

# Accounting Education in Sri Lanka: Lessons from the Singaporean Experience

by

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**H**istorical analyses of education in many developing countries reveal that their accounting education systems have been heavily influenced by a number of developed countries in the West (Wilkinson, 1965; Perera, 1975; Chandler and Holzer, 1984; Wallace, 1990). It is also seen that accounting practice, which is a product of the education and training given to accountants, has been imposed in almost all developing countries by developed countries initially through colonialism and then through the operations of transnational corporations, professional accounting institutes, and the special conditions in economic aid agreements, rather than in response to the societal needs of those developing countries (Hove, 1986; Briston, 1978). This is particularly true for Sri Lanka and Singapore. Both these countries were under British rule for nearly one hundred and fifty years. Even after the independence, the British influence on accounting education and practice continued to thrive in these two countries through the above channels. Thus, Sri Lanka and Singapore inherited their accounting education almost entirely from the British system. Consequently, at the initial stage of its development, the accounting education system of Sri Lanka was very similar to that of Singapore.

The current state of accounting education in these two countries, however, is significantly different. When com-

pared with Sri Lanka, Singapore has made a much greater progress in the field of education and training of accountants. More importantly, Singapore has successfully moved away from the old British system in providing education to prospective accountants. Moreover, Singapore which was economically inferior to Sri Lanka during the early years of post-independence achieved a remarkably higher economic development in recent decades and has emerged as a newly industrialised country (NIC). In 1994, Singapore recorded a per capita income as high as 23,660 US dollars being second only to Japan in the entire Asian region whereas it was only 640 US dollars in Sri Lanka (World Bank, 1995). It has also been revealed that Singapore's accounting education and practice has been a significant contributor to its miraculous economic achievements. Therefore, it seems important to examine the development of accounting education in these two countries and see whether Sri Lanka can learn from the Singaporean experience. Our paper is an attempt in this direction.

## Accounting Education in Singapore

Historically, except for the brief Japanese occupation in the 1940s, Singapore was a British colony for nearly one and a half centuries until its independence in 1959. Consequently, its general education from the primary to the university level was inherited from the British education system, and ac-

counting education was no exception. The British system of accounting education was imposed on Singapore during the colonial period through several channels such as (1) the export of British accounting personnel, (2) the export of British accounting qualifications, (3) the establishment of examination centres in Singapore for British professional accounting bodies, (4) the involvement of British experts in the planning, directing, organising, teaching and providing assistance in one form or another in the development of academic institutions in Singapore, and (5) the British influence upon the business, education and administrative environments in the early days of Singapore (Foo, 1988).

Prior to 1956, Singapore did not have any programme of studies leading to a local qualification in accounting. The only accounting education available was through the examinations conducted by professional accounting bodies overseas, such as the Association of Certified Accountants of the United Kingdom (ACCA), the Institute of Cost and Works Accountants of the United Kingdom (ICWA), and the Australian Society of Accountants (ASA). Similarly, foreign professional accounting qualification was the only avenue through which a person could expect an accounting job particularly in the public sector. The first local accounting programme leading to a Bachelor of Commerce with specialisation in accounting was launched by the Nanyang University in 1956. In the

following year, the Department of Commerce at the Singapore Polytechnic was established by the colonial government to offer, among other courses, a full-time course leading to the College Diploma in Accounting (Fong and Foo, 1992). In 1958, the Department of Commerce at the Singapore Polytechnic was replaced by the Department of Accountancy with the objective of offering both full-time and part-time courses leading to a Professional Diploma in Accounting (Tan Teck Meng et. al. 1994). This diploma was recognised in 1963 as an adequate qualification for admission to the membership of the Singapore Society of Accountants (SSA), which was the professional accounting body established by the government for the purposes of registering professional accountants and regulating the practice of the profession of accountancy in Singapore. During the 1965-66 academic year, the Department of Accountancy at the Singapore Polytechnic was renamed the School of Accountancy and the accountancy programme was upgraded from a diploma to a university degree to signify the transformation of this polytechnic to a university college. As a result of negotiations between this college and the University of Singapore, the latter agreed to award its accounting degree to students of the Singapore Polytechnic. In 1969, the amalgamation of the School of Accountancy with the Department of Business Administration of the University of Singapore represented yet another milestone in the historical development of accounting education in Singapore (Sunday Times, 1968). With the merger, the School of Accountancy was also relocated at the University of Singapore.

