

# Orientating, Training and Fostering Professional Qualification of Accounting to Meet Integration Requirements

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Joining in AEC has opened the broad region and international integration with many fields including the field of accounting. Accounting service transfer and accounting certificate recognition have given many difficulties, challenges, and works to be done for Vietnam, such as language barriers, education program, National legislation, customs, and habits; practicing certificate and practice conditions recognition are issues which need to be resolved and mentioned with solving orientation in the article. Main contents include analysis of the Viet Nam situations and some solutions to do it.

*Keywords:* international integration, accounting service transfer, accounting certificate, accounting program

## Introduction

Integration of international organizations is a necessary requirement, but it also poses requirements for Vietnam to implement, including accounting field which includes accounting service transfer and recognition of mutual accounting certificate. The question on how to implement these requirements well is the basic content of the article, and the author has pointed out five issues to be taken when entering common accounting market and the mutual recognition of certificate of chartered certified accountants. How and what we should do as joint AEC and international accounting including accounting programmes, certificates, and services?

## Analysis

In 2015, Vietnam has officially joined the ASEAN economic community (AEC-ASEAN economic community) with four basic elements including a unique market and common production base built through the freedom of goods turnover, service turnover, investment turnover, and skilled laborers turnover. Regional unified framework agreement with 14 Articles dated December 15th, 1995 by representatives of member countries of Association of Southeast Asian Nations (ASEAN including Brunei Darussalam Government, Republic of Indonesia, Malaysia, Republic of Philippines, the Republic of Singapore, Kingdom of Thailand, and Socialist Republic of Vietnam) on prescribing the service problems including the transfer and mutual recognition of accounting practice certificate in the region. People say that international recognition of professional qualifications in the region is urgently needed. Assessment procedures and examination infrastructure require improvement.

The summary of roadmap for mutual recognition of a practicing certificate includes three phases:

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*The 1st phase (2015-2016):* Establishing the Supervision Committee, offices, and assessment reports of ASEAN accounting certificate (Drafting assessment report of ASEAN accounting certificate, circulating for collecting, summing the opinions of members, submitting the Commission of ASEAN accounting certificate, editing, and completing).

*The 2nd phase (2016-2017):* Assessment Committee and Secretariat: Presenting the standards and criteria to reduce barriers through the assessment report and ASEAN accounting certificate (Researching the current barriers and strategies mitigating each barrier) and approving the assessment report.

*The 3rd phase (2018-2019):* Agreeing to approve the ASEAN accounting certificate and guidance on the application.

The above stages will focus on the education and training in many aspects, such as professional education; accounting, finance, and related knowledge; organizational and business knowledge; information technology; skills, values, ethics, and attitudes; practical experience; providers of practical experience. These will be described by the information from the past to the future as follows in Figure 1.

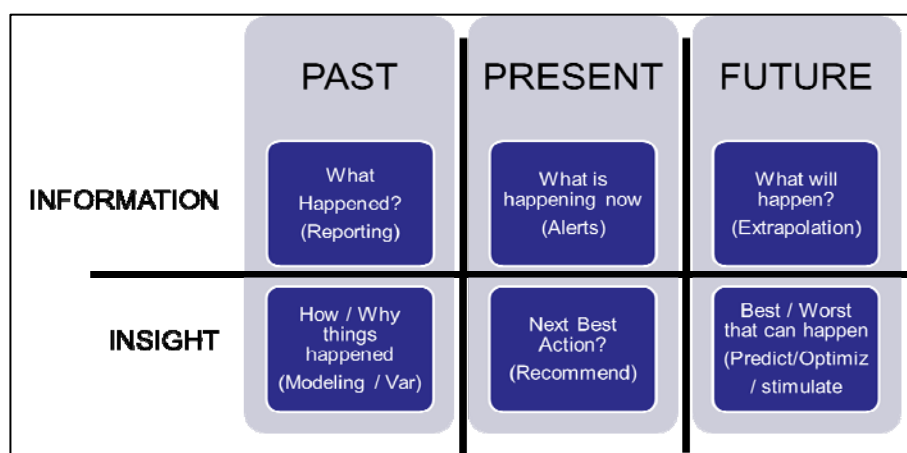


Figure 1. Description by the information from the past to the future.

