

REPUBLIC OF THE PHILIPPINES
PROFESSIONAL REGULATION COMMISSION



BOARD OF ACCOUNTANCY

CHANGE IS COMING

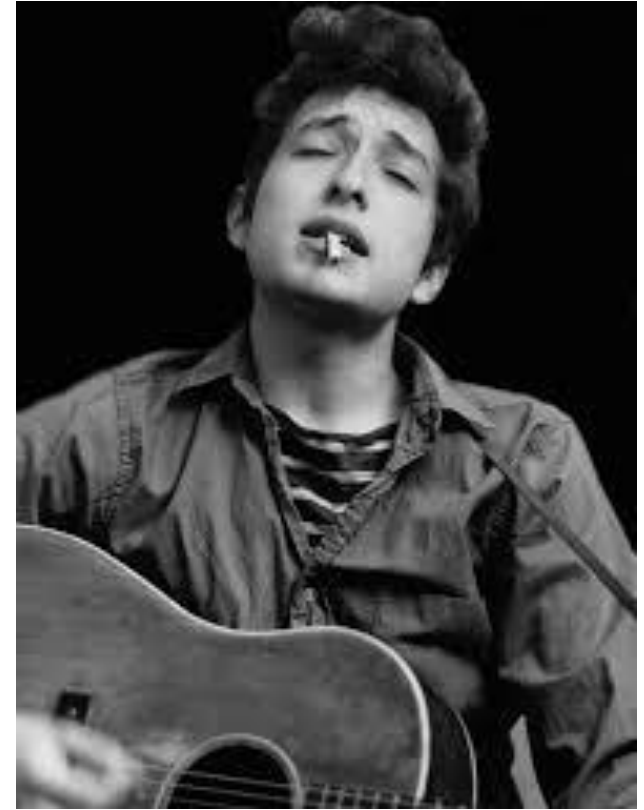
Hon. ELISEO A. AURELLADO, PhD
Member, Board of Accountancy

MARCH 2017

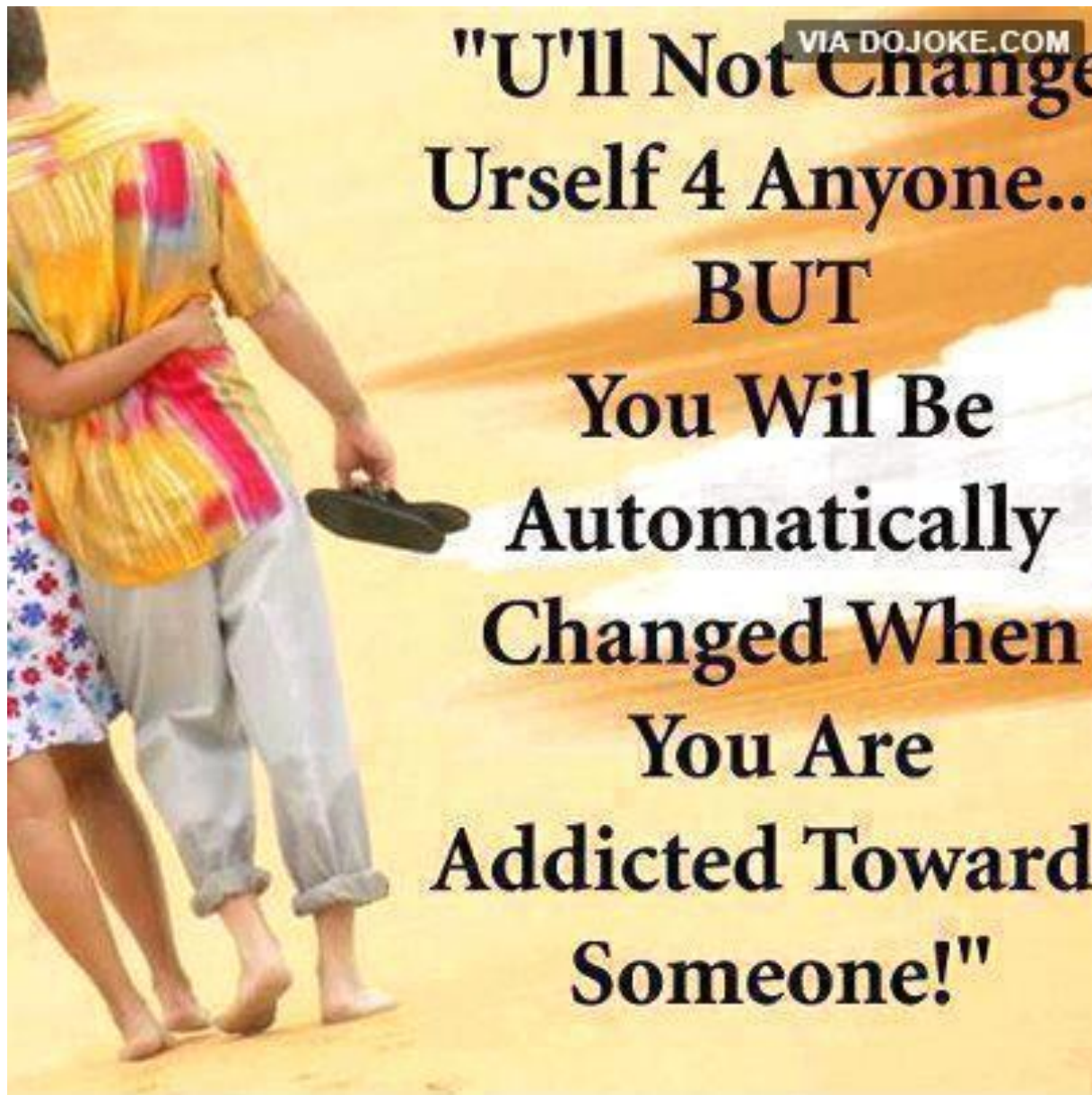
EXPANDING HORIZONS

“TIMES ARE A-CHANGING...”

**“Come gather around people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon
You'll be drenched to the bone
And if your breath to you is worth
saving
Then you better start swimming or
you'll sink like a stone
For the times they are a-changing...”**



BOB DYLAN



VIA DOJOKE.COM

**"U'll Not Change
Urself 4 Anyone...**

BUT

**You Wil Be
Automatically
Changed When
You Are
Addicted Toward
Someone!"**

3 BIG CHANGES ANTICIPATED IN THE ACCOUNTING PROFESSION

1. INCREASING USE OF **DIGITAL TECHNOLOGY**
2. CONTINUED **GLOBALIZATION**
3. INCREASED **REGULATION**

SOURCE: ASSOCIATION OF CHARTERED ACCOUNTANTS AUSTRALIA

DIGITAL TECHNOLOGY

Future trends of robotics, artificial intelligence, cloud hosting and computing, technology tools and applications, data analytics, cyber security, digitalization, ETC.

What will be the ACCOUNTANT'S role?

