

THE FUTURE HORIZONS OF ACCOUNTANCY EDUCATION IN
SOUTH AFRICA :
A REVIEW OF THE EDUCATIONAL REQUIREMENTS UNTIL 1990

by

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*In memory of
my parents
Abe and Rae Wolman*

SUMMARYTHE FUTURE HORIZONS OF ACCOUNTANCY EDUCATION IN SOUTH AFRICA :A REVIEW OF THE EDUCATIONAL REQUIREMENTS UNTIL 1990

by

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Accountancy education in South Africa has been very controversial during the last few years and this controversy has led to objective self-examination by academics. It is acknowledged that there has been a substantial growth in the body of knowledge generally and that the accountancy profession has also been faced not only with a certain growth in the body of knowledge but also with a growth in society's expectations of the profession. These expectations could possibly include the expression of opinions on the fairness of profit forecasts and projected financial statements, including the underlying assumptions and opinions on management effectiveness. Possibly in order to accept greater responsibilities for the detection of fraud and the anticipated growth of society's expectations and greater utilisation of the computer, the future chartered accountant will be expected to be more proficient. This leads to the premise that a broader and less technique-oriented education is required for the future chartered accountant in South Africa.

Developments overseas indicate that the profession in certain

countries, plays a very active role in the final year of the accountancy education of its trainee accountants. In Australia the "Professional Year" is organised by The Australian Institute of Chartered Accountants. The candidates are evaluated on their performance during the "Professional Year" in assignments as well as their participation in classes, their attendance at the sessions and their successful completion of the final examination which is not regarded as a hurdle. In countries such as Canada and Scotland the institutes play an active role in promoting their own block-release courses. In Scotland the institute has its own lecturing staff, whereas in Canada in the province of Ontario, the Ontario Institute uses staff of the larger firms.

In certain countries the final qualifying examination is intended to be difficult and case studies are used in the examination. In certain countries where the universities play a greater role in the educational process, the accountancy institutes are phasing out their own examinations. In other countries multiple-choice questions are set as a matter of expediency, where very large numbers of candidates are involved. In other countries, where the number of candidates is not too large, candidates do oral examinations and write theses as well. Complaints have been made about the length of the courses in South Africa, but in some countries accountants qualify between the age of 30 and 35 years.

It is submitted that accountancy education in South Africa has been too technique-oriented and a happy medium between a conceptual and technique-oriented approach is required. University academics should play a more active role in research, and it is suggested that the Public Accountants' and Auditors' Board should give serious consideration to the possibility of reducing the number of contracting universities that are entitled to educate students for a Certificate in the Theory of Accountancy. The ultimate requirement for the profession is graduate entry, but in the interim

entry standards must be improved and it is suggested that the profession create a trust fund utilising the Accounting Development Foundation, which could make bursaries available and thus make the profession more attractive to bright scholars. It is not envisaged that a detailed common body of knowledge should be prescribed, but more stringent conditions for the approval of contracting universities, should lead them to define the details themselves. This should not be stultifying, but should encourage research, which in the long run is in the interests of the profession. Communication between members of the profession and academics is essential to promote research and ensure the cross-fertilisation of ideas.

It is also submitted that the final qualifying examination has had an undesirable effect on the teaching. This is because the proficiency of lecturers is generally measured by the success of the candidates in the final qualifying examination. A change in the format of the final qualifying examination is therefore imperative. A more case-study oriented examination is proposed.

The value of the practical-experience requirement (articles) is questioned. It is submitted that for the practical-experience requirement to be meaningful, greater and more effective control of the quality of experience, to which the trainee accountant is exposed, is required. It is recommended that articles of clerkship or service contracts be dispensed with and that the training quotas of firms be more flexible, depending on circumstances. For the trainee accountant's experience to be meaningful it is necessary that his principal be kept up to date continuously with the latest developments which will result in greater emphasis being placed on required continuing education. The introduction of a quality review programme by the profession to improve the performance standards of its members is recommended. The abovementioned requirements, namely more effective control of practical-experience requirements, the introduction of a quality review programme and required continuing education as well as the fact that the decision making process in the accountancy profession is

cumbersome and time-consuming necessitates a rationalisation of the controlling bodies in the profession.

A questionnaire was designed to test the opinion of the respondents with regard to various controversial issues surrounding accountancy education. It appears that the profession does not want to accept greater responsibility for the possible extensions of the attest function and it can be stated that it favours the retention of the audits of private companies.

It is thus obvious that certain changes are urgently required and the profession as well as academics will have to define its priorities very carefully. In the final analysis it must be borne in mind, that the profession must not overlook the public interest.

OPSOMMING

DIE TOEKOMSTIGE VERGESIGTE VAN REKENINGKUNDIGE OPVOEDING
IN SUID-AFRIKA : 'N OORSIG VAN DIE OPVOEDKUNDIGE VEREISTES
TOT 1990

deur

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Rekeningkundige opleiding het gedurende die afgelope paar jaar twispunte in Suid-Afrika veroorsaak, wat tot objektiewe selfondersoek deur akademici gelei het. Dit word erken dat die hoeveelheid kennis in die algemeen wesenlik toegeneem het en die rekenmeestersprofessie het nie alleenlik 'n toename in die hoeveelheid kennis ondervind nie, maar die verwagtings wat deur die gemeenskap van die professie gekoester is, het ook toegeneem. Hierdie verwagtings kan moontlik die uitspreek van menings oor die redelikheid van winsvooruitskattings en geprojekteerde finansiële state, insluitende die onderliggende aannames en menings oor bestuursdoelmatigheid, insluit. Om moontlik groter verantwoordelikheid vir die opsporing van bedrog te aanvaar en die verwagte toename in die verwagtings van die gemeenskap, tesame met die groter gebruik van die rekenaar, sal die toekomstige geoktrooieerde rekenmeester meer bedrewe moet wees. Dit lei tot die stelling dat 'n breër en minder tegnies-georiënteerde opvoeding van die toekomstige geoktrooieerde rekenmeester in Suid-Afrika verwag sal word.

