

**The perceivable changes to the audit profession in Vietnam in light of the 2025
IFRS adoption**

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1. The necessity of topic

The adoption of International Financial Reporting Standards will bring about many significant changes to a developing economy such as Vietnam. One of those changes will be related to the labor force, such as regulators, practitioners, accountants, and auditors, among many others. It is expected that with different accounting standards, the job of accountants will change accordingly. But will it be the same for auditors? The common perception about the audit profession is that auditors evaluate evidence and documentation about clients' business transactions and activities to ensure clients comply with relevant assertions (such as accuracy, completeness, existence, valuation, occurrence, classification, cut-off,...) in order to give an opinion about whether the financial statements are true and fair. Therefore, the accounting standards that the clients adopt should not affect the job of auditors because auditors only need to know if the company is doing what it says it is doing. The researchers decide to choose this topic we all wish to work in audit (in Vietnam or abroad) when we graduate; therefore, this topic is of utmost importance to us because it directly helps us understand our future jobs.

CHAPTER 1: INTRODUCTION

According to Decision 480/QĐ -TTg 18/3/2013 of the Prime Minister, Ministry of Finance orientates to switch from using the Vietnamese accounting standards (VAS) and apply International Financial Reporting Standards (IFRS) from 2025 for all companies. The adoption of IFRS will bring about many significant changes to a developing economy such as Vietnam. From the researcher's point of view, on behalf of auditing students, it is strongly believed that there is a need to study about the impacts of these changes in Vietnam. This paper aims to study the implications on the audit profession of IFRS adoption in Vietnam so the authors can understand in great details what awaits ahead. Through this study, the researchers expect to discover key changes and recommended solutions to handle the changes as well. This could be considered a great preparation for new graduates applying for audit positions. Furthermore, the research results might be a good premise for further research within the field.

The primary method applied doing this research is to collect background data through the reading of related materials, as well as studies of our predecessors, in which we partially understand some useful knowledge related to IFRS. Then, to better understand the case in Vietnam, the research method used was personal interviews and surveys. The reason for using personal interviews is primarily because this is the method we consider most useful for gathering insights into our research topic. Face to face conversations will make the information we collect the most accurate and direct, much more so than gathering information from secondary sources. In addition, surveys are useful for gathering information on a large scale in a short time. The researchers can get the responses from many people with the same question, from which to draw the trend of the most accurate answers.

The main research participants of the interviews are those working in the accounting and accounting field, who have important responsibilities in their industry because they will have experience to provide high-confidence answers. Furthermore, they can give us some suggestions for our topic with their own personal experiences. These suggestions are helpful in creating questionnaires for the following section. The survey section consists of two surveys. The main participants of the first survey were employers from accounting and auditing firms in Vietnam. They keep the main responsibility for recruiting so their requirements for applicants are also what new graduates need to cultivate for themselves. Therefore, their response to the change in accounting standards is one of the important issues we need to be concerned about. The second survey was attended by students who had recently graduated from university and wished to work in the accounting profession immediately. The researchers want to find out the importance of IFRS to them as well as the things they prepare for themselves to find a dream job. This is a very important point because one of the main objectives of the research is to understand the reaction of graduates with new accounting standards.

The research structure consists of five parts: Introduction, Literature review, Methodology, Findings & Discussion and Conclusion & Recommendation.

CHAPTER 2: LITERATURE REVIEW

This chapter proceeds to establish a background context for the study by gaining an insight into existing literature and providing conceptual and theoretical ground for this research. The chapter is divided into 3 main parts, whereby the first part introduces a general overview of IFRS, the second part looks at how the nations have been approving IFRS and the third part analyses in more detail IFRS adoption and the case of Vietnam.

1. IFRS - Benefit and drawback

In the global economic integration trend, IFRS is becoming more and more popular in many countries and territories around the world. IFRS brings both advantages and disadvantages to users.

1.1. Benefit

Simplicity for new or small investors

According to Tan (2017) from Quy Nhon University, IFRS creates transparency and enhances accountability by reducing information gaps between internal and external. The standard of finance report is simpler and better with news and small business when IFRS puts both small investors, entrepreneurs and other professional investors in the same position, it seems to be an impossible with the previous reporting standards adopted, and this also helps to diminish risk for new or small investors, (Anna, J., 2013)

Better performance management for compliant companies

After implementing IFRS, it is able for business to measure their operations and company finances more accurately and the stage is set to improve business performance which helps businesses operate more efficiently through global and reliable standards that apply to both economies (International Financial Reporting Standards benefits of application - Implications for Vietnam, 2017). Business will also gain better insights into the operations of their competitors, customers, and partners as they make the transition, the specific benefit of IFRS to compliant company is improved financial reporting and tax planning, upgraded day-to-day operations, better managed resources, minimized cost of capital (Rick, Y., 2012)

Standardization of accounting information

The article “6 Advantages and Disadvantages of Adopting IFRS” showed that businesses using similar standards to prepare financial statements can more accurately

compare with each other. The author said that IFRS is very useful when comparing businesses that are based in different countries, as they may, otherwise have different methodologies and rules in preparing these documents . To clarify this matter, “Impact of IFRS disclosures on organizational performance” indicates that IFRS disclosures uses principles-based philosophy, the goal of principles-based philosophy is to arrive at a reasonable valuation and there are so many ways to achieve this goal,with this principle, the company can self-regulating conformity with particular situation or the investor have the greater comparability to better identify for investment plan.

1.2. Drawback

Not yet adopted in all countries

Until now, United States and some countries do not use IFRS, in particular: United States uses General Accepted Accounting Principles (GAAP) and Australia uses Australian Accounting Standards (AASs) (Mark, T. B et al, 2009). The author found that accounting by foreign businesses like America operating in another countries which use IFRS are facing difficulties because they have to prepare financial statements using different standards with their country.

Costly transition

The expenses occurred in relation to the application by multinational companies to adapt new accounting standard (IFRS), training costs or hiring accountants or consulting assistant, however; Alison Fox (2014) point out that it seems to be over capacity of small companies can bear. Furthermore, the author made a comparison between a small company and larger ones and concluded that the smaller company will bear of a financial burden rather than the larger in this area. To support for this author, Sunita Nishad showed the evidence that US companies spend over \$8 billion for total cost of transition and smaller ones spend around \$420,000 in average per year.

Limited training

In case of Vietnam, International Human Resources training for the application of IFRS is still limited. Currently, only a few international professional organizations such as ACCA, CPA Australia, and ICAEW have IFRS training program but the number is not much. Some auditing firms such as Big 4 have just trained mainly for corporate employees. However, the majority of accountants in enterprises are those who directly formulate financial statements have not been trained and approach IFRS.

Almost all universities have not implemented IFRS training for students that leading to poor understanding of IFRS on students (International Financial Reporting Standards benefits of application - Implications for Vietnam, 2017).

2. IFRS adoption all around the world

IFRS are list of standards to provide the financial reporting language of the global capital markets so that company accounts are understandable and comparable across international boundaries (PwC 2017). In recent time, 119/143 countries in the world required their domestic companies to applied IFRS (Huy, D. M., 2017).

