Vietnam Corporate Accounting Education in Universities

December 2019

WORLD BANK GROUP
Governance

© 2019

International Bank
for Reconstruction
and Development /
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With acknowledgement and grateful thanks to all those who contributed to the preparation of this report, especially the Ministry of Finance and Ministry of Education and Training of Vietnam; the accounting and auditing faculties of universities that took part in discussions and curricula analysis; the Association of Chartered Certified Accountants; Ms. Nguyen Cam Chi, local consultant and Ms Chu Thi Kim Oanh, Team Assistant.

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TABLE OF CONTENTS

LIST OF ACRONYMS	IV
EXECUTIVE SUMMARY	V
I. ECONOMIC AND ACCOUNTING EDUCATION INSTITUTIONAL BACKGROUND	1
II. OBJECTIVE AND METHODOLOGY	4
III. ACCOUNTING EDUCATION IN UNIVERSITIES – KEY FINDINGS	6
IV. ACCOUNTING AND AUDITING DEGREE CURRICULA, PATTERNS AND EXAMINATIONS	10
V. RECOMMENDATIONS TO IMPROVE UNIVERSITY ACCOUNTING EDUCATION IN VIETNAM	13
APPENDIX I – ACCOUNTANTS IN ASEAN COUNTRIES COMPARED TO POPULATION	18
APPENDIX II – A SUMMARY OF INTERNATIONAL EDUCATION STANDARDS	19
APPENDIX III – SYLLABUS GRAPH IN 4 REVIEWED UNIVERSITIES	21
APPENDIX IV – COMPETENCY FRAMEWORK FOR PROFESSIONAL ACCOUNTANTS	23
APPENDIX V – SEQUENCING OF REFORMS AND CAPACITY BUILDING	24
APPENDIX VI – LIST OF VIETNAMESE UNIVERSITIES JOINING THE REVIEW	26

LIST OF ACRONYMS

ACCA	Association of Chartered Certified Accountants
ASEAN	Association of Southeast Asian Nations
CPA	Certified Public Accountant
CPD	Continuing Professional Development
IES	International Education Standards
IAESB	International Accounting Education Standards Board
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPD	Initial Professional Development
ISA	International Standards on Auditing
IT	Information Technology
MOET	Ministry of Education and Training
MOF	Ministry of Finance
PAO	Professional Accountancy Organization
ROSC A&A	Reports on the Observance of Standards and Codes - Accounting and Auditing
VAA	Vietnam Association of Accountants and Auditors
VACPA	Vietnam Association of Certified Public Accountants

EXECUTIVE SUMMARY

Vietnam's economic growth, among the most rapid in the region, has been supported by a boom in corporate sector development and direct foreign investment and as a consequence an increasing demand for accounting and auditing professionals. To sustain this growth and ensure strong private sector development in the face of increasing regional and international integration and the demands of a knowledge-based economy, a major priority of the government is to develop the labor force. Key industries have been established by the private sector but the necessary skilled labor force has not been developed. The existing quality of education received by accounting and auditing students graduating from universities in Vietnam may not be able to adequately support accelerated economic growth as a result of the mismatch of graduate skills and the needs of employers and firms.

Country legal accounting framework moves toward international standards and pressures the universities to reform the curricula. In late March 2019 the Ministry of Finance has published on its website a phased approach proposal for IFRS implementation for stakeholders' comments. The IFRS legalization is planned in 2020. The Universities' curricula, which is mostly based on current rule-based regulations, need to be updated to equip the student with necessary knowledge and skills. Efforts made recently by universities in this area include twinning programs with international universities and PAOs for purposes of knowledge transfers, capacity building and curricular development.

Available data on the size of the accounting profession in Association of Southeast Asian Nations (ASEAN) countries clearly shows Vietnam closer to the bottom of the scale. A complete table is included in *Appendix I*, this shows that the size of Vietnam's accounting profession is disproportionately small. Vietnam universities currently offer separate degrees in accounting and auditing, and some universities offer several types of bachelors' program – regular and advanced, although the degree offered is the same. Awareness raising of the benefits of a robust and capable accounting profession needs to be undertaken with the business community in conjunction with initiatives to promote a career in accounting with high school and university students.

The Government of Vietnam has undertaken significant efforts to improve accounting education and introduce outcome-based education. The 2016 Report on the Observance of Standards and Codes Accounting and Auditing (ROSC A&A) for Vietnam recommended improving accounting education/training curricula to align with the International Education Standards (IES) adopted

by the International Accounting Education Standards Board (IAESB). Changes to legislation have given more autonomy to universities, including flexibility on financing, and there is enough scope for universities to set their own curricula. The Ministry of Education and Training (MOET) since 2017 launched an accreditation program for all universities and degrees and require universities to review and update course content at least every 5 years.

A review of accounting and auditing faculties/schools of economic universities confirms further dedicated reform work is needed. Key findings and observations of accounting university education in Vietnam in this report are based on a detailed review of four accounting and auditing faculties/schools of economic universities, as well as additional focus group discussions with twenty one other faculties/schools. While universities have introduced some modernization of the curricula and teaching methods for accounting and auditing, further revision is required. Issues identified include insufficient coverage of international financial reporting and auditing standards; a lack of content coverage of professional ethics, values, and attitudes in the curricula at almost all reviewed universities; and uneven quality of examinations (questions are often too simple and test theoretical knowledge rather than competencies) with variation across local universities. Teaching staff at reviewed universities are generally qualified but this could still be improved. Information technologies (IT) are only modestly incorporated into the teaching process.

The main technical competence areas, in particular foreseen in IES 2 “Initial professional development – technical competence” are well covered at bachelor’s degree level, but the required learning outcomes for almost all areas need improvements. The review used IES and the curricula for the professional qualification of the Association of Chartered Certified Accountants (ACCA)¹ as the main benchmarks. Curricula were rated based on the number of learning objectives that corresponded with the benchmarks. The minimum target of 80% compatibility accepted by reputable PAOs was not reached by any of universities involved in the review. Financial accounting, audit, and management accounting seem to have better coverage than performance management and financial management. Learning outcomes are defined differently within the curriculum of reviewed universities, sometimes with too much focus on recording transactions and knowledge of regulations, and less on analytical skills.

