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REACTION PAPER

Republic Act No. 9298

The Philippine Accountancy Act of 2004

>>>>>Our subject is about Auditing Theory wherein the topic to be discuss on this paper is about the Republic Act No. 9298 or The Philippine Accountancy Act of 2004. What is The Philippine Accountancy Act of 2004? "Philippine Accountancy Act of 2004" An Act Regulating the Practice of Accountancy in the Philippines, Repealing for the purpose Presidential Decree No. 692, Otherwise known as The Revised Accountancy Law, appropriating funds therefor and for other purposes was passed under the administration of former President Gloria Macapagal-Arroyo on March 13, 2004. Section 32 of Republic Act (RA) No. 9298(The Philippine Accountancy Act of 2004) provides that all certified public accountants (CPAs) shall abide by the requirements, rules and regulations on continuing professional education to be promulgated by the Board of Accountancy (BOA), subject to approval of the Professional Regulation Commission (PRC).

>>>>>The 17 year-old law has proposed some amendments to the Philippine Accountancy Act under the term of Hon. Noe G.Quinanola. Some proposed amendments are at least 2 years relevant and diverse experience inany field of accountancy as a requirement in taking CPA Licensure Examination, 75% grades inall subjects with Passed or Failed status only and elimination of conditional status/passers as the subjects can be taken in installment, removal of top performers in the CPA Exam as some review centers are using these in their marketing effortsAs a third year accountancy student, I agree with the proposed amendments of 75% rating per subject and waiving of conditional status.

I agree on the 75% rating per subject and passed or failed status. It is fair enough that anexaminee should master all the relevant CPALE subjects (MAS, Tax, Auditing, FAR, AFAR,RFBT) as these subjects are interconnected as a whole. According to IFAC (2013), accountants are multifaceted. Accountants are not just formulating reports for a company, a focus of FAR subject. Accountants are not just employees of BIR or tax preparers, a focus of taxation subject. Accountants can be everywhere. Thus, it is crucial that the rating should be 75% per subject to ensure competitiveness in all areas. Recently, the passing rate of CPALE is declining. The lowest passing rate in CPALE traces back to 1954 witha rating of 6.48% with 2,345 examinees. The next is the May 2019 examination with 16.47% andSeptember 2019 (2,075/14,492) or 14.32%. The contents of CPALE according to the Theory of Specifications provided by Board of Accountancy constitutes those theories and problems that can be answered through a classroom discussion and book reading. Furthermore, accounting is a revolving profession and are affected by updates and amendments by Philippine Financial reporting Standards, Philippine Laws, Revenue Regulations, Auditing Standards Council and others.

>>>>>What a student gain from his/her four-year stay in the university may not be completely relevant and pertinent once he/she took the board exam. Things one master from work is not really applicable in the exam, as exams are more on book-based.Second, BOA should first look into the core problems that lead to the declining rate of passers. Furthermore, Wallfish (2001) states that one of the reasons for the low declining qualityof accounting student can be traced to the lack of efforts of the teachers in low-paying Philippine HEIs. In fact, small private schools offer low salaries in comparison with the teachers from public schools (Antiojo, 2018). Instructors/Professors should also be competent and qualified as they are the ones who decipher and clarify the ones written in the book to the students. Accounting is not just a subject that can be understood through reading. It requires practice, analyzation and understanding in the context of business. As stated by Baes (2019), to achieve a high quality education, the areas that require focus by the institutions (public or private) is the competency of the teachers.

Like any other profession, there are also challenges being confronted by the public accounting profession most especially that there is a wide variety scope of Accountancy and that there are constantly changes in the principle being taught to us.

>>>>In conclusion, core problems such as retention policies, faculty and the problems within the exam itself should be given attention. The Filipino CPAs are globally competitive given their training from the school itself.

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