2.1. Developed countries to deal with IFRS

The United State is using their own accounting principle to report the financial statements called US GAAP. According to Hana & Danuse (2009), a lot of similarities are shared between IFRS and US GAAP in revenue recognition section such as the definition, the measurement, sale of goods, rendering services and long-term contracts combining and segmenting. However, they are different from each other in deferred payment and long-term contracts revenue recognition (Hana, B. & Danuse, N., 2009). The European Union (EU) passed a regulation that required all companies listed in EU to use IFRS for fiscal year after 1 January 2015. Accounting quality in EU after this adoption based on many elements. This idea is strongly supported by Naomi & Kevin; they argued that there are three factors are hinge of IFRS adoption in EU: the standard quality, political system and financial reporting incentives. (Naomi, S.S & Kevin, J. S., 2007).

As mentioned above, IFRS adoption in EU is mandatory, so it brings many differences compared with voluntary. The researchers consider two particular countries in EU: Finland and German because Finland adopted IFRS mandatorily while this was voluntary in German a long time before it became mandatory throughout EU.

Finnish face with many troubles when they are mandatory IFRS adopters because their domestic standards differ significantly from those of IFRS (Henry, J & Anna-Maija, L., 2012). As a result, the authors found that earnings, book value of assets and liabilities are not match anymore under IFRS so they had to revalue these things. However, Henry & Maija (2012) also concluded that IFRS provide them larger information range to predict future cash flow.

By contrast, with Finnish, Germany is voluntary IFRS adopters soon in the 1990s. The key difference between IFRS and German GAAP (HGB) are 2 categories: the recognition and measurement of assets and liabilities and consolidation procedures (Soledad, M., Jordi, P., Anselm, C., 2005). To deal with this, the researchers figured out that there are 7 adjustment types can be used: goodwill development costs, PPE depreciation, pensions, deferred tax, provisions and hedge accounting.

Not only do EU countries transition and adopt IFRS, but this is also the case in some Asian countries, the most significant of which is China. A group of Chinese researchers came from four different universities concluded that their countries adopted IFRS in 2007 and it leads to several changes in earnings management and the value relevance of accounting measures (2013). In particular, the value relevance of reported earnings increased while earnings smoothing decreased with the standard change (Liu, Yao, Hu & Liu, 2013). Because of IFRS adoption, Chinese companies had lower demand for hiring auditors and leads to the decreasing of audit fees in China (Lin & Yen, 2009).

2.2. IFRS adoption in developing countries

IFRS brings more benefits to Nigeria rather than costs. Abdulkadir (2012) figured out that thanks to adopt IFRS, Nigeria is now attracting more direct investment from foreign countries (FDI) and reducing many cost of doing business and become more international. However, Nigeria had to cope with a lot of challenges related to framework, campaign and training of personnel (Abdulkadir, M., 2012).

South Africa – an important part of Africa officially adopted IFRS in 2005 and it led to some specific changes in accounting quality (Daniel, A., 2013). By creating a logistic regression and testing in 3,950 variables, researcher concluded that earnings quality was not improve after the adoption however the value relevance was, so in general IFRS brought benefits. This statement was totally opposite with the opinion of Wyk & Rossouw (2009), they indicated that the recognition and measurement of IFRS do not provide useful information for users.

Kenya is a small country in Africa and they adopted IFRS very soon in 1999. A research (2011) conducted by an auditor in Kenya found that there is a less earnings management, more loss recognition and value relevance after his country adopted

IFRS. Furthermore, the eight-matric calculation of author indicated that the accounting quality in Kenya was developed after IFRS adoption (Erick, R. O., 2011).

To sum up, IFRS adoption in developing countries gain a lot of advantages, especially from FDI so the cost of capital were lower (Francesco, B. & Raynolde, P., 2012). Vietnam is a continent of developing countries so all of these studies can be premises for research in Vietnam. Moreover, almost all of research and articles above are focus in accounting quality but quite few studies about audit. As a result, our research is expected to shed light for this new area.

3. IFRS and case in Vietnam

3.1. VAS in Vietnam

Vietnam is in a strong, comprehensive and economic development process, building a platform for market-driven, open and integrated business (World Bank, 2017). Along with economic innovation, the Vietnamese Accounting System has been thoroughly improved, step by step approaching and integrating with the international principles, regulations and standards (Anh & Ming, 2012). The process of establishment and development of the market services sector of Vietnam Accountancy has achieved many great achievements: Based on International Standards on Auditing (“ISA”) the Vietnamese auditing’s legislation system has been studied, compiled and promulgated compatible full, detailed and clear to appropriate with business environment in Viet Nam. According to KTC’s review, Overview on the Audit Practice in Vietnam, in 1990s, legal framework for audit was formed with the issuance of regulation on state audit, independent audit and internal audit. Also be stated in this review, in 1999, the Government attempt to complete and put in to practice the first series of six Vietnamese Standards on Auditing, being constructed from ISA. Which aim to bring reliable and transparent financial information source for investors and public?

As of 30 May 2005, there are 33 independent audit standards - VSA issued by the Ministry of Finance, most of which were closely adapted from ISA, except for the VSA 1000 - Audit of Finalized Report for Construction Completion, all other VASs are generally equivalent to the corresponding ISAs (Overview on the Audit Practice in Vietnam, KTC, 2012).

Conforming to Accounting Law, 2003, Vietnam Corporate Accounting systems is stipulated by Law on Accounting, below the law regulation for guidance of law on accounting such as decisions, decrees, circulars, official letters, and Vietnamese Accounting Standards.

Following Anh & Ming (2012) in table 1, until now, Vietnamese Accounting Standard (“VAS”) consist of 26 standards and 5 phases; Vietnamese Standards of Auditing (“VSA”) includes 37 standards relevant to ISA and Vietnamese Accounting Law.

Although auditing legislation in Vietnam was adapted to international standard, the quality of the audit practice is still a question. In Vietnamese Accounting Reform and International Convergence of Vietnamese Accounting article published on International Journal of Business and Management, authors pointed out that VAS / VSA still has many unclear issues and problems that remain in conflict between standards or the lack of consistency between standards and guidelines of that standard. In addition, the legal system of Vietnam is very hierarchic, using a lot of forms, papers, through many stages at many levels, causing the work to be delayed, complicated unnecessary (Anh & Ming, 2012). This comes mainly from the fact that the accounting system in Vietnam is too focused on control rather than the ability to manage risk and efficiency, making it difficult for foreign firms to invest in Vietnam (Lai Thi Thu Thuy, 2012). The rising issue now is how to apply these standards at the firm level in local auditing firms in an understandable and practical way?