PAOs such as the Vietnam Association of Accountants and Auditors (VAA) and the Vietnam Association of Certified Public Accountants (VACPA) have a significant role to play in the qualification and continuing development of professional accountants and auditors. Vietnamese university graduates from which future professional accountants will be recruited need to have the knowledge, competencies, and skills which can be reasonably expected from a future accounting professional. Learning outcomes, curricula and methods of teaching at the Universities therefore should be designed in line with the competency framework set out by the PAO(s). For a variety of reasons explored in this report, this isn’t yet the case.

Following the analysis of the current situation and from the perspective of the international good practices and applied benchmarks, a structured approach to reforming accounting education in Vietnam is proposed by this report: (i) *Establish an updated competency framework for the accounting (and auditing) profession in Vietnam* to clearly identify and describe the requirements of the professional competencies and to specify the proficiency levels and knowledge topics for

1 ACCA is the internationally recognized UK professional body having largest numbers of members, affiliates and students in Vietnam. There are 1,375 members and affiliates and 5,500 students undertaking ACCA and FIA in 2019.

each competence area that must be demonstrated in order for a candidate to be certified as a professional accountant or auditor; (ii) *Map the current program against the competency framework to identify gaps*. Before developing new program elements, it is essential to fully understand which program elements should be retained and to what extent the framework is being covered, in order to allocate resources most effectively; (iii) *Design and develop the revised program*. Once the gaps in the current program elements have been determined, it is necessary to identify the most efficient and effective ways to close those gaps, in the education and training programs and with respect to deficiencies in the competence of practicing professionals; (iv) *Train instructors and trainers*. Newly designed and developed program elements need to be carefully implemented by people with sufficient experience and expertise to make them successful; (v) *Implement the expanded program*. New program elements should be introduced gradually with careful monitoring and collaboration. It is essential to ensure instructors and trainers are adequately supported to gain as much feedback as possible to guide future improvements.

Vietnam will need to take a multi-faceted and realistic approach to ensure universities can offer modern accounting degree programs. Undertaking such modernization will be challenging and will take time. Achieving long-term success will involve taking account of the lessons learned from previous failures, as well as the success achieved by some universities in reforming their degree programs. But with commitment at all levels, and cooperation amongst government, academia, and business, it is achievable and can make an important contribution to Vietnam's further economic development.

This report aims at providing observations and recommendations on education of corporate accounting at Universities. In parallel to IFRS transition process, the Ministry of Finance issued a roadmap on 31 July 2019 to adopt 21 public sector accounting standards in accordance with IPSAS by 2023. To meet the public sector's demand for qualified accountants, a similar assessment of accounting education for public sector will be needed.

ECONOMIC AND ACCOUNTING EDUCATION INSTITUTIONAL BACKGROUND

1. The World Bank and the Government of Vietnam jointly completed a ROSC A&A for Vietnam in 2016². The report lays out a long-term vision of the need to strengthen corporate financial reporting and modernize Vietnam's accounting and auditing profession to become internationally recognized.

2. Policy recommendations in the 2016 ROSC A&A aimed to assist the Government enhance economic competitiveness through improving the quality of corporate financial reporting and access to reliable financial information. Key policy recommendations for the Government include enhancing financial reporting quality and transparency by improving the quality of corporate financial reporting and access to reliable financial information; strengthening the professional accountancy organizations (PAOs); and aligning accounting education/training curricula with IES.

3. A real demand exists for high-quality accounting education in Vietnam and it is generated by economic growth and investment. 223 institutions provide college degrees in accounting, with bachelor's degrees available at 126 institutions, master's degrees at 18, and doctorates at 5.³ Universities are dominating the market for both accounting bachelor degree (and above) and accounting technician degree.

4. Although the Government has undertaken significant efforts to improve accounting education and introduce outcome-based education, more efforts are needed in this regard. For example, training on principles-based financial reporting standards is still limited in universities. Teaching across the accounting curricula is still largely based on the interpretation and implementation of government regulations. There is more emphasis on knowledge of recording transactions and memorizing rules and procedures than how to develop the competencies and judgments that accountants need in the modern market economy.

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5. The following key recommendations for accounting education were included in the ROSC A&A report:

- *The policy to increase the autonomy to universities needs to be more broadly disseminated;*
- *The self-financing mechanism for public training institutions approved by the government should be disseminated and promoted;*
- *Procedures for international cooperation in education should be simplified to reduce bureaucracy and enhance effectiveness and efficiency;*
- *MOET and the universities should work with PAOs and international organizations to develop a national quality framework and core curriculum for accounting and auditing education;*
- *The current focus of accounting degree programs and professional examinations should shift from local rules and regulations to a competency-based model;*
- *Accreditation processes for professional accountancy degree programs need to be developed.*

2 <http://documents.worldbank.org/curated/en/220021512482581847/pdf/121901-ROSC-PUBLIC-FinalROSCEN.pdf>

3 Vietnam – Report on the Observance of Standards and Codes (ROSC) – Accounting and Auditing

6. The Government has expressed strong interest in continuing the partnership with the World Bank and other development partners to facilitate effective implementation of the proposed reform actions. ROSC A&A dissemination workshops and subsequent follow up meetings emphasized the application of International Financial Reporting Standards (IFRS) to selected sectors of the economy using a phased approach. The World Bank assisted the Vietnamese Government in 2017-2018 to: i) update the national accounting and auditing strategy for the period 2020 – 2025 with a vision to 2030, and ii) develop IFRS transition plans for key sectors in the economy.

