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FRTAP POLAND

FINANCIAL REPORTING
TECHNICAL ASSISTANCE
PROGRAMME

THE STUDY ON ACCOUNTANCY MARKET AND PROFESSIONS IN POLAND

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LIST OF ACRONYMS

A&A	Accounting and Auditing
A&F	Accounting and Finance
ABSL	Association of Business Service Leaders
ACCA	The Association of Chartered Certified Accountants
AoA	Act on Accounting
AoPS	Act on Public Statistics
AoES	Act on Education System
AoTEL	Act on Tertiary Education Law
AOC	Audit Oversight Commission
AoPF	Act on Public Finance
AoSA	Act on Statutory Auditors
AoTA	Act on Tax Advisory Services
BDL	Bank of Local Data
BPO	Business Process Outsourcing
CEIDG	Central Register and Information about Economic Activity
CIMA	The Chartered Institute of Management Accountants
CPS	Classification of professions and specializations
CRP KEP	Central Register of Entities in National Register of Taxpayers
GUS	Central Statistical Office
IFAC	International Federation of Accountants
IIA	The Institute of Internal Auditors
KIBR	National Chamber of Statutory Auditors
KNF	Financial Supervision Authority
KRBR	National Council of Statutory Auditors
KRDP	National Council of Tax Advisors
KRK	National Qualification Framework
KRS	National Court Register
MLSP	Ministry of Labor and Social Policy
MoF	Ministry of Finance
MSaHE	Ministry of Science and Higher Education
PAIiZ	Polish Agency of Information and Foreign Investment
PARP	Polish Agency for Entrepreneurship Development
PFSE	Public finance sector entities
PKA	State Accreditations Committee
PKD	Polish Classification of Activities
RIO	Regional Chamber of Audits
SKwP	Accountants Association in Poland
SME	Small and Medium Enterprises
SSC	Shared Service Center
TSGU	Territorial self-government unit

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EXECUTIVE SUMMARY

The Accounting Market Study was conducted under the Financial Reporting Technical Assistance Program (FRTAP) managed by the Centre for Financial Reporting Reform (CFRR), with funding provided to the Government of Poland by the Swiss Enlargement Contribution.

This activity is consistent with the focus of the Bank's strategy to assist government in strengthening governance and institutions and to tackle issues of competitiveness. In addition, the delivery of AAA knowledge products is part of the Bank's operational response to the increasing demand of governments for knowledge products.

Financial Reporting Technical Assistance Program

The Financial Reporting Technical Assistance Program (FRTAP or the Program) for Poland is part of the broader Swiss Contribution to Reduce Economic and Social Disparities within the enlarged European Union for the 2004 and 2007 cohorts of new EU Member States (the Enlargement Contribution).

The main objective of the Program is to support Poland in putting in place sustainable regulatory and institutional frameworks which (a) correctly implement the *acquis communautaire* in the field of corporate sector financial reporting; (b) properly monitor and enforce the application of the *acquis* in practice; and (c) provide necessary education and training of individuals responsible for those tasks.

The Study

The Study was prepared by a team comprising university teachers from Maria Curie-Skłodowska University (Uniwersytet Marii Curie-Skłodowskiej, UMCS) in Lublin and the Director Statistical Office in Lublin.

The Study has been designed to provide relevant information for multiple uses, including the gathering of statistics for IFAC, and offer quantitative information and feedback on aspects of the functioning of the accounting market to better understand the market for regulatory purposes. The data can be used to inform policy formulation and decision-making related to the regulation of financial reporting (both domestically and as part of Poland's participation in EU and international regulatory processes) and to the functioning of the market for accounting services.

This report was presented to a representative stakeholder group in Warsaw in 2014, including the Ministry of Finance, the Accountants Association in Poland and the Chamber of Statutory

Auditors of Poland. The Accounting Market Study is the first step, it is expected to be followed by a study of the auditing market.

Structure and content of the report

Section 1 - **The Introduction** lays out the team's approach to achieve the objective of the study (see section "I.1. Introduction" for further details of the objective) along with a broad descriptor of the stakeholders, including: Government, Professional Bodies, Oversight, Training organisations, Industry groups, business groups, accountants and auditors, etc. The research methods used include desk, international report review, diagnostic survey, heuristic, descriptive, analytical, simple statistical and table/graphical presentation of data.

Section 2 - **Professions related to Accounting and Auditing** covered the Law and other regulations, statistical classification of the profession, including tax advisor, auditor (internal and external) and bookkeeping services plus cross-border recognition in the European Union. Data is presented on teachers to the profession in Poland along with the locations of the subject matter in the particular disciplines related to accounting and auditing. There is a comparison of the notion 'accountant' in France, Norway, Italy, United Kingdom, Hungary, Spain, Netherlands, Germany and Sweden with a table of national requirements.

Section 3 - This part deals with the supply and demand equation and Poland needs to be aware of the pipeline of human resources and the level of quality of teaching being delivered. This section on **Education paths of the accounting profession** provide data on the education sector (both Secondary and post-secondary) in Poland leading to professional education with a comparison with ACCA and CIMA. There is significant data on student numbers as well as comments on education quality. The Accountants Association is the principle source for student numbers, curriculum and geographical spread across Poland. International qualifications such as ACCA and CIMA continue to be popular with constant annual growth since 2000. A summary of other qualifications attached to the accounting profession are summarised for completeness.

Section 4 - In this section the team researches **the Labour Market for Accounting and Auditing professionals**. This is the largest section of report. The section begins with a market analysis of accounting services in Poland and then moves to an employment analysis, the impact of the SME sector on the labour market and then critically examines, both quantitatively and qualitatively, the market for the regulated professions of: Statutory auditors, Tax advisors, Accounting certificate holders, Chief accountants and internal auditors in the public sector. This section finishes with broad look at the outsourcing market (a key area of growth for the Polish economy), key aspects and comparisons with compensation and a round-up on the issue of unemployment.

Section 5 - The authors of this report take a look at the changing political and economic landscape in the wake of the 2008 financial crisis and the impact that this has had on many areas of the profession. **New Trends and the direction of changes planned for the Market** is an opinion driven rather than research led and brings together a number of interesting influences on the shape and complexity of the market in Poland. With the backdrop of Poland's entry to the European Union and the impact of the various Directives, the report looks at the impact of deregulation, the new types of accounting services likely to be in demand in the future and also the new trends in accounting education. Key views:

- **The change in approach to the education of accountants and auditors and changing it so as to form deeper ties with the economy and make it more practical;** this is particularly true with respect to formal education (competency based).
- **The factor determining further changes in the accounting market are the deregulation processes announced or planned by the government.** For example, currently we can see many initiatives and actions undertaken by market participants (first and foremost education institutions) aimed at adjusting to change, although concerns about results of deregulation¹ (especially from owners of accounting and auditing companies) remain rather significant.

Section 6 - The key sources and the **scope of data** concerning the accounting and auditing (A&A) in Poland are described. The methodology behind GUS research is briefly discussed and outlined in order to enable proper interpretation of statistics based on research findings. Statistical data used in the report refers to first half of 2013 or other periods, depending on the source as mentioned in referrals.

The structure of research forms and GUS statistical returns has been analyzed with the purpose to diagnose the scope of data gathered from the market. Recommendations for improvements in the current GUS system of data collection and in the quality of information obtained, have been suggested. The sources of data pertaining to accounting and audit market other than the data collected by GUS are also summarized. They are presented in tables, separately for each stakeholder/stakeholder group. A detailed scope of collected information has been defined for each category, side by side with information presentation form, frequency of updates, and accessibility. Whenever appropriate, recommendations for improvements in data presentation and/or scope have been put forward.

¹ Deregulation is a process of revising and reducing unnecessary burden and restrictions imposed earlier on selected professions. Liberalization of regulated professions in Poland, between 2013-2015 involved elimination of some burdensome and unnecessary laws and regulations that hinder access to professions. As a result of deregulation, the access to professions is more transparent, more market driven and to some extent easier than before.

Key Findings

The term Accountant does not have a single definition and is not homogenous

The term Accountant in Poland does not have a single definition and is not homogenous. It consists of many professions listed in the Classification of Professions and Specializations (CPS) used by the labour market, requiring varied competences, responsibilities and education. Sometimes the names of the professions and specializations in Polish CPS are not aligned with names applied in enterprises and institutions. There is no single institution in Poland responsible for organizing, coordinating or controlling this market in a comprehensive manner, which could be a reliable source of relevant information. The strong cooperation of Ministry of Finance, Statistical Office (GUS) and professional associations of accountants in Poland would create a strong environment for defining and capturing the profession better.

Skills and knowledge requirements vary according to the job position

The more senior the position in the organizational structure and the larger the entity, the higher the requirements of employers for a professional accountant in Poland. The requirements for accountants employed in smaller companies can be much lower but high levels of skills and knowledge are just as important, especially as frequently one person is responsible for financial reporting, payroll, tax returns, HR matters and preparing reports for the management. Regardless of profession and position, one of most important requirements for the appropriate performance of tasks is practical experience.

Statistical data is available for students but not for how many then enter the accounting profession

Based on data available from the statistical office (GUS), policy makers can identify the number of persons who attended secondary schools in economics-administration sub-group majors, and graduated from them [Table 3.2., section 3.2 of the report]. The same applies to students of higher education of economics-administration [Table section 3.3 of the report]. However, there is no data on how many of these graduates go on to work in the profession. The only, imperfect, way of finding this out is to use regional Labor Office reports or national Ministry of Labor and Social Policy reports on shortages and surpluses of professionals to determine how many people registered as unemployed and the level of demand from enterprises for “basic” professions. This monitoring shortage does not allow to assess the real demand of the market for new accountants and perception of quality of their education.

The quality of economic education has improved and should continue improving in the future

State Accreditation Committee (SAC) reports over the past three years confirm that the quality of education on economic majors has improved. The quality is better in public schools than private schools. SAC report that the finance and accounting major has a strong identity, both in terms of the

academic specializations of quality academic teachers constituting the staffing minimum requirements, and teaching standards. However, knowledge of accounting principles and provisions of the tax law are not enough to effectively practice the profession. The education system has to prepare graduates to take a comprehensive approach to all aspects of the enterprise's operation, from handling data and forecasting to managing teams. The economic transactions are becoming more complicated and constantly improving accounting education should prepare future accountants to cope with the more challenging business environment.

Growing emphasis on competency based accounting education

Moves are underway to overhaul the professional formal education of accountants and auditors and make it more competency based – which is in line with recent International Education Standards (IES) - and practical with deeper ties to the economy. The deregulation processes has determined further development in the accounting market in Poland [Section 5.2.D of the report]. Already a number of initiatives and actions are being undertaken by accounting market participants (first and foremost education institutions) aimed at adjusting to change and filling the void after abandoning the accounting licenses issued by the Ministry of Finance. Significant concerns about the results of deregulation, especially from owners of accounting and auditing companies, remain.

There are a growing number of qualification initiatives for the accounting profession

Professional bodies including ACCA (1500 members and 3500 students), SKwP (20 thousand members, 7 thousand professional certificates of level 1 issued, 6 thousand certificates level 2, 2 thousand certificates level 3 and 113 level 4) and CIMA (2200 members and students) work with tertiary schools to offer education paths that enable graduates (usually after a relevant accreditation procedure) to get a pass for certain specified elements of qualification. Activities of this type seem beneficial for all involved - the professional bodies gain new members, tertiary schools' teaching programs and methods are modernized, and students can develop their knowledge and interest in accounting and obtain additional qualifications at no extra cost.

Reliable quantitative and qualitative analysis of demand and supply in accounting and audit is difficult

Due to data constraints, it is difficult to carry out a reliable quantitative and qualitative analysis of demand and supply in accounting market. The accounting market is heterogeneous and broad and those working in book-keeping/accounting need not have an accounting education/qualification. A more consistent and comprehensive image of the market could be obtained with closer cooperation and knowledge sharing among stakeholders, and with the establishment of a common framework for data sharing among all interested parties. The demand for high quality financial reporting and related demand for monitoring and enforcement is still strong and there are no signs for

oversupply of accountants. It would be very useful to have a tool allowing analyzing trends and measuring current situation.

Statistical data regarding the accountancy market is imperfect and requires revision

GUS collects statistical data regarding the accountancy market. The approach is rather general, including only selected aspects of the market, and imperfect, based on outdated assumptions and does not reflect recent market changes, e.g. outsourcing is not included. These deficiencies result in a blurring of the overall picture. Recommendations on changes to collected by GUS for statistical purposes have been made to improve the quality of information obtained through updating existing statistical forms without imposing an additional bureaucratic burden on entities [Section 6.2 of the report].

Vibrant development of the outsourcing services sector offers training opportunities

The outsourcing services industry is growing and offers a range of employment opportunities. Poland has become 3rd biggest center for outsourcing in the world after China and India with over 650 business service centers employing over 150,000 accountants. The location of new Business Process Outsourcing (BPO) and Shared Service Center (SSC) entities in Poland seems to depend more on factors like access to personnel with preferred foreign language skills, access to real estate and other infrastructure, open attitude of local government authorities and other amenities, including special economic zones, than on the vicinity of academic centers. Employees can develop the required professional competences in an informal way (not necessarily through university courses), and BPO/SSC entities often offer such training opportunities (e.g. in the form of training and secondments abroad, in investor's home country or another branch of the company). Access to higher education facilities paired with the capacity of their authorities to take sovereign decisions concerning the curricula may, however, result in an offer of post-graduate courses and training programs for present-day and potential employees of BPO/SSC entities.

Emergence of online accounting services and accounting services offered by banks

There is growth in the range and use of online accounting services, and accounting solutions provided by banks, primarily geared towards SME. The purchase and use of licensed software packages is being replaced by online software. New solutions include data processing in the "cloud" – move from computers and servers in the local network to highly specialized data processing centers. Another new feature offered by banks is accounting services integrated, or capable of integration, with a bank account.

Deregulation of the accounting profession

The Government has already revised existing legislation and made some changes to the limitations of selected professions, including statutory auditors, tax advisors, and bookkeeping service providers. The changes lifted some bureaucratic barriers and

requirements, standardised the access to the professions and made it more transparent. The changes made so far were in line with expectations of the market. It is expected that future liberalisation of accounting profession would continue making the access to the profession easier by elimination unnecessary burden and restrictions but without the risk of diminishing the quality of accounting services in Poland and public trust in the accounting profession.

Deregulation of regulated professions in Poland

Poland had passed legislation deregulating many professions understood as liquidating unnecessary requirements (such as exceedingly high license fees, and certificates) serving the sole purpose of blocking access to a given profession. Nearly 240 professions have been liberalized in three stages. The second stage of deregulation finalized by the “Act on facilitating access to perform certain regulated professions”, dated 9 May 2014 affected the accounting profession in Poland.

Main elements of the deregulation in accountancy profession included: (i) elimination of requirement of tertiary specialized education or of tertiary supplemented by a post-graduate degree in accounting; (ii) forgoing the requirement of the state exam in favor of self-regulation of the bookkeeping services market; (iii) elimination of requirement of practical internship; (iv) elimination of requirement for accountant of having full extent of public rights (not limited by decision of legal court)

Previous state certificate in accountancy was held by almost 100 thousand persons (however it was not known how many of them actively used those certificates and worked as accountants). As a result of deregulation, access to bookkeeping services activity has been fully liberated.

CONCLUSIONS AND RECOMMENDATIONS

Section 4 of the report contains quantitative analysis of entities that employ own accountants and companies that offer accounting and book-keeping services – these companies are the basic work place for finance and accounting professionals. However, since accounting departments/units/positions can be found in entities regardless of their classification (Polish Classification of Activities/PKD code), sub-section 4.2. contains the analysis of employment in the breakdown according to professions in the entire economy. The analysis is based on the data derived from Poland's Central Statistical Office (GUS) and it only pertains to medium-sized and large companies, which is why in sub-section 4.3. the authors attempt to supplement the employment information with the data pertaining to the SMEs (which either have in-house finance and accounting staff, or outsource such services with accounting firms, which is quite a common practice.)

Eliminating information gaps

Review of sources of data/information about A&A market has allowed formulation of preliminary alternative recommendations with respect to eliminating identified information gaps:

- The most beneficial one (providing the most complete and accurate picture) would be to prepare a new permanent or cyclical survey, (included in GUS research program). Such a survey would enable monitoring changes in A&A market, although due to obligation of observing obligatory procedures with respect to preparation of Public Statistical Research Program it would be very time consuming, labor intensive and costly (time for obtaining results and their analysis, as well as cost of the survey would depend on the scope of survey, its complexity, size of sample as well as depth level of analyses; relevant calculations for results and/or analysis thereof could be performed by GUS and/or MoF employees, or a specially formed team of experts); or
- Introducing specific modifications in forms currently utilized by GUS (while maintaining GUS procedures) – detailed proposals in this scope are described in section 6.2 of the report; or
- Commissioning GUS (outside the statistical research program) or another independent research team, a separate survey, incidental or repeated at a specified interval, e.g. 3 or 5 years; this solution would be possible to implement over a relatively short period of time; in case of an incidental survey, it would only provide a snapshot (diagnosis) of the A&A market at a given moment; a cyclical survey would enable monitoring of changes (analysis of survey results, as in previous case, could be performed by various teams).

Regardless of which method of filling the information gap is selected, the authors would like to point out the need for preparing the survey methodology in such a way that it would include the microenterprises segment, which, as has been shown in the report, plays an important role in creating demand for accounting services and in currently collected data it is hardly taken into consideration.

The full picture of the accounting market in Poland and better understanding of market forces affecting its development of the accounting profession could be drawn from reading the whole report. The key points raised by the report are:

- **Based on the analysis it can be concluded that accountancy market in Poland is heterogeneous, complex and fragmented. This is largely a consequence of the fact that there is no single institution in Poland responsible for organizing, coordinating or controlling this market in a comprehensive manner.**
- **A more consistent and comprehensive image of the market of accounting and auditing services could be obtained if the stakeholders embarked on closer cooperation and knowledge sharing, and if common framework was established for data sharing policy for the benefit of all interested parties.**

The GUS data collection system continues to be the best source of information about various areas of accountancy market, once certain adjustments to some forms are made. It is the cheapest solution, but it does not offer such potential in terms of data granularity and comprehensiveness as a targeted survey done on commission.

Companies offering accounting and book-keeping services

Statistical data collected by GUS for companies, which main activity is legal, accounting & book-keeping and tax advisory services is not detailed enough. According to REGON register, as of July 31, 2013, there were **88 305** entities operating under classification number **69** (law, accounting & book-keeping and tax advisory services), representing 2.2% of all the entities in the national economy.

The code assigned to the provision of A&A services is **69.20.Z** – ‘Accounting and Book-keeping Activity; Tax Advisory Services’. This category includes, *inter alia*, accountancy firms and outsourcing centers. As of March 31, 2013, **45 250** active entities from that industry were listed in REGON register.

97.4% entities of active entities from the code **69.20.Z** employed between 0 and 9 people; 2.4% entities - between 10 and 49 people; 0.10% entities employed 50 - 249 people; 0.04%

entities employed more than 250 people. **GUS statistics does not provide detailed data regarding number of accountants working in 69.20.Z category entities.**

It is important to note that the entities coded under **69.20Z include both the entities offering book-keeping and accounting services (accountancy firms), and the entities offering tax advisory and financial statement audit services.** GUS statistics do not allow for separation of these three types of accounting services from one another, and they do not show which entities combine any of these functions (e.g. offering audit and tax advisory services and/or book-keeping/accounting services.)

Analysis of employment in the breakdown according to accounting professions in the entire economy

Statistical data collected by GUS for types of professions, including accountants, from all companies is incomplete and fragmented. Quite a lot of information about the quantity and quality of people working on the market of accounting services can be obtained on the Internet and from accountancy organizations and associations. However, all these specifications present but a fragment of the entire picture. They are approximate and incomplete, generally speaking. Among many different studies carried out by GUS in the field of the labor market, there is a study focused on the structure of compensation (wages) by profession, dated October 2010². It is a representative survey (meaning that data collected from certain number of companies is being extrapolated to the population of the companies, as the whole) carried out every two years in firms that employ more than nine people, i.e. in medium-sized and large enterprises. This particular study is quite informative as far as the number, educational attainments and place of employment of the population of people involved in broadly defined accounting services are concerned. However, the major weakness of this study is that the micro entities employing less than 9 people are not subject to statistical analysis and the total number of accountants might be affected by this lack of information.

Table 4.4. Structure of people employed according to 'elementary' occupational groups, in October 2010 shows that **617 thousand** people worked in accounting field, which represented 7.7% of all people in employment. The number mentioned above includes accountants working in companies of the statistical group 69.20.Z, however only those employing more than 9 people. Also based on data from Table 4.4, vast majority of elementary groups listed in the table are dominated by women. This is especially true about such groups as

² GUS report: „Struktura wynagrodzeń według zawodów w październiku 2012 r.” [‘Compensation structure by occupation in October 2012’], http://stat.gov.pl/download/gfx/portalinformacyjny/pl/defaultaktualnosci/5474/4/6/1/pw_struktura_wynagr_wg_zawodow_10_20121.pdf.

‘accountants’, where women account for 94.6%. By the same token, women (93.2%) definitely outnumber men in the elementary group labelled as ‘accounting and book-keeping employees’. This group includes people working as accounting assistants, accounting clerks, or accounting technicians. The third elementary group with high prevalence of female over male employees is the group labelled as ‘financial managers’ - comprised of employees working as chief accountants, managers of accountancy firms, or financial department managers. According to GUS research findings, women occupy 90% of mid-level managerial positions in the field of book-keeping services. The group of book-keeping and accounting specialists has an equally high share of female employees - women represent 84.5% of all employees in that group. To put it in different words, statistically speaking, every fifth book-keeping and accounting specialist is male. The only group where men outnumber women is “general and executive directors”, and “managers in service institutions”.

Apart from two elementary groups, majority of the remaining people work in the private sector. In the case of groups such as: ‘General and Executive Directors’, ‘Financial and Investment Advisors’, and ‘Accounting and Book-keeping Employees’, vast majority is employed in the private sector.

The following observations can be inferred from the study referred to above:

- Women have a prevalent role in accounting professions. This is particularly true about such elementary groups as financial managers, accounting and book-keeping specialists, accountants, and accounting and book-keeping employees.
- The biggest number of people employed in accounting professions can be found in Mazowieckie, Śląskie, Wielkopolskie, Małopolskie and Dolnośląskie. This is to be expected, given the number of business entities in those regions.

GUS research into salary structure by occupation, carried out in October 2010, turns out to be most informative as far as the number of people working in accounting professions are concerned. Yet, due to the focus of this study, i.e. the structure of compensation for different professions, and the sampling methodology applicable to people working in national economy entities (relevant for the key focus of the study), the population of people working in accounting professions is susceptible to serious errors arising from estimation. Another reason underlying the errors in estimating the number of people working in each profession is the fact that in many entities included in the research there is no accounting clerk position, and accounting clerk job is done by a person hired in another capacity – e.g., by an administrative employee. Population working in different professions is less susceptible to error in the so-called large occupational groups. The smaller the group, the greater the estimation error, due to reasons listed above. Additionally, information about people working in accounting professions does not include micro-enterprises, which account for 95.6% in Poland, and more than 44 thousand micro-enterprises report activity coded as 69.20.Z as their core business. At present, there is no information on the number of firms in Poland that offer book-keeping and accounting services (69.20.Z) as a second or third line of operation, or on

the population of employees involved in that operation. Such information might become available if GUS had appropriate software developed, in line with the terms described in Section 6.2.

Impact of the SME sector on labour market for accountants

Incomplete and fragmented statistical data regarding the need for accounting services generated by SME sector. Significance of the SME sector for accountancy market may result from the fact that SMEs create demand and, at the same time, they impact the supply of accountancy professions and services. Demand is created when SMEs:

- Hire accountants as full time employees, part-time employees, or under job performance contracts,
- Are the clients of accountancy firms and, potentially, BPO/SSC firms

There were about 4.033 million entities in Poland at the time of preparation of the report. Business entities coded 69 (law, accounting & book-keeping and tax advisory services) amounted to **88 thousand** units. Entities other than coded 69 amounted to **3.945 million**. Majority of the total number of entities were private entities – 96,9%. The lion's share of national economy entities are the entities that employ up to 9 people, i.e. micro-enterprises as per GUS definition (they accounted for about 95.6% of all registered entities), followed by small enterprises (3.5%) employing between 10 and 49 people, and medium-sized companies with 50 - 249 employees (0.7%). tax revenue and expense ledger have been the predominant type of accounting records micro enterprises and SME.

The review of the micro and SME sector through the prism of their accounting records allows for very general conclusions regarding the demand for accountants or accounting services (accountancy firms or BPO/SSC) in that sector. **Available and published data and reports (mostly GUS) give no direct indication as to the population (percentage) of SMEs which outsource their accounting record-keeping vs. those that do it in house, although individual tax offices do have such data about their taxpayers. The data available does not give any indication regarding the number of accountants working in micro companies – employing less than 9 people.** Given the lack of access to information stored in Central Register of Entities in National Register of Taxpayers (CRP KEP), or to the data from 400 tax offices in Poland, it is not possible to analyze current demand for accounting services among SMEs. Independent such analyses and reports provide some interesting data about accounting in micro-, small and medium-sized enterprises (*Review of On-line Accounting Services from 2012* prepared by *Starter Business Development Foundation*), though the reader may have some doubts about the quality of data in the reports: research methodology have not been described, and secondly it is based on another piece of research, quoting the data without

clear indication as to whether the data is derived from one source, or from several sources. *Starter Foundation* claims that 51% (i.e. 903 thousand) of micro- and small enterprises in 2011 used the services of external accountancy firms, 12% (212 thousand) employed accountants in house, and 37% of entrepreneurs did their own accounting (incl. 9% with the use of on-line applications and 12% planning to take up on-line accounting applications).

The study involved 450 entrepreneurs representing firms employing between 0 and 49 people, from all over the country. Research was done as an Internet survey, however the study cannot be regarded as representative due to insufficient number of entities.

FOREWORD

The objective of this first study on accounting in Poland is to (a) map and scope out the existing information infrastructure pertaining to accounting market and accounting profession; (b) identify information gaps – areas where there is lack of information or the quality of existing information is not good; (c) suggest approaches to bridge existing gaps and to could improve the quality of information; and (d) to give recommendations to the government how to strengthen accounting profession, improve the quality of the services and to assist the government with the implementation of recommended actions. To achieve this objectives, the Accounting Market study is focusing on reviewing areas where the collection of regular data would positively influence policy formulation and decision-making for the regulation of financial reporting in Poland, while enhancing the competitiveness of Polish enterprises. CFRR hopes to assist the relevant Polish institutions to develop and implement a sustainable and integrated system for the regular collection and analysis of statistical data about the accounting profession in Poland.

Uniqueness and associated risks. This study, is not just unique to Poland but to the rest of the EU and the world, so whilst attractive to assist the Government of Poland in their desire to deepen their knowledge of this important market, the inherent risk cannot be understated. This study could set the standard for other countries of the world whose Government's wish to capture this potentially important data as evidenced policy making.

University and State Statistics Office participation. The overriding and urgent need was to actively engage with a University of standing in the area of research methodology and data mining that will work closely with the task team and the State Statistics Office. The quality and quantity of data currently available inside Poland has yet to be determined but the importance of the accounting market is underscored by growth of Polish economy and the growing need for high-quality accounting services, including accounting outsourcing business where Poland's place in the world stage is rising strongly and many of these jobs are claimed to be in the accountancy market.

Poland has been a member state of the European Union since 2004; it has not adopted the Euro. Poland is in central Europe, with a coastline on the Baltic Sea in the north. It shares its borders with numerous countries: Germany, Czech Republic, Slovakia, Ukraine, Belarus, Lithuania, and Russia. The capital and largest city is Warsaw. Poland has a stable population of about 38.2 million. Its 2012 Gross Domestic Product (GDP) per capita was US\$12,708;³ almost double what it was when Poland acceded to the EU (US\$6,620 in 2004). This is still

³ GDP per capital in current US\$. Source: World Development Indicators, World Bank.

lower than most of its peer countries from the EU8⁴ (average: US\$ 15,909), and significantly below the EU average of US\$ 32,677; however this gap has narrowed significantly in recent years.⁵

Poland is the largest economy in Central Europe; it has performed well in a challenging environment, growing at an average real rate of 3.4 percent over the period 2008-12.⁶

Strong economic fundamentals, sound macroeconomic policies, coupled with limited external imbalances, allowed Poland to avoid a recession despite the 2008 global economic crisis. Poland is the only European Union (EU) country that has grown continuously over the last four years. Countercyclical policies and the floating exchange rate regime, together with ample international reserves and the precautionary Flexible Credit Line arrangement with the International Monetary Fund (IMF), helped insulate the economy and supported confidence.

Nonetheless, the economy has slowed recently, reflecting a combination of external factors and weaker domestic demand. GDP growth slowed to 1.9 percent in 2012 and further decelerated in early 2013 as renewed turmoil in the Euro zone weakened business' and consumers' confidence, leading to a drop in investment and stagnation in private consumption. The deceleration is further amplified by the negative impact of the ongoing fiscal consolidation effort, and by negative growth of real wages. Prospects for future economic growth will depend on developments in the Euro zone, as the Polish economy is closely linked to the EU through trade and financial flows. Due to the difficult external environment, Poland's real GDP was expected to grow by 1.3 percent in 2013, and prospects beyond 2013 largely depended on developments in the Euro zone. Growth projections were at 2.4 percent in 2014 should the external environment strengthen and investment increase (in the context of the new EU financial perspective). The unemployment rate was expected to further increase until 2014 and may start to decline only in 2015 if growth accelerates.

Poland's financial system appears to be resilient. Poland's financial system has been expanding rapidly and is dominated mostly by foreign-owned banks. Total financial system assets grew from 86 percent of GDP in 2005 to 124 percent of GDP in 2012. Banks account for about 70 percent of financial assets, and foreign-owned banks control about 63 percent of the banking sector's total assets. The state owns controlling shares in four banks, which together account for about 23 percent of banking sector assets, including Poland's largest commercial bank, with a market share of 16 percent. The banking system is not highly concentrated: the top five banks account for about 44 percent of system assets. Credit unions and cooperative banks constitute a small segment of the banking system, but the latter are

⁴ The EU8 are the group of eight former World Bank client countries that acceded to the European Union in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia. Poland's GDP per capita is lower than all its EU8 peers, except Hungary. Slovenia leads the group, at US\$ 22,001.

⁵ In 2004, Poland's GDP per capita was only 25% the EU average. In 2012, that figure climbed to 39%. Source: World Development Indicators, World Bank.

⁶ Source: Economist Intelligence Unit's Country Forecast for Poland. November 2013.

growing rapidly. Pension and mutual funds are the main non-bank players in the financial system.

The Warsaw Stock Exchange (WSE) is the dominant exchange in Central and Eastern Europe, and ranks second only to the London Stock Exchange in the number and value of initial public offerings in Europe. There are 438 listed companies, totalling EUR 177 billion in market capitalization (equivalent to 36.3 percent of GDP).⁷ Warsaw has led European stock exchanges in terms of new listings – it had 105 initial public offerings in 2012 on its main market and its New Connect alternative market for smaller companies, accounting for 40 per cent of all new listings in Europe. However, the value of those companies was small, EUR 731 million, compared with the EUR 5.1 billion in new listings on the London Stock Exchange, for example. Vienna, in contrast, had no new listings in 2012, while Budapest had one and Prague, three.⁸

IFRS are required for consolidated financial statements of banks and listed companies. In Poland, IFRS are required for consolidated financial statements of the banks (except cooperative banks) and listed companies. IFRS are permitted for consolidated and legal entity financial statements if the entity is a subsidiary (direct or indirect) of a parent preparing its consolidated financial statements in accordance with IFRS as adopted by the EU (Endorsed IFRS) or a branch of a foreign enterprise preparing its financial statements in accordance with IFRS as adopted by the EU. IFRS for SMEs is prohibited.

The Accounting Act applies to all other companies. The Accounting Act is the primary piece of legislation regulating accounting and financial reporting, and also sets forth a number of requirements pertaining to statutory audit. It is largely based on the Fourth and Seventh EU Company Law Directives, and applies to all companies, including SMEs. Companies not required to apply IFRS must apply the requirements of the Accounting Act. Following the publication of the new EU Accounting Directive in 2013, the authorities are currently in process of developing proposals to revise the Accounting Act accordingly.

Poland's legal framework for accounting and auditing is fully aligned with the acquis with the creation of the Audit Oversight Commission (KNA). Poland has fully aligned its legal framework with the EU *acquis communautaire* as it relates to accounting and auditing and implemented most of the recommendations of the previous ROSC A&A. The country has now implemented the IAS Regulation requiring EU-endorsed IFRS for the preparation of consolidated financial statements of companies whose securities are admitted to trading on a regulated market of any Member State. In 2009, the Act on Auditing established an Audit Oversight Commission (KNA), responsible for overseeing statutory auditors, audit firms and the operations of the Chamber of Auditors of Poland (KIBR) that related to matters of the audit oversight.

⁷ Source: Economist Intelligence Unit's Industry Report on Financial Services for Poland, June 2013.

⁸ Source: "Stock exchanges: Sound of overtures in Warsaw and Vienna." Financial Times, 2013. May 9. <http://www.ft.com/reports/cee-banking-finance-2013>.

The Polish Accountants Association (SKWP) is the oldest and largest Polish organization of accounting and financial professionals. It is a full member of the International Federation of Accountants (IFAC). SKWP has operated in Poland since 1907, and it covers bookkeeping as well as accounting.

The Auditing Act⁹ recognizes the profession as self-regulated and independent, though subject to the supervision of the Audit Oversight Commission. The Audit Oversight Commission is responsible for the supervision over the National Chamber of Statutory Auditors (KIBR). The constituent bodies of KIBR are obliged to submit adopted resolutions to the Audit Oversight Commission for approval. The main governing body of KIBR is the National Assembly of Statutory Auditors, which meets in plenary every four years. The National Assembly of Statutory Auditors consists of delegates from the regional branches of KIBR, elected during general meetings, in proportion to the overall number of Statutory Auditors from the register, in accordance with the principles settled by the National Council of Statutory Auditors. The National Council of Statutory Auditors manages the activities of the self-governing body in periods between meetings of the National Assemblies of Statutory Auditors.

Consistency with the Bank Strategy for the Poland. This activity is consistent with the focus of the 2009 ECA Strategy's to assist government in strengthening governance and institutions and to improve the business climate by enhancing prospects for investment and trade competitiveness. The delivery of this AAA product is included under the fee-based service arrangement that forms part of the ECA region's operational response to the increasing demand of governments for the Bank's knowledge products.

⁹ The Act on Statutory Auditors, Their Self-Governing Organisation, Entities Authorised to Audit Financial Statements and on Public Oversight, of May 7, 2009.

1. INTRODUCTION

1.1. Objective and scope of research

This report was prepared within the framework of Financial Reporting Technical Assistance Program (FRTAP), which aims to support new EU Member States in their efforts to implement sustainable institutional and legal foundations in scope of financial reporting for private sector entities.¹⁰ Support for Poland pertains to the component named *Analysis of market for accounting services and professions*. Underlying objective of the project is to help Polish institutions to create and implement a sustainable and regular system for collection and analysis of statistical data related to accounting professions in Poland. The information shall support formulating further policies and making decisions in scope of regulation of the market for accounting and auditing services as well as financial reporting. Incremental objectives of the component are as follows:

- 1) identifying place and scope of existing information infrastructure,
- 2) identifying gaps in collected data,
- 3) proposing a method of eliminating those gaps,
- 4) supporting Polish institutions in the process of developing a sustainable and integrated system for regular collection and analysis of statistical data on operation of accountants and statutory auditors in Poland.

The entire component was divided into two parts and four phases.

This report is a result of works undertaken during the first phase of the research. The objective of this phase was to review existing information in scope of accounting services market, as well as existing resources and human resources potential in terms of persons connected, in broad sense, to accounting.

Knowledge of the market for accounting services and professions is indispensable for informed decision making by all the entities, which are in any way connected to this market. Decisions may pertain to e.g.:

- directions for education and further professional development of human resources in the field of accounting,

¹⁰ FRTAP is a part of a larger project of Swiss Contribution to Mitigating Economic and Social Disparities for new EU Member States, which joined EU after 2004. The World Bank participates in the program and provides technical assistance within the framework of FRTAP to governments of Czech Republic, Latvia, Poland and Slovenia. The assistance is provided by Centre for Financial Reporting Reform (CFRR), a unit within the framework of regional section for Europe and Central Asia (ECA). Further information about the program and CFRR itself are available on the website www.worldbank.org/cfrr.

- selection of instruments to counteract unemployment on the accounting and auditing labor market,
- investing in accounting and auditing services market (including by outsourcing centers).

Moreover, knowledge of the market of accounting professions is one of the most important factors, which should be taken into consideration when working on target structure of financial reporting in Poland.

Informed decision making in the area of accounting requires completeness of information, which can be ensured by designing and implementing an appropriate information collection system and a proper information infrastructure. This report is intended to indicate the existing sources of information about accounting services market, and present the resulting picture of the market. This picture cannot be considered a complete and exhaustive study, as it is prepared based exclusively on publicly available information (data provided especially for the purpose of the study was used only in very limited scope).

Research covered the accounting services segment in all sectors of the economy. The authors have tried to include all relevant issues, important from the perspective of accounting/auditing companies, including BPO/SSC centers, employees in accounting, professional organizations, schools, universities and certifying institutions, as well as various business environment institutions.

The report uses terms “accounting professions”/“accounting professions market” interchangeably with terms A&A professions/A&A market (Accounting and Auditing). The term “auditor” is used in its broad sense, i.e. including both external and internal auditors, referring not only to financial auditing, but also other areas of functioning of enterprises/institutions.

As far as financial auditing market is concerned, the analysis includes those aspects, which are closely related to the main focus of this study, since statutory auditors, besides auditing services, may also perform such services as e.g. bookkeeping, internal audit, tax advisory services. Analysis of auditing services market is tackled under a separate, dedicated study within the framework of FRTAP.

Work on the report was conducted in two clearly distinct phases.

In the first phase of the study, the range of stakeholders involved in the A&A market regulation process were identified. Then, their information needs with respect to the market were identified from the perspective of objectives of their operation; collected data was catalogued in order to identify the most important information gaps. Analysis of quantitative data about the market was preceded by an in-depth characteristics of accounting related professions.

Collected data allowed creating an image of A&A market in Poland. However, as previously mentioned, this is an image resulting from currently available data. This stage of the study is implemented mostly based on data and information that is generally available, supplemented by information received from some of the report's stakeholders. Project assumptions did not envisage conducting primary research, and even a preliminary review of sources of information about the A&A market has indicated, that without such primary research it is not possible to present a complete diagnosis of this market.

Structure of the report has been subordinated to specific objectives of the project. It is composed of an Introduction (1), five substantive sections (numbered 2 through 6), Final Comments (7) and Summary (8).

Section 2 is devoted to identifying the array of professions related to accounting. Various classifications of professions and occupations were analyzed in order to identify those, which could be included in the group of A&A professions. This was key for further stages of the study, as it set the framework for searching sources of information about A&A professions market.

Section 3 pertains to characteristics of education paths for A&A professions, both formal and informal ones.

In Section 4, an attempt was made to characterize the labor market of A&A professions – both from demand and supply side. Among other things, influence was indicated of small and medium enterprises sector on accountants/auditors labor market, premises and ramifications of accounting services outsourcing (both in form of accounting firms and BPO/SSC centers). Unemployment in A&A professions was analyzed, as well as information about pay of accountants/auditors. Moreover, a quantitative analysis was conducted of employment in accountancy related professions (based on GUS data) as well as quantitative analysis of professions regulated by the law.

Section 5 was devoted to new trends and directions for change on A&A professions market. Changes in the education system for accountants, new types/forms of performing accounting services (mostly use of modern technologies) and impact of deregulation laws on A&A professions were all taken into consideration. Background for the analysis was to outline those directions of state policy and strategy which have impact on the area to which the study pertains.

Authors of the report, in analyzing individual segments/areas of accounting services market in Poland tried to point out lack, inconsistencies or incompleteness of data. Additionally, in Section 6 most important data sources are presented. That chapter is a catalog of sorts, of both public and unpublished data about A&A market and it was prepared based on category of data collected by individual entities involved in the process of collecting data about the topic of the study. Subsequently, data was categorized by subject, i.e. by category of data

collected by individual entities. Most of the catalog is in table format, which might make it easier for the reader to find the relevant information. The catalog ends with conclusions pertaining to identification of information gap in the collected data.

Each of the substantive chapters ends in presentation of conclusions of that chapter (organized in separate bullet points), hence in the final comments (7) the authors focused mostly on the recommendations in scope of possibility of building a system for collection of data about A&A market.

Summary (8) presents summarized findings of the report.

1.2. A&A market stakeholders

Knowledge of A&A market makes decision making easier for a number of bodies and institutions. Those include both public institutions on government/self-government level and private organizations, including those active on the accounting/auditing services market, organizations of professional self-government corporations/associations, or institutions active in scope of education and training. Demand for information about A&A market results from the needs dictated by field of activity of individual stakeholders. For some of the entities, this information is of key importance, for others it may only supplement their basic information resources. Some of the entities are at the same time users and creators of information about A&A market.

Below, most important stakeholders of A&A market are presented, including a brief characteristics of objectives of their operation and resulting information needs. The list was created based on legal regulations, statutes, regulations or content of websites of individual institutions/bodies. It should be assumed that the below catalogue is not a closed list of A&A market stakeholders, as those include all users of financial statements – quality of financial statements depends largely on the work of accountants and statutory auditors, their competences and experience.

1.2.1. Ministries

1. **Ministry of Finance (MoF)**, as the body of government administration responsible for public finance, plays various roles with respect to A&A market: coordinator of legislative processes and internal audit in PFSE, oversight body over certification of bookkeeping services and tax administration. Main departments of MoF interested in A&A market situation are:
 - **Accounting Department** – due to oversight over the entire accounting system for all types of entities in Poland as well as bookkeeping services; also as an active participant of national and international discussions on potential changes in the

existing standards as well as new standards, e.g. international financial reporting standards, international standards for auditing, international public sector reporting standards, European statistical requirements and others.

- **Public Finance Sector Audit Department** – due to performing tasks related to coordination of management control and internal audit in public finance sector entities,
 - **Tax Administration Department** - due to supervision over national register of taxpayers,
 - **Tax Policy Department** – mostly due to duties in scope of legislation and oversight over **application** and interpretation of provisions of the Act on Tax Advisory Services.
 - Another entity interested in A&A market, mostly in context of legal regulation and standardization and harmonization of accounting, is the **Accounting Standards Committee**, attached to the Ministry of Finance.
2. **Ministry of Science and Higher Education (MSaHE)** – due to functions of oversight and coordination of the tertiary education system (curricula in scope of accounting, number of available enrolment slots, number of alumni of finance and accounting faculty (and related) following up on alumni careers) and oversight of academic personnel in accounting/finance/audit specialties.
 3. **Ministry of Education (MoEd)** – mostly in scope of ensuring appropriate professional education, both in terms of number of pupils and of quality (technical secondary schools, profiled lycees, post-secondary schools), including ensuring that there is an appropriate number of teachers for the profession.¹¹
 4. **Ministry of Economy (MoEc)** – its tasks include initiating actions to stimulate entrepreneurship and activity of Poland in the international arena. Appropriate level of A&A market development may be a stimulation for such processes (if we treat A&A market as capable of generating new jobs and international expansion), but there is another aspect of the issue, namely sufficient competence level and sufficient number of specialists in this area is a factor in development of enterprises in various industries (in such case, A&A market – its adequate level of development – should be treated as a necessary condition for economic development of the country and achieving competitiveness of the national economy).
 5. **Ministry of Labor and Social Policy (MLSP)**, whose objectives include counteracting unemployment and supporting activation of the unemployed, in scope of A&A professions expects information about employability of accountants/auditors, skills and

¹¹ This priority has been included in the strategic document National Development Strategy 2007-2015, adopted by the Council of Ministers on 29 November 2006, Ministry of Regional Development, Warsaw 2006, p. 46, http://www.mrr.gov.pl/rozwoj_regionalny/Polityka_rozwoju/SRK/Documents/SRK_2007_2015.pdf (accessed on 12.09.2013)

qualifications expected by the labor market, necessary to determine directions for offered training and other forms of professional development, supply of employees in various A&A professions, skills and qualifications, including number of persons graduating from various levels of education.

6. **Ministry of Regional Development (MRD)** – interested in A&A market as the element of public policy, spatial and regional development of which is a condition for development of other sectors and fields, and thus fitting into the objectives set forth in *National Development Strategy 2020* (main objective of which is to “*enhance and utilize economic, social and institutional potentials, ensuring faster, sustainable development of the country and improved quality of life of its population*”¹²).

1.2.2. Professional self-government

1. **National Chamber of Statutory Auditors (KIBR)** – in scope in which it acts in the interest of its members (statutory auditors), by, among other things, setting auditing standards, determining detailed subject matter scope of exams for statutory auditor candidates, providing control over appropriate performance of the profession, including continuous professional development.
2. **National Board of Tax Advisors (KRDP)** – in scope in which it acts in the interest of its members (tax advisors), including by providing oversight over proper performance of the profession, professional development for members, cooperation with professional self-governments of other freelance professions.

1.2.3. Professional organizations

Other bodies interested in the condition of A&A market and directions for its development are definitely the organizations, which gather specialists in the area of accounting and finance, such as **SKWP**, **ACCA**, **CIMA**, or other professional organizations. Reliable information about the accountants/auditors profession allows for proper planning of actions aimed at implementation of statutory objectives, which are: disseminating knowledge in scope of accounting/finance/audit, creating good practices; supporting and encouraging activity of the members of the given organization, and in case of professional qualifications – promoting them among potential candidates as well as employers. Some of the organizations actively participate in issuing opinions on legislative changes, conduct educational, information and consulting activity in scope of broadly understood accounting and related fields, cooperate

¹² *Strategia Rozwoju Kraju 2020* (2020 National Development Strategy), document adopted in the resolution of the Council of Ministers of 25 September 2012, Ministry of Regional Development, Warsaw 2012, p. 29, [http://www.mrr.gov.pl/rozwoj regionalny/Polityka_rozwoju/SRK_2020/Documents/Strategia_Rozwoju_Kraju_2020.pdf](http://www.mrr.gov.pl/rozwoj%20regionalny/Polityka_rozwoju/SRK_2020/Documents/Strategia_Rozwoju_Kraju_2020.pdf) (accessed on 12.09.2013)

with tertiary education and professional development bodies, support scientific and research works, or cooperate with similar domestic and international organizations.

1.2.4. Oversight bodies

1. **National Bank of Poland (NBP)** – as the institution supervising the banking system in Poland, it may be interested in information pertaining to activity of the banks in the area of A&A, e.g. banks offering accounting services as part of maintaining the account, market trends related to changes in prices of accounting services or the informal economy. In general, all the participants of the banking system are interested in quality of financial reporting, as this is the basis on which the most important decisions are made, such as assessment of creditworthiness of current and potential borrowers.
2. **Regional Chambers of Audits (RIO)** are the body supervising the activity of territorial self-government units in scope of financial management and public procurement. They conduct information, instruction and training activity in scope of areas subject to their inspection and supervision. Information about the A&A market are not directly within RIOs' scope of interest, although it may be used indirectly to determine the mode of cooperation with financial services of territorial self-government units (TSGUs), planning and implementation of supervision and inspection activities (e.g. quality and correctness of TSGU budget execution reports, which are audited by RIO, depends in part on numbers and quality of education of the accountants, while in turn correct implementation of tasks and spending the funds in compliance with the law are supported by functioning of the internal audit as well as numbers, level of education and experience of internal auditors).
3. **Financial Supervision Authority (KNF)** as the body supervising the financial market is supposed to ensure proper operation of that market, its stability, security and transparency, confidence in financial markets, as well as ensure protection of interests of market participants. Implementation of the above requirements is clearly linked to the quality of work of financial and accounting services of entities participating in the financial market, auditors controlling that market and quality of accounting services offered by financial institutions. Therefore, it would seem that from the perspective of KNF important information would pertain to accountants and auditors of market participants, as well as to involvement of financial institutions in market of accounting services (e.g. providing accounting services within the framework of banking services).
4. **Audit Oversight Committee** – an independent collegial body of public administration executing public oversight over: practicing the profession of a statutory auditor, activity of entities authorized to audit financial statements, as well as activity of the National Chamber of Statutory Auditors (KIBR); it is a direct stakeholder in scope of data and information about operation of, first and foremost, of auditing services market – in the sense of both receiving such information from other entities and providing it.

1.2.5. Training institutions/companies and pedagogical supervision

1. **Tertiary schools** offering such majors as: economics, finance and accounting, management and related areas, are stakeholders of A&A market due to the need to adapt their educational offering to the needs of the labor market; interest that tertiary schools take in trends existing on the market for accounting and auditing services shows in, among other things, establishing links with the entities in the economy, and as a result e.g. new study majors emerge, including postgraduate, aligned with expectations of the employers; cooperation with certifying institutions, providing opportunities to gain specific levels of qualifications within the framework of tertiary studies, etc.
2. **Training institutions and companies** – trends on the A&A services market may indicate areas of potential for training institutions, in scope of training courses proposal (including professionals), professional development and other educational initiatives; based on available information, training companies may also plan their activities and development strategies, including e.g. entering into cooperation with a certifying institution, assuming, that the company has adequate capacity and meets the requirements of such institutions.
3. **Superintendents of education** are bodies of government administration; on behalf of the voivod they provide pedagogical oversight over public and non-public schools (including secondary schools with economic profile). They are responsible, among other things, for implementation of educational policy of the state and cooperate with the bodies of territorial self-government in scope of creation and implementation of regional and local educational policy, in line with educational policy of the state. Such policy should, among other things, take into consideration the needs of the labor market in scope of accounting and auditing professions. Awareness of educational needs in scope of economics and finance (on different levels of education) among the superintendents of education seems to be key for giving proper rank to this kind of issues in teaching curricula as well as appropriate education and professional development of teachers of economics related majors.

1.2.6. Industry organizations and business support/business environment institutions

1. **ABSL (Association of Business Service Leaders)** is the leading industry organization, representing the sector of modern business services in Poland and gathering companies active in that field (approximately 90 foreign and Polish investors at this time). Organization's mission is strengthening the position of Polish business services sector and increasing investment attractiveness of Poland as a leading localization for outsourcing and offshoring projects. Main objectives of ABSL include: enhancing industry dialogue and collaboration, developing and deepening cooperation with authorities, strengthening positive image of the sector. ABSL area of interest includes

firstly information about BPO/SSC services market, important branch of which are financial and accounting services, as well as analysis of data and information about state of the art business services. ABSL also prepares comprehensive studies about the sector of those services in Poland, which constitute one of the basic publicly available sources of knowledge about the issue.

2. **Association of Internal Auditors** is the Polish chapter of an international organization of auditors - The Institute of Internal Auditors (IIA). Objectives of the Association include disseminating information about idea and role of internal audit and internal auditor profession. Besides its activities of promoting audit and supporting auditors (in form of e.g. organizing training, lectures, consultations, advice), the Association also cooperates with persons and institutions in scope of collecting information and exchanging experience in the area of internal audit. Association also conducts certification of the auditors.
3. **Polish Information and Foreign Investment Agency (PAIiIZ)** helps investors to enter Polish market in areas including administrative procedures and providing comprehensive information about economic and legal environment of investments, as well as providing assistance in finding appropriate partners for business and its location. Foreign investors show particular interest in BPO/SSC sector services (including accounting services), hence PAIiIZ is one of the stakeholders of A&A services market, both in scope of its current position and development potential.
4. **Polish Agency for Enterprise Development (PARP)** – conducts activities in scope of supporting and developing competitiveness of enterprises, human resources, business environment institutions and regions. It is also involved in research and analysis activity aimed at identifying needs of entrepreneurs, in particular SMEs (small and medium enterprises), with aim to use this knowledge for developing proposals of new activities to benefit entrepreneurship, innovations and human resources development. In conducting activity focusing on SME sector, the Agency is a potential stakeholder of A&A market, in particular in the area of services and solutions dedicated to SME sector.

1.2.7. Enterprises (including accounting and auditing firms)

Most of the enterprises and institutions are directly or indirectly interested in the situation of the A&A market. Group of institutions interested directly includes companies/institutions providing this type of services. Knowledge of the market is necessary for creating development strategies and policies with respect to competitors and service recipients as well as planning the activity. A no less important group of stakeholders are the enterprises, using the services of the A&A market or intending to use them in the future. Choice of the optimal way to conduct accounting/bookkeeping and using other services offered on the market depends on knowledge of what is available.

Stakeholders of A&A market also include companies cooperating with the market, although not being direct market participants (e.g. vendors of software supporting accounting/advisory services etc.).

1.2.8. Accountants and auditors

Besides enterprises which provide A&A services in an institutionalized manner, there is an important group of stakeholders – representatives of accounting and auditing professions, in broad understanding, who either work in companies providing such services or practice the profession as self-employed practitioners, based on civil law agreements, seek this kind of jobs while having appropriate qualifications or are in process of getting said qualifications. They constitute the main supply side component of the A&A market, and with their qualifications, skills and experience they are a resource that is most important for existence of the market – intellectual capital.

Based on information about quantity and quality of human resources available on the market, as well as analysis of expectations and requirements of employers on the market, current or future accountants and auditors can plan paths of personal development, as well as development of their competences and skills, thus constituting an important group of potential recipients of services of educational and training companies and institutions.

Review presented above shows a **broad A&A market, touching various areas, with varying needs and requirements for information**. In some cases, they pertain to the same categories, but on different level of detail or analyzed from a slightly different angle. Therefore, it seems that information about various categories of A&A market should not only meet the requirements of high quality, but also of comprehensiveness and complexity.

Awareness of such needs, after analyzing the A&A market based on available data sources, will serve to identify information gaps and indicate the options for filling them.

1.3. Research methods

Due to bias towards qualitative character of research, targeted selection of data sources was applied, with focus on those units/bodies, which are involved in broadly understood processes of collecting statistical data in scope of operation of A&A market¹³. Application of various research methods was necessary to develop this study. Those methods are listed below:

¹³ In case of auditing market, research was limited to review and analysis of generally available data sources, without conducting interviews with KIBR, which resulted from assumed scope of research, as described above.