As a further development, the Bachelor of Commerce (Accountancy) programme offered by Nanyang University since 1956 also received its professional recognition from the Singapore Society of Accountants in 1971 (SSA, 1972). In 1978, joint courses in accounting were introduced by the Nanyang University and the University of Singapore. The two schools of accountancy merged in 1980 to form the School of Accountancy at the National University of Singapore. After the reorganisation of the Singaporean university system through the formation of the National University of Singapore and the Nanyang Technologi-

cal Institute, the country's accounting education system achieved its highest growth. The School of Accountancy of the National University of Singapore was physically relocated at the Nanyang Technological Institute in 1987 and the School of Accountancy was renamed the School of Accountancy and Business in 1990. In 1991, the Nanyang Technological Institute became a full-fledged university and is now named the Nanyang Technological University (NTU). The School of Accountancy and Business of this university has gained a reputation today as the leading centre for undergraduate and postgraduate accounting education in Southeast Asia. In addition to its Bachelor of Accountancy degree programme, it also offers a professional postgraduate programme leading to a Master of Business Administration in Accounting. Both these accounting degrees are recognised by the Institute of Certified Public Accountants of Singapore (ICPAS) for admission to its provisional membership, subject to approved practical experience. The Bachelor of Accountancy programme of NTU at various stages as mentioned above has produced nearly 10,000 accounting graduates. By the end of 1992, 7442 of these graduates had become professional accountants by obtaining the ICPAS membership. In addition to the undergraduate degree in accounting, the School of Accountancy and Business at NTU also offers two postgraduate research degrees leading to the Master of Accountancy (M.Acc) and the Doctor of Philosophy (PhD) in Accounting.

The Bachelor of Accounting degree awarded by the Nanyang Technological University is based on a 3-year full-time programme of study. All students of this programme are required to undergo a structured 10-week industrial attachment programme at the end of their second year of studies. Under this scheme, students are attached to public accounting firms or other business organisations for practical training. The main purpose of this period of practical training is to instil in students a sense of professionalism and the right work attitudes so that they become effective and productive in their respective organisations after graduation. In addition to being entitled to the provisional membership of the local professional accounting body, B.Acc.

graduates also receive various degrees of exemption from examinations of several foreign professional accounting bodies.

Since the inception of the professional accounting body, initially as the Singapore Society of Accountants (SSA) in 1963 and later as the Institute of Certified Public Accountants of Singapore (ICPAS) in 1987, it has been maintaining a close relationship with the university's School of Accountancy. This liaison is evidenced by the fact that the Institute (or Society prior to 1987) was consulted through each stage of the transition of the School from the Singapore Polytechnic to the National University of Singapore, and subsequently to the Nanyang Technological Institute in 1987 and the present Nanyang Technological University. A representative of the School of Accountancy and Business is appointed by the Minister of Finance as a statutory member of the Council of the ICPAS. Through various committees, the School of Accountancy and Business also maintains close rapport with the professional accounting body as well as the business community and professional organisations to ensure the continuing relevance of its degree programmes.

### Accounting Education in Sri Lanka

During the colonial period, the whole gamut of business activity in Sri Lanka was directed towards the plantation sector which was introduced to the economy by the British (Ramanathan, 1952). In order to facilitate the investment of British capital, the management of plantations through joint stock companies was introduced in the middle of the nineteenth century. Initially, all these companies were owned by British investors and the required personnel for their management, including accountants, came from the U.K. Even though these firms were actually located in Sri Lanka, they were managed as if they were in Britain, and no attempt was made to develop an accounting system suitable for local conditions (Perera; 1975). Local people were also trained by British accountants along the same lines so that they could be employed in operating the British accounting system more economically in these firms. Up

to about 1925 there were no professionally qualified accountants in the government service, except in the Government Railway where a few professionally qualified accountants had been recruited from England, apparently for the purpose of training accounting personnel for the Railway (Report, 1949).