7. Sustaining successful corporate financial reporting reform requires an effective accounting and auditing profession with up to date knowledge and skills, supported by a modern system of accountancy education. The World Bank continues to support the Government in their reform efforts. This report considers the findings of a gap analysis of accounting education in universities. IES were used as key benchmark. The main purpose of the gap analysis is to provide a basis for the Ministry of Finance (MOF) and MOET to produce (i) a national competency framework for graduates who wish to join the accounting profession, and (ii) a core curriculum for accounting and auditing training in universities, that is closely aligned with these benchmarks. The work of preparing a national competency framework for accounting and auditing bachelors' degrees; developing accounting curricula based on international standards and benchmarks; and training lecturers on the newly developed curricula will require further assistance.

8. PAOs such as the Vietnam Association of Accountants and Auditors (VAA) and the Vietnam Association of Certified Public Accountants (VACPA) have a significant role to play in the qualification and continuing development of professional accountants and auditors. It is important to note that accounting education in universities is only one element of building strong accounting profession in Vietnam. Vietnamese university graduates from which future professional accountants will be recruited need to have the knowledge, competencies, and skills which can be reasonably expected from a future accounting professional. This requires in depth collaboration between VAA, VACPA and the universities as well as an active role of VAA and VACPA in setting national accounting qualification framework and continuing professional development for accountants starting from their fresh graduate. For a variety of reasons explored in this report, this isn't currently the case, but should be seen as a priority in the future.

OBJECTIVE & METHODOLOGY

9. The overall objective of this report is to help the Government of Vietnam to prepare a gap analysis of accounting and auditing education at Vietnamese universities. The main benchmarks used are IES⁴, with a particular focus on teaching the underlying principles and practices which support the application of IFRS and ISA. ACCA⁵ professional qualification curricula was used as a reference point.
10. The outcome is to provide a foundation for the MOF and MOET to produce a national competency framework for graduates who wish to join the accounting profession and a core curriculum for accounting and auditing training in universities, that is aligned with IES and supports the learning of IFRS and ISA.
11. The activity included conducting analytical work at four universities which include the largest accounting education programs and good combination of public and private Universities using questionnaires and interviews. It also included additional focus-group discussions with 21 other universities in the two largest cities, Hanoi and Ho Chi Minh City. The focus of the analytical work and focus-group discussions was to identify (i) the level of compliance of degree programs with international benchmarks (including IES); (ii) the level of IFRS/ISA training in the current curriculum; and (iii) the level of recognition of training courses by reputable professional accounting associations.
12. Data from the universities involved were gathered through questionnaires tailored for university accountancy education programs. A diagnostic tool was used to map the curricula content and learning objectives of the accountancy programs and compare them against internationally recognized benchmarks. The diagnostic tool was filled in by the universities with the support of local consultant in accordance with the World Bank team's tools and guidance. The World Bank team did not inspect the detailed source syllabus content or syllabus details for each accountancy program subject to the assessment. As a consequence, the analysis is limited to the review of learning objectives stated in the existing university curricula and does not analyze in detail whether the content fully corresponds to the stated learning outcomes. IES 2, related to technical competence, and the curricula for the ACCA professional qualification were used as benchmarks and references.
13. The report also draws on the principles of other IES to provide a high-level analysis of the accounting programs in areas such as practical experience, assessment of technical competence, etc. A summary of the IES is in **Appendix II**.

4 <http://www.ifac.org/publications-resources/2017-handbook-international-education-pronouncements>

5 ACCA is the international professional body having largest numbers of members, affiliates and students in Vietnam. There are 1,375 members and affiliates and 5,500 students undertaking ACCA and FIA in 2019. ACCA program has existing links to academic accountancy programs in Vietnam.

ACCOUNTING EDUCATION IN UNIVERSITIES – KEY FINDINGS

14. This section summarizes key findings and observations of accounting university education in Vietnam on the basis of the detailed review of four accounting and auditing faculties/schools of economic universities, as well as additional focus group discussions with 21 other faculties/schools. *Appendix VI* contains a list of Universities participating in the review.

15. **Recent legislative initiatives offer more autonomy to universities.** Changes to the Education Law in July 2018 offer greater flexibility on financing, allowing more flexible fee structures and possibilities to charge higher tuition fees, as well as more flexibility on investments and spending. Universities are also allowed to apply for government funding for specific projects. Currently most universities are overseen by the MOET, but some are under the MOF and others are affiliated to local governments; sponsoring government institutions may provide them with additional funding.

16. **Universities have enough flexibility to set their curricula but are not bound by any national or international framework.** This creates conditions in which the quality of accounting education curricula can be uneven between different universities. Some universities have enriched teaching resources by importing curricula from foreign universities. However, without effective tailoring to market conditions or adaptation to local conditions, the imported curricular may result in students being taught knowledge and competences less relevant to Vietnam.

17. **MOET recently launched an accreditation program for all universities and degrees.** This is a general accreditation to be completed for all bachelor's degrees (including accounting and/or auditing degrees) in the next 4-5 years, based on general qualification framework aligned with ASEAN standards introduced by Ministry of Education in 2016. According to available accreditation results, as of August 2018, 124 universities had been independently assessed (accounting for 51.9% of the total number of universities) of which 117 were recognized as meeting MOET accreditation standards⁶. There has been neither national qualification framework nor accreditation process tailored specifically for accounting profession.

18. **International financial reporting, auditing standards, and professional ethics are not sufficiently incorporated in curricula, even in universities that have modernized their curricula and teaching of accounting and auditing.** Some programs contain subjects compatible with good international practices. Yet, many universities continue teaching knowledge-based rules, often based on properly recording transactions and memorizing charts of accounts, to meet demands of local accounting framework. As universities modernize their curricula, the aim should be for them to move away from knowledge-based teaching towards principles-based teaching of modern accounting and auditing frameworks. Professional ethics must also be included in curricula; and this is also relevant for other non-accounting / non-auditing subjects (financial management, performance management, etc.).

