

ACCOUNTING EDUCATION IN CAMBODIA

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ABSTRACT

This paper discusses the development of accounting education in Cambodia and the recent formation of a professional accounting body in that country. The historical and political background and the structure of the Cambodian educational system are briefly presented. Some major problems confronting accounting education and their suggested solution are also discussed. The paper concludes that due to economic, social and political turmoil over the past three decades, accounting in Cambodia is now faced with a series of technical, educational and operational problems.

INTRODUCTION

The history of accounting in Cambodia is very short. Cambodia was a French protectorate for 91 years and the French Unified Accounting System was adopted by Cambodia after it gained independence from France in 1953. This system was abandoned in 1975 but re-established in 1993. Between April 1975 and December 1978, during the Communist regime led by Pol Pot, Cambodia had no accounting system whatsoever. During most of the intervening years (1979-1989) the Vietnamese socialist system of accounting was used (Seng, 1997).

This paper examines the development of accounting education in Cambodia and the influences this development has had on the problems currently faced the accounting profession. Weaknesses in Cambodia's accounting systems can be largely traced to broad historical, cultural and educational factors. The structure of the Cambodian educational system impacts upon accounting education in the country and that structure has evolved from the historical development of Cambodian education in general. In turn, the present state of accounting education explains some of the problems currently faced by accounting practice in Cambodia. Accordingly, the paper provides insight into how these problems may be ameliorated by improving the Cambodian accounting education curriculum.

Specifically, therefore, the evaluation of accounting education in Cambodia is addressed by looking at the curriculum for accounting majors and the teaching methods used in accounting courses. The process of the formation of the Cambodian accounting professional body and its approach to the training of Cambodian accountants is also addressed. Following this, some major problems confronting Cambodia's accounting education such as staffing, teaching materials and library facilities are presented. The last section provides concluding remarks.

HISTORICAL AND POLITICAL BACKGROUND

The Kingdom of Cambodia is bordered by Thailand to the northwest and west, Laos to the north and northeast, Vietnam to the east and southeast and the Gulf of Thailand to the south. It is a predominantly agrarian country with 85% of its approximately 13.6 million people living in the rural areas. From 1863 to 1953, Cambodia was a French protectorate which prevented Cambodia from being divided between Thailand and Vietnam. After gaining independence in 1953, the country under Prince Sihanouk enjoyed relative prosperity and stability until he was overthrown in a coup in 1970. After a period of turmoil the communist Khmer Rouge led by Pol Pot took power in 1975 which led to four years of terror, and millions of people died as a result. In 1979, the Khmer Rouge was overthrown by

Vietnamese-led forces. Vietnam then ruled Cambodia until 1989. From 1989, the economic reform was started by the restoration of private property ownership. The process of peace and national reconciliation in 1991 has significantly changed the overall situation of Cambodia. Assisted by the international community, the free and democratic election held in 1993 led to adoption of a new constitution, the establishment of a National assembly, and the Monarchy proclaimed a new government called the Royal Government of Cambodia. Cambodia is now a full-fledged democratic society and it is operating a free market economic system (Royal University of Law and Economics). Table 1 provides a summary of transition of political, legal, and economic systems in Cambodia.

Table 1
Summary of Political, Legal, and Economic Systems in Cambodia*

Years	Legal system	Political system	Political power	Economic system
Before 1953	French-based civil code and judiciary	Under the French protectorate	Held by the French	Colonial
1953 – 1970 (The Kingdom of Cambodia)	French-based civil code and judiciary	Constitutional monarchy	Held by Prince Norodom Sihanouk as prime minister	Market and then nationalisation
1970 – 1975 (The Khmer Republic)	French-based civil code and judiciary	Republic	Held by Lon Nol	Market, war economy
1975 – 1979 (Democratic Kampuchea)	Legal system destroyed	All previous systems abolished, extreme Maoist agrocommunism	Khmer Rouge	Agrarian, centrally planned
1979 – 1989 (The People’s Republic of Kampuchea)	Vietnamese communist model	Communist party, central committee, and local committees	Cambodian People’s Party (Vietnamese backed)	Soviet-style central planning
1989 – 1993 (The State of Cambodia)	Greater economic rights	Communist party, central committee, and local committees	Cambodian People’s Party (Vietnamese backed)	Liberalised central planning
1993 – present (The Kingdom of Cambodia)	French-based civil code combined with common law in certain sectors	Constitutional monarchy	Shared between FUNCINPEC** and the Cambodian People’s Party	Transition to a market economy

