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KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS
(DEPARTMENT OF EDUCATION, CULTURE AND SPORTS)

January 19, 1990

DECS O R D E R
No. 5, s. 1990

POLICIES AND STANDARDS FOR ACCOUNTING EDUCATION

To: Bureau Directors
Regional Directors
Schools Superintendents
Presidents, State Colleges and Universities
Heads of Private Schools, Colleges and Universities

1. The inclosed set of policies and standards for accounting education approved by this Office upon the recommendation of the Technical Panel for Business Management and Secretarial Education and the Bureau of Higher Education, embodies the general principles and guidelines for the establishment and operation of accounting education program.

2. Each school offering the accounting program, in order to align its program in accounting education responsive to national interest should have:

- a. the built-in mechanism of its instructional and research capabilities and program thrusts; and
- b. the necessary flexibility and adaptability to improve its curricular program in accounting towards upgrading the standards of accounting profession.

3. Every school offering the accounting program should give these rules and standards the widest publicity possible among the academic community and its clientele.

4. This Order eventually phases-out the accounting major in the Bachelor of Science in Commerce, Bachelor of Science in Business Administration and Bachelor in Business Administration as embodied in the transitory provision of the Policies and Standards for Accounting Education. In its place will be the adoption of the course Bachelor of Science in Accountancy.

5. Compliance with these policies and standards by all concerned is desired.

(SGD.) ISIDRO D. CARINO
Secretary

Incl.:
As stated

Reference:
None

Allotment: 1-2-3-4--(M.O. 1-87)

To be indicated in the Perpetual Index
under the following subjects:

CHANGE
Course of Study, COLLEGIATE
CURRICULUM
POLICY
RULES & REGULATIONS

(Enclosure to DECS Order No. 5, s. 1990)

POLICIES AND STANDARDS FOR ACCOUNTING EDUCATION

Introduction

Standards for professional education in accounting are the desirable criteria of quality in a program that purports to prepare graduates for professional careers in accounting and related fields. The purpose of these standards is to establish a level of quality which when substantially satisfied would justify recognition of a program by the accounting profession.

These standards are concerned with professional level accounting education, rather than with vocational-type technical training. This distinction is important because within the broad field of accountancy, there are various kinds of accounting tasks requiring varying levels of competence and skills. The persons performing these tasks may be called accountants or auditors but not all have professional status. The legally recognized professionals in the field of accounting are those who are registered with the Professional Regulation Commission as Certified Public Accountants (CPAs).

Article I

Authorization

1. Only colleges and universities duly authorized by the Department of Education, Culture and Sports shall conduct Accounting Education courses. For brevity, such institutions that offer Accounting education programs either as separately organized schools or as colleges of business administration and/or commerce in the universities and colleges of the Philippines, shall hereafter be referred to in general term as "Accounting Schools".

2. Baccalaureate degree: A common baccalaureate degree, the "Bachelor of Science in Accountancy" shall be adopted for the professionalization of the accounting profession. The establishment of professional schools of accountancy or Department of Accountancy at qualified and receptive colleges and universities is encouraged and is supported as a means of achieving professional identity for the accounting program.

3. The Bachelor of Science in Accountancy must have prior authorization from the Department of Education, Culture and Sports.

Article II

Professional Identity

1. Need for identity: The program for professional education in accounting should have its own separate identity. A profession is, by definition, separately identifiable. Among other things, it has a specified common body of knowledge, its own ethical code, and a recognizable social significance. Professional identity is an important motivating factor in assuring the success of an educational program for accountancy. It is needed as a focal point for career identification, the efforts of the faculty, and the recognition and support of the accounting profession and the public.

2. Organizational structure: The accounting program may be offered in a separate School of Accountancy or in a separate Department of Accountancy within colleges or schools of business. The establishment of professional schools of accountancy at qualified and receptive colleges and universities is encouraged and is supported as a means of achieving professional identity for the accounting program.