1. **Desk Research** (based on Internet resources) was the basic method, given the objective of the project. Internet resources were searched by means of keyword search, as well as comprehensive review of websites of those bodies and organizations, from which the authors expected to gain data of interest for this study. Websites of main A&A market stakeholders were analyzed, with particular focus on reports, analyses and compilations as well as provisions of the law regulating their operation. It should be emphasized, that the objective of the study was to reach all possible information resources, both those considered comprehensive, complete and reliable and those not verified in this respect. However, they were considered easily available enough for a potentially interested person, who might not have appropriate level of knowledge about A&A market, to seek them out. Thus, sources of this type may also serve the purpose of learning about the market for accounting professions. Tasks of the authors of the report did not include verification of credibility of such data sources.
2. **Content review of reports/studies** (of GUS and other institutions) was the other, besides desk research, applied method. Such reports and studies as could provide important information about A&A market were identified and subsequently information/data important for this study was extracted and analyzed. Some of the reports were available online, but some compilations were prepared especially for this study (e.g. reports prepared by SKwP, ACCA, CIMA). All surveys performed by GUS within the past five years were analyzed, with particular focus given to those, in which the most information/data about A&A market can be found.
3. **Diagnostic survey in form of simple and (in limited scope) in depth interviews**, which played a role complementary to research methods listed above. Interviews/conversations were held, among others, with employees of SKwP, ACCA, CIMA, MoF, MoEd, RIO, NBP, UP, GUS, representatives of self-government bodies, outsourcing companies, tax offices and superintendents of education. Frequently, exchange of e-mails was used to supplement personal and telephone interviews.
4. **Heuristic methods**, including analogical transfer and brainstorming, were used both when developing the concept of the study as well as during analysis of collected data and the process of drawing conclusions. At the stage of defining the notion of an accountant/auditor definition method was also applied, i.e. more precise description of generally used notions, based on assumption that resolving terminology issues is important for researching the heart of the matter, in this case A&A professions.
5. **Descriptive and analytical methods** have served to analyze empirical material collected during the research of e.g. the number of people working in various A&A professions, number of persons holding certificates and other qualifications, salaries, entities hiring accountants etc. Descriptive methods served to extract interesting data and phenomena from a larger whole, and subsequently their description, comparison, identification of common and differing factors. After that, using statistical comparative methods, a comparison was made of various features a phenomena over time

(dynamics analysis), in space (analysis by region/voivodship) as well as between individual entities or groups of entities.

6. **Critical analysis**, since the research was based almost exclusively on secondary data and information, was one of the main methods used in developing the report. When presenting data from various sources, the authors tried to present information and data important for the topic in a manner as objective and accurate as possible, which was sometimes difficult due to lack of detailed description of methodology of data collection (including lack of information about sample size), incompleteness of data or its presentation in external source studies in a way that made correct interpretation of such data difficult. Critical approach to these issues, although it constitutes a subjective evaluation by the researchers, was often necessary from the perspective of care for accuracy and reliability of this report.
7. **Simple statistical methods** (including basic statistical measures, such as average, median, mode, 1st and 3rd quartile) were used for better presentation of correlations between analyzed phenomena in quantitative analysis of statistical data (e.g. in analysis of salaries in A&A professions).
8. **Table based and graphic presentation of data** (graphs and figures) has served a clear and comprehensive presentation of most important data among those collected and analyzed in the report, which was intended to facilitate interpretation.

As far as the process of drawing conclusions, applied in the study, is concerned, the authors limited themselves to drawing only the most general conclusions, especially in areas lacking complete statistical data that would allow a fully objective and reliable evaluation.

The report was consulted with the Ministry of Finance (Accounting Department), Audit Oversight Commission, National Chamber of Statutory Auditors, Accountants Association in Poland. Most of the comments presented were included in this version of the report.

During the research process, an attempt was made to review studies of similar scope and topic, conducted in other countries/regions. For that purpose, a query was sent to IFAC (International Federation of Accountants). Unfortunately, as of 05 October 2013 relevant answer was not provided¹⁴. However, following reports on A&A market were identified:

- The financial management, accounting and auditing skills shortage in South Africa, D.P. van der Nest, E van Zyl, 2008,
- Qualitative review of the accounting and auditing needs of small and medium-sized companies and their stakeholders, Neil Marriott, Jill Collis, Pru Marriott, 2006,

¹⁴ Email with questions was sent twice: in July and in September. The July message went entirely unanswered; in response to September message a promise to provide answers was given, however no such answer has been received as of 02.10.2013. Email from Wayne Travers Jr. Communications Manager is dated 06 September 2013.

- Reports prepared by Euromonitor International as of September 2012, pertaining to A&A market in Australia, Brazil, Canada, China, Italy, France, Germany, India, Indonesia, Japan, Mexico, Russia, Saudi Arabia, South Korea, Spain, Turkey, United States and UK – historical data about the market, its attractiveness, profitability, requirements with respect to accountants and auditors, etc. for 2007 - 2012 (or 2005 – 2011) and projection of A&A market growth by 2018 (2017), <http://www.euromonitor.com>.

However, due to specificity of Polish market, both in terms of accounting education and business environment, conclusions from those reports are not directly applicable to situation in Poland.

2. ACCOUNTING RELATED PROFESSIONS

2.1. Law and other regulations pertaining to accountant profession

The accountant profession is not uniform, and accountants may work in companies from various industries and sectors of the economy, or they may run their own businesses. Accounting related professions include professions strictly regulated by the law (regulated professions) as well as non-regulated ones, professions which require different levels of education and competences.

Accounting related professions were also not unequivocally defined and categorized anywhere. Therefore, it is not possible to create a closed, unequivocal catalog of such professions. As a result, the authors had to make certain assumptions and apply subjective assessment (e.g. the profession of a tax advisor has been categorized as part of A&A professions group due to the scope of activities which tax advisors are authorized to perform, such as e.g. maintaining tax registers).

Many provisions of the law and other regulations refer directly or indirectly to A&A professions market. The entire body of regulations and standards pertaining to those professions may be divided based on various criteria. Most important ones are:

1. **Objective and scope of regulation.** This criterion is a basis for identification of:
 - regulations and standards applied on the labor market, especially in scope of systematizing and describing selected professions,
 - regulations serving the purposes of state statistics,
 - legal regulations and other provisions pertaining to subject scope of specific professions,
 - regulations specifying requirements with respect to practice specific professions and perform specific activities related to accounting (this pertains mostly to regulated professions),
 - regulations and standards pertaining to methods of obtaining professional qualifications (e.g. principles for passing exams, certification etc.).
2. **Character.** Based on this criterion, it is possible to identify regulations which are:
 - legal regulations – mandatory in scope of specific professions (e.g. Acts and Ordinances regulating scope and requirements for practicing a given profession);
 - other regulations – such as e.g. resolutions of professional organizations of accountants and auditors, setting codes of ethics or standards; they can be

mandatory (usually for the members of the given organization) or voluntary (but recommended as good practices of the profession).

3. **Territorial scope.** Based on this criterion, it is possible to identify regulations with:
- national – those are the acts of law in force in Poland (e.g. Act on accounting) as well as standards and guidelines in scope of relevant professions, created by Polish professional organizations (e.g. resolution of the National Assembly of SKwP Delegates on principles of professional ethics)
 - international – e.g. International Standards of Auditing, International Standard Classification of Occupations ISCO-08, on which classification of professions and specializations in Poland is based.

Since the survey covered by this report pertains to Polish market of accounting services, the further part shall focus on those acts of law and other regulations, which are applicable to professions of accountant and auditor in Poland, as well as to international regulations insofar they constitute the basis for creation and implementation of Polish regulations.

The most important **acts of law** containing references to accounting and auditing professions are:

1. *Act of 29.09.1994 on accounting (Journal of Laws of 1994 No. 121, item 591 with subsequent amendments).* As the overarching act regulating accounting, the Act tackles a number of important issues, which may be seen from the perspective of entities as well as subject scope of accounting related professions:
 - it defines the manager of the entity and members of the entity's bodies, and sets forth the principles of their liability for accounting in the enterprise,
 - it determines, what accounting includes, thus indicating the basic subject scope of activities (subject areas) of broadly understood financial and accounting services,
 - it determines the scope of financial ledgers audit by statutory auditors,
 - sets forth the principles of providing bookkeeping as a service.
2. *Act of 7.05.2009 on statutory auditors and their self-government, entities authorized to audit financial statements and public supervision (Journal of Laws of 2009 No. 77, item 649 with subsequent amendments).* This Act constitutes the basis for functioning of the statutory auditor profession in Poland.
3. *Act of 5.07. 1996 on tax advisory services (Journal of Laws of 2011, No. 41, item 2013).* Those provisions regulate the profession of a tax advisor and functioning if its self-government.
4. *Act of 27.08.2009 on public finance (Journal of Laws of 2013, item 885 with subsequent amendments).* This Act contains provisions regulating:
 - profession of an accountant in public finance sector entities,

- profession of an internal auditor as well as the concept and principles of internal audit.
5. *Ordinance of the Minister of Finance of 29.12.2009 on statutory auditors qualification procedure* (Journal of Laws of 2010 No. 6, item 36 with subsequent amendments), sets forth, among other issues, conditions and procedures for obtaining qualifications required in statutory auditor profession.
 6. *Ordinance of the Minister of Finance of 15.01.2010 on control of performance of the profession by statutory auditors and on activity of entities authorized to audit financial statements* (Journal of Laws of 2010 No. 16, item 83) determines, among other things, principles and procedures for conducting inspections of statutory auditors and the entities.
 7. *Ordinance of the Minister of Labor and Social Policy of 12.11.2012, amending the Ordinance on classification of occupations and specializations for the purposes of the labor market and principles of its application* (Journal of Laws of 2012, No. 0, item 1268). This Ordinance is the source of the current classification of occupations and specializations, including, in scope of accounting professions (broadly understood) and auditors.

Among regulations **other than acts of law**, pertaining to accounting and auditing professions on the Polish market, the following should be mentioned:

1. *Code of professional ethics in accounting*. It was introduced by Resolution No. 18 of the XIX National Assembly of Delegates of SKwP of 23.06.2007 on principles of professional ethics. It contains a set of ethical principles relevant for practicing the profession in the field of accounting. It is obligatory for members of SKwP and such signatories of the Code as have voluntarily declared to observe its principles.
2. *Standards for professional qualifications*. This document is not obligatory, however it is recommended by the Ministry of Labor and Social Policy for the purposes of the labor market.
3. *Resolution No. 732/111/ 2009 of the Main Board of Accountants Association in Poland of 20.07.2009 on certification for accountants*. The document sets forth four steps of certification of accountants by SKwP.
4. *Resolution No. 732/110/ 2009 of the Main Board of Accountants Association in Poland of 20.07.2009 on professional title of "certified accountant"*. This document establishes the title of a "SKwP Certified Accountant" and sets forth requirements for obtaining such title.
5. *National Standards of Auditing introduced by Resolution No. 1608/38/2010 of the National Council of Statutory Auditors of 16.02.2010 on national standards of auditing* and amended in connection with introduction of new principles of publishing financial

statements by Resolution No. 1474/23/2012 of the National Council of Statutory Auditors of 18.12.2012 (resolution approved by Audit Oversight Commission).

6. *IFAC Code of Ethics introduced by Resolution No. 4249/60/2011 of the National Council of Statutory Auditors of 13.06.2011 on principles of professional ethics for statutory auditors* (resolution approved by Audit Oversight Commission).
7. *Principles of internal quality control introduced by Resolution No. 1378/32/2009 of the National Council of Statutory Auditors of 13.10.2009 on principles of internal quality control in entities authorized to audit financial statements* (resolution approved by Audit Oversight Commission).
8. *Subject matter scope of exams for statutory auditor candidates introduced by Resolution No. 1798/41/2010 of the National Council of Statutory Auditors of 30.03.2010 on detailed subject matter scope of exams in statutory auditor qualification procedure* (resolution approved by Audit Oversight Commission).
9. *Principles of compulsory professional development introduced by Resolution No. 1422/33/2009 of the National Council of Statutory Auditors of 3.11.2009 on principles of compulsory professional development for statutory auditors (as subsequently amended)* (resolution approved by Audit Oversight Commission).

2.2. Overview of classification of accounting/auditing professions

The basis for classification of accounting related professions could be:

- classification of professions and specializations for the purposes of the labor market,
- scope of legal regulation and standardization of the profession.

The most important document, obligatory for classification of all professions and specializations in Poland is the *Classification of professions and specializations* (CPS). The Classification is determined by way of an ordinance by the minister competent for issues of labor, in line with art. 36 par. 8 of the *Act of 20.04.2004 on promotion of employment and labor market institutions* (Journal of Laws of 2004, No. 99, item 1001 with subsequent amendments). Currently (since 1 September 2012) amended classification of professions and specializations for the purposes of the labor market is in force, introduced by *Ordinance of the Minister of Labor and Social Policy of 12.11.2012 amending the Ordinance on classification of professions and specializations for the purposes of the labor market and scope of its application* (Journal of Laws of 19.11.2012, item 1268) – called *CPS 2010*. The aforementioned Ordinance has introduced a number of changes to the classification of professions and specializations which was in force since 1.07.2010. Until 30.06.2010, classification of 2007 was binding (called *CPS 2007*).

CPS constitutes a systematized collection of names of professions and specializations based on the International Standard Classification of Occupations ISCO-08. All professions and specializations are listed using a five level hierarchy, divided into groups: big (marked by a single digit symbol), large (two digit code), medium (three digits) and elementary (four digits). Particular professions and specializations are described by a six digit code.

The Classification is used by various labor market institutions for purposes of job seeking intermediation, career counseling, vocational training, as well as for purposes of data collection, conducting research, analyses and surveys of the labor market. It is also used in state statistics.

Accounting related professions, in order aligned with the currently binding CPS, are listed in the table below (Table 2.1). Professions were selected based on a broad approach to understanding accounting professions, as well as broad scope of activities performed by persons practicing those professions.¹⁵

Table 2.1. Accounting and auditing related professions as per Classification of professions and specializations (CPS 2010, as amended)¹⁶

Name of the group of professions and specializations	
1.	REPRESENTATIVES OF PUBLIC AUTHORITIES, HIGH LEVEL OFFICIALS AND MANAGERS
11	Representatives of public authorities, high level officials and general directors
	112 Managing directors and chief executives
	1120 Managing directors and chief executives
	<i>112006 Financial Director</i>
12	Administrative and commercial managers
	121 Business services and administration managers
	1211 Finance managers
	<i>121101 Chief Accountant</i>
	<i>121102 Accountancy Firm Manager</i>
	<i>121103 Financial Department Manager</i>
	1212 Human resources managers
	<i>121201 Manager of HR and payroll department</i>
13	Production and specialized services managers
	134 Professional services managers
	1349 Professional services managers not elsewhere classified

¹⁵ It should be noted, that CPS considers certain functions and positions to be professions (e.g. financial director, chief accountants), which is a slight inconsistency of legislation.

¹⁶ Source: Own compilation, based on CPS 2010.

Name of the group of professions and specializations	
	134904 Audit Firm Manager
	134990 Professional services managers not elsewhere classified
2.	PROFESSIONALS
23	Teaching professionals
	231 University and higher education teachers
	2310 University and higher education teachers
	231003 University and higher education teachers – economic sciences
	232 Vocational education teachers
	2320 Vocational education teachers
	232003 Vocational education teachers of economic subjects
24	Business and administration professionals
	241 Finance professionals
	2411 Accounting and auditing professionals
	241101 Statutory auditor
	241102 Controlling Specialist
	241103 Accounting Specialist
	241104 Investment Accounting Specialist
	241105 Tax Accounting Specialist
	241106 Management Accounting Specialist
	2412 Financial and investment advisors
	241202 Financial advisor
	241203 Investment advisor
	241204 Tax advisor
	2413 Financial analysts
	241306 Financial specialist
	241390 Other finance professionals
	2422 Policy administration professionals
	242204 Auditor
	2423 Personnel and careers professionals
	242310 Remunerations specialist
3.	TECHNICIANS AND ASSOCIATE PROFESSIONALS
33	Business and administration associate professionals
	331 Financial associate professionals
	3313 Accountants

Name of the group of professions and specializations	
	<i>331301 Accountant</i>
	335 Regulatory government associate professionals
	3352 Government tax officials
	<i>335201 Tax returns controller</i>
	<i>335202 Fiscal control auditor</i>
	<i>335203 Tax official</i>
	<i>335290 Other tax officials</i>
4.	CLERICAL SUPPORT WORKERS
43	Numerical and material recording clerks
	431 Numerical clerks
	4311 Accounting and bookkeeping clerks
	<i>431101 Accounting assistant</i>
	<i>431102 Invoice clerk</i>
	<i>431103 Accounting Technician</i>
	4313 Payroll clerks
	<i>431301 Payroll clerk</i>

Above listing of professions shows a broad range of accounting related professions – from financial directors, academic and vocational teachers of accounting to accounting specialists in the strict sense, and tax system officials executing control of accounting. The table lists 31 professions indirectly or directly linked with performing the activities of broadly understood accounting and audit, and which will be subject to analysis in further parts of this chapter.

Looking at the next criterion, i.e. scope of legal regulations and professional standards, we can identify regulated/standardized professions as well as ones that are not regulated/standardized. Provisions of the law and regulations pertaining to standardization of professions related to accounting for the purposes of the labor market are independent from each other, hence they have to be discussed separately.

Regulated professions related to accounting (as per current state of the law¹⁷) include following professions:

- actuary,
- statutory auditor,
- investment advisor,

¹⁷ Issues related to the proposal for deregulation of accounting professions are discussed in Subection 5.2.

- tax advisor,
- accountant,
- dealer of commodities exchange,
- securities dealer,
- administrator.

Not all of the professions listed above are related to accounting/auditing and as such will not be included in subsequent analysis. Main professions which can be seen as related to accounting and auditing services market, can be identified as: statutory auditor, tax advisor and bookkeeping services. Equal to these, profession of a chief accountant and internal auditor in public finance sector entities could be named. Although they are not included in the above list, they are regulated by the *Act of 27.08.2009 on public finance (Journal of Laws of 2013, item 885 with subsequent amendments)* in a manner similar to: statutory auditor, tax advisor or bookkeeping services.

Some of the professions covered by CPS discussed above (including selected professions related to accounting) are subject to standardization based on *Professional Qualifications Standards*¹⁸. It should be emphasized, that the standards are not only independent from legal regulations pertaining to regulated professions, but are also not obligatory.

Standard of professional qualifications (competences) is a standard describing scope and level of necessary knowledge, skills, as well as psychological and physical characteristics necessary for performing typical professional tasks, in line with requirements of basic work positions within the given profession. Standards are recommended by the Ministry of Labor and Social Policy (MLSP) for use by various interested institutions and persons. Within the labor market, they may be useful for job intermediation purposes, career counseling, determining professional activation programs. In the field of education, they can be the basis for adjusting curricular foundations of vocational training and examination standards to the needs of the economy. Employers may use them to design work positions, building employee evaluation systems, remuneration systems etc.

In Poland, professional qualification standards are developed by the Labor Market Department of MLSP. The collection of national standards of professional qualifications is available on the website:

- www.standardyiszkolenia.praca.gov.pl or
- www.kwalifikacje.praca.gov.pl.

Among a total of 253 standards developed so far, 6 pertain to professions related to accounting. Those are as follows:

¹⁸ Standards may be downloaded from: www.kwalifikacje.praca.gov.pl (accessed on 06.08.2013)

- National Standard of Professional Qualifications – Financial Specialist (financial analyst) (241204),
- National Standard of Professional Qualifications – Accounting specialist (241205),
- National Standard of Professional Qualifications – Tax advisor (241903),
- National Standard of Professional Qualifications – Accountant (autonomous) (343201),
- National Standard of Professional Qualifications – Accounting assistant (school title: Accounting technician) (412102).

In creation of standards, names and symbols from CPS 2007 were used, which may result in certain problems in using them, as the CPS amendment from 2010 has changed names, codes and in some cases, also the scope of professions. Relations between A&A professions described in the standards and professions covered by CPS 2010 are presented in (Table 2.2).

Table 2.2. Relations between CPS 2007 and CPS 2010 in scope of A&A professions covered by standards¹⁹

Names and codes of professions as per CPS 2007	Names and codes of professions as per CPS 2010
241204 Financial Specialist (financial analyst)	241306 Financial specialist
241205 Accounting specialist	241103 Accounting specialist 241104 Investment accounting specialist 241105 Tax accounting specialist 241106 Management accounting specialist
241903 Tax advisor	241204 Tax advisor
343201 Accountant (autonomous)	331301 Accountant
412102 Accounting assistant (school title: Accounting technician)	431101 Accounting assistant 431103 Accounting technician

Besides the fully elaborated standards for professions listed above, there is also an incomplete standard under the title *Selected excerpts for the standard Employee of financial and accounting organizational units*. This standard is linked to profession code 341990, although CPS 2007 uses this code to list other financial and commercial employees, not classified elsewhere, moreover, no such profession was found in the classifications.

¹⁹ Source: Own compilation based on: *Klucz powiązań między CPS 2007- CPS 2010*, <http://www.psz.praca.gov.pl/main.php?do=ShowPage&nPID=867758&pT=details&sP=CONTENT,objectID,868220> (accessed on 03.08.2013)

2.3. Professions regulated by the law

2.3.1. Introduction

In Poland, some of the professions and occupations are so-called regulated professions, which may be practiced only after obtaining a relevant permit, and only if requirements set forth in the law are met (e.g. passing an exam, completing required practical training, being entered on a list, completing required training or education course).

A document containing the list of regulated professions along with qualifications requirements is available on the website of the Ministry of Science and Higher Education.²⁰ It contains a list of professions (including specialization and work positions), for which Polish regulations require a specific level of education, meeting qualification requirements, or other additional requirements for persons obtaining qualifications to perform certain jobs or activities in the Republic of Poland.

The material comprises three parts:

- Part I presents the professions (including work positions and specializations) regulated in Poland;
- Part II presents activities in scope of commerce, industry and artisanship, regulated in Poland;
- Part III presents so-called sectoral professions, i.e. physician, stomatologist, veterinarian, nurse, midwife, pharmacist, architect, attorney and legal counsel.

Regulated professions/activities related to A&A services (both under the auspices of Minister competent for public finance, presented in Part I of the report) are:

- bookkeeping services,
- tax advisor.

Profession of a statutory auditor is also regulated.

A lot of information about regulated professions can be found on *Regulated Professions* web portal (<http://www.zawodyregulowane.pl>), which, as stated by its founders, “*was created with a mission to provide reliable, current and complete information about regulated professions in the Republic of Poland*”. However, data presented there does not seem to be

²⁰http://www.nauka.gov.pl/fileadmin/user_upload/szkolnictwo/Mobilnosc/Uznawanie_kwalifikacji_zawodowych%2020111202_Zawody_Regulowane_Opis_Wymagan.pdf (accessed on 31.07.2103). This document is information material pertaining to application of provisions regulating recognition of professional qualifications obtained in EU member states. It was developed based on information provided by ministers competent for specific parts of government administration.

updated on the current basis, so without additional verification it cannot be recognized as a reliable source of information.

2.3.2. Statutory auditor – formal and legal requirements

As per *Ordinance of the Minister of Labor and Social Policy of 27.04.2010 on classification of professions and specializations for the purposes of the labor market and scope of its application (Journal of Laws of 2010 No. 82, item 537, with subsequent amendments)* the profession of a statutory auditor is described by code 241101 in the classification of professions and occupations (in group 2111 – accounting and bookkeeping professionals).

Statutory auditor is a professional title protected by the law. Regulations in scope of qualification requirements as well as the foundations of statutory auditor's work are set forth in the *Act of 7.05.2009 on statutory auditors and their self-government, entities authorized to audit financial statements²¹ and public supervision (Journal of Laws of 2009 No. 77, item 649, with subsequent amendments)*, hereinafter referred to as AoSA.

Until 5th June 2009, formal oversight over the profession of statutory auditor and statutory auditors self-government was effected by the Minister of Finance. In connection with the need to introduce changes adapting oversight function to requirements of *Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts*, (which imposed an obligation on EU member states to create an independent oversight system for supervision of statutory auditor profession and activity of entities authorized to audit financial statements, i.e. audit firms), since 6th June 2009 (when the Act on statutory auditors entered into force) the oversight has been provided by the Audit Oversight Commission (AOC).²²

In accordance with art. 5 par. 2 of the AoSA, in order to be eligible for entering the statutory auditors register, a person must:

- enjoy the full extent of public rights and full legal capacity,
- have an impeccable opinion and guarantee, by their previous actions, that they would practice the profession of statutory auditor correctly,
- have not been sentenced by a valid ruling of a court for deliberate criminal or tax offense,

²¹ Notions of statutory auditor and entity authorized to audit financial statements are regulated respectively by art. 5 and 47 of the Act

²² AOC is a body of public administration, with term, independent, collegial, financed from state budget. As opposed to oversight effected so far by the Minister of Finance, AOC has a much broader scope of competences, as well as supervision and control instruments.

- have completed tertiary education in the Republic of Poland, or foreign tertiary studies recognized in the Republic of Poland as equivalent, and be fluent in spoken and written Polish language,
- have completed one year practical internship in accounting in a EU country and at least two years application internship under the guidance of a statutory auditor, as means of practical preparation for practicing the profession autonomously; meeting the above requirements must be confirmed by an Examinations Committee,
- pass statutory auditor exams in front of the Examinations Committee, demonstrating the scope of knowledge required by art. 9 par. 1 and 2 of the Act,
- pass a final oral certification exam in front of the Examinations Committee, verifying knowledge obtained during the application internship,
- take a pledge in front of the Chairman of National Council of Statutory Auditors (KRBR)²³ or other authorized member of KRBR²³.

Fees for each exam amount to a maximum of 20% of average pay in national economy for the previous calendar year (currently 400 PLN), and for the final certification exam a maximum of 30% (currently 750 PLN).

The conditions for entering the statutory auditor qualification procedure, procedures and methods of holding exams, as well as principles for conducting practical internships and application internships are set forth in the *Ordinance of the Minister of Finance of 29.12.2009 on statutory auditors qualification procedure (Journal of Laws of 2010 No. 6, item 36z, with subsequent amendments)*.

Exams, conducted anonymously, are divided into four sessions with 2 or 3 exams each. Exams in sessions II and III may be taken only after passing of the exams of session I, and exams in session II and III may be taken jointly. Prerequisite condition for taking exams in session IV is having passed all exams of earlier sessions (I-III). In each session, besides the main date, there are two remedial exam dates for each subject.

A statutory auditor candidate, who does not pass the exam in any of the remedial terms, either, may continue the qualification procedure in the subsequent examinations cycle.

Exams consist of test questions and situational tasks, covering 10 examination subjects in scope of (art. 9 AoSA):

- 1) theory and principles of accounting;
- 2) principles of preparing financial statements, including consolidated financial statements;
- 3) international financial reporting standards;

²³ KRBR is a body of the National Chamber of Statutory Auditors.

- 4) financial analysis;
- 5) cost accounting and management accounting;
- 6) risk management and internal control;
- 7) auditing;
- 8) standards of auditing;
- 9) professional ethics and independence of statutory auditors;
- 10) legal requirements pertaining to audit of financial statements as well as statutory auditors and entities authorized to audit financial statements.

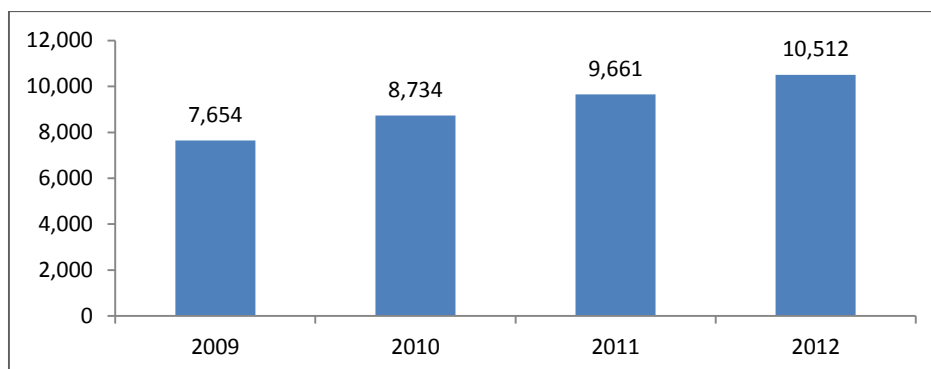
During the exams, knowledge necessary for auditing financial statements is also verified in scope of:

- 1) corporate law and corporate governance;
- 2) law regulating insolvency and restructuring of companies;
- 3) tax law;
- 4) civil law;
- 5) labor law and social insurance;
- 6) banking law;
- 7) insurance law;
- 8) information technologies and computer systems;
- 9) microeconomics and macroeconomics;
- 10) mathematics and statistics;
- 11) basic principles of financial management in economic entities.

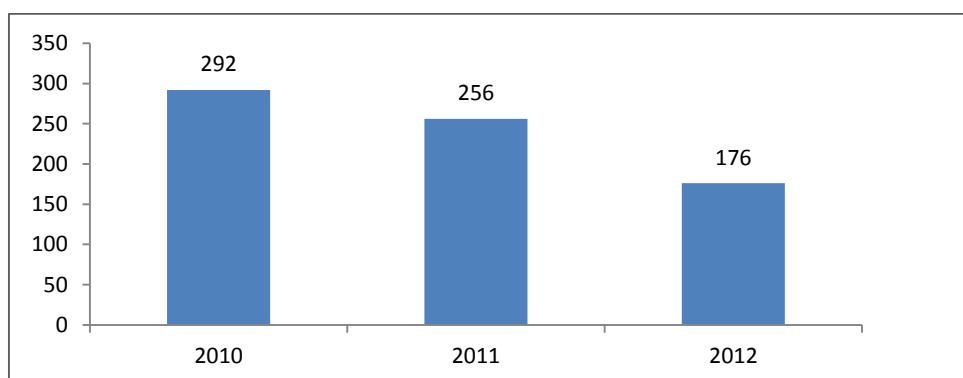
Upon the candidate's request it is possible to obtain a waiver for those exams which were passed as university (or equivalent) exams. Moreover, a tax inspection officer may be exempt from the exam on tax law.

Number of persons, who participated in qualification procedures in 2009-2012 is presented on Graph 2.1, and number of persons, who passed the certification exam in 2010-2012 on Graph 2.2.

Graph 2.1. Number of persons, who participated in statutory auditor qualification procedure²⁴



Graph 2.2. Number of persons, who passed the statutory auditor certification exam²⁵



A statutory auditor candidate must complete at least one year practical internship in accounting. The Examinations Committee may (upon the candidate's request) waive the practical internship requirement, if the candidate:

- was employed in an entity authorized to audit financial statements for at least 3 years, or
- was employed in an autonomous position in financial/accounting organizational units for at least 3 years or is a certified tax inspection officer, or
- has an accounting certificate authorizing him/her to provide bookkeeping services.

After the practical internship, the candidate completes, under guidance of a statutory auditor, at least two years of application internship. The statutory auditor candidate may begin the first year of application internship if he/she passed all the exams of session II and at least two

²⁴ Source: Own compilation based on: Annual reports of Audit Oversight Committee for 2009-2012, <http://www.mf.gov.pl/ministry-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoruaudytowego/plany-dzialania-i-sprawozdania/> (accessed on 30.07.2013)

²⁵ *Ibid.*

exams of session III, and the second year – after passing all the written exams. The applicant should be employed based on a labor contract (for at least 0,5 full time position) in the same entity authorized to audit financial statements in which he/she is having the application internship. In justified cases, the application internship may be conducted based on a civil law agreement with the given entity authorized to audit financial statements²⁶.

Application internship can be conducted in such entities authorized to audit financial statements as:

- 1) audit financial statements of at least 10 entities, or
- 2) cooperate with, or employ, at least 3 statutory auditors practicing the profession of statutory auditor and ensure, for statutory auditor candidates, participation in audits of financial statements for at least 5 months in each year of the application internship.

During the application internship, statutory auditor candidate should gain skills necessary for practicing the profession of a statutory auditor, in particular in scope of:

- 1) selection and application of appropriate methods and techniques in the auditing process;
- 2) developing audit documentation, including working documents, report and opinion of statutory auditor and post audit letter;
- 3) cooperation with representatives of entities, whose financial statements are audited by the statutory auditor.

After meeting the above conditions, statutory auditor candidate becomes eligible for certification exam, which is held in front of the examinations team, formed by the Examinations Committee of its members. The exam consists of providing oral responses to 3 questions. Exam tackles main issues related to application internship, completed by the candidate. After passing the exam in front of the Committee, the statutory auditor takes the pledge and after that he/she may submit an application to be entered into the register of statutory auditors. Only after that the candidate receives the certificate and title of a statutory auditor and is able to audit financial statements.

Statutory auditor may practice the profession as:

- independent practitioner (sole proprietor),
- a partner in a civil law partnership, registered partnership, professional partnership or limited partnership,
- a person remaining in a relationship of employment with an entity authorized to audit financial statements,

²⁶ This solution may be applied by persons with extensive experience, who cannot enter employment in an auditing firm, and the decision is made by the Examinations Committee.

- a person not remaining in a relationship of employment and not practicing as sole proprietor, on condition that a civil law agreement is executed with an entity authorized to audit financial statements.

The profession, on condition of entering into a civil law agreement with an entity authorized to audit financial statements, may also be practiced by statutory auditors employed in statutory auditors self-government, or those working as research/teaching or research academic staff.

The profession of a statutory auditor consists of performing audit activities, understood - in line with art. 2 pt 2 of AoSA - as audit, review of financial statements or other assurance services, referred to in separate acts of legislation or auditing standards.

Activity of entities authorized to audit financial statements, besides performing audit activities, may include:

- providing bookkeeping and tax services,
- providing opinions and preparing expert opinions on economic and financial issues,
- tax advisory services,
- conducting insolvency and liquidation procedures,
- publishing and training activity in scope of accounting, auditing and taxes,
- providing assurance, advisory or management services, such as require knowledge in scope of accounting or auditing,
- providing services envisaged by auditing standards, as well as other services as to which separate legislation stipulates they should be performed by statutory auditors.

The Act on accounting states, that audit of financial statements is to be conducted by a statutory auditor, selected by the body approving the entity's financial statements, unless the statutes, company agreement or other provisions of the law such as are binding for the entity state otherwise (with a reservation, that the Management Board of the entity cannot make such a selection). Entities authorized to audit financial statements are exclusively entities operating on one of following forms:

- a) statutory auditor operating as sole proprietor;
- b) civil law partnership, registered partnership or professional partnership, in which majority of votes is held by statutory auditors or entities authorized to audit financial statements, certified in at least one EU member state; in companies in which a management board was formed, majority of the board are statutory auditors certified in at least one EU member state; if the management board consists of no more than 2 persons, one of them is a statutory auditor;

- c) limited partnership, in which general partners are exclusively statutory auditors or entities authorized to audit financial statements, certified in at least one EU member state;
- d) a capital company or a cooperative, which meet following requirements:
 - majority of management board members are statutory auditors, certified in at least one EU member state; if the management board consists of no more than 2 persons, one of them is a statutory auditor,
 - majority of votes in the general assembly is held by statutory auditors or entities authorized to audit financial statements, certified in at least one EU member state,
 - majority of supervision bodies members are statutory auditors certified in at least one EU member state;
- e) cooperative auditing association, which meets following requirements:
 - employs statutory auditors to perform audits,
 - has at least one statutory auditor as management board member; auditor's opinion and report from audit (review) of financial statements are signed exclusively by the member of the board who is a statutory auditor.

A statutory auditor is, first and foremost, a high class specialist, with appropriate education, extensive general and professional knowledge, taking into consideration new developments in the area of accounting, economics, IT, technology and auditing methods, observing the law and principles of professional ethics. According to art. 4 par.1 of AoSA, statutory auditors are obligated to:

- act in compliance with the pledge they took,
- continuously increase their professional qualifications, including by attending mandatory professional development training,
- comply with the standards of auditing, principles of independence and professional ethics,
- pay the membership fee regularly (basic membership fee for 2013 is 352 PLN),
- comply with resolutions of bodies of the National Chamber of Statutory Auditors in scope in which they pertain to statutory auditors.

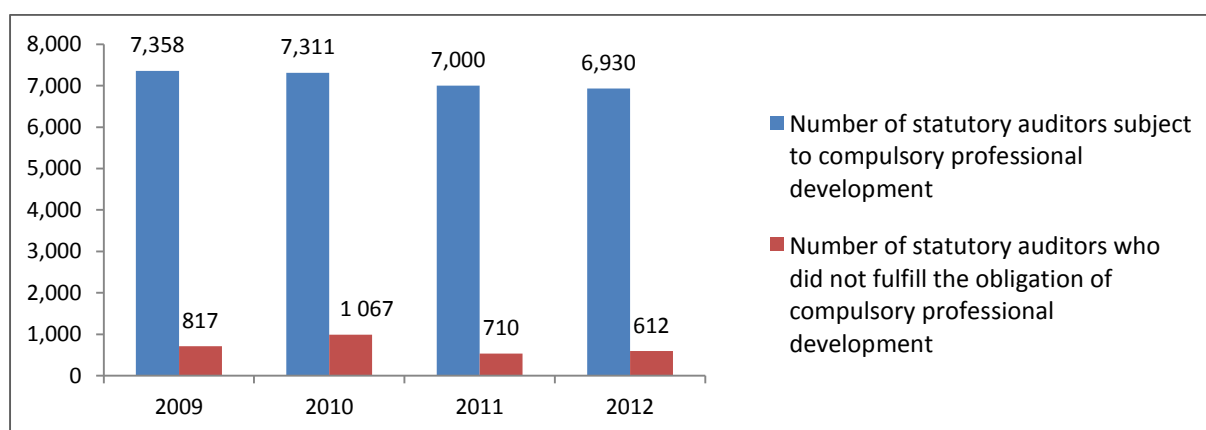
Entities authorized to audit financial statements are liable for damages resulting from their action or failure to act and are obligated to have a valid third party liability insurance contract. For audit activities, the minimum sum guaranteed by insurance is 400 thousand EUR.²⁷

²⁷ Ordinance of the Minister of Finance of 03.12.2009 on obligatory third party liability insurance of entities authorized to audit financial statements, *Journal of Laws of 2009 No. 205, item 1583*.

National Chamber of Statutory Auditors (KIBR) through its activity aims to maintain high professional level of services provided by statutory auditors and improving their audit skillset. That is why the National Council of Statutory Auditors (KRBR) strives to systematically update the knowledge and increase skills of the members of the self-government, taking into consideration the changes with respect to subjects of the audit, evaluation criteria and IT technologies, in line with worldwide trends. Keeping in mind the need to enhance content and form of mandatory training, KRBR expands the list of offered topics and, by way of a resolution, proposes modular training programs for subsequent years.

In average, 90% of statutory auditors do fulfill their obligations in scope of compulsory professional development. The graph below (Graph 2.3) presents quantitative data on compulsory training for statutory auditors in 2009-2012.

Graph 2.3. Compulsory professional development for statutory auditors (number of persons)²⁸



As per art. 10 of AoSA, register of statutory auditors is maintained by KRBR. The register includes the address of the Audit Oversight Committee and comprises following data:

- 1) registry entry number,
- 2) name, surname and address of the statutory auditor,
- 3) citizenship,
- 4) form of statutory auditor's practice or information about not practicing,
- 5) name, website and address of the entity authorized to audit financial statements in which the statutory auditor is employed, a partner or otherwise affiliated,
- 6) registry number assigned to the statutory auditor by registration body of another EU member state, or third state, if such number were assigned, as well as the name of registration body.

²⁸ Source: Own compilation, based on annual KRBR reports, submitted to AOC.

The register is maintained in electronic format and accessible from KIBR website. Data on citizenship and address of the statutory auditor is not published.

Entry to the register is made upon request of a person meeting the requirements of the law (art. 5 par. 2, 3 or 4), and KRBR makes a decision about the entry by way of a resolution which has to be taken in a non-extendable term of 30 days from the day of application submission, and issues a relevant ID. Entry to the register is deemed effective, if the Audit Oversight Commission does not object to the entry within 30 days from receiving the resolution on the entry being made. Objection of the Audit Oversight Commission has the form of an administrative decision.

Resolution on deleting a statutory auditor from the register is taken in case of:

- 1) death of the statutory auditor,
- 2) statutory auditor quitting the statutory auditors self-government organization (re-joining is possible after undergoing the qualification procedure again, i.e. passing the written exams, completing practical internship, application internship and passing the certification exam),
- 3) failure to meet any of the conditions referred to in art. 5 par. 2 pt 1-3 of AoSA (i.e. those pertaining to: - full extent of public rights and full legal capacity; - impeccable opinion and guaranteeing, by their previous actions, that they would practice the profession of statutory auditor correctly; - by a valid ruling of a court for deliberate criminal or tax offense),
- 4) failure to pay membership fees for a period longer than one year,
- 5) valid ruling on expulsion from statutory auditors self-government organization.

As of 31 July 2013, the most recent entry to the statutory auditors register has the number 12 698 (additionally, 143 persons were assigned numbers starting with 90, so the actual most recent number in the list published on KIBR is 90143²⁹), hence, as of end of July 2013, there were 12 841 persons who do or did hold statutory auditor certification. (http://kibr.org.pl/pl/rejestr_bieglych/start/0).

2.3.3. Tax advisor – principles of practicing the profession

According to *Ordinance of the Minister of Labor and Social Policy of 27.04.2010 on classification of professions and specializations for the purposes of the labor market and scope of its application (Journal of Laws of 2010, No. 82, item 537, with subsequent amendments)* in the classification of occupations and professions, the profession of a tax advisor is described by code 241204 (2412 group – financial and investment advisors).

²⁹ This resulted from a database merger, conducted after enactment of AoSA.

Tax advisor has the status of a freelance profession. Rules for obtaining professional qualifications and work organization, as well as principles of operation of tax advisors self-government are regulated by the *Act of 05.07.1996 on tax advisory services (Journal of Laws of 2011, No. 41, item 2013)*. Thus, profession of a tax advisor is a relatively “young” one, (Act on tax advisory services has been in force since 1st January 1997, and tax advisors self-government – National Chamber of Tax Advisors – was established on 27 January 2002).

In order to obtain qualifications as a tax advisor, following conditions have to be met jointly (art. 6 of AoTA):

- 1) full legal capacity,
- 2) full extent of public rights,
- 3) impeccable character and guaranteeing, by previous behavior, that the person would practice the profession of a tax advisor correctly,
- 4) tertiary education,
- 5) passing a tax advisor exam,
- 6) complete a two years practical internship in Poland,
- 7) apply for being entered on the list (no later than 3 years from passing the exam).

A person, who is a member of the State Examinations Committee for Tax Advisors, or holds a PhD (habilitated) of law or economic sciences in scope of finance law or finance is exempt from the obligations of both the exam and practical internship.

A fee is charged for the exam, and it constitutes a state budget revenue.³⁰ Currently, the fee amount is 900 PLN, and in case of failing the exam, the fee for re-taking it is 600 PLN.

Scope of the exam covers following areas (art. 20 of the Act):

- 1) sources and interpretations of the law;
- 2) tax analysis;
- 3) basics of international and EU tax law;
- 4) material tax law;
- 5) proceedings of bodies of public administration and administrative courts; enforcement proceedings in administration;
- 6) international, EU and national customs law;
- 7) currency law;
- 8) criminal tax law;

³⁰ *Ordinance of MoF of 17.11.2010 on fees for tax advisor candidate exam, Journal of Laws of 2010, No. 228, item 149.*

- 9) organization and operation of tax administration and tax inspection;
- 10) accounting;
- 11) tax registers and principles of maintaining tax ledgers;
- 12) regulations on tax advisory services and professional ethics.

In case of judges, prosecutors, and tax inspectors, as well as attorneys, legal counselors, notaries, statutory auditors, the exam does not include those fields which were required to qualify for the given position or profession.³¹ The exam consists of oral and written part. The written part of the exam consists of solving a test composed of 100 questions and a problem, consisting of writing a draft letter on behalf of a client to a tax administration unit or a court. Requirements for passing the exam are at least 80% of possible maximum number of points for solving the test and 50% points for solving the problem. Oral part of the exam involves answering a randomly drawn set of questions, consisting of at least ten questions; requirement for passing is achieving at least 70% of the maximum number of points. Oral portion of the exam may be taken within a year from passing the written part, however no more often than every 3 months (*Ordinance of the Minister of Finance of 07.10.2008 on test of skills conducted with the purpose of recognizing qualifications for practicing the profession of a tax advisor, Journal of Laws of 2008, No. 182, item 1125*).

A person, who passed the exam is obligated to complete a two years unpaid practical internship, in following order:³²

- 1) in a tax office (competent for personal income tax for the area of residence of tax advisor candidate) - 2 months,
- 2) tax chamber (area of jurisdiction as above) - 2 months,
- 3) tax control office (in same voivodship city as the tax chamber in which the internship was held) - 2 months,
- 4) with a tax advisor or tax advisory company – 18 months.

The practical internship should start no later than 3 months from passing the exam. Work time is 8 hours one day a week. Subject matter scope of the internship should enable the

³¹ The subject scope is determined by State Examinations Committee for Tax Advisors, having sought the opinion of the Minister of Justice (with respect to judges and prosecutors), relevant professional self-government (in case of attorneys, legal counselors, notaries and statutory auditors) or of the Minister of Finance (in case of tax inspectors and customs officers with documented 8 years work/service history in respectively tax administration units/customs units). For example, an exam for a person who practiced the profession of a statutory auditor does not include fields 1), 3) and 10) (*Resolution No. 7/V/2011 of State Examinations Committee for Tax Advisors of 11th January 2011*), and the largest numbers of exemptions is envisaged for legal counselors (only 5 fields are mandatory for them: 2), 3), 10), 11), 12) – *Resolution No. 5/V/2011*).

³² *Ordinance of MoF of 17.11.2010 on professional internships for tax advisor candidates, Journal of Laws of 2010, No. 230, item 1514.*

candidate to familiarize themselves with operation of internal revenue bodies and performing the tax advisory activities.

In accordance with par. 6 of the *Ordinance on practical internships*, occupations treated as equivalent of practical internships are:

- 1) employment for at least two years in: tax office, tax chamber, tax control office, customs office, customs chamber, Ministry of Finance, self-government financial services, self-government college of appeals – if the scope of candidate's duties included applying the provisions of tax law in connection with conducted tax or inspection proceedings;
- 2) employment for at least two years:
 - a) in entities authorized to provide tax advisory services – if the scope of candidate's duties included applying the provisions of tax law to the benefit of the client,
 - b) as prosecutor or judge,
 - c) in a position, in which performing activities in scope of bookkeeping services involves the requirement for an accountant certificate or in a position granting the right to vetting in the understanding of the provisions of cooperative law,
 - d) in a position of chief accountant in entities which pursuant to provisions of the law in scope of accounting, are obligated to maintain financial ledgers;
- 3) employment for at least 4 years in a position of municipal treasurer;
- 4) for at least 5 years in a research, teaching or mixed research/teaching position, in the understanding of provisions of the law in scope of tertiary education, in fields scope of which includes tax law;
- 5) for at least 2 years, practicing the profession of an attorney, legal counsel or statutory auditor.

Title of tax advisor, and resulting authorization to practice the profession, is obtained by way of being entered on a list (upon request of the interested person), maintained by the National Board of Tax Advisors (a body of National Chamber of Tax Advisors). Tax advisors become members of the Chamber automatically upon being entered on the list. A fee is charged for being entered on the list, and it constitutes revenue for the Chamber (currently the fee amounts to 900 PLN – *Resolution 115/2011 of 26.02.2011 KRDP*).

Tax advisor may practice the profession as (art. 27 AoTA):

- a natural person, practicing as sole proprietor,
- interest holder in a company without legal personality (civil, professional, registered, with exception of limited partnerships and hybrid limited partnership/joint stock companies) on condition, that all partners on such companies are exclusively tax advisors,

- a person employed in entities authorized to perform activities in scope of tax advisory services (also as person employed by an attorney, legal counsel, statutory auditor, entity authorized to audit financial statements, in professional organizations, cooperatives, associations, economic chambers, limited liability and joint stock companies),
- person employed in tax advisors self-government,
- teaching, research or teaching/research employee,
- a legal person, entered into the register of legal persons authorized to provide tax advisory services, maintained by the Minister of Finance.

Persons prohibited from practicing the tax advisor profession are those, whose spouses are employed in a managerial position, or other autonomous position, in an internal revenue body, tax control body, or Ministry of Finance, or otherwise in a position in which their duties include preparation of decisions related to identifying or determining tax obligation, or tax collection.

Scope of activities involved in tax advisory services is set forth in the AoTA (art. 2) and it includes:

- 1) providing, to taxpayers, payers and payment collectors, upon their order or to their benefit, advice, opinions and explanations pertaining to the scope of their tax and customs obligations as well as on matters of administrative enforcement, related to such obligations;
- 2) maintaining, on behalf of the taxpayers and to their benefit, tax ledgers and other registers for tax purposes and providing assistance in that scope;
- 3) preparing, on behalf and to the benefit of taxpayers, payers and payment collectors, tax returns and declarations, or providing assistance to them in this scope;
- 4) representing taxpayers, payers and payment collectors in proceedings in front of bodies of public administration and in scope of court control of decisions, determinations and other administrative acts pertaining to cases listed in pt 1.

Besides tax advisors, such actions can be performed by attorneys and legal counsels, statutory auditors (excluding activities listed in pt 4) and persons authorized to provide bookkeeping services (only in scope of activities listed in pt. 2 and 3). Moreover, entities authorized to provide tax advisory services are:

- 1) professional organizations with legal personality, cooperatives, associations or economic chambers, if the scope of their statutory activity includes also tax advisory services provided exclusively to the members ;
- 2) entities authorized to audit financial statements pursuant to separate legislation;
- 3) limited liability companies or shareholding companies, which jointly meet following conditions:

- a) tax advisors constitute majority of management board members, and if the management board consists of no more than 2 persons, one of those persons must be a tax advisor,
- b) majority of votes in partners (shareholders) assembly as well as supervision bodies is held by tax advisors,
- c) the shareholder company only issues registered shares,
- d) selling or pledging shares or interests requires authorization by company management board.

Tax advisors are authorized to provide bookkeeping services (art. 42 of the Act).

Performing activities involved in tax advisory services professionally is subject to legal protection. Performing such activities by unauthorized entities is prohibited and subject to a fine in amount up to 50 thousand PLN (art. 81 of AoTA).

Tax advisors are obligated to take out third party liability insurance for damages caused in performing the tax advisory services, and the minimum sum insured is 10 thousand Euro.³³

Tax advisors are subject to disciplinary punishment for failure to perform, or incorrect performance, of their professional duties and for actions infringing on the principles of professional ethics. Possible penalties are: warning, reprimand, suspension for the period of 6 months to 3 years, revoking the right to practice the profession (penalties are imposed by respective KIDP bodies: Disciplinary Court and Higher Disciplinary Court).

List of tax advisors is maintained by KRDP. Entry on the list includes:

- 1) number and date of entry,
- 2) name, surname and birth date;
- 3) address of residence and of practice (registered seat);
- 4) types of conducted economic activity or employment;
- 5) tax identification number (NIP) or other identification number serving the purposes of tax identification or social insurance identification, assigned in the country of origin of the Applicant.

Deletion for the list of tax advisors is effected (art. 10 of AoTA) upon request of the tax advisor (re-entry is possible within 5 years from deletion) or *ex officio* upon request of minister competent for public finance, in case of losing the right to practice the profession or upon death of the tax advisor. Tax advisor loses the right to practice the profession in case of a valid ruling of:

³³ Ordinance of the Minister of Finance of 04.12.2003 on mandatory third party liability insurance for entities providing tax advisory services, Journal of Laws of 2003 No. 211, item 2065.

- punitive ban on practicing the profession or loss of public rights;
- complete or partial incapacitation;
- disciplinary court on revoking the right to practice the profession;
- losing the right to practice the profession in the country of origin.

KRDP does not perform any analyses or collect any data other than necessary for procedural reasons of receiving the title, does not have any information on whether and what additional certifications (statutory auditor, bookkeeping services) the tax advisor has (such data may be included in the advisor's personal files, but it is not registered or analyzed).³⁴

Minister of Finance (within 60 days from receiving information from KRDP, which has 14 days, counted from the day on which the entry on the list is made, to notify the Ministry) publishes in the Official Journal of the Minister of Finance, following data about persons entered on the list of tax advisors:³⁵

- number and date of entry,
- name and surname,
- place of business (registered seat).

Department of tax policy which conducts cases related to legislation, enforcement and interpretation of regulations in scope of the Act on tax advisory services does not collect any other data on tax advisory services market, and does not conduct any analyses of that market development.³⁶

2.3.4. Obtaining certification for providing bookkeeping services

In accordance with *Ordinance of the Minister of Labor and Social Policy of 27.04. 2010 on classification of professions and specializations for the purposes of the labor market and scope of its application (Journal of Laws of 2010, No. 82, item 537, with subsequent amendments)*, the profession of accountancy firm manager is described by code 121102 (in group 1211 – Finance Managers), and the rules for obtaining it are described in chapter 8a of the Act on accounting (*Act of 29 September 1994 on accounting, Journal of Laws of 2013, item 330, with subsequent amendments, hereinafter: AoA*).

Bookkeeping services constitute an economic activity in the understanding of regulations on freedom of economic activity, consisting of providing services in scope of (art. 76a of AoA):

³⁴ Telephone conversation with employee of the Board on 29.07.2013

³⁵ *Ordinance of MoF of 17.11.2010 on publishing data pertaining to persons entered into tax advisors register, Journal of Laws of 2010, No. 230, item 1513.*

³⁶ Telephone conversation with employee of the Department on 29.07.2013

- based on accounting evidence, maintaining accounting ledgers, presenting records of events in chronological and systematic order,
- periodic determination or verifying, by way of inventory taking, status of tangible assets and liabilities,
- measurement of assets and liabilities,
- preparing financial statements,
- collecting and storing accounting evidence, as well as other documentation as envisaged by the Act.

Entrepreneurs performing activity in above scope are also authorized to:

- maintain, on behalf and to the benefit of taxpayers, payers and payment collectors, of tax ledgers and other records for tax purposes, as well as provide assistance in such scope,
- prepare, on behalf and to the benefit of taxpayers, payers and payment collectors, of tax returns and declarations, as well as provide assistance in that scope.

Bookkeeping services may be provided by:

- 1) entrepreneurs who are natural persons, if they are certified to provide bookkeeping services;
- 2) other entrepreneurs, on condition, that activities in this scope would be performed by persons certified to provide bookkeeping services.

Therefore, an accountancy firm can be run in any organizational/legal format in which an enterprise can operate (sole proprietorship, commercial and civil law companies, foundations, associations etc.).

Persons certified to perform activities in scope of bookkeeping services are:

- persons who have a certificate in accounting,
- persons entered into the register of statutory auditors,
- persons entered on the list of tax advisors,

unless they have been sentenced by a valid ruling of a court for felony against credibility of documents, property, economic activity, monies and securities trading, for tax fraud or for actions listed in chapter 9 of AoA.