* Source: Asian Development Bank, 2001. *Key Government Issues in Cambodia, Lao PDR, Thailand, and Vietnam*, retrieved August 14, 2007 from [http://www.adb.org/Documents/Books/Key Government Issues/](http://www.adb.org/Documents/Books/Key_Government_Issues/)

** National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia.

EDUCATIONAL BACKGROUND

This section describes the history of education in Cambodia reflecting the broader historical events described above. This is necessary to understand the problems currently faced by educational institutions in Cambodia, discussed later in the paper.

Structure of the Education System

During the period of the French protectorate until 1975, the Cambodian education system was based on the French model. The educational system was divided into primary, secondary, higher, and specialised technical and vocational levels. Cambodian had an educational system comprising six years of primary education, seven years of secondary, four to seven years for a first degree at university and one to three years for a diploma certificate at specialised technical and vocational institute.

Prior to 1975, formal schooling in Cambodia began at age six. After spending six years in primary school, pupils would take a final national examination and were awarded a certificate after passing this exam. Secondary education was divided into two cycles, one of four years taught at a college (lower secondary), followed by one of three years taught at a *lycée* (upper secondary). Students were awarded a secondary diploma after passing a national examination at the end of the first cycle. At this stage they can enrol at specialised technical and vocational education and training (TVET) institutions. The second cycle of three years consists of two parts: the first requires two years of study after which students could take a national examination for a baccalaureate part I, and the second an additional year for a baccalaureate part II before they can enrol at a university. At this baccalaureate part II year, students must specialise in one of the three divisions- experimental sciences, mathematics or philosophy (Ministry of Commerce, 2000). As can be seen this education system required 13 years of education with 4 major national examinations.

During the 1975-79 Pol Pot's communist regime there was no school or any form of education. All schools and universities were then closed and allowed to fall into disrepair. School buildings were often put to other uses such as storehouses for grain and livestock or prisons. Consequently, by the end of this regime in early 1979, Cambodia's formal education system had ceased to exist. The infrastructure was badly damaged. Books, teaching materials and printing equipment had been destroyed. The damage done was more than to just the infrastructure of education. Cambodia also lost most of its educated people, and as a result there were very few trained teachers left in the country.

Political and socio-economic changes led to successive reforms of the country's education system. After 1979, the Ministry of Education introduced a 10-year education system (i.e., primary school (4 years), college (3 years), and *lycée* (3 years), or (4+3+3)) and later expanded this to an 11-year education system (5+3+3) in 1986. In 1996, the Ministry introduced a 12-year education system (6+3+3). The curricula for the new system are revised regularly.

At present, pupils at primary schools do not need to take a national examination to gain entry into lower secondary schools. However, lower secondary school students must pass a national examination at the end of their final year (year 9) in order to enter upper secondary schools. After passing this state examination they are awarded a secondary diploma. At this stage they can enrol in specialised technical and vocational education and training (TVET) institutions. Upper secondary school students who have passed a national examination at the end of their final year (year 12) are awarded a baccalaureate. They then have to take a competitive national entrance examination, held by the Ministry of Education, Youth and Sport (MOEYS) annually, to gain entry into a university. Secondary students have

no options in choosing their preferred subjects but have to follow the same curriculum in all six years at secondary school, as set by MOEYS. No accounting subjects are taught at high school.

