

**Core Competencies for Accountants of BS  
Accountancy Students of Tarlac State  
University: Input to Accounting Education**

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— *Review of* —  
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**ABSTRACT**

This descriptive study determined the core competencies for accountants of the BSA graduating students of the Tarlac State University based on Commission on Higher Education Memorandum Order (CMO) 3, s. 2007. The identified main issue and problem of the students relative to acquiring core competencies was the lacking of field exposure during their on-the-job training or internship which was also identified as most the important source relative to acquiring core competencies alongside with classroom discussion, problem solving and theory questions. Based on their self-assessment, the study found out that the graduating BSA students have average knowledge and understanding of accounting and finance but below average knowledge of information technology, organizational and business and general knowledge. It also showed that they have average knowledge in terms of interpersonal and communication skills but below average knowledge in terms of intellectual skills. Nonetheless, the study revealed that students were somewhat capable or in some extent were ready to use and apply such knowledge and skills professionally. As to values, the students were described to be competent and ready to distinguish professionally what is morally right or wrong. Recommendations were made to enhance the BSA curriculum and help attain the expected outcome for the BSA graduates.

Keywords: Core competencies for accountants, BS Accountancy students, Accounting Education, Certified Public Accountant

**BACKGROUND OF THE STUDY**

Every Bachelor of Science in Accountancy (BSA) student is expected to become professional accountant, a future Certified Public Accountant (CPA). As professional, CPAs are expected for high quality performance who will uphold the thrusts of the accounting profession and protect the best interest of those for whom the services are performed (CMO 3, s. 2007). Hence, BSA students shall be trained and developed not only to pass the licensure examination but for them to become competent

and ethical professional accountants. To realize this, teaching and learning should focus on the outcomes.

The International Federation of Accountants' (IFAC) International Accounting Education Standards Board (IAESB) promulgated the International Education Standards (IES) that provides guidelines for the development of accountants from the initial professional development of becoming professional accountant and on his continuing professional development once admitted to the profession. It starts during the formal accounting education process in school. IAESB Framework defines competence as the ability to perform a work role to a defined standard with reference to working environments (IFAC 2009 b). The IAESB with its "Revision Project" in 2013 has stressed and adopted competency approach to accounting education which specifies "an outcomes-based approach in integrating technical competence, professional skills, and professional values, ethics, and attitudes - the three different competencies (Abbasi, 2014).

The American Institute of Certified Public Accountants (AICPA 1999) developed the CPA Core Competency Framework that provides set of skills-based competencies needed by all students entering the accounting profession. The framework provides three major competencies – functional competencies or technical competencies aligned with the value contributed by accounting professionals, personal competencies which relate to the attitudes and behaviors of individuals, and broad business perspective competencies which relate to the context, internal and external environment and their interactions in which accounting professionals perform their services ([www.aicpa.org](http://www.aicpa.org)).

In 2005, the Philippine Board of Accountancy (BOA) together with the Task Force on Accountancy had created the Core Competency Framework for Entry to the Philippine Accountancy Profession in response to the rapid change of the body of knowledge, technology, business practices and government regulations around the world that affect the accounting profession (Mendoza, 2013). This framework contains the entry-level qualification requirements and well-defined set of core competencies for Filipino CPAs. This was patterned after the guidelines or standards promulgated by IFAC and was also aligned with AICPA Core Competencies. The core competency framework consists of the "knowledge," "skills" and "values" that a graduate BSA student should possess to make him qualified to enter the profession and successfully face the challenges of today's changing environment and the future of the profession. This however contains only the minimum set of competencies and higher competencies

are expected during the practice of the profession. This framework was also used as basis in establishing policies and standards for the BSA program contained in Memorandum Order No. 3 issued by the Commission on Higher Education (CHED) in 2007. The BSA curriculum was used to develop the syllabi in the CPA licensure examination, a certification to become a CPA.