19. **Vietnam universities offer separate degrees in accounting and auditing. Some universities offer several types of programs – regular and advanced - but these all lead to a bachelor's degree.** In many other jurisdictions accounting or accounting & auditing would be the main degree offered by universities, with additional qualification requirements foreseen for auditors. The course content for a degree in auditing at Vietnam universities is not much different from an accounting degree and there are no exemptions for auditing graduates when they aspire to become an auditor. To obtain an auditor certificate, the person must hold a university degree or

6 <http://www.nhandan.com.vn/giaoduc/item/37640102-kiem-dinh-chat-luong-chuan-hoa-giao-duc-dai-hoc.html>

higher in finance, accounting, banking, audit, or other such discipline as MOF may nominate. The advanced degree that is offered by some universities is widely understood and recognized by the market, but again, this is not a typical situation compared to other jurisdictions. The main difference of the advanced degree is that many subjects have curricula imported from foreign universities/organizations and are taught in English.

20. Partnerships between local and foreign universities exist and some lead to the awarding of dual degrees for graduates. However, the wholesale adoption of foreign curricula should be avoided; there are examples of partnerships with US universities where the accounting taught is mostly based on US generally accepted accounting principles (GAAP), offering students very little knowledge of applicable accounting and auditing frameworks relevant for Vietnam (local GAAP and IFRS).

21. There is limited accreditation by reputable foreign professional accountancy organizations of Vietnam universities that offer accounting and auditing degrees. Only one university has

achieved the maximum nine subject exemptions with ACCA (out of thirteen⁷) and this was mainly because this university is operating in partnership with a UK university. Two other universities are in the process of accrediting two subjects (this will be in addition to the four which ACCA typically accredits by default to Vietnamese universities, which have accounting & auditing majors accredited by MOET). Graduates can also get up to four exemptions if they individually enter the ACCA qualification program, even if their university did not apply for ACCA accreditation but MOET's only. In addition, 22 universities have signed a memorandum

of understanding with ACCA. ACCA also offers support to teachers in these institutions with learning resources and materials and many of them incorporate ACCA curricula in their teaching, enabling students to simultaneously take ACCA examinations. ICEAW also signed Memorandums of Understanding (MOUs) to support some institutions with learning resources and materials to incorporate CFAB curricula in their teaching. CPA Australia has accredited three universities for six foundation level exams (out of 12); it also has collaboration agreements with 17 universities and offers them teaching materials, as well as a few scholarships (currently five or six) for teachers, enabling them to obtain the CPA Australia qualification.

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22. Universities are required to update accounting and auditing course content at least once every five years. Generally, this involves a review and update of the content of the knowledge taught, but practices differ, and each university has its own defined process to approve the updated curricula (usually through relevant universities' governing bodies). IFRS and ISA have changed significantly over the last decade and continue to evolve. A more structured system for syllabus updates would be beneficial; ideally every three to five years to capture major updates, and annually for tax and regulations updates. The regulatory environment is key to the content of updates, it is therefore relevant to note that: (i) Vietnamese Accounting Standards, which were developed based on IAS/IFRS as they existed in 2001 to 2005, have not been updated to the current versions of international equivalents; (ii) full and current IFRS are not yet adopted in Vietnam; (iii) recent changes to ISAs are not reflected in Vietnamese Standards on Auditing.

⁷ There are 15 papers included in ACCA qualification and students are required to pass 13 exams in total (11 papers are mandatory and in addition, students are allowed to choose 2 papers from 4); the exemption by accreditation is available only for the first 9 papers – Applied Skills and Applied Knowledge, no exemption is awarded from the Strategic Professional level.

23. **There is a lack of content coverage of professional ethics, values, and attitudes in the curricula at almost all reviewed universities.** In some cases, ethics have been integrated across the curriculum. In other cases, ethics were not covered at all progression levels of the program, although ethical competence is required at every level of the profession. Professional ethics, values, and attitudes is often an area of concern for regulators and it is therefore important that accountancy education providers include it as part of their core syllabi.
24. **The quality of examinations is uneven and varies across local universities.** Almost all interviewed universities have written exams (final and interim), comprising a combination of multiple-choice questions, short exercises, case studies, or open-ended questions. Interim tests, attendance, in-class assignments, and activities contribute up to 30-40 percent of the overall course grade and final exams up to 60-70 percent. The reviewed universities indicated that exams are closed-book. It was noted that often questions and short exercises are too simple and focus too much on double entries (even with long cases, often the final focus is to determine the right double entry). In addition, the level of difficulty of some exams do not correspond with the level of the course, for instance an advanced course taking a basic level exam.
25. **Resources and capacity need to develop further.** Teaching staff at reviewed universities are generally appropriately qualified but this could be improved. Most teaching staff hold a local master's degree (many universities do not offer PhDs), very few have a professional qualification. In some universities the teacher to student ratios are high and a comparatively high number of teaching hours are required of professors (it could vary from 270 hours per year to 450). Further, salaries paid to professors are not always sufficient to retain and attract new faculty members.
26. **Demand and gender profile: the demand for accounting professionals in Vietnam is high and numbers of female students usually exceed male.** The demand for accountancy education, for both accounting and auditing degrees, has been stable in recent years and has increased at some universities. Business and the financial sector are the major employers for accounting and audit graduates. The accountancy profession employs between 10 and 20 percent of graduates. In most of the reviewed universities, the number of female accounting and auditing students exceeds that of male students (traditionally accounting is seen as a female profession).
27. **Program evaluations varies among universities.** Universities use various methods to evaluate the quality of teaching input and teaching methods, including annual or semiannual student questionnaires. Some universities noted that there is a Department of Educational Quality and Examination responsible for the quality of teaching.
28. **Quality and availability of teaching materials need further development.** The quality and availability of textbooks and materials was rated as good for most subjects, however there is much room for further improvement. It was mentioned that existing textbooks and materials are quite expensive. Some universities mentioned that there are no separate textbooks for subjects related to corporate governance and ethics. The latest versions of full and effective international standards are not available in the libraries of all universities. PowerPoint and other visual presentations are used during lectures; teaching methods comprise mainly of short case studies, in-class exercises, simulations, and video tutorials. Some universities do not have textbooks and prepare only scripts.
29. **IT is incorporated modestly in the teaching process.** While accounting software (e.g. Effect, Misa) is often used by universities for teaching, there is no use of IT in teaching auditing.