Globalization Trends in our Midst

- ASEAN MRA and the mobile accountant is coming
- Global accountancy bodies and leaders in our doorsteps
- Partnerships with ASEAN accountancy regulators
- WORLD BANK Report on the Observance of Standards and Codes (**ROSC**)

How will the Accountant prepare himself?



EXPANDING HORIZONS

ASEAN MRA

- ASEAN founded August 3, 1967

- Founding members

INDONESIA



MALAYSIA



PHILIPPINES



SINGAPORE



THAILAND



Additional Members



Cambodia



Laos



Myanmar



Brunei



Vietnam

**ASEAN CHARTERED
PROFESSIONAL
ACCOUNTANT**

INCREASED REGULATION

- Consistent quality in accountancy services through standards (IFAC objective) – professional, technical and ethical
- Entry & licensing requirements, education and continuing professional development, disciplinary systems and procedures
- Examples: SARBANES-OXLEY LAW IN THE US because of ENRON and accounting scandals

Increasing resolutions of BOA

How will the Accountant cope?

BOARD OF ACCOUNTANCY



- Board of Accountancy is the **regulator, educator, licensor, and rule maker**
- Administers 3 Licensure examinations every year
- Accredits CPAs in public practice, education & commerce & industry
- Conducts inspections of schools & visitations of accounting practitioners
- Issues AAS & PFRS
- Administers CPD Program

Accountancy Profession Profile



Functions of Board of Accountancy (continued):

- Issues STPs for foreign accountants to work in the Philippines
- Oversees the investigation of erring accountants
- Oversees the APO and the 4 sectoral organizations
- Reviews the Accountancy Program with CHED
- Conducts the search for the most outstanding CPA and APO
- Implements the ASEAN MRA for Accountancy Services
- Provides oversight over government accounting matters
- Attends to PRC matters
- Attends to international accounting activities

Major structural changes initiated by BOA



- Revisions in **accountancy law**
- Forthcoming **4 accounting learning tracks**
- New **shift in CPA board examinations**

SOME ACCOUNTANCY PRACTICE CHANGES

New Expanded Auditors Report



- New PSAs on Auditor Reporting Standards for periods ending on or after December 15, 2015 (BoA resolution 125-2016)
- Intended to increase the transparency and enhance the information value of the auditors report
- BoA will monitor initial implementation

SOME ACCOUNTANCY PRACTICE CHANGES

CPD directions

- New law and regulations on CPD
 - ❖ Republic Act No. 10912
 - ❖ PRC Resolution No.1032-2017
 - ❖ BoA Resolution No. 358-2016
- Gradual increase from 60 to 120 units
- Shift from thematic to competency framework
- Online CPD courses
- Monitors and quizzes
- Online monitoring of CPD units earned



FORMERLY: Thematic Areas of CPD

- The 60 units of CPD required for accreditation of CPAs in public accountancy and accounting education shall be distributed among five thematic areas as follows:

Thematic Areas of Professional Development	Required Units
I. Enabling Laws, Rules and Regulations	6
II. Standards Applicable to Professional Practice	24
III. Ethical, Governance and Quality Principles	10
IV. Environment of the Practice	10
V. Development of the Person as a Professional	10

PRESENTLY: 3 AREAS OF CPD

- #34 – **CPD** is the *learning and development* that develops and maintains *professional competence* to enable professional accountants to continue to perform their roles competently. CPD provides continuing development of the *learning outcomes* for (a) *technical competence*, (b) *professional skills*, and (c) *professional values, ethics, and attitudes* which were achieved during IPD*.

-Excerpts from framework for IES for Professional Accountants and Aspiring Accountants (2015)

*IPD – Initial Professional Development (IES No. 1-6)

SOME ACCOUNTANCY PRACTICE CHANGES

QUALITY ASSURANCE REVIEW

- QAR full steam ahead
- WB ROSC monitoring compliance
- ACPAPP initiated voluntary QAR
- PICPA & BOA to establish QAR office

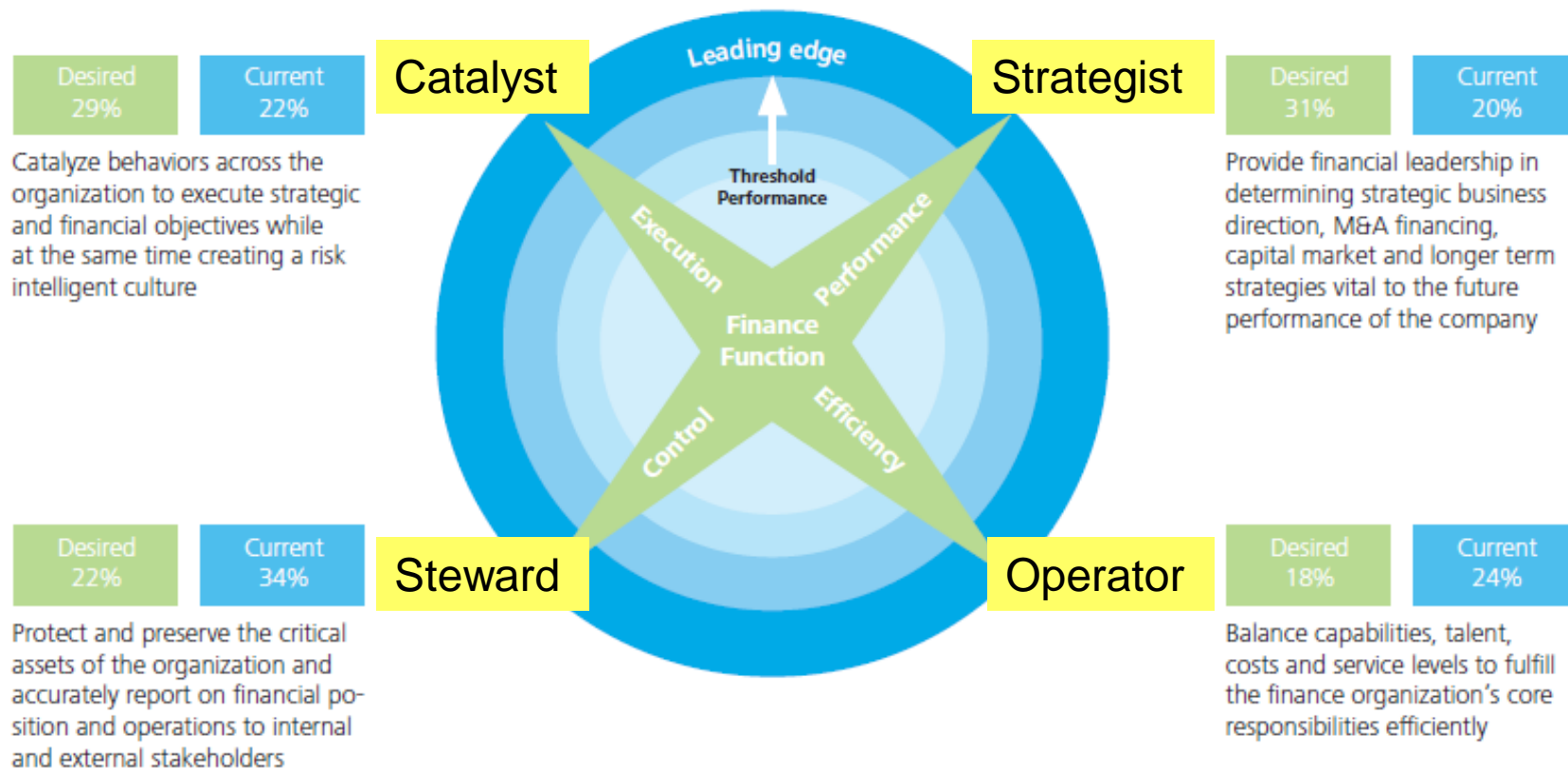
VISION OF THE FUTURE FILIPINO CPA

Competent,
ethically-grounded
and globally
competitive

“The accountancy profession has to be ahead of the curve on all fronts - trained to the highest standards, looking beyond the numbers and with a global mindset”

