

# 37<sup>th</sup> NCPACA ANNUAL NATIONAL CONVENTION

## UPDATES FROM THE PHILIPPINE PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY

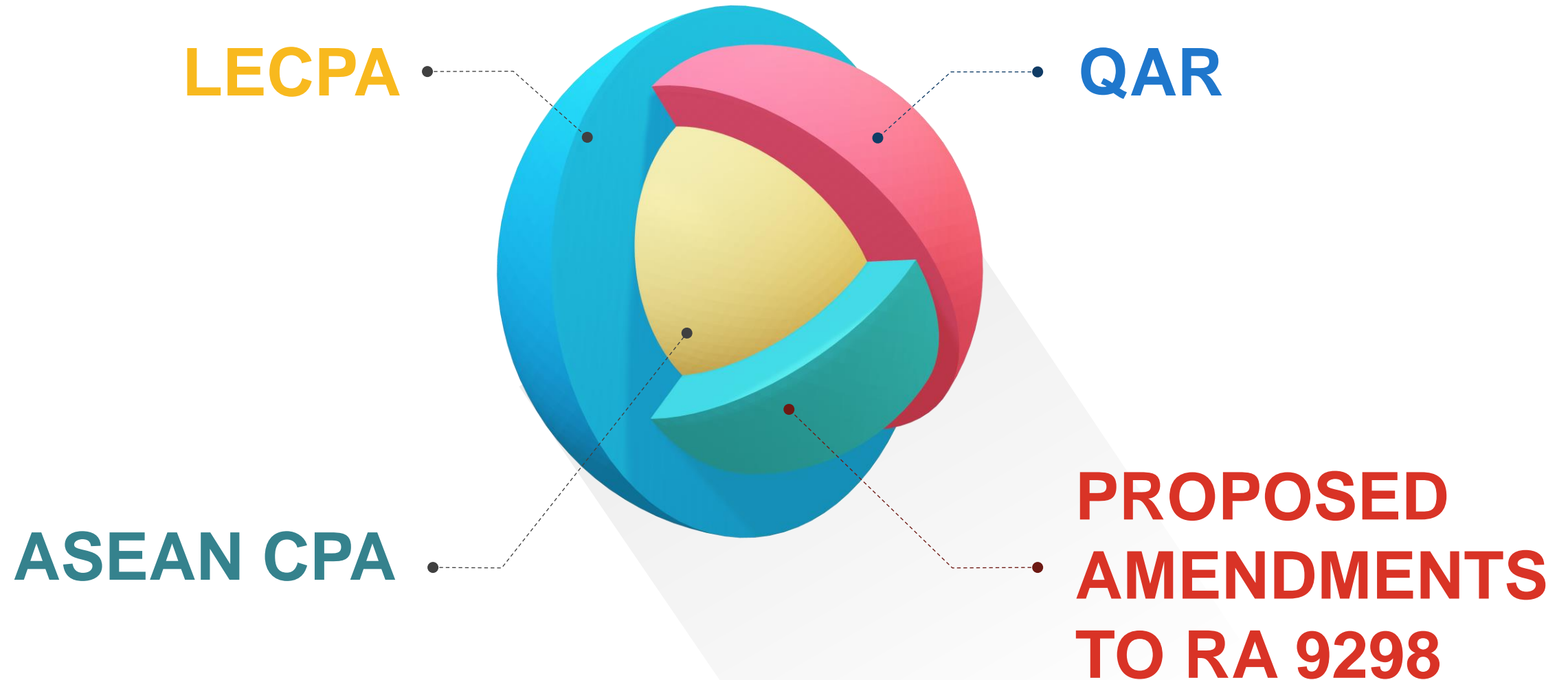
SEPTEMBER 1, 2024

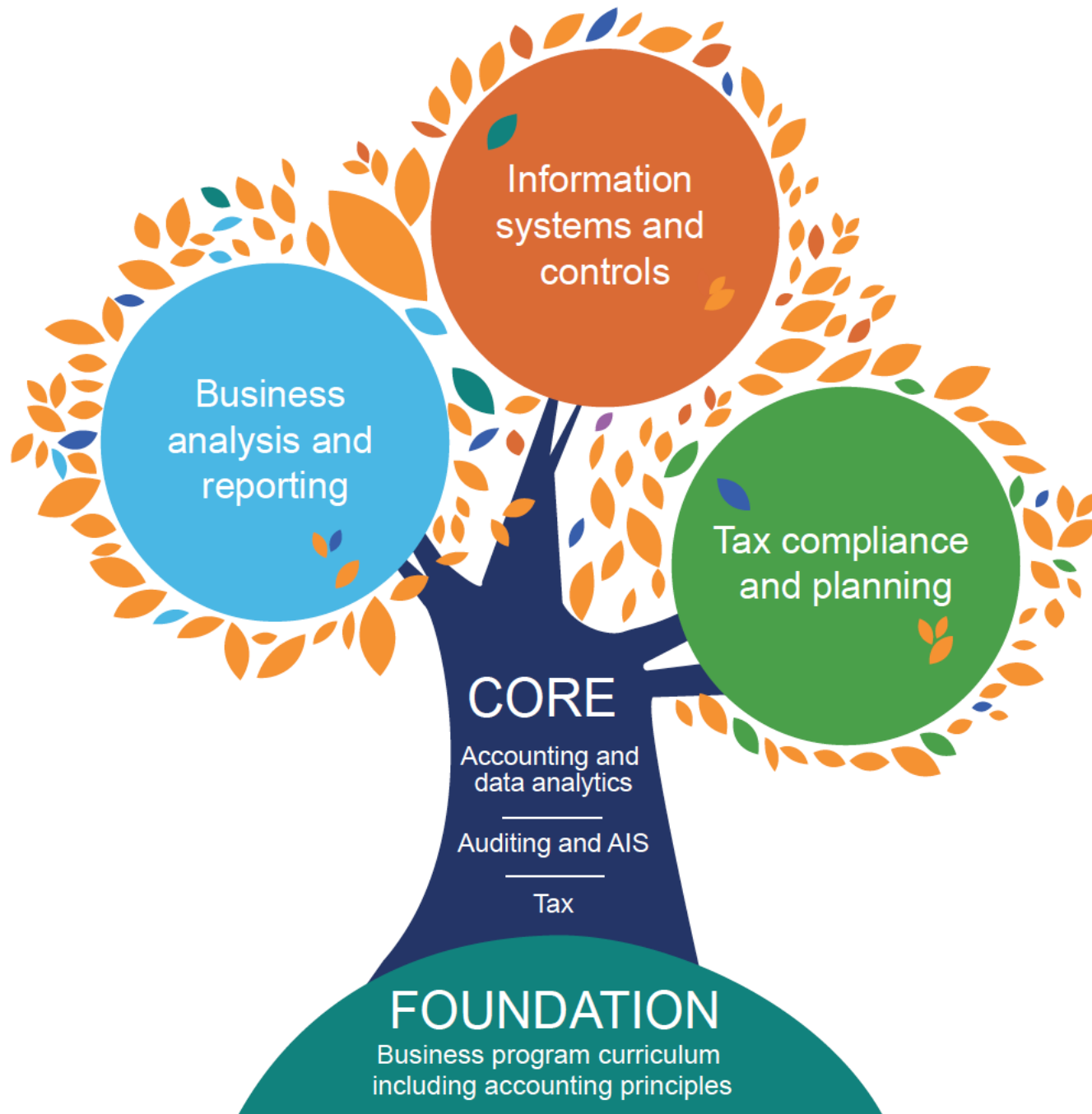


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Chairman, Board of Accountancy



# AGENDA





# The CPA Evolution Model Curriculum

# CPA EXAM TRANSITION POLICY

**Current Exam Section Not Yet  
Passed or Where Credit has Expired**

**Section to Take on  
2024 CPA Exam**



**Select  
Only One  
Discipline**

**January 1, 2024  
(Anticipated Date of Transition)**

Note: 18-month rule remains in effect for all Exam sections.

# REVISION OF CPA BOARD EXAM SYLLABUS

- Formed TWGs for each subject (December 2023)
- TWGs developed the revised syllabus (Jan to Mar 2024)
- TWGs presented their proposed syllabus to the BOA and to the other TWGs (April 2024)
- Conducted Public Consultation of Proposed Syllabus (May 2024)
- BOA will finalize the syllabus for each subject for implementation effective October 2028.
- BOA submits syllabus to CHED Technical Panel for possible revisions to the BSA Curriculum
- CHED Technical Panel for Accountancy shall arrange for issuance of a CMO to align BSA Curriculum with Revised CPA Exam Syllabi



# SUBJECTS THAT WILL BE COVERED IN THE LECPA



Financial Accounting and Reporting



Auditing and Attestation



