

EFFORTS OF ACCOUNTING GRADUATES TO IMPROVE THEIR QUALITY IN ASEAN ECONOMIC COMMUNITY (AEC) ERA

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ABSTRACT

The Government of Indonesia and the rest of ASEAN country have agreed on the imposition of the ASEAN Economic Community (AEC) at the end of 2015. AEC is a free market for the ASEAN region where one of services that are independently applied is accounting profession service. Therefore, the Government of Indonesia has prepared various sets of rules to ensure fair competition in the provision of services of the accounting profession. Enforcement of AEC also provides positive and negative consequences for the accounting profession and accounting graduates in Indonesia. To ensure the quality of Indonesian accountants graduated from various higher accounting education institutions, the government through the relevant ministries should prepare appropriate curriculum of Economics Faculty on accounting majors to educate accounting graduates who are ready to face competition scope of ASEAN and global competition. Another important point is the accounting degree candidates must learn themselves with competence in accounting based on an appropriate curriculum with good foreign language skills, entrepreneurial spirit, independence, creativity, and optimism to welcome a more promising future.

Keywords: *Accounting Graduates, ASEAN Economic Community (AEC), Competence, Accounting Profession and Registered Accountants.*

I. INTRODUCTION

ASEAN Economic Community (AEC) is a single market and production base, which has five elements to the free flow of goods, the free flow of services, the free flow of investment, capital flows more freely, and the flow of skilled labor in the ASEAN region. AEC is an attempt to create an ASEAN economic region that is prosperous and highly competitive. AEC is expected to increase equitable economic development and reduce social differences in the countries of the ASEAN region, including in the face of more global economic power (Tedjasuksmana, 2014).

AEC is not only open up the flow of goods or services, but also the labor market professional like accountant services. There is concern that the Indonesian accounting graduates are not ready to face the era of AEC due to several factors including less mastering of english language and mental readiness in competing with graduates from the outside. To overcome this, accountants must be prepared by following a professional certification later. With the certification of the profession, accountants Indonesia required to be creative,

innovative, skilled, and have a higher competitiveness in competence with foreign accountants. Being an accountant is not an easy thing at the moment in which the knowledge and skills required of professional accountants will continue to evolve and change rapidly. The role of the accounting professional organizations such as the IAI is needed in answering these challenges. Accountant Indonesia must be ready and able to be a reliable accountant competent and able to compete in the regional and international levels (Idris, K. 2015). Indonesia is predicted to be the destination market with enormous economic potential and is predicted to become the most potential in the AEC countries in terms of economy. This is possible because Indonesia is a country that dominates 40% of Asian economies. Nevertheless, the implementation of AEC 2015, the course also brings opportunities for Indonesian accountants because they could work in other ASEAN countries. But of course for that reason, Indonesian accountants and education institutions must improve their quality and quantity of professional accountants in Indonesia that have internationally recognized standards.

Actually, Indonesian graduates do not need to much worry if they follow rule and requirement as written in the Minister of Finance Regulation No. 25/PMK.01/2014 on State Registered Accountant. This regulation was issued in the era of AEC intended to create professional and competitive accountants at the global level by four characteristics, namely competence, able to maintain competence through continuing professional education, became a member of the Association of Accounting Profession and comply with the standards and code of professional conduct. The quality of accounting graduates in Indonesia while still lacking in terms of professionalism, as well as Indonesian accounting graduates is still lacking up to date with the latest conditions, as well as the application of information technology in the field of accounting. This is due to the lack of awareness of the importance of the application of accounting graduates attitude that always want to make progress so it is not only keep silent on the safe zone but ready to confront the challenges/new challenges. Change of mindset is the main capital for the accounting profession that can always be inline with the times (<http://iapi.or.id>, 2016).

For the accounting profession and Indonesian accounting graduates, the results of this paper is expected to provide an overview and target on the opportunities and challenges, so as to encourage the accounting graduates to improve their capabilities and develop strategies in order to compete in the AEC era. Some of these efforts that can be made by them will be described in this paper.