.2. Key differences between VAS and IFRS

There are significant differences between Vietnamese Accounting Standard (VAS) and International Financial Reporting Standard (IFRS) (PWC 2008). According to Huong et al (2011), the overall level of convergence between VAS and IFRS is at moderate level, about 66%. In particular, the authors concluded that the convergence in measurement accounting rules is at higher rate, 75.8% compare to the convergence in disclosure accounting rules, 61.9%. PWC (2008) when comparing VAS and IFRS/IAS has pointed out that there are 12 IFRS/IAS non – existence in VAS which is equivalent, just 8 VAS are fully implemented with IFRS/IAS, and almost the remaining VAS are issued based on old version of IFRS/IAS. In addition, since VAS was released, it has not amended by Ministry of Finance, despite of the change in

IFRS (Dung, H.T et al, 2012). Therefore, it created the big gap between VAS and IFRS. We can compare this with other countries, in particular, China. After a lot of amendments and alteration, the final “New Accounting Standard” of China issued on 15 February 2006, is appraise as harmonized with international accounting standard. Cigdem, S. & Sinan, A. (2008) stated that the distance between Chinese Accounting System and International Accounting Standards is now closer than the past practice; however it still keeps its collectivist, conservative and long-term attribute and structure.

Furthermore, Huong et al (2011) also mentioned the reasons for low level of convergence between VAS and IFRS is “time lag”. All twenty six Vietnamese Accounting Standard are promulgated in the period from 2001 to 2005, and are based on the International Accounting Standard (IAS) that is issued prior to 2003 (Huong et al, 2011). As mentioned above, from that period to present, there were not any amendments implemented, while IFRS/IAS is constantly updated in response to rapid changes in business environment. Therefore, the IASB amendment to IAS and the new IFRS after 2003 is not included and adopted in current VAS, with the exception of VAS 19 (2005) is issued based on IFRS 4 (2004). For example, the VAS 21 about presentation of Financial Statement is based on previous version of IAS 1 (PWC 2008), as a result, it make “financial statements prepared under VAS may have various classification and presentational differences compared to financial statements prepared under IFRS”. Dung, H.T et al (2012) also discuss that lack of quantities is also the reason why VAS has significant gap compare to IFRS. Specifically, there are many VAS that do not have accounting interpretation which equivalent to IFRS/IAS (Dung, H.T et al, 2012). From 2006 to present, IASB has promulgated many new IFRS/IAS; however, Ministry of Finance has not considered issuing equivalent VAS. Nevertheless, the authors also point out that these new IFRS/IAS is still difficult to implement and not popular in Vietnam. Therefore, the Ministry of Finance should have the drafting and gradually promulgated to ensure the new accounting standard both appropriate with the characteristic of Vietnam and reduce the gap between VAS and IFRS (Dung, H.T et al, 2012).

.3. Adopt IFRS in Vietnam

At the moment, Vietnam plans to apply IFRS by 2025 step by step. According seminar “IFRS - Trend and roadmap for adoption in Vietnam” in December 2016, Director of the Accounting and Auditing Policies Department under the Ministry of Finance, Mr. Vu Duc Chinh said that one of the biggest problems in VAS was it cannot totally reflect assets and liabilities when IFRS have done in accuracy way. Therefore, the application of IFRS is essential if Vietnam hopes to deeply integrate with the world economy (Vu D.C., 2016). In the seminar proceedings, the policy makers separated the process of applying IFRS into four main phases:

- Phase 1: In 2017 - 2018, we organize the research activities and workshops to get comments from economists, enterprise owners and university professors for the draft of VAS/VFRS and IFRS. Besides, taking the first step to assess influence of the IFRS application and selecting some entities to apply the IFRS pilot.

- Phase 2: In 2018-2020, 10 to 20 IFRS standards will be chosen to be officially applied for all the companies listed on the stock market. We will continue to propagate and promote IFRS for enterprises, auditing companies and universities.

- Phase 3: In 2020 - 2023, some additional IFRS standards would be putting into practice (expected increase by 30 standards).

- Phase 4: In 2023 - 2025, all firms in Vietnam have to complete their conversion process.

By the example, in article Revenue reporting’s global makeover Kien (2017) claimed that International Financial Reporting Standard 15 Revenue from Contracts with Customers was issued by the International Accounting Standard Board in May 2014 and will take effect on January 1, 2018. It provides a model of revenue recognition from contracts with customers and replaces previous interpretations and standards. This can be seen as an initial movement of VAS to IFRS in Vietnam.

As of the time doing this research, there is little or no paper that determines the impact of applying IFRS into Audit Profession in Vietnam. Thus, we hope that our paper will become one of the first scientific researches in this field of study. From our point of view, Audit Profession is influenced by the changing from VAS to IFRS to some extent. These influence will be clarify in the Results and Discussion parts of the research.

CHAPTER 3: METHODOLOGY

According to the main objective of our research, which is to understand the impact of the 2025 IFRS adoption in the Vietnamese audit profession, it is necessary to have a logical and structured procedure for the research that would best aid in investigating this new research problem. To present the procedure of our research clearly, we will discuss in turn the research type, sampling method, source of data collection and study techniques.

1. Research type

The type of research which we used to analysis the problem is qualitative research. The reason for choosing qualitative research is the novelty and predictability of our research's issue. From the point of view of accounting and auditing students, IFRS adoption in Vietnam is quite new and needs in-depth knowledge to be reliably evaluated. This approach helps us avoid imposing our own prediction upon the respondents. The aim of this type of research is to investigate how the respondent interprets their own opinion and explanation for the research issue, and we also use it to gather an in-depth understanding about IFRS adoption under the profession's viewpoint (particularly, though interviews).

2. The sampling method

In this study the sampling method used is the non – probability sampling technique, with the combination of quota sampling method and convenience sampling method(Cooper and Schindler, 2003).Compare with probability sampling, non-probability sample is not conducted by a randomized selection process. Subjects in a non-probability sample are usually selected based on their accessibility or by the purposive personal judgment of the researcher. With limited time and resources convenience sampling and quota sampling is chosen since their ease and sense of initiative to access appropriate subject. Because of the specialization of the research, the respondents chosen are auditors, recruiters of audit companies, accounting and auditing students, which aim to collect professional attitude and expert's opinions to contribute to the result of study become more reliable and persuasive. A list of 10 accounting and auditing companies (KPMG, Delloite, EY, PWC, HSK, AIC, AGS, DFK, AASC, VDB)was selected to distribute questionnaires and conduct interviews.

3. Source of data collection

Our research problem is a newly arising issue so secondary sources have proven to be limited and inadequate to ensure quality of the research results. Therefore, it seems to be appropriate to concentrate on gathering information from primary sources such as interviews and surveys from people who have experience in audit aspect. Although these data collection methods are demanding and time-consuming, they truly help to perform the analysis and make valid conclusions.

4. Technique and procedure

This research was conducted using two distinct methods of data collection: interviews and questionnaires, each of which are presented in detail as follows.

i. Interview

The first approach in collecting information and data of this scientific research is to interview. Interviewing is a very popular way of doing research. There are two common types which are face-to-face direct interviews and indirect interviews. In our study, we applied both methods. We have conducted six interviews, of which four were direct and two were indirect. We will take a closer look at the implementation process in the following sections.

The main respondents of interviews are the experts in International Accountancy Profession, experienced auditors, and experienced lecturers from universities in Vietnam. We have selected people in the international working environment who are having access to IFRS in various forms. Four auditors from Big 4 companies Deloitte, PwC, KPMG and EY were interviewed. In addition, the researchers have approached accountants of a large enterprise in Vietnam that is Sun Group. Last but not least, we chose to interview an International Accounting lecturer of our university.

