

THE ACCOUNTANT COMPETENCY DEVELOPMENT OF MYANMAR TO SUPPORT THE INVESTMENT FROM MULTINATIONAL ENTERPRISES

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ABSTRACT

Myanmar has prepared to support trade and investment from global investors. Accounting competency of Myanmar accountants is one of the significant issues for multinational enterprises (MNEs) successfulness in this country, because there are restrictions of MNEs to employ only Myanmar accountants. However, the competency of accountants and the number of accountants in Myanmar is quite limited to MNEs requirements. Therefore, the accountant competency development is necessity to study. We conducted the qualitative research using focus group methodology. The samples are President, Vice-President, Chief Executive, and members of Myanmar Accountancy Council (MAC). Research questions related to the accounting qualifications and professional development. The results found that being an accountant in Myanmar, requires a bachelor's degree in economics first then students have to study in the accounting profession for another two years to receive the certificate of accounting profession. In summary, before they are allowed to work as an accountant they need to develop as following; 1) Development of bachelor degree of accounting 2) Training for being a professional Myanmar accountant continuously 3) The adaptation to change of the world 4) The role of a consultant to executives 5) Analysis of data to support the management.

Keywords: 1) Accountant Competency Development 2) Myanmar Accountancy
3) Accounting Profession 4) Training 5) Consultant

1. Introduction

Myanmar is a country with great opportunities for international trade, and the Foreign direct investment (FDI). The Myanmar government has issued new regulations and laws relevant to economic development and investment attraction (Umezaki, 2012). The financial movements and regulatory of Myanmar recently came to fruition which is an attempt by the Myanmar government to show the willingness to develop the economy. The Ministry of Commerce (Myanmar) currently permits foreign investors investing 100 percent in wholesale and retail businesses, which is a strategic factor for attractiveness for FDI. Myanmar is ready to support foreign investment, and recently, Myanmar is still an attractive country to invest (Aung, 2009; Naing, 2014).

Currently, Myanmar joints into the official ASEAN Economic Community (AEC) forcing selective occupations need to be developed according to this change, and one of them is accounting professional. Accountants must work with data and numbers that must be presented to the executive or client. The acquired information must be presented in

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real time to obtain the correct information and most accurate. It can be useful for decision making of executives or clients. The qualification of a good accountant are as followings having a good vision, looking forward, enthusiastic, seeking new experiences, updating new knowledge, being able to adapt to the new things which is now rapidly change (Zaman, Slapnicar, and Stumberger, 2015). It is important for a good accountant to have a willingness to learn new languages and need to study new information that has changed, such as tax, accounting, finance, related law, and much more to learn. Regarding tax, accounting, finance, and related laws, these issues, if the accountant is not well educated or not have such knowledge will affect the business. Moreover, accountants have an essential part to make the business move on (Uche, 2002).

The number of professional accountants in Myanmar is quite limited, and the laws of Myanmar have limited multinational enterprises (MNEs) that invest in Myanmar need to use a Myanmar accountant (Tanaka, Spohr, and D'Amico, 2015). However, Myanmar accountants have limited accounting competency and accounting performance. They cannot do multiple tasks at the same time, and have language barriers to communication, and lack of the thoughtful process analysis (The Board of Investment of Thailand [BOI], 2017), which is a significant obstacle to the MNEs for doing business in Myanmar. The purpose of this research is to study the accounting competency development performance of Myanmar accountants. Thus, this research aims to find out how to develop the accounting competency of Myanmar accountants to be more efficient (Tintabura, Lertputtarak and Sakchai, 2017).

2. Literature Review

Myanmar Accounting Story

Myanmar has a population of 52.8 million. Myanmar is a country with a large labor force and continuous growth of labor force. However, the labor productivity of Myanmar is still low and most of the labor force graduates in elementary or lower levels (Tanaka, Spohr and D'Amico, 2015). Therefore, Myanmar is suitable to be a production base in intensive labor intensive industries due to a large number of unskilled workers (BOI, 2017).