Higher Education

The National Institute of Law, Politics and Economics was the first higher education institution in Cambodia when it was established in 1948. Most of the other higher education institutions began to operate in the middle and late 1950s. For example, the Royal School of Medicine was formed in 1953 but did not open until 1956. The Royal School of Administration was founded in 1956; the National School of Commerce and the National School of Pedagogy were both opened in 1958; the Faculty of Letters; Faculty of Science and Technology, and the Preah Sihanouk Raj Buddhist University were opened in 1959 (Hayden, 1967).

At present, the two main types of higher education institutions are universities and institutes. There are seven universities and three institutes. All of these ten public institutions are situated in the capital Phnom Penh except the Maharishi Vedic University which is located at Prey Veng province. It is noted that only three (The Royal University of Laws and Economics, the Vedic Maharishi University and the National University of Management) out of these ten public institutions offer a 4-year accounting degree.

In addition to the publicly funded higher education institutions, there are fourteen private universities which have been created since 2000 in Phnom Penh, presumably due to inadequate facilities and resources in the public sector. All of these private universities offer degree programmes including a 4-year accounting degree. Non-degree programmes are also offered by twelve other private institutions.

There are additionally a number of non-university government-run centres that offer technical and vocational courses at the post-secondary level in fields such as Agriculture, Health, Industrial Training, Civil and Electrical Engineering. These technical professional training institutions are described below.

Technical and Vocational Education and Training

At present there are fifteen state technical and vocational education and training (TVET) institutions mainly in Phnom Penh, providing one to two years courses to post-lower secondary level. They also offer tertiary level courses for a period of two to three years to post-upper secondary level. TVET institutions are under the jurisdiction of the MOEYS, and the Ministries of Agriculture, Health and Industry. The MOEYS sets standards and issues certificates on completion of courses, which are accepted by the main industries and ministries. The TVET system is not highly regarded by the general population and therefore plays a minor role in the development of human resources in Cambodia. No accounting course is offered in TVET.

EDUCATIONAL ADMINISTRATION AND ORGANISATION

The educational administration and organisation of Cambodia has three levels of administrations. At the central level, the MOEYS is responsible for establishing national policies and curriculum guidelines. The other two levels are provincial and district administrations. Provincial and municipal education services are each headed by one director, deputy directors and technical staff. They are divided into three categories (large, medium and small) depending upon the size of their teaching and non-teaching staff. In practice, the

provincial and municipal education service mainly provides technical guidance to secondary schools in the province. In contrast, the district education office supervises all primary schools in the districts.

The General Inspectorate has two sub-units: the Inspectorate of Education and the Inspectorate of Administration and Finance. Its mission is to act as Secretariat for the MOEYS in monitoring issues related to education. An inspector of primary education, who exercises considerable authority, is assigned to each province.

Higher education institutions in Cambodia are under the jurisdiction of four Ministries. The MOEYS controls seven higher education institutions: (1) the Royal University of Phnom Penh, (2) the Institute of Technology of Cambodia, (3) the Maharishi Vedic University, (4) the Royal University of Law and Economics, (5) the National University of Management, (6) the Institute of Foreign Language and (7) the National Institute of Education. The Ministry of Agriculture controls the Royal University of Agriculture. The Ministry of Health controls the University of Health Sciences. And finally the Ministry of Culture controls the Royal University of Fine Arts. However, as mentioned earlier, the MOEYS has overall responsibility for establishing national policies and curriculum guidelines. All institutions receive financial support from the Government.

EDUCATIONAL CURRICULUM FOR ACCOUNTING DEGREE

The degree of Bachelor of Business Administration majoring in Accounting is a 4-year programme plus a 2-3 months internship. This degree is offered by the National University of Management (NUM), the Royal University of Laws and Economics, the Vedic Maharishi University and the fourteen private universities.

A non-degree programme in accounting (called the Diploma in Accounting) is also offered by the Royal University of Law and Economics with a 2-year program plus 8 weeks internship. Additionally, there is a 3-month full time (or 6-month part time) course in accounting (and other subjects such as economic management, financial management, applied laws, computer skills and English) offered by the Economics and Finance Institute. This course is a series of in-house training programmes undertaken with the cooperation and assistance of the World Bank Institute. It is not designed for qualified accountants, but rather for government staff working in relevant fields from different government ministries. Approximately 80 percent of students are staff from the Ministry of Economy and Finance (Narayan and Godden, 2000).