Persons listed above may use the assistance of non-certified persons in providing bookkeeping services. However, in such case, they are obligated to provide constant and direct supervision over activities performed by such persons.

Bookkeeping services may also be provided by companies which employ accountants with a so-called certificate of qualifications; such certificates were issued until 13 August 2002 based

on the *Ordinance of the Minister of Finance of 20.08.1998 on qualifications and other requirements with respect to eligibility for providing bookkeeping services, organization and operation of Examinations Committee, established to verify such qualifications, as well as template for certificate confirming such qualifications and requirements* (*Journal of Laws of 1998, No. 114, item 734*). The right of such persons to provide bookkeeping services stems from interim regulations, contained in the *Act of 21.11.2008, amending the Act which amended the Act on accounting* (*Journal of Laws No. 223, item 1466*). Art. 3 par. 1 states that certificates in accounting, and certificates of qualifications issued by the Minister of Finance based on earlier legislations remain in force.

Requirements in scope of obtaining qualifications to provide bookkeeping services have changed a number of times:

- 1) in 1998 – 2009, relevant provisions were set forth in the Ordinance of the Minister of Finance – until 2002 certificates of qualifications were issued, and after that – certificates in accounting (pursuant to *Ordinance of the Minister of Finance of 18.07.2002 on certification required to provide bookkeeping services, Journal of Laws No. 120, item 1022*),
- 2) since 2009, the Ordinance was abrogated and relevant provisions were included in the Act on Accounting; certificate applications submitted between the date of publication of amendments to AoA (November 2008) and 31 December 2008 were processed in line with regulations which were in force before 1 January 2009, and persons, who submitted applications for exam until 30 September 2008 were qualified for the exam and took it pursuant to previous legislation (the Ordinance) – however if the applicant did not take the exam until the end of 2008, such applicant was qualified for the exam in line with new regulations; applications for issuing a certificate without an exam submitted by 30 June 2010 were processed in line with provisions of the Ordinance.

Provisions of the AoA currently in force state, that the certificate in accounting is issued by the Minister of Finance upon an application of a natural person enjoying full legal capacity and full extent of public rights, was not sentenced by a valid ruling of a court for felony against credibility of documents, property, economic activity, monies and securities trading and meets at least one of the following conditions (art. 76 b of AoA):

- 1) three years practical experience in accounting and education obtained in organizational units certified to grant the title of PhD in economic sciences (currently, as per tertiary education information system POL-on, there are 59 units with such certification)³⁷:
 - tertiary master's, with major in accounting or other economic major with accounting specialization, or other, for which the curriculum and syllabus was equivalent to accounting specialization as defined by the given school for accounting specialization, or

³⁷ <http://www.ck.gov.pl/index.php/nadawanie-stopni/jednostki-uprawnione>, accessed on 20.08.2013

- obtained within the framework of post graduate studies in accounting.
- 2) has two years practical experience in accounting and at least secondary education and has passed an exam verifying qualifications of persons applying for certificate in accounting.

Practical experience in accounting is considered to be performing, based on: - labor agreement at no less than ½ full time equivalent, - paid civil law agreement (temporary contract, job performance contract) with an entrepreneur providing bookkeeping services, - company agreement or sole proprietorship, of following actions:

- maintaining, based on accounting evidence, accounting ledgers, presenting records of events in a chronological and systematic order, or
- measurement of assets and liabilities and determining the financial result, or
- preparing financial statements, or
- auditing financial statements under the supervision of a statutory auditor.

The qualifications exam is conducted in writing, in front of a committee, and covers following areas (art. 76e of AoA):

- 1) accounting - 30 test questions and 3 to 6 situational tasks;
- 2) tax law - 10 test questions and 2 to 4 situational tasks;
- 3) social insurance and basics of civil and economic law - 10 test questions and 1 to 3 situational tasks,

and detailed scope of the subject matter covered is specified in Attachment No. 6 to *Ordinance of the Minister of Finance of 8.04.2009 on certification for providing bookkeeping services (Journal of Laws of 2009 No. 62, item 508)*. The condition for passing the exam is achieving at least 60% of the maximum number of points in each subject block. Examination fee amounts to 40% of minimum wage (currently 640 PLN).

As the graph below (Graph 2.4) shows, only a small percentage of candidates obtain certification to provide bookkeeping services by sitting the state exam.

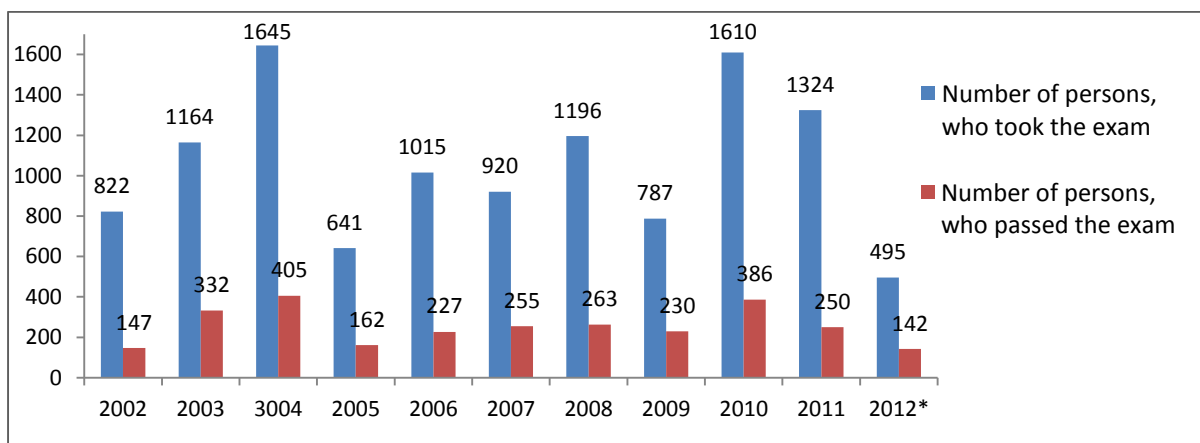
Graph 2.4. Obtaining certification for providing bookkeeping services³⁸



*status as of end of May 2012

At the same time, pass rate of the competences exam is very low (Graph 2.5)

Graph 2.5. Pass rate of the exam verifying competences for providing bookkeeping services³⁹



* status as of end of May 2012

In accordance with art. 79 of AoA, providing bookkeeping services without the required certification is subject to fine or imprisonment.

Entrepreneurs, who provide bookkeeping services are obligated, by art. 76h of AoA, to take out a third party liability insurance for damages incurred in relation to their activity (statutory

³⁸ Source: Justification to draft Act on regulation, II tranche, p. 120, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 01.08.2013)

³⁹ *Ibid.*

auditors and tax advisors may use the insurance taken out in connection to practicing their respective professions). Minimum sum insured is 10 thousand Euro, and for those who simultaneously provide tax advisory services - 15 thousand Euro (*Ordinance of the Minister of Finance of 16.12.2008 on compulsory third party liability insurance for entrepreneurs providing bookkeeping services, Journal of Laws of 2008 No. 234, item 1576*).

List of persons, who obtained the certificate in accounting (and previously, certificate of qualifications) is maintained by the Minister of Finance (obligation stemming from art. 76g of AoA). This list is published, for information purposes, on the Ministry's website. The list includes:

- 1) name and surname,
- 2) number of certificate in accounting,
- 3) PESEL number – and in case of persons who do not have Polish citizenship, number and type of identification document (this data is not published on the website).

Direct supervision over providing bookkeeping services is effected by the Department of Accounting of the Ministry of Finance.

2.3.5. Regulated professions in public finance sector entities

Professions subject to particular regulation are chief accountant and internal auditor in public finance sector entities (PFSE). Those professions were not assigned a separate code in the Classification of professions and specializations. They are classified together with, respectively: chief accountants (code 121101, in group 1211 Finance Managers) and auditors (code 242204, in group 2422 Policy Administration Professionals).

*In accordance with art. 54 par. 1 of the Act on public finance*⁴⁰ (hereinafter: AoPF) chief accountant is “the employee, to whom the manager of the entity entrusts duties and responsibility in cope of:

- 1) performing the entity's accounting;
- 2) dispatching funds;
- 3) performing preliminary control of:
 - a) compliance of economic and financial operations with the financial plan,
 - b) completeness and accuracy of documents pertaining to economic and financial operations.”

The Act also sets forth the conditions, which must be met by a chief accountant in public finance sector entities (art. 54, par. 2 of AoPF). Such a person:

⁴⁰ *Act of 27.08.2009 on public finance, Journal of Laws of 2013, item 885 with subsequent amendments*

- 1) must have citizenship of an EU member state, Swiss Confederation or a member state of European Free Trade Agreement (EFTA) – a party to the Agreement on European Economic Area, unless separate acts of law make employment in the given public finance sector entity dependent on Polish citizenship,
- 2) must have full legal capacity and full extent of public rights,
- 3) must not have been sentenced by a valid ruling of the court for a felony against property, economic activity, operation of state institutions and territorial self-government, against credibility of documents or for tax fraud,
- 4) must be fluent in Polish in speech and writing in the extent necessary to perform the duties of chief accountant,
- 5) and must meet one of the conditions below:
 - a) graduate of long-course MA studies, tertiary vocational studies in economics, supplementary MA studies in economics, or postgraduate course in economics, as well as at least 3 years practical experience in accounting,
 - b) graduate of secondary or post-secondary economic school and at least 6 years practical experience in accounting,
 - c) entered in the register of statutory auditors,
 - d) holding a certificate in accounting or certificate of qualifications to provide bookkeeping services.

With respect to chief accountants of units operating abroad, subordinated to the minister competent for foreign affairs, first 4 of the above points are mandatory, plus the person must have secondary education and complete, with positive result, a course in finance and administration organized by the office supporting the minister competent for foreign affairs.

Provisions pertaining to chief accountants in public finance sector entities apply respectively to:

- chief accountant of the state budget,
- chief accountant of budget part, and
- treasurer (chief accountant of the budget of a territorial self-government unit).

The second profession in the public sector which requires meeting specific conditions and obtaining specific qualifications is the profession of an internal auditor.

The task of internal audit in public finance sector entities is to support the minister in charge of the section or manager of a unit in implementation of tasks and objectives by systematic evaluation of internal control and advisory activity (art. 272 par. 1 of AoPF). Term “internal control” has been introduced in the financial language by 2009 amendment to AoPF (it has replaced the notion of financial control). However, the term “internal control” in PFSE is

understood as (art. 68 par. 1 of AoPF) “the entirety of actions undertaken in order to ensure implementation of tasks in compliance with the law, in an effective, efficient and timely manner”. Persons responsible for proper functioning of internal control are (art. 69. par. 1):

- ministers in sections of government administration they are heading,
- heads of municipalities, mayors, presidents of cities, chairmen of management boards of territorial self-government units;
- managers of units.

Thus, the task of auditors is to help the decision makers to provide supervision, by evaluating whether the public finance sector entities implement their tasks, spend funds on previously planned objectives in compliance with laws and regulations⁴¹. Internal audit is an element of *Public Internal Control*, understood as the general control system, applied by the government or organizations delegated to serve this purpose⁴².

Some public finance sector entities are subject to compulsory audit, others must meet specific conditions, or based on decision of the unit’s manager or supervising institution. A detailed list of public finance sector entities and their obligations in scope of internal audit is presented in Table 2.3.

Internal audit is conducted by:

- internal auditor employed in the entity or
- a service provider not employed in the entity.

Table 2.3. Obligation to perform internal audit in public finance sector entities⁴³

Status of internal audit	Public finance sector entity	Condition causing the obligation to conduct internal audit
Mandatory (art. 274, par. 1)	Prime Minister’s Chancellery	No additional conditions
	Ministries	
	Voivodship Offices	
	Customs chambers	
	Tax chambers	

⁴¹ Role of audit in managing the public sector, http://iaa.org.pl/images/stories/MD_WWW/CERTYFIKACJA/ROLA_AUDYTU_W_ZARZADZANIU_SEKTOREMPUBLICZNYM_PL.pdf (accessed on 12.08.2013)

⁴² Publiczna Kontrola Wewnętrzna w krajach Unii Europejskiej, Warsaw, February 2012, http://www.mf.gov.pl/documents%20/764034/3350650/20130307_08_publiczna_kontrola_wewnetrzna_w_u_e.pdf, (accessed on 12.08.2013)

⁴³ Source: Justification to draft Act on regulation, II tranche, p. 120, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/>, accessed on 01.08.2013

Status of internal audit	Public finance sector entity	Condition causing the obligation to conduct internal audit
	Social Insurance Institution (ZUS), including funds managed by it	
	Agricultural Social Insurance Fund (KRUS), including funds managed by Chairman of KRUS	
	National Health Fund (NFZ)	
Mandatory – after exceeding a specified financial threshold	State budget units	Amount of revenues or expenditures listed in the entity's financial plan exceeds 40 000 thousand PLN
	Public universities	Amount of revenues or expenditures listed in the entity's material/financial plan exceeds 40 000 thousand PLN
	Autonomous Public Healthcare Facilities (not established by TSGUs)	Amount of revenues or expenditures listed in the entity's financial plan exceeds 40 000 thousand PLN
	Executive agencies	
	Targeted state funds	
	Territorial self-government units (TSGU)	Amount of revenues or expenditures or incomes and costs listed in the entity's budget resolution exceeds 40 000 thousand PLN
Mandatory based on administrative decision	Sections of entities managed by a minister	Decision of relevant minister
	Entities (and their supporting bodies) managed by, or subordinated to, the Prime Minister	Decision of Prime Minister
	Other entities	Decision of the manager

In entities obligated to conduct the audits, internal audit units are created, with one or more employees (in case of units with multiple employees, the internal auditor is the unit manager).

In order to hold the position of internal auditor in public finance sector entities, specific requirements stemming from art. 286 of AoPF have to be met. The requirements are as follows:

- 1) citizenship of EU Member state or another country whose citizens may take employment on the territory of the republic of Poland pursuant to international agreements or community law,
- 2) full legal capacity and full extent of public rights,
- 3) no criminal record for deliberate acts of felony (including tax fraud),
- 4) tertiary education,
- 5) appropriate qualifications, which means meeting one of the requirements below:
 - a) holding one of following certificates:
 - Certified Internal Auditor (CIA),
 - Certified Government Auditing Professional (CGAP),
 - Certified Information Systems Auditor (CISA), Association of Chartered Certified Accountants (ACCA),
 - Certified Fraud Examiner (CFE),
 - Certification in Control Self Assessment (CCSA),
 - Certified Financial Services Auditor (CFSA),
 - Chartered Financial Analyst (CFA),
 - b) passing the internal auditor exam, in front of the Examinations Committee established by the Minister of Finance (in 2003-2006),
 - c) statutory auditor certification,
 - d) two years practical experience in scope of internal audit and at the same time a diploma of postgraduate studies in internal audit, issued by an organizational unit which, as of the day of issuing the diploma was authorized to award the PhD degree in economic or legal sciences.

Art. 286 par. 2 of AoPF explains what is understood by the notion of practical experience in scope of internal audit. It is performing activities, in work timeframe of no less than ½ full time equivalent, documented by the unit's manager, in scope of:

- 1) conducting internal audit under the supervision of an internal auditor,
- 2) conducting, in case of tax inspectors, of activities in scope of certifications and issuing declarations on closure of financial assistance financed from EU funds, referred to in the *Act of 28.09.1991 on tax inspection (Journal of Laws of 2011 No. 41, item 214, with subsequent amendments)*,
- 3) supervising or conducting inspection activities, referred to in the *Act of 23.12.1994 on Supreme Audit Office (Journal of Laws of 2012 item 82, 1529 and 1544)*.

During a two year interim period (which ended on 31.12.2011), tax inspectors and NIK inspectors could serve as internal auditors.⁴⁴

The world's oldest and largest organization of internal auditors is *The Institute of Internal Auditors* (IIA). It gathers, worldwide, almost 200 thousand persons associated in almost 200 national chapters and affiliated organizations. In Poland IIA is represented by Association of Internal Auditors IIA Polska, with over 900 members.⁴⁵ The Association is also providing certification for internal auditors. Most popular international certificates, which may be applied for within the framework of qualification procedures provided through IIA are: CIA, CGAP, CCSA, CFSA, CRMA.⁴⁶

Since 1 January 2010, based on amendment to AoPF, a possibility was introduced to Polish legal order of having internal audit in PFSE conducted by a service provider. Main premise for introducing such regulation was to make it possible for smaller units to conduct audit without the need to permanently employ a person in a dedicated work position, as well as more effective use of existing staffing resources of auditors.⁴⁷

Art. 278 of AoPF sets forth the conditions for internal audit conducted by service providers. Such an option is available to units which are obligated to conduct internal audit: state budget units, public universities, autonomous public healthcare facilities, executive agencies, targeted state funds and territorial self-government units, if:

- category amount – the same on which the obligation to conduct audits depends (see Table 2.3) – has not exceeded 100 000 thousand PLN, or
- the entity employs less than 200 employees.

In a section managed by a minister, internal audit may be conducted after obtaining the approval of the relevant minister. This provision applies respectively to entities subordinated to and supervised by the Prime Minister as well as supporting entities of bodies subordinated to or supervised by Prime Minister.

Service provider may be: a natural person, a sole proprietor (if they have auditor certification), a company (civil law partnership, registered partnership, professional partnership, limited partnership, limited/shareholding partnership) or a legal person, on condition that it employs an auditor.

⁴⁴ Act of 27.08.2009 Regulations introducing the Act on public finance (Journal of Laws No. 157, item 1241, with subsequent amendments), art. 117.

⁴⁵ http://www.iaa.org.pl/index.php?option=com_content&view=article&id=864&Itemid=185 (accessed on 7.08.2013)

⁴⁶ Characteristics of various types of certification can be found in pt 3.3.4.

⁴⁷ Internal audit in public finance sector entities conducted by service provider, a study prepared by Department of Audit in Public Finance Sector, Warsaw, May 2012, electronic version at: http://finance-publiczne.pl/materialy/MoF_Prowadzenie_audytu_wewnetrznego_jednostek_fp_przez_uslugodawce_zal1.pdf (accessed on 10.08.2013)

Unit responsible for coordination of internal control and internal audit in public finance sector entities is the Department of Audit in Public Finance Sector of the Ministry of Finance. Detailed principles of conducting an audit, pertaining to methods and procedures of conducting the audit, as well as transferring information about results of internal audit are regulated by *Ordinance of the Minister of Finance of 1.02. 2010 on conducting and documenting internal audit (Journal of Laws of 2010 No. 21, item 2066)*. When conducting an internal audit, the auditors are obligated to observe the guidelines, included in standards of internal audit in public finance sector entities. Those standards are set by the Minister of Finance by way of announcements.

Standards adopted for public finance are the International Standards for the Professional Practice of Internal Auditing, developed by *The Institute of Internal Auditors (IIA)*. Their most current version (translated into Polish) was announced by the Minister of Finance in Announcement No. 2 of 17.06.2013⁴⁸.

2.3.6. Principles of recognizing qualifications of EU member states citizens in scope of regulated professions

General regulations⁴⁹

In line with the community law, citizens of EU member states or members of European Free Trade Agreement (EFTA) – parties to the agreement on European Economic Area, as well as Swiss Confederation, have the right to move freely on the territory of the member states and to take employment or provide services in regulated professions and activities.

If the regulations of “receiving” member state specify qualifications requirements for practicing a given profession, a person with full qualifications to practice the profession in one country should be able to practice the profession in “receiving” country as well. An assigned body in the “receiving” state recognizes qualifications of the migrating employee. If any significant differences are found in scope of education and training or in scope of practiced profession, the body conducting the qualifications recognition proceedings may make recognition dependent on providing documents confirming professional experience, or require the candidate to take a test of skills or adaptation internship.

Community law regulates also the issues of providing temporary and occasional trans-border services, to which simplified procedures apply.

A regulated profession, as per *Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications*, is a professional

⁴⁸ Announcement No. 2 of the Minister of Finance of 17.06.2013 on standards for internal audit in public finance sector entities, *Official Journal of the Ministry of Finance* of 24.06.2013, item 15.

⁴⁹ The sub-section was developed based on information available on the website of the Ministry of Science and Higher Education, <http://www.nauka.gov.pl/ogolne-informacje-o-systemie-uznawania-kwalifikacji-zawodowych-zgodnie-z-dyrektyw-2005-36-we/> (accessed on 01.08.2013)

activity, or a set of professional activities, performance of which, or one of methods of performance of which, requires, directly or indirectly, pursuant to acts of law, secondary legislation or administrative regulations, having specific professional qualifications; in particular, using a professional title, reserved pursuant to acts of law, secondary legislation or administrative regulations for persons with relevant professional qualifications is a method of performing professional activities.

Moreover, the notion of regulated professions includes also professional activity performed by members of associations or organizations listed in Annex I of the Directive. It lists a total of 43 organizations, including five associations/institutes whose activity is directly related to the profession of an accountant/auditor, i.e.:

- three organizations from Ireland, active in scope of financial auditing (*The Institute of Chartered Accountants in Ireland, The Institute of Certified Public Accountants in Ireland, The Association of Certified Accountants*) and
- five organizations active in the field of accountancy from UK (*Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Scotland, Institute of Chartered Accountants in Ireland, Chartered Association of Certified Accountants, Chartered Institute of Management Accountants*).

Those organizations are subject to special form of recognition by Member States (they also issue a document to their members, confirming their qualifications, ensure that the members comply with adopted principles of practicing the profession and give them the right to use a professional title, or abbreviation of professional title, or right to enjoy the status adequate to that education) and if the member state recognizes the association/organization, it should notify the Commission, which in turn is obligated to publish the notification in the Official Journal of the European Union.

Each member state decides the rules for regulating access to certain professions. Thus, the same profession may be regulated in one EU member state, while remaining non-regulated in other member states.

If in a given member state the right to perform a given activity depends on having specific qualifications (general, commercial or professional knowledge and skills), the migrant's qualifications for performing that activity may be recognized automatically, on condition that such a person has relevant professional experience (or professional experience combined with relevant education) in performing the same activities in their member state of origin.

Relevant professional experience must be confirmed by a certificate issued by appropriate bodies of the country, in which the activity was performed previously.

If the given person does not meet the conditions necessary for automatic recognition of qualifications to perform regulated activity based on professional experience, recognition may be conducted using the procedure relevant for regulated professions.

Citizens of member states, who practice the profession/perform activities in one EU member state in line with regulations of that state, have the right to provide services in another member state in scope of the same profession/activity.

Conditions for providing services are as follows:

- the service provider moves to another member state for the purpose of providing temporary and occasional services,
- if the given profession is regulated in the “receiving” member state, but not in the member state of origin, the service provider must prove that he has practiced the profession/performed the activity in the member state of origin for at least two years in the period of 10 years preceding provision of the service; this requirement is not applied if the education process preparing for the given profession/activity is regulated in detail by the law.

Before providing the service for the first time, the service provider should submit a written notification to the body competent for recognizing qualifications with respect to intent to provide services, containing information about insurance policy owned, or other means of individual or collective insurance related to practicing the given profession. Notification has to be submitted again when information provided in the previous notice becomes obsolete, or once a year – in case of intent to provide services in the next year.

The service provider is subject to Polish regulations, which are directly related to consumer protection and safety, and pertain to the method of performing the given regulated profession or activity.

The receiving state exempts the service providers from the requirements in scope of obtaining permit, registration or membership in professional institutions or organizations, however it may introduce a simplified temporary registration or membership in a professional organization or institution (it may not, however, cause additional costs, delays, or difficulties in providing the service).

The Directive was transposed to Polish law by the *Act of 18.03.2008 on principles of recognizing professional qualifications obtained in other EU member states (Journal of Laws of 2008, No. 63, item 394, with subsequent amendments)*.

As per *Act of 16.11.2006 on stamp duty (Journal of Laws No. 225 item 1635, as amended)* processing the application and issuing a decision with respect to recognition of qualifications to practice a regulated profession requires the applicant to pay stamp duty of 523 PLN.

Recognizing qualifications of a statutory auditor

Pursuant to art. 5 par. 3 of AoSA, membership in the group statutory auditors in Poland is possible for a natural person (after being entered into the register of statutory auditors), who is certified to practice as a statutory auditor by another member state of the European

Union, after passing an exam in Polish economic law, in Polish, in front of the Examinations Committee, in scope necessary to perform audit activities.

As far as persons from third countries are concerned, a natural person for a third country may be entered into the register, based on principle of mutuality, if they are certified to practice as a statutory auditor by the third country, on condition that they meet requirements in scope of professional qualifications in line with conditions set forth in the Act, or equivalent, and after passing an exam in Polish economic law, in Polish, in front of the Examinations Committee, in scope necessary to perform audit activities.

The condition for entering the qualifications procedure for persons who are certified to practice as statutory auditors by other EU member states or third countries, is:

- submitting an application to commence qualifications procedure,
- submitting a document confirming the certification to practice as statutory auditor, along with certified translation into Polish, made by a sworn translator and certified as a true copy by a notary.

Recognizing qualifications of a tax advisor

In accordance with art. 6 par. 3 of AoTA, persons, who can be entered on the list of tax advisors are natural persons, whose qualifications for practicing the profession of tax advisor were recognized in compliance with principles set forth in the *Act on principles for recognition of qualifications (...)*, if:

- 1) they have full legal capacity and full extent of public rights (in case of persons who do not have Polish citizenship, the public rights are determined pursuant to the laws of the country of which the given person is a citizen), and
- 2) they apply to be entered on the list no later than within 12 months from receiving the decision on recognition of professional qualifications, issued pursuant to the *Act on principles for recognition of qualifications (...)*, art. 7 par. 3.

Recognizing qualifications for providing bookkeeping services

In accordance with art. 76b of AoA, the Minister of Finance issues a certificate in accounting to those citizens of parties to the Agreement on European Economic Area (EU, Swiss Confederation and EFTA), whose qualifications to provide bookkeeping services have been recognized in compliance with the *Act on principles for recognition of qualifications (...)*.

In accordance with information provided on the website of the Ministry of Finance, attachments to the application for recognition of qualifications must include documents confirming the qualifications (education, professional experience), prepared in Polish or translated into Polish by a sworn translator.

Recognition of qualifications depends largely on education curriculum and training, as well as professional experience of the applicant. If the education curriculum and training completed

by the applicant in his/her country differs significantly from the education and training program required in Poland, or if the scope of profession practiced by the applicant in his/her country is significantly different from the scope of the same profession in Poland, the Minister of Finance may make the decision on recognizing qualifications dependent on the applicant completing an adaptation internship or taking a test of skills (in line with conditions set forth in the *Ordinance of the Minister of Finance of 27.11.2008 on adaptation internship and test of skills conducted for the purpose of recognition of qualifications to provide bookkeeping services (Journal of Laws No. 216, item 1372)*). However, if the applicant has professional experience in scope of applying Polish regulations in scope of accounting, taxes, social insurance or economic law, and/or education in the above scope, he/she should attach to the application such documents as confirm such experience and/or education, based on which it is possible to be exempt from the requirement to complete adaptation internship/test of skills.

Program of the adaptation internship is determined by the Minister of Finance for each applicant individually, taking into consideration the differences between qualifications that the applicant has versus qualifications required to provide bookkeeping services. Adaptation internship is conducted in an entity certified to provide bookkeeping services, selected by the applicant. Supervision over the course of the internship is provided by a mentor, assigned by the entity, who issues an opinion which is later the basis for recognition of the applicant's qualifications by the Minister of Finance. Cost of the adaptation internship is covered by the applicant.

Test of skills is conducted in Polish, in writing (however fluency in Polish language is not the test subject and style/grammar errors are not taken into consideration).

2.4. Other professions on A&A market

2.4.1. Professions with professional qualifications standards

Besides regulated professions discussed above, there are also other professions that are a part of A&A market. Some of them are covered by professional qualifications standards, discussed in subsection 2.2 (it should be noted that the tax advisor profession is a regulated profession, for which a professional qualifications standard was developed as well). Profession is understood here as a set of professional tasks, separated out as a result of social division of labor, such as require specific professional qualifications from the person performing them⁵⁰.

⁵⁰ Professional qualifications standards – a standards database dictionary, http://www.standardyiszkolenia.praca.gov.pl/standardy_slownik!browse.action (accessed on 16.08.2013)

Among the accounting professions, standards were developed for following professions (as of 1 August 2013):

1. Financial specialist (financial analyst) (241204),
2. Accounting specialist (241205),
3. Tax advisor (241903),
4. Accountant (autonomous) (343201),
5. Accounting assistant (school title: accounting technician) (412102),
6. Employee of financial and accounting units (fragmentary standard) (341990).

As a target, the standards should include following elements:

- legal basis for practicing the profession (provisions directly related to practicing the profession),
- concise description of the profession,
- list of jobs, categorized into five levels of qualifications as specified in the standards,
- list of professional tasks,
- list of constituent professional qualifications,
- sets of skills, knowledge and physical/psychological characteristics of the employee, categorized by five levels of professional qualifications and groups of qualifications, divided into: transferable, general professional, basic and specialized.

Standards for the first five professions include all the elements listed above, and for the last of the professions, a fragmentary standard was developed, consisting only of list of jobs, professional tasks and sets of skills, knowledge and physical/psychological characteristics of the employee, categorized by five levels of professional qualifications.

Descriptions of listed accounting professions based on qualification standards are presented in Table 2.4. Full text of the standards is available in standards database at:

- www.standardyiskolenia.praca.gov.pl or
- www.kwalifikacje.praca.gov.pl.

It is worth noting, that one of the standards pertains to the profession of a tax advisor, which at the same time is a regulated profession. Text of the standard⁵¹ also includes requirements with respect to candidates for the profession.

⁵¹ National Standard of Professional Qualifications – Tax advisor (241903), Labor Market Department MLSP, p. 12.

Table 2.4. Description of accounting related professions covered by professional qualifications standards⁵²

Description of profession	Constituent elements of qualifications	Professional tasks
Financial specialist (financial analyst)		
Financial analyst monitors objectives and instruments of financial policy of the state and the self-governments, determines its impact on behavior and financial performance of the organization, monitors its financial performance, plans and monitors tax obligations, applies comparative analysis of investment efficiency, seeks sources of financing and determines its cost, analyzes the economic and financial situation of the enterprise, self-government as well as public and private institutions, participates in strategy development and monitors implementation of its financial aspects. Financial specialist (financial analyst) evaluates effectiveness of decisions taken, based on financial performance. Provides analyses for the purpose of investment and financing decisions. Collects and analyses information, and	<ul style="list-style-type: none"> • Analysis of financial reports and projecting results. Preparation and presentation of analysis results... • Evaluation of demand for financing, identification of sources and costs of financing. • Analysis of cost structure, costs allocation methods, preparing cost calculation. • Projecting financial flows from projects, analysis of their efficiency, taking into consideration the cost of capital ... • Identification of sources of risk, methods and costs of hedging. • Cooperation and coordination of financial analysis team with organizational units responsible for implementation of management functions. 	<ul style="list-style-type: none"> • Development and implementation of planning system in the organization. • Organizing information flow systems in scope of financial results. • Processing, developing and presenting data using specialized software. • Preparing financial statements and analyzing results achieved. • Preparing projections and budgets on the level of organization and individual departments, monitoring execution. • Identifying and monitoring sources of risk as well as methods and costs of hedging (changes of interest rates and currency position). • Controlling financial liquidity, level of debt, sales profitability, efficiency of economic activity conducted and financial plan. • Providing advice to management in scope of selection of sources of financing. • Preparing cost calculation for product manufacturing and analysis of cost structure. • Preparing financial analyses for projects. • Cooperation with managers.

⁵² Source: Own compilation based on: Professional Qualifications Standards, <http://www.standardyziskolenia.praca.gov.pl/> (accessed on 2.08.2013)

Description of profession	Constituent elements of qualifications	Professional tasks
presents it to decision makers.		<ul style="list-style-type: none"> • Coordinating work of accounting and finance team in the area of management information needs. • Control of plan execution in investment projects. • Control and evaluation of quality of own work and that of the subordinated employees.
Accounting specialist		
Main tasks of accounting specialist include organizing accounting in the enterprise and institution, documenting changes in value of assets, accounting for economic operations, performing financial settlements, maintaining the costs and results account, preparing financial statements, analyzing them and developing reports on forecasted changes in financial situation of the company. Accounting specialist may be employed in production enterprises, commercial and service companies, public finance sector entities, banks, entities not engaging in economic activity, entities in the insurance sector, or accountancy firms	<ul style="list-style-type: none"> • Maintaining accounting ledgers. • Preparing, controlling and processing accounting documents. • Recording changes in tangible resources. • Conducting financial settlements. • Calculating product costs. • Preparing and analyzing reports. 	<ul style="list-style-type: none"> • Organizing own workstation in line with principles of ergonomics, safety and hygiene at work, as well as fire protection. • Organizing work of employees team. • Planning and developing accounting system in the enterprise or institution. • Starting and maintaining accounting ledgers. • Preparing and processing accounting documents. • Accounting for economic operations based on accounting documents. • Maintaining records of accounts, performing financial settlements (including taxes) and preparing tax returns. • Maintaining the costs and results account. • Preparing financial reports and analyses. • Developing reports on forecasted changes in financial situation of the company. • Managing the team of subordinated employees.

Description of profession	Constituent elements of qualifications	Professional tasks
		<ul style="list-style-type: none"> • Cooperation with employer and manager of the accounting unit. • Verifying correctness of accounting documentation maintained. • Correcting accounting documentation in line with post-audit recommendations. • Controlling timeliness of financial settlements.
Tax advisor		
<p>performs professional tasks related to customer service, while customers may include enterprises or natural persons not conducting economic activity. Entrepreneurs may entrust to the tax advisor all the tasks related to maintaining accounting records, by entering into a contract for regular service, maintaining accounting ledgers, human resources and payroll support, as well as tax related issues and preparing tax related opinions. Natural persons may hire a tax advisor to prepare annual tax returns. Tax advisor may be useful not only to entrepreneurs or owners, who generate income from lease, but to anyone who has to settle taxes. The main obligation of the tax advisor is providing, to</p>	<ul style="list-style-type: none"> • Providing legal advice in scope of taxes, economic activity and social insurance. • Maintaining accounting ledgers and records. • Preparing tax returns. • Cooperation with external institutions in scope of tax advisory services. • Appearing, on behalf of the taxpayer, in cases related to tax obligations. • Organizing work of tax advisory firm. 	<ul style="list-style-type: none"> • Providing, to taxpayers and payers, advice, opinions, explanations and consultations in scope of their tax obligations. • Preparing tax returns and declarations and providing assistance in this scope. • Maintaining, on behalf and to the benefit of taxpayers, accounting ledgers and other tax related records. • Maintaining commercial ledgers. • Maintaining VAT records and flat rate tax records. • Providing advice in scope of starting economic activity, human resources and payroll support, social insurance for employees conducting the economic activity. • Appearing before bodies of administration as the taxpayer's proxy in matters pertaining to the taxpayer's tax obligations. • Coordinating work of tax advisory firm. • Organizing training for employees of the tax advisory

Description of profession	Constituent elements of qualifications	Professional tasks
<p>taxpayers and payers, advice, opinions, explanations and consultations in scope of their tax obligations, as well as preparing tax returns and declarations and providing assistance in this scope.</p>		<p>firm employees and cooperating companies.</p> <ul style="list-style-type: none"> • Organizing the tax advisor workplace in line with regulations and principles of safety and hygiene at work, as well as ergonomics. • Establishing cooperation with external institutions in scope of tax advisory services. • Cooperating with tax advisory firm employees. • Evaluating quality of customer service in scope of legal advice provided within the framework of tax advisory services.
Accountant (autonomous)		
<p>Accountant (autonomous) performs all the activities related to value based reflection of financial situation, as well as events and economic processes in entities of various ownership structure as well as public institutions, serving the purpose of supporting the users in making economic decisions. An accountant organizes accounting, controls accounting and financial documents in scope of formal accounting issues and posts economic operations in accounting devices. Moreover, the accountant measures assets and liabilities in line with regulations and principles adopted by the</p>	<ul style="list-style-type: none"> • Accounting in an accountancy firm. • Accounting in a production, commercial or service company. • Budget accounting. • Bank accounting. • Insurance companies accounting. • Accounting of entities not conducting economic activity. 	<ul style="list-style-type: none"> • Preparing documents describing the accounting policy adopted in the entity. • Starting and maintaining accounting ledgers. • Accepting, verifying and qualifying accounting records for recognizing in the books. • Accounting for economic operations based on accounting evidence. • Keeping records of accounts, performing financial settlements (including related to taxes) and preparing tax declarations. • Performing activities related to inventory taking and accounting for it. • Measurement of assets and liabilities, determining financial result, taxable base and income tax. • Preparing and analyzing financial statements.

Description of profession	Constituent elements of qualifications	Professional tasks
<p>employer, determines the financial result and taxable base for income tax, prepares tax declarations and financial statements; stores financial and accounting documents.</p>		<ul style="list-style-type: none"> • Organizing the accounting unit in the enterprise. • Organizing own workplace in line with principles of ergonomics, safety and hygiene at work, as well as fire protection. • Organizing work of the accounting unit team. • Managing employees with in the accounting unit team. • Cooperation with various organizational units of the enterprise in scope of accounting. • Cooperation with employer and manager of the enterprise in scope of accounting activity. • Verifying correctness of procedures applied and maintained accounting documentation. • Preparing accounting documentation for inspection and making it available. • Correcting the accounting documentation in line with post audit recommendations.
Accounting assistant (school title: accounting technician)		
<p>Accounting assistant performs tasks related to simplified forms of records for tax purposes and to maintaining accounting ledgers, within the framework of which the accounting assistant prepares, gathers, controls and stores accounting documents, prepares financial statements,</p>	<ul style="list-style-type: none"> • Preparing and developing accounting documents. • Conducting financial settlements. • Entering data from documents to computer software. • Maintaining records and registers for tax purposes. 	<ul style="list-style-type: none"> • Cooperation with employer and manager of the accounting unit. • Preparing and current verification of correctness of accounting documentation. • Organizing own workplace in line with principles of ergonomics, safety and hygiene at work as well as fire protection.

Description of profession	Constituent elements of qualifications	Professional tasks
<p>conducts basic analyses in scope of finance and accounting, performs financial settlements, checks the payment dates for liabilities and receivables. Accounting assistant also performs basic office functions and operated the computer. Accounting assistant may be employed in production, commercial and service companies, in public finance sector entities, banks, entities not conducting economic activity, entities involved in insurance as well as in accountancy firms.</p>	<ul style="list-style-type: none"> • Recording economic operations in accounting ledgers. • Developing elements of financial plans and basic indicators for financial analysis of the entity. 	<ul style="list-style-type: none"> • Operation of the computer and performing basic office tasks. • Maintaining simplified forms of records for tax purposes. • Maintaining accounting ledgers. • Posting economic operations based on approved accounting documents in accounting ledgers. • Conducting settlement calculations and settling balances. • Preparing basic financial plans and analyses. • Cooperation within the accounting unit team.
Employee of financial and accounting units		
<p>No description in the standard</p>	<p>No constituent parts of qualifications in the standard</p>	<ul style="list-style-type: none"> • Preparing and processing documentation in foreign languages. • Operation of computer systems. • Recording economic activity. • Starting and maintaining accounting ledgers. • Preparing and processing accounting documents. • Recording economic events on relevant accounts • Calculating costs and prices. • Stock taking and accounting for inventory differences. • Measurement of assets and liabilities and determining the financial result. • Performing financial settlements. • Preparation and analysis of financial statements.

Description of profession	Constituent elements of qualifications	Professional tasks
		<ul style="list-style-type: none"> • Conducting simplified forms of records for tax purposes. • Perception of the enterprise against the background of national economy. • Analyses of organizational structure of the enterprise. • Organizing workspace. • Assigning tasks and verification of their implementation. • Making decisions. • Organizing work in the team. • Motivating the team. • Cooperation within the team. • Team problem solving.

2.4.2. Teachers and academic teachers in accounting specializations

Other non-regulated professions related to accounting that deserve mentioning include academic teachers and teachers from vocational schools, teaching accounting related subjects, who play an important role in educating human resources for the A&A market. For the purposes of labor market classification and state statistics, they are included in larger groups, respectively:

- 231003 Academic teacher – economic sciences,
- 232003 Teacher of economic subjects on vocational level.

Thus, it is not possible to find data on such teachers of accounting or related fields, in official statistics. There are also certain difficulties which make it impossible to assign teachers to specific disciplines, and make such attempts futile. In practice, it happens that teachers assigned to economic sciences are tackling a number of more or less related disciplines and teach various subjects, which makes it impossible to classify them within any specific field. Another example is the situation, in which an academic teacher with a degree or title in a field including accounting, teaches completely different subjects, or – which happens more often – having a degree or title in economic sciences, but a completely different specialization, such a person teaches accounting or related subjects.

It would also be inaccurate to assume, that only academic teachers employed in organizational units whose name suggests links to accounting (e.g. in management accounting or controlling faculties/departments) tackle didactic and research aspects of

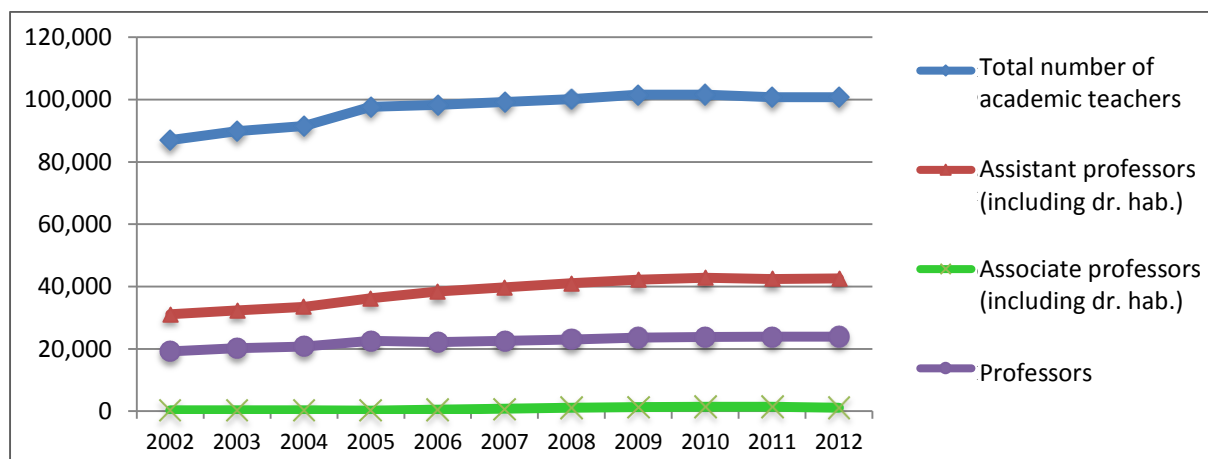
accounting in tertiary schools. Numerous examples confirm, that absence of such faculties/departments in the organizational structure does not mean, that the given school or college does not teach classes in accounting. It should be emphasized, however, that in schools which have such faculties and departments, teaching of accounting and related fields is based mostly on human resources of such units. A large number of tertiary schools⁵³ makes it impossible to analyze the number of persons working there in scope of didactic and/or research aspects of accounting based on data received directly from the school.

Data collected by GUS also do not allow to determine the number of teachers specializing in accounting (they are classified within a broader group of “teachers of economic subjects on vocational level” and in practice they teach various economic subjects).⁵⁴

However, as far as obtaining information about the number of academic teachers in the area of economic sciences is concerned, the best source of data, besides GUS statistics, are POL-on and SYNABA databases.

According to GUS data as of 31 December 2012, tertiary schools in Poland have employed 100 738 academic teachers, of which: 42 652 as assistant professors, 1 167 as associate professors (including *doctor habilitatus*) and 23 934 as professors. Changes in the total number of academic teachers in the listed groups in 2002-2012 is presented on the graph below (Graph 2.6).

Graph 2.6. Number of academic teachers in Poland in 2002-2012⁵⁵



⁵³ According to data included in the POL-on tertiary schools information system, as of 31.01.2014 there were 134 public tertiary schools in Poland (of which: 5 – economic, 19 – universities, 6 – agricultural/biology schools, 5 – technical), 300 non-public tertiary schools and 8 church tertiary schools. With respect to non-public tertiary schools, the profile was not specified. It is known, however, that many of those schools provide courses in fields related to economy and finance, so they have their own teaching staff (including specialists on accounting).

⁵⁴ This is confirmed also by conversations in the Office of Superintendent of Education in Lublin.

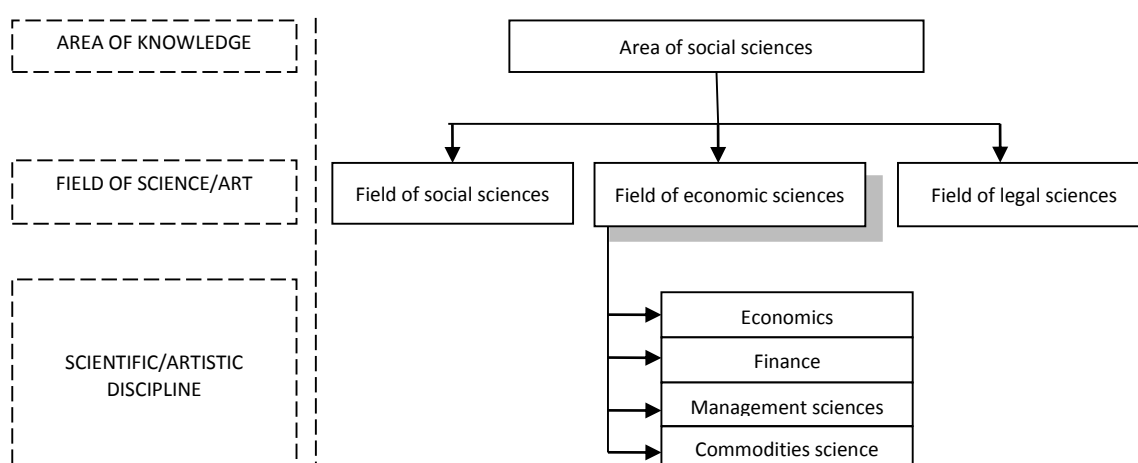
⁵⁵ Source: Own compilation based on: Local Data Bank, http://www.stat.gov.pl/bdl/app/dane_sub-group.dims?p_id=717302&p_token=0.4876619440037757, (accessed on 16.08.2013)

In context of discussed issues, a particularly important group is the group of researchers with the degree of at least *doctor habilitatus*. It is worth reminding (it was discussed in detail in pt. 2.3.3.), that persons with the degree of *doctor habilitatus* in economic (or legal) sciences in the field of financial law or finance, in case of applying for certification to practice the profession of tax advisors are exempt from mandatory examination (which other candidates have to take) and from the obligation to complete practical internship. Situation is similar with respect to the title of certified accountant, which may be granted to *doctor habilitatus* of economic sciences or management sciences with specialization in accounting.

For reasons mentioned above, it is not possible to identify, even as an approximation, the number of academic teachers teaching accounting and auditing. Some very general conclusions about potential of persons with degrees and titles in economic sciences (including those specializing in accounting) may be drawn based on publication of the Ministry of Science and Higher Education (MSaHE) and databases: POL-on (MsaHE database) and SYNABA (portal Nauka Polska [*Polish Science*]).

For the purpose of proper interpretation of information presented in analyses of the Ministry and collected in databases (especially POL-on) it is necessary to position economic sciences and their constituent scientific disciplines in classification of areas of knowledge and scientific fields and disciplines (Figure 2.1). Since 1 October 2011 a classification is in place, introduced by *Ordinance of the Minister of Science and Higher Education of 8.08.2011 on areas of knowledge, fields of science and art as well as disciplines of sciences and arts (Journal of Laws of 2011 No. 179 item 1065)*. This classification is also used by the Central Committee for Degrees and Titles (CKSST), hence it is often referred to as CKSST classification.

Figure 2.1. Place of economic sciences in Classification of sciences and scientific disciplines⁵⁶



⁵⁶ Source: Own compilation based on: Ordinance of the Minister of Science and Higher Education of 8 .08.2011 on ..., Annex 1.

Specialists in the area of accounting (and finance) are generally placed within such disciplines as: economics, finance (a new discipline) and management sciences. Names of specializations are not included in the classification, hence the problem with giving them precise names and at the same time, a lot of discretion in their delineation.

Since the three disciplines, “economics”, finance” and “management sciences” are developing very dynamically, there are new approaches and research methods, new research directions emerge, as a result some of the research areas are difficult to delineate unequivocally and clearly; this is true also for accounting. In Announcement No. 7/2010, the Central Committee for Degrees and Titles states, among other things, that: *„The area of finance includes (...) research in scope of financial reporting in broad understanding, i.e. preparation and analysis of financial information for the purpose of decision making”*. Nonetheless, analysis of further text of the announcement shows, that there are certain areas related to accounting, which may be attributed to management sciences (e.g.: *„(...) cover issues, which have an impact on making rational decisions within organizations and their efficient operation, thus contributing to achieving their objectives”*). Content of the announcement shows unequivocally, that a flexible approach is necessary to attributing areas of research to individual disciplines within the economic sciences field.

Above guidelines, since they have been introduced recently (the new discipline of “finance” was introduced in 2010) are not as yet fully recognized in statistics.

More detailed information about human capital in the area of social sciences can be found in the report entitled *Nauka w Polsce 2013 (Ed. 1)*, prepared by MSaHE based on data in the POL-on system. POL-on database is an integrated system of information about higher education (currently implementation is in progress), the purpose of which is to support the work of Ministry of Science and Higher Education, as well as GUS or PAN. As a target, the system is to constitute a global database about scientific units, tertiary schools and Polish science.

Data presented in the *Nauka w Polsce 2013* report differs somewhat from that presented by GUS. GUS (following the Eurostat) uses *full time equivalents* to determine actual employment in R&D. *Full-time equivalents* take into consideration the time worked in the reported year as compared to full work time in the given institution. Another difference pertains to cross-section of data presentation, namely the number of academic teachers as per GUS (Graph 2.6) pertained to positions held, while in MSaHE report, it was based on academic degrees and titles.

Number of academic teachers in the area of social sciences, structured by academic degrees and titles as of 31.12.2012 is presented in the Table 2.5.

Table 2.5. Academic teachers – total and in social sciences, by academic degrees (as of 31.12.2012)^{57,*}

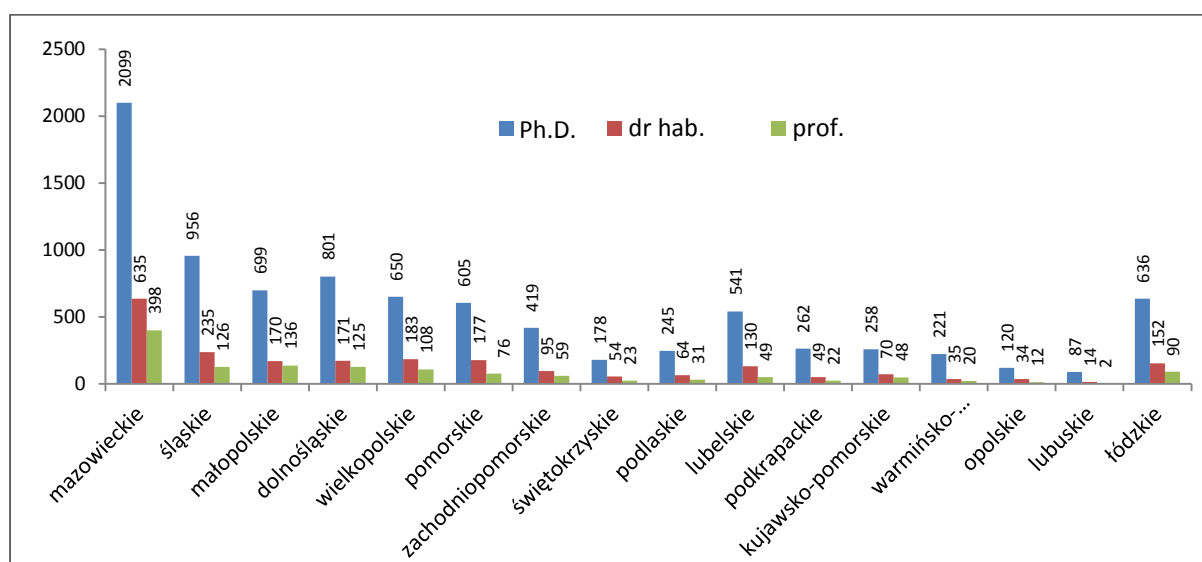
Academic degree /title	Academic teachers in the area of social sciences		Academic teachers, total		Ratio of academic teachers in social sciences to total number of academic teachers
	number	structure	number	structure	
PhD	8 777	71,0%	51 145	67,2%	17,2%
<i>dr hab.</i>	2 268	18,3%	14 272	18,8%	15,9%
prof.	1 325	10,7%	10 652	14,0%	12,4%
Total	12 370	100,0%	76 069	100,0%	16,3%

* in the data, employment of less than 4 persons in a given type of entity was omitted

As the table shows (Table 2.5), 16,3% of all academic teachers – as of 31 December 2012 – were teachers in the area of social sciences. 71% of academic teachers in social sciences have the title of PhD, 18,3% *doctor habilitatus*, and almost 11% - professor. Percentage of professors among academic teachers in this field of science is over 3 percentage points lower than share of professors in total number of academic teachers.

On the graph (Graph 2.7) number of academic teachers in the area of social sciences is presented, by academic degrees and titles, by voivodship.

Graph 2.7. Number of teachers in the area of social sciences by voivodship (as of 31.12.2013)⁵⁸



⁵⁷ Source: Own compilation based on: Nauka w Polsce 2013 (Science in Poland 2013) (Ed. 1), MSaHE, http://www.nauka.gov.pl/g2/oryginal/2013_08/010df9372ca1a016e6e9bf7746817b38.pdf, (accessed on 17.08.2013)

⁵⁸ Source: Own compilation based on: Nauka w Polsce 2013... (Science in Poland 2013), p. 22.

Data more detailed than just the human capital potential in the area of social sciences (which, besides economic sciences, cover also fields of social and legal sciences) can be sought in databases pertaining to science and tertiary education; most important ones are:

- POL-on, already mentioned above – as a target, global database by field, at this point still at the implementation stage, hence the data available there must be regarded as incomplete,
- Nauka Polska portal (SYNABA database), a free of charge database maintained since 1991 by Information Processing Center; stored information includes data on:
 - institutions conducting research activity and acting for the sake of science,
 - people of science (with at least PhD),
 - research works.

Both databases have search engines available, allowing searching data in various cross sections.

In the tables (Table 2.6 and Table 2.7) data and information is presented as found in POL-on and SYNABA databases (people of science) pertaining to persons with academic degrees and titles in the area of economic sciences, taking into consideration (wherever possible) detailed data (status as of 20.08.2013) .