There are three following reasons to explain why we chose these people. First of all, auditors at international companies are the ones who know best about the current application of IFRS in Vietnam. They have to follow the government's roadmap to make timely changes in their work with both domestic and foreign clients. They are knowledgeable about both VAS and IFRS, so we chose to interview them.

Secondly, the businesses are those that directly apply IFRS. Vietnam is at the first stage of the transition, so small and mid-sized companies have not had this access and application while large corporations have gradually moved in this regard. Therefore, Sun Group - a leading multinational corporation in Vietnam - has been selected by us. Finally, the researchers want to understand that in the transition process whether our education system has a corresponding shift or not. That is why researchers have invited a lecturer from International School - Vietnam National University to participate in the interview.

Interviews can be described as a qualitative research technique which is “conducting intensive individual interviews with a small number of respondents to explore their perspective on a particular idea, program or situation” (Boyce and Neale, 2006). Specifically, in this research, we will implement the semi – structure interviews. As mentioned in the literature review, the topic about the change to the audit profession in Viet Nam in light of the 2025 IFRS adoption is the new problem, and there is little or no paper that have adequately studied it before. Therefore, with that such a new topic, it is believe that the semi – structure interview will help the authors explore the new insights for the research. In the semi – structured interview, the researchers will design a list of themes and questions to be covered; however, it will vary from interview to interview. As deemed appropriate, additional questions maybe asked to clarify and further expand certain issues depending on the flow of the conservations.

In particular, the interviews are mostly conducted face – to – face. However, because the time of conducting the interview is at the end of the year, which is in auditing season, therefore, it was difficult for the researchers to arrange the appointments with some respondents. Thus, with those situations, electronic interviews were conducted, specifically through email.

The questions in the interviews are mainly open questions, which focus to answer the questions “what”, “how”, and “why”. The content of the questions list is divided into two parts. Firstly, the researchers want to focus on the impact of IFRS adoption into the change in audit profession in Vietnam. In this part, the questions are designed to explore the impact from general scope to specific scope, in particular, is the impact to the Vietnamese accounting standard to the impact to Vietnamese

auditors. In addition, the researchers also want to discover the opportunities and difficulties that Vietnamese auditors have to face when IFRS is adopted. The second part of the questions list is focus on the training system for auditing students. How will the training system in universities be changed? Whether the change of accounting system will be a challenge or opportunity for Vietnamese students? What are the expectations of recruiters for the graduates when Vietnam adopts IFRS? We expect the answer for these questions to be investigated in this part.

The detail of the questions list will be enclosed in the Appendix1.

ii. Questionnaire

The second approach in collecting information and data of this scientific research is to give out questionnaires. To measure the perceivable changes to the audit profession in Vietnam in light of the 2025 IFRS adoption, the researchers conducted a survey among students who had recently graduated from colleges or universities with accounting & auditing major (graduated less than one year and expected to work in accounting & auditing fields) and students who have started work as auditors or accountants. Because the limitation in time and capacity, the researchers will not do surveys in all accounting and auditing students in Hanoi, instead of that, the researchers decided to do the survey in a sample. The population is unlimited, the sample size is calculated based on the formula:

$$\text{Sample size} = \frac{Z^2 \times p \times (1-p)}{\epsilon^2}$$

To get the reliable result, the researcher set the confidence needed in the data of 95%, which have Z value is 1.96, the margin of error of 5% and the population proportion is set at 0.5. As a result, the sample size needed will be:

$$\text{Sample size} = \frac{1.96^2 \times 0.5 \times (1-0.5)}{0.05^2} = 384.16$$

It means that at least 384 respondents would participate in the survey, out of the 600 questionnaires that were distributed. The researcher will use the non-probability sampling technique, with the combination of quota sampling method and convenience sampling method to select the respondents. 500 questionnaires were distributed equally to 9 accounting and audit companies where students recently graduated from universities and are in the process of training to accounting or auditing in Hanoi

(KPMG, Delloite, Ernst & Young, PWC, HSK, AIC, AGS, DFK, AASC). Furthermore, to increase the validity of research, a further 100 questionnaires were distributed to training centres of CPA, ACCA, ICAW. The questionnaire will be sent to the object of study through company official e – mail and hand copies in their training class. The survey will have the assistance of the curators in company and direct collection by researchers. The result of the survey will be collected by the curators then will be sent back to the research via e – mail and directly in training centre.

To be more clear about the perceivable changes to the audit profession in Vietnam in light of the 2025 IFRS adoption, the researchers decide to find out the effect of changes to accounting & auditing firms and the expectation of recruiters with candidates, who will directly interview and evaluate the graduated students, the researchers sent the questionnaire to 10 recruiters from 10 accounting & auditing companies of different scales (KPMG, Delloite, Ernst & Young, PWC, HSK, AIC, AGS, DFK, AASC, VDB). Beside some well-known companies in accounting and auditing field, questionnaires were also sent to smaller companies in order to compare the difference between the recruiters. The survey will be used the non – probability sampling technique. The questionnaire will focus on exploring the necessary conditions of applicant for employer consideration. This is the important phase in the research because the result of this phase will raise the reliability and objectivity of research.

Our first survey with employer consists of 5 questions

- The first question is rating question. Its objective is to figure out the necessity of IFRS with the company in which the employer is working. It can be seen that the more important IFRS is perceived, the higher the expectations from recruiters.

- The next two questions aim to find out whether a relationship exists between knowledge about IFRS and the competence of employees in the employer's point of view and how it effects the opportunity to be recruited. The second is a rating question and the third is a multiple choice question.

- The fourth question is an open question because researchers do not want to give an oriented question, by contrast we want responders to give their own opinions. We suppose to understand more about the expectation of employer to employees not

only about knowledge but also other aspects. We look forward to find out many other factors that can impact the final decision of recruiters.

- The last question is a multiple choice question. In this question we discuss about the ability to adapt to working environment of employee who have great understanding about IFRS. We aim to discover whether they have higher productivity than other people who do not have professional certificates.

- The second survey focus on new graduates who want to have a job on accounting or auditing major.

- The first question is a dichotomous question. Through this we expect to figure out whether a relationship exists between gender and the possibility to be recruited. In our opinion, gender is a significant factor that need to be take into account when research about job opportunity, especially in a Asia country like Vietnam.

- The second question asked about the major that responder used to take in their universities. It can be seen that students from other majors can apply for an accounting or auditing job, so we want to know whether it can impact their job opportunity.

- The two next questions aim to find out about the responder's educational level. From this and combine with result of other questions, we can understand partly about the competence of responders and the importance of IFRS and professional certificates in accounting and auditing career.

- The fifth and the sixth questions asked about responder's job status and time needed to find that job (if any). These questions will help the researchers discover the possibility to be accepted for a job. Furthermore, we can know how other factors influence this possibility when associated with result of questions above.

- The seventh question is a rating question. Researchers expected to understand the role of IFRS knowledge or professional certificates to job opportunity when the job experiences have been excluded. We hope to answer the question that whether new graduates with good preparation in IFRS can have better opportunity to become essential applicants.