Article III

Mission Statement and objectives

1. Mission statement: The mission of professional accounting education is to prepare students for careers in accounting and to make them ready to deal effectively with the problems they will face as professional accountants and responsible citizens.

2. Primary objectives: Professional accounting education should provide a means for students to acquire (a) the knowledge, proficiency, and intellectual abilities to provide services of the minimum scope and quality which the public needs and has a right to expect from a beginning professional accountant, and (b) the capacity to grow and develop into a fully qualified professional accountant.

3. The professional accounting program should be broadly conceived. Technical skills alone will not equip the student for entry into the accounting profession. Liberal studies, general business studies, and accounting education should be integrated to develop a broad-gauged individual able to command the respect and meet the needs of those who rely on professional accounting services.

4. Generally, an accounting program cannot be expected to produce a completely educated professional accountant. Rather, it should lay the foundation on which the student can build additional knowledge, and with maturity and experience, learn to be a fully qualified professional accountant. Accordingly,

professional accounting education should emphasize the development of those qualities that will enhance an accounting student's long-run professional competence, particularly:

- 4.1 The ability to work effectively, think analytically and objectively, and become mentally disciplined;
- 4.2 The ability to communicate ideas orally and in writing;
- 4.3 An awareness of his responsibilities for continuing self-education;
- 4.4 An appreciation of the professional accountant's high standards of integrity and objectivity; and
- 4.5 An awareness of his responsibilities to society as a professional accountant and a responsible citizen.

5. Subsidiary objectives: Preparing students for the CPA examination and for employment are subsidiary objectives which should be judiciously blended with the primary objectives of preparing students for professional accounting careers. Thus, the accounting graduate should be qualified to take and pass the CPA examinations, and to obtain employment as a beginning professional accountant. With proper orientation and supervision, he should be able to cope with the problems he will face upon employment.

6. Implementation: The mission and objectives of a school's professional accounting program should be clearly stated in its catalogues and other literature. Efforts should be made to maintain records showing the extent to which the stated mission and objectives have been achieved.

Article IV

Administration

1. Administrator: The accounting program (school) should be administered by a full-time chairman/dean/director, with appropriate qualifications.

- 1.1 A full-time administrator is one whose services are available for the efficient administration of the program.
- 1.2 The chairman/dean/director should possess the following minimum qualifications:
 - a. Holder of a CPA certificate issued by the Professional Regulation Commission;
 - b. Holder of at least a master's degree in business, accountancy, or business education;

- c. Teaching experience of at least three (3) years in the tertiary level;
 - d. The ability to lead and gain the confidence and respect of the faculty.
- 1.3 The chairman/dean/head of the accounting program shall have the following functions:
- a. Administer the accounting program;
 - b. Influence the selection, retention, compensation, and promotion of faculty;
 - c. Develop curricula, policies, including methods of instruction;
 - d. Establish academic standards for admission, retention, advancement, and graduation of students; and
 - e. Develop, submit, and administer within prescribed guidelines, the budget of the accounting program.
2. Financial support: Financial support for the accounting program (school) should be adequate to meet the standards herein prescribed.
3. Academic environment: The official(s) administering the accounting program (school) should endeavor to create and maintain an environment that is conducive to good teaching and learning, receptive to new ideas and change, and favorable to the maintenance of high academic standards.

Article V

Faculty

1. Qualifications: The faculty should possess the educational qualifications, professional experience, classroom teaching ability, scholarly productivity, and other attributes essential for the successful conduct of a professional accounting school or program.
- 1.1 All faculty teaching accounting courses should be certified public accountants. Further, it is also desirable that they have an appropriate master's degree and relevant professional accounting experience.
- 1.2 All faculty handling taxation courses should be either CPA-lawyers or CPAs; provided that if none are available, lawyers with practical exposure to taxation may be assigned to such courses.

