

International Conference on Accounting Studies (ICAS) 2015  
17-20 August 2015, Johor Bahru, Johor, Malaysia

# The evolution of distance learning and its contribution to the accounting profession in Malaysia: A historical perspective

Loo Choo Hong

*Wawasan Open University, Penang, Malaysia*

---

## Abstract

There would be very few accounting practitioners in Malaysia if Distance Learning was never invented. This paper looks at the history of distance learning and its contribution to the accounting profession in Malaysia. By looking at historical documents and writings, the author will chronicle the contributions of the Distance Learning in Malaysia towards accounting training in Malaysia. The author identified has 5 waves to the evolution of accounting education in Malaysia – in which distance learning (and their various forms) play a big part in the development of accounting training in Malaysia. By understanding the evolution of accounting training in Malaysia (a developing nations), educators in developing nations would be better prepared to developed policies for the mode of delivery which most suits the nation. A majority of practicing members in the accounting profession are members from the British and Commonwealth accounting bodies due to the historical ties of Malaya and later Malaysia and the British Crown. This paper looks at the pre-independence era whereby any training to become accountants had to be done in the United Kingdom (UK). Training would be conducted at colleges in UK or via post up to today.

**Keywords:** Blended learning, Distance learning – History, Accountancy – History, Education system – Malaysia.

---

## 1. INTRODUCTION

There would be very few accounting practitioners in Malaysia if Distance Learning (DL) was never invented. A majority of practicing members in the accounting profession are members from the British and Commonwealth accounting bodies due to the historical ties of Malaya and later Malaysia and the British Crown. “Distance education” as defined in Section 2 of the Private Higher Educational Institutions Act 1996 (PHEIA 1996) covers instruction or training on or teaching of higher education—

- (a) exclusively through the medium of electronics;
- (b) exclusively through correspondence;
- (c) partly through the medium of electronics and partly through correspondence and other methods of instruction, training or teaching; or
- (d) partly through the medium of electronics and partly through correspondence or other methods of instruction, training or teaching.

---

\*Corresponding author. Tel.: +604-2180 333; Fax: +604-2269 323  
E-mail: [chloo@wou.edu.my](mailto:chloo@wou.edu.my)

The objective of this paper is to highlight the contribution of the Distance Learning education community towards the development of the accounting profession in Malaysia. The problem statement of this paper is what would be the accounting profession in Malaysia be like if Distance Learning was never invented.

Malaya received her independence in 1957 and with that comes the need for the country to produce accountants locally. As there were no local accounting bodies at that time, students receive guidance from DL courses by post. In the years after independence, local tuition centres were set up locally to provide training to budding accountants who blended learning from face-to-face tutorial with distance learning material from United Kingdom (UK). The Malaysian Institute of Accountants (MIA) was established in 1967 to govern accountants from all backgrounds under one single roof. The challenge was for the come up with a system of assessments – in which DL would proof useful.

## **2. THE DEVELOPMENT OF THE ACCOUNTING BODIES IN MALAYSIA**

As Malaysia was a former British colony, the Malaysian accounting professional bodies have their roots in the British accounting professional bodies. The first accounting body was established in Scotland. In 1854, the Institute of Accountants in Edinburgh was granted Royal Charter. Soon after that in 1867 the first Companies Act<sup>1</sup> was passed in the UK. On 11 May 1880, The Institute of Chartered Accountants in England & Wales (ICAEW) was established through Royal Charter. In 1884, written examinations were introduced as requirement into the accounting profession as compared to admission via viva-voce in the past. In 1888, Institute of Chartered Accountants in Ireland (now Chartered Accountants Ireland) was established by Royal Charter.

In 1919, the Institute of Cost and Works Accountants (today Chartered Institute of Management Accountants (CIMA) was formed to support the new area of cost control accounting. In 1904, The Association of Certified and Corporate Accountants (now Association of Chartered Certified Accountants – ACCA) was established.