The last question to enquire more about other factors that need to be taken into consideration for students that have just been graduated from university and expected

to have a good job. The researchers want the respondents to give their answers based on their own experiences without any biased guidance, so that is reason why open questions were designed.

The detail of questionnaire will be enclosed in Appendix 2.

CHAPTER 4: FINDINGS & DISCUSSION

1. Interviews

The interviewees that were selected for this part of research were people who were considered to have adequate expertise regarding IFRS as well as rich experience in either working or teaching accounting and audit in international environments. Brief profiles of the interviewees are listed below:

Interviewee 1 is Deputy Manager of Assurance Service in PwC

Interviewee 2 is former Auditor in Deloitte, Lecturer at IS – VNU

Interviewee 3 is senior manager from KPMG

Interviewee 4 is Audit Manager in EY

Interviewee 5 is former Auditor in EY, Lecturer at IS – VNU

Interviewee 6 is the former Auditor in Deloitte, Financial Manager of Sun Group

The interviews were conducted in a semi-structure format. Therefore, the questions asked were not identical across all interviewees, but they followed a common theme. The following 5 statements illustrate the 5 topic areas that were discussed with all interviewees, and a synthesis of discussion of each theme is also thoroughly presented.

Theme 1: It is necessary to adopt of IFRS in Vietnam.

Responding to the question whether Vietnam should adopt IFRS or not, most respondents believed that IFRS should be applied and have to be applied in the near future. Explaining this viewpoint, Interviewee 1 – Deputy Manager of Assurance Service in PwC said that, Vietnam is still an emerging market which is neither mature nor saturated. Therefore, there is an abundance of potential investment opportunities available in this market. However, when foreign investors decide to invest in Vietnamese market, they have to deal with the barriers of language, legal framework, and “business language”, in particular is accounting standard system, so that the

adoption of IFRS will have a lot of advantages and help the investors feel more confident when making decisions. The other reason is provided by Interviewee 2 (former auditor in Deloitte, and is a lecturer in IS – VNU) is that there are more and more countries in the world who have adopted or are in the process of adopting IFRS, and if we do not change, the global competitiveness index and the transparency in financial statement of Vietnam will most likely be adversely affected. In addition, all of the respondents who support the adoption of IFRS think that the roadmap for adoption should be step by step. Interviewee 6, the former auditor in Deloitte and now a financial manager in Sun Group, believes that the change in whole standard at the same time will deeply influence the Vietnamese economy, especially with the enterprises which do not have direct benefit from integration. This point of view is also supported by opinion of the Interviewee 5 (former auditor in EY, lecturer in IS – VNU), that the entire adoption at present is infeasible and a vain attempt, the roadmap for adoption in Vietnam should be detail scheduled and planned before implementation. Vietnam can learn from the experience when adopting IFRS in many countries in the area such as Malaysia or Cambodia. Some other developed countries such as Singapore or Korea build their own accounting standard based on IFRS, called Singapore GAAP and KFRS, because they do not want to lose initiative and control. Therefore, the problem about whether to adopt IFRS partially or entirely should be carefully considered by the Ministry of Finance and other related parties.

However, Interviewee 3 – senior manager from KPMG - has different opinions from other respondents. He states that the adoption of IFRS in the near future is not necessary, because the current accounting standard – VAS still performs very well, and the adoption of IFRS will significantly waste resources, such as time and money. The reason for the difference in respondents' opinion can be major audit work that Interviewee 3 is responsible for is within domestic companies that rarely have transactions with foreign firms, so that in his opinion, IFRS is not too important. The opinion of Interviewee 3 represents for a lot of small and medium – size companies in Vietnam.

To prepare for the adoption of IFRS, the legal framework and human resources are the factors that the respondents consider to be essential, in particular is the qualified human resources with deep understanding about IFRS and the legal

framework that detail guidance for the auditors and also the accountants to follow. The problem about language and geography when communicating with International Accounting Standard Board (IASB) is also a key factor that Vietnam have to solve according to Interviewee 1. Besides, he also states that the information about fair value or interest should be transparent if Vietnam wants to successfully adopt IFRS.

Theme 2: Vietnam will have to face many difficulties, but can also benefit from a lot of opportunities when adopting IFRS.

Adoption of new standards will definitely create challenges as well as opportunities for Vietnam. The biggest difficulty that Vietnam has to face is lack of qualified human resources. Interviewee 5 stated that Vietnamese accountants and auditors have been working with Vietnamese Accounting Standard (VAS) for a long time, so it is a challenge for them to fully understand and use IFRS in practice. Besides, Vietnamese regulators also need to have the ability to regularly communicate and update with any changes in the international standards. According to Interviewee 1, it is highly probable that Vietnam will have not yet understood the present standards, but IASB will have already updated new standards. Therefore, the problem about human resources, in both quantity and quality is the key difficulty that Vietnam has to face when adopting IFRS. The costs arise from the transition to new accounting standards, in particular, is the cost of training, cost of developing new infrastructure, communication network is also a problem for the government and the enterprises, especially with the small and medium enterprises, which make up the large proportion in Vietnam. Other difficulty that Interviewee 1 strongly proposes is that the business environment in Vietnam is not transparent enough, and does not offer suitable conditions for adopting international standards like IFRS. IFRS is principle-based, which merely provide guidelines for each situation instead of imposing rigid rules like in the current Vietnamese accounting standards, which are rule-based, thus adopting IFRS requires high professional judgment as well as ethics and integrity for successful implementation. As a result, similar transactions can be treated differently, depending on the manager's choice of accounting policies. For example, inventory costing methods, accounting estimates, provisions or impairments... Therefore, the ambiguousness in IFRS may create the chance for Vietnamese enterprises to report the financial information in the most profitable way for them, and then make the financial

statements not transparent and reliable enough, thus affecting the decision making process of investors. Besides, Vietnamese business market lacks symmetry of information about fair value, interest... and it is difficult for accountants to apply some standards such as IAS 16 (Property, plant, equipment) or IFRS 9 (Financial instruments). This argument is supported by the opinion of Interviewee 4, that the biggest difficulty that Vietnam has to solve is to build a true and fair market – the market with transparency in financial ratios, indices and fair values.

Beside the above-mentioned difficulties, the adoption of IFRS also provides a lot of opportunities for Vietnam. Vietnam is an emerging market which faces many potential investment opportunities, so the adoption of IFRS will help converge the “business language” with many countries in the world, thus help the Vietnamese enterprises attract more foreign investors and create higher chances for successful integration. The adoption of IFRS also contributes to improving and developing financial markets and the overall business environment by increasing the transparency in the financial statements provided by the organizations.

Theme 3: Adoption of IFRS has widely affection to Vietnamese auditors.