These frameworks help ease and enrich the transition from BSA student to professional accountant. These core competencies certainly prepare the students to their lifelong future profession regardless of the career path they choose, may it be in public, government, commerce and industry or education sector, in the local or international market as ASEAN integration is certainly just in the corners. Thus, this study was conducted to determine the readiness of the graduating BSA students of Tarlac State University in entering the accountancy profession based on their self-assessed core competencies. This study hoped to contribute on enhancing or strengthening the services currently provided by schools – its administration, faculty, and curriculum - in training and developing the students to become competent and ethical professional accountants and provide input in the accounting education to improve the curriculum in order to prepare the new graduates in meeting the demands of the macro-society (Dacanay, 2013).

## **OBJECTIVES OF THE STUDY**

This study aimed to determine the acquired core competencies for accountants of the graduating Bachelor of Science in Accountancy (BSA) students of Tarlac State University, Philippines. Specifically, it described the core competencies for accountants of the graduating students in terms Knowledge, Skills and Values. It also identified the sources of the acquired core competencies as provided by the school and the issues and problems encountered by the graduating BSA students relative to their core competencies for accountants. The study also identified some implications in the accounting education.

## **METHODS AND MATERIALS**

This study used descriptive method of research. Data were gathered through the use of survey-questionnaire. The statements on the core competencies were adapted from the Core Competency Framework for Entry to the Philippine Accountancy Profession and CMO No. 3 series of 2007, and was modified to suit for the respondents.

Reliability test was conducted from among the BSA graduating students from different schools in the Central Luzon Region.

Only graduating BSA students who were enrolled in the Integration course for academic year 2014-2015, the culminating course of the BSA program which is a pure lecture-review of the 7 board examination subjects were asked to answer the survey. Of the total 98 graduating students, 92 or 93.88% had responded to the survey. The remaining 6 students were not present during the conduct of the survey. A 5-point scale was used to describe the core competencies - 1.00 is described as "Not Competent" or no knowledge or capability of the particular competency to 5.00 as "Competent" or have an average knowledge of the particular competency and are capable and ready to use it professionally. Interview and documentary analysis were conducted to substantiate the interpretation of the findings.

## **RESULTS AND DISCUSSIONS**

### **1. Core Competencies for Accountants**

The core competencies for accountants identify the knowledge, skills and values necessary to perform task productively and efficiently in an entry-level of the ever dynamic accounting environment.

#### **1.1 Knowledge**

The knowledge that the BSA graduate should possess includes general knowledge, organizational and business knowledge, information technology (IT) knowledge, and accounting and finance knowledge. With a grand mean of 3.38, the graduating BSA students were described as fairly competent when it comes to knowledge.

The result of the study revealed that the students were described to be fairly competent in terms of general knowledge and organizational and business knowledge. These include knowledge and understanding of different business cultures, macro-environmental, economic and industry issues, business process structures, functions and practices. It's worthwhile to note however, that students were described as almost competent or with average knowledge when it comes to decision modeling on identifying business problems and evaluating potential solutions and alternatives using

data, knowledge and insight which work hand in hand with their knowledge and understanding of different measurement approaches and techniques used in measuring business and industry issues affecting business process, functions and practices.

In terms of information technology (IT) knowledge, finding showed that the students were fairly competent with below average knowledge and understanding of IT concepts, identifying and evaluating internal controls in computer-based systems, developing standards on adaptation, implementation and use of IT, evaluation of computer business system and of up-to-date IT practices, and managing security measures of IT information. Interview revealed that students have few or less exposures on how some different computer-based systems operate making them described as somewhat capable to use their knowledge in IT professionally.

The graduating BSA students were described as almost competent with average knowledge and understanding of accounting and finance. The result can be supported by the fact that majority of the units of their BSA program covers accounting and finance courses which largely comprise the licensure examination. These are considered to be the core technical foundation to a successful career as professional accountants. These include knowledge and understanding of nature of the accountancy profession, preparation of financial statements with corresponding financial reporting accounting standards, and the Philippine professional ethics and corporate governance. The study of Jackling and Lange (2009) found that accounting graduates and employers acknowledged the importance of technical accounting skills. On the other hand, students were described as fairly competent or have less knowledge and understanding of the concepts of fundamentals and advanced auditing standards, cost management and the latest concepts in management accounting and its use in planning, decision-making, and control, corporate finance and the Philippine capital markets, and advanced financial accounting and financial reporting standards such as environmental accounting and reporting. The result opposed the study of Nilsson (2013) which believes that education as well as research must have a very strong focus on advanced accounting and control.