Apart from professional bodies in the UK, Malaysia recognizes professional accounting bodies from Australia, New Zealand, Canada and India. In 1902 – The Dominion Association of Chartered Accountants is incorporated by Private Act of the Parliament of Canada and known today as the Canadian Institute of Chartered Accountants. In 1928 the Institute of Chartered Accountants Australia was established and New Zealand Institute of Chartered Accountants in 1894. In 1952 Australian Society of Accountants (now CPA Australia) was incorporated. The Institute of Chartered Accountants of India (ICAI) was established on 1 July 1949 as a body corporate under the Chartered Accountants Act, 1949 to regulate the profession in India.

Home-grown professional accounting bodies only took flight in 1958. On July 26, 1958, “The Malayan Association of Certified Public Accountants” was formed as a professional body by 20 members under the Companies Ordinances, 1940 – 1946. This was the first of the home-grown bodies which was established to meet the demand of the newly independent Malaya. The body is now called The Malaysian Institute of Certified Public Accountants (MICPA).

The codification of the accounting body through an Act of Parliament in Malaysia only happened in 1967 with the passing of the Accountants Act, 1967. MIA is a statutory body established under the Accountants Act, 1967 to regulate and develop the accountancy profession in Malaysia. In Malaysia, the word ‘accountant’ is protected as provided for under the provisions of the Accountants Act, 1967 which states that no one can hold himself out or practise as an accountant unless he is registered as a member of MIA.

### **2.1 Wave 1: Accounting education overseas**

Written professional accountancy examinations in the UK was around since the 1880s. To become an accountant in the UK at that time would mean a student had work with a qualified member and the mentor will have to provide the student with work and also a chance to sit for the professional examinations. This is known as “chambering”. Before 1958, the accountancy profession in Malaysia (or Malaya) was not organised into structured professional bodies of today. As mentioned earlier, MICPA was the first attempt by accounting professionals in Malaya to group themselves into proper professional bodies. These bodies would govern the entrance of new professionals via examinations coupled with chambering.

Malayans who wanted to become accountants had to find mentors in the UK who would provide them with professional training and a chance to sit for professional examinations. Only a privileged few can afford the luxury of studying and training in UK to qualify to become accountants.

---

<sup>1</sup> This act is the first ancestor of the current Companies Act practiced in Malaysia.

## 2.2 Wave 2: Accounting education through Self Study Distance Learning by Post

An education and chambering in the UK or other recognised Commonwealth countries is a luxury. DL accounting courses sourced from the UK, supported many Malaysian students who were taking examinations of the scheduled bodies.

Rapid Results College (RRC) was established in 1928 and among the DL courses offered by the college was accounting. BPP is another popular supplier of education material. BPP was established in 1976 by Alan Brierley, Richard Price and Charles Prior to provide specialist training for accountancy qualifications. BPP created specialist study learning texts for those sitting chartered accountancy exams. BPP's study learning texts caught on as the study learning texts were examination oriented and frequently updated to reflected changes in tax and company laws. This changed the approach of studying for an examination. Before the advent of study learning texts, accounting students have to read portions of many textbooks and accounting journals to prepare themselves of examinations.

Emile Woolf Group founded in 1975 provides both DL and face-to-face tuition for ICAEW examination. Chart Foulks Lynch through Chart University Tutors provided tuition for ACCA and CIMA through DL by post and face-to-face. Like BPP they publish study learning texts for the examinations. Their successor - FTC Foulks Lynch Ltd. publishes accountancy training materials and examination texts, revision series and examination kits for professional accounting qualifications. Using this mode of study, students would use the specialist study learning texts as course materials. Students may pay extra for additional guidance by engaging a tutor who will guide the students via post from the UK. The tutor will mark and comment on the assignments given to the student by post. However, the assignments marked by the tutor are for guidance and not part of the assessment of the professional bodies. The students will have to personally register with the professional bodies to sit for the examinations externally.

## 2.3 Wave 3: Accounting “Tuition” in Malaysia via Foreign Distance Learning Material

The third wave of study allows students to attend accounting tuition in Malaysia with a face-to-face instructor using specialist study learning texts earlier used in the postal learning. As the lead time to postal learning is long, this form of study gives the convenience of having accounting tuition with a face-to-face tutor using UK material. Some of the colleges even coupled their tuition with an internally accessed diploma. The initial providers of tuition were government linked colleges but the private sector jumped into the band wagon.