When Vietnam officially adopts IFRS, the auditors will be the first group of stakeholders that will be significantly influenced by the change, according to Interviewee2. Firstly, auditors have to deal with many challenges. At the moment, the Vietnamese auditors’ work is to provide opinion on whether the financial statements provided by companies are presented fairly, in all material respects, in accordance with the Vietnamese Accounting Standard (VAS). Since the domination of VAS, the auditors do not have chance to get acquainted with IFRS, resulting in the confusion in implementation. Besides, the auditors have to be a leading group that co-ordinate with the Government and Ministry of Finance in researching about IFRS and finding the best roadmap for adoption of IFRS in Vietnam. In addition, auditors need a deep understanding about IFRS to perform consulting services for the enterprises that have foreign investors and in the future, for the domestic enterprises as well. At present, the major work of Big 4’s auditors is related to IFRS so they are generally familiar with the international standards and necessary requirements of the job. However, it will be a challenge for the auditors in other domestic companies because it is the new field to them, so it requires the Ministry of Finance and other related parties to find the most

suitable solutions. Interviewee 4 believes that the expensive cost in attending a class to study to get some certificates regard IFRS such as ACCA, CPA... is also a great challenge. If Vietnam can bring IFRS to become an official subject in universities and teach on a large scale, the cost for approaching international standard will be reduced and make IFRS more accessible and more popular in Vietnam.

However, the challenges also create many opportunities for Vietnamese auditors. To integrate with the global economy, the role of auditors is extremely important. Auditors are the people who are responsible for providing a professional and unbiased opinion regarding the faithful representation of financial information to shareholders and, thus, help them as well as potential investors and other stakeholders make right investment decisions. In addition, when the multinational companies want to establish affiliation in Vietnam, they may have to prepare the financial reports in accordance with both VAS in Vietnam and IFRS in parent company, so it will create the job opportunities for auditors, especially for those who understand IFRS. It is also a chance for consulting services in audit firms to be developed. Besides, having knowledge about IFRS will help auditors expand their career to other countries that also use IFRS. They will be working in more professional environment with higher salary and higher promotion opportunities. In the future, it is definitely that the auditors who can understand and work with both accounting standard VAS and IFRS will be more sought after than the auditors who just work with VAS. Therefore, it creates the necessary demand for learning IFRS in auditors. Interviewee 5 advised that the best way for auditors to obtain understanding about IFRS at present is to actively research and cultivate the knowledge about IFRS, attend the workshops, seminars about these standards to be up-to-date with the changes in the world. The earlier they research about IFRS, the more opportunity they can get immediately and in the future.

Theme 4: Students need sufficient and timely preparation for the change in accounting standard.

In general, the application of IFRS in Vietnam has certain impacts on Accounting & Auditing students. It can create both difficulties and opportunities for students to express themselves in this step-by-step transition environment. Interviewee 2 claims the opportunities that may come to the students by saying: "Our accountants have only met 3 percent of accounting staff resource in Asia. It means that students

who study accounting in the direction of international career certificates may get opportunities to work not only in Vietnam but also in countries in the region such as Malaysia, Singapore, etc". Vietnam is in the process of transition so many companies tend to urgently recruit qualified and knowledgeable personnel who understand both sets of standards. If graduates catch up with the trend, they can gain plenty of benefits, as well as future employment opportunities in both domestic and abroad environments. Beside the opportunities, there are still some challenges for the students majoring in this field. According to Interviewee 1, students should make more efforts in learning to grasp both VAS and IFRS. Whether Vietnam applies IFRS or not, many foreign enterprises have adopted IFRS for a long time now, so deeply understanding the international standards to meet the requirements from foreign clients is necessary. In addition, some graduates are still learning old school curriculum and have not been updated with the international standards. They may find it difficult because there are companies who have adopted IFRS, some others have not adopted yet while others have adopted partially. As the result, it can be difficult for them to orient their future work.

We summarize the opinions of the interviewees and present some issues that student can prepare for as follows:

- Language: English is a prior element to adopting IFRS in Vietnam. The original language of these standards is English, and some standards range from 100 to 200 pages. Therefore being able to understand all of them can be seen as a huge challenge. Students who are proficient in English will have the advantage of understanding and following the thinking process of the law-makers.

- Knowledge: Acquiring sufficient knowledge of IFRS through obtaining relevant occupational qualifications such as ACCA, CPA, etc. will be a plus in the students' resumes. Students who have studied VAS can learn more about international accounting documents to supplement their knowledge, especially that it is widely known that VAS has been built largely on the basis of IFRS, so the differences between VAS and IFRS are not paramount

- Understanding: Students should be aware of current economic situation and prospect in Vietnam and in the world. They should be dynamic, creative and constantly

update the changes in international accounting. Being actively involved in international accounting seminars is a good way to effectively approach IFRS.

Theme 5: With the changes in the accounting standards, there is a variation in the expectation of employers from different firms.

The future of IFRS is expected to be far-reaching so demands regarding quality and quantity for candidates in the eyes of Vietnamese employers are expected to undergo significant changes. In a top national corporation like Sun Group, Interviewee 6 said that employers are beginning to have more stringent requirements with applicants. They will not have to spend money and time on training if the worker meets the requirements in the international accounting environment. With Deloitte, they will give priority to candidates who have international certifications such as ACCA, CAT, CFAB, etc or are enrolled in these kinds of program. For instance, people who have passed ACCA level 1 (Foundation level) or some other ACCA subject will be rated higher than those who have only completed a bachelor degree. Not only does this reflect the importance of obtaining relevant qualifications but also the commitment of the candidates to the profession. Besides, when students learn these programs, their knowledge is closer to the content of IFRS which is likely to be useful for their future careers.

At present, PwC emphasizes their attention to the four following factors when recruiting interns:

- The candidates can firstly grasp the current economic situation, current business environment and how they will change in the future.
- Good language preparation, especially in English, will be an advantage for candidates. If English is not good enough, it will not be able to meet the requirements of the job especially in the current transition period.
- If there are understanding of international principles and comparison between two sets of standards, it will be a great bonus for candidate.
- It is academic work environment that demands high-pressure, so companies expect students' GPA should be relatively good to reflect the focus of students with learning.

However, there are also companies that do not require fresh graduates to catch up to these changes. In fact, both Interviewees 3 and 4 pointed out that EY and KPMG do not expect students to have much knowledge of IFRS when they start a new job. New employees will be retrained by the senior staff, so there is not much difference in the selection process and the requirements of the recruiters between pre-IFRS period and IFRS-period. EY and KPMG currently only consider specialized knowledge factors as part of the criteria for evaluating candidates, but not as decisive. Therefore, they do not have any significant change resulting in this process.

In addition, many companies evaluate candidates who have studied abroad better than those who have just been educated in Vietnam. They believe that foreign education makes students more motivated and adaptable to change. Not only that, curricula and syllabi abroad is updated regularly and appear closer to reality than in Vietnam. In contrast, many employers claim that the quality of students in domestic environment is quite similar to others who study abroad or at international schools in Vietnam (Interviewee 1, PwC). If they can focus on learning English, the language will not be a notable barrier. In terms of knowledge, if students have the knowledge and understanding of both types of standards, they have competitive advantage over other candidates whether trained in Vietnam or abroad.

Overall, from the result of the interviews, it can be concluded that the change in accounting standard from VAS to IFRS can affect widely to the audit profession in Vietnam. The auditors have to face many difficulties; however, they can also take many benefits from IFRS. The necessary response is the roadmap for adoption and other preparations should be planned carefully to solve the difficulties and promote the benefits. In addition, based on the interviews, the researchers also believe that IFRS is essential for the development of Vietnam. It may bring many challenges for Vietnam in many fields. However, these challenges also create the opportunities to contribute to the development of not only the audit profession but also the economy of Vietnam.