- 1.3 All faculty handling business law courses should be lawyers, but preferably CPA-lawyers.
2. Recruitment and selection: The professional accounting school or program should have an effective system of recruiting and selecting qualified faculty members.
 - 2.1 There should be a long-range plan for faculty recruitment.
 - 2.2 In selecting faculty due consideration should be given to the qualities that make a good and effective teacher. These qualities should include not only academic degrees, experience, teaching ability, and scholarship, but also character and integrity.
 - 2.3 The school shall adapt a selection process that would ensure the employment of the best among applicants.
3. Adequacy of staff: The number of faculty with appropriate qualifications should be adequate to meet the requirements of the professional accounting school or program.
 - 3.1 60% of the subjects offered in the program should be handled by full-time/full-load faculty as defined in sub-sections 3.3 and 3.4.
 - 3.2 The full-time/full-load faculty should be distributed among ranks, subject areas, day and evening classes, and locations.
 - 3.3 A full-time faculty member is one whose total working day is devoted to the school, who has no other remunerative employment elsewhere during regular working hours, who is paid on a regular monthly basis or its equivalent, and who has the requisite academic qualifications.
 - 3.4 A full-load faculty member is one whose major remunerative employment is teaching, who carries a regular teaching load of not less than 15 unit-hours in the school who has no teaching assignments in other schools, and who has the requisite academic qualifications. Full-load faculty should preferably be paid on a monthly basis or its equivalent.
 - 3.5 When vacancies in the teaching staff occur during the school year, substitutes or replacements of similar or higher qualifications should be employed.

4. Teaching loads: The primary consideration in assigning teaching loads should be to enable each faculty member to adequately fulfill his administrative, academic, and professional responsibilities.

4.1 Faculty members should be assigned courses which they can competently handle given their educational background, field of specialization, experience, and maturity.

4.2 Teaching assignments should allow faculty members sufficient time for study, class preparation, student consultations, and proper evaluation of student achievement.

4.3 The regular full-time load of a faculty member should not exceed twenty-four (24) unit hours per week. Faculty with outstanding performance records may be assigned six (6) more unit hours per week provided that subject preparation is limited to not more than two courses per term. Any excess over this number should have prior approval of the DECS on a case-to-case basis.

4.4 A part-time instructor employed elsewhere may carry a load of not more than twelve (12) units in all the schools in which he teaches. Faculty members teaching in more than one school must give formal notice of their teaching assignments to all schools concerned.

4.5 Faculty should not be assigned to teach more than two, or occasionally, three different courses in any one term. Neither should there be too much variety in the courses assigned in any one year.

4.6 De-loading from regular teaching may be allowed for administrative, research, or professional assignments without reduction in compensation.

5. Ranking and evaluation: A system of ranking and evaluating faculty members should be instituted and implemented.

5.1 The faculty should be assigned academic ranks in accordance with suitable ranking criteria. The usually recognized ranks of collegiate faculty members are instructors, assistant professors, associate professors, and professors.

5.2 As a general rule, a new member of the faculty begins as an instructor and is subsequently promoted, if deserving. However, he may immediately be appointed to any of the higher ranks if warranted by his qualifications.

- 5.3 Faculty competence and performance should be periodically evaluated using appropriate evaluation instruments to promote the professional growth of individual faculty and provide a basis for advancement and salary adjustments.
- 5.4 The probationary employment for full-time faculty who are academically qualified should be for a period not more than three (3) years. Faculty members who have successfully passed this probationary period should be considered permanent.
- 5.5 After due process, faculty who do not meet minimum standards of competence and performance, or who are found guilty of immoral, unethical, or dishonorable conduct should be separated from the service or retired.

6. Compensation: Faculty salaries should be set at levels which will attract and retain a faculty of the quality contemplated in these standards. Such levels should be compatible with the social demands of the teaching profession and sensitive to earning prospects outside the academic field for work requiring comparable ability, experience, and education.

