

## V. Accounting and Auditing Training

This chapter describes accounting and auditing education and training. It is structured as follows:

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### 1. Introduction

The availability of quality accountancy education and training in Cambodia is limited. As the market economy emerges and foreign investors continue to establish businesses in Cambodia, the need for skilled accountants and auditors, trained to international professional levels, will increase.

The Royal Government of Cambodia needs to increase the opportunities for its staff to become competent in the use of international accounting and auditing standards to keep pace with its neighbors and to institute global best practices.

### 2. Institutional Training Establishments

There are four State-owned public institutions and five privately owned institutions providing fulltime education in accounting, as follows:

- National Institute of Management (Public)
- Faculty of Law and Economic Sciences (Public)
- School of Commerce (Public)
- Economics and Finance Institute (Public)
- Norton University (Private)
- International Institute of Cambodia (Private)
- Institute of Technology Management (Private)
- Regent College (Private)
- Banana Center (Private)

### **3. Curricula for Bachelor and Master of Accounting Degrees**

A general summary of the subjects available in the various accounting degrees is as follows:

National Institute of Management (BBA in Accountancy – four-year degree course)

- General Accounting
- Analytical Accounting
- Financial Accounting
- Cost Accounting
- Managerial Accounting
- International Accounting
- Auditing

Economics and Finance Institute

The Economics and Finance Institute (EFI) course takes six months on a part time basis. The fulltime course takes only three months. The course is not designed for qualified accountants, but rather for those who are working in the relevant fields from various government ministries. Approximately 80 percent of students are staff of the Ministry of Economy and Finance (MEF). The course contents are as follows:

- Basic Concepts of Accounting
- The Accounting Information System
- Adjusting the Accounts
- Completion of the Accounting Cycle
- Accounting for Merchandising Operations
- Financial Accounting
- Financial Statements: Concept and Analysis
- Current Assets
- Long-term Assets
- Liabilities
- Corporation Accounting
- Statement of Cash Flows

Faculty of Law and Economic Sciences

- Degree: *Diplome Universitaire de Comptable*, or University Diploma of Accounting
- Year 1: - Part one (*Les mecanique de base*, or The Basic Mechanism)
- Year 2: - Part two (*Les operations courantes*, or The Common Operations)
  - Part three (*Les operations inventaires*, or The Inventories)

Norton University

- Bachelor of Accounting:
- Year 1: - Principles of Accounting (I)
- Year 2: - Principles of Accounting (II)
- Year 3: - Cost Accounting, General Accounting, Managerial Accounting, and Advanced Accounting
- Year 4: - Auditing and Inventories

School of Commerce (Diploma in Accounting)

- Year 1: - Principles of Accounting
  - Financial Accounting:
    - Commercial Accounting
    - Inventories
    - Special Journal
- Year 2: - Financial Accounting:
  - Cash Control
  - Immobilizations
  - Clients
  - Cash Flow
  - Long-term Debts
  - Cost and Managerial Accounting

#### 4. Accountancy Students Statistics

National Institute of Management:

The Institute did not provide accounting education for BBA in Accounting until the commencement of the year 1999/2000. Previously, the Institute only provided Bachelor of Business Administration in marketing, commerce, finance and banking, in which accounting is one

of the major subjects required. The Institute is now attempting to specialize in accountancy and other related fields. The training is entirely based on American textbooks. The number of students who have studied accounting by the end of the school year will be approximately 3,600.

#### School of Law and Economic Sciences

The total number of students graduated in accounting from the school is approximately 100. The school used to concentrate on the French Accounting System, adapted by the MEF, however, the Anglo-Saxon approach has been introduced to meet current demands.

#### Norton University

The total number of graduates in accounting is 173. The Anglo-Saxon methods are taught exclusively.

#### The School of Commerce

The school taught the French Accounting System from 1992 to 1993, and since 1994, the Anglo-Saxon methods have been taught. Total Diploma in Accounting graduates is 314.

### **5. Government-Qualified Accountants**

The number of qualified accountants in the Royal Government of Cambodia is 15 (three in the Tax Department, one at the National Treasury, and 11 at the Department of Inspection). They each possess accounting degrees from various institutes.

Since 1998 when EFI first launched its Financial Accounting Program, the Institute has provided accounting certificates to 262 graduates (about 50 percent of the number enrolled).

The MEF has a current total staff of 4,268, of which about 26 percent work at the Ministry, 34 percent work at the Tax Department, 27 percent are customs officers/staff, and the rest are the staff of the National Treasury. Most of the EFI graduates in financial accounting are from these departments. There are no other government institutions which provide accounting training other than EFI, except for *Ecole Royal de Administration (ERA)* which provides some basic accounting knowledge for government students. Those who are graduates from ERA are

expected to hold important positions like diplomats, and administrators such as district/provincial governors.