During the first year, students are exposed to many different functional areas of business. In the second year, students continue studies in the core curriculum subjects such as accounting, marketing, management, economics and English in order to build a sound knowledge for further study. In the third year, students are required to select an area of specialisation. The choice is from Accounting, Finance and Banking, Management, Marketing, International Business, and Tourism Management. Fourth year students are expected to spend 2-3 months field training and to write up individual research projects. Students must also pass an oral exam.

The curriculum for the 4-year accounting degree equips graduates with a knowledge base in accounting, auditing, economics, marketing, production and operations management, business law, computerised accounting systems, etc. The existing curriculum for the 4-year accountancy programme at both public and private universities covers the subjects shown in Table 2.

Table 2
Summary of curriculum for a 4-year accounting degree in Cambodia

<ul style="list-style-type: none"> ▪ Accounting (Theory, Financial, Analytical, Cost and Managerial, International, Information Technology) ▪ Auditing ▪ Business Statistics ▪ Business English ▪ Business Mathematics ▪ Business Law (company law, contract law) ▪ Economics (micro and macro) ▪ Finance (international, corporate, public) ▪ Marketing ▪ Management (organisational behaviour, strategic) ▪ Taxation ▪ Human Resource Management ▪ Research Methodology
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Subjects on general education courses such as liberal arts, anthropology, philosophy, humanities, and rhetoric are not included in the accounting curriculum in Cambodia. Technical competency is emphasised rather than a liberal education.

The curriculum for a 2-year programme Diploma in Accounting offered by the Royal University of Law and Economics is shown in Table 3.

Table 3
Curriculum for a 2-year Diploma in Accounting

<p>Year 1</p> <ul style="list-style-type: none"> ▪ Introduction to Microeconomics ▪ Financial Accounting ▪ Business Mathematics ▪ Business Statistics ▪ Computer Studies (Word and Excel, QuickBooks/ Peach-Tree) ▪ Introduction to Law ▪ Business English <p>Year 2</p> <ul style="list-style-type: none"> ▪ Intermediate Microeconomics ▪ Advanced Accounting ▪ Managerial Accounting ▪ Financial Statement Analysis ▪ Computer Studies (QuickBooks/ Peach-Tree, Excel, Access) ▪ Fiscal Law ▪ Business English

The course content for a 3-month full time (or 6-month part time) course offered by the Economics and Finance Institute is as follows:

- Accounting (Basic Concepts, Financial, Information System, Merchandise, Corporation)
- Adjusting the Accounts
- Completion of the Accounting Cycle
- Financial Statements Analysis
- Assets

- Liabilities
- Statement of Cash Flows

A Master of Business Administration degree in Accounting has been offered by only the National University of Management and two other private universities. This Masters degree is based upon course work.

Recently the Cambodian accounting system has been heavily influenced by the Anglo-American models as Cambodia follows practices similar to those of its more powerful economic neighbours, through trade in the Asia-Pacific region. The close trade with its Asia-Pacific region neighbours is also reflected in the education sector, especially in accounting, finance and business banking. There have been significant changes recently in the accounting curriculum. American, British and Australian accounting textbooks have been adopted at universities. Cambodia now adopts accounting standards based on international accounting standards issued by the International Accounting Standards Committee (IASC).

TEACHING METHODS USED IN ACCOUNTING COURSES

At university, instructors' lecture notes are in a combination of English and Cambodian languages, translated from Western textbooks. This is due to the lack of modern textbooks in Cambodia and is a significant problem as most students have a low level of English proficiency. Another problem is whether direct translations from Western textbooks into Cambodian are suitable for Cambodian educational needs. Merely to copy educational material from abroad, without assessing it in light of the country's requirements, reduces its value. It needs to be adapted in order to optimise its usefulness to Cambodian students. For example, it has been argued that the U.K. accounting system is not obviously the most appropriate for developing nations as solutions to the problems they face (Wallace, 1990).