- 6.1 As a general rule, the remuneration paid to faculty should be comparable to current minimum salary rates for corresponding ranks in state colleges and universities.
- 6.2 Provision should be made for recognition of meritorious services and fringe benefits such as leaves of absence with pay, separation and retirement pay, etc.
- 6.3 Definite criteria should be followed in making salary scales and promotions, and these should be made known to the faculty. Merit and performance should be the primary criteria.

7. Faculty development: There should be a formal development program to encourage and help faculty members keep up with new knowledge and techniques in their field, improve their teaching skills and course materials, and continue their professional growth.

- 7.1 The faculty development program should include provisions for, among others:

- * Adequate and qualified supervision of faculty;
- * Scholarships, sabbatical leaves, and research grants;
- * Financial support for active membership in professional organizations and attendance at seminars, workshops, and conferences;

- * In-service training courses.
- * Periodic faculty meetings
- * Participation in faculty committees.

7.2 Accounting faculty should comply with the continuing professional education (CPE) requirements of the Board of Accountancy.

8. Support personnel: There should be an adequate number of support and service personnel to assist the faculty in performing their duties and functions.

8.1 Included in faculty support personnel would be secretarial and clerical staff, correctors, computer technicians, and janitorial and maintenance personnel.

9. Written policies: Faculty members should be informed in writing about all actions and policies that affect them. The publication of a faculty manual for this purpose is highly recommended.

Article VI

Curriculum Standards

1. Objectives: The curriculum should reflect the mission and objectives of professional accounting education as expressed in Article III. As such, it should provide students with the competency to embark upon careers in professional accounting and related fields and the capacity for further growth and development within the accounting profession.

2. Structure: As a minimum, the curriculum should consist of at least 165 academic units divided into three parts: general education comprising approximately 40% of the total academic units; business education consisting of 30%; and education in accountancy, the remaining, 30%.

3. General education: General education should contribute to the development of cultured persons, stimulated by broad interests in wide areas of human knowledge and activity and inculcated with a high sense of social awareness and civic responsibility. It should provide a firm and disciplined foundation for the successful study and practice of accountancy, including:

- * Understanding of the content and processes of scientific thought and systematic approaches to problem solving;

Facility in the use of mathematics and statistics to measure and express economic events;

Ability to communicate effectively, orally and in writing;

Appreciation of the institutions and forces - legal, financial, economic, political, and sociological, that influence and interface with accountancy.

4. Business education: The increasing involvement of public accountants in management advisory services and the significant management responsibilities held by internal accountants underscore the importance of business education to the professional accountant. The student should be able to relate accounting to the problems that confront the management of business and public enterprises. He should be equipped with sufficient understanding of the nature, functions, and operations of business organizations, the environment in which they operate, the managerial decision-making process, and the analytical and quantitative tools that may be applied to the solution of business problems.

5. Education in accountancy: Education in accountancy should furnish students with sufficient depth and breadth in the accounting discipline to enable them to recognize the problems they will face as professional accountants and to provide them with the basic knowledge and skills useful in solving these problems. The content of accounting courses should be relevant to all areas of professional practice - public accounting, commerce and industry, education, and government service. Specialization should take place after the student acquires his CPA certificate.

6. Implementation: In implementing the curriculum standards, certain important implications should be kept in mind. These are:

- 6.1 The standards are intended to be flexible rather than restrictive. They provide a general framework within which each institution should design and develop a curriculum that is suitable to its own peculiar needs, resources, and circumstances;
- 6.2 Curriculum development is a dynamic and continuing process. Accounting education should not only keep pace with current realities, but should anticipate changes that may take place in business and the accounting profession. Provision should be made for periodic re-examination and research to avoid curriculum obsolescence.
- 6.3 Curriculum content should be carefully selected so that the available time and resources are effectively utilized and only the most appropriate and pertinent subject areas are included;
- 6.4 Correlation and integration of the different courses of study is essential to an effective educational program as well as to optimal student achievement;

6.5 Finally, the qualitative rather than the quantitative factors of education should be emphasized. The excellence of teaching, the quality of students, the broadening effect of the total curriculum, along with the development of integrity, professional attitudes, and a continuing desire to learn, are more important than course labels, unit requirements, or subject groupings.