Table 2.6. Data and information on number of persons with academic degrees and titles in scope of economic sciences, based on POL-on system (as of 20.08.2013)⁵⁹

Category \ Academic degree/title	Ph.D.	dr hab.	Ph.D. 21a*	prof.
Social sciences, including:	8 455	2 095	6	1 333
Economics sciences field, including	4 964	1 067	3	804
1. Economics	3 210	805	1	804
of which: accounting specialization	36	22	-	
2. Finance	85	38	-	
of which: accounting specialization	4	5	-	
3. Management sciences	1 559	305	2	
of which: accounting specialization	4	10	-	

**persons meeting the condition of art. 21a of the Act of 14.03.2003 on academic degrees and titles, i.e. persons who obtained a PhD in Poland or abroad and working in another state for a minimum of 5 years headed their own research teams, have significant research achievements and body of work, employed in a tertiary school in position of extraordinary professor or visiting professor, receive capacity equal to that of a doctor based on rector's decision.*

⁵⁹ Source: Own compilation based on POL-on database.

As far as data presented in the table is concerned (Table 2.6) (as per POL-on database) correlation can be found with data on number of academic teachers presented in Table 2.5. However, those correlations are not unequivocal. Leaving aside the matter of differing presentation dates (in Table 2.5. as of 31.12.2012, and in Table 2.6. – as of 20.08.2013), they cover a slightly different scope of scientists categories. Number of persons with degrees and titles from Table 2.5 pertains to academic teachers, while in Table 2.6 – to all persons who hold titles in the field of economic sciences, but not necessarily work as academic teachers. This pertains to, e.g. PhDs, among whom there is a large group of persons who defended their thesis after completing post-graduate studies and are not linked to tertiary schools professionally. Another matter important for correct interpretation of data from POL-on system (in scope of specialization) is knowledge, that the regulations do not clearly identify specialization, which has to be entered when adding a record to the database (authorized persons and institutions), or it was not clear in case of SYNABA database, from which data is extracted for the purposes of POL-on. Thus, in case of many persons in the database, specialization is not specified, and therefore they were not identified by the search engine as specialists in accounting.

Table 2.7. Data and information on number of persons with academic degrees and titles in scope of economic sciences (or fields including economic sciences, based on SYNABA database (portal *Nauka Polska - Ludzie Nauki*) (as of 20.08.2013)⁶⁰

Classification applied	Academic degree /title	Ph.D.	dr hab.	prof.
	Category			
Classification CKSST	Economic sciences, of which:	No possibility of searching for numeric data – category only functions as a criterion in the search engine		
	1. Finance	Category inactive		
	2. Economics, of which specialization*:	6136	888	928
	• accounting	395	40	42
	• financial accounting	31	2	4
	• management accounting	35	7	11
	• cost accounting	20	6	5
	• financial reporting	5	2	4
SDD (Dictionary of fields and disciplines)	Humanities and social sciences, of which:	No possibility of searching for numeric data – category only functions as a criterion in the search engine		
	1. Finance, Banking, Accounting	Category inactive		

⁶⁰ Source: Own compilation based on SYNABA database (portal Nauka Polska/Ludzie Nauki).

Classification applied	Academic degree /title	Ph.D.	dr hab.	prof.
	Category			
	2. Management sciences, of which specialization*:	1846	157	142
	• accounting	67	3	4
	• financial accounting	13	-	-
	• management accounting	19	2	1
	• cost accounting	2	-	-

**as per declared specialization entered into the database by the scientist*

As for the information coming directly from SYNABA database (Table 2.7), the problem with using that database relates to multiple possible data classification cross sections, which are not mutually related and some of the categories used are not active. It was also not explained why retrieving certain data is impossible. For the purpose of presenting data in the table (Table 2.7) only two classifications were taken into consideration, considered most important, but also incomplete. First, although described as “CKSST classification” is, in fact, a database of links between CKSST classification with classification of disciplines used by no longer existing Committee for Scientific Research (KBN). It lacks e.g. the Management Sciences, which today are included in economic sciences. Second – dictionary of fields and disciplines – was selected due to possibility of searching for persons who hold degrees and titles in the area of management sciences. Other classifications were omitted, as social/economic sciences were incorporated into other, broader categories there. It is worth noting, that description of specialization for persons holding academic degrees and titles as provided in SYNABA database is a matter of subjective assessment of those persons as to what they specialize in. Moreover, in case of some persons, multiple specializations were listed, which in fact means, that the same person was counted multiple times in the group of accounting specialists. Thus, the table compares data on number of people with academic degrees and titles in the field of economic sciences, presenting their number as per declared specializations. Authors of the report have indicated specialization in a subjective manner, based on principle of closest associations of specializations/keywords related to accounting (financial and managerial).

In summary, it can be stated that based on available sources (reports and databases) only a general view may be obtained of staffing potential of academic teachers specializing in accounting, as there is no detailed data available on the subject.

2.4.3. Other professions

Other professions related to accounting and auditing shall be discussed in line with big groups of the Classification of professions and specializations.

Representatives of public authorities, high level officials and general directors

This group of classification, according to its characteristics, includes *“professions, in which the main tasks involve planning, setting and implementing base objectives and directions of state policy, formulating provisions of the law and managing the activity of public administration units, as well as performing management functions in enterprises or their internal organizational units.”*⁶¹

Code 112006 describes the **financial director**. Financial director is considered one of the most important persons in the company (next to managing director and commercial or production director) and the position is perceived as one of the most prestigious. Change in the role of financial directors, which occurred over the past several years, is also emphasized: from a person responsible for providing advice and information to person co-deciding on strategic matters. Basic duties of a financial director include:

- shaping and implementing financial strategy of the company,
- supervision over preparation of (consolidated) financial statements and reports,
- supervision over preparation of annual budget and multi-year plans, as well as control over their implementation,
- responsibility for operation of internal control,
- optimization of tax policy, cost structure, working capital,
- evaluation of investment projects,
- responsibility for financial liquidity, risk hedging,
- contacts and cooperation with auditors, banks, insurance companies, investors and tax bodies,
- supervision of work of departments: finance and accounting, controlling, increasingly often also: IT, administration and internal audit,
- policy for employment, management, motivation and development of employees in supervised departments.

Expectations with respect to candidates to the position of financial director include, as a minimum, a few years experience in positions involving finance management, in an auditing firm or in corporate banking. The candidate should also have extensive knowledge in scope of finance management, financial accounting and management accounting, tax regulations as well as skills and experience in scope of managing a team.⁶²

⁶¹ <http://www.klasyfikacje.gofin.pl/kzis/6,0.html> (accessed on 24.08.2013)

⁶² Developed based on the report: *Goldman Recruitment Salary Survey 2013. Finanse i Księgowość Bankowość i Ubezpieczenia, usługi Doradcze and Audyt*, Goldman Recruitment, p. 24.

Profession of a **chief accountant**, outside the budget sphere, is not subject to regulation. Manager of the unit is the person who decides about having a chief accountant in the first place, about scope of their tasks and responsibility, as well as their placement within the organizational structure of the company.

This profession may be considered in broader or narrower scope. In broader scope, chief accountant is *“the employee responsible for correctness of financial actions”*⁶³ or *“person responsible for financial management of an entity”*⁶⁴. In narrower scope, the profession is associated with maintaining (supporting) accounting for the enterprise, rather than complex financial management. In light of Polish labor law (art. 128 § 2 pt 2 of the Labor Code⁶⁵) chief accountant is included among the employees who manage the workplace on behalf of the employer, which, among other things, means no compensation for overtime (art. 151.4 of the Labor Code).

Currently, in business, the traditional function of chief accountant has transformed. Besides a very high position of chief accountant in the hierarchy of positions (second management tier – directly subordinated to manager of the enterprise), in many companies a different organizational model is applied, namely subordinating the chief accountant (if there is one) to financial director, who is responsible for managing the company’s finances. Persons in such positions are required to have very good knowledge of tax law, accounting law, but frequently also knowledge in scope of international accounting standards and principles of management accounting. Duties of chief accountant may include, among other things:

- preparing financial statements,
- preparing reports for the purposes of management, banks, and external institutions,
- developing documentation describing adopted accounting principles (according to regulations, preparing such a documentation is the responsibility of the unit’s manager),
- supervision over correct circulation of accounting documents,
- supervision over correctness of tax settlements,
- contact and cooperation with external institutions (US, ZUS, GUS, NBP),
- substantive and organizational supervision over accounting department.

Manager of an accountancy firm (121101) is a person, whose tasks encompass organization of work of the accountancy firm and its employees, substantive supervision over services provided by the firm, as well as contacting clients of the firm and acquisition of new clients. Requirements with respect to persons in this position usually include:

- tertiary education and experience in scope of accounting and taxes,

⁶³ Ruling of Supreme Court of 17.11.1998, I PKN 305/98, OSNAPiUS No. 21/1999, item 680.

⁶⁴ Justification of the ruling of Supreme Court of 26.3.2002, I PKN 933/00, OSNAPiUS No. 5/2004, item 80.

⁶⁵ Act of 26 June 1974 Labor Code, Journal of Laws of 1974 No. 24, item 141 with subsequent amendments

- good knowledge of accounting principles and provisions of the tax law,
- managerial skills, self-sufficiency and ability to organize work,
- knowledge of accounting software.

Requirement of certification provide bookkeeping services in case of accountancy firm manager depends on how the entrepreneur managing the firm has obtained authorization to run such a company. Art. 76a par. 3 of AoA states, that activity in scope of providing bookkeeping services may be conducted by:

- entrepreneurs who are natural persons, if they are certified to perform activity in scope of providing bookkeeping services;
- other entrepreneurs, on condition, that activities in that scope will be performed by persons certified to perform activities in scope of providing bookkeeping services.

In the first case, the entrepreneur (a natural person) performing activity in scope of running the firm does have the required certification himself, therefore the firm manager, whom he potentially employs, is not formally required to have the accounting certificate, although the owner may include such a requirement in recruitment requirements. In the second case, it is highly probable that a certificate would be required from the candidate for the accountancy firm manager, as it is based on that certificate that the entrepreneur would be able to conduct activity in scope of bookkeeping services.

Within the discussed group, among professions related to accounting and auditing in broad understanding, following should be named:

- Financial Department Manager (121103),
- Manager of HR and payroll department (121201),
- Audit Firm Manager (134904)

These managers are usually responsible for operation of the company/department both in its organizational and substantive aspect.

Professionals (specialists)

The big group Professionals includes professions which require high level of professional knowledge, skills and experience in the area of technical, natural and social sciences, humanities and such. Their main tasks include practical implementation of scientific or artistic concepts and theories, increasing the existing knowledge through research or creativity, as well as systematic teaching in this scope.

All the professions categorized in the Classification into the elementary group “accounting and auditing professionals” (2411) are directly related to accounting. Besides the statutory auditor profession (241101), discussed among the regulated professions, there are the following:

- controlling specialist (241102),
- accounting specialist (241103),
- investment accounting specialist (241104),
- tax accounting specialist (241105),
- management accounting specialist (241106).

The profession of **accounting specialist** is covered by professional qualifications standard and thus was discussed in subsection 2.2. The basis for delineation of remaining specialized accounting and auditing professions is the subject scope of their specialization.

Controlling is a supra-functional management instrument, the essence of which is in coordination of planning, steering and control processes for the purpose of optimizing financial result and value of the enterprise. The function of controlling departments in a company is to analyze and provide to the management team, reliable multi-sectional information helpful in strategic, tactical and operational decision making. **Controlling specialist** is usually an autonomous position in such a department. Tasks of a controlling specialist include, among other things⁶⁶:

- participation in preparing annual budget, forecast, multi-year plan, as well as implementation control and analysis of deviations,
- analyzing profitability in various cross-sections (products, distribution channels etc.),
- performing calculations in scope of assessment of profitability of planned projects and investments,
- performing calculations for the purposes of the accounting department: calculation of provisions and impairment write-offs,
- preparing financial analyses and reports for internal purposes of the company: for the management or other departments,
- in case of capital groups, participation in periodic reporting to parent company.

Management accounting is an information system within the framework of which financial and operating data is identified, measured, processed and presented to all interested users, in particular the managers. Similarities between definitions of controlling and management accounting are clear, hence they are often seen as the same, and controlling department may be referred to as management accounting department. So, by analogy, also professions of controlling specialist and management accounting specialist may be compared.

⁶⁶ Developed based on the report: *Goldman Recruitment Salary Survey 2013..*, s. 26.

Investment accounting specialist specializes in issues related to measurement and valuation of investments, including financial investments. A person practicing this profession should have knowledge and skills in scope of:

- valuation methods for financial investments, tangible investments, investment in property rights etc.,
- enterprise valuation methods, including for the purpose of mergers and acquisitions;
- principles of presentation of investment constituent elements in financial statements,
- managing investment portfolio risk.

Tax accounting is a field of accounting tackling the issues of identifying, recording and settling tax obligations as well as presenting the impact of differences between tax accounting and balance sheet accounting on financial statements. **Tax accounting specialist** should be well familiar with the tax law and should be able to:

- classify and interpret economic events according to balance sheet law and tax law,
- maintain accounting ledgers and tax ledgers, with particular emphasis on economic operations with tax impacts,
- determine tax obligations and deferred tax,
- prepare tax declarations.

Further professions from group 2, which have indirect relation to A&A services market are: financial advisor (241202) and investment advisor (241203).

In July 2013, 1st National Standard of Professional Competences for profession 241202 – financial advisor was submitted to the MLSP. It is currently at the final stage of implementation. As per standard, a **financial advisor** is someone who plans the client's finances based on analysis of his situation and needs. The objective of the advisor's work is to protect the client's assets and implementation objectives that ensure the client's financial safety. Financial advisers are employed in financial advisory companies or financial institutions (banks, investment companies, insurance companies and others). Financial advisors may also be self-employed, dependent or independent from financial institutions.⁶⁷

In order to confirm their competences, financial advisors may apply for voluntary certification of professional organizations of financial advisors. In Poland, the largest organization of this type is an independent association EFP Polska (European Federation of Financial Advisors), which is a partner organization of German European Federation of Finance Professionals. As of 25.08.2013, on the list of certified financial advisors of EFP Poland there are 29 consultants (with second degree in a three-tier certification, i.e. the title of European Financial

⁶⁷ http://www.effp.pl/files/28_241202_Standard_doradca_finansowy_.pdf (accessed on 25.08.2013)

Consultant) and 93 assistant financial advisors (first degree – title of European Financial Guide)⁶⁸

Profession of **investment advisors** is a regulated profession in Poland, based on the *Act of 29.07.2005 on trading financial instruments (Journal of Laws of 2005, No. 183 item 1538 with subsequent amendments)* – hereinafter: AoTFI. The profession of an investment advisor may be practiced by persons, who are entered on the list of advisors, maintained by Financial Supervisory Authority (KNF). One of conditions for being entered on the list is passing a three-stage exam in front of a committee⁶⁹. Investment advisor usually works as a person managing a stocks or bonds portfolio, in an investment funds company, pension fund company, or asset management company. As of 18.06.2013, there were 433 persons on the list of investment advisors.

The profession of an **auditor** (242204) is not unequivocally defined. In most general terms, it can be stated, that an auditor is a person, who performs an inspection, an audit, a review. Besides internal auditors in PFSE, included in this profession, other internal and external auditors may be categorized into it (such as are not statutory auditors). Depending on the type of audit, auditors may be specialists in a narrow field (e.g. perform energy audits, ISO standards audits, technical audits, technological audits). However, employees of an institution performing an audit are also often counted among the auditors (e.g. employees of Regional Chambers of Audits (RIO), auditing territorial self-government units, NIK employees conducting inspections in selected institutions).

Remunerations specialist (242310) performs remunerations analyses in the market to assess their competitiveness, also develops remunerations policy in the company in combination with motivational system and verifies it periodically. This profession does not always function in practice, as above functions are performed by specialists, or HR managers.

Technicians and associate professionals

Group 3 – Technicians and associate professionals includes those professions, which require at least third level qualifications obtained in formal education or training, i.e. in a post-secondary school or technical lycee. As per , this group includes professions which require knowledge, skills, and experience necessary to perform mostly technical and similar tasks, related to research and application of scientific and artistic concepts and methods of operation.

In this group, A&A professions can be found in large group 33 – business and administration associate professionals, in two medium groups: 331 Financial associate professionals and 335 Regulatory government associate professionals.

⁶⁸ <http://www.effp.pl/page/11.html> (accessed on 25.08.2013)

⁶⁹ Requirements for practicing the profession are specified in art. 127 of AoTFI.

The most important profession in the group, from the perspective of this study, is the profession of an **accountant** (331301), which is the only profession placed in the group 3313 Accountants. As a profession, for which a professional standard was developed, it was discussed in subsection 2.2. of this study.

Professions, which are in broad sense related to A&A market, are all the four professions in elementary group 3352 Government tax officials (i.e. tax returns controller, fiscal control auditor, tax official, other tax officials).

Tasks of **tax officials** consist of review of tax declarations of persons and enterprises, including the formal aspect (not just the substance and correctness of calculations), issuing various certifications, maintaining taxpayer files, processing applications for exemptions, reliefs, conducting inspections at taxpayer sites, etc. Of course, knowledge in scope of accounting is necessary for practicing the profession properly, but it is not a dominant area of competence of tax officials.

Tax returns controller maintains individual accounts of taxpayers, ensures proper registration of tax attributions and deductions, payments and refunds of taxes and charges, control of timeliness of payment of taxes, elimination of surplus payments, preparing information on the amount of revenues, attributions and balances for given reporting periods. **Fiscal control auditor** examines financial records of economic entities and budget entities; under the supervision of an inspector, in scope determined by the inspector, performs audit activities with the purpose of determining correct amounts due to the state budget, targeted state funds, as well as budgets of municipalities.⁷⁰

Scope of duties and qualifications of tax officials indicate, that those professions are only indirectly linked to accounting, as the main tasks of persons practicing those professions is to enforce compliance with principles and regulations set forth by the state in scope of due taxes, customs duties and other charges.

Clerical support workers

Group 4 – Clerical support workers encompasses professions which require second (junior high, vocational school, specialized or general profile lycee) or third (post-secondary school or technical lycee) level of qualifications. As per CPS, this group consists of professions which require knowledge, skills and experience necessary to record, organize, store, and search information, performing calculations for numeric, statistical and financial data, as well as performing operations for the clients, especially in scope of financial operations, organizing travel, information and business meetings.

Within this group, A&A professions may be found in the medium group 431 – Numerical Clerks (in large group 43 Numerical and material clerks).

⁷⁰ <http://www.katalogzawodow.pl> (accessed on 22.08.2013)

A&A professions group undisputedly includes all the professions in the elementary group 4311 – Accounting and bookkeeping clerks (i.e. accounting assistant, invoice clerk and accounting technician).

Professions of **accounting assistant** and **accounting technician** (school title) are covered by professional standards and were discussed in subsection 2.2. of this study. **Invoice clerks** are usually employed in accounting department, hence their inclusion in A&A market.

Payroll clerk profession (the only profession in group 4313 – payroll clerks), is indirectly related to A&A market, however the links are so loose, that it will not be taken into consideration in further analyses.

Other professions and positions related to A&A market

Below (Table 2.8) professions and positions other than those described above, but related to A&A market are presented. They have been divided into groups by departments, within which such positions are usually placed in a company's organizational structure.

Table 2.8. Other professions and positions related to A&A market⁷¹

No.	Name of profession/ position	Description
A. CONTROLLING DEPARTMENT		
1	Financial controller	heads the controlling department, which is responsible for providing the management of the company with reliable information, necessary to make strategic decisions; in smaller organizations this is an autonomous position, in larger ones, managerial; in large organizations, the scope of responsibilities is similar to that of a financial director; scope of responsibilities: financial accounting, reporting controlling; requirements: four to six years experience in an auditing company, or a few years as a controlling specialist, extensive knowledge in scope of financial analysis, financial and management accounting, as well as experience and skills in scope of team management; preference for professional qualifications in the area of finance.
2	Financial analyst	a position in the area of management accounting, in larger entities, employed in controlling department; scope of responsibilities: actively participates in preparation of budget and control of its execution, profitability analysis of products, regions, categories etc., cost control, cooperation with accounting department; requirements: experience in controlling/audit/accounting department; tertiary education, preferably in economics, familiarity with management accounting

⁷¹ Source: Own compilation based on: Report Goldman Recruitment Salary Survey 2013, <http://www.goldmanrecruitment.pl/public/ebooks/index.html> and <http://www.karierawfinansach.pl> (accessed on 23.08.2013)

No.	Name of profession/ position	Description
		tools; for this profession there is a professional standard developed, financial specialist (financial analyst) (241204).
B. INTERNAL AUDIT		
1	Internal auditor	basic position in the internal audit department, whose tasks involve participation in auditing projects, and performing tasks assumed in the audit plan; requirements: understanding of the organization's objectives, specificity of business risk, operating risk and financial risk to the company, external regulations and different needs represented by shareholders, management and employees; scope of responsibilities: besides operating audit, SOX, IT, specific projects, scope of responsibility includes financial audit, i.e. verification whether the financial statements were prepared in accordance with existing regulations and internal accounting policy. CPS includes the profession of an auditor (code 242204), but it pertains to both internal and external auditors.
2	Manager for internal audit	a managerial position, responsible for developing and implementing audit plans, only present in large companies with revenues exceeding a several hundred million PLN per year and capital groups operating in more than one country; scope of responsibilities: minimizing internal and external risk, threatening the operation of every enterprise; responsibility for all aspects of internal audit: financial, operating, IT and SOX; requirements: at least six years experience in an auditing company or as an internal auditor, practical knowledge in scope of operation of all important business processes, knowledge in scope of risk management, predispositions for team management.
C. EXTERNAL AUDIT		
1	Consultant in audit department	employment in an audit company; the consultant works under the supervision of a senior consultant; scope of responsibilities includes: responsibility for audit of specific elements of the financial statement (e.g. fixed assets, inventory, receivables, provisions), participation in stock taking of inventory or fixed assets conducted by the client, verifying correctness of calculations of prepared financial statements and audit report/opinion; requirements: tertiary education, analytical skills, teamwork skills, communication skills, willingness to learn continuously and work in task-based format.

No.	Name of profession/ position	Description
2	Senior consultant in audit department	first level managerial position, in which the employee is responsible for implementing small and medium projects autonomously and for daily contact with the client; scope of responsibilities: planning work within the framework of conducted audit project, including scope of audit, identification of types of risk, selection of audit tools and procedures, managing the group of consultants (usually 1–4 people) during the project, preparing preliminary draft of audit opinion and report, list of proposed adjustments, as well as management letter; requirements: minimum three years experience in an audit company, statutory auditor certification or other generally recognized financial certificate is a plus, predispositions for managing a project and a team.
3	Supervisor	managerial positions, related to A&A market, for which usually a few years experience is required, statutory auditor certification, “soft” skills and other skills necessary for managing projects and people.
4	Manager in audit department	
D. BPO/SSC CENTERS		
1	Accountant	positions in BPO/SSC centers (Business Process Outsourcing/Shared Service Centers), to which a specific scope of tasks is assigned (as opposed to accountants employed directly in the companies); Those are the basic positions in accounting services centers and persons employed there may specialize in one of three accounting processes: RTR, PTP, OTC. RTR (Record to Report) includes: tasks related to end of the month procedures and preparing financial statements/interim reports, posting entries to the main ledger, maintaining fixed assets register, accruals, etc., reconciliation of balances in the main ledger with auxiliary logs (settlements, inventory, fixed assets etc.), consolidation and confirmation of balances and transactions in the companies in the group. OTC (Order to Cash) includes: accounting for bank statements, allocating incoming payments, maintaining contact with recipients (monitoring of receivables, reconciliation of balance of settlements, etc.), maintaining contact with the client’s sales department. PTP (Purchase to Pay) includes: accounting for invoices received from suppliers and preparing payments, maintaining contact with suppliers (monitoring of payment dates, reconciliation of balance of settlements etc.), maintaining contact with the client’s purchasing department. Requirements: actually only the accountant responsible for RTR process is required to have some basic knowledge in scope of accounting; everybody is required to have tertiary education, foreign languages, analytical skills and motivation for development.
2	Senior accountant	

No.	Name of profession/ position	Description
3	Process Manager	a managerial position in BPO/SSC type companies, for which extensive subject matter knowledge is required as well as team management skills; in case of large projects, the Process Manager (PM) is responsible for one process (RTR, PTP, or OTC) for many locations/units, if the BPO/SSC company is providing accounting services to a smaller entity, PM may be responsible for comprehensive service provided to the client in its entirety; requirements: knowledge in scope of full accounting principles, specific accounting principles (e.g. IFRS, US GAAP) and experience in managing large teams (with direct and indirect subordinates), minimum six years experience in an audit company or as Team Leader/Transition Manager within BPO/SSC structure; statutory auditor certification or other professional certification is a plus.
4	Team Leader	managing a team of a few to even twenty accountants; the team is usually responsible for one of the main three accounting processes (RTR, PTP, OTC) for one client of the BPO/SSC center; on some BPO/SSC centers, TL is only responsible for team management, and subject matter control is provided by SME (Subject Matter Expert); requirements: predispositions for personnel management, predispositions to manage personnel, good knowledge of the process, for which he is responsible, minimum two years experience in an autonomous specialist position (e.g. Senior Accountant), knowledge of languages, at least English.
E. FUNDS ACCOUNTING		
1	Fund Accountant	basic positions in fund accounting firms; scope of responsibilities includes: calculating and reporting net asset value of participation units of investment funds serviced by the company on external or internal client's order; accounting for and monitoring the fund's costs; reconciliation of accounts and analysis in order to ensure correct NAV; accounting for assets in connection with restructuring of fund, monitoring cash balances, processing accounting transactions, cash transfers, accounting for interest and other transactions; requirements: tertiary education, analytical skills, fluency in English.
2	Senior Fund Accountant	
3	Team leader	heads the team of several to a few dozen accountants or valuation specialists in a company responsible for funds accounting (this team is responsible for funds accounting for internal client or external clients as well as for valuation process); requirements: predispositions for personnel management, extensive knowledge of the process, for which the TL is responsible, minimum three years experience in a similar company as specialist in the area of funds accounting or valuations.
F. BANKING		

No.	Name of profession/ position	Description
1	Credit analyst	profession included in CPS under the number 241302 - key role in decision process with respect to granting and renewing financing or other banking products for business clients; scope of responsibilities: issuing recommendations based on conducted analysis, taking into consideration multiple factors, some of them measurable (such as current financial situation, internal guidelines of the bank with respect to risk exposures, collateral), some not measurable (e.g. experience and capacity of the management, industry and market environment); requirements: extensive knowledge in scope of analysis of financial statements and accounting, as well as product portfolio offered by the bank, tertiary education in economics, analytical skills and ability to work in a team; profession included in CPS under the number 241302.

2.5. Profession of an accountant in legal regulations of selected EU countries⁷²

In EU countries, in line with relevant directives, only the statutory auditor profession is subject to regulation. Scope of responsibility of statutory auditors in Europe were regulated in different ways until *Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts* (preceded by the VIII EU directive) entered into force, introducing a number of common, uniform solutions for all members of the EU.

Accountant profession so far remains unregulated, and individual countries specify more or less formalized requirements with respect to practicing it. Each of the states presents a different approach, which results in varying status of the profession. In some of the EU countries, strict regulation pertains only to accountants who provide services to third parties (i.e. practicing as freelancers). Other countries regulated this by granting relevant authority to professional organizations and recognition, by the state or the market, of diplomas and titles issued by such organizations to confirm the person's qualifications.

Analysis below presents approach to regulation of the accountant profession in nine countries, and comparison of characteristics of the profession is provided in Table 2.9.

⁷² Sub-section is largely based on information from the study prepared based on materials provided by Foreign Cooperation Department of the Board Office of SKwP: http://www.dk.skwp.pl/files/zg/dk/EU_regulacje.pdf (accessed on 09.08.2013)

France

Accountants practicing as freelancers (providing accounting services to third parties) must be members of a professional organization, i.e. Association of Certified Accountants (*Ordre des Experts Comptables*), supervised by the Ministry of Finance. In order to obtain the right to provide accounting services and the title of certified accountant (*expert comptable*), the candidate must meet many requirements. Besides having appropriate education and completing practical internship, the candidate must pass multi-stage exams concluded in certification exam. Certified accountant candidates must pass 16 written exams, conducted by the Ministry of Education. Some of them may be waived, depending on educational background of the candidate. It is important, that the organization which gathers certified accountants cannot provide training preceding the certification exam. Nonetheless, it is able to influence the content of training curricula, and its members sit on examinations committees. Professional organization is, however responsible for continuous professional development of its members after they obtain the certification diploma.

Qualifications of certified accountants are so high, that they can practice as statutory auditors after only completing the requirement of practical internship and passing an exam on auditing financial statements. It should be emphasized, that accountants employed in companies and organizations (based on a labor agreement) do not have any recognized status and cannot use the title of a certified accountant. Moreover, a certified accountant who decides to discontinue freelancing and takes employment in a company (other than an accountancy firm) is obligated to resign his membership in the professional organization. This stems from a provision in a code of ethics, which says, that revenues of a certified accountant from any single source should not exceed 15% of the total.

Register of the professional organization, i.e. *Ordre des Experts Comptables*, includes not only natural persons, but also accountancy firms (in form of civil law companies, limited liability and shareholding companies). Eligibility for registration of an accountancy firm depends on what share of capital and voting rights is in the hands of certified accountants. In a civil law company, all the partners must be certified accountants, and in a limited liability company 3/4 of capital and voting rights should belong to certified accountants.

Norway

Solutions applied in Norway are to a certain extent similar to those in France. Here also, regulations pertain to accountants, who provide services to third parties (i.e. freelance). However those persons (certified accountants) are not obligated to be members of a professional organization. Their activity is regulated by the Act on accountants providing external services, which entered into force in 1993. The Act specifies their obligations in scope of knowledge and education, professional experience, principles of practicing the profession in compliance with rules and regulations, continuing learning after obtaining certification, as well as supervision and sanctions. Supervision over the accountants, but also over companies which provide accounting services to third parties, is provided by the financial supervision

authority (*Kredittilsynet*). Same authority supervises statutory auditors, as well as banks, insurance companies, capital markets and tax offices, the financial supervision authority is also responsible for certification and registration of accountants and accountancy firms. Interestingly, the right to provide accounting services and the certificate are not granted to the accountants for unlimited time, but has to be renewed after 5 years. In order to renew the certificate, the accountant must undergo 16 days of training and work at least 2000 hours during the period for which the certificate was issued. Accountancy firms in order to receive certification, must be entered into a register, maintained by the financial supervision authority, its manager must hold the title of a certified accountant, financial situation of the company should evoke trust, and its registered seat should be located in Norway. Based on a recent agreement between the financial supervision authority (*Kredittilsynet*) and Accountants Association in Norway (*NARF*), internal control and supervision over certified accountants who are members of *NARF* remains in the domain of the professional organization. Nonetheless, any inspection results must be submitted to *Kredittilsynet*, which also has access to assumption, content and system of inspections conducted by *NARF*.

Italy

Persons providing accounting services to third parties and holding a reserved professional title (*dottore commercialista* or *esperto contabile*) are obligated to have university education (minimum three years in case of *esperto contabile* or five years in case of *dottore commercialista*), supplemented by three years professional practice. Thus, there are two professional titles, which are linked to different types of services. *Esperto contabile* provides services in scope of bookkeeping and payroll, tax returns, evaluation of compliance, as well as financial auditing. *Dottore commercialista* may perform all the same activities as *esperto contabile*, and moreover has the right to conduct valuation of enterprises, provide advisory services to the entity in scope of obligatory economic plans it has to develop, evaluating business plans in order to obtain financing, representing the company in court in cases pertaining to taxes, act as a receiver of bankruptcy estate. A candidate who wants to provide bookkeeping services must pass a state exam. Three requirements together that is appropriate education, three years professional practice and passing the state exam allow the person to be certified for practicing the profession of an accountant, which also involves obligatory membership in one of professional organizations, supervised by the Ministry of Justice. In Italy, similar to France, the same exam which is taken by candidates for certified accountants makes them eligible to apply for entry on the list of statutory auditors on condition of completing practical internship in scope of auditing. If the three year practice encompasses both accounting and auditing, i.e. is conducted under a person who is both a certified accountant and statutory auditor, the accountant is eligible for entry in two registers, that of accountants and that of statutory auditors. In Italy, only *dottore commercialista* practicing as a freelancer is subject to obligation of continuous professional development and supervision and control provided by local chapters, gathering certified accountants (minimum 200 representatives of the profession). Chapters, supervised by Ministry of Justice, have

status of independent public bodies, responsible for supervising representatives of the profession, maintaining the register, disciplinary procedures, continuous professional development, administrative procedures etc. In Italy, role of the accountant is very important and is not limited to performing typical accounting tasks; the accountant is often also an advisor to businesses, especially small and medium enterprises. It should be remembered, that Italy does not prohibit persons without specialized education, internship and exam from providing bookkeeping services. Such persons are not allowed to use the reserved professional titles, but they have the right to operate on the market of accounting services and compete for the client. The market decides who is seen as a credible practitioner.

United Kingdom

Decisions on how the profession is practiced by the accountants are made exclusively by six professional organizations active in UK. This system is different from the continental one, which may be observed in its classic form in France and Italy. British government does not intervene in professional activity of accountants and relies on professional organizations to establish and maintain high standards of operation and quality of work performed by their members. In other words, the accounting professions are not regulated, except in four areas, which pertain to: investment advisory services, bankruptcy procedures, auditing and money laundering. Vast majority of accountants, both those providing external services and those employed in companies (in industry, commerce or public sector), are members of professional organizations, which by internal regulations obligate them to meet certain requirements in scope of education, professional skills, compulsory professional development etc. Entities which employ accountants full time, or using external bookkeeping services, are assured as to the quality of their work by virtue of their membership in a specific, recognized professional organization. Accountants which are not members of any organization and thus not subject to any obligations resulting from it, are a minority. Providing accounting services by such persons is not prohibited, hence it is entirely up to the company whether it wants to take the risk of employing this type of accounting practitioners.

Hungary

In accordance with the government decree of 5 May 2002, any person responsible for preparing financial statements in a company or providing accounting services to third parties, is obligated to obtain a certificate of “certified accountant”⁷³ issued by the Ministry of Finance. One could say, therefore, that Hungary has implemented a solution postulated by SKwP – to legally pronounce the function of chief accountant as the person responsible for the company’s accounting.

Spain

In Spain, the accountant profession is not regulated, thus, no certification is required to provide accounting services, and accountants employed in enterprise do not have certificates,

⁷³ Report on observance of standards and codes. Accounting and auditing. World Bank, 2004

either. However, statutory auditors are subject to regulation. Responsibility for issuing certificates and regulation is with a government organization – Institute of Accountants and Auditors (*ICAC*). Auditors are members of Chamber of Auditors Economists (*ROAC*). In order to become a member, the candidate must demonstrate practical and theoretical knowledge, in accordance with relevant regulations of the law, pertaining to audit. Those regulations, based on provisions of VIII directive, also regulate issues related to membership in the organization. However, in order to become a member of the Chamber of Statutory Auditors (*REA*) the candidate must have an M.A. in economics and be a member of *ROAC*. Those organizations, together with *ICAC* conduct programs of continuous professional development. Institute of Accountants and Auditors is also the body which supervises quality of services rendered. Notifying *ICAC* about improper quality of services may result in sanctions.

Netherlands

In the Netherlands, the accountant profession is regulated. Body responsible for regulation and for issuing certifications is the Netherlands Institute of Chartered Accountants (NBA - Nederlandse Beroepsorganisatie van Accountants), created on 1 January 2013 as a result of merger between the Dutch Organization of Accountants and Administrators (*NOvAA*) and Royal Netherlands Institute of Registered Accountants (*NIVRA*)⁷⁴. NBA is a professional body for accountants, a broad and varied group of over 20.000 professionals working in practice of public accounting, in government agencies, as internal auditors or organization management. Certification is not required to provide accounting services. Certification is only necessary for autonomous accountants, who sign audit reports. Persons employed in business entities must have educational background in accounting and be members of NBA (previously in *NOvAA* or *NIVRA*). In order to join the organization, the accountant must demonstrate relevant education and three years practice, as well as clean criminal record; if the candidate is a company – it must not be in process of bankruptcy or liquidation. The organization supervises the quality of work of its members and requires compulsory professional development. Every member is obligated to undergo 40 hours of training a year; it is possible to attend only 20 hours of training in a year, however on condition that the total number of training hours over three years will sum up to 120.

Germany

In Germany, regulation of accountant profession (in line with the Act on tax advisory services) depends on scope of tasks performed. Some activities related to accounting were reserved for tax advisors; those include establishing a chart of accounts and preparing annual financial statements. Accounting and accounting activities may be performed by any person, who completed a relevant course or has appropriate qualifications and at least 3 years professional experience in accounting. On the other hand, performing simple accounting tasks does not require any qualifications or certificates. In Germany, the accountants do not have a

⁷⁴ <http://www.nba.nl/Site/English/>, accessed on 12.03.2014

professional organization, responsible for regulation of the profession. Tax advisors, on the other hand, must be members of regional tax chambers – public corporations, responsible for appointment of tax advisors. They are supervised by the Tax Chamber. Members of the regional tax chamber can be persons holding the title of tax advisor or companies providing advisory services in scope of taxes. There is no obligation of professional development.

Sweden

Accountants in Sweden are subject to supervision of a government organization, the Supervisory Board of Public Accountants. Bookkeeping services are not regulated. Also accountants employed in businesses are not subject to certification. However, this does not mean that there is no supervision over the quality of provided services. In case of doubts as to their quality, a report is prepared and submitted to the Supervisory Board of Public Accountants. Accountants, who want to be members of the organization, must have a certificate in accounting, issued by the Supervisory Board of Public Accountants. Programs of professional development are not provided. It is important, however, that the accountants cannot practice together with persons representing other professions, e.g. lawyers. Prohibition on multidisciplinary partnerships was recognized and approved by European Court of Justice based on *Nova* case.

In USA, accountancy certificates for (certified) accountants may be issued by tertiary schools; also, certificates to provide bookkeeping services are issued by *AICPA* – American Institute of Chartered Public Accountants⁷⁵.

Table 2.9. Accountant as a profession in selected national regulations of EU member states⁷⁶

	FRANCE
Profession	Certified accountant
Education required	YES
Practice	Required
Exams	Required
Membership in professional organization	Required
Type of supervision over the profession	Association of Certified Accountants (SDK), under the supervision of Ministry of Finance
Continuous professional development	Required
Professional register	Exists (SDK)
Providing bookkeeping services	Only certified accountants eligible

⁷⁵ <http://www.dk.skwp.pl/Certyfikacja,prezentacja,5877.html>, accessed on 14.08.2013

⁷⁶ Source: Own compilation.

Other	No possibility of full time employment (loss of right to practice); Statutory auditor qualifications easily obtained (practice + auditing exam)	
NORWAY		
Profession	Certified accountant	
Education required	YES	
Practice	Required	
Exams	Required	
Membership in professional organization	Not obligatory	
Type of supervision over the profession	Financial supervision body (Kredittilsynet), and for members – NARF (Accountants Association in Norway), under the supervision of Kredittilsynet	
Continuous professional development	Required	
Professional register	Exists (Kredittilsynet)	
Providing bookkeeping services	No data available	
Other	Certificate must be renewed every 5 years (specific number of training and work hours)	
ITALY		
Profession	Certified accountant	Expert in accounting
Education required	YES	YES
Practice	Required	Required
Exams	When applying for certification to provide bookkeeping services – state exam	
Membership in professional organization	Required	
Type of supervision over the profession	Professional organization, under the supervision of the Ministry of Justice	
Continuous professional development	Required	No requirement
Professional register	Membership in a local chapter of an independent public body, under the supervision of MoJ (certified accountants only)	-

Providing bookkeeping services	No special certification required
Other	Scope of activities of a certified accountant broader than that of the expert by: valuation of enterprises, providing advice on economic plans, evaluation of business plans, representing the companies in court in cases related to taxes, possibility of serving as a receiver; Statutory auditor qualifications easily obtained (practice in auditing)
UNITED KINGDOM	
Profession	Accountant
Education required	For members - depending on organization
Practice	For members - depending on organization
Exams	For members – depending on organization
Membership in professional organization	Not obligatory, but most are members of one of 6 organizations
Type of supervision over the profession	No government supervision, only supervision of private professional organizations
Continuous professional development	For members - depending on organization
Professional register	None (membership in an organization)
Providing bookkeeping services	No special certification required
Other	Accountant profession not regulated, except for: investment advisory services, bankruptcy procedures, auditing and money laundering
HUNGARY	
Profession	Certified accountant
Education required	No data available
Practice	No data available
Exams	No data available
Membership in professional organization	No data available
Type of supervision over the profession	Ministry of Finance (MoF)
Continuous professional development	No data available
Professional register	Exists (MoF)
Providing bookkeeping services	Only certified accountants eligible
Other	-

SPAIN		
Profession	Accountant	
Education required	No requirement	
Practice	No requirement	
Exams	No requirement	
Membership in professional organization	No requirement	
Type of supervision over the profession	Institute of Accountants and Auditors (ICAC) – government organization	
Continuous professional development	No requirement	
Professional register	No requirement	
Providing bookkeeping services	No special certification required	
Other	-	
NETHERLANDS		
Profession	Accountant	
Education required	YES	
Practice	Required	
Exams	No data available	
Membership in professional organization	Required	
Type of supervision over the profession	Netherlands Institute of Certified Accountants (NBA)	
Continuous professional development	Required	
Professional register	No data available	
Providing bookkeeping services	No special certification required, only accountants who sign audit reports are subject to certification	
Other	Requirement of no criminal record	
GERMANY		
Profession	Tax advisor	Accountant
Education required	YES	YES
Practice	No data available	Required
Exams	No data available	
Membership in professional organization	Required	Required

Type of supervision over the profession	Regional Tax Chamber, under the supervision of Tax Chamber	
Continuous professional development	No requirement	
Professional register	No data available	
Providing bookkeeping services	No data available	
Other	Preparing chart of accounts and financial statements reserved for tax advisors	Preparing chart of accounts and financial statements reserved for tax advisors
SWEDEN		
Profession	Accountant	
Education required	No data available	
Practice	No data available	
Exams	No data available	
Membership in professional organization	Not obligatory, but in case of membership, certificate required	
Type of supervision over the profession	Supervisory Board of Public Accountants	
Continuous professional development	No requirement	
Professional register	No data available	
Providing bookkeeping services	No special certification required	
Other	Prohibition on practicing together with persons representing other professions, e.g. lawyers	

2.6. Conclusions

Accounting profession does not have a single definition and is not homogenous. It consists of many professions listed in Classification of professions and specializations (used by the labor market), requiring varied competences, responsibilities and education.

Analyzed documents, reports and the classification show an imprecise, non-homogenous view of A&A professions. This stems from the fact, that the classification of professions and specializations used by the labor market, which is supposed to be a basis for all the analyses and statistics, does not fully reflect the complicated and turbulent economic reality. In some places it is excessively detailed (e.g. profession of invoice clerk was singled out), and in some others overly general (e.g. no detailed consideration for the profession of auditor, who may

tackle various areas of external and internal control). It would be desirable to introduce a consistent level of detail for professions and specializations on specific levels of the classification. For comparison, in the International Standard Classification of Occupations ISCO-08, all Specialists in the area of accounting and bookkeeping, for whom Polish CPS lists 6 professions, are included in a single group *Accountants*⁷⁷, and accounting and bookkeeping clerks (in Polish CPS 3 separate professions) are in a single group *Accounting and bookkeeping clerks*.

Sometimes the names of professions and specializations in Polish CPS are not aligned with names applied in enterprises and institutions. For example, an accountant may be categorized as accounting professional (group 2 of the CPS), accountant (group 3 of the CPS), or accounting assistant (group 4 of the CPS).

Names of professions in the CPS are imprecise, there are no descriptions of the professions. Existing professional qualifications standards, which could be helpful in proper delineation of scopes of competences related to particular professions, encompass but a few A&A professions, and moreover, they were created based on Classification of professions and specializations which is already outdated. It is worth noting, that names of professions often do not reflect the nature of tasks performed by a person employed in a given position (i.e. a payroll clerk may either perform a narrow scope of tasks related strictly to calculation of wages, or be in charge of remunerations accounting in broad sense). Another problem which has an impact on reliability of statistics based on CPS, which at the same time renders its usefulness limited, is the fact that employees are often hired for a position which does not reflect the actual scope of tasks they perform, due to various formal requirements related to EU financed projects and other forms of job creation support. For reasons listed above, one can hardly expect to find reliable information basing on the current CPS. It should be kept in mind, that in accordance with information provided on MLSP website, works are in progress on development of the new version of Classification of professions and specializations⁷⁸.

Due to variety of skills, qualifications, scopes of responsibility, it is not possible to develop a single, universal definition of an accountant. Nonetheless, attempts to define it were and are undertaken. In Poland, the source of such definition is the *Code of professional ethics in accounting*. The Code explains the notion of a person practicing accounting. It is „a natural person, performing accounting tasks, tasks in scope of management support, tax settlements

⁷⁷ In the opinion of the authors, such a synthetic categorization of all accounting specialists in one group would be too general, however thought should be given to the current division and such names of professions should be introduced, as would reflect the reality of the labor market in a more transparent and comprehensive manner. One of possible solutions would be separating two professions: specialist for financial accounting and specialist for management accounting and controlling.

⁷⁸ <http://www.mpips.gov.pl/praca/programy-i-projekty/inne-programy-i-raporty-z-badan/inne/rojektnalizazawodwwystupujcynarynkupracyiopracowanieprojektuaktualizacjiclassificationzawodwispecjalnoci/> (accessed on 28.08.2013)

and other state obligations of the entity as well as any other person related to accounting through science, teaching or other forms of professional activity”⁷⁹.

There is also a debate going on in the international arena about importance and definition of accountant profession. Particular role is played there by International Federation of Accountants (IFAC). According to the current definition, set forth in the Code of Professional Ethics in Accounting, a professional accountant is described as a person who is a member of an organization-member of IFAC, including statutory auditor⁸⁰. This definition is used in various other documents of Committees and Boards of IFAC.

The need to verify the notion of a professional accountant stems, among others, from misleading wording of the current definition, and associating a professional accountant only with an auditor. The definition also incorrectly represents the role and functions of a professional accountant, and suggests the possibility of regulation of the accountant profession by IFAC⁸¹. Therefore, discussions and works on new definition are going on, divided into a number of stages. The definition was divided into three levels. First, highest, explains who a professional accountant is. Second level looks at the accountant profession through the activities he/she performs. Third level of definition is optional and depends on conditions in the given country. It emphasizes diversity of the profession by offering the possibility to supplement the definition by breakdown of accountants based on various criteria (e.g. by skills, scope of duties etc.).⁸²

In line with above assumptions, a following definition is proposed: “a professional accountant is a person who is proficient in accounting, has documented knowledge and practical experience, and:

- has relevant competences and continually strives to increase them,
- observes the code of ethics,
- maintains high professional standards,
- is subject to supervision of a professional organization or another regulatory body”.

Above definition covers two of the levels mentioned above. IFAC Committees and Boards may consider for themselves the purpose of supplementing the definition with a sentence

⁷⁹ *Kodeks zawodowej etyki w rachunkowości* (Code of Ethics in Accounting), SKWP Main Board in Warsaw, Warsaw 2012 (second edition), p. 14, http://www.skwp.pl/files/zg/kodeks_etyki/kodeks_zawodowej.pdf (accessed on 18.08.2013)

⁸⁰ Code of Ethics for Professional Accountants, International Ethics Standards Board for Accountants, July 2009, p. 106 http://www.kibr.webserwer.pl/_doc/uchwaly/uchwala_4249-60-2011_Kodeks_IFAC.pdf (accessed on 22.08.2013)

⁸¹ A. Kamela-Sowińska, *Nowa definicja zawodowego księgowego* (A New Definition of Accounting Profession) „*Rachunkowość*” (Accounting) No. 4/2013, p. 2.

⁸² A Proposed Definition of ‘Professional Accountant’ A Staff Paper Prepared for Consultation, January 2011, pp. 6-8, http://www.ifac.org/sites/default/files/meetings/files/5890_0.pdf (accessed on 23.08.2013)

referring to the third level: „Among professional accountants, sub-groups may be identified, based on: skills, performed tasks or type of services provided.”

It is also worth noting, what are the implications of the new definition of the professional accountant. One of them is the fact, that the scope of definition does not include all persons working in accounting, which is sometimes divergent from general understanding of the term. According to the new definition, a professional accountant is not, for example, a person who is not at the given time linked to a professional organization and is not subject to control of another body, even though they work in accounting profession.⁸³ Although the final version of the definition is not as yet in place (at this time, the working group has collected comments and opinions), its final shape will have a significant impact on how the accountant profession is defined in Poland, for example due to IFAC membership of KIBR and SKWP (Accountants Association in Poland). However from the perspective of analysis, which is the subject of this report, proposed definition does not present a solution to the problems with delineating the scope of A&A profession.

Accountant is one of the oldest professions. The broad scope and level of difficulty of issues handled by an accountant, as well as level of skills necessary for proper performance of professional tasks, mean the cliché of a boring, unattractive and tedious job slides into oblivion. Currently, being an accountant does not mean exclusively full time employment in a company (of any industry), an accountant may start their own company providing A&A services, or work in an accountancy firm and thus provide services in scope of outsourcing.

Requirements with respect to skills and knowledge depend on the job position: the higher the position is placed in the organizational structure and the larger the entity, the higher the requirements. At the same time, high level of skills and knowledge is necessary for accountants employed in smaller companies, where frequently one person is responsible for financial reporting, payroll, and preparing reports for the management. Regardless of profession and position, one of most important requirements of appropriate performance of tasks is the practical experience.

⁸³ A. Kamela-Sowińska, Nowa definicja zawodowego księgowego (A New Definition of Accounting Profession) „Rachunkowość” (Accounting) No. 4/2013, p. 6.

3. EDUCATION PATHS OF ACCOUNTANT PROFESSION

3.1. Introductory information

This chapter discusses formal and non-formal education paths of accountants. In subsequent sub-sections we will characterize: professional secondary and post-secondary education, tertiary education (including postgraduate) as well as non-formal training paths (i.e. professional certification in scope of accounting – excluding principles of obtaining qualifications for regulated professions, which were discussed in sub-section 2.3.).

In Poland everyone is entitled to education, which is compulsory until the age of 18, however only the primary school and junior high have the status of compulsory institutions⁸⁴. In public schools, education within the framework of framework curricula is free of charge. Organization of the school system is regulated by provisions of the Act on education system⁸⁵ and principles of implementation of the new education system, which is regulated by the Act: provisions introducing the reform of school system⁸⁶.

At the first stage of implementation of education system reform, a six years primary school and three years junior high (*gimnazjum*) were introduced, while at the second stage, i.e. starting from academic year 2002/2003, secondary and post-secondary schools began operation: two and three years vocational schools, three years general profile lycees, three years specialized lycees, and four years technical lycees. Starting from academic year 2004/2005, new types of schools began operation, following the course of vocational schools, i.e. two years supplementary general profile lycees and three year supplementary technical lycees. After obtaining graduation diploma (*matura*, or maturity exam), both youth and adults may continue education in post-secondary schools over the period of two or two and a half years, or in tertiary schools. Illustration of education system in Poland is presented on Figure 3.1.

Polish system of education and upbringing covers children and youth from 3 to 21 years of age. The lower limit is the beginning of preschool age, the upper – theoretical age of completing education on the secondary level. Upper limit may be exceeded due to educational difficulties related to repeating a year, or as a result of selecting education in a

⁸⁴ Art. 70, par. 1, Constitution of the Republic of Poland of 2.04.1997 (Journal of Laws 1997, No. 78, item 483 with subsequent amendments)

⁸⁵ Act of 7.09.1991 on education system (Journal of Laws of 2004, No. 256, item 2572 with subsequent amendments)

⁸⁶ Act of 8.01.1999 – Provisions introducing the reform of schools system (Journal of Laws of 1999, No. 12, item 96 with subsequent amendments)

vocational school and then continuing in supplementary general profile lycee or technical lycee, in order to obtain the maturity exam.

3.2. Secondary and post-secondary education⁸⁷

The period of education in the junior high (*gimnazjum*), given the further educational and professional path, is particularly important for the young people. It is in junior high that decisions are made with respect to further education path as well as choice of profession, which is often a difficult choice and a major life challenge for young people. If a person wants to learn a specific profession, they have to choose between vocational school or technical lycee. If their interests are more general, they have a choice between a specialized or general profile lycee. Selection of further stage of education, in principle, should be suited to interests, aspirations, needs and capabilities, as well as absence of health constraints with respect to the chosen profession.

In school year 2011/2012⁸⁸ the type of secondary school most popular among the first graders was general profile lycees. This type of education has for many years been chosen by over one in four junior high graduates (43%). Second most popular was technical lycee, chosen by one fourth of pupils (25,9% - of junior high graduates), and then vocational schools (15,1%). Among first grade pupils in secondary schools, every tenth pupil of first grade of secondary school has chosen to continue education in supplementary general profile lycee, and 3% have chosen supplementary technical lycee. Specialized lycees were not particularly popular ever since the beginning of their operation, since they provide general knowledge and some professional orientation, but no rights to practice the profession. Number of pupils in those schools is dropping from year to year. Insofar in school year 2004/2005, that is the first year in which there were pupils in all three grades, pupils of specialized lycees constituted over one fifth (20,2%) of all pupils of secondary schools, a year later it was 10,4%, and in school year 2011/2012 there were only 31,8 thousand pupils in specialized lycees, which constitutes only 1,9% of all pupils of secondary schools.

