

Accountants' Structured Continuing Professional Education Learning Programs in Malaysia

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Abstract

Continuing Professional Education (CPE) activities are paramount for accountants. Through the CPE, accountants would be able to keep abreast with current development in the profession and thus improve or at least maintain the quality of service rendered to clients. However, there is limited study on the CPE trainings for accountants. In this study, we provide insights about the CPE events organized by the Malaysian Institute of Accountants from 2006-2008. We find that financial reporting, taxation and IT trainings top the charts of training events and most trainings were done between 1-2 days (8 hours-16 hours).

Keywords: Continuing Professional Education, trainings

1.0 Introduction

Accounting profession is a large, growing and important group providing an array of services such as auditing, accounting, information technology, management consulting, taxation. In addition, the members of the profession also serve in various segments and sectors namely government, commerce and industry, public practice as well as academia. For this reason, learning activities are seen as critical to accountants in the profession (Hicks et al., 2007; MIA, 2008). Yuthas et al. (2004) suggest that such activities are critically important as they could assist accountants to gather information that is useful in producing higher quality financial reporting and audit products. They also argue that learning is vital in helping those accountants to address the current problems of lack of confidence in accounting profession due to major cases involving inappropriate accounting practices such as Enron and WorldCom scandals. Apart from that, the demise of public accounting firm, Arthur Andersen, also tarnished the image of the profession.

Consistent with the above discussions, Section 410.3 to the Malaysian Institute of Accountants (MIA) By-Laws 2007 on Professional Ethics, Conduct and Practice (By-Laws) states that accountants' participation in the learning activities is essential in order to maintain high standards of practice and public confidence in the profession (MIA, 2007). This requirement is aligned with the overall strategic directions of the MIA which are to maintain the credibility of profession, develop and enhance competency of accountants through continuous education and training in order to meet challenges of the global and increasingly dynamic economic environment (MIA, 2009c). Recently, the new President of the MIA, Encik Abdul Rahim Abdul Hamid in his annual statement pointed out that "there is a need for continuous education and development efforts to ensure that members have access to knowledge and resources that will enable them to be competent and relevant" (MIA, 2009d, p. 10).

Furthermore, in line with global standards, International Federation of Accountants (IFAC) through its International Education Standard (IES) 7 Continuing Professional Development also asserts that individual professional accountant is responsible to develop and maintain professional competence necessary to provide high quality services to clients, employers and other stakeholders by fostering a commitment to lifelong learning among those accountants (IFAC, 2008). Given the importance of learning to accountants, in the present paper, we analyzed the structured continuing professional education (CPE) learning programs organized by the MIA between 2006 and 2008 in terms of programs frequency, fee structure and credit hours granted for members.

This is particularly important area of investigation since the nature of accountants' work assignments have intensified and changed dramatically in recent years. The paper is structured as follows. Section 2 briefly synthesizes the salient points of the CPE learning activities while section 3 explains method used to investigate the central issue and section 4 discusses the findings of our analyses. Finally, the paper presents the conclusion on the findings.

2.0 Structured Versus Unstructured Continuing Professional Education Learning Programs

Under Section 410.3 to the By-Laws, the CPE learning activities is defined as "those learning activities that develop and maintain capabilities to enable professional accountants to perform competently within their professional environments" (MIA, 2007, p. 114). The IFAC, in its IES, further explains the concepts of capability and competence. According to IES, these concepts may be described as being the two sides of a coin. "Capabilities are the professional knowledge; professional skills; and professional values, ethics, and attitudes required to demonstrate competence while competence is being able to perform a work role to a defined standard, with reference to real working environments" (IFAC, 2008, p. 11). In this sense, the possession of capabilities gives an indication that an accountant has the ability to perform competently while discharging his or her professional duties in the workplace (IFAC, 2008).

Moreover, CPE learning programs are classified into structured and unstructured program. The structured program or also termed as formal learning activities are those which have a clear set of objectives and a logical framework (MIA, 2009a). Examples of such activities include attendance either as a presenter or participant at courses, conferences and seminars, recognized post-graduate studies, and writing technical articles, papers or books (MIA, 2007; 2009a). In relation to this, Section 410.4 of the By-Laws states that all MIA members must file a professional development record each year indicating a minimum of 20 CPE credit hours are obtained and maintained from structured activities and that such CPE shall be verifiable. Further, for every three rolling calendar year period, a minimum of 60 CPE credit hours have to be attained by the members from such activities (MIA, 2007).

As mentioned above, besides structured program, the MIA also recognizes unstructured program. In workplace learning literature, such learning is generally known as informal learning. Marsick and Watkins (1990) define such activity as a process of learning that takes place in everyday experience and often occurs at subconscious level. It is typically referred as being a part of the job or a mechanism for doing job properly and is therefore rendered invisible as learning (Boud & Middleton, 2003). From the perspective of accounting profession in Malaysia, the activities that are categorized as unstructured program include private reading or study and technical research that are related to accounting and auditing matters for practical work purposes (MIA, 2007; 2009a). Like structured activities, the unstructured learning is also mandatory for all MIA members and the MIA would grant the remaining 60 credit hours for such learning. However, the MIA had removed the requirement to provide supporting documents or evidence for the unstructured activities since 2002 to incorporate the amendments to the By-Laws in 2002 (MIA, 2007, 2009b).