One of the core capabilities that finance professionals should acquire in order to move towards world-class performance is developing skills and competencies to provide strategic insights for the organisation. Business leaders are expecting this and the finance professional must move into this space. In addition, getting the numbers and controls right, finance should help to develop strategies for managing value and growth. Strategic involvement includes developing:

- Robust strategic processes;
- Advising on major investments;
- Product developments;
- Asset and infrastructure investments;
- Working with operational and business managers;
- Advising on issues such as current and expected business mix, and capital structure, etc.;
- Risk return profiles;
- Analytics.

Those strategic should be done by professional accountant with higher philosophy in the modern economy with current trend in the global. Competent accountants need to deliver as shown in Figure 2:



Figure 2. Describe ethnics, integrity, and professionalism.

To solve the problems occurred in the enterprises, organizational decision makers are looking for:

- Information to assess at risk and with uncertainty;
- Better market analysis;
- Better competitor analysis;
- More accurate customer profitability analysis;
- Improved understanding of cost behavior and drivers;
- Improved cost control and management;
- More accurate cost information for product costing/pricing.

### Research Results

From the above information, we see some issues that need to be resolved when moving accounting services and having the mutual recognition of practice certificate in the region including:

Firstly, the unified language for use: each country has its own language, so when laborer movement happens in general and the transfer of accounting services in particular, the language barrier will be set out first and it is required to give treatment measures. It shall be difficult to transfer if using the native language. If using the common language, English, according to the current trend, the laborers are required to have the good English level. Current reality in Vietnam is that the qualified team for accounting services who meet the requirements of English is not much due to many objective and subjective reasons, and it needs to have time for additional fostering and training to meet the demand. Therefore, the problem which is given, is resolving the current number of laborers for satisfying the requirements as well as building program, training contents, and testing process of human resources in the future.

*Resolve of current human resources:* Asking each unit of using laborers, each individual to be responsible for improving and fostering in order to complete the target of achievement of international certificates of

foreign language and considering this is one of the compulsory requirements for professional practice. The updating and testing annual knowledge must mention this compulsory condition.

*Resolve of human resources:* Most of programs of the training facilities include the program, training content of basic English, and specialized English, and also include commitment of and output foreign language standard, but in fact because of many reasons, the result is not as expected and the laborers may not use English fluently. Therefore, it is necessary to take foreign language with the requirements at higher levels than current regulations in the exam program of annual certification. Moreover, examination questions for testing foreign language should focus on major, law, and resolving situations, etc.

The training process of foreign language may be illustrated as follows (in Table 1):

Table 1

*The Training Process of Foreign Language*

No.	Level	Foreign language requirement
1	Before having the occupational certificate	Individual self-train and self-foster
2	Taking an examination for getting occupational certification	Compulsory conditions and high requirements related with major, law, resolving the situations
3	Professional practice	Fostering and updating regularly and testing for satisfying certain standards

Secondly, the professional qualification of accounting. The posed problem is that program and the contents of subjects must be recognized in the region and over the world. This is a relatively difficult duty because countries in general and Vietnam in particular have the different program and training contents and there is not the unity of professional qualification. Moreover, there is not quantitative measurement to determine specifically the unity of professional qualification. Therefore, it is necessary to build the program and content of compulsory, general frame that is applied in each region under each certain level. The professional qualification of accounting can be illustrated as follows (in Table 2):

Table 2

*The Professional Qualification of Accounting*

No.	Subject	Level	Objective of subject
1	Accounting principles	Principles	The basic problem of book keeping operation and arising profession under the level of general principles
2	Basic accounting/general accounting	Level 1	Basic arising profession related to accounting unit and accounting books
3	Financial statement	Level 2	<ul style="list-style-type: none"> <li>Principles and basic objectives of financial statement</li> <li>Database of making and presenting financial statement</li> <li>Adjustment of financial statement</li> </ul>
4	Corporation accounting	Level 3	<ul style="list-style-type: none"> <li>Principles of forming Economic Group</li> <li>Arising professions and adjustment in Economic Group (simple and complex)</li> <li>Principles and objectives of the consolidated financial statement</li> <li>Database of making and presenting consolidated financial statement</li> </ul>
5	Accounting law	Level 4	<ul style="list-style-type: none"> <li>The legal system of accounting in Vietnam (accounting law, accounting standards, and accounting regimes)</li> <li>The legal system of international accounting (International accounting standards and the accounting of some advanced countries)</li> </ul>
6	Accounting professional ethics	Level 5	<ul style="list-style-type: none"> <li>Regulations and principles of accounting professional ethics for related subjects (accountants, people of accounting services practice, etc.)</li> </ul>

If the finance function and the finance professional are to significantly transform to add value to organisations and become true business partners as a new set of skills and competencies, it is essential to acquire the following:

- Excellent analytical skills using not just financial analysis but also customer and market analysis, statistical and also sophisticated modelling techniques;
- Use of multi-disciplinary team approach to inform key decision making as well as the ability to integrate inputs from diverse, non-financial sources;
- Strong commercial acumen characterized by strong product, process, and market knowledge.

