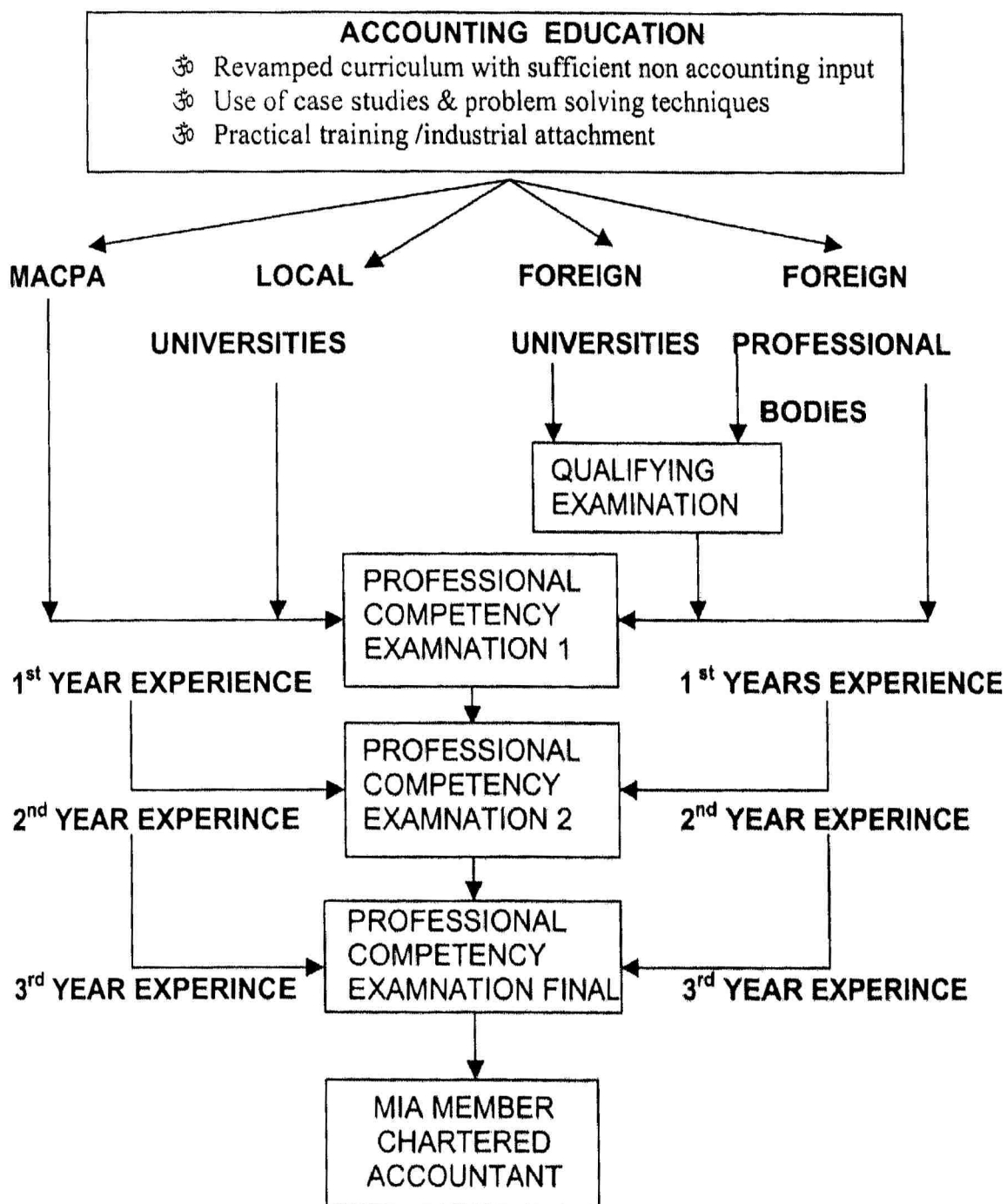
The concept of introducing an assessment of professional competency to ascertain the level of competency and proficiency of accountants has been positively accepted with everyone agreeing that without a major revamp, the profession will be blessed with dismal demise due to its inability to keep pace with the business environment. This shows that there is empirical support for the model created in Chapter Two.

However the introduction of the assessment should be done carefully to avoid the creation of another academic examination. The framework, content and implementation of the examination should be thought through thoroughly taking

all relevant factors into consideration. Respondents generally agreed that the assessment should be carried out at the end of each year of experience.