2. Questionnaire

In this research, two surveys were conducted. The first survey was made for the recruiters from 10 well-known accounting and auditing companies (KPMG, Deloitte, Ernst & Young, PwC, HSK, AIC, AGS, DFK, AASC, VDB). Despite of time limitation, the result of survey still perform good quality with 100% respond rate and

all the answer received is professional and succinct. The other survey was conducted among students who have started work as auditors or accountants and students whose major is accounting and auditing had recently graduated from colleges or universities (another condition is graduated under one year and expected to work in accounting & auditing fields). The second survey resulted in 70 % of response rate (the researcher sent 400 questionnaires and received 280 replies) in which 224 were acceptable.

The result from our first survey suggests that IFRS adoption has an insignificant impact on the recruitment of the companies which have foreign investment while the domestic ones do not have much concern about it. It means that the candidates who deeply understand about IFRS principles are more appreciated than others when they apply to a multinational corporation or foreign investment firms. In contrast, the recruiters in domestic companies do not consider IFRS knowledge an important criterion to evaluate their applicants. According to the survey's result, we recognize that big multinational audit firms such as KPMG, Delloite, Ernst & Young and PwC and audit foreign investment companies have higher demand of IFRS knowledge from applicants than Vietnamese audit firms like HSK, AIC, AGS, DFK and AASC do. This finding is quite obvious because of the preparation for consolidated financial statement in foreign corporations that have branches in Vietnam requires common accounting standards to unify accounting data as IFRS for controlling and evaluating purposes. Therefore, audit firms which regularly audit multinational clients need human resources that can adapt to and apply professional IFRS practices and provide valid auditing opinions. Besides, in the present situation of Vietnamese business environment with the majority of small and medium enterprises (SMEs) the application of IFRS can seem less than economical because of its high cost and unnecessariness so domestic firms effectively do not require their employees to know much about IFRS. However, the general influence of IFRS in the job application process of recent graduates is still not substantial. Based on the result of our survey, we can see that when evaluating potential candidates, the recruiters of foreign corporations consider the candidates' understanding of IFRS, but they also pay significant attention to a number of other factors such as professional capacity, adaptability, dynamic learning, creativity, and ambitions. Many recruiters claim that IFRS knowledge just helps candidates pass the first round of recruitment and is not an

important factor in assessing the candidate's capacity or suitability for the applied position. On the other hand, because of the scarcity of time and financial resources, a total of 10 well-known audit companies participated in the surveys (KPMG, Deloitte, Ernst & Young, PwC, HSK, AIC, AGS, DFK, VDB and AASC) in Hanoi to minimize confounding variables and ensure validity of the research results. Future research should target a wider range of participants for the surveys. Despite of the above mentioned limitation of this study, the obtained findings can be useful for the education system in the preparation of the next generations of graduates that will be well-equipped with IFRS knowledge in the most optimal manner, so that they can efficiently work in future companies whilst Vietnam is in the process of global integration.

The second survey was conducted among students who had just graduated less than 12 months prior to the time of the survey. There were 280/400 have been collected and 224 in those are acceptable. Out of the total 400 questionnaires distributed, 280 were received, which gives a response rate of 70%, among which 224 were acceptable.



Figure 72: The studying major of respondents

The survey has revealed 43% of the respondents studying accounting major, students study marketing account for 18%, economic students is about 17% and other fields makes up 22% (law, language, teaching, etc).

Figures indicated that being an auditor is popular; it is clearly presented by the diversity in student's major such as accounting, business, marketing, law, etc. However, the diversity in student's major can cause restriction in accounting knowledge, because their specialty is irrelevant to auditing. It is understandable since the majority of students in accounting is largest in survey and it seems to be an advantage for adoption IFRS in Vietnam, accounting major students have more opportunity to learn about IFRS in their school than other fields.



Figure 73: Respondents have certificates related to accounting/auditing

Figures 2 indicateshow that the percentage of respondents don't have international accounting, auditing certificate is extremely high (about 94%) while the number of graduate student who have acquired a certificate is quite low, only 14 in total 224 respondents have certificate, particularly 11 respondents have ACCA certificate and 3 others have ICAEW. Both ACCA and ICAEW are popular in accounting and auditing certificate.

It seems to be contrasting between the number of respondents who choose to work as auditors and the number of graduated students having international

accounting, auditing certificates. Accountant and auditor is an occupation trend for graduated students, as well as attractive for many students who study other major. Because they study in other specialty, they don't have the international accounting, auditing certificates. Therefore, to enhance the competition with accounting & auditing students, they should have at least one certificate related to accounting, auditing. Many subjects of ACCA are based on international accounting standard, so the knowledge of students about IFRS will improve. It's likely a good sign for adoption international accounting standard in Vietnam.



Refer to figure 3, it could see that 82 out of the total 224 respondents are
Figure 74: Respondents who intend to study international certificate

studying international accounting, auditing certificate, it seems to be a considerable number out of 224 respondents. Furthermore, students who intend to study international accounting, auditing certificate accounted for the most, and 102 respondents. Besides, 40 graduated students do not have either certificate or studying intention.

There is clear and obvious difference between the number of people who have international accounting, auditing certificates and the number of people who are studying or are going to study. It is likely a positive change in student awareness about

the importance of international accounting, auditing standards and professional qualifications. International qualifications can open doors to better job opportunities for graduate students, so students who already have certificates or are studying towards a certificate have more opportunities to apply to multinational corporations. For instance, when they apply to a company that applies IFRS; they must have adequate knowledge about IFRS. So attending the accounting, auditing certificate training courses is widely considered worthy by the respondents. In figure 3, the number of graduated students' plans to study makes up a significant proportion. Many students intend to take a course, however, they are faced with a number of problems, such as lack of finances, time constraints, lack of self-confidence, as well as inadequate understanding of the importance of the certificates in the long run (refer to Figure 3).



Figure 75: Job status of respondents

The next question in our survey is about the current employment situation of respondents. It is not difficult to see that more than half of them are already employed, however the number of unemployed people is quite high (34%). This is also easy to explain when the subject of our survey focus on students who have just graduated under a year and want to find a job right after graduation, as a survey result, we found that finding a job that suits you in current environment can also be considered as one of the great difficulties of new graduates.

It is worth mentioning that among those who have jobs, the ability to find a job in the first three months after graduation is quite high (66%) and in 3 to 6 months is about 18%. A more special point is that most people who find jobs during the first period tend to be quite interested in IFRS regardless of whether they have international certification or not. Moreover, the ability to find jobs in male and female candidates is almost without distinction. So we can see that the possibility to having a job in accounting or auditing is not much influenced by gender, but there is a good reason to say that knowledge about IFRS in particular or early preparation in terms of technique knowledge in general can help newcomers improve their ability to find a job.