The setting up of Kolej Tunku Abdul Rahman (KTAR) and Institut Teknologi MARA (ITM) in the 1970s created a more systematic accounting training environment whereby students were able to prepare for the professional examination together with a recognised college diploma. KTAR was set up by the Malaysian Chinese Association, a coalition party of the ruling government. ITM was set up as institution of higher learning by the government to “provide maximum opportunities for *bumiputeras* (indigenous peoples) to pursue professionally-recognised programmes of study in science, technology, industry, business, arts and humanities”. Both institutions are government or government linked institutions and were situated in the Klang Valley.

KTAR was set up in 1969. The School of Business Studies which was established in April 1971 specialises in professional accountancy education. Students of the Diploma in Commerce students prepared simultaneously for the examinations of ACCA. In 1978, the School introduced the CIMA based courses. In 1987, the college became the only institution outside UK and Ireland that can conduct the ACCA in an internally assessed programme. Materials for the learning in the college were sourced from learning text from companies like BPP. Blended learning which combined material from DL institutions and on campus teaching was used.

ITM evolved from *Dewan Latehan RIDA*, setup in 1956 to help train rural Malays. The college conducted tuition of external professional courses offered such as the London Chamber of Commerce, the Australian Chartered Secretaryship, the Australian Society of Accountants and the British Institute of Management. In 1966, *Dewan Latehan RIDA* became known as MARA College. MARA College began running its own Diploma in Business Studies. International recognition for the course came from Ealing Technical College of London, which also became her external examiner. MARA College was officially renamed ITM on 14 October 1967. Her establishment came as a response to a crucial need in the country for trained manpower at professional and semi-professional levels, especially among *bumiputeras*. In 1967, ITM offered tuition in the ACCA and together with the in-house Diploma in Accountancy. The institute introduced tuition in CIMA, ACCA and MACPA in 1970.

Private colleges came in the bandwagon to offer blended learning courses to students who want to study accountancy but were unable to enter the two government-liked colleges mentioned above around the country. Institut Perkim-Goon (IPG) in Penang was established in 1981 and they offered tuition in professional accounting courses such as ACCA and CIMA and technician level qualifications such as the London Chamber of Commerce and Industry. Students attend their class to get guidance for the examinations but assessment was done separately by the above mentioned bodies. To supplement the teaching of the courses, the college again used specialist study learning texts from the UK. Systematic College (now SEGi College Kuala Lumpur) was setup in 1977 to offer professional qualifications. In the 1980s, Systematic College was the only private institution in Malaysia to offer tuition for CIMA blended with an internally accessed diploma. Only ITM and KTAR had the approval by the government to present their courses in the blended mode. Again specialist study learning texts from the UK were used with the tuition.

DISTED College (short for “distance education”) was set up 1987 as a provider of DL in Malaysia. From their first office in Jalan Pinhorn in Penang, DISTED College provided distance learning via post of the GCE A Level courses. The college later evolved into a college providing twinning programmes after they dropped their DL by post model.

#### **2.4 Wave 4: Twinning programme in Malaysia using Foreign Distance Learning Material**

The fourth wave of came with the enactment of the PHEIA 1996 and the amendments made to the Universities and University Colleges Act (UUCA) 1971 and the Education Act 1961. Before the enactment of the PHEIA, private colleges and institutions of higher learning were not allowed to conduct any examinations on their own. (Wan, 2007) The institutions can only act as tuition centres providing guidance to prepare for professional examinations. Only KTAR and ITM, both governmental institutions can provide tuition to the professional examinations as well as in-house assessment of their diplomas.