Although much more research and empirical testing has to be done in this area, a model which could be considered is the ICANZ professional competency examination. The response gathered from the survey and interviews conducted has shown that the general view is that the competency test should be structured in three stages, to be taken at the completion of each year of experience obtained. The content should commensurate with the practical knowledge that the candidate test should have acquired. This view has been translated figuratively in Figure 5.1 and incorporated into the model created earlier for easy comprehension.

FIGURE 5.1 REVISED MODEL FOR TRAINING CHARTERED ACCOUNTANTS IN MALAYSIA



5.4. FUTURE RESEARCH

Further research can be conducted on what should be the content of the qualifying examination and the professional competency test. This will provide useful input for the examiners and course leaders in designing the curriculum

content whilst ensuring sufficient coverage of both the theoretical framework and the practical application of accounting.

Studies should also be undertaken on the effectiveness of the changes in the curriculum made so far. Further research can be done on the structure of practical training and industrial attachment, and how the whole scheme should be implemented so as not to disadvantage any student.

Based on the general comments obtained during the survey conducted, many foreign graduates are unhappy with the requirement to pass a qualifying examination before being eligible for the MIA membership. Perhaps a study could be devised to ascertain the extent of the discontent and possible avenues of mitigating the hardship endured by foreign graduates whilst not compromising on quality and professional competence.

The analysis of data collected in this study showed a marked difference in opinion between MIA members and non-members relating to the effectiveness of CPD programmes and also difference in perception about the importance of communicational skills between accountants from different professional affiliations and between those in different working environments. This could also be researched to achieve empirical evidence which would provide a correct interpretation.

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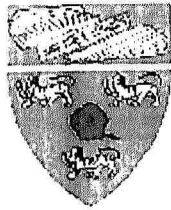
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APPENDIX



Universiti Malaya

Dear Respondent,

A SURVEY ON ISSUES RELATING TO THE TRAINING OF CHARTERED ACCOUNTANTS IN MALAYSIA

The recent amendments to the Accountants Act 1967, has brought about, amongst others, a common designation of "Chartered Accountant" for all Malaysian Institute of Accountants (MIA) members irrespective whether they are public accountants or registered accountants. It was explained that in the era of globalisation and information technology, accountants would not be differentiated by titles; but by their professional attitude and conduct.

The change was facilitated by amending Section 7 (e) of the above Act, by substituting for the words "public accountants or registered accountants" the words "chartered accountants"

This questionnaire is designed to gather and analyse the views of members of the accounting fraternity in public practice, commerce and industry, institutions of higher learning and the public sector and other selected interest groups such as employers of accountants and undergraduates relating to the common designation of chartered accountants for all MIA members. Their views should shed some light on whether the holders of the designation are qualified enough to justify its conferment or is there a need to refocus accounting education or revise the accreditation process currently in place to produce more broadly and ably educated accountants who would be more useful and relevant to a rapidly changing world.

This study is undertaken as a partial fulfillment towards completion of a postgraduate degree at the Faculty of Business and Accountancy, University Malaya.

The information you provide will assist MIA, professional bodies and institutions of higher learning to gather a correct picture of the current status of practising accountants and structure their educational, training and research programmes. By relating your experiences, you are providing useful input to the study and therefore request you to respond to the questions frankly and honestly. In the event of insufficient space to pen your response, you are most welcome to attach additional sheets of paper to fully express your opinion. Your response will be kept strictly confidential.

Thank you very much for your time and cooperation. I greatly appreciate your help in furthering this research endeavour.

Yours sincerely,

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SECTION B : EDUCATION FOR GRADUATES

- | | Strongly
Disagree | | Neutral | | Strongly
Agree |
|---|----------------------|---|---------|---|-------------------|
| 1. Fresh graduates from Universities are adequately equipped to meet the realities of the business world | 1 | 2 | 3 | 4 | 5 |
| 2. Globalisation has demolished boundaries and cross border transactions are common in today's world. Graduates are ready to manage this changing environment which requires not only knowledge of local financial reporting standards but some insight into international accounting practices | 1 | 2 | 3 | 4 | 5 |
| 3. With 3 years of experience, a local graduate is able to attain membership with MIA. He is conferred the title of Chartered Accountant. However some may not have sufficient exposure in the relevant areas and therefore should be subjected to some form of assessment to gauge competence and proficiency. | 1 | 2 | 3 | 4 | 5 |
| 4. The assessment should test, in addition to knowledge of specific areas, the candidates professional judgment on a wide range of contemporary business issues and compliance | 1 | 2 | 3 | 4 | 5 |
| 5. The competency test should be held in stages; i.e. at the end of each year of practical experience and should assess him on the level of proficiency that he is expected to have acquired within that period. | 1 | 2 | 3 | 4 | 5 |
| 6. The competency examination should be centralised to ensure uniformity, and the task of setting the exam should be segregated from those involved in preparing the students for the examination | 1 | 2 | 3 | 4 | 5 |
| 7. Graduates from foreign universities and professional bodies not recognized by MIA are required to sit for a qualifying examination (QE). | | | | | |
| a) Do you agree that the exam should be open to both accounting and non accounting degree holders | 1 | 2 | 3 | 4 | 5 |
| b) The QE should be taken only after the 3 years experience which is a prerequisite for membership | 1 | 2 | 3 | 4 | 5 |
| c) On passing the QE, candidates should still be required to sit for the competency exams | 1 | 2 | 3 | 4 | 5 |
| 8. Having completed the professional competency examinations, a programme of continuing professional education (CPD) provided by professional bodies and MIA is sufficiently effective enough to maintain and improve the professional competence of accountants | 1 | 2 | 3 | 4 | 5 |