IV

ACCOUNTING AND AUDITING DEGREE CURRICULA, PATTERNS AND EXAMINATIONS

30. **Learning outcomes are at the core of IES.** IAESB, as an independent standard-setting body of IFAC, serves the public interest by strengthening the world-wide accountancy profession through developing and implementing globally accepted IES. These are aimed at increasing the competence of the global accountancy profession and reducing international differences in the requirements to qualify and work as a professional accountant. At the core of the latest revisions is a shift towards a “learning outcomes” approach for content based IES as an effective way to develop competences. This educational approach involves the active participation of students by asking them to demonstrate the achievement of a learning outcome at a targeted level of proficiency (either foundation, intermediate, or advanced). The IAESB has highlighted many benefits in adopting a learning outcomes approach to accountancy education. These include:

- Enhancing an individual’s competence, given the direct link between education and on-the-job capability;
- Adding accountability for program design by introducing a statement of what a particular curriculum is expected to achieve;
- Increasing visibility of the program to students; and
- Identifying portions of the program which need development.

31. **A diagnostic tool was used to map university curricula against good practice references, that have “learning outcomes” embedded in their content and give a percentage rating for the extent to which they corresponded.** IES learning outcomes and proficiency levels are designed to provide a basis on which education providers can build to reflect specific competencies needed for a particular role. Education providers can increase the proficiency levels and add more learning outcomes to those detailed in IES but must not lower the level of proficiencies or remove learning outcomes. For its professional qualification, ACCA includes all of the learning outcomes benchmarked by IES 2 and IES 4 and has added more. A diagnostic tool was used to map the curricula content and learning objectives of the accountancy programs of four Vietnam universities and compare them to the learning outcomes of IES and the ACCA professional qualification. The diagnostic tool was filled in by the universities. The World Bank team did not inspect the detailed source syllabus content or syllabus details for each accountancy program subject to the assessment nor assess the quality of how learning objectives are taught or developed in learning materials. The extent to which the learning objectives corresponded was rated as a percentage. A target of 80% correspondence between them was set as this is the level acceptable to ACCA for university accreditation.

32. **The main technical competence areas required by IES 2 and embedded into the ACCA qualification are covered well at bachelor’s degree level in the participating universities.** IES 2 recommends 11 technical competence areas: (i) financial accounting and reporting; (ii) management accounting; (iii) finance and financial management; (iv) taxation; (v) audit and assurance; (vi) governance, risk management and internal control; (vii) business laws and regulations; (viii) information technology; (ix) business and organizational environment; (x) economics; and (xi) business strategy and management. While the learning objectives related to the information technology are embedded within various technical competences, competence areas related to taxation and business laws and regulations were not covered by the assessment tool; these are included in curricula for accounting and auditing students of universities in Vietnam based on national tax legislation and the existing legal framework. Table 1 below shows the extent to which the curricula of benchmarked Vietnamese universities achieve ACCA’s learning objectives in the main technical competence areas, grouped according to the seven areas examined for the ACCA Applied Knowledge and Applied Skills qualification.

Table 1: Benchmarking analysis results for 4 universities – ACCA profile

ACCA QUALIFICATION		U1	U2	U3	U4
AB	Accountant in Business	61%	9%	66%	6%
MA	Management Accounting	77%	80%	63%	60%
FA	Financial Accounting	94%	71%	95%	25%
PM	Performance Management	52%	71%	57%	32%
FR	Financial Reporting	79%	38%	59%	39%
AA	Audit and Assurance	87%	77%	73%	80%
FM	Financial Management	46%	65%	30%	57%

Note. The target set was 80% compatibility. The color indicates whether the coverage is far below target level (red – less than 50%), below target level (yellow – between 50% and 79%) or at target level and acceptable to ACCA for accreditation purposes (green – over 80%).

33. **While the main technical competence areas, as required by IES 2 and embedded into the ACCA qualification, are covered well at bachelor's degree level, the required learning outcomes for almost all areas need improvements.** None of the universities involved in the review achieved the minimum target of 80% of the ACCA competences in all areas. Financial accounting, audit and assurance, and management accounting seem to have a better coverage than performance management and financial management. Learning outcomes are defined differently within the curricula of reviewed universities, sometimes with too much focus on recording transactions and knowledge of regulations, and not enough on analytical skills. *Appendix III* contains a graphical representation of the universities' syllabus coverage compared to the ACCA qualification.

RECOMMENDATIONS TO IMPROVE UNIVERSITY ACCOUNTING EDUCATION IN VIETNAM

34. A structured approach to reforming accounting education in Vietnam is required and this section of the report will outline the high-level recommendations to be considered for a successful reform. The proposed sequence of reforms and capacity building is shown in Appendix V.

35. **Establish an updated national competency framework for accounting and auditing degrees by MOF, MOET and PAOs.** A competency framework clearly identifies and describes the requisite professional competencies and specifies proficiency levels and knowledge topics for each competence area that must be demonstrated in order for a candidate to be certified as a professional accountant. Besides technical competence, the professional skills are required to demonstrate competence as a professional accountant. These include intellectual, interpersonal and personal, communication and organizational skills, which for example are needed for identifying solutions to unstructured, multi-faceted problems. IT knowledge is also essential in the modern accounting world.

In addition to the competency framework (see Appendix IV, figure 1), detailed competency maps (see Appendix IV, figure 2) can document the links between the competency framework and the formal education and practical experience programs that are designed to holistically develop the competence of aspiring professional accountants. The competency frameworks and competency maps will provide a breakdown of the competencies and skills which are to be acquired at different levels including university education, professional education, practical experience, and continuing professional development. The competency framework and competency maps can also be used to help guide the development of specializations which are increasingly needed in Vietnam in light of changes in business practices and which will result in higher levels of accountability and therefore competence requirements of distinct categories of stakeholders, including private sector accountants, public sector accountants, external auditors, internal auditors, board and audit committee members.

