

Building the Profession through Accountancy Education: An Indonesian Perspective

The history of accounting in Indonesia can be traced back to 1957 when the Institute of Indonesia Chartered Accountants (IAI) was established. The IAI is one of the leading professional accountancy organizations in Indonesia as well as a founding member of IFAC and the Association of South East Asian Nations (ASEAN) Federation of Accountants (AFA).

Indonesia plays an important role in regional and global accountancy developments. As the global voice for accountancy, the International Federation of Accountants has recognized Indonesia as a major stakeholder and a strategic player within the South East Asian region. The last three IFAC presidents have visited Indonesia and shared their perspectives on global accountancy development.

Based on data from the Indonesian Ministry of Higher Education and Research and the World Bank:

- The number of accounting students in Indonesia has reached 265,498;
- Students study at 589 higher education institutions and are taught by 6,654 accounting lecturers;
- Indonesia produces more than 35,000 accounting graduates annually; and
- Within ASEAN countries, Indonesia produces around 45% of all accounting graduates in the region.

This continuous growth in the number of accounting graduates provides the Chartered Accountant qualification issued by IAI with great opportunities. The Chartered Accountant qualification from IAI is the largest qualification for

professional accountants in Indonesia. It currently has 20,162 Chartered Accountant members and 6,650 associate members. Members comprise auditors, accountants in business, academics, tax accountants, and public sector accountants.

There is a high demand for qualified professional accountants within Indonesia—one of the fastest growing and largest economies in the region. Fueled by trends in globalization and technological advancements, enhancing professional accountants' skills through continuing professional development is a key IAI focus area. To help reinforce this priority, one of the IAI strategic aims has been to fully implement International Education Standards (IES) for higher education institutions in Indonesia.

Commencing in 2016, two task forces were formed to map and integrate IES within the accounting curriculum. With support from the Ministry of Higher Education and Research and Ministry of Finance and World Bank, this enhanced curriculum was developed through 12 workshops conducted across Indonesia. More than 1,000 participants from over 320 higher-education institutions participated in these workshops.

The resulting revised curriculum now ensures that IES-based competencies of aspiring professional accountants have been incorporated into each student's learning. This helps to lay the foundation for a better accountancy profession across Indonesia. Some higher education institutions in Indonesia have fully integrated IESs within their accounting



The **Personal Perspectives** series presents IAESB members', technical advisors', and other stakeholders' visions on challenges affecting aspiring and current professional accountants' learning and development.

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curriculum as a result of these efforts. Others are still doing so more gradually, due in part to vast geographical and resource challenges affecting some higher education institutions.

Further encouragement to enable implementation of IES has been undertaken through a National Accounting Symposium. This symposium is hosted annually by IAI brings together researchers, educators, students, and professional accountants from all over Indonesia to discuss the latest trends affecting the accountancy profession as well as focus on the IESs. On average, 800 participants from more than 450 universities all over Indonesia join this annual event. For the past four years, the symposium has included IESs as one of the key agenda items.

To implement IES 2, 3 and 4 as part of curriculum workshops and symposiums, IAI has also established partnerships with corporations and universities.

- Corporate partnerships provide internships and mentoring for those aspiring professional accountants who have passed Chartered Accountant examinations but who need to enroll in a structured mentoring program to fulfil the required minimum of three years of relevant working experience. This partnership initiative is one of IAI's key resources to help address the need to develop skills through practical experience of aspiring professional accountants.
- University partnerships benefit both parties, as universities receive updates about the new development of accountancy qualifications and skills needs of professional accountants as well provide an opportunity to bring together academics and practitioners.

The IAI membership also includes student members. To support and inspire accounting students in Indonesia, since 2017 IAI has hosted an annual

event: Aspiring Professional Accountant Festival (APA Fest). APA Fest is a part of IAI's aspiration to establish a strong and mutually beneficial cooperation between the profession, industry, and accounting students from universities across the country. APA Fest is the biggest annual accounting student festival and is attended by more than 600 young aspiring accountants from universities throughout Indonesia. This also provides an opportunity to hear from prominent professional accountants from various industries who can share their insights with the next generation of accountants.

APA Fest activities including:

- APA Championship in Accounting, Finance and Business Competitions;
- APA Best Paper group competition;
- National APA Award—an individual competition for the best accounting student;
- Careers fair;
- Inspiring Session;
- CA Indonesia Scholarship Examination; and
- Start Up Exhibition.

Through APA Fest, IAI hopes to build a mutually beneficial link between Indonesia's accountancy profession and accounting students—a link that can help inspire future generations of aspiring professional accountants. This is important so that as a country and a profession, we can recruit young, innovative, aspiring professional accountants to help build and strengthen not just the accountancy profession but also contribute to the growth of our economy.

Based on current efforts, IAI will continuously work to integrate IES implementation, even though this requires a lot of resources and hard work. The benefits for our profession are evident. In addition, IAI believes that

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professional accountancy organizations (PAOs) must work closely with other education stakeholders for successful implementation. Higher education institutions provide the infrastructure—lecturers, students, processes and systems—and PAOs contribute their knowledge, networks, insight, expertise and development of the accountancy profession regionally and globally.

Based on the recent and ongoing work that has been performed to integrate the IESs, IAI expects that as more professional accountants enter the profession they will be better equipped to compete internationally, helping to strengthening our economy. Finally, as an internationally-recognized qualification it is important for IAI to continue to leverage the IES competencies to support accounting and finance professionals in the digital era.

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