Tax Compliance and Planning



Business Analysis and Reporting



Information Systems and Control



Regulatory Framework for Business Transactions



# FINANCIAL ACCOUNTING AND REPORTING

Financial Reporting Framework,  
Standard-Setting Bodies, and Regulations  
of the Accountancy Profession

- Conceptual Framework for Financial Reporting, Accounting Process and Presentation of Financial Statements
- Cash and Other Financial Assets
- Non-financial assets
- Financial Liabilities
- Non-financial liabilities, provisions, and contingencies
- Shareholders' Equity
- Leases
- Income Tax
- Employee Benefits
- Interim Reporting
- Operating Segments
- Other Reporting Frameworks



# FINANCIAL ACCOUNTING AND REPORTING

- Sustainability Reporting
- Special Revenue Recognition Methods
- Joint Arrangements
- Home Office and Branch accounting
- Business Combination
- Separate Financial Statements
- Consolidated Financial Statements
- Foreign Currency Transactions and Foreign Currency Financial Statements
- Funds Accounting





# BUSINESS ANALYSIS AND REPORTING

- **Management Accounting**
- **Financial Management**
- **Economic Concepts**
- **Accounting and Business Research**
- **Data Analytics**
- **Cost accounting**
- **Earnings per share**
- **Emerging Non-Financial Reporting Frameworks**



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# INFORMATION SYSTEMS AND CONTROLS