As discussed above, on-the-job training provided by British accountants to their local staff was the first accounting training given in Sri Lanka. In addition, from about 1890 a few private educational institutions such as St. Benedict's Institute at Kotahena, St. Patrick's College in Jaffna and the Polytechnic at Wellawatte conducted classes in commercial subjects, including accounting, mainly for students preparing for the British external examinations held in Sri Lanka. The most popular of these were the examinations leading to the London Chamber of Commerce certificates and the Cambridge certificates. The holding of these British examinations in Sri Lanka dates back to 1891 (De Silva, 1969). However, no programme of studies leading to a local qualification in accounting was conducted by any organisation until 1943. Even though the Ceylon Technical College at Maradana was set up by the colonial government in 1893, accounting education was not given a place in its programmes of studies for nearly fifty years from its inception. It was only after 1942 that the Ceylon Technical College took steps to organise and offer certificate and diploma courses in accounting. Accordingly, a commercial certificate course for bookkeepers and a diploma course for prospective accountants were launched by the Technical College in 1943 and 1946 respectively. These courses were modelled on similar programmes of studies offered in the U.K. Since the Diploma in Accountancy was a four-year evening course offered at the professional level the admission to the course was restricted to those who were engaged in accounting related activities. The curriculum of this course was quite similar to those of the leading professional accounting bodies in the U.K.

From 1941 to 1959, the only authoritative body of accountancy existed in Sri Lanka was the Accountancy Board which was established by the

government to prescribe regulations and conduct examinations for selecting suitable candidates for the accountancy service (Report, 1963). Those who were selected by the Accountancy Board through its examinations were called Ceylon Registered Accountants. The Accountancy Board also organised some classes for prospective accountants in collaboration with a few private academies. A number of private academies also conducted classes for accounting students who independently prepared for the external examinations of British professional accounting bodies. Such an external examination was conducted for the first time in Colombo in 1920 (Johnson and Caygill, 1971). Since there was no local professional body of accountants even by the late 1950s prospective accountants in Sri Lanka had to depend on the professional bodies in the U.K. to obtain their professional qualifications. The most prominent of these professional bodies were the Institute of Chartered Accountants in England and Wales, the Institute of Incorporated Accountants, the Association of Certified and Corporate Accountants, and the Institute of Cost and Works Accountants. Among them, the first two required the candidates to be articled under practising accountants, whereas the last two did not have such a requirement. All prospective chartered accountants were required to go to the U.K. to be articled for five years, whereas it was possible for the Incorporated Accountants to be articled in Sri Lanka in four years and two months before going to England to take examinations. The membership of the other two professional bodies was open to those engaged in accounting activities and it was obtainable by completing the examinations locally and satisfying the conditions as to the candidate's experience and character. Mainly with the knowledge acquired through the Diploma in Accountancy course conducted at the Ceylon Technical College, a considerable number of accounting students completed the examinations of the above professional bodies and became British qualified professional accountants. Over the past three decades, in addition to the accounting courses offered by the premier technical college at Maradana, similar courses were conducted in most of the regional technical colleges as well. The most important of them was the four-year

course leading to the Higher National Diploma in Accountancy which was previously known as the Diploma in Accountancy.

The Institute of Chartered Accountants of Sri Lanka (ICASL), which replaced the Accountancy Board, was established in December 1959 under the provisions of the Act of Parliament No. 23 of 1959. Since then it has been functioning as the only local professional body of accountants in Sri Lanka. From its inception, the ICASL has also been the main centre of accounting education and training in the country. It provided the opportunity for prospective accountants to become qualified as Chartered Accountants within the country. However, apart from the fact that chartered accountants could be produced locally, the method of education and training used for producing such accountants continued to be the same as that of the Institute of Chartered Accountants in England and Wales. Following the British system, the ICASL also introduced its own professional examinations and only those who passed those examinations and successfully completed a five-year period of practical training as articled clerks under the supervision of chartered accountants (called principals) were admitted to the membership of the Institute as "Chartered Accountants".

The ICASL has also been engaged in providing a study programme to its student members for enabling them to prepare for the intermediate (Licentiate) and final (Professional) examinations. This programme included an introductory course of lectures at the commencement of articles, a revision course of lectures and tutorials shortly before each examination, and in between, an approved correspondence course supplemented by seminars, workshops and handouts. However, there has been little opportunity for an academic tradition to grow in this system (Manoharan, 1974). Even though the ICASL introduced some changes to the educational programmes in the recent past, there has not been any significant change in its educational approach. Since the ICASL is not an educational institution like a university or technical college, it offers only a limited amount of study support to students in the form of formal lectures

and tutorials. Therefore, students of the ICASL generally seek additional support from various external sources to supplement their knowledge in preparing for the institute examinations.