Students can now take a foreign degree at a Malaysian college and later in the final year finish the degree in the UK or where the mother university originated. This is called “twinning”. Colleges such as IPG (now PTPL Penang) and Systematic College moved from a pure tuition provider to a provider of “twinning” programs. DISTED College which abandoned the DL by post mode. PTPL Penang is currently offering BA (Hons) Accounting & Finance with Anglia Ruskin University of the U.K. SEGi College Kuala Lumpur currently offers BA (Hons) Accounting & Finance with University of Greenwich, of the U.K.

Twinning programmes work in this way. The mother university overseas will provide a syllabus and course material to a local Malaysian college. The teaching of the courses in Malaysia is exactly like in the mother university except that it is conducted in Malaysia. The college may set their examinations (but moderated by the mother university). The mother college from time-to-time will send their lecturers (also known as “course coordinators”) to the Malaysian colleges to either partially conduct a course or to audit the delivery of the courses in Malaysia. In 1998, the first foreign branch campus of a foreign university, Monash University Malaysia, opened their doors to students in Malaysia. For the first time students need not go to Australia to pursue to study a university degree in accounting i.e. Bachelor .of Business & Commerce (major in Accounting). The other foreign branch campus universities offering accounting degrees include Curtin University of Technology Sarawak Campus – with their Bachelor of Commerce (Accounting) and Master of Accounting, University of Nottingham Malaysia Campus – with their Bachelor of Arts (Hons) Finance, Accounting & Management, Swinburne University of Technology, Sarawak Campus – with their Bachelor of Business (Accounting)

#### **2.5 Wave 5: Home-grown Local Degree level online distance learning**

The 2000s was another milestone for Malaysia due to the liberalization of the Malaysian Education System – with the setting up and recognition private institutions of higher learning and the advent of the internet. Online Distance Learning (ODL) and Blended learning using the internet was introduced.

Wawasan Open University (WOU) is the first home-grown ODL institution in Malaysia to offer accounting which is called Bachelor of Business (Hons) in Accounting. The first cohort was admitted in 2006 and they graduated were in 2011. The bachelor’s degree is accredited by CIMA, ACCA, ICAEW and CPA Australia with exemptions into their examinations. The program fulfils the eligibility requirements for the MIA Qualifying Examination. However, graduates are required to submit application to MIA and the applications will be tabled

to the Examination Committee for consideration. The Open University of Malaysia (OUM) is the second institution in Malaysia to offer an accounting degree programme through the ODL mode.

### 3. CONTRIBUTION OF DISTANCE EDUCATION TO ACCOUNTANCY

There would be very few accountants in Malaysia or anyway in the world if distance learning was never invented. Looking at the definition of “distance education” in Section 2 of PHEIA 1996 and the requirement of Accountants Act 1967, DL is the only mode of delivery for students in Malaysia to become accountants in Malaysia via Part II of the First Schedule of the Accountants Act, 1967. Majority of students must qualify either full or part examinations by MIA or any of the scheduled bodies with the exception of those who enter through Part I of the First Schedule of the Accountants Act, 1967.

Table 1: Admission of Accountants in Malaysia

	Year		
	2013	2012	2011
Admission of members through	2013	2012	2011
Part I of the first schedule of the Accountants Act, 1967	871	1044	
Part II of the first schedule of the Accountants Act, 1967	573	682	
The first schedule of the Accountants Act, 1968	1444	1726	1496
MIA qualifying examination	32	34	35
<b>Total</b>	<b>1476</b>	<b>1760</b>	<b>1531</b>

(Source: Annual Reports 2011-2013, Malaysian Institute of Accountants)

Institutions that provide degrees through Part I of the First Schedule<sup>2</sup> of the Accountants Act, 1967 are all pure face-to-face institution with their own home-grown syllabi. Students of from these institutions are special unlike most other students as they can directly join the MIA without having to take any examinations. These institutions are either Public Universities or universities or institutions which are government linked. Admission to these institutions is very competitive.

Section 2 of PHEIA includes all face to face learning by tuition providers as the tuition providers are not examination bodies.

