

Major Issues Facing Academic and Professional Accountants in Thailand

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Professional association

The Institute of Certified Accountants and Auditors of Thailand (ICAAT) is the only formal association of professional accountants in Thailand with about 5,500 members at the end of 1999. Of this number, only 1,000 members hold a CPA where approximately 4,500 CPA holders are carrying out audits. This may reflect a lack of interest of professionals in the professional association as there is no regulation requiring individual professionals to be a member of the association. The self-regulating organization (SRO) with legislation backup has been considered in order to oversee all professional-related matters and to promote and develop the profession to achieve a high standard and keep pace with global changes and development.

Academic association

There is no formal association of academic accountants, but academic leaders in accounting usually join the ICAAT and play active roles in meetings, training, conferences, etc. ICAAT recognizes the role of academics and both academics and professions help each other in accounting professional development so there seems to be no need for a separate academic association.

Standard setting

Standard setting in Thailand is currently performed under ICAAT's umbrella via the Committee on Accounting Standards and the Committee on Auditing Standards. The

Standard-Setting Committee, like other committees, carries out their work without pay. There is no legislation authorizing the ICAAT to develop and set standards, but the authorities (Stock Exchange of Thailand and the Ministry of Commerce) generally require the firms to follow standards set by the ICAAT. The official endorsement from those authorities help standards to gain acceptance, but it sometimes causes a delay in changing or issuing new standards.

Moreover, other government agencies such as the Bank of Thailand and the Stock Exchange of Thailand, also sometimes give their instructions relating to accounting treatments, presentation, and disclosures. Occasionally, those instructions may not be in line with the standards issued by ICAAT. An independent financial accounting standard-setting body is being developed to ensure that Thai accounting standards give practitioners the guidelines leading to the generally accepted best accounting practices.

Role of the government

Thai government plays an important role in the accounting profession through the Ministry of Commerce. With the Auditor Act 1962, the Ministry of Commerce registers, issues, and revokes CPA licenses. The Board of Supervision of Auditing Practice (BSAP) sets the rules and gives CPA exams. This Act is blamed as an obstacle for professional development and it is about to be repealed and replaced by the new "Accounting Profession Act" which will let the professional association take care of its own professionals and the accounting standard-setting body will become self-regulated and separate from the profession association.

Major professional issues

The accounting profession has been criticized for its poor performance and standards that caused the country to be plunged into economic crisis. Poor performance and standards may come from several factors such as a lack of litigation awareness, little attention to the new accounting standards, and even the education system in the provincial areas where changes in the accounting profession may not be heard of in a timely fashion. Another factor is corporate governance. Without the cooperation from the business-side, accounting professional development will not be easy or successful. Corporate governance is, therefore, the main area that needs to be addressed.

Major academic issues

Globalization and rapid change in technology forces the academics to learn better and faster. Development of new kinds of business and financial instruments lead to more complicated accounting and auditing issues. Accounting curriculum needs to be updated regularly and more often than before, otherwise it may not serve the needs of business in a fast-changing environment. Integrating technology into the curriculum is also a must. Lack of qualified faculty members who have all the skills required to give appropriate instruction is another major issue to be addressed in depth and resolution should be determined.

Major accounting research issues

There are not many issues addressed in accounting research in Thailand. Most accounting research publicly available is capital market-related, which is usually the cause of the problems where accounting numbers do not reflect the true picture of the firms. The root of the problems should be

given more attention and accounting research should be more focused on the problems of rules or standard setting and implementation. There is no research showing which institution's accounting standards are the best ones. There are criticisms that one country's accounting standards may cause unreasonably large profit compared to results of using another country's accounting standards. This is a matter of sharing knowledge among the network of professional and academic accountants from different countries to share the problems and solutions.

Cooperation among countries

Representatives from professional and academic institutes in each country should join the world institutes such as IFAC and IASC to share their opinions and be involved in drafting the accounting and auditing standards. With the participation of professional and academic accountants from all countries, standards will be more realistic and applicable to each individual country environment. The expertise from large international firms should not be ignored and networking with them should be maintained in order to get their thoughts and share ours, especially on the practical problems.

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