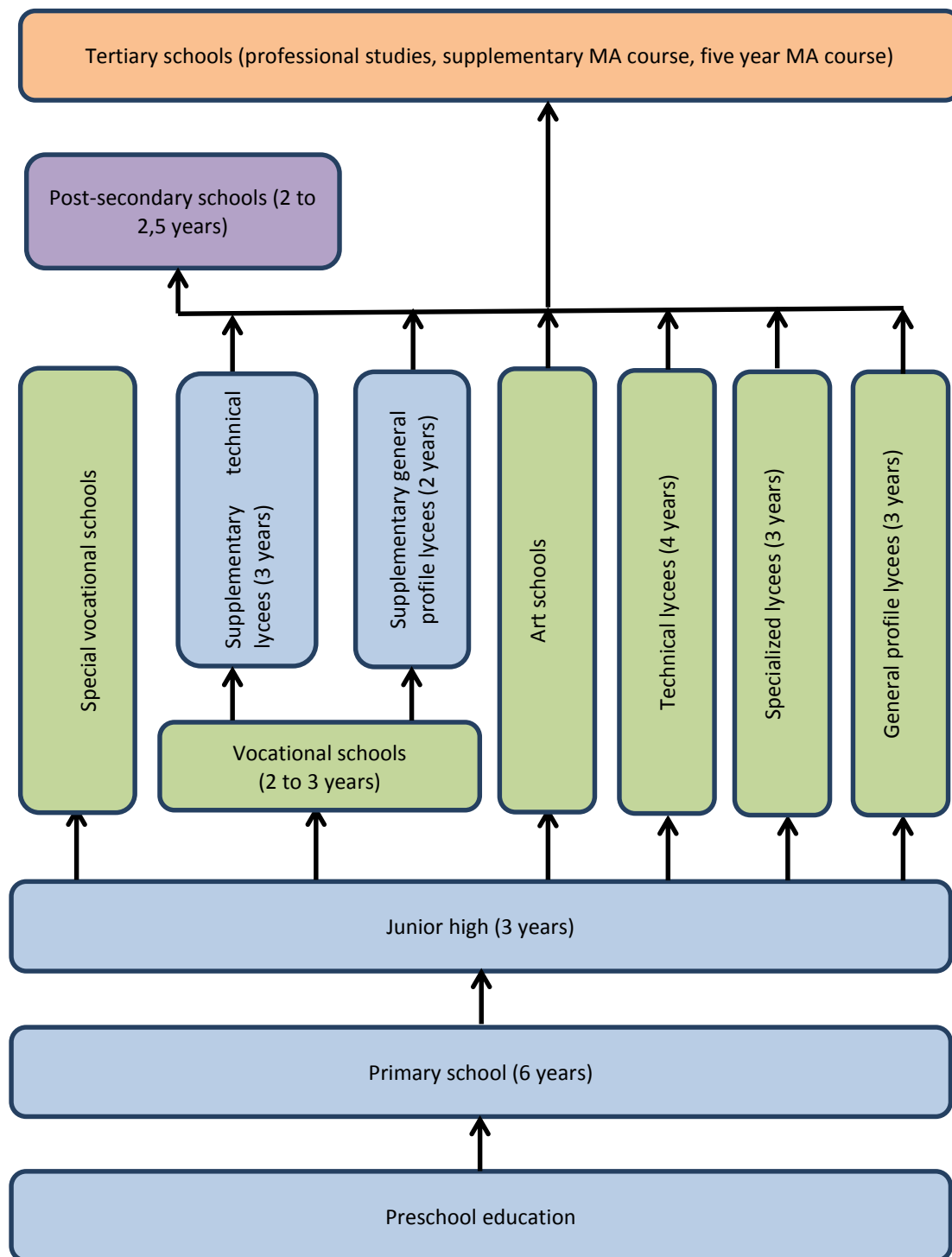
Gender seems to be an important factor determining the choice of secondary school. Percentages of men and women in various forms of secondary education are presented below on Graph 3.1 Women choose general profile lycees much more often than men, while men choose technical lycees and vocational schools more often. This trend has been visible for many years and has fluctuated only slightly. For example, in school year 2003/2004, 50,3% female pupils of all secondary schools were learning in general profile lycees, and in school year 2011/2012 - 54,8%. Women's second choice is technical lycees and vocational schools.

⁸⁷ Secondary and post-secondary schools include: special vocational schools, vocational schools, general profile lycees, supplementary general profile lycees, specialized lycees, technical lycees, supplementary technical lycees, general profile art schools concluded in professional certification and post-secondary schools.

⁸⁸ This is the most current available data on secondary schools.

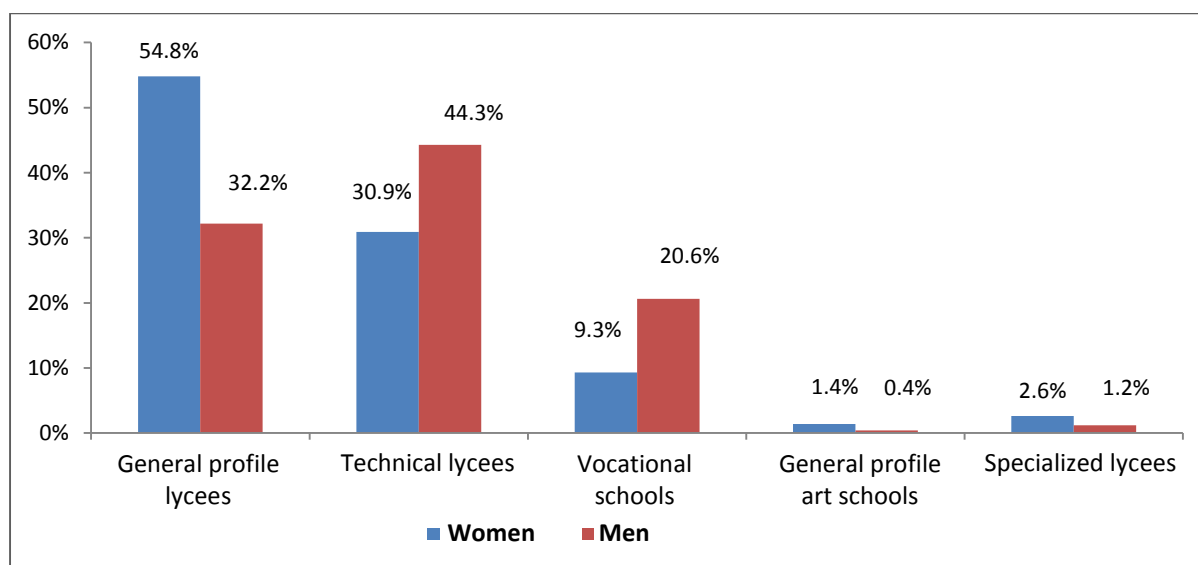
Among men in secondary schools, the largest group are pupils of technical lycees (including supplementary technical lycees, general profile art schools and specialized lycees) - 44,3%, second largest – pupils of general profile lycees (including supplementary) - 32,4%.

Figure 3.1. Education system in Poland⁸⁹



⁸⁹ Source: Oświata i wychowanie w roku szkolnym 2011/2012 (Schooling and Education in the School Year 2011/2012), GUS, Warsaw 2012 and http://www.stat.gov.pl/cps/rde/xbcr/gus/e_oswiata_i_wychowanie_2011-2012.pdf (accessed on 05.08.2013)

Graph 3.1. Percentage of men and women in different types of schools in 2011/2012 academic year⁹⁰



Vocational training in the aspect of accounting services market

The main objective of vocational training is to prepare the learners for living in the modern world environment as well as to work and operate actively on the fluctuating labor market. Preparing the graduate for effective professional functioning, as well as scope of his skills and competences are dictated by changes occurring in economic and social environment, which remain under the influence of knowledge economy, globalization of economic and social processes, increasing share of foreign trade, geographical and professional mobility, new techniques and technologies, as well as growing expectations of employers in scope of level of knowledge and skills of potential future employees.

Each of the schools preparing for a profession (vocational school, technical lycee, supplementary technical lycee, or a post-secondary school) implements specific tasks in scope of professional education. Those are presented in detail in Table 3.1. Education scope in those schools includes:

- general subjects (e.g. Polish language, math, physics, history),
- vocational theoretical (drawing, technical drawing, food processing technology, mechanical technology),
- vocational practical (practical training in form of practical classes or internships).

⁹⁰ Source: Own compilation based on BDL survey of GUS (accessed on 14.08.2013)

Table 3.1. Scope of education in indicated types of schools, preparing for the profession⁹¹

Type of school	Education tasks
Vocational schools	<ul style="list-style-type: none">• preparation for the job• course lasts 2 to 3 years• practical training in scope of the job (practical workshops or labs)• exam (professional qualifications certificate)
Technical lycees	<ul style="list-style-type: none">• general education and preparation for a technician job• course lasts 4 years• maturity exam• external exam (technician diploma)
Supplementary technical lycees	<ul style="list-style-type: none">• schools for graduates of vocational schools• general education and preparation for a technician job• course lasts 3 years• maturity exam• external exam (technician diploma)
Post-secondary schools	<ul style="list-style-type: none">• schools for persons with general profile secondary education (graduates of general profile lycees and specialized lycees)• preparation for practicing a profession• practical training in scope of the job (as in technical lycee of supplementary technical lycee)• course lasts no longer than 2,5 years• external exam (technician diploma or qualified worker certificate)

An important issue in process of professional education is to integrate and correlate general education and vocational training, including improvement of key competences gained in the process of general education taking into consideration its earlier stages, since an appropriate level of general knowledge shall contribute to increasing the level of professional skills of graduates of schools which provide professional training and thus will enable them to meet the challenges of the dynamically changing labor market.

Since 1 September 2012, regulations entered into force, changing the vocational education system⁹². In professions, presented in the new classification, qualifications were identified, i.e. a set of expected education results, achievement of which is confirmed by a certificate, issued by a district examinations board, after passing an exam confirming professional qualifications in scope of one qualification. Dividing the professions into qualifications makes the educational system flexible, enabling the learner to supplement the equals in accordance with labor market needs, their own needs and ambitions. Joint qualifications (accounting

⁹¹ Source: Badanie funkcjonowania systemu kształcenia zawodowego w Polsce. Raport z badania danych wtórnych - desk research, MoEd, Warsaw 2010, p. 32.

⁹² Ordinance of the Minister of National Education of 23.12.2011 on classification of professions for vocational education, Journal of Laws of 2012, item 7.

tasks) for the profession **accounting technician** and economics technician make it possible to re-qualify quickly⁹³. For example, a graduate of a post-secondary school in the profession of **accounting technician** after additional confirmation of qualifications (planning and conducting activity in an organization) may gain the profession of economics technician, while economics technician, after presenting additional qualifications (accounting for remunerations and public levies) may gain the profession of **accounting technician**.

A pupil may take a professional exam after graduating school. Graduates of vocational schools, technical lycees, supplementary technical lycees and post-secondary schools usually pass an exam confirming professional qualifications, conducted by appropriate district examinations board. It is an external exam⁹⁴. This enables comparable and objective assessment of the level of achievement of the examinee by applying uniform criteria, evaluation criteria and examination methods, developed by external institutions, functioning independently from the education system. It is a form of assessment of the level of knowledge and skills in scope of the given profession, as determined in requirement standards which are the basis for conducting the exam confirming professional qualifications. The exam consists of two stages: written (two parts) and practical. During the written stage, conducted in form of a test, the examinee solves two types of problems. They are designed to verify knowledge and skills relevant for the given profession (first part of the exam). Second, practical part of the professional exam consists of the examinee performing an examination task, as set out in the examination paper, using the examination workstation. The workstation should be prepared so as to accommodate the conditions for training in the given profession, as prescribed in the curriculum basis for training in professions typical for the qualification which the exam is verifying. Practical part of the professional exam lasts no less than 120 minutes and no more than 240 minutes and is adapted to the specific qualification it verifies. After passing the professional exam, the graduate receives a diploma, confirming their professional qualifications.

A graduate of school gaining the profession of **accounting technician** should be prepared to perform following professional tasks:

- accounting,
- accounting for public levies,
- accounting for payroll,
- accounting for ZUS (social insurance) contributions,
- conducting financial analysis.

⁹³ List of joint qualifications is presented in sub-section 5.4.

⁹⁴ Cf. Central Examinations Committee, Information about exam confirming professional qualifications of Accounting technician 431103, Warsaw 2012, http://www.oke.krakow.pl/kwalifikacje_zawodowe/informatory/informator_Z155_431103_TRACH.pdf (accessed on 01.09.2013)

In order to perform these tasks, it is necessary to achieve following education outcomes, developed by the National Center for Supporting Vocational and Continuous Education Curriculum for the profession “Accounting Technician 431103”:⁹⁵

- education outcomes common for all the professions (safety and hygiene at work - 10, undertaking and conducting economic activity - 11, foreign language in professional aspect – 5, personal and social competences – 10, organization of small teams - 6)⁹⁶;
- education outcomes common for professions in the area of administration and services, constituting the foundation for education on scope of profession or group of professions (skills constituting a foundation for education in professions - shipping technician, logistics technician, economics technician, accounting technician, administration technician, commerce technician, book sales technician);
- education outcomes specific to qualifications identified for the profession of accounting technician, i.e.: accounting and accounting for payroll and public levies ⁹⁷.

When discussing vocational education on secondary school level one should mention directions of education in the economics-administration group, offered in vocational schools, technical lycees and specialized lycees. Within the framework of this profile, the pupils may receive education in scope of four subject matter blocks: operation of an enterprise in market economy, elements of accounting, office tasks and law and administrative procedures. On the professional level, education in economic and administration majors allow learners to prepare for professions in the area of A&A.

In school year 2011/2012 specialized lycees offered 15 profiles. The most popular ones were: information management, **economics-administration** and social⁹⁸. In technical lycees for youth and supplementary technical lycees for adults, men have preferred professions from engineering-technical and IT groups. Women more often chose social majors, services and **economics-administration**. In vocational schools, both for youth and for adults, most popular majors were those from engineering-technical group (37,3% of 210,9 thousand of all pupils in those schools), which were 99,6% attended by men. Women tended to choose professions from services group and **economics-administration** (87% of all women in vocational schools for youth). In total, in those three types of schools, economics-administration majors were attended by 9,8% of youth and adults, and women constituted over 63% of learners in those majors. With respect to all pupils of secondary schools, economics-administration majors

⁹⁵ Curriculum for profession of Accounting technician 431103 was developed within the framework of a systemic project co-financed by the European Union within the framework of European Social Fund: „Improving curriculum basis as key for modernization of vocational training” within the framework of Measure 3.3. Improvement of education quality, sub-measure 3.3.3. Modernization of content and methods of education, Priority III, Human Capital Operating Program: after: <http://new.koweziu.edu.pl/ppn> (accessed on 10.09.2013)

⁹⁶ Numbers indicate the number of education outcomes.

⁹⁷ List of education outcomes is presented in sub-section 5.4.

⁹⁸ Cf.: *Oświata i wychowanie w roku szkolnym 2011/2012 (Schooling and Education in the School Year 2011/2012)*, GUS, Warsaw 2013, p. 81.

have attracted 4,8% of youth and adults. Total number of pupils in school year 2011/2012, including women, in technical lycees, specialized lycees and vocational schools, taking into consideration economics and administration majors, is presented in Table 3.2 below.

Post-secondary schools, according to Act on education system, are classified among secondary schools. They provide education in form of day, evening and extramural courses, and schools for adults – in regular and extramural format (starting from school year 2008/2009, day courses and evening courses were replaced by regular format).

Table 3.2. Total number of students and number of students in economic-administrative majors in technical highschoools, profiled lycees and vocational schools in 2011/2012 academic year⁹⁹

Item	PUPILS OF SECONDARY SCHOOLS							
	Total		For youth		Special		For adults	
	Pupils	of which women	Pupils	of which women	Pupils	of which women	Pupils	of which women
Total	1 671 878	804 000	1 383 527	676 805	17 532	7 562	270 819	119 633
Technical highschoools	571962	223156	531241	212562	821	355	39900	10239
of which economics and administration majors	50558	27516	46780	24571	130	51	3648	2894
Profiled lycees	31802	20639	26220	17765	346	169	5236	2705
of which economics and administration majors	9341	6060	6748	4573	55	46	2538	1441
Vocational schools	216802	65141	196811	57457	14099	5921	5892	1763
of which economics and administration majors	20266	17288	19218	16486	408	320	640	482
Total Pupils in economics and administration majors	80165	50864	72746	45630	593	417	6826	4817
Pupils in economics and administration majors as % of total number of pupils	4,8%	6,3%	5,3%	6,7%	3,4%	5,5%	2,5%	4,0%

⁹⁹ Source: Own compilation based on GUS data: Oświata and wychowanie w roku szkolnym 2011/2012 (Schooling and Education in the School Year 2011/2012), http://www.stat.gov.pl/cps/rde/xbcr/gus/e_oswiata_i_wychowanie_2011-2012.pdf (accessed on 17.08.2013)

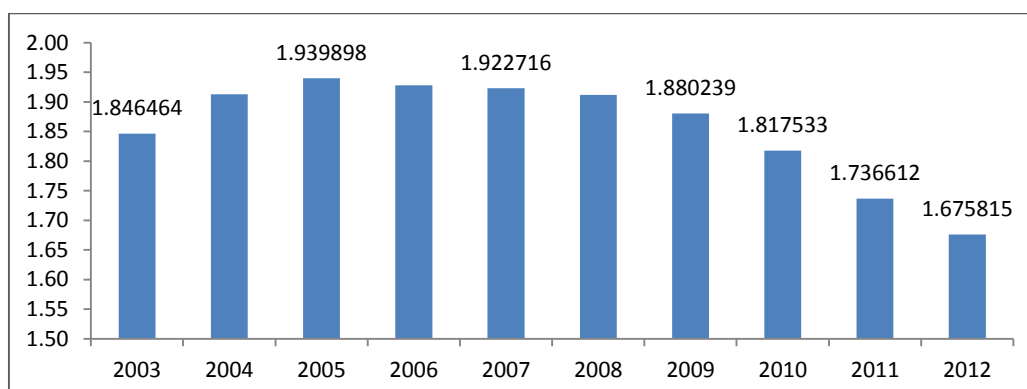
In school year 2011/2012 over 75% of post secondary schools offered courses in extramural format (74,9%), day and regular full-time format was offered by one school in four (24,5%), and in evening format – only 0,6%. Over the past nine years, professions selected within the framework of post-secondary education were very similar. Professions from the economics-administration group were very popular, and selected mostly by women (69,6%).

3.3. Tertiary education

In the economics-administration education subgroup, as per ISCED 1997, there are 21 majors. They include: finance and banking, finance and accounting, accounting and controlling, as well as one macro major (economics, finance, accounting)¹⁰⁰. Studying those majors prepares the student to provide services in scope of accounting and bookkeeping to a greatest extent. However, this does not mean that graduates of other majors, both within the economics-administration subgroup and other subgroups, e.g. social (including economics) could not perform tasks related to accounting, after appropriate preparation.

Starting from academic year 2005/2006, in which the number of students in all majors, in both public and non-public schools, regular and extramural, has reached nearly 2 million, the number has been steadily declining. Between that year and 2012, number of students has dropped by 13,6%, and in 2012 as compared to 2011 by another 3,5%. It is presented in Graph 3.2.

Graph 3.2. Number of students in 2003 – 2012 (in millions)¹⁰¹



There is a number of reasons for declining number of students. Those include an ever shrinking population of 19-24 cohorts, suspension in 2009, of compulsory military service, and recently the amendment of the Act on tertiary education, which introduced payments for

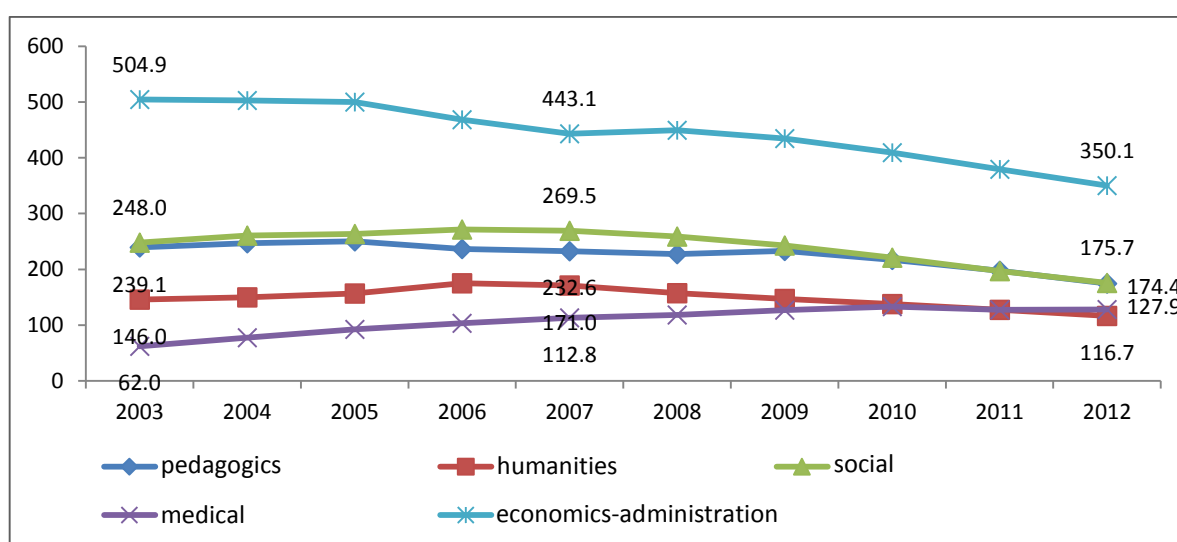
¹⁰⁰ Those majors are only the most frequent ones. Since there is quite a lot of freedom in creating new majors, there is a number of majors in the market, which, based on name and/or curriculum, prepare students for work in A&A field.

¹⁰¹ Source: Own compilation based on data from Local Data Bank (BDL) of GUS, http://www.stat.gov.pl/bdl/app/strona.html?p_name=indeks (accessed on 18.08.2013)

second and third major, as well as increasing difficulties in finding a job after graduation from tertiary studies. Over the entire past decade, five out of twenty two majors were definitely dominating in terms of number of students. This pertains to such sub-groups as: administration and economics, pedagogics, humanities, social sciences and medicine.

Those five sub-groups stood for over half of all students. However, their share in total number of students was gradually decreasing from year to year. While in 2003 students for those five sub-groups constituted 65% of the total number, in 2012 this share has dropped to 56,4%. Over ten years, number of students in administration-economics majors has dropped from 504,9 thousand students in 2003 to 350,1 thousand in 2012. However, the share of students from this sub-group in the total number of students has decreased only by 6,45%, i.e. from 27,34% in 2003 to 20,89% in 2012. Fluctuations in the number of students in five most numerous groups is presented on Graph 3.3.

Graph 3.3. Number of students in most popular majors in 2003-2012 (in thousands)¹⁰²



Comparison of popularity of various majors in 2012/2013, 2011/2012, 2010/2011, 2009/2010 shows, that although interest in majors from economics-administration, pedagogics, humanities and social studies is declining, those groups still are the ones with greatest interest from young people. As MSaHE data (see Table 3.3 and Table 3.4) on enrollment in the first years of studies show, as many as three majors from economics-administration sub-group are in top fifteen in terms of number of candidates. There are other two majors in the top group, which, although they represent different sub-groups, namely manufacturing and processing (manufacturing management and engineering) and social sciences (economics), still have the most content in scope of finance and accounting and provide foundations for work in professions related to accounting services market.

¹⁰² *Ibid.*

Table 3.3. Most popular majors of first-cycle full-time studies, by total number of applications¹⁰³

Academic year	Rank	Major	Number of candidates	Number of candidates per one place available
2009/2010	1	Management	35388	below 3,0
	6	Economics	22025	below 3,0
	7	Administration	21565	3,0
	12	Finance and accounting	15418	3,1
	15	Manufacturing management and engineering	13996	below 3,0
2010/2011	1	Management	37743	3,0
	6	Economics	24539	below 3,0
	7	Finance and accounting	19997	3,0
	9	Administration	19255	below 3,0
	12	Manufacturing management and engineering	16806	below 3,0
2011/2012	2	Management	28608	below 3,0
	6	Economics	21523	below 3,0
	7	Finance and accounting	19998	3,6
	9	Manufacturing management and engineering	16622	3,1
	11	Administration	15592	below 3,0
2012/2013	2	Management	27579	n.d.
	6	Economics	20202	n.d.
	8	Manufacturing management and engineering	17654	n.d.
	9	Finance and accounting	17642	n.d.
	14	Administration	14869	n.d.

* Lines in the table that are marked grey present the data pertaining to number of candidates in majors from economics-administration sub-group as per ISCED 1997.

¹⁰³ Source: Own compilation based on information from Ministry of Science and Higher Education website: <http://www.nauka.gov.pl/dane-statystyczne-o-szkolnictwie-wyzszym/> (accessed on 29.08.2013)

High interest in majors from economics-administration sub-group is also reflected in the number of graduates of those majors¹⁰⁴. Since 2007, percentage share of graduates from those majors remains on a nearly unchanged level. Among **all graduates of tertiary schools in 2012**, almost one in four graduates (24,8%) **graduated from economics-administration sub-group**, while in 2007 graduates of economics-administration majors constituted 25,9% of the total. Although the number of graduates in 2012 is lower by 9,9%, as compared to 2004, when high of the decade was recorded, still, when compared to 2007, it's 13,5% higher. All this data illustrates an almost unchanged level of interest among young people to gain knowledge and skills in economics-administration group of majors.

Table 3.4. Most popular majors of first-cycle full-time studies and long course studies in 2007-2012, by total number of applications¹⁰⁵

Name of major	Academic year					
	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
1. IT	30639	27625	25435	24055	19488	18890
2. Management	27579	28608	37743	35388	34706	27707
3. Law	24985	24581	26943	26581	27471	31827
4. Construction	24969	29888	30944	24637	21200	16179
5. Pedagogics	20215	25839	30414	33094	32019	37490
6. Economics	20202	21523	24539	22025	23278	22026
7. Environmental engineering	18973	19330	19370	17723	below 10 thousand	below 10 thousand
8. Manufacturing management and engineering	17654	16622	16806	13996	10086	below 10 thousand
9. Finance and accounting	17642	19998	19997	15418	17659	10804
10. Mechanics and machine construction	17209	15868	15192	12181	10193	below 10 thousand
11. Spatial management	16854	14779	13087	12162	below 10 thousand	below 10 thousand

¹⁰⁴ All calculations pertaining to graduates were performed using data from BDL GUS data (accessed on 23.08.2013)

¹⁰⁵ Source: Own compilation based on MsaHE data: http://www.nauka.gov.pl/g2/oryginal/2013_05/0550d75912d508101f1e5b8e5b04a081.pdf (accessed on 4.08.2013)

Name of major	Academic year					
	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
12. Automatics and robotics	15815	14252	14207	12378	below 10 thousand	below 10 thousand
13. Psychology	15621	15562	19021	20293	17702	14961
14. Administration	14869	15592	19255	21565	20159	21014
15. Tourism and recreation	13439	13587	15339	18977	16645	16746

* Lines marked in grey present data on enrollment in majors from economics-administration sub-group as per ISCED 1997.

Another equally stable feature is the proportion of men and women. While in total number of graduates over the past years women constituted a range from 64,2% in 2000 to 65,9% in 2011; however in **economics-administration majors group**, their share was over two thirds and amounted from 69,9% in 2007 to 68,0% in 2011. In other words, **there were almost three female graduates per each male graduate**. Among finance and accounting major graduates, the proportion skewed even further towards women. In academic year 2011/2012 there were 20.626 graduates of that major, of which 15.533 were women. They constituted 75,4% of finance and accounting major.

Quality of education in economics majors in Polish tertiary schools¹⁰⁶

Over the past ten years, quality of education, measured by structure of assessments issued, has improved in the public schools sector and was noticeable - although to a far lesser extent – in non-public schools sector. In the opinion of State Accreditation Committee (PKA), the non-public schools sector is showing certain weaknesses as compared to the public sector; those weaknesses result from somewhat poorer academic traditions and relatively weaker candidates. However, in many cases the non-public schools are characterized by very flexible learning opportunities, adapted to interests of the candidates and needs of the labor market, good responsiveness to introducing “new” study majors (such as e.g. logistics and spatial management), as well as by their orientation towards the students. Among the evaluated types schools, economics schools ranked best in PKA perspective.

In Poland the six majors of economics studies, namely economics, finance and accounting, spatial management, IT and econometrics, logistics and management constitute only 5,1% of all “standard” majors. However, currently, education in those majors is offered by as many as 264 tertiary schools, which constitutes 56,3% of all tertiary schools in the country, including

¹⁰⁶ Based on: *Działalność Państwowej Komisji Akredytacyjnej 2008–2011* (Activities of the State Accreditation Committee in 2008-2011), http://www.pka.edu.pl/Dokumenty/Publikacje/publikacja_2008-2011_calosc.pdf (accessed on 05.08.2013)

75 public tertiary schools – respectively 56,4% of all public schools. Share of students of economic majors constituted 19,8% of total number of students in the country.

Structure of assessments issued by Team for Economic Studies Majors of PKA from 2002 to 2011 allows drawing a conclusion that quality of education on economic majors has been gradually improving over that period. Such a conclusion is supported by a clear increase of share of positive assessments in 2008-2011 as compared to 2005-2007 and 2002-2004. Share of conditional assessments has declined as well. While in I term the assessing Team for Economic Studies Majors has proposed 63,7% of positive assessments of quality of education in those majors, in II term it was respectively - 70,5%, and in III term already 79,6% of total assessments issued was proposed. Share of conditional assessments in III term has declined to 12,4%, as compared to 28,0% in I term and 24,7% in II term. If we include the fluctuating trend of negative assessments (6,2% of total assessments in III term, as compared to 7,7% in I term and 3,7% in II term), we could say that there is a noticeable improvement in quality of education in scope of issued assessments of quality¹⁰⁷.

In a comparison between economic majors assessed by PKA, the one which was always relatively well evaluated was the finance and accounting major. The assessment showed this major as one with clear identity, both in terms of academic specializations of academic teachers constituting the staffing minimum, as well as education standards, which force a value added profile, offered by the schools in addition to standards.

Post-graduate studies

According to GUS data, number of students of post-graduate courses has been continuously growing since academic year 1990/1991¹⁰⁸. Over the past ten years, i.e. from 2003 to 2012 the number has increased by almost one third, i.e. by 32,2% from 130,1 thousand to 172,6 thousand. As in case of tertiary studies, also among the post-graduate students economics-administration majors were most popular¹⁰⁹. In academic year 2011/2012 there were 53,9 thousand students of those majors, and they constituted almost one third (28,4%) of all post-graduate students. Unfortunately, since GUS collects data on post-graduate studies on S-12 form¹¹⁰ in sub-groups of majors, it is not possible to provide an accurate number of students and graduates of e.g. accounting or accounting and finance majors.

¹⁰⁷ Ibidem, p. 77.

¹⁰⁸ Own compilation based on BDL data (accessed on 29.08.2013) and *Szkoły wyższe i ich finanse w 2011 r.* (Higher Education Facilities and their Financial Condition), GUS, Warsaw 2012, p. 36.

¹⁰⁹ Sub-group economics-administration includes following areas of education: commerce, marketing and advertising, finance, banking and insurance, accounting and taxes, management and administration, office work, labor organization. Information taken from GUS reporting form S-12: <http://form.stat.gov.pl/formularze/2013/passive/S-12.pdf> (accessed on 30.08.2013)

¹¹⁰ Report on academic scholarships, post-graduate and doctoral studies, as well as employment in tertiary schools and science and research institutions.

3.4. Principles and role of professional certification

3.4.1. SKwP certification

SKwP has introduced professional certification in 2009, based on Resolution No. 732/111/2009 of the Main Board of Accountants Association in Poland of 20.07.2009 on professional certification of accountants.¹¹¹

Education path covers 14 modules divided into four levels of training. First three levels prepare the candidate for practicing the professions regulated by *Ordinance of MLSP of 27.04.2010 on classification of professions and specializations for the purposes of the labor market and scope of its application*¹¹².

Fourth level is the level of certified accountant – a new profession¹¹³ which, according to expectations, should be attained by approximately 15% of accountants.¹¹⁴

Certification levels are:

- **I – accountant**, occupation code 331301 (in group 3313 – accountants),
- **II – autonomous accountant**, occupation code 241103 (in group 2411 – accounting and bookkeeping professionals),
- **III – chief accountant**, occupation code 121101 (in group 1211 – finance managers),
- **IV – certified accountant**, a new profession.

As per information received from the Association, works are in progress on developing certification principles for management accounting specialist.

Regulations for qualification requirements and professional experience for the purposes of accountant certification, constituting an attachment to *Resolution No. 732/111/2009 of the Main Board*, preliminary requirements were specified, necessary for undertaking given training level.

A person applying for professional certification should:

¹¹¹ Consolidated text is provided in *Resolution No. 760/214/ 2010 of the Presidium of the Main Board of SKwP of 14.12.2010*

¹¹² *Journal of Laws of 2010, No. 82, item 537 as amended.*

¹¹³ It should be mentioned, that there used to be a profession of certified chartered accountant in Poland (many statutory auditors come from this profession and they still hold the title). However, the report did not assume conducting analyses in the historical aspect, and information about this can be found in, *inter alia*,; L. Dubicki, *Dyplomowany biegły księgowy w Polsce – ujęcie historyczne (wybrane zagadnienia)*, (Certified chartered accountants in Poland – historical profile (selected issues)) „Rachunkowość” No. 11, 2011.

¹¹⁴ Statement of Ryszard Gorycki, then-chairman of the SKwP certification team, published in “Biuletyn Rachunkowości” No. 9 of 2009-05-01.

- 1) recognize the need for continuous professional development throughout the entire period of their work as an accountant,
- 2) understand the nature and importance of following the standards and ethical principles in their professional life,
- 3) meet requirements specified below when entering respective stages of qualifications procedure, involving training concluded with an exam:
 - A. I level of qualification (accountant)
 - at least secondary education;
 - B. II level of qualification (accounting specialist)
 - at least secondary education,
 - accounting skills and knowledge, confirmed by:
 - certificate of qualifications from I level, obtained after an exam concluding the training provided by the Association, or
 - certificate of completion of a course for accountants or
 - title of accounting technician, or
 - other form recognized by the facility¹¹⁵ as equivalent;
 - C. III level of qualification (chief accountant)
 - tertiary education or secondary with possibility of going into tertiary,
 - knowledge and skills of accounting specialist, confirmed by:
 - certificate of qualifications from II level, obtained after an exam concluding the training provided by the Association, or
 - certificate of completing the accounting specialist course, or
 - certificate in accounting, allowing the holder to provide bookkeeping services, issued by the Ministry of Finance, or
 - an MA in accounting or BA in accounting, from a school accredited by the Association¹¹⁶, or
 - an MA or BA and passed an exam in scope of requirements specified for level II of SKwP education path, conducted by a facility;
 - IV level of qualification (certified accountant) tertiary education or secondary eligible for enrolment into tertiary,
 - knowledge and skills of chief accountant, confirmed by:

¹¹⁵ "Facility" is intended to mean non-public continuous professional development facilities operating in regional branches of SKwP and in Institute of Professional Certification of Accountants.

¹¹⁶ Currently, SKwP is working on developing accreditation principles for tertiary schools.

- certificate of qualifications from III level, obtained after an exam concluding the training provided by the Association, or
- certificate confirming completion of a course for chief accountant candidates, or
- passed exam in scope of requirements specified for level III of SKwP education path, conducted by a facility,
- experience in accounting:
 - at least two years – in case of tertiary education,
 - at least five years – in case of secondary education.

Experience in accounting is recognized as performing tasks (based on labor agreement for no less than 1 full time equivalent or paid civil law agreement in case of conducting business activity):

- 1) based on accounting evidence, maintaining accounting ledgers, presenting records of events in chronological and systematic order,
- 2) measurement of assets and liabilities and determining financial result,
- 3) preparing financial statements,

Confirmation of qualifications for levels I, II and III is obtained based on results of exams conducted by examinations committees, formed in branches of the Association and Institute of Professional Certification of Accountants.

Subject scope of modules included in SKwP certification is presented in Table 3.5 below.

Table 3.5. Thematic modules of SKwP certification¹¹⁷

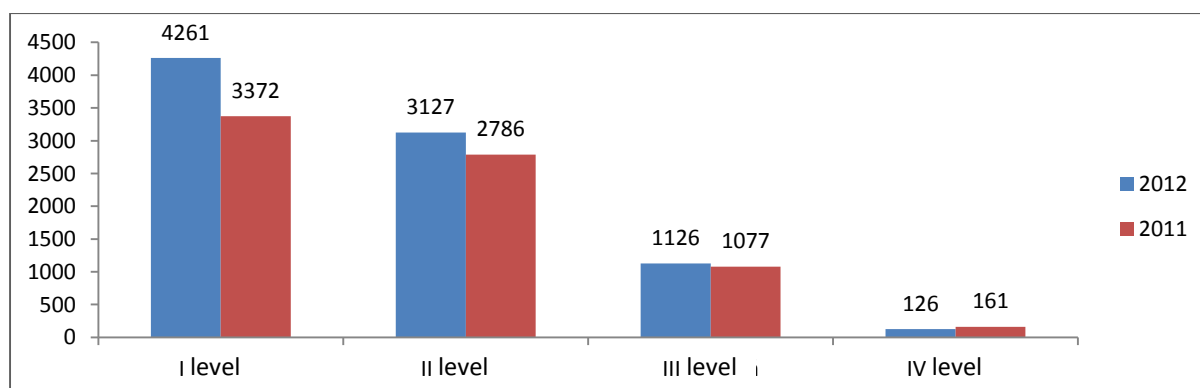
Certification level	Number of modules	Training hours	Subject scope of modules	Exam
I	2	80	Basics of accounting with elements of professional ethics	Part A
			Selected public-legal issues	
II	3	200	Accounting with elements of professional ethics	
			Tax law	
			Selected issues of labor, social insurance and economic law	

¹¹⁷ Source: Materials received from SKwP.

Certification level	Number of modules	Training hours	Subject scope of modules	Exam
III	5	212	Advanced financial accounting with elements of professional ethics and IT technologies (based on AoA, NAS, IAS and tax law)	Part B
			Cost accounting and basics of management accounting	
			Financial reports and their analysis	
			Tax law – practical issues, taking into consideration current jurisprudence and interpretations	
			Economic law	
IV	4	160	Advanced financial reporting	Part C
			Financial management	
			Management accounting – budgeting and cost control	
			Active management of tax settlements	

Four level certification courses provided by the Association are very popular. In 2011– 2012, 16.036 persons completed the courses of levels I – III (data about courses and certificates issued in previous years has to be presented separately due to significant changes to the certification principles, introduced after 2010). Graph 3.4 presents the number of participants of courses of subsequent certification levels.

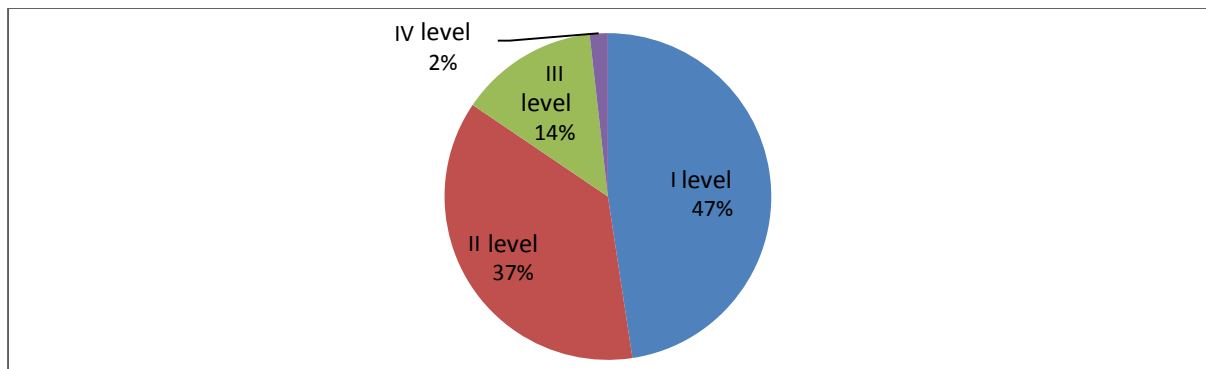
Graph 3.4. Number of persons participating in I-IV level courses, conducted by SKwP in 2011-2012¹¹⁸



¹¹⁸ Source: Own compilation based on: List of participants certified in 2011 and 2012 created by SKwP, materials received from SKwP.

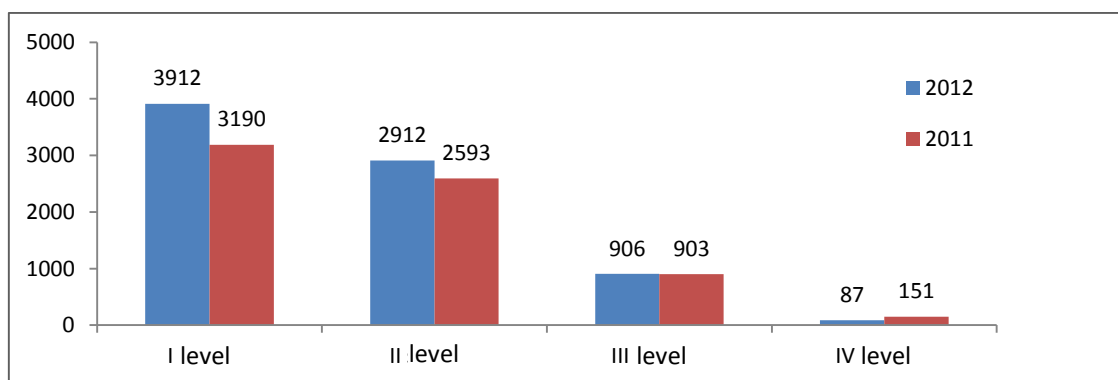
Percentage share of participants of each level of accounting certification courses in 2011-2012 is presented on Graph 3.5 below.

Graph 3.5. Percentage share of participants in subsequent levels of accounting certification in 2011-2012¹¹⁹



In average, 93% of persons who complete courses on level I-II obtain the relevant certificate (in 2011-2012, 7 102 accountant certificates and 5 505 autonomous accountant certificates were issued)¹²⁰. In case of III level courses, the average is around 83% (in the examined two years, 1812 chief accountant certificates were issued). Least pass rate on the final exam is recorded among participants of IV level course (less than 40% of those taking the exam) and in 2011-2012 238 certified accountant certificates were issued. This stems partly from the fact, that the percentage of course participants who take the exam is the smallest, but mostly from difficulty level and large volume of material which is subject to examination. This data is presented on Graph 3.6.

Graph 3.6. Number of persons, who obtained I-IV level certificate, issued by SKwP in 2011-2012¹²¹



¹¹⁹ *Ibid.*

¹²⁰ Earlier, certificates were not issued (because SKwP has introduced the certification system only in 2010).

¹²¹ Source: Own compilation based on: List of participants certified in 2011 and 2012 created by SKwP, materials received from SKwP.

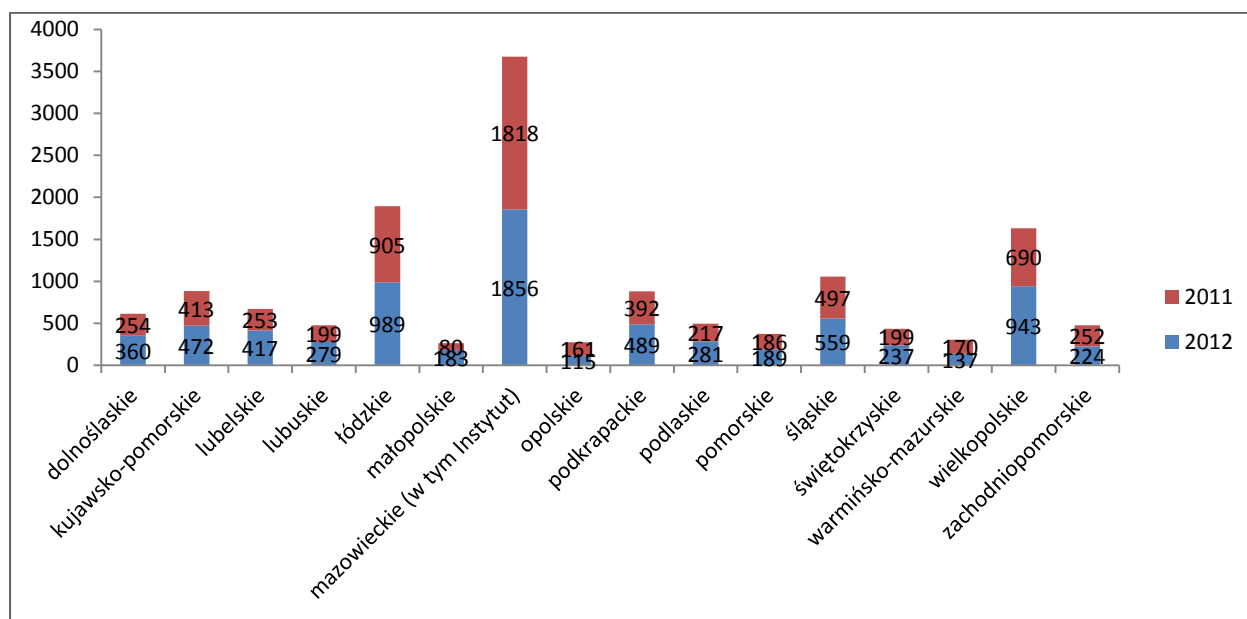
However, it is not known how many persons among those, who started the certification process continue it to subsequent levels (i.e. how many of those who obtained the I level certification have subsequently completed II and/or III level).¹²²

In opinion of the researchers, an important information cross-section may be found in the number of certificates issued by individual regional branches of SKwP. For the sake of consistency of the analysis (with, among others, data received from GUS and MLSP), regional branches were attributed to voivodships (certificates issued by the Institute of Certification was appended to mazowieckie voivodship data), being aware that territory of jurisdiction of regional branches does not exactly conform with that of voivodship borders.

Number of certificates issued in 2011-2012 in individual voivodships is presented on the Graph 3.7, and percentage share - Graph 3.8.

Largest number of certificates were issued in mazowieckie voivodship (25% of all issued certificates), then łódzkie (13%) and wielkopolskie (11%). The comparison does not include certified accountant certificates, which are issued exclusively on the central level.

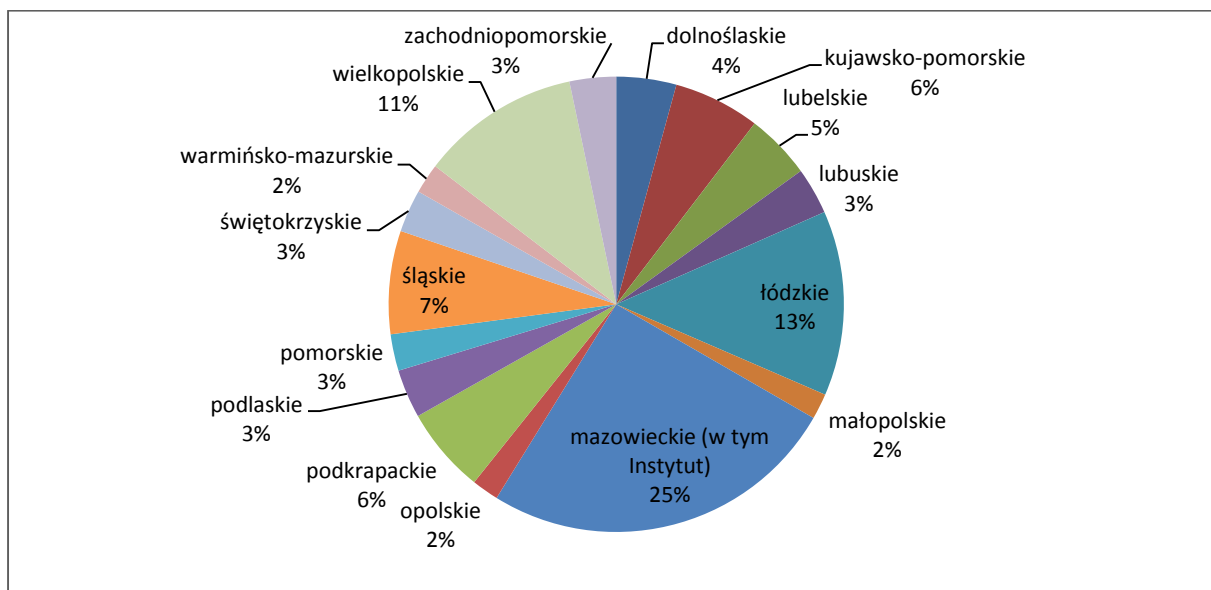
Graph 3.7. Number of persons, who obtained the certificate issued by SKwP in 2011-2012, by voivodship¹²³



¹²² Regional branches do not report in such a cross-section, and data received from Institute of Certification of SKwP shows, that 50-60% persons who complete level I course continue with level II (however, same does not have to hold true for regional branches).

¹²³ Source: Own compilation based on: List of participants certified in 2011 and 2012 created by SKwP, materials received from SKwP.

Graph 3.8. Percentage share of certificates issued by SKwP in 2011-2012, by voivodship¹²⁴



Besides the preparatory courses for certificate in accounting, the Association also conducts a number of other training courses, including those resulting in professional qualifications (tax account specialist, HR and payroll specialist, investment accounting specialist and others) – in 2012, 41 such courses were implemented for 1 066 persons, which constitutes 7,5% of all courses conducted. Moreover, SKwP implements courses preparing candidates for statutory auditor exams (139 participants in 2012) and multiple courses in taxes, payroll and others, not resulting in issuing a qualification certificate (in 2012 courses of this type, lasting more than 30 h, had almost 5 thousand participants) as well as post-graduate studies (in 2012 over 478 students) and professional development courses for statutory auditors and certified accountants. In total, participants of all courses lasting over 30 h (including accounting certification) in 2012 amounted to over 14,5 thousand persons, and so called “short” courses (less than 30 h) almost 25 thousand persons.¹²⁵

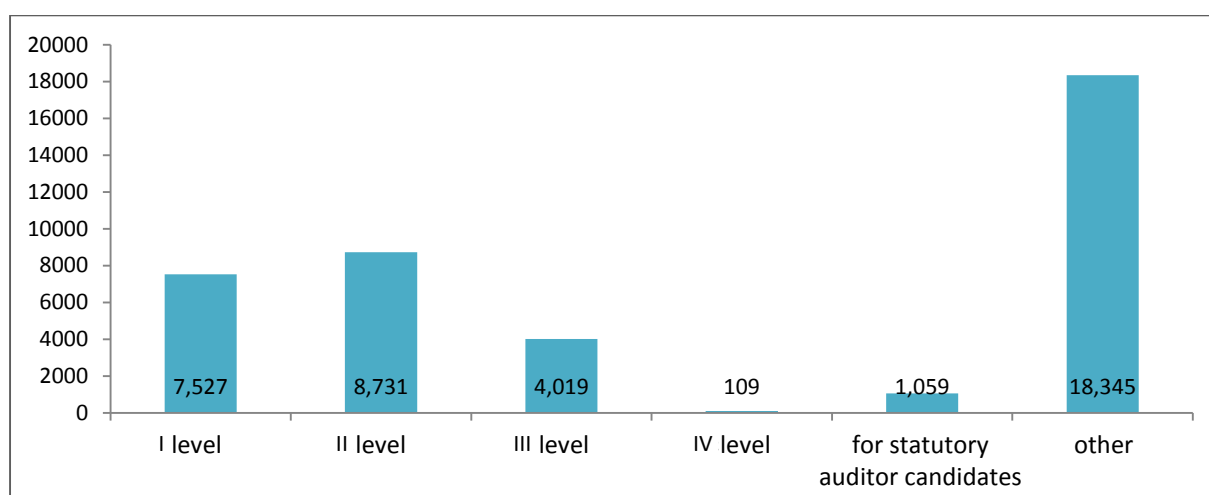
There is no comprehensive data about A&A training market, but above numbers show clearly, that SKwP is the leader among organizers of accounting courses in Poland.

Graph 3.9 below presents basic quantitative data about courses conducted and certificates issued in 2007 – 2010. In this period, as many as 39 790 persons completed the courses offered by SKwP.

¹²⁴ *Ibid.*

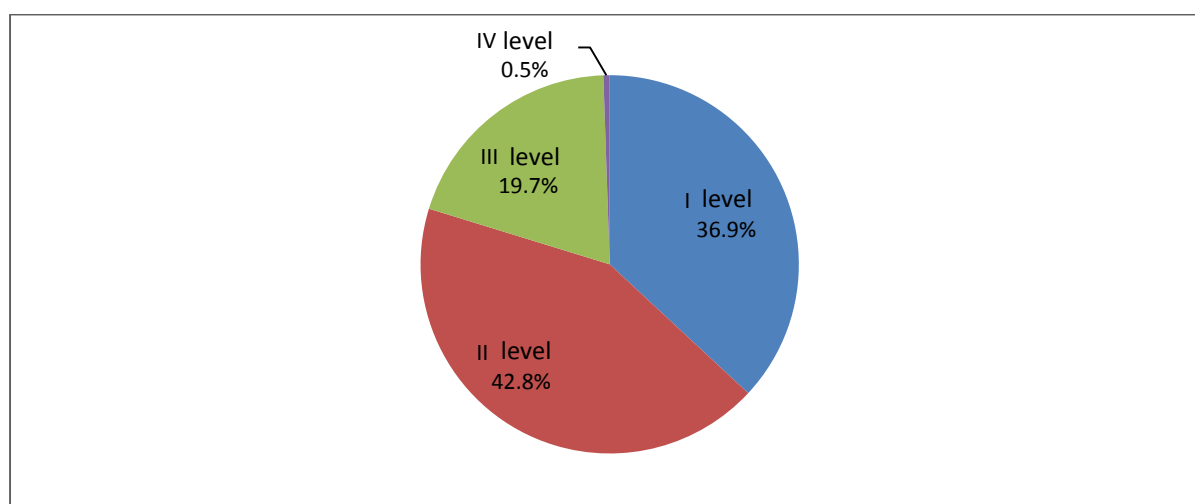
¹²⁵ Protocol No. 806/2013 – minutes of the meeting of Presidium of the Main Board of the Accountants Association in Poland, p.13-15.

Graph 3.9. Number of graduates of courses conducted by SKwP in 2007 – 2010¹²⁶



Graph 3.10 below presents percentage share presents percentage share of participants in each stage of accounting certification in the surveyed period (2007-2010). Negligible share of participants of IV level of qualification stems from the fact, that this certificate was only introduced in second half of 2009.