## **1.2 Skills**

The skills that the BSA graduate should possess include intellectual, interpersonal and communication skills. With a grand mean of 3.64, graduating BSA students were described as almost competent.

The graduating BSA students were described as fairly competent or have less knowledge and understanding and somewhat capable of performing their intellectual skills. These include abstract logical thinking and learning the process of critical thinking, creative thinking or generation of new ideas, visualization and reasoning skills. Specifically, the result showed that students were fairly competent as to analysis and were somewhat capable to review, interpret and evaluate financial data and business systems, operational data and controls in order to form conclusions and or make recommendations on validity and compliances within established policies, procedures, guidelines, agreements and or legislation.

The finding also showed that the graduating students were described as fairly competent in terms of problem-solving and strategic or analytical thinking. These include recognizing the true nature of a situation or problem and solving identified problems with applicable principles and techniques, linking data, knowledge and insight together from different sources and disciplines, and relating potential opportunities and threats to the vision, strategy and culture of the organization to make making informed decision. Interview revealed that the students find difficulty in dealing and solving business case studies and computational problems.

On the other hand, the graduating students were described as almost competent in terms of interpersonal skills. The students have average knowledge and were somewhat capable of working in groups and being a team player with diverse personalities and backgrounds. Likewise, the students were somewhat capable to work independently and work cooperatively with others, build and maintain positive working relationship in a team environment to ensure that deadlines, goals and objectives are attained, undertake large volume of tasks and projects for self and or others taking into consideration frequent interruptions and conflicting and changing priorities to meet strict deadlines, and to work and respond well to pressures.

The result of the study also showed that the graduating students were described as almost competent in terms of communication skills. The students were described to be better in writing than in oral in explaining reports, financial and audit result, statistical, administrative matters, policies, procedures and regulatory matters. They were also described as almost competent in delivering powerful presentations, persuading or convincing other people, and negotiating effectively. The results of the studies of Dacanay (2013), Kerby and Romine (2010), Ballantine and Larres (2009) and

Daff, et al. (2012) support the necessity of reporting competency, communication and presentation skills, teamwork and interpersonal skills in the working environment.

### **1.3 Values**

The values that the BSA graduate should possess include professional ethics and moral ethics. Professional ethics include integrity, objectivity and independence, professional competence and due care, confidentiality, and professional behavior. With a grand mean of 4.16, the graduating BSA students were described as almost competent when it comes to values. This showed that the students have average knowledge and understanding of the professional and moral ethics of professional accountants, and they were somewhat capable to perform them professionally.

The findings showed that the graduating students were described to have average knowledge and somewhat capable of performing a professional work in accordance with the highest standards of professionalism of the accounting profession such as performing tasks that would not prejudice and discredit the accounting profession, become straight forward and honest at all times, be fair and objective in communicating and disclosing financial and non-financial information to the interested users, performing tasks and duties in accordance with relevant laws, regulations and technical standards, working with respect to privacy and confidentiality, and behaving the professional way like having diligence and prudence in discharging professional responsibilities and with self-discipline above and beyond what is required.

It is interesting to note that the graduating students were described as competent when it comes to moral ethics. The result showed that the graduating students have average knowledge and were ready to discern what is morally right and wrong in the practice of profession. Follow up interview supported the study of Armstrong (1993) which revealed that these professional and moral ethics are discussed in the classroom, incorporated in the examinations, assignments and projects and some attended seminars and trainings sponsored by different organizations.

## **2. Sources of core competencies for accountants provided by the school**

The core competencies of the BSA students are largely acquired through formal education and other services provided by the school or university. Likert scale with “5” as “extremely important” down to “1” as “not at all important” were used to

determine how important each source in contributing or acquiring the core competencies of the BSA graduating students.