6.6 Curriculum

BACHELOR OF SCIENCE IN ACCOUNTANCY CURRICULUM

I. GENERAL EDUCATION COMPONENTS:

	<u>UNITS</u>
1. Written and Oral Communication (English)	15
2. Filipino	6
3. Social Sciences - to include:	12-15
a. Phil. Gov't. & New Constitution	
b. Philippine History	
c. Elementary Economics	
d. Business Psychology	
e. Sociology, Political Science, etc.	
4. Mathematics (Modern Algebra, Mathematics of Investment, Calculus)	9
5. Business Statistics	3
6. Computers and Society	6
7. Natural Science	6
8. Philosophy/Logic	3
9. Rizal Course	3
TOTAL	63-66

II. BUSINESS EDUCATION COMPONENTS:

1. Advance Economics	3
2. Finance	6
3. Marketing	3
4. Production Management	3

5. Elementary Accounting	9
6. Principles of Management	3
7. Organization Group & Individual Behavior	3
8. Business Law	9
9. Taxation	6
10. Quantitative Techniques in Business	3
11. Business Policy	3
TOTAL	51

III. EDUCATION IN ACCOUNTANCY:

1. Financial Accounting Theory and Practice including Current Issues	12
2. Cost Determination Analysis and Control	6
3. Management Accounting & Management Advisory Services	9
4. Auditing Theory, Philosophy and Practice	9
5. Advance Accounting Problems, including Government Accounting	9
6. Computerized Accounting Systems	6
TOTAL	51

IV. PHYSICAL EDUCATION

(4)

V. R. O. T. C.

(6)

GRAND TOTAL

165-168
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Article VII

Instructional Standards

1. General: Teaching methods and techniques should be designed to provide relevant educational experience which will prepare students for professional accountancy and develop those qualities that will help them achieve success in their careers.

1.1 Instruction should motivate students to acquire the common body of knowledge described in Article VI and the proficiency to apply that knowledge to the solution of practical problems, and it should make them aware of their responsibilities for continuing self-education;

1.2 Instruction should emphasize conceptual understanding over procedural skills; reasoning, logical analysis and independent judgment, rather than rote memorization and drill;

1.3 Instruction should cultivate habits of mind that will be useful in new situations - curiosity, open-mindedness, objectivity, respect for evidence, and the capacity to think analytical and critically;

1.4 Instruction in all courses should help the students develop their communication skills;

1.5 Primarily through precept and example, students should be inspired to develop desirable attitudes and values.

2. Course syllabus: Students should be provided with course syllabi at the beginning of each term.

3. Instructional resource: Every course should have a prescribed textbook which should be selected on the basis of acceptable criteria, preferably by an independent textbook board or committee. The intelligent use of other instructional aids and resources should be encouraged.

4. Supervision: There should be a definite program of supervision to keep the efficiency of instruction at the highest possible level.

5. Class size: Class size is 50 students. However, this may be increased for lecture classes in professional accounting or board related subjects, depending upon size of room and its accoustics.

Article VIII

Library, Computer, and Physical Plant Standards

1. Library: Universities and colleges offering the accounting program should have library resources relevant to accounting education, adequate in quality and quantity, helpful in serving the curriculum and research needs of students and faculty, and progressively developing and growing in accordance with institutional development and expansion plans.
2. The quality and quantity of library resources should meet the minimum requirements of DECS.
3. The library should be administered by a qualified staff.
4. The library should be well-housed, conveniently located, and open at reasonable hours for student and faculty use.
5. Computer: The computer center or access terminals shall be well-housed, conveniently located and available for student and faculty use on a scheduled basis that provides opportunity to use the computer in both class assignments and research.
6. Plant and equipment: The buildings, classrooms, laboratories, computer access areas, machines and equipment, ventilation and lighting should all be currently suitable for, and contribute to the effective functioning of the professional accounting school or program.
7. The physical plant should be adequate to accommodate the total number of students in all aspects of the accounting program.