Graph 3.10. Percentage share of participants of subsequent levels of accounting certification in 2007-2010¹²⁷

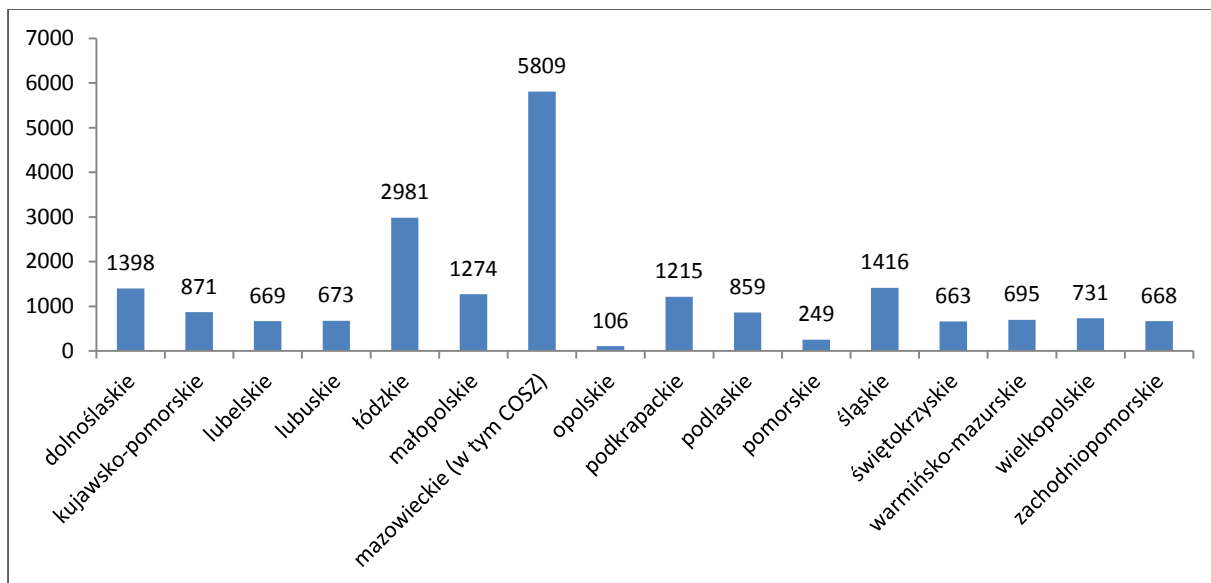


Number of certificates issued in 2007-2010 in individual voivodships is presented on Graph 3.11, and percentage share – on Graph 3.12.

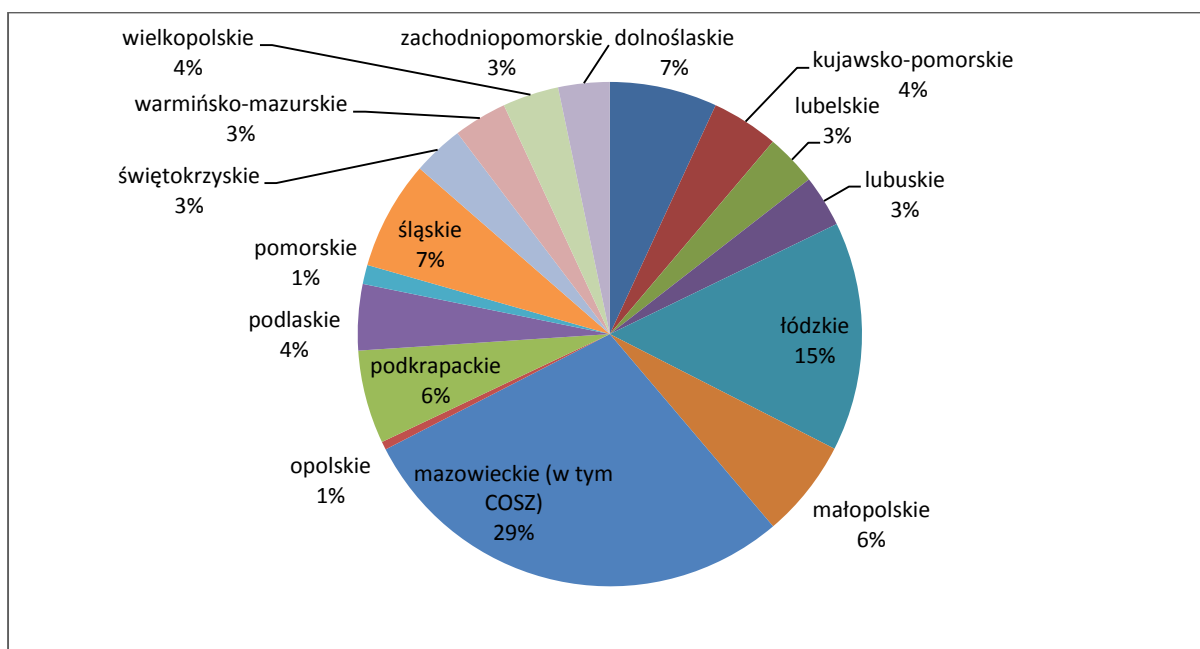
¹²⁶ Source: Own compilation based on: Reports from educational activity of SKwP in 2007-2010, materials received from SKwP.

¹²⁷ *Ibid.*

Graph 3.11. Number of persons, who obtained the certificate issued by SKwP in 2007-2010, by voivodship¹²⁸



Graph 3.12. Percentage share of certificates issued by SKwP in 2007-2010, by voivodship¹²⁹



In 2007-2010, similarly to following two years (2011-2012) the largest number of certificates was issued in mazowieckie voivodship (29% of total number of issued certificates) and łódzkie voivodship (15%).

¹²⁸ *Ibid.*

¹²⁹ *Ibid.*

A new profession/certification which does not have a code assigned in the current classification of occupations, is the title of **certified accountant** – introduced by SKwP in 2009.

Work aiming to introduce professional certification of accountants has been ongoing in SKwP for a number of years, but only passing amendments to the statute by Extraordinary National Assembly on 29.01.2009 and introduction of a new category of membership, i.e. “ordinary member – certified accountant” has allowed the Main Board of SKwP to pass resolutions on professional certification system. Solutions introduced by SKwP (statutory and executive) reflect the criteria of membership in IFAC and are in line with International Educational Standards¹³⁰ developed by IFAC, according to which a certified accountant candidate may be a person with appropriate knowledge and professional experience, familiar with principles of business operation and embodying ethical attitude. In SKwP intent, a certified accountant is a person who can perform the function of a financial manager with complete responsibility.¹³¹

Principles for obtaining the title of “**SKwP certified accountant**” (“certified accountant”) are regulated by *Resolution No. 732/110/ 2009 of the Main Board of the Accountants Association in Poland of 20.07.2009 on professional title of „certified accountant”*.

Certified accountant, according to par. 1 pt 2. of above Resolution is a person “possessing verified and updated knowledge and skills in scope of organizing accounting in entities, maintaining financial books and preparing financial statements in line with Polish and international accounting standards, as well as conducting financial management, including tax aspects of the entity”. Certified accountant, according to detailed specification in International Education Standards, should have appropriate scope of knowledge, professional experience and embody ethical attitude. As a principle, verification of these conditions is effected by implementation of a specific qualification path. This path was described in detail in *Resolution No. 760/214/ 2010 of Presidium of the Main Board of SKwP of 14.12.2010 on publication of consolidated text of Resolution No. 732/111/2009 of the Main Board of the Accountants Association in Poland of 20.07.2009 on professional certification of accountants*.

Professional title of certified accountant can be obtained by following the SKwP education path or by external exam.

Education path of SKwP certification envisages four levels of training:

- I level – accountant,

¹³⁰ IFAC has developed 8 standards: IES 1 Entry Requirements To A Programme Of Professional Accounting Education, IES 2 Content Of Professional Accounting Education Programs, IES 3 Professional Skills And General Education, IES 4 Professional Values, Ethics And Attitudes, IES 5 Practical Experience Requirements, IES 6 Assessment of Professional Capabilities and Competence, IES 7 Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence, IES 8 Competence Requirements for Audit Professionals (understood as professional accountants), <http://www.ifac.org/sites/default/files/publications/files/table-of-contents-3.pdf> (accessed on 21.08.2013)

¹³¹ Statement of Ryszard Gorycki, then-chairman of the SKwP certification team, published in “Biuletyn Rachunkowości” No. 9 of 2009-05-01.

- II level – accounting specialist,
- III level – chief accountant,
- IV level – certified accountant.

Exams of the first three levels are conducted by regional examinations committees, however **certified accountant exam is conducted by the Main Professional Examinations Committee**, appointed for a four years term by Main Board of the SKwP.

Title of a certified accountant (*par. 2 of the Resolution on professional title...*) may be obtained by a person, who:

- 1) graduated from a university in Poland or from a higher education institution abroad and holds a diploma recognized as equal in Poland, speaks Polish fluently and has 3 years of experience in accounting, including at least 2 years of work at autonomous position or has sufficient education obtained in Poland or abroad to apply for university admission, speaks Polish fluently and has 6 years of experience in accounting, including 3 years of work at an autonomous position,
- 2) has full extent of public rights and capacity for legal actions,
- 3) enjoys immaculate opinion and in particular was not sentenced for any criminal delinquency against public property, business trading, offence against state or self-government institution or against document forgery or tax fraud,
- 4) is a member of Accountants Association in Poland,
- 5) passed all exams for the title of Certified Accountant,
- 6) has taken a pledge.

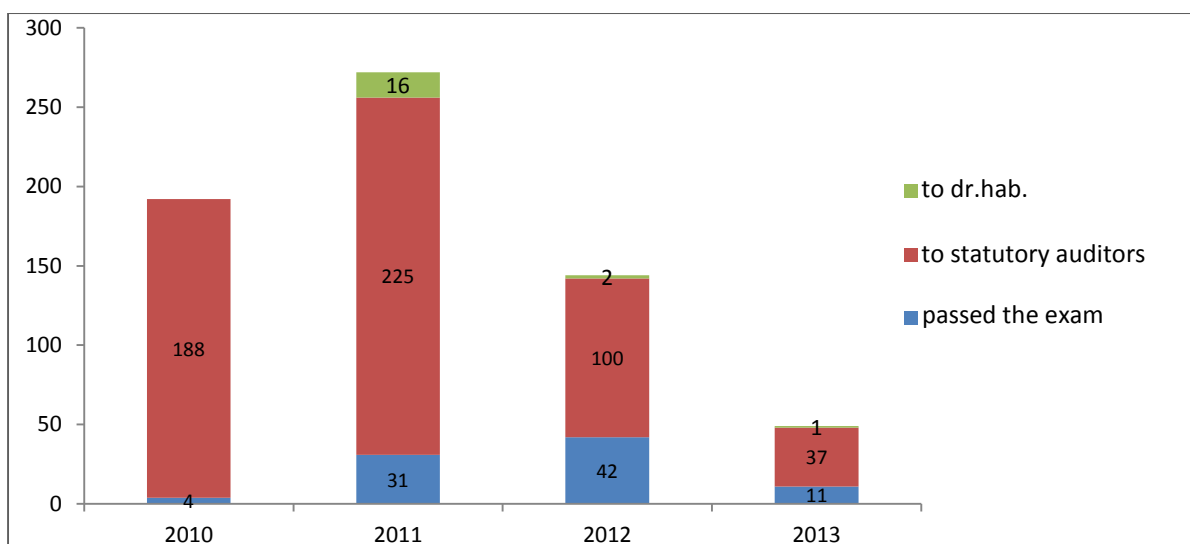
Title of certified accountant may be granted (upon submission of an application to SKwP) to statutory auditors listed in the register maintained by KIBR, as well as persons holding the academic title of doctor habilitatus of economic science or management sciences, specializing in accounting.¹³²

As of 31 December 2013, SKwP has issued 657 certified accountant certificates, while 86% of those are certificates issued to statutory auditors and persons holding the title of doctor habilitatus specializing in accounting, and only 88 persons received certificates after passing the exam. Number of certificates issued in 2010-2013 is presented on Graph 3.13.

Graph 3.13. Number of certified accountant certificates issued in 2010-2013^{133,*}

¹³² An amendment to the Resolution should be expected soon, taking into consideration changes in classification of academic disciplines, i.e. introduction of a new discipline of science “finance” (*Resolution of Central Committee for Academic Degrees and Titles of 23.04.2010, amending the Resolution on description of fields of science and arts, as well as scientific and artistic disciplines, Monitor Polski of 2010, No. 46, item 636*).

¹³³ Source: Own compilation based on data received from SKwP Institute of Professional Certification for Accountants.



*certificates issued as of 31 December 2013

SKwP Institute of Professional Certification for Accountants maintains a register of certified accountants, and data collected in the register may, with individual consent of the certified accountant, be made available on Association's website.

Subject scope and conditions of certified accountant exam are specified in Section VIII of Regulations of Main Professional Examinations Committee (Attachment 2 to *Resolution No. 732/110/2009 of the Main Board of SKwP*). As per Regulations, an anonymized written exam, composed of tests and situational tasks, covers four parts:

- Part A - subject scope of level I and II of the certification system,
- Part B - subject scope of level III of the certification system,
- Part C - subject scope of level IV of the certification system,
- Part D – situational task.

In order to pass the exam, the candidate must pass all four parts of the exam (A, B, C, D) by achieving at least 60% of the maximum possible number of points for the given part. Upon a candidate's request, the Committee may recognize the first two parts of the exam as completed:

- 1) part A is recognized as completed, if the candidate:
 - a) has passed the exam concluding the II level of SKwP education path, or
 - b) holds a certificate allowing him to provide bookkeeping services, issued by Ministry of Finance, or
 - c) has an MA specializing in accounting, obtained in school accredited by the Association,
- 2) parts A and B are recognized as passed, if the candidate:

- a) has passed the exam concluding the II level of SKwP education path, or
- b) has completed the course of IV level of SKwP education path.

There is a charge for taking an exam, and at this point the charges are: part A - 250 PLN, parts B and C 300 PLN each, part D - 150 PLN.

Certified accountants are obligated to participate in continuous professional development (CPD). Principles of that are set forth in the “Regulations for the system of continuous professional development of certified accountants”. Subject scope of CPD includes following areas:

- 1) accounting, , finance and related topics,
- 2) organization and operation of business activity,
- 3) knowledge and competences in scope of information technology (IT).

Every certified accountant is obligated, over a period of three consecutive years, to allocate at least 120 hours to continuous professional development, of which in one year at least 20 hours of training or individual increase of professional qualifications (including participation in conferences, readings, publishing activity, obtaining academic degrees, professional titles, professional promotion, giving lectures)¹³⁴. For those not practicing the profession, the limit was lowered by 50%, and for those not practicing on a permanent basis, obligation of CPD was waived entirely. Certified accountants, who are at the same time statutory auditors or tax advisers, discharge their CPD obligations by participating in compulsory professional training organized respectively by KIBR or KIDP.

Supervision over meeting the obligation of continuous professional development is provided by presidiums of the boards of SKwP regional branches. If a certified accountant does not meet his CPD obligation, Presidium of the Main Board of SKwP may decide to delete such a person from the register of certified accountants of SKwP.

Training courses serving the purpose of continuous professional development are organized by non-public facilities for continuous training, operating in regional branches and Institute for Professional Certification of Accountants as well as other entities, duly authorized by Presidium of the Main Board of SKwP.¹³⁵

¹³⁴ According to Attachment 4 to Resolution No. 800/137/2013 of the Presidium of the Main Board of SKwP of 22.01.2013 on forms of continuous professional development for certified accountants and forms of evidence confirming discharge of continuous professional development obligation.

¹³⁵ Properly documented application of the facility seeking authorization, as per par. 12 of CPD Regulations, should be submitted 60 days before planned beginning of the course. List of training courses and authorized facilities is published on the website of the Main Board of the Association.

3.4.2. ACCA certification¹³⁶

ACCA certificate is issued by *The Association of Chartered Certified Accountants*, an international organization with over 150 thousand members and 430 thousand students in over 170 countries. ACCA is one of the most popular professional qualifications in accounting, especially in Europe where it has been recognized by EU member states. Moreover, ACCA operates in North and South America, Asia, and Australia. ACCA has 80 offices and cooperates with 8 000 employers. Representation office in Poland was created in 2004.

In order to obtain ACCA qualification, **the candidate must pass 14 (of 16) exams and online module on ethics, and demonstrate sufficient practical experience**. Most of the 14 exams, conducted in English, are devoted to financial accounting and management accounting, but knowledge is also provided in areas such as: taxes, law, audit as well as business analysis. Exams (and courses) are mostly based on case studies method, and a lot of emphasis is put on financial management. Exams are divided into two levels: *Fundamentals* and *Professional* (Table 3.6). Modules *Knowledge* and *Skills* conclude with official diplomas, issued by ACCA and function as a separate part of ACCA qualification.

Table 3.6. List of subjects (exams) required for ACCA certification¹³⁷

	No.	Exam	Subject	Diploma
Fundamentals Knowledge (3 exams)				ACCA Diploma in Accounting and Business
1	F1	computer	Accountant in Business	
2	F2		Management Accounting	
3	F3		Financial Accounting	
Fundamentals Skills (6 exams)				ACCA Advanced Diploma in Accounting and Business (+ ethics module)
4	F4	paper	Corporate and Business Law	
5	F5		Performance Management	
6	F6		Taxation	
7	F7		Financial Reporting	
8	F8		Audit and Assurance	

¹³⁶ This sub-section was developed largely based on data from websites: <http://www.accaglobal.com>; <http://www.karierawfinansach.pl/w-branzy/artykul/acca>; <http://pl.cfosummit.pl/> (accessed on 11-12.08.2013)

¹³⁷ Source: Own compilation based on: <http://www.accaglobal.com> (accessed on 11.08.2013)

	No.	Exam	Subject	Diploma
9	F9		Financial Management	
Professional Essentials (3 exams)				Member of ACCA (+ practical experience)
10	P1	paper	Governance, Risk and Ethics	
11	P2		Corporate Reporting	
12	P3		Business Analysis	
Professional Options (2 of 4 exams – a choice)				
13	P4	paper	Advanced Financial Management	
14	P5		Advanced Performance Management	
15	P6		Advanced Taxation	
16	P7		Advanced Audit and Assurance	

Students of tertiary schools and statutory auditors may be exempt from some of the exams on Fundamentals level. Graduates of financial majors are exempt from four exams (F1-F4), while it is recognized that subjects F2 and F3 are fundamental for the entire qualification and any backlog in this scope may result in problems at further levels of certification. Schools offering financial majors may obtain accreditation, which makes graduates eligible for further exemptions (F5-F9), however the maximum number of exemptions cannot exceed 9 (this pertains also to statutory auditors), so in order to obtain qualifications, it is necessary to sit at least 5 exams (P1-P7).

Exams are organized in sessions (two per year) and during one session a candidate may sit a maximum of 4 exams. The order of sitting exams within a given module is not specified, but a candidate may not sit an exam in the next module unless the previous module was completed.

Starting the education does not require previous experience, or knowledge in scope of finance and accounting. Going through the entire training path takes in average 2,5 to 3,5 years, however, the period from the moment of enrolment until the last exam is passed cannot exceed 10 years. **However, obtaining a certificate is possible after gaining a minimum 3 years professional experience in finance** (practical experience may be gained before, during or after passing all the exams) and demonstrating a number of specific professional competences (so called *practical experience requirements, PER*).

ACCA organizes a number of training courses and workshops within the framework of professional development; they also play the role of a platform for exchange of experiences, facilitate networking and building business relations, and integrate the community of finance specialists.

ACCA cooperates with *Oxford Brookes University* and after completing the full qualification path, the candidate may apply for MBA, while completing *Fundamentals* and writing the thesis allows obtaining a BA from the same school.

There is a number of training companies in Poland, which offer preparatory courses for ACCA exams. Average cost of courses preparing for all exams ranges from twenty something to thirty something thousand PLN. To this, one needs to add administrative fees and exam fee. It is also possible to sit the exam without attending the courses, which is much cheaper: the cost comes down to exam fees and administrative fees – a total of approximately 4 thousand PLN for all exams.¹³⁸

According to ACCA, this qualification is intended for persons, who want to achieve a high professional position in accounting, auditing and finance. With ACCA diploma, it is much easier to get a job in finance and accounting related managerial positions abroad.¹³⁹

One of the advantages of ACCA diploma is the fact, that it is recognized in many countries of the world, and positions which are easier to attain with ACCA certificate include: finance director, financial controller, chief accountant, internal auditor, *process manager* in BPO/SSC centers, *supervisor*.

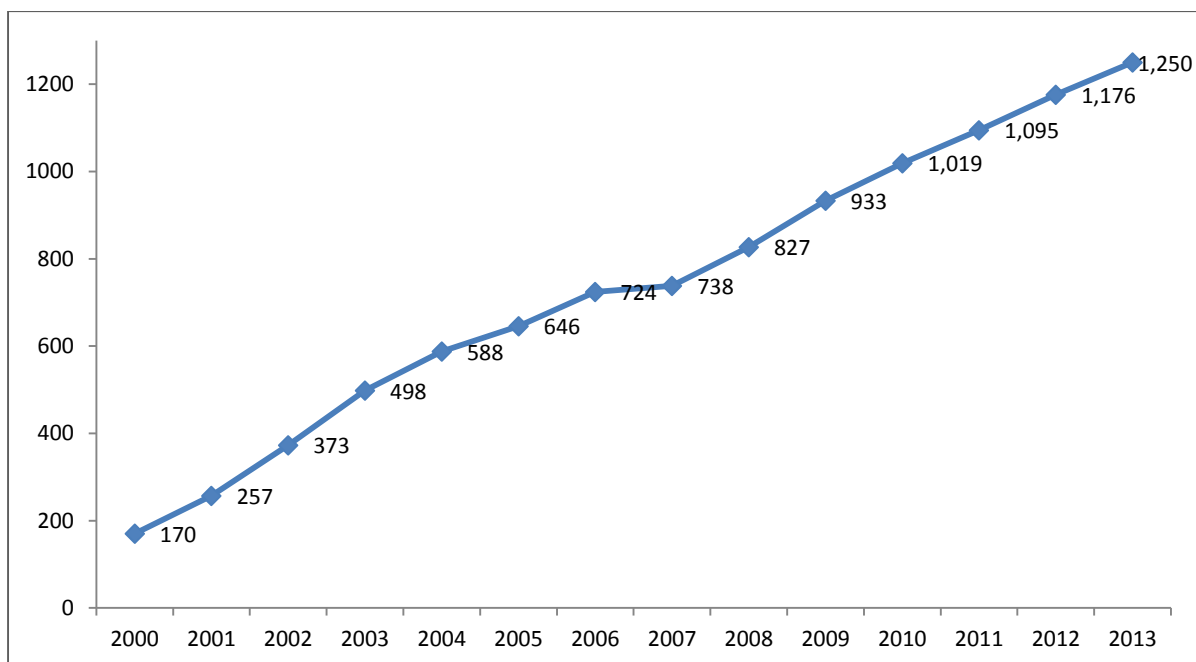
According to data received from ACCA Poland (via email) as of 15 August this year, **ACCA has 1251 members in Poland, and 2672 persons are in process of obtaining the qualifications.** A personal profile of ACCA member is: male (57%) age 31-45, working as finance director (20% members).

Number of members as of the end of each financial year is presented on Graph 3.14.

¹³⁸ More detailed information about fees can be found at: <http://www.accaglobal.com> , <http://www.bpp.pl/?oplaty-acca,47> .

¹³⁹ Gross monthly pay of persons with ACCA qualifications in Poland start at approximately 8 thousand PLN. Pay increases along with increase in professional experience, and after a number of years it frequently exceeds the level of 20 thousand PLN, after: <http://www.karierawfinansach.pl/w-branzy/artikul/acca-kwalifikacja-kursy-zakres-wiedzy-egzamin-perspektywy> (accessed on 12.08.2013)

Graph 3.14. Number of ACCA members in Poland as of end of each financial year in 2000-2013¹⁴⁰



In average, number of ACCA members is growing by 77 a year, while the highest growth dynamic was recorded in 2003 (increase by 125 members), 2002 (increase by 116 members) and 2009 (increase by 106 members). Slowest growth was recorded in 2007 (increase compared to previous year was only 14 persons).

As far as territorial differentiation is concerned, (by voivodship), it's presented on Graph 3.15 below. Data was collected based on mailing address provided for ACCA members database, in which each of the members has their own profile.

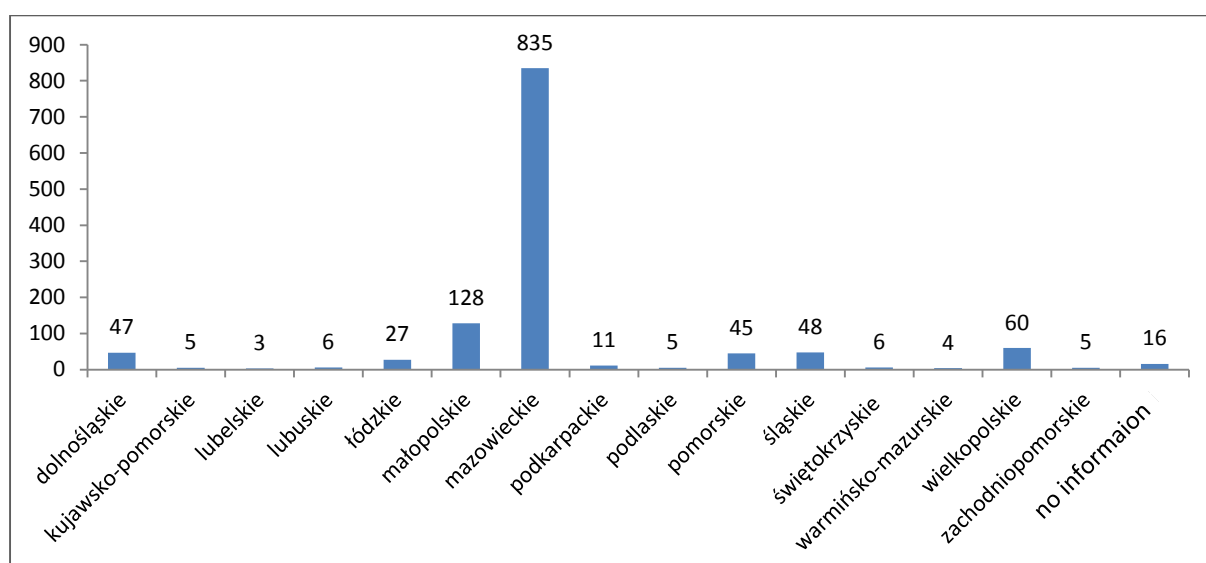
Greatest number of persons with ACCA qualifications work in mazowieckie voivodship (almost 77% of all members) and małopolskie voivodship (over 10%), and the least in lubelskie (0,24%) and warmińsko-mazurskie (0,32%).

Data presented in a personal profile in ACCA database also includes information on employment, however those fields are not required.

Information collected by ACCA does not allow determining whether or not the members have other professional qualifications, and if they do, what they are (statutory auditor, MoF certificate for bookkeeping services, other).

¹⁴⁰ Source: Own compilation based on data received from ACCA Poland.

Graph 3.15. Number of ACCA members in Poland, by voivodship¹⁴¹



3.4.3. CIMA certification

Another certification path, this one targeted to management accounting, is the international CIMA certificate. *Chartered Institute of Management Accountants* (CIMA) was established in London in 1919. The Institute trains professionals in financial management, offering a program of international professional qualifications in the area of management accounting. It is the largest professional organization for experts in management accounting area and currently has 203 000 students and members in 173 countries of the world¹⁴². According to information received from Director general of CIMA Poland – Jakub Bejnarowicz, **number of members and students of CIMA in Poland is 2 200 persons** (data as of end of July 2013). List of new members in any given year is published on CIMA website.

CIMA is an international qualification and its structure assumes combination of practical experience with in-depth knowledge in scope of management, finance and accounting. It can be started at any stage of career, regardless of the level of one's knowledge in scope of finance. The only knowledge requirements are English and math. CIMA reserves the right to update syllabuses and exams every five years, so as to better adapt them to the needs of employers. Most recent update was introduced in 2010. Qualification levels and titles of exams are presented on Figure 3.2.

The first stage to receiving CIMA professional qualification is *CIMA Certificate in Business Accounting*. It comprises 5 exams in basics of management and financial accounting, math, ethics, corporate governance, basic economics.

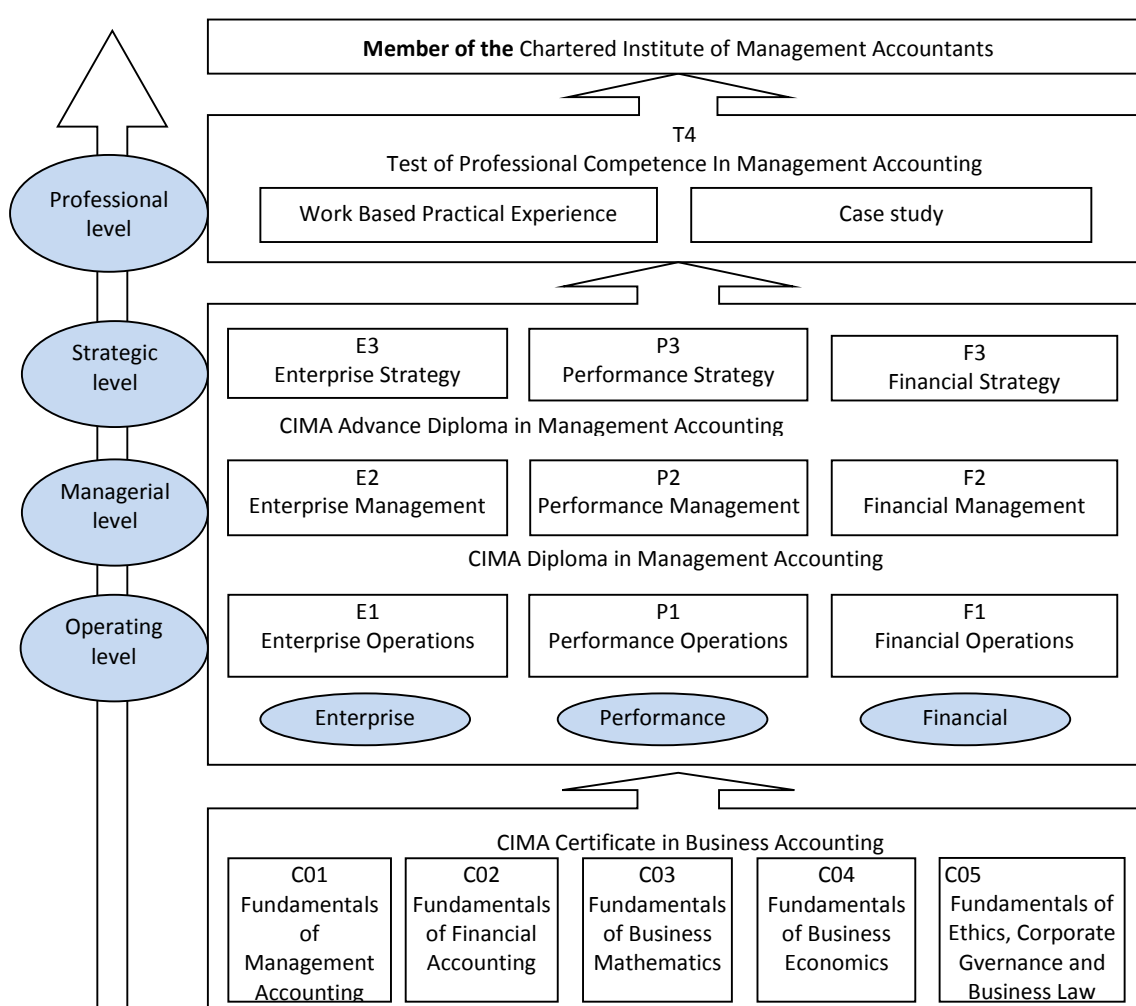
¹⁴¹ *Ibid.*

¹⁴² <http://www.cimaglobal.com/Our-locations/Poland/Witaj-w-CIMA-Polska/Czym-jest-CIMA/> (accessed on 6.08.2013)

Next stage – CIMA professional qualification is composed of three pillars: *Enterprise, Performance and Financial*, covering advanced knowledge in scope of: management accounting, financial accounting, efficiency management, financial management, financial strategies etc. At this stage, the students pass a total of 9 exams, 3 in each level: operating, managerial and strategic. After passing 3 exams envisaged for each level, the students receive official confirmation of attained qualifications in form of diplomas:

- *CIMA Diploma in Management Accounting* – upon completion of operating level,
- *CIMA Advance Diploma in Management Accounting* – upon completion of managerial level.

Figure 3.2. CIMA professional qualifications levels¹⁴³



¹⁴³ Source: Own compilation based on: International professional business qualification, CIMA, <http://www.cimaglobal.com/Documents/Our%20locations%20docs/Poland/Mi%C4%99dzynarodowa%20profesjonalna%20kwalifikacja%20biznesowa.pdf> (accessed on 25.08.2013)

After completing the strategic level, the candidate may take the test of professional competence (*Test of Professional Competence in Management Accounting*), which combines practical experience with theoretical knowledge. In order to achieve this level of CIMA qualification, the candidate must additionally document professional experience and pass an exam based on a case study.

Maximum number of points for each exam is 100 (with the exception of T4, where the maximum number of points for the exam part is 50). In order to pass the exam, the candidate must achieve at least 50% of available points. All exams are written in English.

Getting the qualification takes in average 2,5 to 4 years and depends on the individual pace of learning and organization of sessions. Instruments of study include CIMA e-learning platform (CIMAstudy.com), a set of textbooks and exercise books, as well as training courses, offered by accredited training centers or CIMA partner schools. List of institutions currently accredited by CIMA in Poland are:

- BPP Polska (Warsaw),
- BPP Polska (Kraków),
- PwC Polska Sp. z oo.
- Wyższa Szkoła Informatyki i Zarządzania w Rzeszowie.
- Wyższa Szkoła Biznesu-National-Louis University.

They offer regular courses (day, extramural and evening), online courses and textbooks.

Exams of *Certificate* module (C01 to C02) may be taken year round, via computer (*Computer Based Assessments*). The are organized in authorized examination centers in Warsaw and Kraków (e.g. at BPP home office). Other exams may be taken, in writing, during examination sessions, organized twice a year, in May and November, at dates announced by CIMA, same worldwide.

Additionally, exemptions from some levels of exams are envisaged, in line with exemptions policy¹⁴⁴. Graduates of BA, MA and postgraduate courses in economics, law and technical majors may be exempt from selected exams of the base level (C01 to C05). There is also a fast track to start CIMA qualification (*CIMA Gateway*). For example, graduates of MBA studies and MA studies in accounting may pass 11 CIMA exams within the framework of the fast track *CIMA Master's Gateway*. However, they have to pass an additional exam – *CIMA Master's Gateway Assessment (CMGA)*, summarizing the knowledge from 3 CIMA exams – P2, F2 and E2.

¹⁴⁴ <http://www.cimaglobal.com/Study-with-us/Exemptions/Exemptions-policy/> (accessed on 25.08.2013)

On CIMA website, information may be found on CIMA qualification fast tracks for members of some professional organizations and holders of other professional qualifications¹⁴⁵. For example, ACCA graduates may, within *CIMA Professional Gateway* fast track, receive a pass for 11 CIMA exams (but they must pass an additional exam – *CIMA Professional Gateway Assessment*, which, similarly to *Master's Gateway Assessment*, summarizes knowledge from exams: P2, F2 and E2). CIMA makes the decision about exemptions only based on documents sent in by the candidate.

Students who join CIMA must register on the website, pay the fees: registration fee (72 GBP), membership fee (100 GBP). Exam fees depend on qualification level and range from 48 GBP to 110 GBP per exam.¹⁴⁶ Detailed price lists are regularly updated – current one may be found at: <http://www.cimaglobal.com/Students/Cost-of-study/Student-fees/> (accessed on 25.08.2013).

After passing all the exams and documenting practical experience, the participants shall gain the right to use titles of: *ACMA – Associate Chartered Management Accountant (ACMA)*, *Fellow Chartered Management Accountant (FCMA)*, and since February 2012 also *Chartered Global Management Accountant (CGMA)*. This title is a result of an agreement between CIMA and AICPA (*American Institute of Certified Public Accountants*), the aim of which is to give a global character to qualifications offered by both organizations, which in case of CIMA means recognition also in United States. New membership title CGMA was automatically awarded to all the current members of CIMA. AICPA members, in order to obtain CGMA title, are obligated to meet formal requirements (including 2-3 years experience in management accounting, with elements of internal audit. Persons who are not members of CIMA and AICPA must pass all CIMA exams.

CIMA members are obligated to continuously increase their qualifications (CIMA Professional Development - CPD) and maintaining records of CPD (for a minimum of 3 years on a continuous basis). In order to make personal development planning easier for its members, CIMA has published a CPD planner (available after logging in). It enables self-assessment of one's knowledge and skills in various areas and creating an interactive action plan of increasing one's competences. Every member of CIMA is responsible for developing their CPD programs, selection of actions and documenting them. Every year, CIMA selects a random sample of its members for the purpose of monitoring implementation of CPD program CPD. Such members must demonstrate, that they have undertaken steps in the area of personal development and document actions taken in that respect.

¹⁴⁵ <http://www.cimaglobal.com/Study-with-us/Entry-routes/Im-a-member-of-another-professional-body/> (accessed on 25.08.2013)

¹⁴⁶ Fees are also charged for: exemptions from exams, re-taking exams, exams within the framework of *CIMA Gateway*, issuing the diploma.

3.4.4. Other qualifications

Another qualification - **CF (Corporate Finance)** is a set of international qualifications in scope of corporate finance. CF qualification is awarded by ICAEW (*Institute of Chartered Accountants in England and Wales*) in agreement with CISI (*Chartered Institute for Securities & Investment*). ICAEW is an international organization of chartered accountants worldwide. Currently, ICAEW has over 140 000 members. The largest number of branches of the organization are located in United Kingdom, however there are also 28 representation offices in other countries of Europe and Asia.¹⁴⁷ In order to obtain CF qualifications, the candidate must pass three stages of the program. Within the framework of two first stages, (stage I - *Certificate In Corporate Finance*, stage II - *Diploma In Corporate Finance*) there are two exams in each stage, covering a very comprehensive scope of material. At the third stage, the candidate must demonstrate meeting following conditions:

- three years experience in enterprise finance,
- employment in the field of enterprise finance at the time of applying for CF qualification.

Below, most popular qualifications in scope of audit shall be discussed, with particular emphasis on those, which grant the rights to practice to internal auditors in PFSE (conditions, which auditors in PFSE must meet were discussed in pt. 2.3.5.).

One of the basic certificates in this group is one that is recognized by companies worldwide, namely **CIA (Certified Internal Auditor)**, awarded by IIA (Institute of Internal Auditors). Since 1 October 2013, the exam will comprise three parts (previously there were four): 1) Internal Audit Basics, 2) Internal Audit Practice, 3) Internal Audit Knowledge Elements. Exam may be taken in Polish and each part consists of over 100 test questions. Requirements for receiving a CIA certificate, besides passing the exam, include: 1) completed tertiary studies, with at least a BA diploma, 2) at least 2 years work experience in internal audit or equivalent, 3) references, certifying the candidate's professional and moral attitude, 4) the candidate's commitment to observe the Code of Ethics. After receiving the certificate, there is a requirement of continued professional development in form of undergoing, documenting and notifying 40 hours of professional development (e.g. training) per year.

Second certificate - **CGAP (Certified Government Auditing Professional)** is a specialized certificate for auditors employed in the public sector. Candidates applying for this certificate must pass the CGAP exam, have tertiary education, and at least two years work experience in public sector internal audit, as well as references confirming appropriate professional and moral attitude. The exam verifies the candidate's knowledge in scope of unique features of internal audit in public sector and is composed of 4 domains: 1) Standards, corporate governance, basics of risk/control, 2) Audit practices in the public sector, 3) Skills and

¹⁴⁷ <http://www.karierawfinansach.pl/w-branzy/artykul/cf-kwalifikacja-kursy-zakres-wiedzy-exam-perspektywy> (accessed on 26.08.2013)

techniques of audit in public sector, 4) Control environment in public sector. Exam is in test format.

Qualification **CISA (Certified Information Systems Auditor)** is an international qualification in scope of IT audit. According to Polish law, CISA does give rights to conduct audits of IT projects¹⁴⁸ and practice the profession of internal auditor in public finance sector. The certificate is awarded by ISACA – and association of over 100 000 IT specialists from over 180 countries. Candidates are required to have five years professional experience in scope of IT audit or security (in some cases the requirement may be reduced to 4 years) and to pass an exam. The exam is in test format and covers five groups of issues: 1) *The Process of Auditing Information Systems*, 2) *Governance and Management of IT*, 3) *Information Systems Acquisition, Development and Implementation*, 4) *Information Systems Operations, Maintenance and Support*, 5) *Protection of Information Assets*. The candidate may take the exam without having met the requirements in scope of professional experience. However, the requirement has to be fulfilled within 5 years from taking the exam.

Holders of CISA certificate, in order to maintain it, are required to meet the requirements of continuous professional development (CPE) policy and pay annual membership fees to ISACA.

CFE (Certified Fraud Examiner) is an international qualification in scope of preventing and detecting fraud and economic felonies, awarded by ACFE (*Association of Certified Fraud Examiners*). Requirements of eligibility for the qualification include: membership in ACFE, tertiary education, submitting three letters of recommendation in English to ACFE home office, as well as passing the certification exam (via computer). Exam is divided into 4 sections: 1) Ethics and criminology, 2) Financial operations, 3) Investigation of fraud cases, 4) Legal aspects of fraud and corruption. In order to maintain the CFE qualification, the holder must participate in a continuous professional development program (CPE) by participating in workshops and training, or didactic activity/research, as well as observe the Code of Professional Ethics of CFE.

Another international qualification in scope of internal audit is **CCSA (The Certification in Control Self-Assessment)**. CCSA confirms that the candidate has the knowledge required in the audit profession, namely self-assessment of control. The qualification is awarded – similarly to CIA – by IIA. In order to receive a CCSA certificate, the candidate must have tertiary education, at least one year of professional experience in audit, risk management, environmental audit or quality assurance and pass a relevant exam, organized by IIA (it may be taken also in Poland).

CFSA (The Certified Financial Services Auditor) is the only international qualification for auditors specializing in financial services sector (certificate is issued by IIA). Persons applying for CFSA certificate must have at least a BA, two years professional experience in internal

¹⁴⁸ Ordinance of the Minister of Interior and Administration of 10.09.2010 on list of certificates resulting in right to control IT related projects and IT systems (Journal of Laws of 2010, item 1195)

audit in financial sector, provide references confirming appropriate moral attitude and pass the CFSA exam. The exam consists of two parts (first – covering knowledge in scope of three sectors of financial services: banking, insurance, and securities trading, second – when the candidate chooses one of the above sectors to specialize in). The exam may be taken in English, Chinese, Spanish, Portuguese and Italian. In order to maintain CFSA certificate, the certificate holder must participate in Continuous Professional Education program (CPE).

CRMA (Certification in Risk Management Assurance) is intended for internal auditors and risk management specialists (it has been possible to take the exam in Poland only since 1.07.2013). Certification is issued by IIA. Requirements for receiving certification include also passing the first part of the CIA exam, tertiary education and at least two years experience in audit, risk management or other related area.

Besides the qualifications already discussed, one more title is worth mentioning, namely that of **CFA (Chartered Financial Analyst)**. Although it is not directly related to audit, it nonetheless confirms high professional qualifications in scope of investment management. Still, since according to provisions of AoPF, in Poland it grants the right to practice the profession of internal auditor in PFSE, it is discussed in this group of certificates. CFA title enjoys high prestige, and as result, every reputable financial institution in Poland already employs persons holding CFA title. In order to be able to use the CFA title, the candidate must: pass a three stage exam, have a minimum of 4 years professional experience (related to the process of making investment decisions), become a member of CFA *Institute* as well as of local branch of the organization (e.g. CFA *Society of Poland*), pay annual membership fees, and submit an annual statement on observing the ethical principles.¹⁴⁹ Subject scope of CFA program is based on a document entitled *Body of Knowledge*¹⁵⁰.

A few general conclusions with respect to popularity of particular professional qualifications in the area of audit can be drawn from the survey *Audyt wewnętrzny w polskich spółkach (edycja 2012) [Internal Audit in Polish companies (2012 edition)]* conducted by Grant Thornton in the period December 2011 – February 2012 on group of 29 companies, 25 of which had audit units¹⁵¹. Besides various organizational and practical aspects of operation of internal audit, competences of auditors were included in the survey.

Among the surveyed companies, 48% has employed 1-3 persons in their internal audit units, 20% employed 4-6 persons, further 12% 7-10 persons and 20% above 10 persons. Among audit units employees, 26% had certified qualifications, and 74% - no confirmed

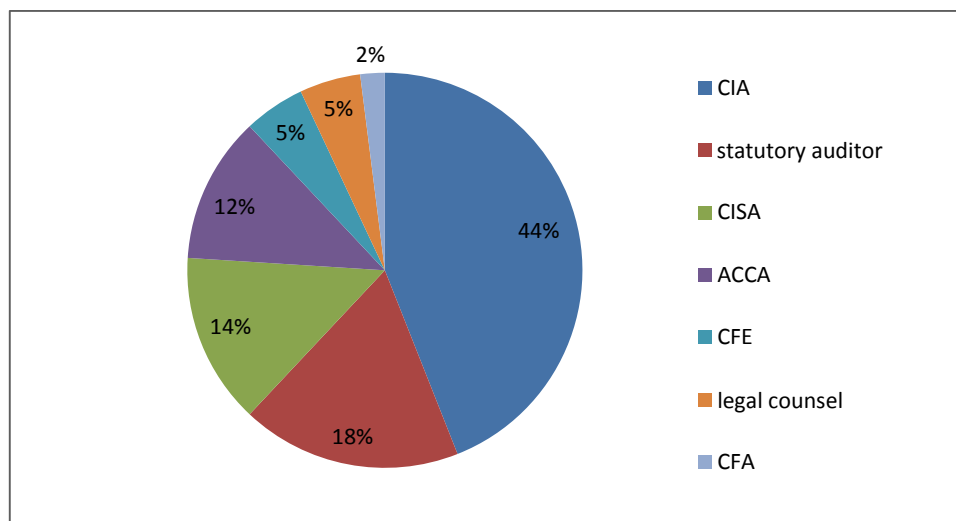
¹⁴⁹ http://www.cfa.com.pl/www/6,cfa_program.html (accessed on 30.08.2013)

¹⁵⁰ Document prepared by a group of experts from various countries of the world and regularly updated (every 5 years), so as to reflect the development of financial science, <http://www.cfainstitute.org/programs/cfaprogram/courseofstudy/Pages/cbok.aspx> (accessed on 30.08.2013)

¹⁵¹ http://grantthornton.pl/sites/default/files/raporty/Grant%20Thornton_Audyt_wewnetrzny_w_polskich_spolkach_edycja%202012.pdf (accessed on 4.09.2013)

qualifications. Graph 3.16 below presents the structure of qualifications of those auditors in surveyed units who had confirmed qualifications, by type of certificate or other designations of right to practice the profession.

Graph 3.16. Qualifications of employees with confirmed audit certification¹⁵²



As above data shows, the qualification which is most popular among the auditors of surveyed entities is CIA certificate, issued by Institute of Internal Auditors (44%). Among persons certified to conduct audits, there is also a high share of: statutory auditors (18% of auditors in surveyed companies), CISA certificate holders (14%) and ACCA qualifications (12%). However, survey included too small a number of entities to draw any general conclusions based on it.

3.5. Conclusions

Based on GUS data, we can pinpoint exactly the number of persons who attended secondary schools in economics-administration sub-group majors, and graduated. However, knowing those figures in no way translates into information how many persons who graduated formal education with the title of e.g. accounting technician have actually taken jobs in this profession. The pretty much only option is to find out, from reports of Voivodship Labor Offices for the region or MLSP national reports on shortage and surplus professions, how many people, registered in that period with labor Offices as unemployed and what was the demand of for “basic” professions from the enterprises¹⁵³.

¹⁵² Source: *Audyt wewnętrzny w polskich spółkach, wyniki badań – edycja 2012* (Internal Audit in Polish Companies: Research Findings – 2012 Edition), Grant Thornton, p. 19.

¹⁵³ <http://www.mpips.gov.pl/analizy-i-raporty/raporty-sprawozdania/rynek-pracy/zawody-deficytowe-i-nadwyzkowe/> (accessed on 01.09.2013)

Situation is similar in case of graduates of tertiary school majors in economics and administration. It is possible, based on data from GUS and MSaHE, to learn the exact number of graduates of e.g. finance and accounting major, but this information only shows the potential participants of A&A market; there is no information on what actually happened to them. Also in case of graduates of tertiary schools, it is possible to find out, based on reports of Voivodship Labor Offices, how many of them registered with Labor Offices as unemployed and how long they remained registered.

Moreover, based on GUS and MSaHE data, it is possible to obtain information on interest in specific majors and academic centers.

From Reports of State Accreditation Committee information one can find out that quality of education on economic majors has improved over the past three terms of SAC. Quality is better in public schools as compared to private schools. Moreover, in opinion of SAC, finance and accounting major had strong identity, both in terms of academic specializations of academic teachers constituting the staffing minimum, and teaching standards.

Analysis of data pertaining to graduates on various stages of education shows, that women choose economic majors and education in A&A professions much more often than men.

In education of accountants a growing role is visible of various non-formal forms of education. From year to year the selection of training courses offered by various training companies/institutions is growing, and so does the number of participants. It should be mentioned, that an important role was (and still is) played by EU funds, in particular HC OP (Human Capital Operating Programme), from which various training courses are financed for various groups of beneficiaries in the area of accounting and finance. However, also the courses preparing candidates for certification, offered on commercial basis, enjoy stable interest, as confirmed by numbers quoted in sub-section 3.4.

From the perspective of competitiveness of Polish economy and level of competence of finance and accounting professionals, it is important that there is an increase in interest in certification confirming highest professional competences, including SKwP (especially III and IV level), ACCA, CIMA and post-graduate courses in finance and accounting. Non-formal education proposal is also enriched by training/courses/post-graduate studies in scope of International Financial Reporting Standards as well as financial management and management accounting as well as audit. This is probably to a large extent connected with the general situation in the economy – the crisis has forced changes in perception of the role of finance. According to data from Marks Sattin recruitment company, percentage of CEOs of companies from FTSE 100 index (a hundred biggest companies listed on London Stock Exchange), with experience in finance or accounting has increased twofold, from 24% in mid-1990s to 58% now.¹⁵⁴

¹⁵⁴ <http://pl.cfosummit.pl/PUBLIKACJE/Gdy-finansowy-zostaje-prezesem> (accessed on 05.10.2013)

In connection with the above, requirements with respect to accountants are changing as well. Excellent knowledge of accounting principles and provisions of the tax law are no longer sufficient skills necessary for practicing the profession properly. They are expected, and thus the education system is expected in the first place, to be able to take a comprehensive approach to all aspects of the enterprise's operation, select the most important information (from among abundant data coming from inside company and from its environment), scenario based (multiple options) forecasting of development of the situation and flexible adjustment to the changes. Accountant/financial director can no longer be a "hermit", but must be a manager able to select a team of employees and manage it appropriately. Successful implementation of such tasks requires being "armed" not only with professional knowledge but also the so-called "soft" managerial skills.

It should be emphasized, that in Polish market for A&A joint initiatives of various entities are increasingly visible. ACCA, KIBR, SKwP and CIMA all enter into dialogue with tertiary schools, which prepare education paths that enable graduates (usually after a relevant accreditation procedure) to get a pass for certain specified elements of qualification. Activities of this type seem to be beneficial for all parties involved in the education process, i.e. both to the associations (which gain new members this way) and tertiary schools (which increase attractiveness of their teaching proposal, attracting new students and mobilizing the teachers to modernize teaching programs and methods), as well as to students (who can obtain additional qualifications at no cost, while at the same time stimulating their willingness to develop their knowledge and interest in the area of A&A).

However, it should be emphasized, that as practice shows, it's not always the case that the employee of finance and accounting department has relevant professional education background (either formal or non-formal). It is possible to become an accountant by way of self-improvement and gaining practical skills. Such informal education, as observation shows, is a frequent phenomenon in A&A area. Nonetheless, usually a person who starts working in accounting without relevant educational background sooner or later makes the effort to graduate from relevant training course or a post-graduate program. Scale of this phenomenon was, however, not studied (there are no relevant statistics in that area).

4. LABOR MARKET FOR A&A PROFESSIONS

4.1. Quantitative analysis of entities that provide accounting services

This sub-section contains quantitative analysis of companies that offer accounting and book-keeping services – these companies are the basic work place for finance and accounting professionals. However, since accounting departments/units/positions can be found in entities regardless of their classification (Polish Classification of Activities/PKD code), sub-section 4.2. contains the analysis of employment in the breakdown according to professions in the entire economy. The analysis is based on the data derived from Poland's Central Statistical Office (GUS) and it only pertains to medium-sized and large companies, which is why in sub-section 4.3. the authors attempt to supplement the employment information with the data pertaining to the SMEs (which either have in-house finance and accounting staff, or outsource such services with accounting firms, which is quite a common practice.)

As prescribed in the *Regulation of the Council of Ministers of December 24, 2007, on the Code List of Classification of Business Activities in Poland (PKD¹⁵⁵) (Journal of Laws, 2007, no 251, item 1885, as amended)*, the code assigned to the provision of A&A services is 69.20.Z – 'Accounting and Book-keeping Activity; Tax Advisory Services', under Section M: 'Professional, Scientific and Technical Activities'.

This sub-class includes the following items:

- Accounting of all types of business transactions, as commissioned,
- Preparing financial statements and balance sheets,
- Control and verification of correctness of financial statements and balance sheets (performed by certified accountants/statutory auditors),
- Drafting income records for individuals and partnerships/companies for tax purposes,
- Provision of tax advisory services and representing the clients before tax authorities.

¹⁵⁵ PKD 2007 has been developed on the basis of NACE Rev. 2 statistical classification of business activities, introduced in the *Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Rev. 2 and amending Council regulation (EEC) No 3037/90*, as well as certain EC Regulations on specific statistical domains (EU Official Journal L 393/1 of 30.12.2006). In consequence of the above, PKD 2007 is fully cohesive with and comparative to NACE Rev. 2 classification in terms of its methodology, concepts, scope and codes. This classification is a commonly agreed, hierarchically organized division of categories of socio-economic activity carried out by business entities.

It does not include:

- Data processing, classified under 63.11.Z,
- Management consulting, e.g. in scope of managing accounting systems or expense control procedures, classified under 70.22.Z,
- Collection of receivables, classified under 82.91.Z.

PKD 2007 has been developed on the basis of NACE Rev. 2 statistical classification of business activities, introduced in the *Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Rev. 2 and amending Council regulation (EEC) No 3037/90*, as well as certain EC Regulations on specific statistical domains (EU Official Journal L 393/1 of 30.12.2006.) In consequence of the above, PKD 2007 is fully cohesive with and comparative to NACE Rev. 2 classification in terms of its methodology, concepts, scope and codes. This classification is a commonly agreed, hierarchically organized division of categories of socio-economic activity carried out by business entities.

The data published by GUS has its source in the official state register of entities in the national economy, referred to as REGON and administered by the President of GUS pursuant to the *Act on Public Statistics of 29.06.1995 (Journal of Laws, 2012, item 591, as amended)* and the *Regulation of the Council of Ministers of 27.07.1999 on the procedure and methodology of keeping and updating the register of entities of national economy, including the templates of applications, questionnaires and certificates, and on the special conditions and procedure of cooperation between the services of official statistics and other bodies keeping official registers and public administration information systems (Journal of Laws No 69, item 763, as amended)*. In light of these provisions, REGON registration is mandatory for legal persons, organizational units without legal personality, and natural persons involved in economic activity, as well as local units of the entities listed above.