II. RESEARCH METHODS.

The data used in this paper is a secondary data in which this paper is written based on the existing literature search results include:

1. According to a paper written by A. Syarifudin (2015) is a paper review of the challenges and opportunities of Indonesian Accountants in facing AEC. In this paper, there is one of the topics raised by the author is an explanation of the characteristics of reliable accountant that has high integrity, professional, competitive, consultative and practical experience, scientific quality, and leadership. The paper concludes that the character of a reliable accountant would be a new hope to compete in AEC era

2. Perform a search through the internet on the official website of the Indonesian Accountants Association (IAI) at the website address of www.iaiglobal.or.id
3. Perform a search through the internet on the official website of Indonesian Institute of Public Accountants (Certified) with the website address of www.iapi.or.id
4. The study of literature by collecting data relate to this paper topic

III. RESULTS AND DISCUSSION

Although AEC is declared effectively on December 31, 2015, AEC has indeed entered into force in 2008. In its blueprint, AEC is implemented gradually. Indirectly, AEC may increase the activity of the Indonesian economy. Increased competition in the economic field will certainly spur the perpetrators to work hard to overcome the effects of competition. Business people will be more creative and innovative in an effort to stay afloat in the competitive business. AEC also can encourage increased exports and imports with pricefree system and the freeway. Increasing exports will increase the competitiveness of Indonesia in the ASEAN market. Also, domestic demand will more easily be obtained with ease importation of goods from abroad. Moreover, the AEC also can encourage the growth of foreign investment to strengthen the resilience of capital in the country. On the other hand, the government must also establish rules that will bring benefits for Indonesia and in favor of the prosperity of society. Increased foreign investment means it will increase the possibility of foreign investors who exploit natural resources in the country.

Based on data from the Association of Public Accountants Indonesia (IAPI), the number of public accountants in Indonesia is the lowest number compared to other ASEAN countries, and when compared with the population this is a very small ratio, although annually educated personnel in accounting who earned accountant profession as many as 1.2 million people from 41 the number of universities that organizes Accounting Profession Education (PPAk). Of 1.2 million there is only 300-400 are pleasing acertification exam of Public Accountants and who successfully pass the exam was approximately just 150 people, and only 26% (39 people) was willing to practice as a public accountant, the rest of his career at other professions, such as accountants educators, government accountants and other professions. Compared with the total population of Indonesia that over 200 million, the number of registered accountants, according to information from the IAI and accountants who are members of the Indonesian Institute of Accountants far behind compared with Malaysia, the Philippines, Singapore, and Thailand.

3. 1. Regulatory of Accounting Services in ASEAN and Indonesia and its Impacts

Overall, an accountant who is registered with State Registered Accountants has undergone accounting education, have experience in accounting activities, and has been a member of the Association of Accounting Profession. Furthermore, it is expected that the registered accountants will fill the need for professional accountants in companies and is ready to compete with accountants in other ASEAN countries during AEC. Thus, the problem of the lack quantity of registered accountant in Indonesia is expected to be

resolved by the Minister of Finance Regulation No. 25/PMK.01/2014 (<http://www.iaiglobal.or.id/v02/>, 2016).

3. 2. Opportunities, Threats and Competence in the era of AEC

AEC by many parties can be considered to be an opportunity, but also can be a threat to Indonesia. With the number of inhabitants and the size of the largest economy in ASEAN, Indonesia should take position as a major player and not as a spectator. Other important factors are economic growth in Indonesia that is relatively high in recent years.

Generally, a fresh accounting graduate or have already working in the field of accounting should have absolutely some following characteristics:

Professional

An accountant should be able to work in accordance with the existing procedures and devoted fully to his job and have good working standards. To increase the professionalism of accountants, someone must continue to enhance its capabilities through further education and ongoing training and get trusted certifications. So it is also with universities that educate prospective accountants who must consider the quality of teaching materials and teach a good character, so that output of graduates is ready to jump into the field of work with adequate provisions.