The 4 faces of the cfO

The four faces of the CFO: Time allocation

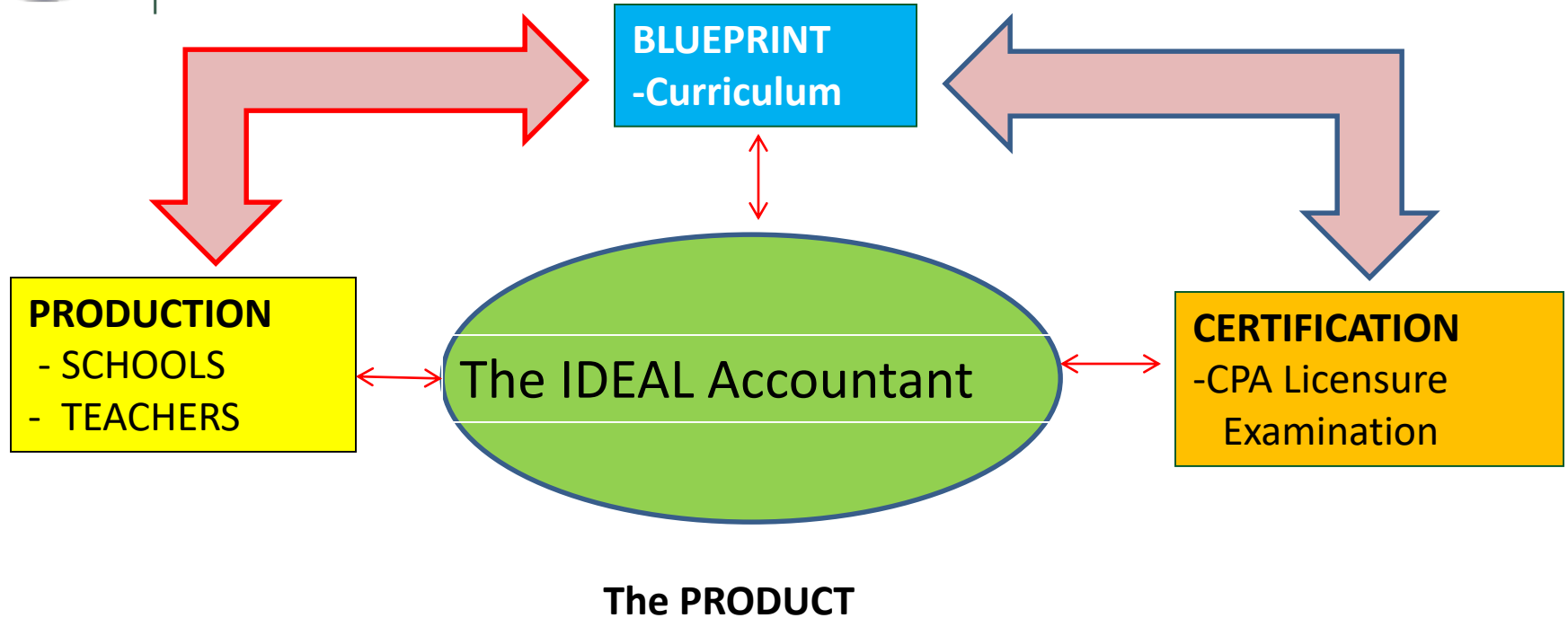


Source: CFO Insights: Crossing the Chasm: From Operator to Strategist,

http://www.deloitte.com/view/en_GB/uk/market-insights/transforming-the-finance-function/four-faces-of-the-cfo/four-faces-of-the-cfo-steward/



BOARD OF ACCOUNTANCY



EXPANDING HORIZONS



BOARD OF
ACCOUNTANCY

CATEGORIES OF STRATEGIES:

- **BLUEPRINT** = CURRICULUM
- **PRODUCTION** = ACCOUNTING
SCHOOL/ACCOUNTING TEACHERS
- **PRODUCT** = STUDENT
- **CERTIFICATION** = CPA LICENSURE EXAM



BOARD OF
ACCOUNTANCY

. EDUCATION SECTOR – *SOME STRATEGIC ISSUES*

How will the Education sector enhance the formation and development of a competent, ethically-grounded and globally competitive accounting professional?



BOARD OF
ACCOUNTANCY

BLUEPRINT- STRATEGY

Conduct regular review of curriculum on accounting and schools

- **Relevant?** In today's societal needs?
- **Responsive?** To today's business requirements?
- **Compliant?** With international standards?



BOARD OF ACCOUNTANCY

TIPGOS POSITION PAPER

- ❑ RP accounting education – most expensive and longest to complete (P800K+, 5 years, 222-261 units)
- ❑ Accounting curriculum – designed to produce super bookkeepers
- ❑ Anti-poor
- ❑ Need to produce World Class accountants

Revision # 2

BSA Curriculum



International Education Standard	Effective Date
IES 7, <i>Continuing Professional Development</i> (Redrafted)	January 1 st , 2014
IES 1, <i>Entry Requirements to Professional Accounting Education Programs</i> (Revised)	July 1 st , 2014
IES 2, <i>Initial Professional Development – Technical Competence</i> (Revised)	July 1 st , 2015
IES 3, <i>Initial Professional Development – Professional Skills</i> (Revised)	July 1 st , 2015
IES 4, <i>Initial Professional Development – Professional values, Ethics, and Attitudes</i> (Revised)	July 1 st , 2015
IES 5, <i>Initial Professional Development – Practical Experience</i> (Revised)	July 1 st , 2015
IES 6, <i>Initial Professional Development – Assessment of Professional Competence</i> (Revised)	July 1 st , 2015



Revision # 1

Learning Outcomes (for BS Accountancy)

A graduate of BS Accountancy should be able to:

- 1. Resolve** business issues and problems, with a **global** perspective
- 2. Conduct accounting research** through independent studies of relevant literature and appropriate use of accounting theory and methodologies.