The result of the study revealed that all identified 27 sources were identified as “somewhat important” to “extremely important.” The extremely important sources of competencies were on-the-job training or internship, classroom discussion, problem solving and theory questions. On-the-job training is part of the university BSA program. Interview revealed that through on-the-job training, the students could be able to apply what they have learned in the school and they have learned much more in exposing themselves in the actual practice and experience. This is supported in the study of Albrecht and Sack’s study (2000), cited by Hocking and Hocking (2009), which suggests that using experiences that are outside the classroom such as internships and service-learning provide real-life experience and integrates community service with learning in the classroom.

On the same hand, classroom discussion remains to be powerful and effective for the students. Interview disclosed that interaction of the faculty with the students was an effective learning process, especially when students were given the chance to ask questions to the faculty and vice versa. Interview also revealed that problem solving, and theory questions improve the logical and critical thinking ability of the students. This could be supported by the fact that students were bombarded with problem solving and theory questions which are the very nature of the questions in the board examination.

The “very important” sources of competencies were thesis or research study, simulation, team learning or tutorials with the peer, student organization academic activities, case or situational problems, feasibility studies, teacher to student coaching, immersion and company visit, and lecture by teacher. The studies of Abbasi (2014), Wu (2009), Riley et al., (2013), and Boyce, et al. (2001) support the result of the study that learning by and with the students are effective with the use of these teaching and learning techniques.

The other “very important” sources of competencies were use of videos and motions during class discussions, board exercises and classroom seatwork, practice set or workbook exercises, computer-based activities, and trainings and seminars. The “somewhat important” sources of competencies were research assignment, group reporting, recitation and individual reporting, and classroom activities like debate, games, role play and the like. “Research assignment” earned the lowest mean score.



### **3. Issues and problems encountered relative to core competencies**

Issues and problems are part and inevitable in every development of a student and so to the acquisition of the core competencies of the BSA graduating students. The finding of the study revealed that the main problem identified by the students in acquiring core competencies for accountants was “lack of field exposure.” With 67 responses or 72.83%, follow up interview revealed that the students find that the time requirement on on-the-job training was not enough to acquire or learn what they wish to learn. The program requires at least 160 hours as stated in the CMO. Likewise, students have identified that there were less exposure and internship on accounting firm and more established companies. Hocking and Hocking (2009) cited that Gujarathi and McQuade (2002) study provides support for Albrecht and Sack’s (2000) study who found that a lack of out-of-class experiences, such as service learning is one of the problems in accounting education.

The next main problems identified were teaching strategy or technique is not sufficient with 57 responses or 61.96%, and lack of discussion on recent topics or subjects necessary to the profession with 47 responses or 51.09%. Other identified problems were strict BSA retention policy, family related / personal such as financial problems and time requirement for household chores, lack of activities that enhance critical thinking and analysis like case studies and simulations, lack of seminars and trainings specially on the updates in the profession, time requirement is not sufficient particularly in some exercises and quizzes, huge class size which in some cases reaches to 55 or even 60’s students in a class, lack of facilities particularly the availability of functioning computers in the laboratory rooms, lack of faculty support where according to the students some faculty members are not motivators, lack of administrative support where some officials are deemed unapproachable, and lack of instructional materials and reference books that are made available to the students.

### **4. Implications of the study to accounting education**

Total professional development of CPAs is achieved through experience and actual practices though, the result of the study may contribute to the enhancement of the BSA curriculum and help attain the expected outcome from the BSA students through the core competencies that they should possess after graduation. The knowledge of the core competencies of the BSA graduating students as assessed by themselves may serve as tool by which the professors may facilitate and deal with their students effectively

may it be academics or non-academics. The role of the administration and faculty is essential to boost more their interests in the profession. The challenge for the teachers is not only to teach but to nurture a healthy and enjoyable learning environments and experiences for the student's learning to learn which are complemented hand in hand by the school administrators, support staff, and a conducive facilities and learning resources.