Until recently, the system of articles played a major role in the whole programme of education and training provided by the ICASL. Under the terms of this training scheme, the principal was expected to allow study-time and provide on-the-job training for the trainee called an "articled clerk". Since this system was adopted from the U.K. it was assumed, generally, that training under articles was adequate for local requirements, without any proper evaluation being done of the type of training received by an articled clerk. However, it was seen that these articled clerks were often used for mechanical or routine work which could be handled by bookkeepers or others of more limited capacity, and seldom were they given challenging work or real responsibility (Perera, 1975). Furthermore, in 1973, the Report of the Committee on the Future Training of Accountants pointed out that the training under articles was heavily biased towards the legal and statutory audit without giving adequate recognition to accounting as a management and control function (Accountant, 1973). Subsequently, in response to the recommendations of this committee, the ICASL changed its training scheme from "articles" to "practical training" and reduced the duration of training from 5 to 3 years for university graduates and 4 years for non-graduates. It also introduced some changes to the requirements of principals and reorganised the scheme of examinations. Despite these few changes, the type of education and training received by prospective accountants, however, has remained practically the same from the inception of the ICASL. The total number of chartered accountants produced by the ICASL during the 36-year period from 1959 to 1995 amounted to only 1,680 (ICASL, 1995). The rate of failure at the professional examinations of the ICASL has been extremely high. Consequently, many school leavers have sought alternative avenues for becoming professionally qualified accountants. They still enrol in large numbers for locally conducted professional examinations of the British professional bodies. In order to

prepare for these foreign examinations, they depend mostly on classes conducted by private tutorials.

Commerce education had also been introduced to the school system of this country from the colonial days. But, it was confined only to a few leading assisted schools at the beginning. Book-keeping was one of the subjects taught in the commerce classes of these schools. However, the authorities then had not attached any importance to these subjects. The heads of schools who wished to keep those students who were good at sports in the school found for them a safe refuge in the commerce class (Commerce Education, 1962). This situation changed gradually after the independence. By the early 1960s, General Commercial Knowledge, Commercial Arithmetic and Accounting had been added to the curricula of a considerable number of secondary schools in the government sector as well. In order to provide a systematic training to teachers who were engaged in teaching these subjects in schools, a two-year teacher training programme was started at the Maharagama Teachers' College in 1960. Accounting was one of the main subject areas included in this programme. Particularly after launching of the teacher training programme, teaching of accounting and other commerce subjects in the GCE ordinary and advanced-level classes spread more rapidly to many other secondary schools in the country. Thus, over the last two decades, Commerce and Finance, and Accounting have been two of the most popular subjects for GCE Advanced-Level students in the country. Many students who study these subjects in schools enter universities and technical colleges every year for further studies in accounting and other related disciplines.

Although the Sri Lankan university system was established in 1942, it did not include commerce as a separate discipline in its programmes of studies until the beginning of 1960. The Vidyodaya University pioneered in this area by launching two bachelor's degree programmes in Business Administration and Public Administration at general and honours levels. Both these programmes included a considerable number of accounting subjects. The Bachelor of Arts

(Economics) programme of this university also provided a specialisation in accountancy. In 1961, the University of Ceylon (Peradeniya) also introduced a programme of studies leading to the Bachelor of Commerce degree. This programme also included a number of accounting subjects. When the universities in Sri Lanka were reorganised in 1972, all the universities came under one central administration and consequently each university became a campus of the University of Sri Lanka. One of the significant developments of this reorganisation was the rapid expansion of commerce education in the university system. For example, in addition to the Business and Public Administration degree programmes, a new Bachelor of Commerce degree programme with a heavy emphasis on accounting subjects was introduced at the Vidyodaya Campus in 1973. Subsequently, similar programmes were started in other university campuses at Kelaniya, Colombo, Ruhuna and Jaffna. These campuses were renamed as separate independent universities in 1977. Although the accounting subjects were offered as a major component of undergraduate degree programmes in commerce and management in all the above universities, a comprehensive accounting degree programme was not offered by a single university in Sri Lanka until 1992.