There are currently over 17,700 Myanmar accountants (World Bank, 2017) . However, compared to other countries still have a small number of accountants. The Myanmar Accountancy Council (MAC) is responsible for setting the accounting standards, qualifications of accountants and developing professional accounting practice. The Myanmar Institute of Certified Public Accountants (MICPA) is responsible for developing the knowledge of auditing to accept internationally (Tirasriwat and Thein, 2015; Kusumasari, 2016).

The Company Law requires all companies to prepare to account and submit annual financial statements certified and signed by the board of directors and the auditors to clarification in the shareholders' meeting. The accounting profession is under the MAC. There are two groups of accountant professionals: registered accountants and certified public accountant both of these accountants will have to undergo MAC training and examination. If they are foreigners, they can apply for professional certification if they have full qualifications (Tirasriwat and Thein, 2015).

MAC prepared Myanmar Accounting Standards (MAS) since 2010 with the new accounting standard called Myanmar Financial Reporting Standards (MFRS) which prepared by International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which apply to Publicly Accountable Entities (PAEs) (Tintabura, Lertputtarak, and Sakchai, 2017). Therefore, during the entering into the AEC, small and middle-sized entities use MFRS for SMEs, the MAC considers that in order to

support the SMEs to be able to adopt IFRS, MAC needs to train Myanmar accountants to comply with IFRS full version and the related to IFRS for SMEs (Tirasriwat, and Thein, 2015; Tintabura and Srijumpa, 2016).

Continuing Professional Development

Being an accountant professional should maintain a high level of quality in the work performance, as it is essential to create reliability with financial information users which will affect the employer's employment (Kennedy, 2005). The accountant professionals should not overlook the importance of continuing the development of knowledge. Continuing Professional Development (CPD) is an important process for maintaining competency and work performance to work with caution and prudence. To maintain a professional competency, it should enable an individual accountant to continue learning throughout their careers, developing their technical skills, and keeping up with changes and innovations in accounting. The Accounting professional council is the organization to promote and develop accounting profession. The international level, there are requirements of International Education Standard (IES) by the International Federation of Accountants (IFAC), which requirements for continuing professional development (De Lange, Jackling, and Suwardy, 2015, Federation of Accounting Professions [FAP], 2016). IFAC is committed to promote the importance of continuing competence development and commitment to long-term learning for all accountants (International Federation of Accountants [IFAC], 2013). The long-term learning process begins and continues from the educational program to establish a qualified professional accountant and continues in the professional of the individual (Kennedy, 2005).

Continuing Professional Development (CPD) is an extension of the educational process that will lead to qualification as an accountant profession. Accounting competencies include professional knowledge, professional skills, and professional values, ethics, and attitudes derive from the qualification period to the development and appropriate improvement of the activities and responsibilities of accountants professional (Draz and Ahmad, 2017). CPD also includes activities learning and development, such as unstructured gaining of knowledge, self-directed, coaching and mentoring, observation, networking, and feedback, reflection (IFAC, 2013).

Measurement of CPD

The purpose of CPD is to help accountants professional develop their competence professional in providing quality services for the benefit of the public (Berg, 2007). The measurement of CPD's success can be measured in three different ways:

1. Output-based approaches require accountant professional to demonstrate that developed and maintained the knowledge and skills of a professional by measuring their learning outcomes (Wessels, 2007).

IFAC member bodies that use output-based approaches require that accountants provide evidence to develop and maintain the level of knowledge and skills as a professional. The qualified evidence is required periodically as follows: can be identified and can be measured using the assessment method.

2. Input-based approaches define the number of learning activities that accountant professionals must undertake to develop and maintain their professional knowledge and professional skills (Wessels, 2007).

IFAC member bodies use output-based approaches, and it requires that the accountant professionals practice as follow:

- Every three years, activities related to accounting profession development must perform at least 120 hours or an equivalent learning unit, which requires at least 60 hours or the equivalent learning units can be check.

- Each year, such activities must conduct at least 20 hours or equivalent learning units.

- Measure learning activities to meet the above requirements.