Article IX

Admission and Retention Standards

1. General: The standards of admission to, and retention in the accounting program should be sufficiently rigorous and demanding to meet the needs of the profession and merit the respect of the public.
2. Admission to college: Schools or colleges offering an accounting program should adopt a selective admission policy. Applicants for admission should be screened on the basis of their NCEE scores, college entrance examinations, high school class standing/grade point average, interviews and other appropriate means.

3. Admission to program: Admission to the accounting program should be restricted to students who can demonstrate a high probability of success in the study of accounting through a satisfactory academic performance, a qualifying examination, an interview and/or other appropriate means.

4. Retention: Students should be allowed to continue in the accounting program only by maintaining a satisfactory grade level. To ensure that grades are a fair measure of academic performance, the following measures should be taken:

4.1 Final departmental examinations of sufficient length and complexity should be required in all accounting and board-related subjects as well as in business core subjects.

4.2 All examinations should be properly supervised and proctored.

4.3 Grading should be based on a definite and uniform policy specifying the weights for periodic quizzes, formal examinations, recitations, and other factors used in determining final grades.

4.4 The integrity of final grades should be protected.

Article X

Residence and Unit Requirements

1. Residence requirement: As a general rule, no accounting degree can be conferred upon a student unless he has taken the last curriculum year of the program in the institution which is to confer the degree.

2. Prerequisite subjects: No student should be permitted to take any subject until he has satisfactorily passed the prerequisite subjects. Special cases should be referred to the DECS for decision/approval.

Article XI

Research

1. The institution should encourage and undertake research in accounting and related disciplines.

Article XII

Standards of Performance for Graduates

1. General: Graduates of the professional accounting school or program should possess the professional attributes and knowledge of a beginning professional accountant. Such attributes and knowledge are found in a graduate who has acquired:

- 1.1 The necessary conceptual, philosophical, and theoretical foundations of the profession.
- 1.2 A knowledge of the basic principles, practices, and methodologies of the profession.
- 1.3 The personal and educational skills, attitudes, competencies, values, and behavioral attributes of the professional accountant.

2. CPA examination: Graduates of the professional accounting school or program should be capable of passing the CPA examination.

- 2.1 This standard should not be interpreted as favoring academic programs narrowly designed to coach candidates for such examination.

3. Employment: Graduates of the professional accounting school or program should be capable of working effectively as beginning professional accountants and should have the capacity for growth to positions of increased responsibility.

- 3.1 In evaluating the total effectiveness of a school or program, a review should be made of the success of graduates in obtaining employment and their subsequent advancement as professional accountants.

Article XIII

Implementation, Effectivity and Transitory Provisions

1. Implementation: The overriding concern of these standards is the achievement of high quality in professional accounting education. In applying the standards, emphasis should be placed on qualitative considerations rather than on merely quantitative measures. Departures from these standards will be accepted if the school can demonstrate that high quality is thereby achieved.

2. Effectivity: These standards shall take effect in school year 1990-1991, subject to the transitory provisions in paragraph 3.

3. Transitory provisions: Accounting as a major in the Bachelor of Science in Commerce, Bachelor of Science in Business Administration, Bachelor of Business Administration and other courses is hereby gradually phased-out effective school year 1990-1991 according to the following schedule:

1990-1991 - 1st Year
1991-1992 - 2nd Year
1992-1993 - 3rd Year
1993-1994 - 4th Year

4. Schools currently offering the Bachelor of Science in Commerce, Bachelor of Science in Business Administration and Bachelor of Business Administration with major in Accounting and who intend to offer the Bachelor of Science in Accountancy shall file their applications with the DECS Regional Offices, following the usual DECS procedures.