For the first time in the history of university education in Sri Lanka, a separate academic department for accounting was set up and a comprehensive bachelors degree programme in accounting was started at the University of Sri Jayewardenepura in 1992. This four-year programme of studies has been designed to cover the theoretical and practical aspects of accounting required for a high-quality academic and professional degree in accounting. Another important feature of this programme is its practical training scheme. Under this scheme, every undergraduate student is required to complete a 60-week programme of practical training in a selected organisation as a compulsory requirement in the third and fourth years of the total study programme. However, this accounting degree is still not recognised by the ICASL as a sufficient qualification for meeting the examination requirement of its membership.

## Comparison of Accounting Education in Singapore and Sri Lanka

Our discussion in the preceding two sections reveals that, despite the similar influence of the British system, there exist a number of differences between Singapore and Sri Lanka today in terms of their accounting education systems. The major differences are summarised in Table 1.

The most striking difference is that while Singapore, within only four years after independence, has successfully moved away from the old British system of producing professional accountants through the educational pro-

grammes and examinations conducted by professional accounting bodies, Sri Lanka, even after forty nine years of independence, is still following the same old system. Not only Singapore, but also many other countries such as New Zealand, Australia, Germany, Canada and the United States, which followed the same traditional method at the initial stage of their educational development, changed it many years ago by entrusting the responsibility of accounting education to their universities. Thus, like engineers, doctors and lawyers, accountants are also produced primarily by universities in these countries. Only the practical training for prospective accountants and the continuing professional development

activities are handled by the professional accounting bodies. The modern accountant should be a dynamic person who is competent not only professionally but also academically and intellectually. It is evident from the experiences of these countries that the university is the most appropriate institution to organise and offer a broad educational programme required for producing such a competent accountant. By getting the university system to provide accounting education required for meeting the academic and professional needs of the country, Singapore has been able to produce high-quality accountants locally in sufficient numbers. Through a close liaison with the business community and the professional accounting body, the Singaporean university system has developed an accounting degree programme which is relevant and appropriate for meeting the cultural and economic needs of the country (Teo and Low, 1993). The three-year Bachelor of Accounting degree awarded by the university has been accepted by the professional accounting body in Singapore from 1963 as an adequate qualification for professional recognition without further examination, subject only to the practical experience. As such, the university accounting education has enabled the Singaporean professional accounting body (ICAPS) to increase its membership from 344 in 1964 to 7,444 in 1992 and concentrate more effectively on the professional development of accountants in the country (Tan, et al, 1994).

In Sri Lanka, even the four-year Accounting degree with 60-week practical experience is not accepted by the ICASL as an adequate qualification for granting exemptions from its professional examinations. From its inception, the ICASL has restricted the professional qualification only to those who pass its own examinations in addition to completing the required period of apprenticeship training. Unfortunately, as shown in Table 2, the rate of failure at these examinations is enormously high. The average rate of failure is over 75 per cent. Several reasons seem to have contributed to these poor results of the ICASL examinations. One principal reason points to the inadequate teaching time devoted to each subject and the inadequate coverage of subject matter in

Table 1

Major differences in accounting education systems of Singapore and Sri Lanka		
Main aspects of differences	Singapore	Sri Lanka
Education for Prospective accountants	Through the University system	Through the professional accounting body (ICASL)
Acceptance of accounting degree for professional recognition	Accounting degree is accepted for provisional membership of the professional body, subject to practical experience	Accounting degree is not accepted for provisional membership of the professional body, subject to practical experience.
Nature of education provided to prospective accountants	Full-time university education in accounting for three years	Block lectures and tutorials from time to time, correspondence course and notes in between by ICASL
Duration of the accounting degree programme	3 years	4 years
Quality of students seeking admission to the accounting profession	Students with very high marks at GCE A/level seek admission to accounting profession through university degree	Students who do not have sufficient marks to enter university mostly seek admission to accounting profession through professional examinations.
Practical training component in the degree programme	Ten weeks of training at the end of second year of the degree programme	Sixty weeks of training during third and fourth years of the degree
Relationship between professional body and university	Direct relationship exists, Committees are well represented by both ICPAS and university.	No direct relationship, No representation from ICASL and university in their committees
Postgraduate programme in accounting	Postgraduate Programmes are available at both master's and PHD levels.	No postgraduate programmes are available at any level.
Number of professional accountants produced locally	7444 Certified Public Accountants in 29 years (1963-1992), 257 per year	1680 chartered Accountants in 36 years (1959-1995), 47 per year