Revision # 1

Learning Outcomes (*for BSAccountancy*)



A graduate of BS Accountancy should be able to:

3. **Employ** **technology** as a business tool
4. **Apply** knowledge and skills to successfully respond to various types of **assessments** (including professional licensure and certifications).
5. **Confidently maintain** a professional commitment to good corporate citizenship, social responsibility and **ethical practice**

Revisions in the Accounting Curriculum



MEMBERS OF THE CHED TECHNICAL COMMITTEE ON ACCOUNTANCY

Chair	DR. ARNEL ONESIMO O. UY	<i>Academe</i>
Members	Dr. ELISEO AURELLADO	<i>PRC- BOA representative</i>
	DR. MARICON LUPISAN	<i>Academe</i>
	ERWIN ALCALA	<i>Academe</i>
	Dr. CHALLONER MATERO	<i>Academe</i>
	Atty. SAMUEL VILLACAMPA	<i>Industry/Academe</i>

Forthcoming accounting learning and examination tracks

Four Specialized accounting programs

- BS Accountancy
- BS Management Accounting
- BS Internal Auditing
- BS Accounting Information Systems





Revision # 4

Structure of Accountancy Programs

Per Proposed PSG

	Min Units
Core Courses	36
<i>Gen Education</i>	<i>27</i>
<i>GE Electives</i>	<i>6</i>
Professional Education	123
<i>Business Core</i>	<i>30</i>
<i>Accounting Core</i>	<i>63</i>
<i>Professional Core</i>	<i>30</i>
Sub-total (Academic)	159
NSTP	6
Total	165

Varies depending on degree

- *BS in Accountancy*
- *BS in Management Accounting*
- *BS in Internal Auditing*
- *BS in Accounting Information Systems*

BS ACCOUNTANCY

Courses	Minimum Units Prescribed
1. Core Courses	
1.1 General Education (GE)	36
1.2 NSTP	6
1.3 P.E.	8
Sub-total	50units
2. Business Core Courses	30
3. Accounting Core Courses	60
4. Professional Core Courses	33
Sub-total	123units
Total	173units

Per CMO 3/s. 2007

The curriculum contains 210 units broken down as follows:

	Min Units
General Educ	51
Business Educ	42
IT Educ	9
Accounting and Finance	94
Sub-total (Academic)	196
PE/NSTP	14
Total	210

Competency Area		Proficiency	Units
1	Financial Accounting and Reporting	Intermediate	30
2	Management Accounting	Intermediate	9
3	Finance and financial management	Intermediate	9
4	Taxation	Intermediate	6
5	Audit and assurance	Intermediate	15
6	Governance, risk management and internal control	Intermediate	6
7	Business laws and regulations	Intermediate	9
8	Information technology	Intermediate	6
9	Business and organizational environment	Intermediate	9
10	Economics	Foundation	6
11	Business strategy and management	Intermediate	3
12	Capstone courses		15
Total No. of Credit Units			123

CHED PSGs on Accounting Tracks

- Shift to learning competency-based standards/ outcomes-based education **(OBE)**
- Specifies **core competencies** expected of graduates
- **HEIs can innovate** on how best to achieve learning outcomes
- **Higher standards** are expected of schools with deregulated status and those designated as Centers of Excellence (COE) and Centers of Development (COD) in Accountancy Education.
- All HEIs (including SUCs and LUCs) must **comply within 3 years from CMO effectivity (i.e., SY 2018-2019)**

Administration Requirements

- BSA program administered by full time Dean/Chair /Director who is:
 - Filipino, with good moral character
 - CPA with valid PRC ID & accreditation as accounting teacher, or equivalent certification from globally recognized accountancy org.
 - With 5 years teaching experience at tertiary level
 - Holder of Masters degree in accountancy or **related studies**
 - Member of accredited professional acctg org.

Related Studies – Allied Fields in Business and Economics

- Business administration and management, advertising, agri-business, banking and finance, business entrepreneurship, commercial and mercantile law, customs administration, economics, educational administration/management, entrepreneurial management, hotel and restaurant management, legal management, marketing management, office administration/management, public administration/management, real estate management, tourism, and travel management.

Faculty Qualifications

- CPA with current PRC ID
- BOA accredited accounting teacher
- Masters degree holder in acctg or related studies
- 12 units of professional education subjects
- 3 years relevant working experience
- Member of accredited professional CPA org.
- Good moral character

Given 3 years from CMO date to comply with RED requirements

Faculty Manning & Load

- 30% or more of the professional subjects in the program to be handled by full-time faculty
- At least three (3) full-time CPA faculty in the accounting program
- Not exceeding 24 units per term = regular teaching load of full-time faculty
- Not more than 3 (occasionally 4) different subjects per term taught by a faculty

Management Accounting

Job Opportunities- Entry level:

- **Public Practice:** Junior Analyst, Consulting staff
- **Commerce and Industry:** Cost Analyst, Investment Analyst, Management Accounting Staff, Tax Accounting Staff, Financial Analyst, Budget Analyst, Credit Analyst, Cost Accountant.
- **Government:** State Accounting Examiner, NBI Agent, Treasury Agent, State Accountant, LGU Accountant, Revenue Officer, Audit Examiner, Budget Officer, Financial Services Specialist
- **Education:** Junior Accounting Instructor

Management Accounting

Job Opportunities- Middle-level positions

- **Public Practice:** Senior Consulting Manager/Financial Advisory Manager
- **Commerce and Industry:** Controller/Comptroller, Senior Information Systems Auditor, Senior Loan Officer, Senior Budget Officer
- **Government:** State Accountant V, Director III and Director IV, Government Accountancy and Audit, Financial Services Manager, Audit Services Manager, Senior Auditor
- **Education:** Senior Faculty, Accounting Department Chair

Management Accounting

Job Opportunities- Advanced positions

- **Public Practice:** Partner, Senior Partner, Senior Consultant/Financial Advisor
- **Commerce and Industry:** Finance Director/Chief Financial Officer, Chief Information Officer
- **Government:** National Treasurer, Vice President for Finance/CFO (for GOCCs), Commissioner, Associate Commissioner, Assistant Commissioner, (COA, BIR, BOC)
- **Education:** Vice President for Academic Affairs, Dean
-

INTERNAL AUDITING

Job Opportunities- Entry level:

- **External Service Provider:** Junior Internal Audit Staff, Associate Consultant
- **Commerce and Industry:** Internal Auditing Staff, Compliance Officer, Tax Auditor, Financial Auditor, Budget Analyst, Credit Analyst
- **Government:** State Accounting Examiner, NBI Agent, Treasury Agent, Revenue Officer, Bank Examiner, Budget Officer, Financial Services Specialist
- **Education:** Junior Instructor

INTERNAL AUDITING

Job Opportunities- Middle-level positions

- **External Service Provider:** Senior Internal Audit Manager, Managing Consultant, Lead Consultant
- **Commerce and Industry:** Senior Internal Auditor, Senior Information Systems Auditor, Senior Compliance Officer, Senior Budget Officer
- **Government:** State Auditor V, Director III and Director IV, Government Accountancy and Audit, Audit Services Manager, Senior Auditor
- **Education:** Senior Faculty, Program Head

INTERNAL AUDITING

Job Opportunities- Advanced positions

- **External Service Provider:** Principal, Partner of Advisory Services
- **Commerce and Industry:** Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer
- **Government:** National Treasurer, Vice President for Finance/CFO (for GOCCs), Commissioner, Associate Commissioner, Assistant Commissioner, (COA, BIR, BOC)
- **Education:** Vice President for Academic Affairs, Dean

ACCOUNTING INFORMATION SYSTEMS

Job Opportunities- Entry-level jobs.