REGON register is developed on the basis of information submitted by entities. In accordance with relevant regulations, the entities must get registered upon their establishment or start-up of their activity; the entities are also required to notify the register about any changes in the parameters subject to registration, or to get deleted from the register.

The data concerning the number of entities is presented in tables in the breakdown into sections and divisions of PKD Polish Classification of Activities, and according to voivodship regions and sub-regions.

According to REGON register, as of July 31, 2013, there were 88 305 entities operating under classification number 69, representing 2.2% of all the entities in the national economy –

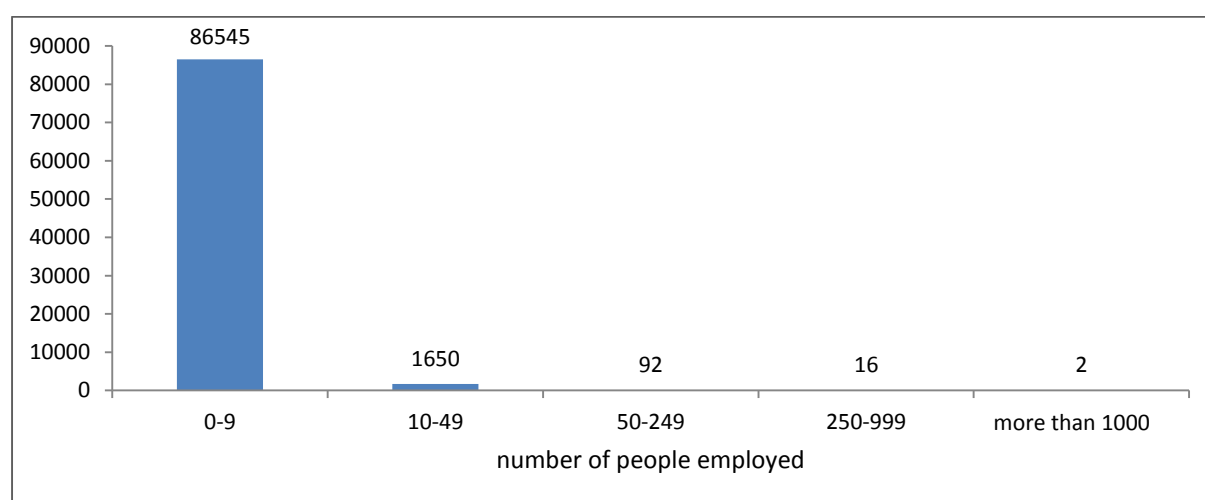
without natural persons who conduct individual agricultural activity¹⁵⁶. One cannot separate further the statistics concerning 69.20Z activity because reporting is done across PKD divisions¹⁵⁷, i.e. in one and the same group which legal services (without courts.) The share of law firms (code 69.10) in section 69 is quite significant (as of March 31, almost 45%), which is why any conclusions concerning the market of A&A services drawn on the basis of aggregated data can be seriously flawed.

Nevertheless, comparative analysis of quantitative data for code 69.10 and 69.20 does point at the similarities in the profiles of these two categories of business activity (employment, legal form.)

Below the reader can find a review of statistics on entities registered under PKD code 69.

Graph 4.1 presents a quantitative illustration of entities registered under code 69 as of July 31, 2013, in the breakdown into the planned number of people employed. More than 98% of firms offering A&A and law services hire up to 9 employees, and less than 1.87% of firms hire between 10 and 49 employees. Slightly more than 1% of firms employ 50-249 people (92 entities), and less than 0.2% (16 firms) employ more than 250 but less than 1000 people. Only two entities (0.002%) employ more than 1000 people.

Graph 4.1. Number of entities registered under code 69 as of 31.07.2013 according to the population of people employed¹⁵⁸



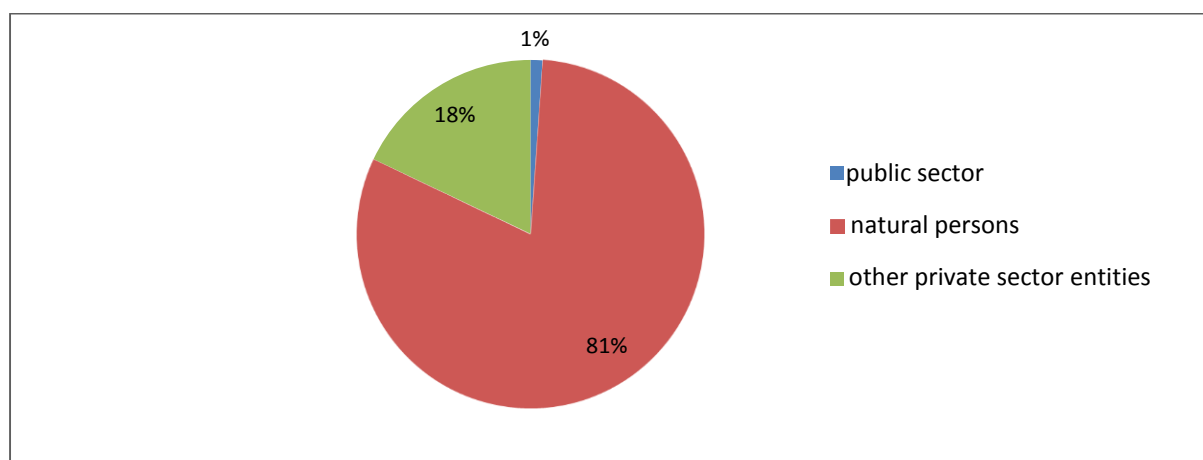
¹⁵⁶ http://www.stat.gov.pl/bip/389_5685_PLK_HTML.htm (as available on 21.08.2013)

¹⁵⁷ I.e., a double-digit code dividing the entire pool into 88 categories of activity, made up of actions according to key attributes that impact the determination of the degree of similarity and the analysis of links in the national economy (e.g. in the input-output tables)

¹⁵⁸ Source: Authors' calculation based on: http://www.stat.gov.pl/bip/389_5685_PLK_HTML.htm, (as available on 21.08.2013)

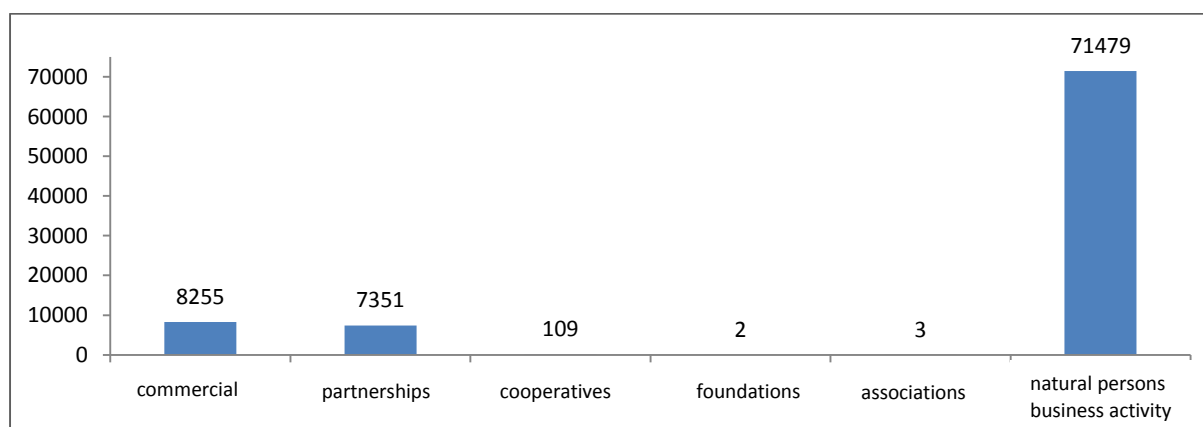
Prevalence of small firms (in terms of staffing numbers) is conspicuous regardless of the sector (public versus private), but in the private sector as much as 98.29% of firms plan employment within the range up to 10 people, and in the public sector this percentage is 72.64% (in this sector there is a relatively large share of firms – 25.13% – within staffing range of 10-249 people.) Yet, it is important to note the predominance of private sector in this field of business activity (98.88%) – Graph 4.2. Only 987 entities belong to the public sector, and the remaining 87 318 firms operate in the private sector (of which 71 479 are natural persons, and 15 839 are other private sector entities.)

Graph 4.2. Percentage share of public vs. private sector firms (natural persons included) offering A&A and law services¹⁵⁹



Graph 4.3. presents firms offering A&A and law services in the breakdown according to their legal form (number of entities.) Next, Graph 4.4 presents percentage share of each legal form of business.

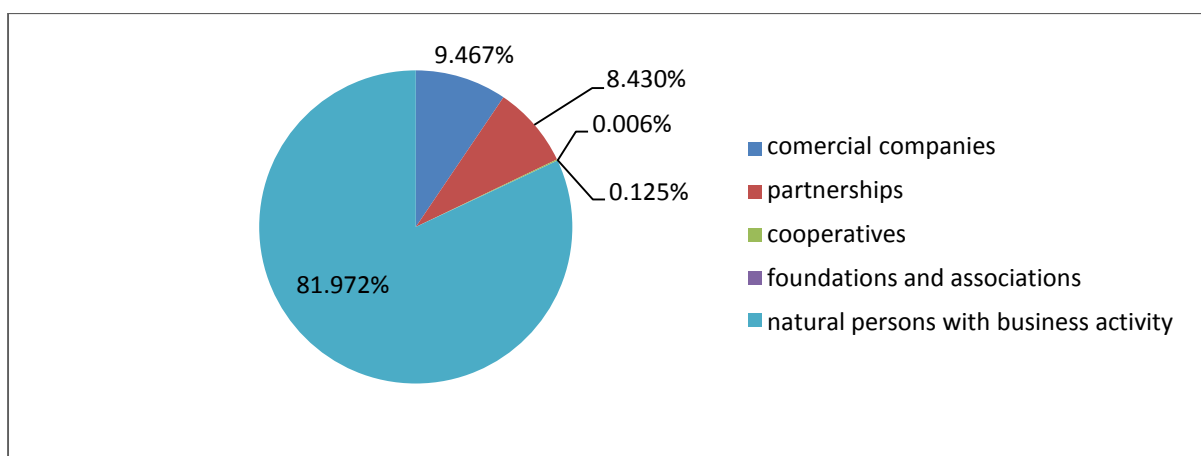
Graph 4.3. Number of entities registered under code 69 as of 31.07.2013 in the breakdown according to the legal form of business¹⁶⁰



¹⁵⁹ *ibid.*

¹⁶⁰ *ibid.*

Graph 4.4. Percentage share of each legal form of business for entities registered under code 69 as of 31.07.2013¹⁶¹



Sole proprietorship is the most common legal form among firms offering A&A and law services (almost 82%), followed by partnerships/companies (18%); almost half of those are partnerships.

As for the type of capital involved in commercial companies classified under code 69, companies owned by domestic capital are predominant (almost 98%), the share of foreign capital companies is almost 3% (for the entire economy, the share of foreign capital companies, as of the same date, i.e. 31.12. 2012, is more than 21%) – Table 4.1.

Table 4.1. Commercial companies classified under PKD 69 according to the type of capital – status as of 31.12.2012¹⁶²

Category		Number of firms	Share
State Treasury		1	0.01%
State legal persons	Total	16	0.21%
	Of which those with homogeneous activity	4	0.05%
Private domestic	Total	7 594	97.66%
	Of which those with homogeneous activity	7023	90.32%
Foreign	Total	373	4.80%
	Of which those with homogeneous activity	175	2.25%
Grand total		7776	100.00%

¹⁶¹ *Ibid.*

¹⁶² Source: *Zmiany strukturalne grup podmiotów gospodarki narodowej w rejestrze Regon, 2012 r., Informacje i opracowania statystyczne [Structural changes in the groups of national economy entities listed in REGON register, 2012, Statistical Information and Studies]*, GUS, Warsaw 2013, p. 157 and 165.

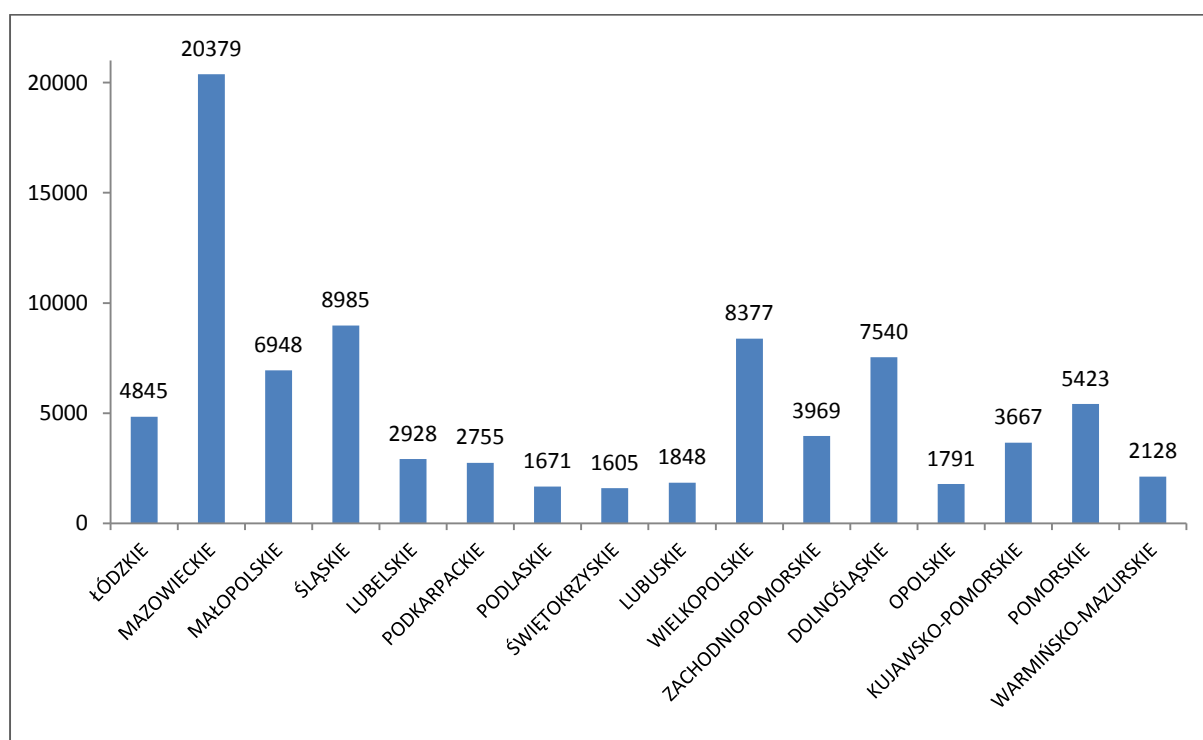
On the basis of the data available from GUS website one can analyze the firms coded under 69 that were registered and unregistered during a given month of the calendar year (this, however, falls beyond the scope of the study.)

To sum up, the market of A&A and law services is dominated by small entities (staffing up to 10 people – 98%) operating in the legal form of sole proprietorship or partnership of natural persons (90.4%).

As far as geographical distribution is concerned (according to the voivodships in which the firms coded under 69.20Z operate), such a breakdown is not available from the statistics. Indeed, it is possible to see that attribute for the entire section 69, together with law services (provided by notaries, defense attorneys, legal counsels, mediators, court bailiffs, patent attorneys [courts excluded]).

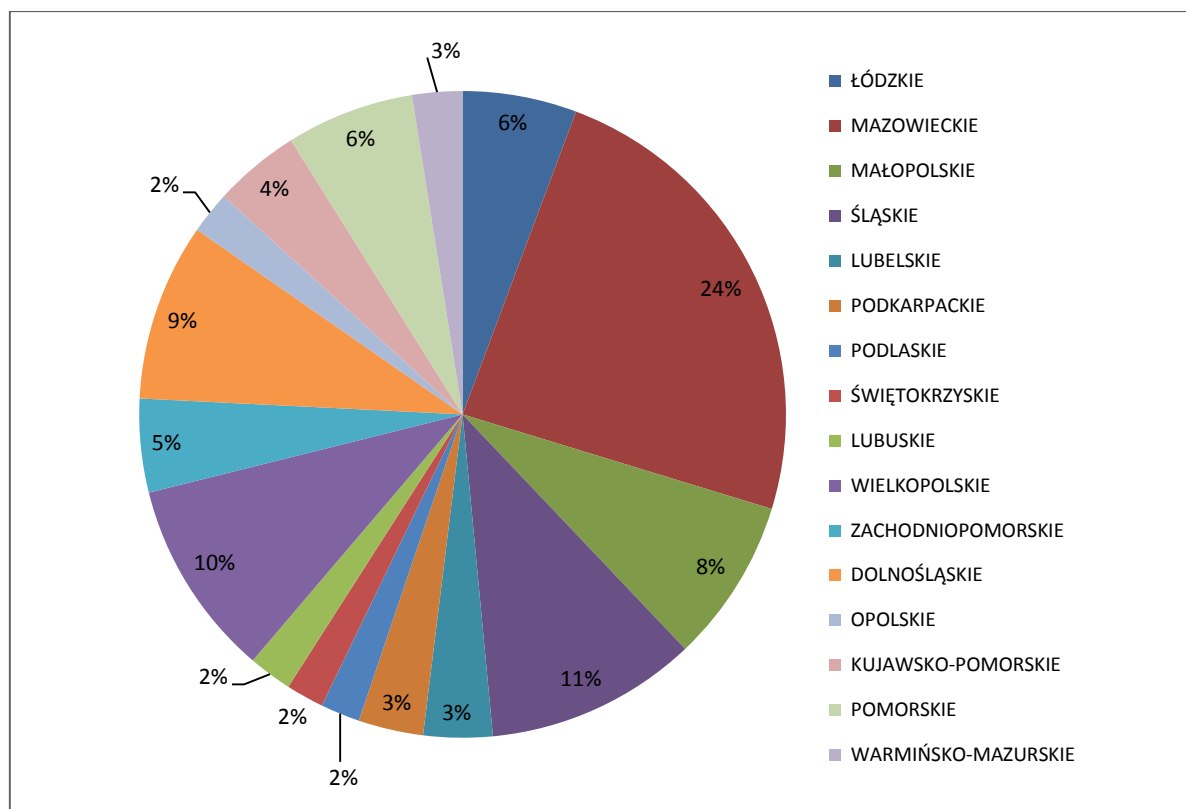
Quantitative distribution of code 69 entities in the breakdown according to voivodships is presented in Graph 4.5, and their percentage share is presented in Graph 4.6.

Graph 4.5. Number of entities registered under code 69 (law, accounting & book-keeping and tax advisory services) as of 31.12.2012, by voivodship¹⁶³



¹⁶³ Source: Authors' calculation based on: http://www.stat.gov.pl/bdl/app/dane_podgrup.dims?p_id=722038&p_token=0.716611337472214 (as available on 21.08.2013)

Graph 4.6. Percentage of entities registered under code 69 (law, accounting & book-keeping and tax advisory services) as of 31.12.2012, in each voivodship¹⁶⁴



Majority of firms offering services coded under 69 operate in Mazowieckie Voivodship (24%), followed by Śląskie (11%) and Wielkopolskie Voivodships (10%).

Rynkometr website contains a database for activity coded as 69.20. *Rynkometr.pl* aggregates the information coming from various sources and presents it in a user-friendly manner for each of 1 650 sub-groups aligned with 2007 Polish Classification of Activities and for the entire economy. In the current version of the website quarterly statistics are available (starting from December 31, 2009), derived from the Central Statistical Office REGON official register of entities operating in the national economy, together with some information from financial statements of 12 297 largest entities, published in *Monitor Polski 'B'* official gazette, in the breakdown according to industry groups based on the key activity code reported in REGON register.¹⁶⁵

This information is divided into seven sections:

- Number of entities – graphs illustrating the number of all business entities and key entities operating in the industry,

¹⁶⁴ *Ibid.*

¹⁶⁵ <http://www.rynkometr.pl/inne/o-serwisie> (as available on 26.08.2013)

- Location – maps presenting geographical location of headquarters of entities operating in the industry,
- Legal forms – graphs reflecting the most common types of legal structure for entities the operating in the industry,
- Ownership structure – graphs illustrating the share of each investor group (private vs. public, domestic vs. foreign) in the industry,
- Staffing numbers – data on the number of entities from the industry divided into four groups according to the number of employees,
- Financial data – section sub-divided into three smaller sub-sections:
 - o Composite financial data – aggregated key economic values and averaged financial indicators for key entities from the industry,
 - o Share of industry sub-groups and PKD sub-categories – share of the largest groups of 2007 Polish Classification of Activities (PKD) from one industry in terms of the total assets, equity, net revenue and positive net result for key entities in the industry,
 - o Quintile plots – graphs illustrating quintile functions of key economic values and financial indicators for the largest entities in the industry;
- Ranking list of firms – graphs presenting estimate market shares and a ranking table with key economic values (total assets, equity, net revenue, net result) as well as financial indicators (ROA, ROE, ROS, DR) for the largest entities in the industry.

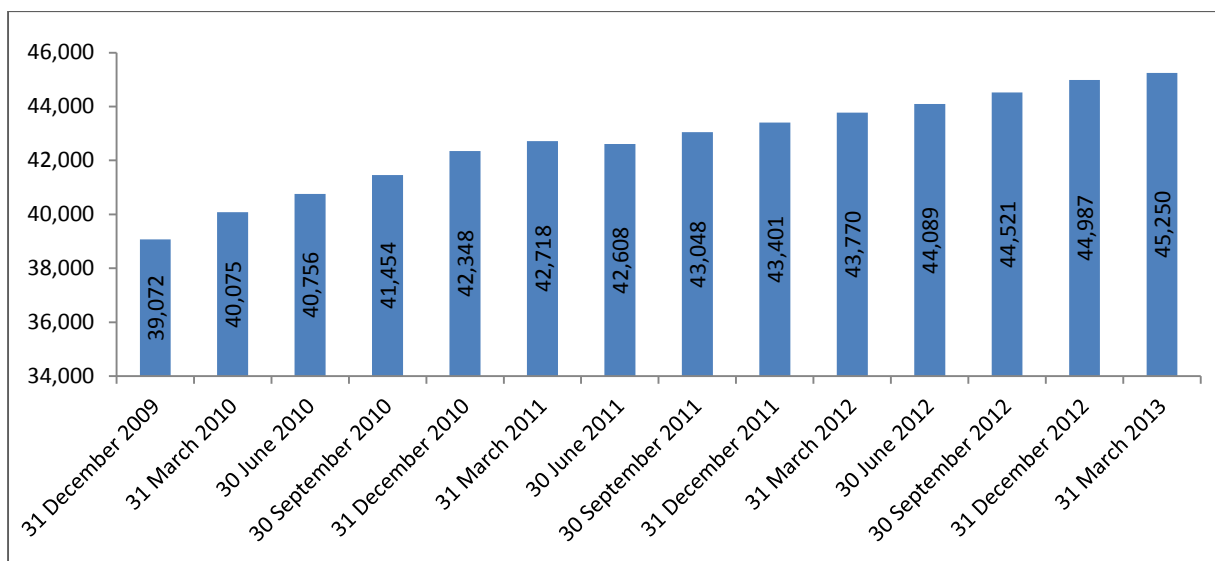
The analysis of the firms on A&A market outlined below is available from <http://www.rynkometr.pl/pkd/69.2>.

As of March 31, 2013, 45 250 active entities from that industry were listed in REGON register, i.e. 3.4% more than a year before. Graph 4.7 presents changes in the number of active entities from the industry as of the end of subsequent quarters for the period between 31 December 2009 and 31 March, 2013.

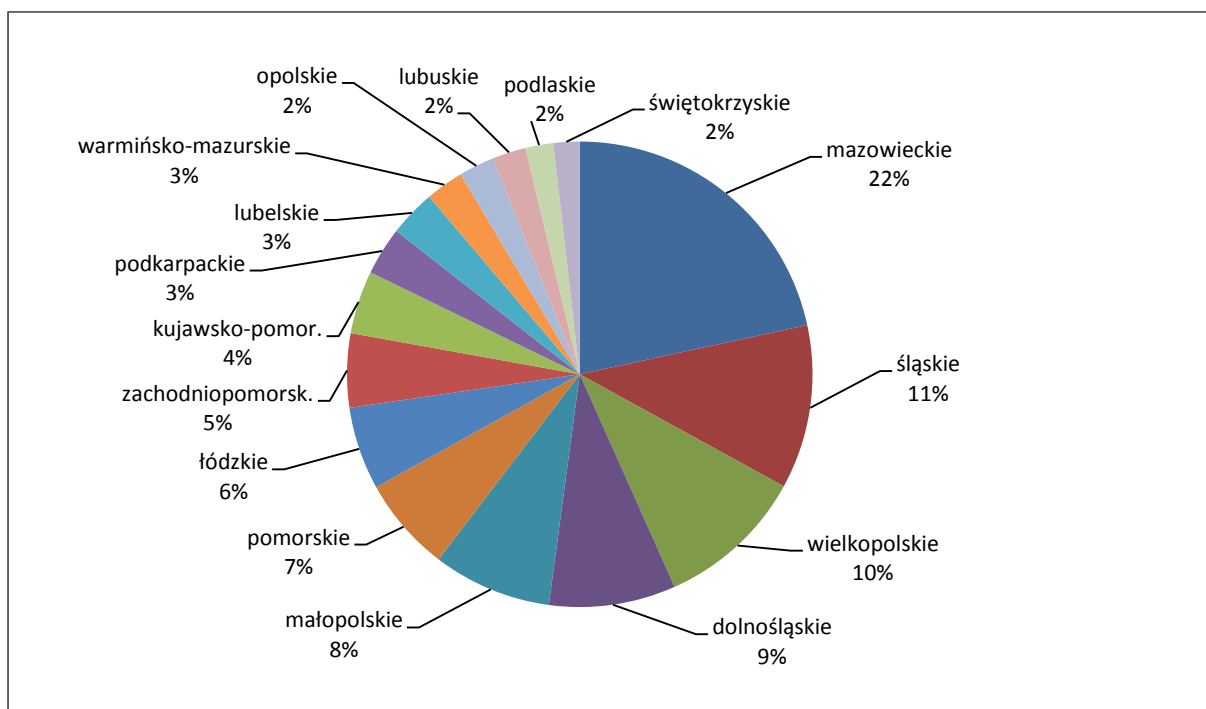
In a quarter ending on 31 March, 2013, active entities operating in the industry, as registered in the REGON, were present in all 16 voivodships – cf. Graph 4.7.

Three administrative regions with the highest number of active entities during that period are as follows: Mazowieckie (21.6% of the total), Śląskie (11.4% of the total), and Wielkopolskie (10.3% of the total.)

Graph 4.7. Number of active entities coded under 69.20 at the end of each quarter for the period of 31.12.2009-31.03.2013¹⁶⁶



Graph 4.8. Number of entities offering A&A services, by voivodship (as of March 31, 2013)¹⁶⁷

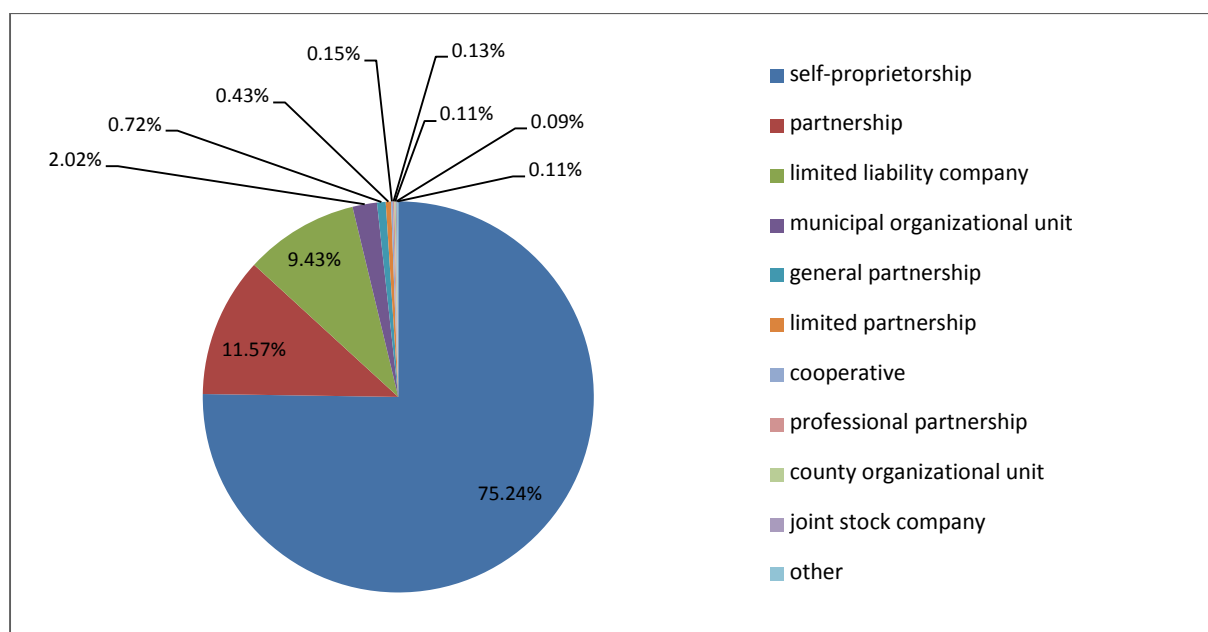


In a quarter ending on 31 March, 2013, active entities from the industry, as registered in the REGON, operated in the form of 19 different types of legal structure – Graph 4.9.

¹⁶⁶ Source: Authors' estimation based on: <http://www.rynkometr.pl/pkd/69.20.Z> (as available on 26.08.2013)

¹⁶⁷ *Ibid.*

Graph 4.9. Entities offering A&A services in the breakdown according to their legal form (as of 31 March, 2013)¹⁶⁸



Three most common legal forms are as follows: self-proprietorship (75.2%, i.e. 34 045 entities), private partnership (11.6%, i.e. 5234 entities), and limited liability company (9.4%, i.e. 4268 entities.) Apart from those, there were: 914 municipal organization units, 325 general partnerships, 196 limited partnerships, 68 cooperatives, 58 professional partnerships, 49 county level government organizational units, 41 joint stock companies, and 52 other legal forms.

In a quarter ending on 31 March 2013, active entities in the industry, as registered in the REGON, operated according to **13** different types of ownership structure – Table 4.2.

Table 4.2. Entities offering A&A services in the breakdown according to their ownership structure (as of 31 March, 2013)¹⁶⁹

Ownership structure	Number of entities	Share
Owned by domestic natural persons	42 796	94.60%
Owned by sub-national government	965	2.10%
Other domestic private ownership	945	2.10%
Foreign ownership	171	0.40%
Mixed ownership in the private sector, with prevalence of domestic natural persons in the ownership structure	159	0.40%

¹⁶⁸ *Ibid.*

¹⁶⁹ Source: Authors' calculation based on: <http://www.rynkometr.pl/pkd/69.20.Z> (as available on 26.08.2013)

Ownership structure	Number of entities	Share
Mixed ownership in the private sector, with prevalence of other domestic private ownership in the ownership structure	104	0.20%
Mixed ownership in the private sector, with prevalence of foreign ownership in the ownership structure	54	0.10%
Mixed ownership in the private sector, with no prevalence of any type of private ownership	43	0.10%
State Treasury ownership	4	0.00%
Mixed ownership across the sectors, with prevalence of the private sector, including with the prevalence of foreign ownership in the ownership structure	3	0.00%
Other	6	0.00%

Three most common types of ownership structure observed during that period are as follows: ownership by domestic natural persons (94.6% entities), sub-national government ownership (2.1% entities), and other domestic private ownership (2.1% entities.)

Active entities from the industry, as registered in the REGON, can be divided into 4 different groups in terms of their staffing numbers – Table 4.3.

Table 4.3. Entities offering A&A services in the breakdown according to the number of people employed (as of 31 March, 2013)¹⁷⁰

Staffing	Number of entities	Share
0 - 9 people employed	44 070	97.40%
10 - 49 people employed	1 096	2.40%
50 - 249 people employed	66	0.10%
More than 250 people employed	18	0.04%

During that period, two largest groups were made up of active entities employing between 0 and 9 people (97.4% entities) and between 10 and 49 people (2.4% entities.)

Before we draw any conclusions from the data above it is important to note that the entities coded under 69.20Z include both the entities offering book-keeping and accounting services (accountancy firms), and the entities offering tax advisory and financial statement audit services. GUS statistics do not allow for separation of these three types of A&A services from

¹⁷⁰ *Ibid.*

one another, and they do not show which entities combine any of these functions (e.g. offering audit and tax advisory services and/or book-keeping/accounting services.)

4.2. Employment analysis in the breakdown according to occupational groups in light of Central Statistical Office (GUS) data

Quite a lot of information about the quantity and quality of people working on the market of accounting services can be obtained on the Internet and from accountancy organizations and associations. However, all these specifications present but a fragment of the entire picture. They are approximate and incomplete, generally speaking. Among many different studies carried out by GUS in the field of the labor market, there is a study focused on the structure of compensation (wages) by profession, dated October 2010.¹⁷¹ It is a representative survey carried out every two years in firms that employ more than nine people, i.e. in medium-sized and large enterprises. This particular study is quite informative as far as the number, educational attainments and place of employment of the population of people involved in broadly defined accounting services are concerned.

In October 2010 the study included 688.4 thousand people employed in the national economy. It included full- as well as part-time employees who have worked for a full month. After generalization of research findings and extrapolation to all the entities in the national economy that employ more than nine people, the population of about 8.0 million was obtained. Extrapolation has shown that, approximately, 40.2% of people from that population were public sector employees, and 59.8% were private sector employees. In the total population of those employed, almost half (49.9%), i.e. about 3987,6 thousand, were male employees, and the share of female employees amounted to about 50.1% of the population, i.e. about 3998,5 thousand women. In the public sector female employees had a greater share (64.4%), and in the private sector male employees outnumbered female ones (59.5%).

In the entire universe of people employed the most populous 'large' group of occupations was made up of specialists – 2136.2 thousand people. One out of three women and one out of six men belonged to this large occupational group. The group was definitely prevalent among women (36.0% of the entire population of women in employment.) In fact, the group of 'specialists' comprises typically 'female' professions: such 'medium-level' occupational categories as midwives, nurses and laboratory diagnosticians.

¹⁷¹ At the point of publication of the Report GUS study is available, entitled: „Struktura wynagrodzeń według zawodów w październiku 2012 r.” [‘Compensation structure by occupation in October 2012’], http://www.stat.gov.pl/cps/rde/xbcr/gus/pw_struktura_wynagr_wg_zawodow_10_2012.pdf.

According to GUS research findings, there are discrepancies in occupational structure of employees between the public and the private sector. The fundamental difference can be observed in the proportion between 'high level' employees, i.e. those holding managerial and specialist positions ('large' occupational groups no 1 and 2) on the one hand, and 'medium and low level' employees, i.e. technicians, people working in the service sector, and those doing simple work ('large' occupational groups no 3 + 9.) In the private sector, there are 4 employees classified as technical staff per 1 'high level' employee; whereas in the public sector this proportion is 1:1. GUS explains that this is mostly due to a lower share of specialist group in the private sector vs. the public sector.

Private sector has a substantially higher share of smaller entities in comparison to the public sector. Therefore, one can presume that private firms, also understood as internal organizational units, are managed by specialists in a given field which means that there is less demand for hiring specialists for other positions. This probably explains such a significant discrepancy in occupational structure between public and private sector entities. Statistically speaking, every other employee in the public sector was classified under a 'high level' occupational group (in this sector the 'large' occupational group of specialists dominated), whereas in the private sector one in every five employees is a 'high level' employee (in the private sector a 'large' group of industrial workers and craftsmen was predominant.)

The proportions discussed above are affected by the structure of people in employment hired in the public and private sector in the breakdown according to the type of activity. Most entities operating in the area of science, education, health care and administration belong to the realm of the public sector, and those entities are the ones that employ many specialists.

The following is the analysis of elementary occupational groups, including occupations directly related to the market of accounting services. The number of people working in each profession in elementary groups will not be specified due to excessive burden of a standard error.

Taking into account generalized research findings, one can conclude that in Poland in October 2010 employees hired in the elementary group comprising A&A professions represented 7.7% of all people in employment. These groups, together with the codes, are listed in Table 4.4. In this group, general and executive directors were the most numerous. Financial director was one of twenty other directors and executives. Another equally numerous group of professions is the accountants. This group presents, at the same time, an estimated number of accountants working in companies that employ more than nine people. Of all elementary groups, groups no 1211, 2411, 3313 and 4311 are most indicative for the A&A market, since these elementary groups include professions closely linked to the market of accounting services.

As can be inferred from the data shown in Table 4.4, vast majority of elementary groups listed in the table are dominated by women. This is especially true about such groups as

‘accountants’, where women account for 94.6%. By the same token, women (93.2%) definitely outnumber men in the elementary group labelled as ‘accounting and book-keeping employees’. This group includes people working as accounting assistants, accounting clerks, or accounting technicians. The third elementary group with high prevalence of female over male employees is the group labelled as ‘financial managers’. This group is comprised of employees working as chief accountants, managers of accountancy firms, or financial department managers. According to GUS research findings, women occupy 90% of mid-level managerial positions in the field of book-keeping services. The group of book-keeping and accounting specialists has an equally high share of female employees. Women represent 84.5% of all employees in that group. To put it in different words, statistically speaking, every fifth book-keeping and accounting specialist is male. The only group where men outnumber women is group no 1120 – general and executive directors, and no 1349 – managers in service institutions. This can probably be explained by several reasons, starting from the positions themselves: in the group of ‘managers in service institutions’, for example, one can find such jobs as a director of detention center, prison director, juvenile reformatory facility director, the head of security agency, etc., i.e. jobs that are typically male professions and have been dominated by men. As far as the market of book-keeping and accounting services is concerned, this group includes audit firm managers, and people who hold this position are most closely linked to the market of book-keeping and accounting services. One in every four women is employed in group 1120.

Table 4.4. Structure of people employed according to ‘elementary’ occupational groups, in October 2010¹⁷²

Code	Occupation	Total number of people employed	%	% people employed in the public sector	Men	Women	% of women in the total number of people employed
1120	General and Executive Director	131421	21.3 %	17.6%	97978	33443	25.4%
112006	Financial Director	10719	-	-	5581	5138	47.9%
1211	Financial Manager	65577	10.6 %	48.8%	6576	59001	90.0%
121101	Chief Accountant	54200	-	-	4189	50001	92.3%

¹⁷² Source: Authors’ calculations based on GUS data from the study entitled: *Struktura wynagrodzeń według zawodów w październiku 2010* [‘Compensation structure by occupation in October 2012’].

Code	Occupation	Total number of people employed	%	% people employed in the public sector	Men	Women	% of women in the total number of people employed
121102	Accountancy Firm Manager	217	-	-	86	131	60.4%
121103	Financial Department Manager	11160	-	-	2301	8859	79.4%
1349	Manager in service institution	6906	1.1%	48.3%	4262	2644	38.3%
2411	Book-keeping and Accounting Specialist	37841	6.1%	43.2%	5761	32080	84.8%
241102	Controlling Specialist	8105	-	-	2865	5240	64.7%
241103	Accounting Specialist	25111	-	-	1971	23140	92.2%
241104	Investment Accounting Specialist	611	-	-	316	295	48.3%
241105	Tax Accounting Specialist	2745	-	-	262	2483	90.5%
241106	Management Accounting Specialist	757	-	-	163	594	78.5%
2412	Financial and Investment Advisor	25886	4.2%	18.0%	8358	17528	67.7%
241204	Tax Advisor	1346	-	-	552	794	59.0%
2413	Financial Analyst	82050	13.3 %	26.4%	20205	61845	75.4%
241306	Financial Specialist	20121	-	-	5033	15088	75.0%

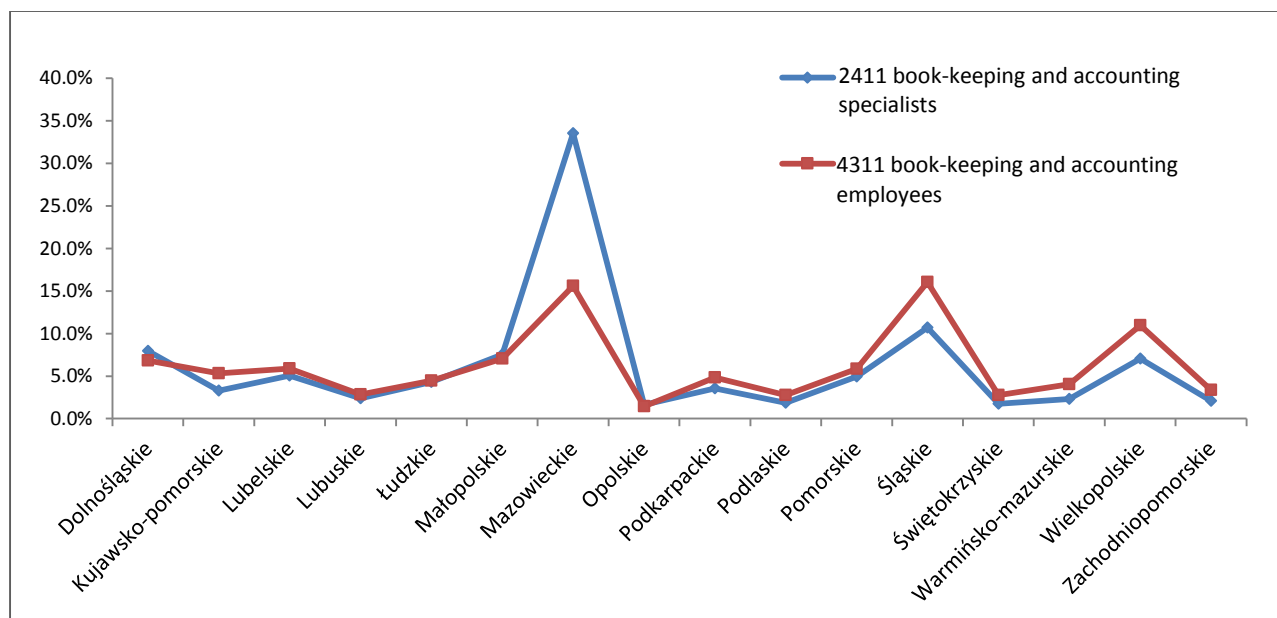
Code	Occupation	Total number of people employed	%	% people employed in the public sector	Men	Women	% of women in the total number of people employed
2422	Administration and Development Specialist	88326	14.3 %	81.8%	33601	54725	62.0%
3313 33130 1	Accountant	112547	18.2 %	30.9%	6047	106500	94.6%
3352	Tax Official	30975	5.0%	99.7%	5784	25191	81.3%
33520 3	Assessor	23832	-	-	4729	19103	80.2%
33529 0	Other Tax Official	4780	-	-	866	3914	81.9%
4311	Accounting and Book-keeping Employee	35348	5.7%	21.2%	2391	32957	93.2%
43110 1	Accounting Assistant	20849	-	-	1282	19567	93.9%
43110 2	Accounting Clerk	11741	-	-	988	10753	91.6%
43110 3	Accounting Technician	2758	-	-	121	2637	95.6%
Total		616877	100%	40%	190963	425914	69.0%

The data summarized in Table 4.4 gives rise to one more conclusion, namely: apart from two elementary groups, majority of the remaining people work in the private sector. In the case of groups such as: 'General and Executive Directors', 'Financial and Investment Advisors', and 'Accounting and Book-keeping Employees', vast majority is employed in the private sector.

As can be inferred from Graph 4.10 (People employed in the national economy in the breakdown according to 16 voivodships), Mazowieckie Voivodship is by far the leader in terms of the number of people employed in the professions from elementary groups included in the analysis. For a more lucid picture, the graph only presents accounting and book-keeping specialists and employees. Yet, the remaining eight elementary groups demonstrate similar tendencies. Most people from these groups work in Mazowieckie, followed directly by Śląskie,

Wielkopolskie and Dolnośląskie. Such employment structure by voivodship is related, first and foremost, to the number of firms operating in a given area.

Graph 4.10. People employed in the national economy in the breakdown according to 16 voivodships¹⁷³



Drawing from the analysis of results of GUS study entitled *Compensation structure by occupation in October 2010*, one can conclude that the highest share of women working as accounting and book-keeping specialists is observed in Zachodniopomorskie (94.3%), and the lowest in Mazowieckie. Of all the groups analyzed, Warmińsko-Mazurskie has the highest share of women employed (93%), and Mazowieckie the lowest.

The following observations can be inferred from the study referred to above:

- Women have a prevalent role in A&A professions. This is particularly true about such elementary groups as financial managers, accounting and book-keeping specialists, accountants, and accounting and book-keeping employees.
- The biggest number of people employed in A&A professions can be found in Mazowieckie, Śląskie, Wielkopolskie, Małopolskie and Dolnośląskie. This is to be expected, given the number of business entities in those regions.
- GUS research into salary structure by occupation, carried out in October 2010, turns out to be most informative as far as the number of people working in A&A professions are concerned. Yet, due to the focus of this study, i.e. the structure of compensation for different professions, and the sampling methodology applicable to people working in

¹⁷³ Source: Authors' calculation based on GUS data.

national economy entities (relevant for the key focus of the study¹⁷⁴), the population of people working in A&A professions is susceptible to serious errors arising from estimation. Another reason underlying the errors in estimating the number of people working in each profession is the fact that in many entities included in the research there is no accounting clerk position, and accounting clerk job is done by a person hired in another capacity – e.g., by an administrative employee. Population working in different professions is less susceptible to error in the so-called large occupational groups. The smaller the group, the greater the estimation error, due to reasons listed above. Additionally, information about people working in A&A professions does not include micro-enterprises, which account for 95.6% in Poland, and more than 44 thousand micro-enterprises report activity coded as 69.20.Z as their core business. At present, there is no information on the number of firms in Poland that offer book-keeping and accounting services (69.20.Z) as a second or third line of operation, or on the population of employees involved in that operation. Such information might become available if GUS had appropriate software developed, in line with the terms described in Section 6.2.

4.3. Impact of the SME sector on labor market for accountants

Significance of the SME sector for A&A market may result from the fact that SMEs create demand and, at the same time, they impact the supply of A&A professions and services.

Demand is created when SMEs:

- Hire accountants as full time employees, part-time employees, or under job performance contracts,
- Are the clients of accountancy firms and, potentially, BPO/SSC firms (they tend to use the services of a statutory auditor less frequently because, in principle, they are not required to meet the audit obligation referred to in Article 64 of the Polish Act on Accounting.)

In contrast, when owners of companies from SME sector decide to deal with financial and accounting duties themselves (including record-keeping required for income tax purposes), they can be compared to accountants. This reduces the demand for ‘external’ accountants and book-keeping/accounting services.

¹⁷⁴ The purpose of the study is to determine the structure and level of monthly and hourly compensation (in gross terms) according to the attributes of natural persons, such as: gender, age, education, tenure (length of work service), profession performed; as well as the features of companies for which these individuals work, such as: type of activity, ownership sector, company size.

Finally, when considering the impact of the SME sector on supply on A&A market one must not ignore the firms offering services coded as 69.20.Z in 2007 Polish Classification of Activities, as mentioned in statistical terms in sub-section 4.1. This category includes, *inter alia*, accountancy firms and outsourcing centers, which are separately discussed in greater detail in this report. The following analysis of demand for and supply of A&A services pertains basically to those SMEs for which this activity does not fall within objects of the company (as per the Articles.)

For proper interpretation of GUS data concerning SME sector it is worthwhile to note the definition of a small (micro- included) and medium-sized enterprise applicable in public statistics, and compare it to the provisions of the Act on Freedom of Economic Activity (Journal of Laws of 2004, no 173, item 1807.) Table 4.5 presents a comparison of requirements laid out for the definition of a micro, small and medium-sized enterprise in the Act and for statistical purposes.

As specified in the table, public statistics definition is only based on the criterion of the planned number of people employed. According to the Act on Freedom of Economic Activity, an enterprise must concurrently meet two conditions within at least one of the past two fiscal years to be classified under one of the categories. The first condition is the number of people employed. The other condition is exceeding a limit, expressed in euro currency, of, either: the annual turnover or balance sheet total assets.

The importance of the SME sector for Polish economy (including the market of A&A services) arises from substantial share of SMEs in the total population of enterprises registered in Poland, and in GDP generation and job creation.

Table 4.5. Conditions set out in the definitions of a micro, small and medium-sized enterprise¹⁷⁵

Act on Freedom of Economic Activity	Public statistics
MICRO-ENTERPRISE	
Within at least one of the past two fiscal years: <ul style="list-style-type: none"> • Employment below 10 employees, and • Annual net turnover from the sales of products, goods and services and financial operations less than the equivalent of EUR 2 million expressed in PLN, or balance sheet total value of assets as at the end of one of these fiscal years less than the equivalent of EUR 2 million expressed in PLN (Article 104) 	Number of employees – up to 9 people
SMALL ENTERPRISE	

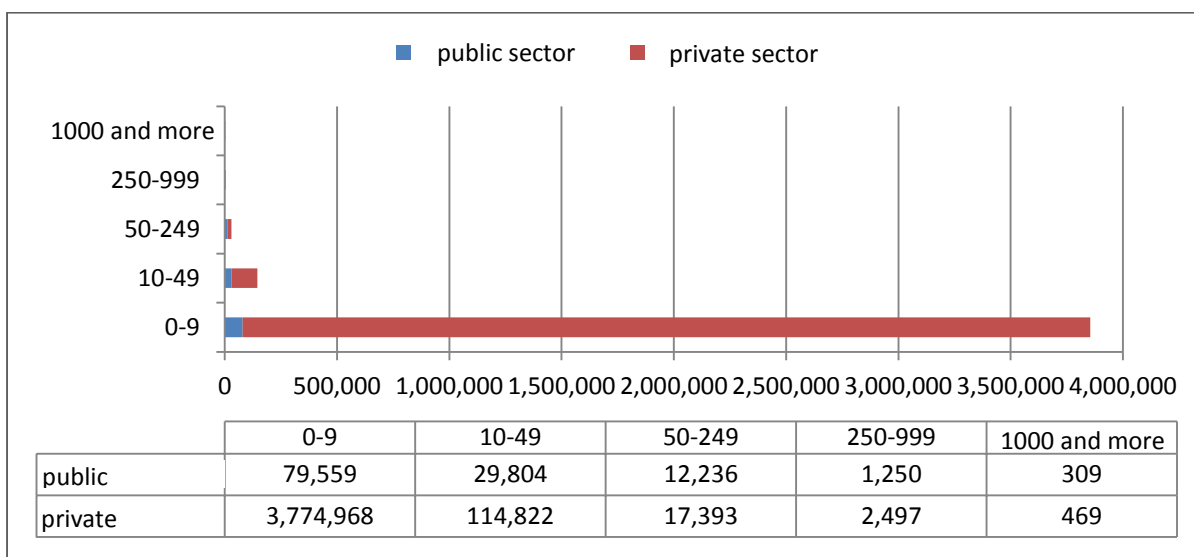
¹⁷⁵ Source: Authors' compilation based on: *Act on Freedom of Economic Activity (Journal of Laws of 2013, item 672).*; *Działalność przedsiębiorstw niefinansowych w 2011 r. [Non-financial enterprises in 2011]*, GUS, Warsaw 2013, p. 11, http://www.stat.gov.pl/cps/rde/xbcr/gus/pgwf_dzialalnosc_przedsiębiorstw_niefinansowych_w_2011.pdf (as available on 31.08.2013)

Act on Freedom of Economic Activity	Public statistics
Within at least one of the past two fiscal years: <ul style="list-style-type: none"> • Employment below 50 employees, and • Annual net turnover from the sales of products, goods and services and financial operations less than the equivalent of EUR 10 million expressed in PLN, or balance sheet total value of assets as at the end of one of these fiscal years less than the equivalent of EUR 10 million expressed in PLN (Article 105) 	Number of employees – up to 49 people*
MEDIUM-SIZED ENTERPRISE	
Within at least one of the past two fiscal years: <ul style="list-style-type: none"> • Employment below 250 employees, and • Annual net turnover from the sales of products, goods and services and financial operations less than the equivalent of EUR 50 million expressed in PLN, or balance sheet total value of assets as at the end of one of these fiscal years less than the equivalent of EUR 43 million expressed in PLN (Article 106) 	Number of employees – between 50 and 249 people

* Thus, micro-enterprises are a sub-group of small entities

The number of national economy entities based on REGON register in the breakdown according to the planned number of employees as of the end of July 2013 is presented in Graph 4.11.

Graph 4.11. Number of national economy entities (without natural persons engaged exclusively in private agricultural activity), according to the planned number of employees and ownership sector (status as of 31.07.2013)¹⁷⁶



¹⁷⁶ Source: Authors' compilation based on: *Miesięczna informacja o podmiotach gospodarki narodowej w rejestrze REGON (bez osób fizycznych prowadzących wyłącznie indywidualne gospodarstwa rolne) [Monthly information about national economy entities registered in the REGON (without individuals engaged exclusively in private agricultural activity)]*, http://www.stat.gov.pl/bip/389_5685_PLK_HTML.htm (as available on 20.08.2013)

As demonstrated on the graph, the lion's share of national economy entities are the entities that employ up to 9 people, i.e. micro-enterprises as per GUS definition (as of 31 July this year, they accounted for 95.6% of all registered entities), followed by small enterprises (3.5%) employing between 10 and 49 people, and medium-sized companies with 50 - 249 employees (0.7%).

The situation in the SME sector is monitored by the Polish Agency for Enterprise Development (Polish: PARP), which has a mandate to implement programs supporting this sector. According to the latest report prepared by PARP in connection with the status of the SME sector, every other *złoty* of the GDP (47.6%) is generated by SMEs, including the smallest enterprises which generate nearly one in every three *złoty* (29.6%). The share of medium-sized entities in GDP generation is three times smaller (10.4%), compared to micro-enterprises¹⁷⁷. SME sector is also a large labor market. In 2010 SMEs employed almost 2/3 of all people employed in enterprises in Poland (i.e. 6.2 million people)¹⁷⁸.

Another important criterion from the standpoint of SME sector profile is the form of taxation, which determines the type of book-keeping records for tax purposes. The form of taxation is associated with a form of business and the fact whether the firm is a natural person or a legal entity. Simplifying things, it can be stated that the more complicated the type of book-keeping records, the lesser the business owner's tendency to do the book-keeping by himself/herself, i.e. the greater the likelihood that accounting services will be outsourced with an accountancy firm or an accountant will be hired.