the study programme available to candidates. Since the professional accounting body is not a full-time educational institution, obviously the amount of time devoted to lectures, tutorials and assignments and the subject matter covered through these modes in each subject of a full-time university degree programme is much greater than those of a study programme provided by the professional body. On the other hand, a professional accounting body like the ICASL does not have a full-time teaching staff who can devote individual attention to the different needs of students. Furthermore, since the inception of the ICASL, the approach to accounting education has been on the mechanical or technical aspects rather than the analytical and conceptual aspects of accounting, with the greatest emphasis being placed on financial reporting and auditing.

It is apparent from the high failure rate shown in Table 2 that the ICASL has not been able to produce enough accountants for the country. In 36 years, it has produced only 1,680 professional accountants with an annual supply as low as 47. Since 617 of these accountants have left the country for employment abroad, the actual number of locally qualified professional accounts working in Sri Lanka amounted to only 1,063 in 1995 (ICASL, 1995). Even when the accountants with British qualifications such as ACMA, ACCA and ACA are added to this figure, the total number of professionally qualified accountants working in Sri Lanka seems to be only around 2,000. For a country with 17.9 million people, this is grossly inadequate. By contrast, Singapore with only 2.9 million people has over 8,000 professional accountants today. Similarly, Australia, with a population quite similar to that of Sri Lanka, has reported in 1994 a total of 99,776 professional accountants, comprising 73,460 Certified Practising Accountants and 26,316 Chartered Accountants (ASCPA & ICAA, 1994).

In Singapore and many other countries, students who obtain high marks at the GCE advanced level or an equivalent examination and aspire to pursue an accounting career enter the accounting profession through a university degree programme. Thus, the high quality of students entering these de-

Table 2

Results of Examinations conducted by the Institute of Chartered Accountants of Sri Lanka - 1994				
Title of Examination	Number of Candidates	Number of Passes	Percentage of Passes	Percentage of Failure
Licentiate Part I	5,074	1,045	21	79
Licentiate Part II	2,008	749	37	63
Professional Part I	1,260	290	23	77
Professional Part II	498	111	22	78
Professional Part III	275	63	23	77
Professional Unit I	21	4	19	81
Professional Unit II	46	2	4	96

Source : Annual Report of ICASL 1994.

gree programmes has enabled the professional accounting bodies in those countries to admit academically superior and highly competent accountants to the profession. By contrast, in Sri Lanka students who have not been able to obtain the high marks required for admission to university degree programmes are the ones who normally register for examinations of the ICASL and British professional accounting bodies such as ICMA and CACA. Most of these students depend on private tutoring to study and prepare for examinations of these professional bodies. Nevertheless, the rate of failure at these examinations has been extremely high due to various reasons such as the low academic level of students and the poor quality of education available to them. Thus, of the large number of students who enrol for these examinations each year, only a few eventually qualify as professional accountants. What is obvious from this situation is that it is the "second grade" students who have been mostly attracted to the accounting profession in Sri Lanka. In this regard, it is surprising to see, however, that although students who obtain the highest aggregate marks in the commerce stream at the GCE Advanced Level examination in the country are admitted to the accounting degree programme at the University of Sri Jayewardenepura, the graduates of this programme are not exempted from the examination requirement of the ICASL. Consequently, some of them may get diverted to non-accounting careers. It is a pity that the "best brains" in the area of accounting education in the country are not sufficiently encouraged to enter the accounting profession. Clearly, if the quality of students aspiring to become professional

accountants is low, the adverse effect on the quality of the accounting profession in the country is inevitable.