From the above discussions, it could be concluded that professionals like accountants acquire knowledge and skills that are not generally obtained by general public through an extensive learning process. Their knowledge and skills will be further developed by both structured and unstructured CPE learning programs. Despite the accredited CPE programs include both types of learning, as mentioned earlier, for the purpose of this paper, we only focus on the structured learning where it is verifiable.

3.0 Method

The present paper covered the structured CPE programs organized by the MIA between 2006 and 2008. The MIA Professional Development Centre (MPDC) is the MIA's training and development arm that responsible to handle the organized programs (MIA 2008; 2009b). The data on the programs such as programs frequency, fee structure and credit hours were obtained from CPE calendar as included in Accountants Today magazine. Then, the data was coded and analyzed accordingly using SPSS version 12.0. A number of descriptive statistical techniques such as frequencies, descriptive and cross tabulation were employed for utilization in data analyses.

4.0 Findings and Discussions

The findings of our analyses are shown in the following tables and discussions. Table 1 illustrates the number of the structured CPE programs organized across the 3 years according to event categories. Generally, there are 11 categories of organized programs including Financial and Accounting Reporting Standards, Management Accounting, Auditing and Others. A total of 1556 programs were analyzed. On average, 518 programs were conducted per year with the highest number was recorded in 2007 (543 programs). Of 1556 organized programs, we find that 267 (17.2%) were related to Advanced Information Technology (IT), which formed the largest program category. Examples of program under this category include Advanced Microsoft Power Point 2003, Advanced Microsoft Excel 2003, Task Automation with Microsoft Excel Macro, Financial Data Management with Pivot Tables, Building Financial Models for Decision Making and many more. Thus, it could be argued that IT integration course tops the list as additional IT skills are highly demanded for accountants which is in line with current business environment.

The Financial and Accounting Reporting Standards category was the second largest (255 or 16.4%) (For examples, Financial Reporting Standards in Malaysia – Salient Features and Recent Developments in Malaysian Financial Reporting Standards), followed by Taxation (225 or 14.5%) (For instances, Introduction to Corporate Taxation and Self Assessment System) and then Basic and Intermediate IT courses (For examples, Fundamental and Intermediate Microsoft Word 2003 and Microsoft Outlook 2003). Surprisingly, Management Accounting is among the lowest supplied program though members of the MIA who are not in public practice may benefit a lot from such programs. Quite probably, other professional accounting bodies such as Chartered Institute of Management Accountants (CIMA) may provide the alternative avenue to fill the void for corporate accountants.

Table 1: Event Category and Fee Cross tabulation

CPD programmes	Year					Fee (RM)			
	2006	2007	2008	Total	%	<750	750-1500	1500-2250	>2250
Financial & Accounting Reporting Standards	94	72	89	255	16.4	76	5	0	0
Management Accounting	26	26	33	85	5.4	33	0	0	0
Auditing, Assurance & Risk Management	43	38	60	141	9	51	9	0	0
Taxation	58	110	57	225	14.5	40	11	0	0
Legal & Corporate Governance	31	48	23	102	6.5	14	7	0	0
Banking & Finance	29	21	38	88	5.7	14	23	1	0
Management & Strategy	29	31	24	84	5.4	19	3	0	0
Personal Development & Leadership	29	34	28	91	5.8	15	11	1	1
Information Technology - Basic & Intermediate	65	70	64	199	12.8	58	0	0	0
Information Technology - Advanced	82	85	100	267	17.2	70	22	0	0
Others	3	8	8	19	1.2	0	3	0	0
Total	489	543	524	1556	100	390	94	2	1

During 2006, we find that the majority of the programs focused on Financial Accounting and Reporting Standards. This could be probably due to 43 of Malaysian Accounting Standards Board (MASB) Approved Accounting Standards for Entities Other than Private Entities, 29 Standards (nearly 70%) were came into effective between 2006 and 2007 (MASB, 2009). Examples of the programs under this category were 1 Day Seminar on Financial Reporting Standards, Recent Developments in Malaysian Financial Reporting Standards and Financial Reporting Standards and Salient Features. Meanwhile, Taxation was the major program category conducted in 2007. The increment for Taxation courses was almost double when compared to last year figure (from 58 to 110). Among the most popular organized Taxation courses were Tax Practitioners Update and Tax Planning for 2007, Tax Appeal Procedures, Deferred Taxation, Public and Advance Rulings by Inland Revenue Board (IRB) and many more. However, the frequency of the programs dropped significantly in the following year (from 110 to 57).

For 2008, Advanced IT courses were the most commonly organized programs which totaled 100 times. In addition, across the 3 years, the frequency of events was observed consistent for Management Accounting, Management and Strategy, Personal Development and Leadership as well as Basic and Intermediate IT categories.