Besides technical competence, the professional skills are required to demonstrate competence as a professional accountant.

36. **Develop the competency framework in stages by MOF, MOET and PAOs.** These will include: (i) research and preliminary drafting to develop an appropriate competency framework: it is necessary to understand the environment in which professional accountants and auditors work; (ii) broad-based consultation: consultation relies on the expert opinion of experienced professional accountants and other subject matter experts such as employers, academics, and regulators, that represent the range of contexts, roles, and perspectives involved with the profession; (iii) use of the results of the consultations to refine draft competency statements; (iv) testing of the final draft version of the proposed competency framework with a limited, but reasonably diverse group of key stakeholders, including the internationally recognized PAOs; and (v) finalization and dissemination of the competency framework.

37. **Map the current program against the competency framework to identify gaps by PAOs and Universities.** Before embarking on developing new program elements for initial professional development (IPD) or continuing professional development (CPD), it is essential to fully understand which program elements should be retained and to what extent the framework is being covered, in order to allocate resources most effectively. Mapping the current program against the new competency framework in Vietnam will require a number of steps including:

1. Review current certification program elements, in consultation with key stakeholders, and compile a comprehensive list of education, evaluation, and practical experience elements.
2. Cross reference every program element and all of its components to the new competency framework, for example, each course will be comprised of lessons or modules supported by textbooks or other materials. The question to be answered for each of these components is: “What competency (or competencies) is (are) supported by this component, and to what proficiency level?”.
3. Review and document the competence level of current professional accountants, in consultation with key stakeholders.
4. Determine the extent to which existing IPD program elements support the requirements in the competency framework and document the gaps.
5. Determine and document the gaps between the expected competence level and the current level for professional accountants in practice.

38. Professional accreditation by MOET for accounting and auditing degrees: following the development and adoption of a competency framework for accounting and auditing degrees, MOET would be encouraged to consider it as part of their accreditation process for accounting and auditing programs.

39. Design and develop an expanded professional development program by universities and PAOs. Once the gaps in the current program have been determined, the most efficient and effective ways to close those gaps should be identified, for both IPD education and CPD training programs and to address deficiencies in the competence of practicing professionals. The proposed steps to be followed in this stage are: (i) establish the scope of program elements to be redesigned; (ii) design new elements and map competencies; and (iii) develop new program elements and update mappings. PAOs such as the VAA and VACPA should play a significant role in the qualification and continuing development of professional accountants and auditors.

40. Design new program elements including curricula, teaching, and examinations, mapped to the competency framework by Universities. This is an essential step within the development of an expanded program. These elements should be adapted to the competency framework and should allow gradual movement from knowledge-based learning to principles based. For instance, assessment of competencies is a fundamental requirement of IES-6 and this needs to begin at university level. Training for university faculties should include topics such as development of examination blueprints, testing competencies through examinations, developing and marking case studies, developing effective multiple-choice questions, providing feedback to students, examination security, etc. Examinations based on memorization should be replaced by modern assessment techniques demonstrating competencies. There is a clear global trend for assessments leading to qualification with a PAO to increasingly focus on demonstration of higher-order critical thinking skills and an ability to apply standards and codes to real world phenomena. Current best practice is to integrate the assessment of core competencies in a substantial open-book multidisciplinary case study. This allows assessment of whether candidates can apply their technical knowledge using higher-order critical thinking skills to make appropriate judgments and correctly apply standards and codes in complex multifaceted simulations of real-world facts and circumstances, and proficiently communicate the relevant outputs. Key to the success of this approach is the ability of academic staff to effectively teach and assess these competencies.

41. **Improve teaching resources by Universities** – textbooks, digital platforms, accounting and auditing software for teaching is another important step of the development of an expanded program. The training-of-trainer program will need to equip teaching staff with the skills and competencies required to develop their own teaching materials and resources including lesson notes, assignments, examinations, and case studies in the field of accounting and auditing. The request for local language textbooks is understandable, but a far more efficient use of resources would involve supporting local professors to develop their own course materials. Different groups of professors could be formed to develop course materials in different areas (e.g. financial reporting, auditing, financial management, ethics, etc.). This would require a combination of common and specialized training sessions. Pedagogical skills must be upgraded as the skills and competencies students need, including professional judgment, ethics, communications, and strategy, cannot be effectively imparted using traditional teaching methods. In addition to being equipped with the skills to develop their own course materials, professors need to be able to organize discussions amongst students, as well as set, coordinate, and assess group activities and research assignments.

*It
is essential
that instructors and
trainers are adequately
supported during this
phase to gain as much
feedback as possible
and to guide future
refinements.*

42. **Enhance teaching methods and skills by universities and PAOs.** Newly designed and developed program elements need to be carefully implemented by people with sufficient experience and expertise to make them successful. Offering focused training-of-trainer activities, starting with the leading universities and PAOs, will provide fundamental technical and pedagogical skills to adopt and effectively implement the revised curriculum, and in particular how to teach principle-based standards. It is key to complement technical knowledge acquisition with the skills required to implement a learning outcomes approach, which includes designing competency-based assessments. Training will also enable professors to teach principles-based standards and the competencies required to exercise the professional judgments required by international accounting and auditing standards. Academic teaching staff will also learn how to implement “student-centric” learning by introducing teamwork and student research into their curriculum. Academic teaching staff should also be encouraged and provided with support to complete local or international professional qualifications in accounting and auditing.

43. **Increase real world learning opportunities by universities.** Professional competence requires practical experience to complement and accompany theoretical learning. Although a mandatory internship requirement before graduation exists, it could be further developed for accounting and auditing students. Even though professional competence is generally assessed by PAOs as relevant professional experience acquired after University graduation, early exposure to real world situations would be very beneficial for aspiring professional accountants. Depending on the challenges encountered in finding meaningful internship opportunities for all students, the introduction of case studies and business simulations activities may provide an acceptable alternative.