The common teaching method at university in Cambodia is "passive teaching". Instructors do most of the talking and students rarely have discussions in class. Consequently, in order to assess students' performance, instructors mainly rely on their mid-term and final examinations. Recently, the new curriculum has begun to encourage more student-centred learning and participatory methods. Students are able thereby to exchange views on the topics they are learning, demonstrate their abilities in either small or large groups and express their opinions more openly. The instructor plays a role as a facilitator or team leader and is ready to improve or adjust to the situation and advise students on possible solutions. The shift from the traditional methods of learning to a more active model has met some resistance from educational administrators. Feedback is seldom used in class. As most accounting subjects are taught by the traditional lecture method, students are rarely given practical tests that correspond to practical circumstances. The lack of practical training is a problem for students and accounting instructors. Inadequate accounting laboratories deny students an opportunity to bring higher skills to bear in analyses and reporting.

CAMBODIAN PROFESSIONAL ACCOUNTING

As was discussed earlier, during the period of the French protectorate until 1975, the Cambodian education system was based on the French model. The French Unified Accounting System was adopted by Cambodia after it gained independence from France in 1953.

Due to economic, social and political turmoil over the past three decades the situation in Cambodia at present is characterised by weakness and underdevelopment in the financial sector. The absence of extensive commercial banking facilities is retarding the growth of the

economy. Most of the Cambodian market economy is cash based and there are limited industrial and commercial sectors. Generally speaking, the typical firm is family owned in Cambodia. Usually, therefore, there is no separation between management and ownership as the family unit both runs and manages the business. In smaller businesses there is a lack of extensive bookkeeping records. This may be due to the fact that little trade is conducted through credit, as well as that most of the trading firms are family owned and operated. Due to the absence of commercial banking facilities, trade credits are furnished, in the majority of cases, by individual dealers and lenders at a very high rate of interest, usually with no written contract. Capital thus tends to be self-funded or borrowed from relatives or friends. Unlike most other Southeast Asian nations, Cambodia has yet to establish a stock exchange. The lack of a well-organised securities market has meant that financial reporting plays a minor role in meeting the information needs of users of financial reports. Until improvements in the quality of financial reporting are made, foreign investment is not likely to be attracted and domestic savings are not going to be mobilised in the local capital markets. This, of course, hampers the development of the Cambodian accounting profession.

There was no professional accounting body in Cambodia until 2002 when the promulgation of the “Law on Corporate Accounts, Their Audit and the Accounting Profession 2002” resulted in the creation of two critical institutions: the National Accounting Council (NAC) and the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA).

The NAC is a regulatory body of the Ministry of Economy and Finance, dealing with the development of the conceptual framework and accounting standards, and the examination and revision of the accounting standards and regulations. For example, in April 2003 the NAC had approved fifteen Cambodian Accounting Standards and ten Auditing Standards which became effective in September 2003 (see appendix). These standards were mainly based on the International Accounting Standards issued by the International Accounting Standards Committee (IASC) with minor adjustments to suit local conditions.

The KICPAA is the sole professional accounting body organising accounting professional training, promoting and defending the status and the interests of the profession, overseeing the quality assurance of its members and participating as a working member of the NAC. For example, under article 13 of the KICPAA’s Constitution, no person shall exercise the profession of certified public accountant unless that person is registered as a member of the KICPAA. Meanwhile, Article 10 of its Constitution states that members must hold university qualifications in accounting, business or finance of a standard recognised by and acceptable to the Registration Committee. Although the KICPAA is the sole professional accounting body in Cambodia its functions are still influenced by the state. It still gets its funding from the state. This may be due to its relatively new established body and inexperience as compared to most Western countries. Therefore, unlike most accounting professional bodies in the Western world, the question remains concerning its independence from the state.