General Comments:

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SECTION C: SIGNIFICANCE OF A SINGLE DESIGNATION

- | | Strongly
Agree | | Neutral | |
|---|-------------------|---|---------|---|
| 1. The use of the common designation of Chartered accountant would serve to harmonise the public's perception of accountants in Malaysia | 1 | 2 | 3 | 4 |
| 2. The chartered accountants in Malaysia would probably enjoy the same esteem reflected by the chartered accountants from around the world, if the professional competency examination is adopted as a mandatory prerequisite. Please elaborate below. | 1 | 2 | 3 | 4 |
| 3. With Malaysia being a party to WTO, AFTA etc., Malaysian accountants will face strong competition from foreign accountants who would be expected to have commensurating qualifications in order to practice in Malaysia. Therefore Malaysian standards for accountants should be maintained at a high level so that there would not be an influx of "less qualified" accountants into Malaysia | 1 | 2 | 3 | 4 |
| 4. Graduates from foreign professional bodies sometimes cease to be members of their mother bodies once they attain membership with MIA. This should be prohibited as they will no longer have the CPD support of their mother bodies and this may affect the maintenance of their competence and proficiency. | 1 | 2 | 3 | 4 |

General Comments: _____

SECTION A: ACCOUNTING EDUCATION

Please state the extent to which you agree/disagree with each of the statements by circling the appropriate number on the following scale.

Scale

1 = Strongly Disagree
2 = Disagree
3 = Neutral

4 = Agree
5 = Strongly Agree

1. The current state of Malaysian accounting education programme at universities is adequate to meet the needs of an expanding profession. If not, please elaborate below
2. The prerequisites for entry into universities i.e. STPM/Diploma/ Matriculation etc. are highly examination orientated and fail to prepare students for university life where they are required to open their minds and think independently
3. University education should expand from mere transfer of knowledge to training students to be able to adapt themselves to changes in environment/circumstances
4. Lecturers should use case studies and problem solving techniques where students are required to identify relevant information to make logical assessments and communicating clear conclusions. This would prepare them for the real world.
5. Multi-disciplinary knowledge and skills linking accounting, auditing and tax should be inculcated to equip students in future to face multifaceted and complex situations which is typical of professional demands
5. Practical training / industrial attachment should be made compulsory and assessed as part of the curriculum.
6. Information technology content in the accounting curriculum should be sufficient to enable the student to not only use and evaluate information system but be able to play a role in the design and management of such systems
7. Students should have the capacity of inquiry, research, logical thinking and critical analysis. If you agree, suggest avenues for achieving this, below
8. Accounting education should incorporate general knowledge which produces broad-based individuals who:
 - a) can think and communicate effectively
 - b) possess strong entrepreneurial skills
 - c) have good public relations
 - d) are efficient strategisers

1	2	3	4	5
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1	2	3	4	5
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1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

General Comments:

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SECTION D : DEMOGRAPHY

Please complete the following by indicating your response in the boxes concerned.

1. Age

2 Gender

Male ☐
Female ☐

3 Are you a member of the Malaysian Institute of Accountants ?

Yes ☐ No ☐

4 Professional Affiliation /Qualification

a) Chartered Accountant

d) CPA

from -----

from -----

b) ACCA

e) Accounting degree

from -----

c) CIMA

f) Others:

Pls. specify -----

5 Working Environment

Public Practice		Commercial		Education		Public Sector
Big Five	Others	Listed company	Non-Listed Company	Private Institutions	Public Institutions	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

6 Place of occupation (Town / State): -----

7. Number of Years of Experience in Accounting