The sources of core competencies for accountants as identified by the students could also give classroom methodologies, teaching strategies and other activities that can contribute the most to the development of their core competencies - expected outcomes. The use of traditional teaching strategies should transform into conventional ones with focus on student learning especially those of service learnings, critical thinking and out - of - class experiences such as simulations and case studies, most especially during their on-the-job training or internship program.

## **CONCLUSIONS**

The identified most important source of core competency yet identified as main problem concerned field exposure particularly the on-the-job trainings or internship. Students have identified shortage in the time requirement on their on-the-job training and availability of companies or units especially those engaged in accounting and auditing services. Out-of-class experience or exposure and learning was also deemed limited. Other identified most important sources were classroom discussion, problem solving and theory questions. Whereas insufficiency of the teaching strategy or technique and lack of discussion on recent topics or subjects necessary to the profession were identified as major problems.

Based on the findings, the graduating BSA students assessed themselves as almost competent or having average knowledge and understanding of accounting and finance and organizational and business knowledge which include measurement and decision modeling. However, they showed fairly competence or having below average knowledge and understanding of information technology (IT), general knowledge and organizational and business knowledge which include industry or sectoral perspective, risk analysis and management and administrative capability and efficiency.

The graduating BSA students assessed themselves as almost competent or having average knowledge and to some extent they were ready to use their interpersonal

and communication skills in the profession. These include their capability to work in groups and being a team player with diverse personalities and backgrounds and their capability to listen and communicate information effectively at all organizational levels. The students showed that they were better in writing skills than oral. On the other hand, they showed below average knowledge and to some extent they were ready to use their intellectual skills professionally. These include skills on analysis, problem solving and strategic or analytical thinking.

The graduating BSA students assessed themselves as almost competent or having average knowledge and understanding of the accounting professional ethics which include integrity, objectivity and independence, professional competence and due care, confidentiality and professional behavior. Furthermore, they were described to be competent and ready to distinguish what is morally right and wrong in performing task needed by the profession.

## **RECOMMENDATIONS**

The BSA curriculum should always be revisited and improved to supply or provide the demand of the profession. Based on the results of the study, there is a need to increase the field exposure and contact hours of the students on their on-the-job trainings, field visits or internship to more established businesses, bigger companies and with focus on accounting and auditing firms, offices or functions. Schools should strengthen their linkages with such organizations. Enhance the out-of-the class learning such as the conduct of seminars and trainings and informative lectures for the students which shall give emphasis on current accounting trends and issues by inviting accounting practitioners and business owners. In as much as possible, faculty should always find ways to research and get firsthand information of the updates affecting the accountancy profession. Integrate professional ethics and moral ethics across all the topics and disciplines to inculcate the professional values and attitudes to the students, the future accountants.

The role of the faculty and administration is essential in the realization of what are expected from the BSA graduates as they enter the accountancy profession. The faculty members who shall act as facilitators should continue to innovate their teaching strategies or techniques in a livelier, participatory and motivating way to boost more the interest of the students. Discussions should give relevance on macro-environmental, economic and industry issues, risks and opportunities, business process structures,

functions and practices in the local and international business environment such as the different business cultures around the world through simulations or other service learning activities. Likewise, discussions on the updates on concepts advanced financial and auditing standards and reporting, latest concepts in cost and management accounting, local and related international recent tax laws, and business and commercial laws and their use in planning, decision-making and control should be observed.

Schools should develop programs that improve the skills of the students such as giving more hands-on activities and exposure to the different information technology systems - software and applications and up-to-date IT practices. Likewise, schools shall provide necessary and operational facilities. Give more student activities that would enhance the abstract logical thinking and critical thinking of the students such as case studies, simulations, cooperative learning, position papers and the like that would emphasize problem identification, problem-solving and communicating clear solutions and alternatives to the identified audience. The administration and faculty to always secure support and assistance to the students and the Junior Philippine Institute of Accountants, the student organization of BSA students. Active participation of the students should be highly encouraged and recognized.

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