- **Public Practice:** Junior Analyst, Consulting staff
- **Commerce and Industry:** Cost Analyst, Investment Analyst, Accounting Information System Staff, Tax Accounting Staff, Financial Analyst, Budget Analyst, Credit Analyst, Cost Accountant.
- **Government:** State Accounting Examiner, NBI Agent, Treasury Agent, State Accountant, LGU Accountant, Revenue Officer, Audit Examiner, Budget Officer, Financial Services Specialist
- **Education:** Junior Accounting Instructor

ACCOUNTING INFORMATION SYSTEMS

Job Opportunities- Middle-level Positions

- **Public Practice:** Senior Consulting Manager/Financial Advisory Manager
- **Commerce and Industry:** Controller/Comptroller, Senior Information Systems Auditor, Senior Loan Officer, Senior Budget Officer
- **Government:** State Accountant V, Director III and Director IV, Government Accountancy and Audit, Financial Services Manager, Audit Services Manager, Senior Auditor
- **Education:** Senior Faculty, Accountancy Department Chair

ACCOUNTING INFORMATION SYSTEMS

Job Opportunities- Advanced Positions

- **Public Practice:** Partner, Senior Partner, Senior Consultant/Financial Advisor
- **Commerce and Industry:** Finance Director/Chief Financial Officer, Chief Information Officer
- **Government:** National Treasurer, Vice President for Finance/CFO (for GOCCs), Commissioner, Associate Commissioner, Assistant Commissioner, (COA, BIR, BOC)
- **Education:** Vice President for Academic Affairs, Vice President for Administration, Dean

Philippine Accountancy Education Framework (**PAEF**)

Vertical view

PQF/AQRF	Knowledge, Skills & Values	Agency in Charge	Degrees	Accounting Program
8	Graduates at this level have highly advanced systematic knowledge and skills in very specialized or complex multidisciplinary field of learning for multifaceted research or professional practice or for the advancement of learning	CHED	Doctorate	PhD in Accounting (allied programs in business and management)
7	Graduates at this level have advanced knowledge and skills in specialized or multidisciplinary field of study for professional practice or self-directed research		Master	MS or Master in Accountancy
6	Graduates at this level have broad and coherent knowledge and skills in their field of study for professional work and lifelong learning		Bachelor	BS in Accountancy
		BS in Accounting Technology		
5	Knowledge and skills that are mainly theoretical and/or abstract with significant depth in some areas together with wide-ranging, specialized technical, creative and conceptual skills. Perform work activities demonstrating breadth, depth and complexity in the planning and initiation of alternative approaches to skills and knowledge applications across a broad range of technical and/or management requirements, evaluation and coordination.	TESDA	Diploma	
4	Knowledge and skills that are mainly theoretical and/or abstract with significant depth in one or more areas; contributing to technical solutions of a non-routine or contingency nature; evaluation and analysis of current practices and the development of new criteria and procedures.		NC IV	
3	Knowledge and skills that are a balance of theoretical and/or technical and practical. Work involves understanding the work process, contributing to problem solving, and making decisions to determine the process, equipment and materials to be used.		NC III	Bookkeeping
2	Knowledge and skills that are manual, practical and/or operational in focus with a variety of options.	DepEd	NC II	Senior High School (ABM) Track
1	Knowledge and skills that are manual or concrete or practical and/or operational in focus.		NC I	



Update

Philippine Accountancy Education Framework (**PAEF**)

PQF/AQRF	Knowledge, Skills & Values	Agency in Charge	Degrees	Accounting Program	CMO	IAES	Certifications/ Licensure
8	Graduates at this level have highly advanced systematic knowledge and skills in very specialized or complex multidisciplinary field of learning for multifaceted research or professional practice or for the advancement of learning	CHED	Doctorate	PhD in Accounting (allied programs in business and management)	none	Continuing Professional Development (CPD)	CPA Accreditation (Public practice, Education)
7	Graduates at this level have advanced knowledge and skills in specialized or multidisciplinary field of study for professional practice or self-directed research		Master	MS or Master in Accountancy	CMO 43/2010		
6	Graduates at this level have broad and coherent knowledge and skills in their field of study for professional work and lifelong learning		Bachelor	BS in Accountancy	CMO 3/2007	Initial Professional Development (IPD)	CPA, CMA, CGMA, CIA, CFE, CrFA, CISA, CB, CAT
		BS in Accounting Technology		CMO 50/2008		CB, CAT	

Horizontal view

CAPSTONE Program Requirement



a capstone project is a **multifaceted** assignment that serves as a **culminating** academic and intellectual experience for students, typically during their final year . . . or at the end of an academic program or learning-pathway experience.

*Also called a capstone experience,
culminating project, or senior exhibition*



CAPSTONE

Mentored Practical
Experience
(*at least 1 Term/Sem*)
Min. of 400 hours



Work Portfolio
(*course output*)

&

Research Paper
(*Synthesis*)



Mentored Practical Experience

BoA Internship Program



- ❖ A challenging learning and training experience for interns .
- ❖ A chance to interact with various stakeholders of the profession in the course of their 200 or more hours internship
- ❖ Credited for their academic requirements.

BoA Internship Program

- ❖ Interns will receive a daily allowance
- ❖ Interns will be evaluated and rated, and will receive a Certificate of Completion if he satisfactorily completes the IP

Qualifications:

- ❖ Undergraduate student of MM accounting school belonging to the top 20%, familiarity with MS Office applications, proficient in communication, can work independently



Accountancy case program

- Initiative to integrate case discussion method in ALL accountancy subjects
- Development of local accountancy cases involving actual industry scenarios and issues
- Securing leading foreign accounting cases



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PROFESSIONAL REQUIREMENT (IPD)



- (a) IES 2, *Initial Professional Development*—Technical Competence,
- (b) IES 3, *Initial Professional Development*—Professional Skills,
- (c) IES 4, *Initial Professional Development*—Professional Values, Ethics, and Attitudes,
- (d) IES 5, *Initial Professional Development*—Practical Experience, and
- (e) IES 6, *Initial Professional Development*—Assessment of Professional Competence.