Even after the establishment of the ICASL, Sri Lankans in large numbers in each year have depended on a number of British professional accounting bodies for obtaining professional qualifications by taking their examinations as external candidates. While a considerable number of these candidates have become fully qualified professional accountants, many others who completed only some parts of the examinations have been employed in junior accounting positions in numerous organisations in the country. It is common knowledge that all these foreign professional examinations are based on the subject matter applicable to the British economy. Since the Sri Lankan economy is very much different from the British in many ways, a considerable amount of the subject matter covered in the above examinations is not useful and relevant to a Sri Lankan accountant. For example, some of the subjects like British Taxation and British Company Law are totally irrelevant. One should not assume that what might be good accounting for a developed country will automatically be relevant and good for an emerging nation and its development process (Enthoven, 1973). For accounting to be an effective contributor to the country's economic development, what prospective accountants study must be relevant to the social, political, legal, and economic conditions within which they are going to operate (Hove, 1986). As such, the accountants produced through studies and examinations based on a developed Western country are unlikely to be able to adapt them-

selves fully to contribute effectively towards meeting the different needs of the developing economy in Sri Lanka. On the other hand, a large amount of valuable foreign exchange has been flowing out of the country every year for the payment of registration and examination fees of British professional accounting bodies. In addition, students have to pay exorbitant tuition fees to local tutorials in preparing for these foreign examinations. It is unfortunate to see that the Sri Lankan accounting profession is still depending so heavily on foreign accounting qualifications even after forty nine years of independence. The number of students looking for foreign accounting qualifications could have been reduced to some extent if the ICASL took steps to provide more flexible opportunities to accounting students of local technical colleges and universities for obtaining professional accounting qualifications through their studies.

When compared with the situation in Singapore, the lack of close liaison and co-ordination of educational institutions with the professional accounting body and the business community is seen to be a significant weakness in the university accounting education in Sri Lanka. Such liaison and co-ordination are necessary for making the accounting degree programme more appropriate and relevant to the needs of the business community and the accounting profession. In most countries where education for prospective accountants is provided by universities, in addition to having close liaison with universities, professional accounting bodies also maintain a close supervision of the accounting degree programmes through an accreditation scheme. Under this scheme, the accounting degree programme of each university is reviewed by the professional accounting body from time to time for renewing the accreditation status of each programme. Thus, this scheme has enabled the university system in those countries to maintain the high quality of accounting degrees.

As mentioned previously, accounting education at both undergraduate and postgraduate levels has developed rapidly in Singapore mainly as a result of its prompt recognition and encouragement by the professional accounting body. For the 1996-97 academic

year, the School of Accountancy at the Nanayang Technological University has enrolled 750 students for its Bachelor of Accounting degree programme. Its postgraduate programmes include master's and doctoral degrees in accounting. The current teaching staff of the School consists of 223 highly qualified academics who have produced many local case studies, books and other teaching material for their students. They have also been actively engaged in research on accounting and related issues and have published numerous articles in reputed international journals. By contrast, the Department of Accounting and Finance of the University of Sri Jayewardenepura, which was established only five years ago, currently has 11 full-time academics in addition to about 16 visiting lecturers. Of the eleven full-time academics, four are Chartered Accountants with two having doctoral degrees as well. Seven members of the staff have master's degree qualifications. However, accounting academics in Sri Lanka have not still made any significant progress in research and publication of local case studies, textbooks and other teaching material. Postgraduate courses are also not available still for accounting students. Nevertheless, it is evident from the commendable achievements of the University of Sri Jayewardenepura within a short period of time that the accounting education system in Sri Lanka would have made a much greater progress by now, if the university system took steps much earlier to establish accounting departments and accounting degree programmes not only in the above university but also in a few other universities. The major reason for this delay and reluctance of the university authorities to set up accounting departments and degree programmes in Sri Lanka was the non-acceptance of a university accounting degree by the ICASL for professional recognition. It is important, however, for educational authorities to consider more seriously that university education in accounting is extremely important for producing competent accountants for the country. In most developed and fast developing nations, universities play the major role in producing accountants who can contribute effectively to the nation's development process. For example, Korea established its first university department

for accounting in 1978. By the end of 1989, it had established similar departments and accounting degree programmes in 50 universities with a total enrolment of nearly 15,000 accounting students (Min, Song and Kim, 1993). The Sri Lankan university system still has only one accounting department with less than 400 students for the whole country.

## Conclusion

The existing system of producing accountants through the educational programmes provided by a professional accounting body is an old British system, which is now inadequate to meet the accounting needs of the changing and growing economy of Sri Lanka. Most other countries, including Singapore, have been able to meet these needs more successfully by providing prospective accountants with a broad educational background through universities and technical colleges.

Therefore, it is necessary for the educational authorities and the professional accounting body in Sri Lanka to follow suit, if the accounting profession is to be able to make its maximum contribution to economic development of the country.