3. Combination approaches are a combination of input-based approaches and output-based approaches. It defines the number of learning activities that accountant professionals must attend and the learning outcomes that must demonstrate to enable accountant professionals to develop and maintain their professional knowledge and professional skills (Berg, 2007; Wessels, 2007; IFAC, 2013; De Lange, Jackling, and Suwardy, 2015).

3. Research Methodology

The focus group methodology was utilized in this research as the qualitative research for having insights information from various ideas of the suitable samples (Kitzinger, 1995; Sutton and Arnold, 2013). Research questions related to the accounting qualifications and professional development. The samples are 10 key informants such as president, vice-President, chief Executive, and executive members of Myanmar Accountancy Council (MAC) that has a significant role in policy formulation and development of Myanmar accountants directly. We utilized thematic analysis to data analysis and report the result (Braun and Clarke, 2006).

4. Results

According to our data that have been collected from the focus group and then applied thematic analysis to analyze the data, we can conclude the research results to the development of Myanmar accountant competency as following;

Accounting Professional Association in Myanmar

MAC is responsible for the regulatory licensing for the accountancy and also responsible for formulated accounting policy in Myanmar. The MAC law recognizes the duty and authority of the Myanmar Institute of Certified Public Accountants (MICPA), these include the areas of auditing and ethical standards to make the Myanmar accountants have a strict accounting practice. It also to promote the accounting profession development and education to meet international standards, and it makes the Myanmar accountants to have international recognition. Also it can promote and improve the performance of accountants with professional technical knowledge, professional skills, and professional values, ethics, and attitudes in accounting by supporting the training.

Professional Education

The study of accounting in Myanmar is not yet sufficiently standard for international level because accounting courses are not specific and clear. The accounting course in Myanmar is in bachelor of economics, there are no specific courses in bachelor of business administration or accounting courses for those. Myanmar student who wants to become an accountant has a necessity to graduate from the bachelor of economics in university and there are only two subject's relation accounting which not enough accounting knowledge to work in accounting, when they finished the economic course they need to study the accounting profession in accounting institution for another two years to receive a graduate diploma in accounting from MAC and qualify as an accountant.

Training Skills

All accountants must comply with the CPD specifications set by the MAC. CPD requirement is to have an accountant training course of 120 hours per 3 years. The accounting training will include the following: accounting standards, financial reporting standards, technical knowledge, and professional values, ethics, and attitudes in accounting. MAC has a mandatory CPD requirement of 40 hours per year. These requirements are an

official examination to renew the license in accounting practice on an annual and basis on international standards. MICAP prepared CPD course under the supervision of the MAC. CPD training is mostly conducting by the private sector of Myanmar and foreigners. Due to limited resources and personnel of the MICPA, therefore, CPD training is relatively inefficient, thus mostly Myanmar Accountants are more interested in CPD training of private sector or foreign companies. Most CPD training courses will be held on weekends because on weekdays it will be an accountant's day. Currently, up to 400 accountants per week can attend weekly training sessions.

Accountancy Practice

The accounting practices of the Myanmar accountants comply with the rules and regulations of the companies they work. In preparing the financial statements of the company, some companies in Myanmar also use MAS and MFRS. Although, MAC Law has announced the use of IFRS full version, the accountants have not been able to use IFRS fully. This causes some limited for the competency of Myanmar accountants to be inefficient to work for the MNEs.

5. Conclusions

Based on the research of the accounting competency development of Myanmar for increasing the efficiency of their work found the followings results: 1) the MAC should have the development of a bachelor degree in accounting for better quality in order to create the basis for the accounting profession that can be applied in the accounting practice, 2) Myanmar accountants need for training to become professional accountants continuously which help them to improve their professional skills and updated knowledge and creating their confidence, 3) They also need to have the adaptation ability to change of the world all the time by trying to update with new accounting and financial data, 4) accountants must adjust its role from an old accounting to the role of a consultant to executives and 5) they should be able to analyze accounting data to support the executives and to prepare a report for their executives for strategic planning of the organization.

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