In 2003, the Commission for the Cambodian Accounting System Reform launched a comprehensive training of 70 students in Certified Public Accountants (CPA) and another 37 students in the Certified Accounting Technicians (CAT) for both public and private sectors using the globally known Association of Chartered Certified Accountants (ACCA) programmes of the United Kingdom in professional accounting education. At present, there are two private institutions that offer this training program. CamEd is the first registered ACCA tuition provider in May 2003 and has over 250 students in their CPA and CAT courses. The other ACCA tuition provider is Regent College which is a lot smaller than the CamEd. The CPA program takes 3.5 years to complete on a part-time basis for a typical student. This time period may vary according to a student's abilities. There are three entrance

exams. First, there is an unofficial TOEFL Exam. Second, there is the quantitative section on an unofficial GMAT Test for which CamEd have simplified question vocabulary and removed all geometry related questions. Third, there is an accounting examination with a mix of questions from the Certified Accounting Technician examinations of the ACCA.

Another option is to study for the CPA qualification within a Vietnamese program. Some Cambodians travel to Ho Chi Minh City on the weekends to study for the CPA qualification. These Cambodians are largely from a few multinational companies that already have set up training for their accountants in Vietnam. Instead of paying for a new training regime, these companies incur the cost of travel, taking advantage of the economies of scale from having all their employees training under one scheme. This information has been obtained through personal communication with the Director of CamEd in July 2005. The accounting profession in Cambodia is currently weak although its status has been enhanced by the promulgation of the “Law on Corporate Accounts, Their Audit and the Accounting Profession 2002” which resulted in the creation of the NAC and KICPAA. The NAC has just signed a Memorandum of Cooperation with CPA Australia in May 2006. As a result, Cambodian professional accountants can now participate in the CPA Australia training program that is internationally recognised. This will further enhance the status of accounting profession in Cambodia in the future. In addition, the KICPAA is currently recognised by and also a member of the Association of South East Asian Nations (ASEAN) Federation of Accountants (Ngy, 2006).

There are seven accounting firms in the country including three of the Big Four international firms (Ernst & Young International, KPMG Cambodia and PriceWaterhouseCoopers). Most employees of the international firms are expatriates. The three international accounting firms mainly carry out the audit work of subsidiaries of foreign firms located in Cambodia as well as joint ventures and State-owned enterprises at the request of the government.

PROBLEMS CONFRONTING ACCOUNTING EDUCATION AND SUGGESTED SOLUTIONS

The shortage of government resources is leading to a deterioration of the quality of education. There is a critical shortage of teaching aids such as textbooks, computers, laboratories and library resources. Also, accounting training centres are not well staffed. There are no locally authored textbooks in accounting at the university level in Cambodia. The low number of accounting textbooks written in Cambodian language is a significant problem. This problem is further compounded because of the use of accounting textbooks written in English. Thus, there is an urgent need to systematically develop accounting textbooks written in Cambodian that are suitable for the Cambodian educational needs. There is also an urgent need for a national policy aiming both at increasing foreign language resources and at making more effective use of available resources.

Lecturers are very poorly paid by international standards and therefore cannot devote all of their time to being professional teachers. Most have other outside jobs to supplement their incomes which results in poor supervision and standards of teaching, as little time is generally spent on preparing lectures, guiding students and doing research. Lecturers are largely unable to upgrade and update their knowledge. The shortage of properly trained accounting lecturers is also critical to the quality of education. Very few accounting lecturers have an education beyond a bachelor’s degree and present graduate students are unwilling to be academics because of the salary disparity between accounting educators and professional accountants. In order to remedy this situation a first step would be to introduce an intensive training course for the training of Cambodian accounting lecturers. The next step would be to

have an advanced training program for professional development and continuing education for academicians and practitioners. In order to develop competent accounting graduates, lecturers must be thoroughly conversant with modern-day practices and trends (Narayan & Godden, 2000). Economic and financial conditions are responsible for the lack of interest of the faculty in self-development. A dramatic change would occur if these educators were paid higher wages to attract more high quality graduate students into academic work.