Thirdly, regulations on practice conditions of accounting services in the host country: Each country has certain conditions of service practice, so chartered certified accountants who satisfy all requirements are admitted to practice. Therefore, the posed problem is that countries should have common regulatory framework for professional practice in the region and the world or notice own rules on professional practice conditions. This makes the individuals who want to transfer services self-improve satisfy the requirements. In current situation, if each individual meets the new requirements by himself, the individual is admitted to practice. For example, foreigners who want to practice a profession in Vietnam must take part in an examination of testing and meet all requirements. Moreover they also must meet other related requirements. If the regulation still exists, its advantage is that each country only should maintain the existing regulations but its limitations is that there is not common area for laborer turnover of accounting services in the true sense. The formation of common regulations on providing accounting services in the region brings the advantage expressing common community, but it also has limitation that is necessary to change the regulation for matching other countries.

Fourthly, recognition of practicing certificate in the region: practicing certificate in the region has the detailed roadmap on mutual recognition, but this problem is only feasible if countries in the region resolve problems and barriers, and get the certain agreements on some issues including training and fostering program, exam and testing process of certificate, contents and knowledge of training and fostering, and regulations on conditions of professional practice registration. Finance and accounting professional today are moving out of their traditional finance roles and financial views alone and becoming analytical (see Figure 3).

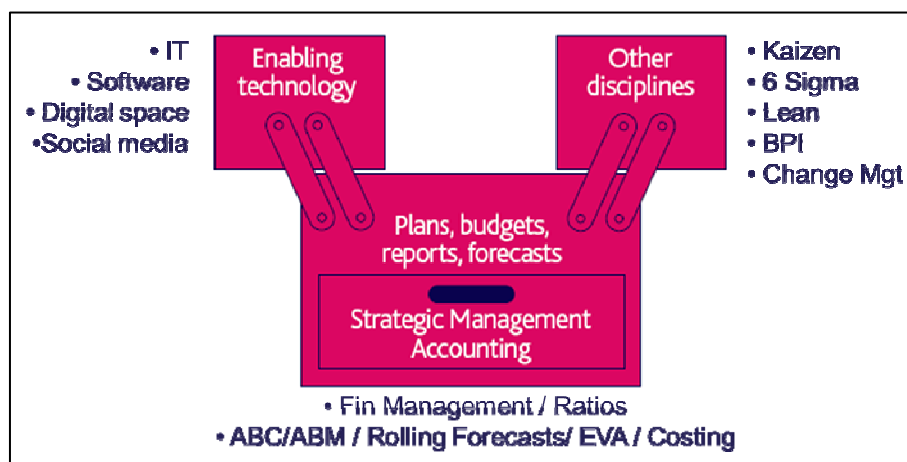


Figure 3. Strategic managements accounting.

Fifthly, laws and customs in the host country: When having the shift of free labor, it is compulsory to research the customs and habit of the host country and adapt for working in the country. The understanding law of

host country plays an important role to determine the existence of each individual in addition to the foreign language and accounting expertise as well as conditions of service practice. The understanding, relevant law and customs of host country are also the decisive factors. Therefore the process of fostering and retraining is required the law subject (as the second part mentioned), the history, and culture of the region, and each individual is also required to have knowledge and reach the certain qualification.

### Conclusion

The shift of human resources in general and the accounting services transfer in particular according to the integration commitments bring Vietnam many problems to be solved urgently, including program of fostering and training, language, the understanding and international law, and especially the mutual recognition of certificate of chartered certified accountants, etc. Some issues that are showed and oriented to resolve are basic contents of the article with the purpose of contributing to the integration process taking place quickly and achieving the stated objectives. Vietnam will come to the expected destination if following the requirements of international professional bodies. They are qualified standards and professional requirements, regional recognition as a basis of international accounting recognition, examination content and structure, program development for education, and practical experience requirements. There are five resolutions in the topic which help Vietnam integrate with AEC and International accounting such as:

- (1) Language;
- (2) Qualification of accounting;
- (3) Conditions of accounting services;
- (4) Recognition of practicing certificate in the region and laws;
- (5) Customs in the host countries.

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