PROFESSIONAL REQUIREMENT (IPD)



- (a) IES 2, *Initial Professional Development—Technical Competence*, **BSA Curriculum**
- (b) IES 3, *Initial Professional Development—Professional Skills*, **BSA Curriculum**
- (c) IES 4, *Initial Professional Development—Professional Values, Ethics, and Attitudes*, **BSA Curriculum**
- (d) IES 5, *Initial Professional Development—Practical Experience*, **Usually after passing the board exam**
- (e) IES 6, *Initial Professional Development—Assessment of Professional Competence*, **Board Exam**

Board Exam

the board exam

usually after passing



Philippine Accountancy Education Framework (**PAEF**)

***New & Proposed
Accounting Programs***

New & Proposed Accounting Programs

PQF/AQRF 8	Doctorate	Continuing Professional Development (CPD)	PhD in Accounting <i>New</i>			
PQF/AQRF 7	Master		MS/Mphil in Accounting <i>For revision</i>	Master in Accounting <i>For revision</i>		
accredited CPD programs						
PQF/AQRF 6	Bachelor	Initial Professional Development (IPD)	CPA <i>CMA, CGMA, CIA, CFE, CrFA, CISA, CISSP, CAT</i>	CMA, CGMA <i>CIA, CFE, CrFA, CISA, CISSP, CAT</i>	CIA, CFE, CrFA <i>CMA, CGMA, CISA, CISSP, CAT</i>	CISA, CISSP <i>CMA, CGMA, CIA, CFE, CrFA, CAT</i>
			BS in Accountancy <i>For revision</i>	BS in Management Accounting <i>New</i>	BS in Forensic Accounting <i>New</i>	BS in Accounting Information Systems and Technology <i>New</i>

STRATEGY : QUALITY OF PRODUCTION

Inspection of schools

- **Over 500 accounting schools**
- **Over 300 have zero CPA exam passing percentage**
- BoA mandate to inspect quality of accounting education
- **Over 70 schools inspected in 2016**
- Rectification of deficiencies shall be the focus in 2017



Accreditation of Accounting Teachers

- Will have to be CPAs
- Will have to complete CPD requirements
- Will have to be accredited by BOA

STRATEGY : LICENSURE EXAMS

Number of exam subjects reduced from 7 to 6:

- ☐ **Financial Accounting & Reporting** (Formerly Theory of Accounts & Practical 1)
- ☐ **Advanced Financial Accounting & Reporting** (Formerly Theory of Accounts & Practical 2)
- ☐ **Financial Management & Advisory Services** (Formerly Management Services)
- ☐ **Taxation** (Formerly combined with Business Law)
- ☐ **Regulatory Framework for Business Transactions** (Formerly Business Law)
- ☐ **Auditing** (Formerly Auditing Theory & Auditing Problems)

OCTOBER 2017 EXAM STATISTICS

- ❑ Exam Dates: Oct. 7, 8, 14 & 15**
- ❑ Total number of examinees:
15,146**
- ❑ Manila: 11,739**
- ❑ Balance distributed in the other 9
testing centers nationwide**

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

❑ FINANCIAL REHABILITATION & INSOLVENCY ACT

- General Provisions and Definition of Terms
- Voluntary and Involuntary Proceedings
- Suspension of Payment or Stay Order
- Various Types of Rehabilitation Plans
- Insolvency of Individual Debtor
- Liquidation of Insolvent Juridical and Individual Debtors
- Rehabilitation Receiver, Committee and Liquidator

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ Securities Regulation Code
 - Kinds of securities
 - Protection of investors, private tender offer and Insider Trading
 - SEC Circulars and Issuances
 - Code of Corporate Governance
 - Filing of General Information Sheet
 - Filing of Annual Audited Financial Statements

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ Cooperatives
 - Organization and Registration of Cooperatives
 - Administration
 - Responsibilities, Rights and Privileges of Cooperatives
 - Capital, Property of Funds

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ Cooperatives
 - Audit, Inquiry and Members' Right to Examine
 - Allocation and Distribution of Funds
 - Types and Categories of Cooperatives
 - Merger and Consolidation of Cooperatives
 - Dissolution of Cooperatives

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ PDIC Law
 - Insurable deposits
 - Maximum liability
 - Requirements for Claims

- ❑ Secrecy of Bank Deposits and Unclaimed Balances Law

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ General Banking Law
 - Definition of Banks
 - Loans
 - SBL
 - DOSRI

- ❑ AMLA Law
 - Covered transactions
 - Suspicious transactions
 - Reportorial Requirement

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ The New Central Bank Act
 - Legal tender power over coins and note
 - Conservatorship
 - Receivership and Closures

CPA EXAM COVERAGE ADDITIONS

REGULATORY FRAMEWORK

- ❑ Intellectual Property Law (except provisions under Part 1 (Intellectual Property Office))
 - The Law on Patents
 - The Law on Trademark, Service Marks and Trade Names
 - The Law on Copyright

CPA EXAM COVERAGE ADDITIONS

TAXATION

□ TAXATION UNDER THE LOCAL GOVERNMENT CODE

- Scope and different types of local taxes
(Limited to Real property tax, local business tax)
- Tax base and tax rates
- Venue and time of filing of tax returns
- Venue and time of payment

CPA EXAM COVERAGE ADDITIONS

TAXATION

☐ PREFERENTIAL TAXATION

Senior Citizens Law

- Exemption from income tax of qualified senior citizens
- Tax incentives for qualified establishments selling goods and services to senior citizens

Magna Carta for Disabled Persons

- Tax incentives for qualified establishments selling goods and services to senior citizens

CPA EXAM COVERAGE ADDITIONS

TAXATION

□ PREFERENTIAL TAXATION

Special Economic Zone Act

- Policy and the Philippine Economic Zone Authority (PEZA)
- Registration of investments
- Fiscal incentives to PEZA-registered economic zone enterprises

CPA EXAM COVERAGE ADDITIONS

TAXATION

☐ PREFERENTIAL TAXATION

Omnibus Investments Code (Book 1 of Executive Order 226)*

- Policy and the Board of Investment (BOI)
- Preferred areas of investment
- Investments Priority Plan
- Registration of investments
- Fiscal incentives to BOI registered enterprises

CPA EXAM COVERAGE ADDITIONS

TAXATION

☐ PREFERENTIAL TAXATION

Barangay Micro Business Enterprises (BMBEs)
Act*

- Registration of BMBEs
- Fiscal Incentives to BMBEs

CPA EXAM COVERAGE ADDITIONS

TAXATION

☐ PREFERENTIAL TAXATION

Double Taxation Agreements (DTA)

- Nature and purpose of DTAs
- Manner of giving relief from double taxation
- Procedure for availment of tax treaty benefits

☐ EFFECTIVE COMMUNICATION TO STAKEHOLDERS

CPA EXAM COVERAGE ADDITIONS

AUDITING

□ PSA 700 – NEW AUDITOR'S REPORT

CPA EXAM COVERAGE ADDITIONS

GENERAL PRINCIPLE: ONLY ACCTG STANDARDS EFFECTIVE AT
LEAST 6 MONTHS BEFORE EXAM DATE ARE COVERED

FINANCIAL ACCOUNTING & REPORTING

☐ NO NEW TOPICS

ADVANCED FINANCIAL ACCOUNTING & REPORTING

☐ NO NEW TOPICS

MANAGEMENT ADVISORY SERVICES

☐ NO NEW TOPICS

Proposed accounting examination tracks (Requires legislation)

Two Level Licensure Examination

1. Core Licensure Examination for Certified Accountants



Forthcoming accounting learning and examination tracks

Two Level Licensure Examination

2. Advanced Licensure Examination for Certified Public Accountant and Certified Professional Accountants





AICPA LICENSURE EXAM

- AUDITING & ATTESTATION
- BUS. ENVIRONMENT & CONCEPTS
- FINANCIAL ACCTG & REPORTING
- REGULATION


The table below presents the design of the Exam by section, section time and question type.