Competitive

With existing of AEC, the competition of accountant's role becomes more intense because it gives an opportunity to an accountant of other countries to work in the company in Indonesia. Indonesia should be alert for it all, including preparing accountant because the demand of number of accounting services would increase, with increase the number of new company that will be created in Indonesia. To produce competitive accountant would require the role of the various parties. An accountant must have high confidence, never give up, and work together to compete to be the best

Practical experience

Accountants must have proudly practical experience and have proven in their field of work. Accountants always get the assessment and recognition of their performance from any institution or company where they work in.

Scientific quality

Accountants have a passion for self-upgrade capability with the latest scientific accounting and new target toward the development of the business world, as a reference in data processing, presenting the financial statements, or to provide recommendations for the management of business.

Leadership

A reliable accountant has a good leadership. For companies who are seeking top leader or successor to continue the leadership of management in the financial sector, the accountant is the right choice and deserve.

Commitment of Good Government

Accountants must also have a commitment to integrity, business ethics and social values developed in the community. They must respect the norms and uphold those principles in any recommendations to management. With this commitment, the company can create a good government atmosphere and healthy business atmosphere in the company (<http://www.academia.edu>, 2016).

To achieve a competitive nature and criteria as described above is then an accountant or Indonesian accounting graduates must have some key competencies in order to compete and win the competition in the era of AEC those including:

- 1) Ability to prepare financial reports service, commercial, and manufacturing in accordance with the accounting standards
- 2) Ability to analyze financial information for internal needs of the company
- 3) Able to design an information technology-based manual accounting system
- 4) Ability to design and conduct the Audit Working Papers and do auditing financial statements
- 5) Ability to prepare and analyze financial reports of public sector
- 6) Ability to calculate, report and pay the tax according to the rules of taxation
- 7) Ability to conduct research / writing scientific papers (Wakhyudi, 2015).

Some support of the required competencies include:

- 1) Ability to learn independently and sustainably (longlife learner)
- 2) Ability to analyze an accounting case study with quantitative and qualitative approach
- 3) Ability of expression clearly both orally and in writing and to respect the opinions of others (communication skills)
- 4) Ability to work in teams to solve the case (working in team skills)
- 5) Creative and innovative in providing solutions to case studies (problem solving and creative skills)
- 6) Skilled in applying the various technologies in the resolution of accounting issues at various entities
- 7) Living and practice the purpose of life for the common welfare that is based on the values of life (ethical skills)

Some other competencies that support and deserves to be owned as follows:

- 1) Being able to speak Indonesian and English properly
- 2) Capable of controlling themselves, have the integrity and discipline
- 3) Faith, morality and patriotism
- 4) Understand the aesthetic, social and academic ethics

- 5) Adaptive and fast response / care about the environment
- 6) Capable of networking and cooperation in the field of accounting

IV. CONCLUSION

AEC is a mutual agreement among the ASEAN countries to establish a free trade with the aim to improve economic competitiveness and make ASEAN as a production base of the world and creating regional markets for its residents. Accounting services is one of the important services sector and potential for growth in the AEC era with all its benefit and lacking for the accounting profession Indonesia. In this era of AEC accountant need for services is increasing, and this accounting profession has a major role in supporting the national economy healthy and efficient, and to assist in improving the transparency and quality of information in the field of finance.

One of the problems faced by Indonesian accounting profession is undergraduate productivity of accounting education is still small compared with the total population of Indonesia and the amount of Indonesian accountant is less than that of Malaysia, Singapore Philippines and Thailand. To overcome this, a strategy that can be done by accounting graduates and Indonesian accountant in order to face the AEC is to follow the regulations set by the Government of Indonesia, so that they can meet the standards in accordance with the qualifications and competence as discussed in this paper.

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