- Information Systems and Data Management
- IT Objectives and Controls
- Auditing IT as Part of Audit of Financial Statements
- Service Organization Controls (SOC)





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## AUDITING

- Theory on Assurance and Non-assurance Services
- Auditing Practice





# **REGULATORY FRAMEWORK for BUSINESS TRANSACTIONS**

- **Obligations**
- **Contracts**
- **Sales**
- **Credit Transactions**
- **Bouncing Checks**
- **Partnerships**
- **Corporations**
- **Insurance**
- **Cooperatives**
- **Secrecy of Bank Deposits**
- **AMLA Law**
- **Data Privacy Act**
- **Electronic Commerce Act**
- **Labor Law**
- **Social Security Law**



## **Scope of the QAR Program**

**Covers all CPAs in public practice duly accredited by the BOA (whether individual or partnership)**

**Applicable only on the audits of financial statements**

**Not applicable for other engagements (e.g. AUP, review)**

**QAR Inspection will cover both the Firm and Engagement Level**

# **Scope of the QAR Program**

**Covered Engagements - Signed, Issued and Archived Audit Files**

**Practitioners should be PSQM Compliance. Required to be indicated in the Registration Form – should have implemented on Dec. 15, 2022**

**Those not in compliance with PSQM are given until December 31, 2024 to comply with the required SOQM Manual. Failure to comply within the extended period shall be a ground for the imposition of fines, or suspension, revocation or non-renewal of BOA accreditation.**

## **Scope of the QAR Program**

**In cases when the CPA Practitioner is new in the practice, the CPA Practitioner is required to have the SOQM Manual designed and implemented at the start of the pre-acceptance procedures.**

A black circle with a white border, containing the text "ASEAN CPA" in white capital letters.

**ASEAN CPA**

## **Q: What is MRA?**

A: MRA stands for Mutual Recognition Agreement which intends to provide mobility of accountants who are recognized as ASEAN Chartered Professional Accountants (ACPA) in the ASEAN region where there will be minimal restrictions imposed on the ACPAs applying for work in the various countries in the region.





## ASEAN CPA

**Q: Why is this important?**

A: Because Filipino CPAs will now be able to take advantage of the growing demand for accountants in Singapore, Malaysia, and other ASEAN countries and consider employment in these countries. Likewise, the ACPAs in the other ASEAN countries can be hired more easily by enterprises in the Philippines.

# ASEAN CPA

## **Become an ACPA now!** **(ASEAN Chartered Professional Accountant)**

The following are the specific documentary requirements for ACPA application:

1. Post graduate and/or college diploma (photocopy)
2. Professional Identification Card (photocopy)
3. Proof of practice or employment in the field of accountancy (certification from employer or partner of accounting firm/partnership)
4. Proof of completion of Continuing Professional Development (CPD) requirements (photocopy of certificates of CPD completion, etc)
5. Certification from PICPA and Legal Division of the PRC that applicant has: (1) no pending complaint/administrative case, and (2) not been convicted of violation of Accountancy Law and/or Code of Ethics of CPAs
6. NBI clearance
7. Certificate for ACPA application issued by BoA (c/o BoA Secretariat) and PICPA

# RATIONALE OF THE PROPOSED AMENDMENTS

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To redefine the practice of accountancy in accordance with current trends in the practice of the profession.

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To expressly provide that the Board of Accountancy has the exclusive oversight and supervision over the registration, accreditation and the practice of accountancy in the Philippines to the exclusion of other government regulatory agencies.

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To legitimize the creation of Standard Setting Bodies and to justify the appropriation of funds to carry out its functions.

## RATIONALE OF THE PROPOSED AMENDMENTS

To give emphasis to the relationship of the Professional Regulation Commission – Board of Accountancy (PRC-PBOA) with the Commission on Higher Education (CHED) and other government agencies in regulating educational institutions which are offering Accountancy program and for this purpose the creation of the Education Technical Council (ETC).



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# RATIONALE OF THE PROPOSED AMENDMENTS

- To amend the requirements for admission to the licensure examinations for Certified Public Accountants to give Filipino citizens who are graduates of foreign schools the chance to take the examination.
- It is envisioned that requiring an examinee to undergo professional experience before taking the licensure examination would give him/her a greater chance of passing the licensure examination. This would be a major step of improving the national passing percentage of the licensure examination.

# RATIONALE OF THE PROPOSED AMENDMENTS

- To modify the manner of determining whether an examinee passed or failed the examination and elimination of the provision granting conditional status to some examinees. Moreover, the existing provision on the conduct of refresher course is being discontinued due to the removal of the granting of conditional status to the examinees.
- To strengthen the practice of the profession through accreditation and compliance with continuing professional development requirements.

# RATIONALE OF THE PROPOSED AMENDMENTS

- To provide a provision that will specify the integration of the accountancy profession into one accredited professional organization.
- A provision on Rules of Professional Conduct is being proposed to strengthen the enforcement of the Code of Ethics of CPAs in the Philippines.
- To provide appropriations for budgetary requirements necessary for the conduct of the activities of the standard setting bodies of the Accountancy profession and the Education Technical Council.

 **THANK YOU**