44. **Implement the revised program in Vietnam by universities and PAOs.** The new program elements should be implemented with careful monitoring and in collaboration with PAO(s). It is essential that instructors and trainers are adequately supported during this phase to gain as much feedback as possible and to guide future refinements. This should include: (i) a clear launch approach and timeline; (ii) adequate resources in place; (iii) piloting/initial offerings of

education and examination program elements; (iv) introduction of new practical experience program elements; (v) piloting/initial offerings of CPD program elements; and (vi) evaluation and adjustments.

45. Develop international cooperation and recognition by professional bodies by universities and PAOs and further increase recognition of Vietnamese accounting and auditing university degrees by local qualification and foreign professional bodies. Recognition of university programs by the profession will help ensure the sustainability of the reforms and avoid duplication of effort and waste of resources. Universities should seek opportunities to consult and work with the local and foreign PAOs recognized in Vietnam in reforming accounting education. This will help ensure university curricula are appropriate for the needs of the profession and can be recognized as contributing towards professional qualification. It may also provide opportunities for greater integration between academia and the profession, with PAO members potentially offering their expertise and experience as guest teachers and providing work experience opportunities to students.

APPENDIX

APPENDIX I: ACCOUNTANTS IN ASEAN COUNTRIES COMPARED TO POPULATION

COUNTRY	POPULATION*	# OF ACCOUNTANTS**	%
Brunei	443,593	50	0.011%
Cambodia	16,204,486	258	0.002%
Indonesia	260,580,739	20,735	0.008%
Lao	7,126,706	175	0.002%
Malaysia	31,381,992	32,750	0.104%
Myanmar	55,123,814	550	0.001%
Philippines	104,256,076	21,586	0.021%
Singapore	5,888,926	28,869	0.490%
Thailand	68,414,135	57,467	0.084%
Vietnam	96,160,163	9,350	0.010%
	645,580,630	171,790	0.027%

Sources: *CIA The World Factbook – Oct 2017, ** “Current Status of the Accounting and Auditing Profession in ASEAN” (WBG 2014).

APPENDIX II: A SUMMARY OF INTERNATIONAL EDUCATION STANDARDS

- **IES 1 Entry Requirements to Professional Accounting Education Programs.** This standard establishes the principles to be followed when setting and communicating educational requirements for entry to professional accountancy education programs. Such programs should have suitable entry requirements which are neither too high by posing unnecessary barriers to entry, nor too low. Candidates should have a reasonable chance of successfully completing the program. For example, some programs require completion of a degree from a university or equivalent higher education institution.
- **IES 2 Initial Professional Development – Technical Competence.** This standard prescribes the learning outcomes for the technical competencies that aspiring professional accountants should be able to demonstrate on completion of the program, which is often referred to as initial professional development. These areas of competence include essential accountancy knowledge (such as financial accounting and reporting) and other business disciplines (such as business strategy and management).
- **IES 3 Initial Professional Development – Professional Skills.** Another key element of initial professional development is the professional skills required to demonstrate competence as a professional accountant. These include achieving the requisite learning outcomes for intellectual, interpersonal, and communication, personal, and organizational skills. For example, a learning outcome for intellectual skills is to recommend solutions to unstructured, multi-faceted problems.
- **IES 4 Initial Professional Development – Professional Values, Ethics, and Attitudes.** This standard stipulates the professional values, ethics, and attitudes that aspiring professional accountants are expected to demonstrate. These include learning outcomes associated with professional skepticism and professional judgment; ethical principles; and commitment to the public interest. For example, a learning outcome of ethical principles is identifying ethical issues and determining which ethical principles to apply.
- **IES 5 Initial Professional Development – Practical Experience.** This standard establishes the practical workplace experience that aspiring professional accountants should achieve during initial professional development under the supervision of appropriately qualified providers. This experience should reinforce the technical competence and other professional skills that candidates are expected to achieve. PAOs may adopt an input-based, output-based, or combination approach to measure the achievement of practical experience requirements. If an input-based approach is used, the practical experience requirement should be for a minimum of three years.
- **IES 6 Initial Professional Development – Assessment of Professional Competence.** As a prerequisite of completing initial professional development, this standard establishes the requirement for assessing the professional competence of aspiring professional accountants. The assessment should be based on verifiable evidence with high levels of reliability, validity, equity, transparency, and sufficiency and may include a series of examinations, a single multidisciplinary examination, or a series of examinations and workplace assessments conducted throughout initial professional development.

- ***IES 7 Continuing Professional Development.*** After completing initial professional development, professional accountants are expected to develop and maintain their level of professional competence through a program of continuing professional development. This can be done following an input-based, output-based, or combination approach.
- ***IES 8 Professional Competence for Engagement Partners Responsible for Audits of Financial Statements.*** Professional accountants performing the role of engagement partners (referred to in some jurisdictions as the “signing partner” or “statutory auditor”) are expected to maintain and develop the professional competence to function in this particular role. This IES establishes the learning outcomes for engagement partners. For example, a learning outcome for audit is to develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable.

APPENDIX III: SYLLABUS⁸ GRAPH IN 4 REVIEWED UNIVERSITIES

University 1

University 2

8 ACCA Papers used as benchmark: Accountants in Business (AB); Management accounting (MA); Financial Accounting (FA); Performance Management (PM); Financial reporting (FR); Audit & Assurance (AA); Financial management (FM).

