Abstract

Management Accountants (“MA”) are strategic partners in providing information for decision-making, but they have a problem on how to mastering IFRS (International Financial Reporting Standard) based on the G20 agreement. In this research, there are three main objectives to be achieved, first, Review the knowledge of IFRS in Indonesian MA, then, second, compare it with the Malaysian MA, and, third, learn the application of IFRS in the Malaysian. The research method is a qualitative. The results of the research in sample data will show that the knowledge of IFRS for Indonesian MA still has a minority when compared to Malaysian.

Keywords: Management Accountant, G20 agreement, International Financial Reporting Standard;

1. Introduction

Management Accountant (“MA”) is a prestigious career in an organization. A management accountant has multiple tasks. His tasks is to provide financial reporting and non-financial reporting, however, there is a big problem in how to mastering Generally Accepted Accounting Principles (GAAP) Financial recently adapted from IFRS (International Financial Reporting Standard). Based on agreement on G20, Indonesian government set a dateline on January 1, 2012 for all public entities to apply IFRS. With this new regulation, most managerial accountants must keep up their knowledge in IFRS because the Indonesian government obliges the public entities to report using IFRS standard. Not only Indonesia, Malaysian government also set the same dateline, January 1, 2012 for all public entities to report using IFRS standard. Within this issue, the writers are interested to compare the knowledge and understanding in IFRS for both Indonesian and Malaysian MA. Do They have enough knowledge about IFRS reporting? Based on those reasons, the writers are interested in conducting research Review the
Knowledge of Indonesian Management Accountant in International Financial Reporting Standard (IFRS) compare with Malaysian.

Problem statements related to our research topic are as follows: (1) Does Indonesian MA has sufficient knowledge about IFRS? (2) How about Malaysian MA knowledge in IFRS? (3) How successfull Malaysian MA apply this new standard?” Main purposes to be achieved in this research are as follows; first, Review the knowledge of IFRS in Indonesian MA, then, second, compare it with the Malaysian MA, and, third, learn the application of IFRS in the Malaysian. The research method is a qualitative description. Writers gathered data based on interviews, questionnaires and textbooks. Writers have limitation in collecting data because it was not easy to get a permission to spread out questionnaires. Most Indonesian’s workers companies are afraid to fill out questionnaire and to give information about implementation in his/her company. With reason data are for internal use only. This research will be divided into five sections, section 2 briefly describes the related literature study, and section 3 contains the coverage data and research methodology, sections 4 states the result and discussion. Final section portrays several conclusions. Writers conclude Indonesian Management Accountants are not ready to implement new standard compare with Malaysian Management Accountant both in theory and application. The problems are faced by management accountant need to be solved and in the future our next research would be related between IFRS and good ethics MA.

2. Literature

2.1 Management Accountant

According to the Institute of Management Accountant (IMA): "Management accounting is a profession that involves partnering in management decision making, devising planning and performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization’s strategy".

The American Institute of Certified Public Accountants (AICPA) states that management accounting as practice extends to the following three areas:

- Strategic management—advancing the role of the management accountant as a strategic partner in the organization.
- Performance management—developing the practice of business decision-making and managing the performance of the organization.
- Risk management—contributing to frameworks and practices for identifying, measuring, managing and reporting risks to the achievement of the objectives of the organization.

2.2 International Financial Reporting Standard (IFRS)

One of the agreement among countries in G-20 forum, which is the Government of Indonesia is one of its member, is “Strengthening Financial Supervision and Regulation” which will be implemented with “...achieve a single set of high-quality global accounting standards.” G-20 is an open and constructive discussion between industrial countries with the Development of Emerging Countries (EMDCs) in fostering global economic stability. Besides, G-20 also strengthen the international financial architecture to support global growth and to the establishment of the international agenda in the areas that have not reached a consensus and also make efforts in crisis prevention and management.
Standard Setting Body of Indonesian Institution of Accountant (DSAK IAI) is in the progress of converging Indonesian Accounting Standard to IFRS. It targeted to complete the convergence in 2012. During 2009, DSAK-IAI has enacted 10 new PSAK (Indonesian Financial Reporting Standard), 5 ISAK (Interpretation of Indonesian Financial Reporting Standard), repeal 9 PSAK-industries based and repeal 1 ISAK.