Section	Section Time	Multiple-Choice Question (MCQ)	Task-Based Simulations (TBSs)	Written Communication
AUD	4 hours	72	8	—
BEC	4 hours	62	4	3
FAR	4 hours	66	8	—
REG	4 hours	76	8	—

The table below presents the scoring weight of multiple choice questions (MCQs), task based simulations (TBSs) and written communication for each Exam section.

SCORE WEIGHTING			
Section	Multiple-Choice Question (MCQ)	Task-Based Simulations (TBSs)	Written Communication
AUD	50%	50%	—
BEC	50%	35%	15%
FAR	50%	50%	—
REG	50%	50%	—

Approximately 600 representative tasks that are critical to a newly licensed CPA's role in protecting the public interest have been identified. The representative tasks combine both the applicable content knowledge and skills required in the context of the work of a newly licensed CPA. Based on the nature of a task, one of four skill levels, derived from the revised Bloom's Taxonomy, was assigned to each of the tasks, as follows:

SKILL LEVELS	
 Evaluation	The examination or assessment of problems, and use of judgment to draw conclusions.
Analysis	The examination and study of the interrelationships of separate areas in order to identify causes and find evidence to support inferences.
Application	The use or demonstration of knowledge, concepts or techniques.
Remembering and Understanding	The perception and comprehension of the significance of an area utilizing knowledge gained.

AUDITING & ATTESTATION

- Ethics
- Risk assessment
- Audit procedures & obtaining evidence
- Conclusions & reporting

Equivalent to Auditing (Theory & Practice)

Business Environment & Concepts

- Corporate governance
- Economic concepts/analysis
- Financial management
- Information technology
- Operations management

Equivalent to Management Advisory Services

Financial Accounting & Reporting

- Framework, standards & reporting
- Select financial statement accounts
- Select transactions
- State & local governments

Regulations

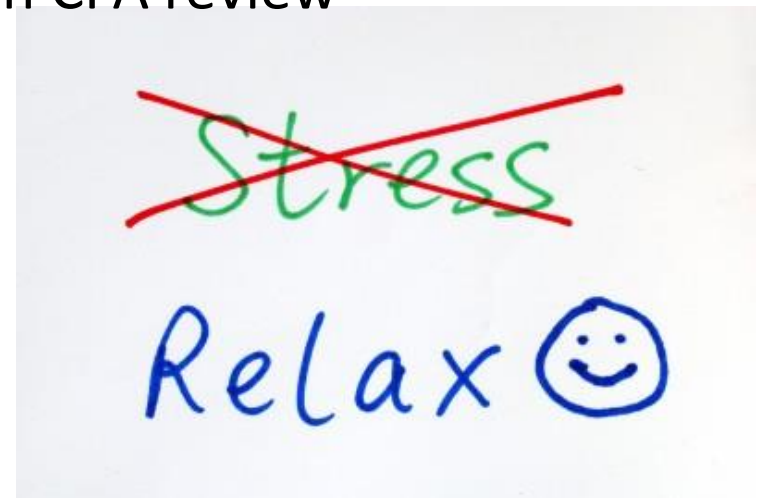
- Ethics, professional responsibilities
- Business law
- Federal taxation of property transactions
- Federal taxation of individuals
- Federal taxation of entities

A VISION FOR FUTURE LICENSURE EXAMINATIONS

- Future exams will be based on OBE, i.e., more situationers and applications of theory
- May include a component which is not multiple choice but essay type (requires artificial intelligence to check the results)
- Outsourcing to a professional group that will craft questions under the oversight of BOA
- May be done at selected testing centers using automated technology

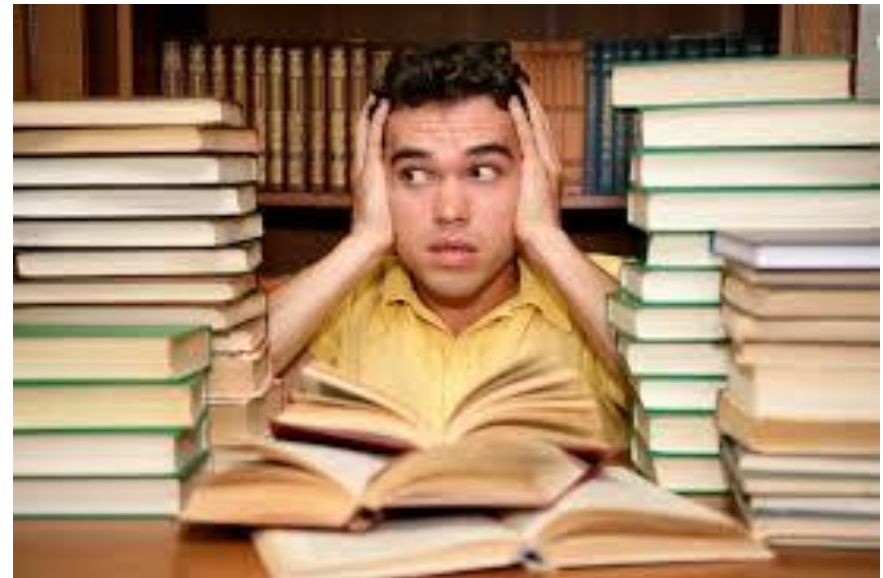
Stress Management Program

- A joint project between the BoA, The Board of Psychologist and their respective APOs
- ✓ Intended to assist the examinees of CPA Board Examinations
- Involves the briefing on stress management by psychologists of reviewees in CPA review centers and schools



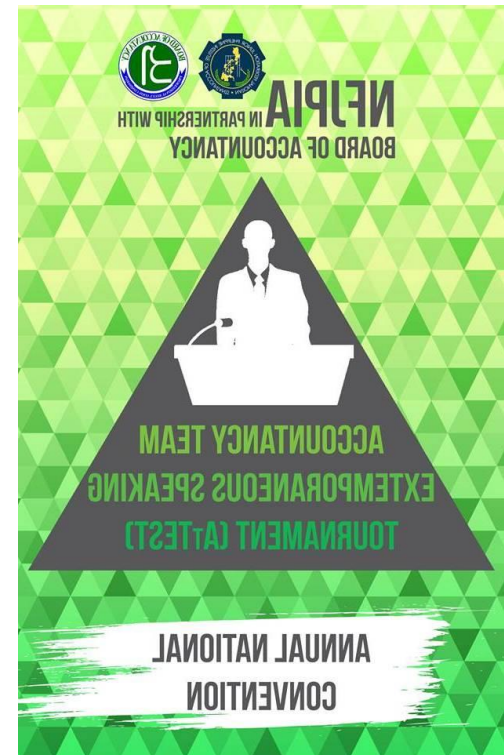
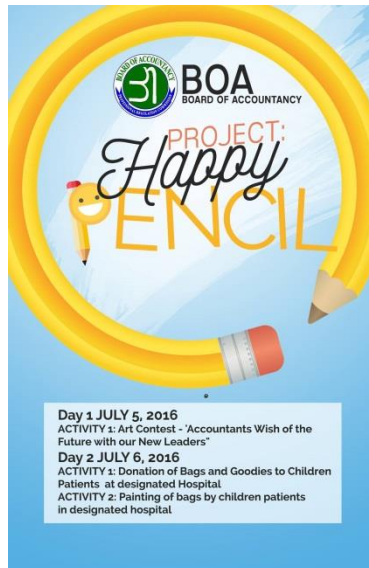
STRATEGY: THE STUDENT