University 3

University 4

APPENDIX IV: COMPETENCY FRAMEWORK FOR PROFESSIONAL ACCOUNTANTS

Figure 1: Conceptual Framework overview

Figure 2: Mapping levels of proficiency for competency statements to different qualification levels

Competency Statements	Entry	Core			Effectives				Capstone	
		C1	C2	Core	E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1	Cap 2
TECHNICAL COMPTENCIES										
4. AUDIT AND ASSURANCE										
4.1 Internal Control										
4.1.1 Assesses the entity's risk assessment processes	B	A		A			A		>	>
4.1.2 Evaluates the information system, including the related processes	C	B		B	A		A		>	>
4.2 Internal and External Audit Requirements										
4.2.1 Advices on an entity's assurance needs	B			B			A		>	>
4.2.2 Explains the implications of pending changes in assurance standards	C			C			B		>	>
4.3 Internal Audit Projects and External Assurance Engagement										
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	B		B			A		>	>

Used for evaluating University or College courses for accreditation

APPENDIX V: SEQUENCING OF REFORMS AND CAPACITY BUILDING

WHAT	WHY	HOW
Establish an updated competency framework for the accounting (and auditing) profession in Vietnam by MOF, MOET and PAOs	<p>A competency framework clearly identifies and describes the requisite professional competencies and specifies proficiency levels and knowledge topics for each competence area that must be demonstrated in order for a candidate to be certified as a professional accountant or auditor.</p> <p>The competency framework will serve as the foundation that ties together all elements of the programs for accounting students and professionals by:</p> <ul style="list-style-type: none"> • Supporting internal education and professional development programs at both University and Professional education level, including CPD; • Defining requirements with respect to competence and expected behavior to support ethics and disciplinary processes; • Providing a basis for evaluating and granting credit or exemptions for prior studies; • Supporting compliance with national, regional, and international requirements and expectations; and • Supporting comparisons with other organizations, such as potential partners including other PAOs 	<p>The different stages of the development of the competency framework will include:</p> <ol style="list-style-type: none"> 1. Research and preliminary drafting: to develop a competency framework, it is necessary to understand the environment in which professional accountants and auditors work 2. Broad-based consultation: consultation relies on the expert opinion of experienced professional accountants and other subject matter experts such as employers, academics, and regulators, that represent the range of contexts, roles, and perspectives involved with the profession. 3. Use the results of the consultations to refine draft competency statements. 4. Test the final draft version of the proposed competency framework with a limited, but reasonably diverse, group of key stakeholders. 5. Finalize and disseminate the competency framework.
Map the current program against the competency framework to identify gaps by MOET and PAOs	<p>Before embarking on developing new program elements for IPD or CPD, it is essential to fully understand which program elements should be retained and to what extent the framework is being covered, in order to allocate resources most effectively.</p>	<ol style="list-style-type: none"> 1. In consultation with key stakeholders, review the current certification program elements. This would involve preparing a list of education, evaluation, and practical experience elements. 2. For each element, cross reference the components to the new competency framework: Each element of the program will have a number of components. For example, each course will be comprised of lessons or modules supported by textbooks or other materials. The question to be answered for each of these components is: "What competency (or competencies) is (are) supported by this component, and to what proficiency level?" 3. In consultation with key stakeholders, review and document the competence level of current professional accountants. 4. Determine the extent to which current IPD program elements support the requirements in the competency framework and document the gaps. 5. Determine and document the gaps between the expected competence level and the current level for professional accountants in practice.

WHAT	WHY	HOW
Design and develop an expanded program by PAOs and Universities	Once the gaps in the current program elements have been determined, it is necessary to identify the most efficient and effective ways to close those gaps. This applies both to the education and training programs for IPD, and with respect to the current deficiencies in the competence of practicing professionals.	<ol style="list-style-type: none"> 1. Establish the scope of program elements to be redesigned. 2. Design new elements and map competencies: <ol style="list-style-type: none"> a. Determine whether competency gaps in IPD should be filled using education, exams, and/or experience program elements. b. Design accreditation program for tertiary-level education providers. c. Design new education and examinations program elements mapped to the competency framework. d. Design new practical experience program elements mapped to the competency framework. e. Design new CPD elements mapped to the competency framework. f. Develop new program elements and update mappings.
Train instructors and trainers by PAOs and Universities	Newly designed and developed programs elements need to be carefully implemented by people with sufficient experience and expertise to make them successful.	<ol style="list-style-type: none"> 1. Select instructors and trainers with experience and/or aptitude in competency-based methods. 2. Involve instructors and trainers in the development and review of materials to maximize buy-in and familiarity. 3. Hold formal training sessions and provide resources for competency-based instruction.
Implement the expanded program by PAOs and Universities	Initial offerings of the new program elements are run with careful monitoring and collaboration. It is essential that instructors and trainers are adequately supported during the first offerings to gain as much feedback as possible for future improvements.	<ol style="list-style-type: none"> 1. Determine the desired timeline and launch approach to be used. 2. Ensure resources are in place. 3. Run pilot/initial offerings of education and examination program elements. 4. Initialize new practical experience program elements. 5. Initialize and run pilot/initial offerings of CPD program elements. 6. Evaluate and adjust.

APPENDIX VI: LIST OF UNIVERSITIES PARTICIPATING IN THE REVIEW

NUMBER	UNIVERSITY NAME	HANOI/HCMC
Universities participating in in-depth interview		
1	Academy of Finance	Hanoi
2	National Economic University	Hanoi
3	Open University	HCMC
4	Economics & Marketing University	HCMC
Universities participating in focus group discussions		
1	Foreign Trade University	Hanoi
2	Academy of Banking	Hanoi
3	Thương mại University	Hanoi
4	University of Economics and Business, National University	Hanoi
5	Hanoi University	Hanoi
6	Hanoi University of Industry	Hanoi
7	Posts and Tele-communications Institute of Technology	Hanoi
8	Electric Power University	Hanoi
9	Thuy Loi University	Hanoi
10	Vietnam National University of Agriculture	Hanoi
11	University of Labour and Social Affairs	Hanoi
12	University of Economics HCMC	HCMC
13	University of Economics and Law	HCMC
14	University of Economics and Finance	HCMC
15	Van Lang University	HCMC
16	HCMC University of Technology	HCMC
17	Sai Gon University	HCMC
18	HCMC University of Food Industry	HCMC
19	International University - Vietnam National University	HCMC
20	Hoa Sen University	HCMC
21	Industrial University of HCMC	HCMC