Ontwikkelings oorsee dui daarop dat die professie in sekere

lande 'n baie aktiewe rol in die finale jaar van die rekenmeestersopleiding van leerlingrekenmeesters vervul. In Australië word die "Professionele Jaar" deur "The Australian Institute of Chartered Accountants" ge-organiseer. Die kandidate se prestasie word ge-evalueer gedurende die "Professionele Jaar" op werkopdragte, bywoning en deelname in klasse, en die suksesvolle voltooiing van die finale eksamen, wat nie as 'n struikelblok beskou word nie, is 'n vereiste. In lande soos Kanada en Skotland speel die institute 'n aktiewe rol in hul eie "blok-vrylatings" (block release) kursusse. Die Skotse Instituut het hulle eie doserende personeel terwyl daar op die groter firmas staat gemaak word om doserende personeel vir die Ontario Instituut se kursusse in Kanada te voorsien.

Die kwalifiserende eksamen van sekere lande is veronderstel om moeilik te wees en gevallestudies word in die eksamen gebruik. In ander lande waar die universiteite 'n groter rol in die opvoedkundige proses speel, word die eksamens van die institute geleidelik verminder. Veelvoudige keusevrae word gerieflikheidshalwe in sekere land gebruik waar die aantal kandidate hoog is. Waar die aantal kandidate nie so hoog is nie moet kandidate 'n mondelinge eksamen aflê en 'n skripsie skryf. Daar is oor die lengte van kursusse in Suid-Afrika gekla, maar in sekere lande kwalifiseer rekenmeesters tussen die ouderdom van 30 en 35 jaar.

Dit word gekonstateer dat rekenmeestersopvoeding in Suid-Afrika te tegniesegeoriënteerd is en 'n ewewig tussen 'n konseptuele en tegniesegeoriënteerde benadering word benodig. Akademici moet 'n meer aktiewe rol in navorsing bydra. Dit word verder voorgestel dat die Openbare Rekenmeesters- en Ouditeursraad ernstige oorweging skenk aan die moontlikheid om die aantal deelnemende universiteite, wat geregtig is om rekenmeesters op te lei vir die Sertifikaat in die Teorie van die Rekeningkunde, te verminder. Die uiteindelijke vereiste vir toetrede tot die professie moet 'n graad wees, maar die tussentydse toetredingsstandaarde moet verhoog word. Dit word voorgestel dat die professie die Rekeningkunde- Ontwikkelingstigting gebruik om 'n

trustfonds daar te stel en beurse hieruit aan te bied om die professie meer aantreklik te maak. Dit word nie in die vooruitsig gestel dat 'n algemene gedetailleerde leerplan voorgeskryf word nie, maar strenger standarde vir die goedkeuring van deelnemende universiteite moet daargestel word, sodat hulle die besonderhede self kan voorskryf. Dit sal nie tot verydeling lei nie, maar sal navorsing bevorder, wat in the langtermynbelange van die professie sal wees. Kommunikasie tussen lede van die professie en akademici is noodsaaklik om navorsing te bevorder en om 'n kruisbestuiwing van idees te verseker.

Dit word ook beweer dat die finale kwalifiserende eksamen 'n ongewenste uitwerking op die onderrig tot gevolg gehad het. Die oorsaak hiervoor is dat die bevoegdheid van die dosent bepaal word deur die sukses van sy kandidate in die finale kwalifiserende eksamen. 'n Verandering in die formaat van die finale kwalifiserende eksamen is dus noodsaaklik. 'n Meer gevalllestudie-georiënteerde eksamen word voorgestel.

Die waarde van die praktiese ondervinding-vereiste (klerkskap) word bevraagteken. Om die praktiese ondervinding-vereiste betekenisvol te maak, is dit nodig om meer en strenger effektiewe beheer oor die gehalte van ondervinding, waaraan die leerlingrekenmeester blootgestel word, te verseker. Dit word voorgestel dat die klerkskapkontrak of dienskontrak afgeskaf word en dat die opleidingskwotas meer buigsaam moet wees na gelang van omstandighede. Om die ondervinding van die leerlingrekenmeester betekenisvol te maak, is dit nodig dat sy prinsipaal gedurig op hoogte gehou word van die nuutste ontwikkelings, waardeur die vereiste voorgesette opleiding meer beklemtoon sal word. Dit word verder voorgestel dat 'n kwaliteitsbeheerprogram om werkstandarde van lede te verbeter, deur die professie ingestel word. Bogenoemde vereistes, naamlik meer effektiewe beheer oor die praktiese ondervinding-vereiste, die instelling van 'n kwaliteitsbeheerprogram, vereiste voortgesette opleiding en die feit dat die besluitnemingsproses in die rekenmeestersprofessie lomp en tydverterend is, noodsaak 'n rasionalisasie van die beheerliggame in die professie.

'n Vraeboog om die mening van respondente oor twispunte in rekenmeestersopvoeding te toets is opgestel. Daaruit blyk dit dat die professie nie groter verantwoordelikheid vir die uitbreiding van die ouditfunksie wil aanvaar nie. Die oudit van private maatskappye word nog deur die professie voorgestel.

Dit is ooglopend dat sekere dringende vereistes benodig word en dat die professie sowel as akademië hulle prioriteite versigtig sal moet definieer.

Ten slotte word dit gekonstateer dat die professie nie die openbare belang oor die hoof moet sien nie.