- APTITUDE FOR ACCOUNTANCY – K-12 Program (ABM track)
- Develop critical thinking
- Engage in NJPIA activities
- STUDY, STUDY, STUDY!



NFIPIA Collaboration

- Accountancy Team Extemporaneous Speaking Tournament (AtTEST)
- Happy Pencil Art Competition



Exciting times in accounting in the Philippines

- Six Point Expanding Horizons Strategic Plan
- Future is NOW
- Globalization trends in our midst
- Major structural changes ongoing
- Forthcoming accounting learning and examination tracks
- New expanded Auditors Report
- Certificate of Compilation Services in Preparation of FS
- High Impact Regulatory Direction
- Empowering the SMP
- Inspection of offices of CPAs in PP
- Governance, Integrity and Ethics
- CPD directions
- Case Development Program
- Internship Program
- Stress Management Program
- Sectoral, CPA Tracker and IFAC Survey
- BoA Publications
- Inspection of schools
- Summit of Accounting Schools Stakeholders
- NFJPIA Collaboration
- Strengthening the professional & sectoral organization
- BoA Volunteer Program
- I am Accountant



EXCITEMENT

SIX-POINT EXPANDING HORIZONS STRATEGIC PLAN

Institute Quality & Governance Measures

Performance Governance System, Institutionalization, Enhancement of the Continuing Professional Development and Accreditation Programs, Implementation of ASEAN Mutual Recognition Arrangement, updated Code of Ethics, Award for Most Outstanding Expanding Horizon Organization, Netizens' Search of Outstanding CPAs, ATTEST Student Competition, ACCA partnership, partnership with Integrity Initiative Inc., Governance reform and oversight over the APO and sectoral organizations, Preparation of Manuals, Inspection of Schools, Internship Program, Stress Management Project for the CPA examinees, adoption of the CPA Maturity Model, WB Public Expenditure of Financial Accountability Tool, UNCTAD ISAR Accounting Development Tool, ACPA Assessment Tool, introduction of the Doctoral Program in Accountancy, setting up an e-library, Accounting cases development project, ISO Certification of CPAs, Support for the Educational Scholarships and Training of Accounting Teachers during the K to 12 Transition Period, Enhancement of the TESDA training modules on basic accounting and bookkeeping, Strengthen Sector Organization's Chapters, Propagation of e-Working Papers for SMPs, Strengthening of Accounting Schools, Propagate the Accountability Now to enhance Public Financial Management

Effectively Regulate the Profession

QAR implementation, Pro-active campaign against erring CPAs, Coordination with other regulators, Streamlining of administrative investigation process, Posting of list of CPAs in public practice, promoting Cyber Security over accountancy platforms, Prescribing Schedule of fines and penalties, Prescribing Quality Accreditation Checklist, Office verification requirement, Increased inspection of schools, the Certificate of compilation services on the Financial Statements, Engagement reporting of accredited CPAs in public practice, Delegation of the signing of accreditation papers, Accreditation of CPAs in commerce and industry, Accreditation of CPA partners and staff, Accreditation of government CPAs, Whistleblower program Discussions with AMLAC on the laundering reporting from CPAs

Enhance Image & Reputation of the Accounting Professional

Project ACCT, News Ledger magazine, Highest Standards Technical Journal, Debit Credit column in the Business Mirror, Annual Report and Yearbook, Champion CPAs coffee table book, Testimonial for the Pioneers of and Pillars of the Profession, Project ABC on Accountancy atbp, CSR project, Accountancy Museum, Building for Accountancy, Accountancy Jingle, Participation in the 75th Anniversary Celebration of ASEAN; Disseminate local developments to international knowledge and networking sites

Enhance Stakeholder's Involvement & Cooperation

Holding of Accountancy Stakeholders Forum, dialogue with Affiliated Accountancy Certification Bodies, tie up with developmental Partners, intervention in government accountants issues and requirements, involvement in the Council of Accreditation Regulators, Academic Industry linkages, CPA for CPA (Revenue audit of BGC) Project, discussion with Cooperative Development Authority on its Financial Reporting circular, Assistance in implementing the Tax Academy Law, Networking with Accountancy Regulators of other countries, Pursue membership or interaction in UNCTAD ISAR, IFIAR, AOSSG, AARG, IFAC, AICPA, PCAOB, UN and OECD Organize various for a or summit for the Academic Administrators, Educators and Stakeholders

Institute Structural Changes

Review of Accountancy Law, amend Audit Threshold rules, strengthening the SMP, WB Review of the Standards and Codes, Revision of Accountancy Curriculum and Board Examination Syllabi, Implement in the procedures for Accountancy Week celebration and Annual National Convention, Streamlining of administration and preparation of CPA Board Examination and the new CPA oath taking, Prescribing deadlines for completion of FS preparation and audit cycle, Rationalizing the Accreditation of Regulatory offices; Prescribe accounting framework for micro-enterprises; Participate in Project Repeal; Operation Change Mindset, Future is Now

Provide Communication & Assistance Mechanisms

Website, Facebook, Twitter, Sectoral and Career Tracking Surveys, Volunteer Program, Information Technology System Project, Notification system, formation of the Technical and Secretariat Office, organization of a Special Project Office, Coordinate the giving of donated computers



HON. JOELL L. TAN-TORRES
Chairman
Board of Accountancy

CHANGE HAS COME

The EH Plan is focused in upgrading the accountancy profession in the Philippines to levels that exceed global standards in the medium term.

130+
Projects
Ongoing

6
Strategies

1
Future
Goal
Profession

∞
Growth and
Opportunities

BOARD OF
ACCOUNTANCY

TEL NO: (632) 310-0026
FACEBOOK: fb.com/PhilippineBoA

The Future is NOW

- Previous learnings must be updated
- Accountancy leaders should lead the revolution of change
- Change in mindset and skills set are required
- Do your share...read and learn and be ready



For more information:

- <http://www.prc.gov.ph>
- <http://boa.com.ph>
- [www.facebook.com/professional regulatory board of accountancy](http://www.facebook.com/professionalregulatoryboardofaccountancy)
- boa.secretariat@gmail.com