The accounting community in general is not well informed about accounting developments. Greater opportunities for accounting educators to travel abroad under exchange programs for staff would help them develop new insights, and acquaint them with recent developments in accounting. The organisation of local meetings, seminars, conferences or workshops for educators, practitioners and students would also help alleviate the problem. At present no accounting research agency has been established. Such an initiative would additionally address some of the problems. Other means of enhancing accountancy education are distance learning and external correspondence courses with overseas universities. The possibility of scholarships offered from abroad should also be explored.

As a result of the problem outlined above, the workforce in Cambodia is relatively uneducated due to low teaching standards at schools and tertiary institutions. There are presently new private institutions that provide business skills training. The need to develop the human resource base through training, the transfer of know-how and technical and professional education is essential. Foreign companies should also be encouraged to provide extensive training on the job and formal training to workers to supplement their skills (KPMG, p.31). Development banks are considered as potential sources for enhancing education, training, practice and other accounting developments. They may be able to influence national accounting and auditing standards, levels of competence and education or certification requisites.

CONCLUSIONS

Due to economic, social and political turmoil over the past three decades, accounting in Cambodia is now faced with a series of technical, educational and operational problems. As education is a key to future economic growth, the government should take full advantage of available educational resources, using them wisely, to build on the experience of its many foreign donors and its own experience in determining the long-term success in Cambodia.

At present, Cambodia stands in need of more and better qualified accounting instructors, locally authored modern textbooks and other teaching resources such as laboratories, and library facilities. The shortage of competent accounting instructors may be due to inadequate formal academic training. Consequently, there is a further shortage of well qualified instructors at the university level. The salary level of accounting instructors is very low by international standards and thus this kind of profession is not so attractive. With respect to teaching materials, the availability of locally authored textbooks is lacking and thus the teaching demands on accounting teachers are very high.

In general, accounting research and development in Cambodia is very limited. This is due to the lack of financial support from the government. Another reason may be due to a lack of understanding or insight into the need for research into the development of accounting needs, to adjust to the demands for modernisation in a growing society.

The status of the accounting profession in Cambodia has recently been enhanced by the promulgation of the "Law on Corporate Accounts, Their Audit and the Accounting Profession 2002". As Cambodia improves the quality of firm financial reporting, in order to

attract domestic as well as foreign investments, the need for skilled accountants and auditors, trained to international professional levels, will increase.

As mentioned earlier, many of the problems in Cambodia were created by internal social, political and financial conditions. Unless these conditions change, solutions to those problems will not be found easily.

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APPENDIX

Cambodian Accounting Standards (CAS)

Approved by the National Accounting Council in April 2003 and became effective in September 2003

1. CAS 1: Presentation of Financial Statements and Audit of Financial Statements
2. CAS 2: Inventories
3. CAS 7: Cash Flow Statements
4. CAS 8: Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies
5. CAS 10: Events After Balance Sheet Date
6. CAS 12: Income Taxes
7. CAS 16: Property, Plant and Equipment
8. CAS 18: Revenue Recognition
9. CAS 21: Foreign Currency
10. CAS 24: Related Party Disclosures
11. CAS 25: Accounting for Investments
12. CAS 27: Consolidated Financial Statements and Accounting for Investments in Subsidiaries
13. CAS 30: Banks and Financial Institutions
14. CAS 37: Provisions, Contingent Liabilities and Contingent Assets
15. CAS 38: Intangible Assets

Cambodian Standards on Auditing (CSA)

Approved by the National Accounting Council in April 2003 and became effective in September 2003

1. CSA 200: Objective and General Principles Governing an Audit of Financial Statements
2. CSA 210: Terms of Audit Engagements
3. CSA 230: Documentation
4. CSA 240: Fraud and Error
5. CSA 300: Planning
6. CSA 320: Audit Materiality
7. CSA 500: Audit Evidence
8. CSA 560: Subsequent Events
9. CSA 570: Going Concern
10. CSA 700: The Auditor's Report on Financial Statements