From the data above, the need for Indonesia to participate on convergence program seems to become a necessity. Thus, the International Accounting Standards Board (IASB) cannot separate the accounting standard-setting developments in Indonesia by DSAK from the development of international accounting standard setting. National accountings standards are currently in the process of gradually converge towards fully convergence with IFRS issued by IASB.

3. Data and Research Methodology

The research is a qualitative descriptive. Object of research is Management accountant in area of JABOTABEK (Jakarta, Bogor, Bekasi, dan Tanggerang) and Malaysian. The object selected by sampling to 30 companies in Jabotabek. The study period is September 2012 until January 2013. The data used are primary data (the survey) and secondary data (study literature). This research use random sampling as the sample method and data is collecting by direct observation, interviews, questionnaires and focus group discussion. For Malaysian Management Accountant, writers took from prior research The Benefits and Challenges of Financial Reporting Standards in Malaysia: Accounting Practitioners’ Perceptions (Morni Hayati Jaafar Sidik and Rahizah Abd Rahim, 2012).

4. Results and Suggestion

Indonesia has an agreement with G-20 about applying IFRS as of 1 January 2012. The facts is up to year 2013, Indonesia is not ready with application IFRS. Most institution is struggling with a new rules. Most of them are still confuse how to apply in a proper way. Most institutions were asking to extend the regulation until year of 2014. They said they would ready in 2014.

4.1 Questioners based on IFRS

Questions regarding’s are the IFRS. The result is 36.7% learnt IFRS from university, learnt from workshop 10%, learnt independently 26.7%. From the respondents answer, we conclude that half of the respondent graduated from university before 2010 because IFRS was introduced at university in 2010.

Table 4.1: International Financial Reporting Standard

<table>
<thead>
<tr>
<th>Statements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learnt IFRS from university</td>
<td>36.7</td>
</tr>
<tr>
<td>Learnt from workshop</td>
<td>10</td>
</tr>
<tr>
<td>Learnt independently</td>
<td>26.7</td>
</tr>
</tbody>
</table>

Table 4.2: International Financial Reporting Standard

<table>
<thead>
<tr>
<th>Statements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company partially applied IFRS in financial</td>
<td>20</td>
</tr>
<tr>
<td>reporting</td>
<td></td>
</tr>
<tr>
<td>Company partially applied IFRS in decision</td>
<td>16.67</td>
</tr>
<tr>
<td>making</td>
<td></td>
</tr>
<tr>
<td>IFRS full adaptation</td>
<td>23.3</td>
</tr>
</tbody>
</table>
It is only 23.3%, the company applies IFRS completely and 20% partially apply it. It can be conclude those 20% who are partially applying IFRS are still learning IFRS. IFRS consist of two types for public company and Small Medium Enterprise (SME). IFRS for SME in Indonesia is IFRS ETAP (Entitas Tanpa Akuntan Publik)

4.2 Malaysian Accountant in Applying IFRS

Cited from one of the big accounting firm, KPMG. Convergence in Malaysia was smooth because Financial Reporting Standard issued by the Malaysian Accounting Standard Board (MASB) has adopted IFRS. The slightly different is only officially date.

Based on research conducted at University Tunku Abdul Rahman, Malaysia, published at the Australian Journal of Basic and Applied Sciences, 6(7): 98-108, 2012, Morni Hayati Jaafar Sidik and Rahizah Abd Rahman interviewed 200 respondents from the member of the Malaysian Institute of Accountants (MIA) and the result was 25.79% understand well Malaysia Financial Reporting Standard (MFRS), 67.92% understand moderate and 6.29% little understand about MFRS.

From the result of research University Tunku Abdul Rahman Malaysia, we conclude that Malaysian Accountant is better in understanding the concept of IFRS than Indonesian.

5. Conclusion

This research gives an overview of IFRS for management accountant locally and internationally. Research showed Indonesian accountants have less knowledge on IFRS compare with Malaysian. This is indicated by the result 36.7% from 30 respondents. All the result from this research is limited with consideration given only for those respondent management accountants from 30 companies. For valid conclusion writers should work together with Indonesia Accountant Association (IAI-Ikatan Akuntan Indonesia) for the future research.

References