Table 1 also shows fees charged for the programs according to event categories across the 3 years. MIA has disclosed fee charges for the programs since February 2008 in the CPE calendar. As shown above, fee structure is categorized into 4 bands as follows: below RM750, between RM750 and RM1,500, between RM1,500 and RM2,250 and more than RM2,250. A total of 487 cases were analyzed. We find that the minimum fee charged for the CPE programs was RM130 (1 day program on Basic and Intermediate Microsoft PowerPoint 2000) while the maximum was RM 3,180 (3 days program on Implementing Blue Ocean Strategy for Malaysia) with an average RM556 was charged per program. Almost all of the organized programs cost participants not more than RM1,500 and only 3 programs cost more than RM1,500 (1 program for Banking and Finance and 2 programs for Personal Development and Leadership). Moreover, fees of lesser than RM750 was normally charged for Financial and Accounting Reporting Standards programs while fees between RM750 and RM1,500 was more apparent for events under Banking and Finance programmes. From the findings, it could be concluded that the fees charged to participants were considered inexpensive and affordable although most of the programs were conducted in top rated hotels nationwide.

Table 2 presents the event categories and the CPE credit hours granted for members across the 3 years. As illustrated in the above table, credit hours are categorized into less and equal to 8, more than 8 but less than 16 and more than 16. In general, it could be said that the MIA would grant credit hours according to the number of days attended for the programs. For instance, 8 credit hours would be granted by the MIA for a 1 day program, 16 for a 2 days program and so on. As such, a member may need to attend at least 3 programs of any given year to fulfill minimum requirement of 20 credit hours for structured learning activities (assuming a member would be granted 8 credit hours in a 1 day program). A total of 1556 organized programs were analyzed. From the analyses, we find that the CPE credit hours for those attended the programs ranged between 0 and 40 with average 11.94 credit hours was granted per program. Surprisingly, no credit hour was granted for participants in a 3 days Practical Accounting Program while 40 credit hours were awarded for members who attended a 5 days program on Sarbanes-Oxley-Professional Practitioners' Program in November 2006.

CPE credit hours ranged between 0 and 8 was normally granted for Financial and Accounting Reporting Standards and Taxation events, more than 8 but less than 16 was common for Financial and Accounting Reporting Standards as well as IT based programs and for credit hours more than 16, it was usually awarded for Advance IT programs. In addition, the findings also reveal that none of Financial and Accounting Reporting Standards, Management Accounting, Auditing, Assurance and Risk Management, Taxation, Management and Strategy, Basic and Intermediate IT and Others programs (e.g. trainings on Blue Ocean strategy) were granted for members above 16 credit hours.

Table 2: Event Category and CPE Credit Hour Cross tabulation

Programme	< 8 hours	8-16 hours	>16 hours	Total
Financial & Accounting Reporting Standards	115	140	0	255
Management Accounting	61	24	0	85
Auditing, Assurance & Risk Management	75	66	0	141
Taxation	167	58	0	225
Legal & Corporate Governance	62	38	2	102
Banking & Finance	17	70	1	88
Management & Strategy	22	62	0	84
Personal Development & Leadership	41	46	4	91
Information Technology - Basic & Intermediate	79	120	0	199
Information Technology - Advanced	91	156	20	267
Others	8	11	0	19
Percentage	47.5	50.8	1.8	100

5.0 Conclusion

This paper analyzed the structured CPE programs organized by the MIA between 2006 and 2008 in terms of programs frequency, fee structure and credit hours granted for members. Findings from our analyses revealed that a total of 1556 programs were organized across the 3 years with an average of 518 programs were conducted per year. We also find that IT- Advanced level, Financial and Accounting Reporting Standards and Taxation were the most popular event categories for the organized programs. In term of fees charged, the analyses indicates that more than 95% of the organized programs cost participants not more than RM1,500 and average fee per program was RM556. Thus, it could be concluded that the MIA has charged reasonable fee for its programs although most of them were conducted in top rated hotels throughout Malaysia. For the CPE credit hours, the findings show that credit hours granted for members range between 0 and 40 with an average of 11.94 credit hours was awarded per program. Moreover, we also find that the majority of the programs were not awarded more than 16 credit hours. Apart from that, in relation to structured learning, it is suggested that a member should attend at least 3 programs in order to attain a minimum of 20 credit hours per year as required by the MIA By-Laws.

In conclusion, it might be thought that the MIA has spent considerable funds, time and efforts on formal professional education programs in order to meet the increasing challenges facing the profession and to fulfill the needs of its members across sectors nationwide. Considering that the CPE activities are critical to accounting profession as it enable accountants to enhance their knowledge, skills, competencies as well as inculcate high ethical values to meet public expectations, we believe that the regulatory bodies such as the MIA and other parties like corporate entities and public accounting firms could make use of the findings of this paper. For instance, the parties could make use of the findings to develop more appropriate learning strategies at organizational and professional body's levels in order to further enhance the ability of accountants to discharge their duties. Thus, this paper presents one of the initial efforts towards a greater understanding of workplace learning activities among accountants within the line of today's accounting practice. This is particularly useful as there is little research published in the area of learning activities of professional groups like accountants especially in Malaysian context.

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