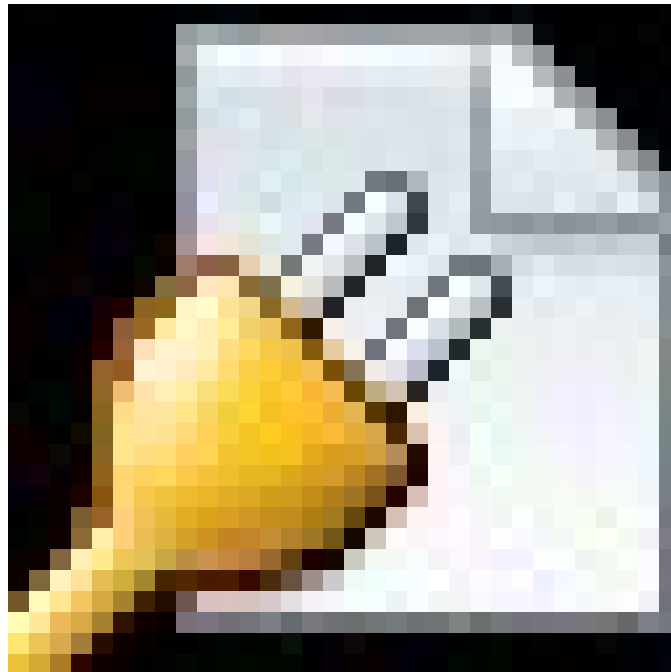


Figure 76: Reaction of respondents about the important of IFRS in job search

Most of survey participants said that IFRS had a positive effect on their job search (refer to Figure 5). In detail, nearly 26% said that knowledge of IFRS was extremely important in the job search process, 29% said it is important, and 23.6% considered IFRS to be of average importance. So we have a basis for assuming that the understanding of IFRS can help candidates improve their competitiveness and become more prominent in recruiters' opinion. However, it is interesting to note that not all participants who thought that IFRS played an important role already had international certificates, it means that not only the international certificates offer greater job opportunities, but the self-confidence and skills as well as the thorough search of the

candidate's occupation is what makes them able to overcome other competitors and get the dream job.

The final question in our survey is to figure out the difficulties that candidates will face in the job application process. There are many difficulties listed here, but the two most prominent difficulties that almost all candidates mention is the difficulty to understand the desires of the employers and to gauge the competition from the other candidates. As the findings of the first survey above, employees are keen on finding the right person who can adapt easily in their company's environment. There is a trend in big auditing companies to prepare and present the financial statements professionally according to international standards in order to attract foreign direct investment, so IFRS knowledge can be a crucial requirement of companies from applicants.

Last but not least, in recent times, the number of students in accounting standards training centers is growing significantly (Loan, N. T. & Huy, D. V., 2017). To become outstanding among competitors, technical skills especially IFRS can be one of the great advantages of candidates.

CHAPTER 5: CONCLUSION & RECOMMENDATION

In summary, this study focuses on the perceivable changes to the audit profession in Vietnam in light of the IFRS adoption. In this paper, the researchers expect to discover some key changes and the solutions for this kind of changes. Additional objective of the research is to examine the influence of IFRS to the job search ability of audit students. That will be a great preparation for new graduates applying for audit position.

Considering the research findings, the paper proposed that adoption of IFRS is practically possible in Vietnam and it is necessary to develop a roadmap for adoption that appropriate to Vietnamese conditions. In addition, the analysis of the responses in the research findings suggest that Vietnamese auditing professionals will obtain potential benefits of IFRS although they have to confront with some foreseeable challenges and difficulties within transition period. Besides, this paper also suggests the preparation that the institutional parties such as Ministry of Finance, universities... and each individual should be implemented to cope with the changes in accounting

standards. The paper also highlighted the importance of the knowledge about IFRS with the auditing and other economic students. In particular, IFRS has the positive effect to the job search ability from the view of both recruiters and the candidates.

The results provided by this study are likely to be the reference to build the roadmap for adoption of IFRS in Vietnam. This paper is also useful for other countries or firms that considering future IFRS switch. Besides, it may be useful for the Vietnamese universities to consider carrying out the reform in education programs, for example, bring the knowledge about IFRS become an official subject to teach, to prepare for the future adoption of IFRS. Moreover, the findings of the study also contribute to the accounting literatures, especially to the literature on IFRS.

This research is nevertheless subject to some limitations. First, the state auditors are not included in this study. Therefore, the researchers cannot analyse the differences in opinions about the research problems between state auditors and auditors from private firms and provide more comprehensive view about the research topic. Second is the problem of representativeness of the sample size. Because of the limited time, the researchers cannot obtain enough responses as expected, therefore, the result should be understood with care because of the small sample size. Besides, there is a possibility that some respondents might have biased answers to the questions in the surveys.

Furthermore, the researchers suggest that the studies related to broader view about this topic is possible to implement, for example, should Vietnam adopt entirely or partially IFRS. Further research could be undertaken is the research about the role of IFRS in the accounting and auditing convergence. It might be important to examine the importance of knowledge about IFRS with the accountants and auditors in the context of labor mobility in ASEAN in the future. It also might be interest to study about the ability to provide the subjects in ACCA or CPA into the education program in International School (IS – VNU) in the light of the current global movement toward implementation of IFRS, or the research that focus on the advantages of students who learn IFRS through international certificates compare to the students who just only learn VAS.

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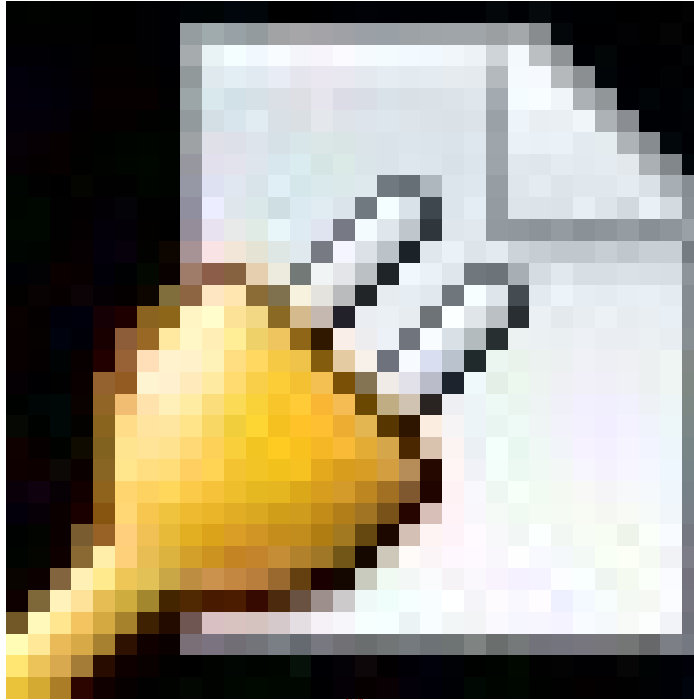
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Appendix: The studying major of respondents



Appendix 10: Respondents have certificates related to accounting/auditing



Appendix 11: Respondents who intend to study international certificate



Appendix 12: Job status of respondents



Appendix 13: Reaction of respondents about the important of IFRS in job search



The impacts of capital structure on firm's operational efficiency

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