## **6. Economics and Finance Institute (EFI)**

EFI is a Government-owned institution that began in early 1998 with a series of in-house training programs developed by its management with the cooperation and assistance of the World Bank Institute (WBI).

EFI has provided training to Government officials of the MEF and line ministries based on the following categories:

- Training by specialists and consultants from international institutions: WBI, ADB, and United Nations Development Program (UNDP).
- Training by TA consultants working for the ministry and line ministries.
- Training by key Government officials of MEF and local trainers from line ministries and institutions.
- EFI's own trainers and training programs.

In 1999, EFI trained 2,913 officials of MEF and line ministries with 114 classes. EFI's training consists of the following categorized subjects:

- Economic Management: micro-macroeconomics, monetary policy, policy coordination, role of government and economic development, and economic analysis and forecasting.
- Financial Management: public accounting, public debt, public financial control, tax and customs, public procurement, public investment, and budget preparation.
- Accounting: financial accounting, auditing, financial statement analysis, and interpretation of commercial bank statements.
- Law: commercial law, contract law, international law, and legal process law
- Computer skills: introductory and intermediate computer skills, and intermediate access classes needed for conducting daily duties on economics and finance, and computer skills for Association of Southeast Asian Nations (ASEAN) customs and international cooperation.
- English Language: English related to economics and financial subjects, English for ASEAN customs and international cooperation, and English for training of trainers.

In addition to the above activities, EFI also conducted a number of workshops and seminars using relevant topics that are needed to

implement a number of rules of laws and important reform measures for MEF and line ministries. EFI also offered a number of topics on economics and finance that relate to actual situations in the country and the region. These programs were conducted with the cooperation of local and international institutes, namely the WBI, UNDP, etc.

Most of EFI short-term training programs aim at development and strengthening core concepts and theories as well as practical applications of subjects relating to:

- Economic management
- Public finance management
- Capital markets and financial systems
- International economics and finance
- General knowledge, and
- Applied laws.

In addition to the concepts listed above, EFI also conducts training that helps develop and enhance daily work performance and productivity that are specific to the ministry's developments and projects. These categories of training include the following:

- Accounting skills and auditing capability of the Tax, Customs, Accounting, Inspection, Budget, Financial Affairs, External Finance, Treasury, and State Property Department.
- Technology skills such as word processing, spreadsheet management, database management, software and hardware use, Internet and e-mail, etc.

Short-term courses of three to six months are offered in Public Finance Management and Accounting and Control. Subjects covered in the Public Finance Management Course include National Budget, Public Debts, Fiscal Policy and Management, Public Accounting, Fiscal Statistics, Control of Public Finance, Local Entity Finance, Customs Management, Public Procurement, Public Properties and Public Investment.

Subjects covered in the Accounting and Control Course include Financial Accounting, Financial Statement Analysis, Bank Accounting, Specialized Accounting, Auditing and Computerized Accounting.

## **7. National Institute of Management**

The Institute was established in 1983 as the Center of Excellence for Economics and Business Education in Cambodia. It has five faculties: Management, Tourism, Commerce and Accountancy, Law and Social

Development. The graduate level was established in 1999 and the Institute now offers masters degree programs in Management, Economics, Tourism, Business, Public Administration and Accounting.

The Bachelor of Business Administration in Management Information Systems course provides basic skills in computer technology, office systems technology, telecommunications and networking technology.

The Bachelor of Business Administration in Accountancy course provides basic skills and knowledge of accounting for work in the commercial, industrial and public sectors.

The Bachelor of Business Administration in Finance and Banking course provides students with a good foundation in the techniques and issues of the finance and banking disciplines.

The Master of Business Administration course provides students with a higher degree of knowledge of Tourism, Marketing and Accounting.

## **8. Cambodia Electricity (*Electricite du Cambodge* or EdC)**

As part of its assistance package to the EdC, ADB is funding a training program consisting of the following:

- Preparation of a Comprehensive Accounting Policy and Procedures (CAPP) manual for the establishment of effective internal controls within the head office and all provincial branches.
- Provision of training to EdC staff on key IAS principles, methods and applications and on the CAPP manual.
- Provision of training to EdC staff on the use of the accounting package or ACCPAC system upon successful installation of the upgraded version of modules purchased.

It is noted that staff are being trained on IAS principles in this State-owned enterprise.