However, there are yet to be accountants from the ODL mode in Malaysia as none of the scheduled professional bodies for Malaysian practice have their assessments and training on the Online Distance leaning. Although WOU and OUM are institutions conducting accounting courses over the ODL mode, however graduates still must sit of examinations of either of the scheduled bodies. As the first batch of WOU accounting graduates came out in 2011, it is expected the first batch accountants would come out in 2015, assuming the students have registered with the bodies and cleared their examinations in one go. OUM tied up with CPA Australia to provide a co-branded product in 2014. It is expecting the first batch will graduate in 2019.

### 4. END THOUGHTS

The 30,556 strong MIA members in Malaysia would not exist if distance learning in whatever mode (whether by post or face-to-face tuition). Although the government in trying to increase the number of accountants through pure face-to-face institution via Part I of the First Schedule of the Accountants Act, 1967, students still take examinations via the scheduled bodies (which are all distance learning).

The ODL mode was yet to come out with any accountants as the ODL for degree courses only started recently in 2011. None of the approved ODL institutions in Malaysia have been approved to become institutions under

<sup>2</sup> The institutions include

- a) University of Malaya
- b) Universiti Kebangsaan Malaysia
- c) ITM (now called Universiti Teknologi MARA or UiTM)
- d) Universiti Utara Malaysia
- e) Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia)
- f) Universiti Islam Antarabangsa
- g) Universiti Sains Malaysia
- h) Universiti Utara Malaysia
- i) Universiti Tenaga Nasional
- j) Universiti Multimedia
- k) Kolej Universiti Sains dan Teknologi Malaysia
- l) Universiti Malaysia Sabah
- m) Universiti Industri Selangor
- n) Universiti Sultan Zainal Abidin

Part I of the First Schedule of the Accountants Act, 1967. ODL Accounting degree holders today still have to take examinations via the scheduled bodies.

## **ACKNOWLEDGEMENTS**

Dedicated to Janet, Kimmie, Lady Edith and Robbie. Thanks to Mr. Lim Peng Kiat of WOU.

## **REFERENCES**

- Day, Robert G (2010), *UK Accounting Regulation: An Historical Perspective*, Bournemouth University, UK.
- ICAEW (2014) *Steps to a professional body - a timeline of the development of the Accountancy Profession in the United Kingdom*, ICAEW, London, UK. <http://www.icaew.com/en/library/subject-gateways/accounting-history/resources/timeline> (Accessed 17 July 2014)
- ICAEW (2012), *The development of the accountancy profession in the UK*, ICAEW, London, UK.
- Kementerian Pelajaran (2012), *Dasar Pendidikan Kebangsaan* (3rd ed.), Kementerian Pelajaran, Putrajaya
- Kementerian Pendidikan Tinggi (2010) *Foreign University Branch Campus Programmes*, Kementerian Pendidikan Tinggi, Putrajaya
- Malaysian Institute of Accountants (2011-2013) *Annual Report 2011-2013*, Malaysian Institute of Accountants, Kuala Lumpur.
- Percetakan Nasional Malaysia Bhd (2006), *Private Higher Educational Institutions Act 1996*, Percetakan Nasional Malaysia Bhd , Kuala Lumpur
- Wan, Chang Da (2007) *Public and Private Higher Education Institutions in Malaysia: Competing, Complementary or Crossbreeds as Education Providers*, *Kajian Malaysia*, Jld. XXV, No. 1, Jun 2007, Universiti Sains Malaysia, Penang
- Websites
- BPP's history. <http://www.bpp.com/about-bpp/aboutBPP/history> (Accessed 17 July 2014)
- Company Overview of FTC Foulks Lynch Ltd. <http://investing.businessweek.com/research/stocks/private/snapshot.asp?privcapId=10600709> (Accessed 23 July 2014)
- Emile Woolf Writes <http://www.emilewoolfwrites.co.uk/biography/> (Accessed 23 July 2014)
- Kolej Tunku Abdul Rahman history <http://www.tarc.edu.my/about/pictorial.htm> (Accessed 23 July 2014)
- SEGi College Kuala Lumpur <http://www.segi.edu.my/en/campus/segi-college-kuala-lumpur#a> (Accessed 23 July 2014)