The universe of enterprises who conduct business or professional activity on their own behalf can generally be divided into the following groups:

- Natural persons (self-proprietorships, civil law partnerships),
- Legal persons (limited liability companies, joint stock companies, associations, foundations, cooperatives),
- Organizational units that are not legal persons, but have legal capacity pursuant to separate laws and regulations (but not legal personality) such as, for example: homeowners' associations, joint stock companies in organization, commercial code partnerships.

Entrepreneurs must be registered either in the Central Register and Information of Economic Activity (Polish: CEIDG), or in the register of entrepreneurs held in the National Court Register (Polish: KRS.)

¹⁷⁷ *Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2010–2011 [Report on the status of small and medium-sized enterprises in Poland in 2010-2011]*, PARP, Warsaw 2012, p. 18, <http://www.parp.gov.pl/files/74/81/545/15428.pdf> (as available on 17.08.2013)

¹⁷⁸ *Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2010–2011 [Report on the status of small and medium-sized enterprises in Poland in 2010-2011]*, op. cit., p. 29.

CEIDG (in operation since July 1, 2011) is an ICT census of entrepreneurs who are natural persons and operate in the territory of the Republic of Poland. CEIDG is administered by the minister competent for economy pursuant to the Act on Freedom of Economic Activity. CEIDG registration is free of charge; it is done on the basis of a relevant application form with a request for registration in the Central Register and Information of Economic Activity (CEIDG-1, together with attachments.) Within the framework of a one-stop shop initiative, CEIDG-1 application form can be used by an entrepreneur for the purpose of CEIDG registration, REGON number assignment application, and notification to the tax office as well as to the Social Security (Polish: ZUS) or the Agricultural Social Insurance Fund (Polish: KRUS.) The information stored in CEIDG is accessible to the general public.

The National Court Register is a centralized, computerized database made up of three separate registers, as follows:

- Register of entrepreneurs – dedicated for registered partnerships, professional partnerships, limited partnerships, limited joint-stock partnerships, limited liability companies, joint-stock companies, cooperatives, state enterprises, research institutes, European companies and cooperatives, mutual insurance and reinsurance undertakings, etc.;
- Register of associations, other non-governmental and professional organizations, foundations and public health care entities,
- Register of insolvent debtors.

KRS has been in operation since January 1, 2001, pursuant to the *Act of 20 August 1997 on the National Court Register (Journal of Laws, 2001, no 17, item 209, as amended)*. The register is kept in the IT system by district courts, and the Ministry of Justice administers the Central Information of the National Court Register, with branches in registry courts. KRS entry application (on a special form, together with attachments and other documents, as required¹⁷⁹) is filed with the district court competent for the seat of the entity involved (registry court.) Detailed rules governing the registers kept in the KRS (including, for example, entry items that pertain to all enterprises and entry items applicable to particular types of enterprises) are specified in the *Regulation of the Minister of Justice of 30 November 2011 on the detailed manner of keeping the records included in the National Court Register and the detailed content of the entries made to these registers (Journal of Laws, 2011, no 273, item 1616.)* Information from KRS Central Information is available free of charge in generally accessible IT networks.

Graph 4.12 presents an illustration of the number of national economy entities (status as of 31.07.2013) in the breakdown according to their legal form of business. The sources available do not allow for extracting such data concurrently with the data on the number of people

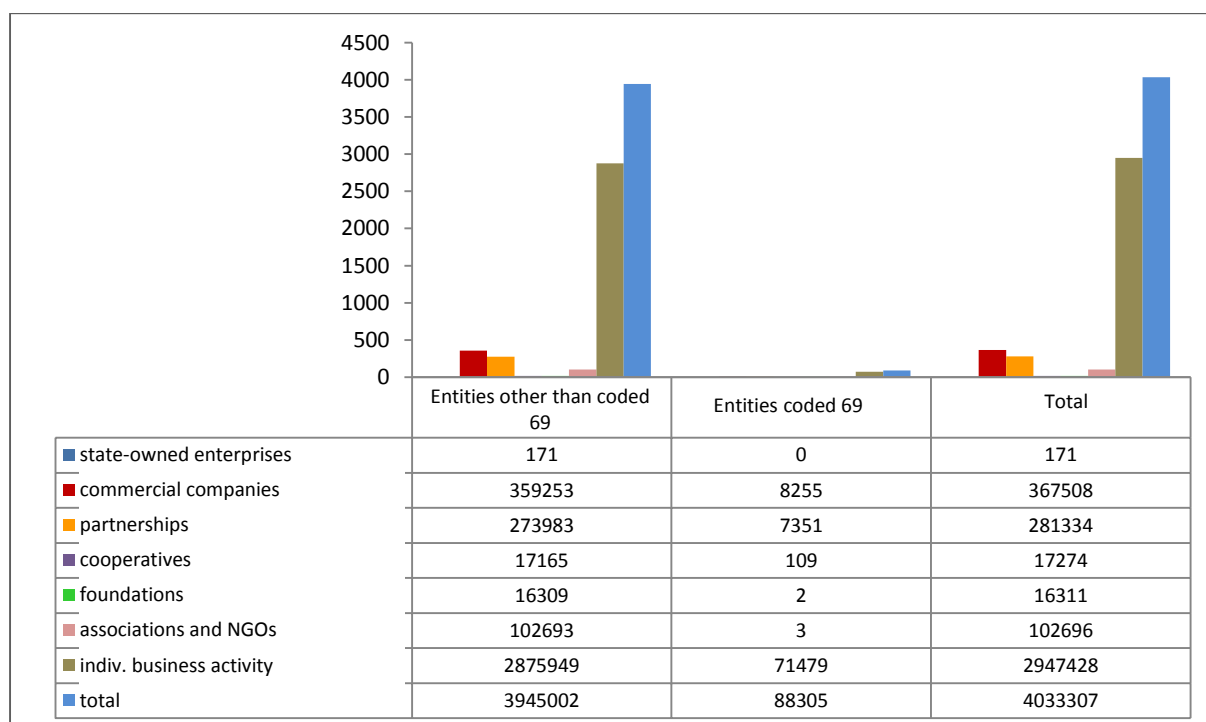
¹⁷⁹ <http://bip.ms.gov.pl/pl/rejstry-i-ewidencje/okrajowy-rejestr-sadowy/formularze-wnioskow-wykorzystywanych-w-krs/> (as available on 31.08.2013)

employed in the enterprises, which would be a good basis for drawing more specific conclusions. Yet, looking at the available data (as presented in Graph 4.11 and Graph 4.12) one can assume that, by and large, the SME sector is dominated by self-proprietorships established by natural persons. The same is true of the entities with activities other than those coded under 69 PKD 2007 (law services, book-keeping and accounting, tax advisory services.)

In the area of taxation of natural persons who run a business, entrepreneurs from the SME sector may choose between the following options:

- General principles, with tax imposed on the income (with the choice between a two stage, progressive tax scale and a flat tax),
- Lump-sum taxation, namely:
 - Lump-sum tax on registered income,
 - Tax card, with tax payable in a fixed, pre-determined amount.

Graph 4.12. Number of national economy entities (without natural persons engaged exclusively in individual agricultural activity) in the breakdown according to legal form of business, as of 31.07.2013 (in thousands)¹⁸⁰



¹⁸⁰ Source: Authors' compilation based on: *Miesięczna informacja o podmiotach gospodarki narodowej w rejestrze REGON (bez osób fizycznych prowadzących wyłącznie indywidualne gospodarstwa rolne)* [Monthly information about national economy entities registered in the REGON (without individuals engaged exclusively in private agricultural activity)], http://www.stat.gov.pl/bip/389_5685_PLK_HTML.htm (as available on 31.08.2013)

To be able to use lump-sum taxation options, a taxpayer must first meet the requirements set forth in the *Act of 20.11.1998 on lump-sum tax collected on certain types of income generated by natural persons (Journal of Laws, 1998, No 144, item 930, as amended.)* The decision on the type of taxation is closely linked to the type of record-keeping for tax purposes. Under general principles it is required to keep a tax revenue and expense ledger or books of account¹⁸¹. Under the lump-sum regime, taxpayers keep the records of revenue so as to be able to calculate the amount of lump-sum tax payable. In the case of a tax card, there is no record keeping for tax purposes (a tax payable in a fixed amount is not a derivative of any economic value.)

In Table 4.6 the key advantages and disadvantages of each form of taxation are summarized.

Table 4.6. Key advantages and disadvantages of each form of taxation applicable to natural persons¹⁸²

Form of taxation	Advantages	Disadvantages
Tax card	<ul style="list-style-type: none"> • The simplest form of taxation • Exemption from the obligation to keep the records, submit tax returns, file declarations on the amount of income, and pay advance personal income tax • Tax is payable in a fixed amount (in a given fiscal year) 	<ul style="list-style-type: none"> • Applicable to small businesses only, with few people employed • Joint taxation of spouses not allowed • Tax deductible expenses not allowed • It is not allowed to use the services of people who are not hired under an employment contract, or services of other enterprises and undertakings, unless specialized services are involved • Tax is payable regardless of whether the business generates revenue/income
Lump-sum on registered income	<ul style="list-style-type: none"> • Relatively simple record-keeping – limited only to revenue record-keeping • Tax is payable only when income is generated, tax is a derivative of the income amount • When expenses are low, it is possible to obtain fiscal 	<ul style="list-style-type: none"> • Tax deductible expenses not allowed • Lump-sum model cannot be renounced during the fiscal year • Joint taxation of spouses not allowed • Tax is payable regardless of whether the business generates income (e.g., even when the business runs at a loss, the tax is payable as long as the business has some revenue)

¹⁸¹ There is no choice between these two types of records in a situation when, in accordance with Article 2 of the Act on Accounting, an entity is required to keep the books of account. With respect to natural persons who established a sole proprietorship, registered partnerships, professional partnerships or social cooperative, this requirement comes into force when net revenue from the sale of products, goods and services and financial operations for the past fiscal year is at least EUR 1 200 000.

¹⁸² Source: Authors' compilation.

Form of taxation	Advantages	Disadvantages
	benefits in comparison to the general principles	
General principles	<ul style="list-style-type: none"> • Tax is payable only when income is generated • Tax deductible costs are allowed (subject to proper records) • Tax reliefs and joint taxation of spouses are allowed (with a progressive scale only) 	<ul style="list-style-type: none"> • More complex record-keeping requirements (compared to other forms of taxation listed above) – e.g., the revenue and expense ledger or the books of account

Thanks to the information about the population of SMEs that pay income tax according to each regime and about the type of their book-keeping records (especially when it is not obvious), one can draw conclusions about the potential of that sector from the standpoint of book-keeping and accounting services and the market of A&A professions.

The most recent and complete data about taxpayers and social security contributions (including the data concerning SMEs) is collected in the Central Register of Entities – National Register of Taxpayers (hereinafter: CRP KEP.) This register has been established pursuant to the *Act of 29.07.2011 amending the Act on taxpayer records and identification and some other acts (Journal of Laws, 2011, No 171, item 1016)*, which came into effect as of September 1, 2011. CRP KEP is administered by the Minister of Finance (in place of the National Register of Taxpayers.) Even though CRP KEP was created on the basis of data collected in the National Register of Taxpayers, it is more comprehensive and contains the data from PESEL register and from 400 local tax offices (concerning, *inter alia*: tax obligations, the period of business suspension, choice of the tax regime by the entrepreneur, record-keeping system in place.) The Minister of Finance and the Head of the Tax Office feed CRP KEP with the data concerning, for example, the National Court Register/KRS number (in the case of entities entered in the KRS), REGON identification number and PESEL number, based on the information obtained from government agencies that administer official registers containing this data pursuant to separate regulations.

CRP KEP is not open to the public and access to the register is regulated by the law. Direct access to CRP KEP register is granted to: the Minister of Finance, Tax Chamber Directors, Heads of Tax Offices, the Chief of the Customs Service, Customs Chamber Directors, Heads of Customs Offices, tax inspection authorities and the Inspector General for Financial Information. Additionally, the register is accessible, in part, to the following institutions: courts, prosecutor's offices, tax authorities, customs authorities, Social Security Institution (ZUS), Internal Security Agency (ABW), Central Anticorruption Bureau (CBA), Military

Counterintelligence Service, the Police, public statistics agencies, and the agencies that administer public registers.

In an attempt to obtain the updated statistics on taxation regimes selected by the taxpayers, their accounting records and the site of their storage – in-house versus outside of the firm (which would suggest that accounting services are being outsourced), the authors contacted the Department of Tax Administration in the Ministry of Finance, which supervises CRP KEP register¹⁸³. The lawyer working in the Department refused to provide any information, including the information on the mere existence of such statistics in the Ministry of Finance, on the grounds of confidentiality.

Another attempt to obtain such statistics and to find out whether the data is processed for statistical purposes by the Ministry of Finance was made in electronic form by sending a relevant e-mail to the e-mail address of the Chancellery of the Ministry of Finance (kancelaria@mofnet.gov.pl.) In reply, Mr. Jarosław Wyszynski, Deputy Director in the Department of Tax Administration, wrote: *'(...) the data fed into CRP KEP register is derived from information provided by the entities required to make such information available (the information is provided on a declarative basis) and (...) such information is not verified for correctness or accuracy. CRP KEP register does not include the information about the forms of taxation and ownership, but it does include the following information, inter alia, as declared by the entity (...):*

- *Type of accounting records in place (books of account, tax revenue and expense ledger),*
- *Accounting records maintained in-house or outsourced to 'an accountancy firm or other entity',*
- *Addresses (including the voivodship),*
- *Special legal forms of business.*

*The data contained in CRP KEP register (...) is not processed for statistical purposes."*¹⁸⁴

In view of the lack of up-to-date statistics, historic information was sought. Such data is published by GUS in the report entitled: *„Działalność przedsiębiorstw niefinansowych”* [*Operation of Non-Financial Enterprises*]¹⁸⁵. The most recent report in the series was released in 2013 and it described 2011 status.¹⁸⁶

¹⁸³ Conversation held on the phone on 22.08.2013

¹⁸⁴ Letter of 30.09.2013, no MF-AP13-065-83/2013/IBW/2.

¹⁸⁵ Publication is based on the data obtained from full surveys of companies employing 10 and more people, derived from official statistical reports: SP – 'Annual Business Survey', F-02 – 'Statistical Financial Report', and a representative survey focused on micro-enterprises based on report SP-3 – 'Report on Economic Activity of Enterprises'.

¹⁸⁶ Thus, the data presented in the report is not related in any way to the data on the number of entities presented in graphs 3 and 4 (SME sector included), because it is relevant for July 31, 2013.

Table 4.7 presents the data on the number of enterprises and their structure according to the type of accounting records as of the end of 2011.

Table 4.7. The number of enterprises and their accounting records in the breakdown according to planned number of employees (status as of 31.12.2011)¹⁸⁷

Specification	Enterprises which employ:				Total
	0-9	10-49	50-249	500 and more people	
Number of enterprises	1 710 598	54 999	15 817	3 189	1 784 603
Of which: - natural persons	1 612 926	26 260	2 337	112	1 641 635
- legal persons	97 672	28 739	13 480	3 077	142 968
Keeping the books of account	112 470	36 224	15 493	3 184	167 371
Of which: - natural persons	14 798	7 485	2 013	107	24 403
- legal persons	97 672	28 739	13 480	3 077	142 968
Keeping the tax revenue and expense ledger (natural persons only)	1 153 956	18 775	324	5	1 173 060
Keeping revenue records (natural persons only)	357 351	0	-	-	357 351
Tax card (no record-keeping for income tax purposes – natural persons only)	86 822	0	-	-	86 822

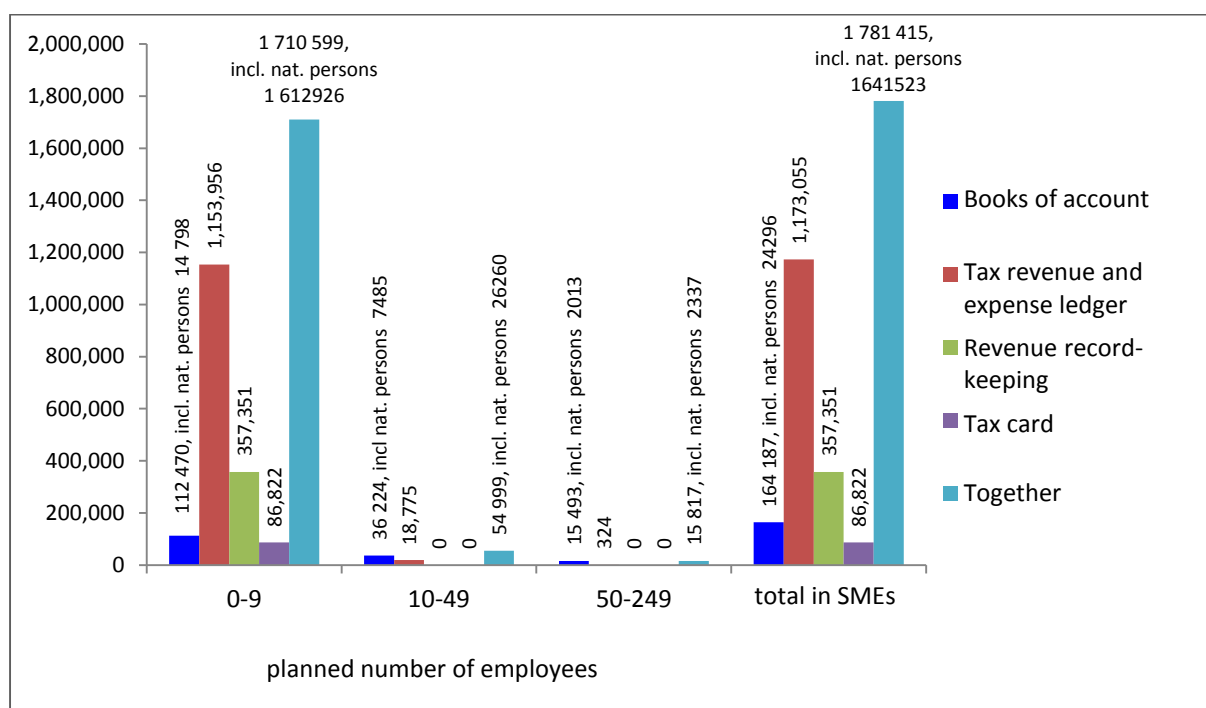
On the basis of the data from Table 4.7, Graph 4.13 presents the structure of SMEs according to the form of their accounting records (status as of 31.12.2011.)

As shown in the graph above, tax revenue and expense ledger has been the predominant type of accounting records in the SME sector as of 31.12.2011. The ledger was used by 65.8% of all entities from the sector. Total share of SMEs keeping tax revenue and expense ledger and the books of account in the overall population of SMEs (i.e. slightly above 75%) is the percentage of enterprises that pay income tax in accordance with general principles. One cannot estimate, however, how many of these entities (in percentage terms) have opted for a tax scale vs. a flat rate tax. The second most common type of accounting records in the SME sector was revenue registration (20% of all entities) - these entities pay the tax under a lump-sum scheme. More than 9% of SMEs kept the books of account (in that group, natural persons

¹⁸⁷ Source: Authors' calculation based on: *Działalność przedsiębiorstw niefinansowych w 2011 r.* [Operation of Non-Financial Enterprises' in 2011] GUS, Warsaw 2013, p. 45, http://www.stat.gov.pl/cps/rde/xbcr/gus/pgwf_dzialalnosc_przedsiębiorstw_niefinansowych_w_2011.pdf (as available on 31.08.2013)

account for less than 15%.) The smallest number of entities paid income tax under the tax card regime, which means that they were exempt from keeping records for tax purposes.

Graph 4.13. Form of accounting records in SMEs in the breakdown according to the number of people employed (as of 31.07.2011)¹⁸⁸



These trends - observed at the level of the entire SME sector - can also be noticed among the smallest entities with up to 9 employees. Due to the fact that such entities have a dominant share in SME sector structure and in the structure of national economy entities, trends identified with micro-enterprises have the biggest impact and shape the situation of the entire SME sector (the data from Table 4.7 shows that, as of 31.12.2011, micro-enterprises represented 96% of all SMEs and 95.8% of all entities operating in the national economy.) Presumably, the popularity of tax revenue and expense ledger among micro-enterprises (67%) arises from the advantages of income tax as a tax approach in the case of enterprises that incur high expenses. Income can also be determined by means of books of account (full accounting), but this approach is more difficult and entails numerous reporting requirements, which is why it is much less common among micro-entities (6.6% of micro-enterprises opted for this accounting records approach in 2011.) Books of account were maintained on a mandatory basis by all legal entities that were micro-enterprises, and they were chosen on a voluntary basis by less than 1% of natural persons hiring up to 9 employees.

A significant percentage of micro-enterprises paid income tax in a lump-sum in 2011, i.e. they registered their revenue (22% of all natural person micro-enterprises.) Common reasons

¹⁸⁸ *Ibid.*

underlying the choice of lump-sum tax are as follows: relative simplicity of revenue registration (without costs), business operation that does not entail costs, the need to avoid formalities and burden related to cost registration and records (e.g. tax office inspections) or, perhaps, the fact that a tax card cannot be used instead.

In a population of enterprises employing between 10 and 49 people, full accounting (books of account) was prevalent, with almost 66% of entities involved. Other entities from that employment range in 2011 opted for a tax revenue and expense ledger (34%.) Lump-sum tax was not reported in that group. As for the tax card, in principle the entities from that group are not allowed to use it due to the fact that they employ more than 10 people (with a tax card, depending on the type of activity, employment cannot exceed several people, 5 at the maximum.)

In a group of medium-sized enterprises (employing between 50 and 249 people), books of account were also the predominant type of accounting records. In this group, however, the gap between the first and the second (i.e. tax revenue and expense ledger) most common approach was substantially greater than in a group of enterprises with 10-49 employees (98% of medium-sized entities in 2011 relied on the books of account, and only 2% used the tax revenue and expense ledger.)

Taking only natural persons into account (since they have a choice as to the type of accounting records they want to keep, as long as their revenue is less than EUR 1.2 million), it turns out that only 1.5% do full accounting. In the breakdown into planned staffing ranges, the percentages are as follows:

- 0-9 employees – 0.92%,
- 10-49 employees – 28.50%,
- 50-249 employees – 86.14%.

The review of the SME sector through the prism of their accounting records allows for very general conclusions regarding the demand for accountants or accounting services (accountancy firms or BPO/SSC) in that sector. Available and published data and reports (mostly GUS) give no direct indication as to the population (percentage) of SMEs which outsource their accounting record-keeping vs. those that do it in house, although individual tax offices do have such data about their taxpayers.

Given the lack of access to information stored in CRP KEP register, mentioned above, or to the data from 400 tax offices in Poland, it is not possible to analyze current demand for accounting services among SMEs. Yet, such analyses and reports going several years back can be found – they will be reviewed below.

The report entitled a *Review of On-line Accounting Services (2012)*¹⁸⁹ prepared by *Starter Business Development Foundation* provides some interesting data about accounting in micro-, small and medium-sized enterprises, though the reader may have some doubts about the report. Firstly, research methodology has not been described, and secondly it is based on another piece of research (*In Fakt* and *4P research mix*), quoting the data without clear indication as to whether the data is derived from one source, or from several sources. *Starter Foundation*, referring to Small Business DNA¹⁹⁰ project, claims that 51% (i.e. 903 312) of micro- and small enterprises in 2011 used the services of external accountancy firms, 12% (212 544) employed accountants in house, and 37% of entrepreneurs did their own accounting (incl. 9% with the use of on-line applications and 12% planning to take up on-line accounting applications.)

Research quoted by *Starter Foundation* was carried out at the turn of 2010 and 2011 by *inFakt.pl* web portal in cooperation with a *4P research mix* company. The study involved 450 entrepreneurs representing firms employing between 0 and 49 people, from all over the country. Research was done as an Internet survey.

Key findings from that survey are presented below, with the reservation that in the view of the authors the study cannot be regarded as representative due to insufficient number of entities. Moreover, in some aspects the values quoted in the research are almost identical with the findings of Small Business DNA project (e.g. in terms of the percentage of replies concerning the type of accounting records kept by the enterprise), which seems to suggest some relationship between the two studies, and such relationship has not been indicated in a *Review of On-line Accounting Services*.

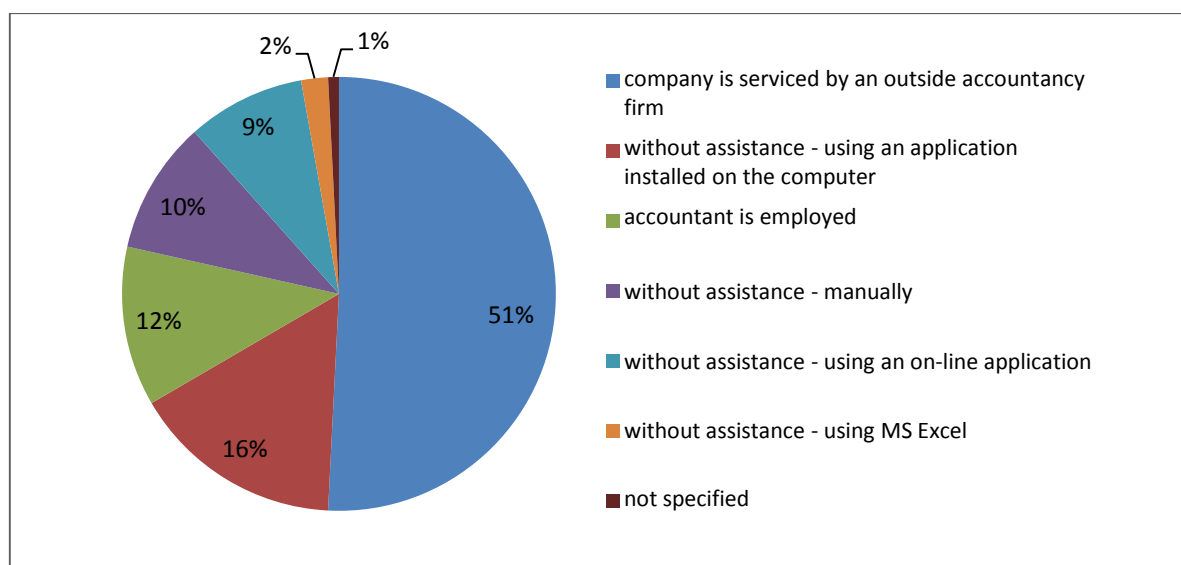
The structure of surveyed enterprises according to their accounting records is presented in Graph 4.14.

As shown in the graph, more than 50% of enterprises surveyed outsourced their financial and accounting tasks to accountancy firms. A relatively significant percentage of enterprises (owners) declared that they were doing the accounting themselves (in total, about 35%.) The owners used various methods and techniques. Software applications were at the lead (16%), followed by manual technique (10%.) On-line applications were gaining ground, with 9% of respondents reporting their use.

¹⁸⁹ *Analiza rynku usług księgowych on-line (2012) [Analysis of on-line book-keeping and accounting services (2012)]*, *Starter Business Development Foundation*, Warsaw, January 2012, http://www.fundacjastarter.org.pl/tl_files/informatory/analiza%20rynku%20uslug%20ksiegowych%20online%202012.pdf (as available on 29.08.2013)

¹⁹⁰ No source data could be found on www.small_business_dna.pl website referred to by the *Starter*.

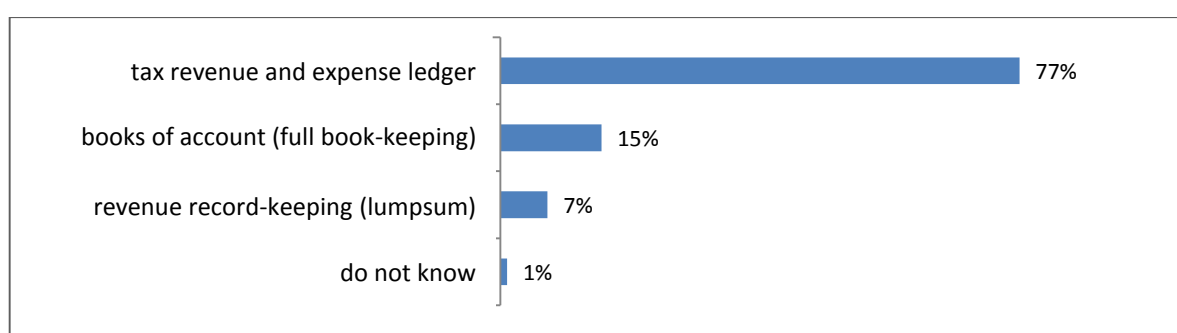
Graph 4.14. Accounting in surveyed SMEs (<http://inFakt.pl> in cooperation with 4P research mix)¹⁹¹



These surveys were also helpful in specifying market potential for on-line accountancy services. According to research results, about 12% of respondents are considering starting the use of on-line applications, which was converted to more than 212 thousand entities - potential customers. This is a reason for indicating high potential of on-line accountancy services and software applications (it is important to remember that the survey was done on the Internet.)

The structure of entities surveyed by *InFakt* and *4P research mix* in the breakdown according to their accounting records is presented in Graph 4.15.

Graph 4.15. Types of accounting records in the surveyed SMEs¹⁹²



¹⁹¹ Source: Authors' calculation based on: *Raport Księgowość mikro i małych firm w Polsce 2011* [A Report: Accounting in Micro and Small Enterprises in Poland in 2011] *inFakt.pl* and 4P research mix, <http://www.slideshare.net/infakt/raport-ksigowo-w-polsce-2011> (as available on 18.08.2013)

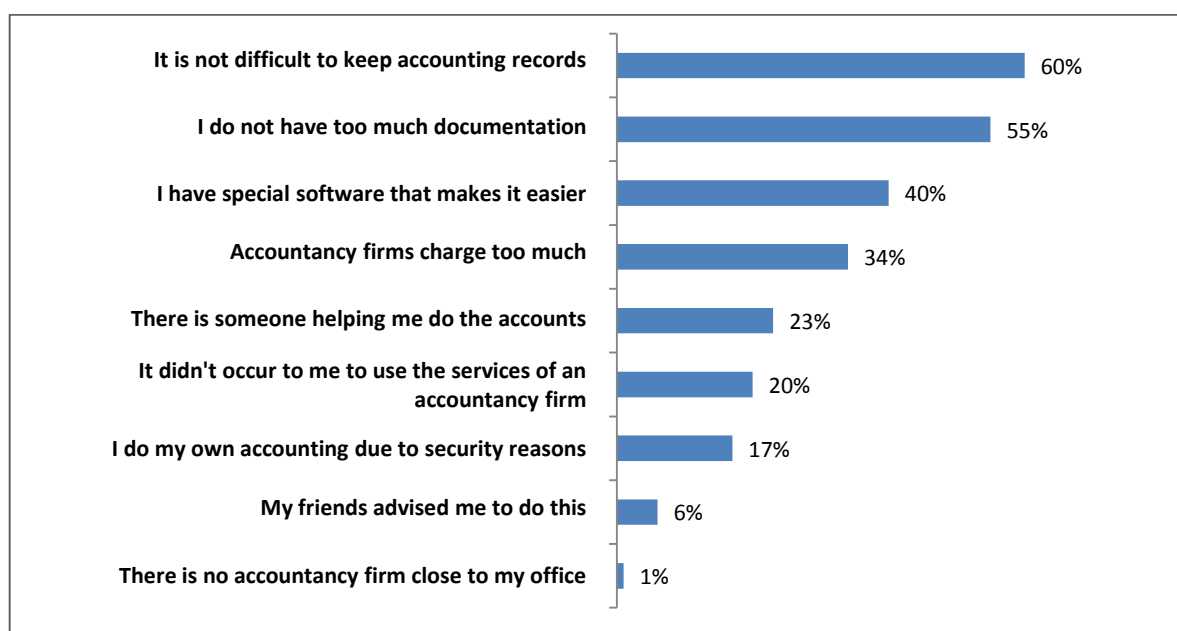
¹⁹² Source: *Raport Księgowość mikro i małych firm w Polsce 2011* [A Report: Accounting in Micro and Small Enterprises in Poland in 2011], op. cit.

Of the entire universe of surveyed enterprises, a vast majority (77%) rely on tax revenue and expense ledger, 15% of entities do full accounting, and 7% use revenue registration to calculate their lump-sum tax due.¹⁹³

Irrespective of income tax regime and related accounting records, the enterprises have record-keeping and administrative obligations associated with other taxes: the Value Added Tax (e.g., an obligation to issue invoices, keep relevant registers in place, and submit required declarations) and the excise tax - in the case of taxpayers who are required to pay those taxes.

Given certain level of commitment and learning about record-keeping obligations connected with income tax and, potentially, with the VAT, many taxpayers - as shown in the survey – have been able to deal with these requirements without any assistance. This aspect of research findings is presented in Graph 4.16.

Graph 4.16. The reasons why SME business owners included in the survey do their own accounting¹⁹⁴



It turns out that the main reason (60% of the entities surveyed) why respondents do their own accounting is the fact that this task is not difficult. Small volume of documentation and records was almost equally important (55%.) Quite many respondents (40%) believe that appropriate computer software can be very helpful.

Other reasons were as follows: high cost of accounting services offered by accountancy firms (34%) and reliance on someone else's assistance (23%.)

¹⁹³ Interestingly, these results are different from the findings for all small entities (cf. Graph 4.13.)

¹⁹⁴ Source: *Raport Księgowość mikro i małych firm w Polsce 2011* [A Report: Accounting in Micro and Small Enterprises in Poland in 2011], op. cit.

This last explanation is quite interesting: it may be that the ‘helpers’ include people who provide accountancy services in the grey economy.

Even though the phenomenon of ‘grey economy’ is present in accountancy services and it typically applies to the smallest entities, it is still hard to estimate. The Polish Chamber of Accounting Offices (Polish: PIBR), an independent organization associating accountancy firms, tries to combat grey economy in book-keeping and accounting services. Based on many years of research into accounting services market, PIBR experts estimate that the grey economy in that field represents approximately 25-30% of the market¹⁹⁵.

The SMEs, and in particular the smallest entities looking for cost cuts, can be especially susceptible to this pathology. In conclusion: as long as reliance of gratuitous assistance of a person not employed by the enterprise (a family member, for example) can at worst expose the enterprise to losses due to an error that had been made, provision of such services against payment in an unregistered and illegal way must be regarded not only as dangerous, but also as outright pathological and detrimental to A&A market.

4.4. Quantitative and qualitative analysis of regulated professions

4.4.1. Statutory auditors

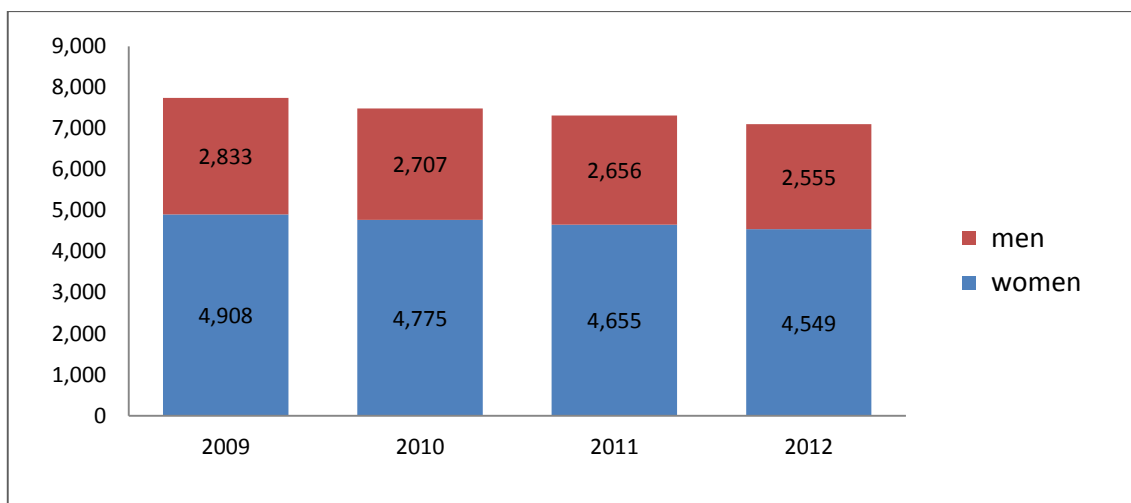
Annual statements of the Audit Oversight Commission (AOC/Polish: KNA) published since 2009 on the website of the Ministry of Finance are a valuable source of information about the market of statutory auditors. The following analysis is based, in particular, on the content of those statements from the period of 2009-2012.¹⁹⁶

As of December 31, 2012, 7 104 individuals were listed in the register of statutory auditors, including 4 549 women and 2 555 men. The data for prior years is presented in Graph 4.17.

¹⁹⁵ R. Tutko, *Szara strefa – nowotwór biznesu [Grey economy – business cancer]* (published on: 30.01.2013), <http://pibr.pl/szara-strefa-%E2%80%93-nowotwor-biznesu> (as available on 15.09.2013)

¹⁹⁶ This data right now does not lend itself to multivariate analyses which would be extremely useful for the stakeholders, e.g. in market concentration research (in terms of geographical or sectoral distribution.) It is to be expected that this will to some extent be eliminated once KIBR has launched the register based on a new IT solution. Moreover, when analyzing the facts and figures provided it should be remembered that the data for 2009 is applicable to a six month’ period only (when two legal regimes were concurrently in force: the law of 1994 was applicable until 5th June, and the law of 2009 was applicable starting from 6th June), which means that these periods are not comparable. Year 2010 is not typical, either, because the provisions of the 2009 law were still under implementation then.

Graph 4.17. Statutory auditors listed in the register as of year-end, in the breakdown according to gender¹⁹⁷



In line with Article 64, paragraph 1, point 4 of the Act on Statutory Auditors, one of the tasks assigned to the Audit Oversight Commission is to register third country statutory auditors and entities authorized to audit third country financial statements, and – pursuant to Art. 95, paragraph 1 of the Act on Statutory Auditors - to keep the register of auditors and the list of entities authorized to audit third country financial statements. The register of third country statutory auditors is of secondary nature in relation to the list of entities authorized to audit third country financial statements. It only includes those statutory auditors who, as key statutory auditors within the framework of their employment or engaged as business partners or otherwise with an AOC-registered entity authorized to audit third country financial statements, intend to do the audit or are doing the audit of a financial statement of a company registered in a third country, and the securities of that company are allowed for trading on a regulated market in Poland. The purpose of the entry to the register and on the list is to make statutory auditors and entities authorized to audit third country financial statements subject to public oversight and quality assurance system put in place in Poland. Audit of a financial statement done by a third country statutory auditor and an entity authorized to audit third country financial statements which hired that auditor or with which the auditor is engaged as a business partner or otherwise shall have no legal effect if such an auditor and such an entity have not been put in the register.¹⁹⁸

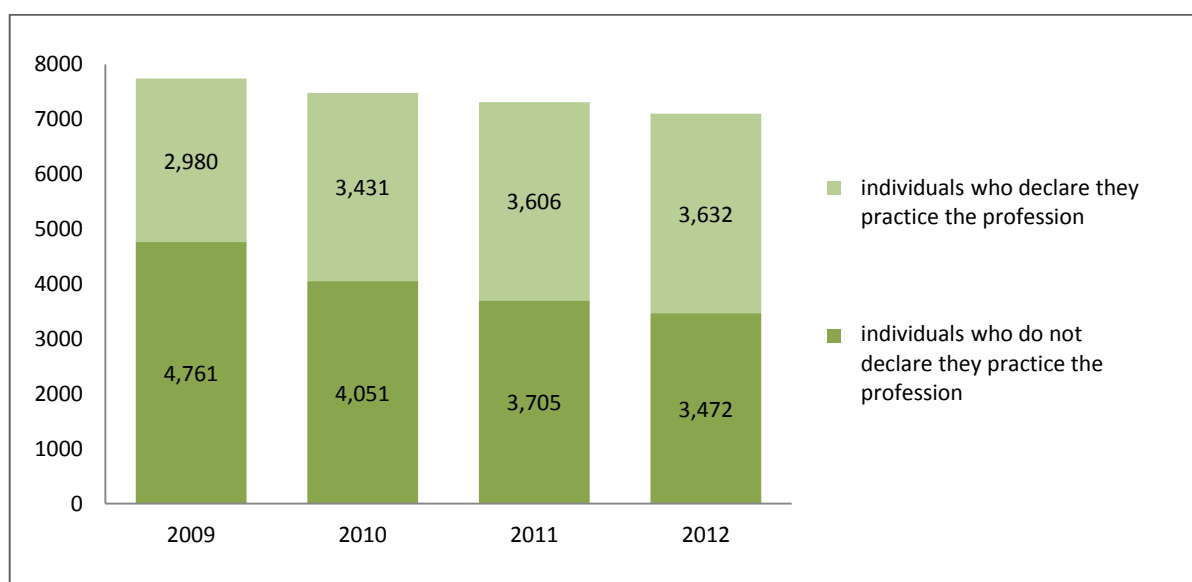
¹⁹⁷ Source: Authors' calculation based on: *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/>, and http://www.mf.gov.pl/documents/764034/1393420/20130624_statystyka_zbiorcza.pdf (as available on 30.07.2013)

¹⁹⁸ http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/rejestracja/-/asset_publisher/Pw4L/content/informacje-dotyczace-

As of the end of July 2013, the register of third country statutory auditors was made up of two individuals (entry as of May 2013), in both cases the registering body was the Institute of Chartered Accountants of the Province of Alberta, Canada¹⁹⁹.

Not all statutory auditors listed in the register of statutory auditors administered by the National Chamber of Statutory Auditors practice their profession. As of the end of 2012, 3632 individuals out of 7104 people listed in the register (i.e. 51%) declared that they were practicing the profession of a statutory auditor. It is not possible to assess the dynamics over the period presented due to the fact that the data is not comparable (as explained in footnote 123).. Quantitative and qualitative data concerning individuals who practice the profession and those who do not is presented in the graphs below (Graph 4.18 and Graph 4.19.)

Graph 4.18. Practicing the profession by individuals registered as statutory auditors (quantity)²⁰⁰

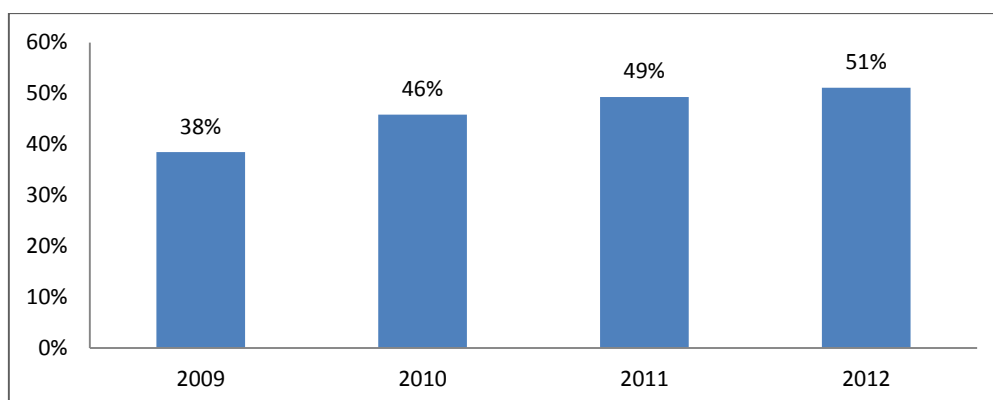


rejestracji?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audyrowego%2Frejestracja%3Fp_id%3D101_INSTANCE_Pw4L%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_Pw4L (as available on 30.07.2013)

¹⁹⁹ <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audyrowego/rejestracja> (as available on 30.07.2013)

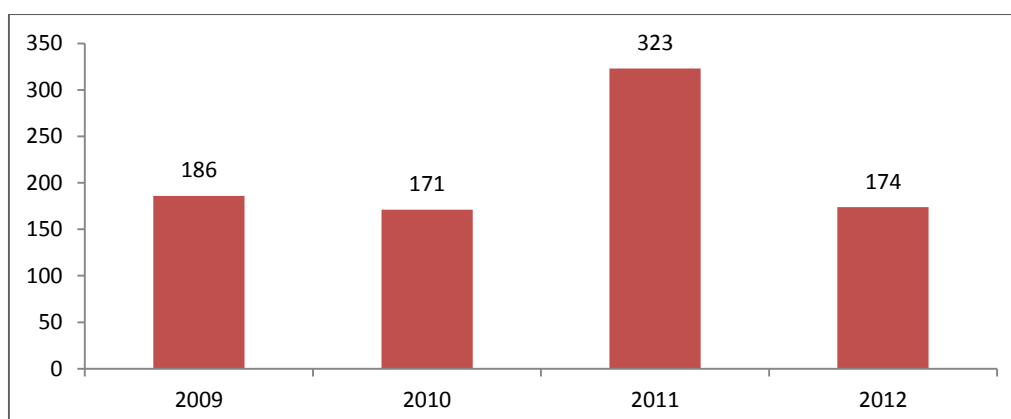
²⁰⁰ Source: Authors' calculation based on: *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audyrowego/plany-dzialania-i-sprawozdania/>, and http://www.mf.gov.pl/documents/764034/1393420/20130624_statystyka_zbiorcza.pdf (as available on 30.07.2013)

Graph 4.19. Percentage share of individuals who declare that they practice the profession in the overall population of statutory auditors listed in the register²⁰¹



In that 4-year period, 2011 was the year when the biggest number of individuals were listed in the register of statutory auditors (323 people), while in each of the remaining years the number of new entries did not exceed 200 (Graph 4.20).

Graph 4.20. Number of individuals entered into the register of statutory auditors during a year²⁰²

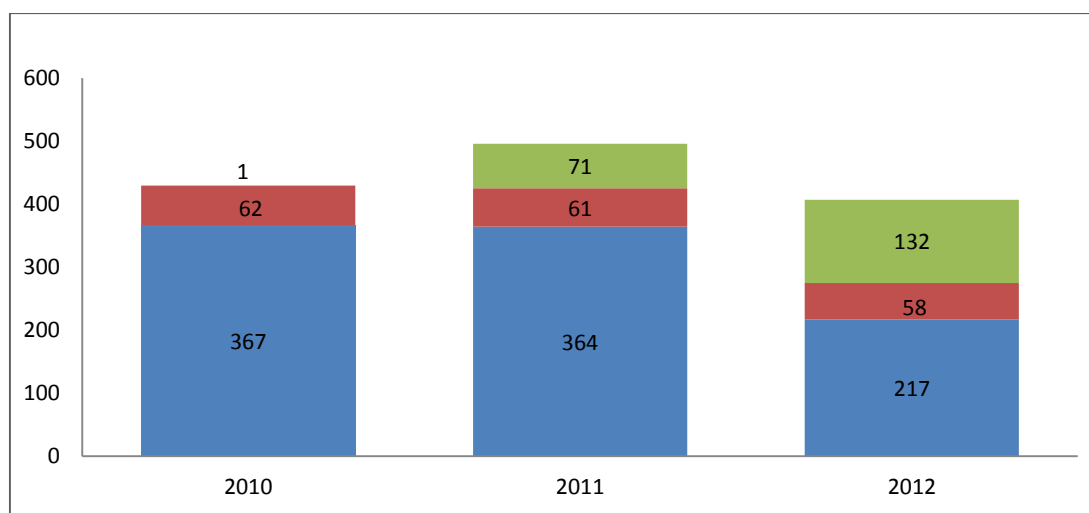


Compared to 2009, the number of statutory auditors listed in the register in 2012 decreased by 637 people. The biggest number of deletions was reported in 2011. The main reason was deletion upon request – on average, during the three-year period of the analysis such deletions accounted for 70% of all deletions. In the final year there was a significant increase in the number of individuals deleted due to non-payment of membership fees for a period longer than one year. Deletion data is presented in Graph 4.21.

²⁰¹ *Ibid.*

²⁰² *Ibid.*

Graph 4.21. Number of individuals deleted from the register of statutory auditors in a year, in the breakdown according to reasons²⁰³



		2010	2011	2012
PURPLE	Non-compliance with any of the conditions listed in Art. 5, paragraph 2, points 1-3	0	2	0
GREEN	Failure to pay the fees for longer than one year	1	69	132
RED	Death	62	61	58
BLUE	Upon request	367	364	217

KRBR also has a list of entities authorized to audit financial statements (<http://kibr.org.pl/pl/podmioty/start/0>). As of 31 July, 2013, the last entity entered in the register was assigned number 3859, and as of 31 December, 2012, 1704 authorized entities were listed in the register.

There is one third country entity (KPMG LLP) on the list of entities authorized to audit financial statements administered by the AOC²⁰⁴.

The National Supervisory Commission (KIBR body) also keeps the register of entities authorized to audit financial statements which perform audit at least once during a period of 3 years in public interest entities. Pursuant to Article 2, point 4 of the Act on Statutory Auditors, a public interest entity shall be understood as:

- a) issuers of securities admitted to trading at a regulated market of an EU Member State which have their registered offices in the territory of the Republic of Poland, excluding local government units;

²⁰³ *Ibid.*

²⁰⁴ <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/rejestracja> – entry dated May 2013.

- b) domestic banks, divisions of credit institutions and branches of foreign banks;
- c) credit unions;
- d) insurance companies and major divisions of insurance companies and reinsurance companies;
- e) electronic money institutions;
- f) open pension funds and general pension societies;
- g) open investment funds, specialized open investment funds and closed-end investment funds whose public investment certificates were not admitted to trading at the regulated market;
- h) entities conducting brokerage activity excluding entities conducting operation solely within the scope of accepting and transferring instructions for purchase or sale of financial instruments or within the scope of investment counselling.

As specified in Article 88 of the Act on Statutory Auditors, an entity authorized to audit financial statements of a public interest entity has special disclosure obligations, such as:

- an obligation to place a report on its website, encompassing *inter alia* a description of organizational and legal form and ownership structure, internal quality control system, independence and generated revenues, as well as
- an obligation to furnish the audit committee in a public interest entity with relevant information.

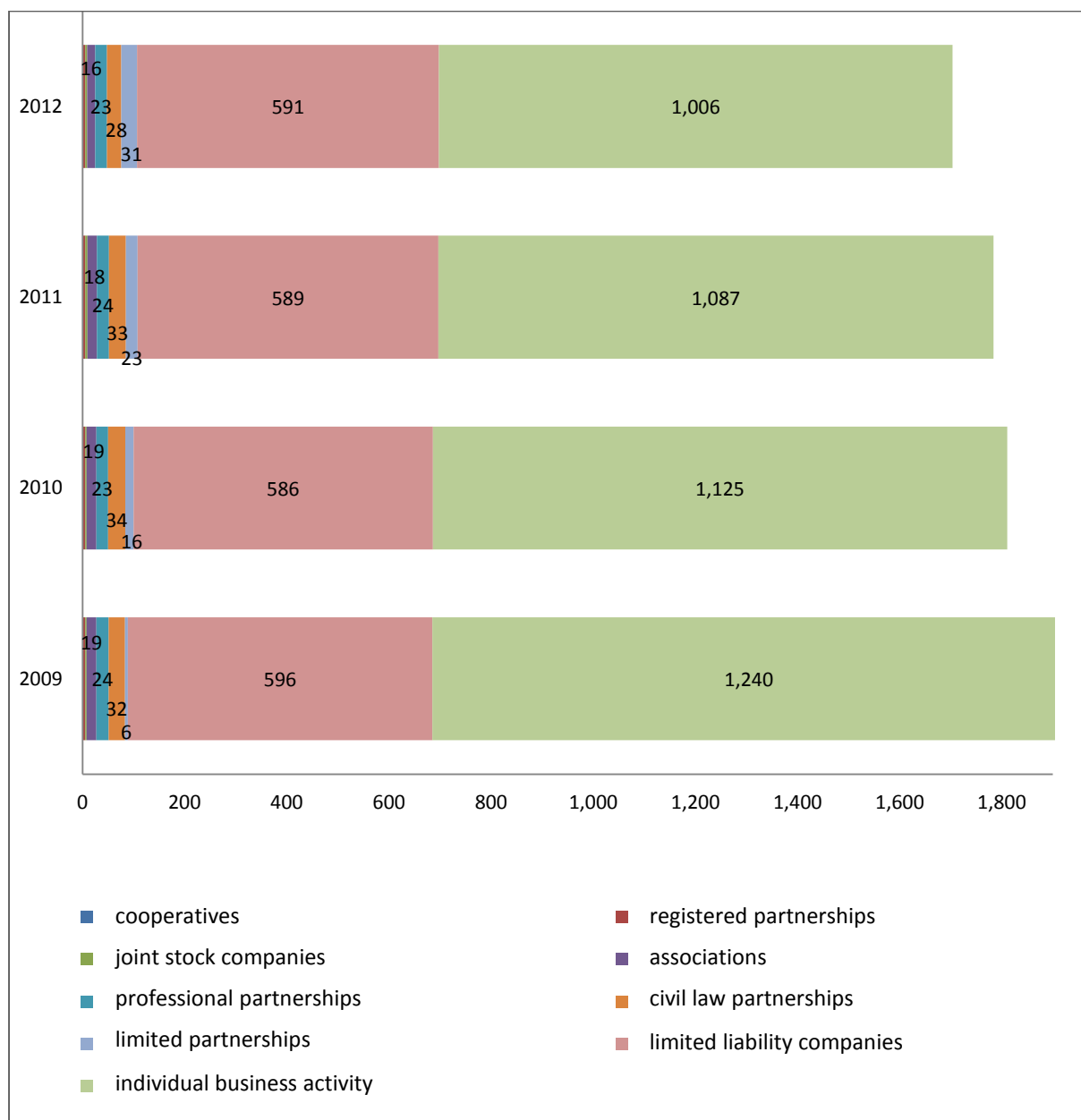
According to the status as of July 12, 2013, the list of entities authorized to audit financial statements that did financial audit in a public interest entity at least once in course of 3 years included 141 entities (there are 147 entities on the list, but 6 have been deleted), i.e. about 10% of the entities put on KIBR list (http://kibr.org.pl/pl/podmioty_JZP).

Majority of entities put on KIBR list of entities authorized to audit financial statements conduct their business in the form of a sole proprietorship on one's own behalf (in 2012, about 60% of all eligible entities.) Sole proprietorships are followed by limited liability companies (slightly more than 30%), partnerships and limited partnerships; the share of the latter increased substantially in the period of 2010-2012. In each year of the period in question, one cooperative and four registered partnerships were listed in the register, side by side with three to five joint-stock companies. The data on the quantity of each legal form of business concerning the entities listed in the register of entities authorized to audit financial statements is presented in Graph 4.22.

The data presented by AOC in its 2012 report indicates the dominance of the so-called 'Big Four' in Poland (i.e. KPMG, PwC, Deloitte, and Ernst & Young.) All in all, these four companies audited 2011 financial statements in 33% of all companies listed on Warsaw Stock Exchange,

capitalization of these companies represented 64% of WSE capitalization (according to the data as of the end of 2011) – Table 4.8.

Graph 4.22. Number of entities authorized to audit financial statements in the breakdown according to their legal form of business²⁰⁵



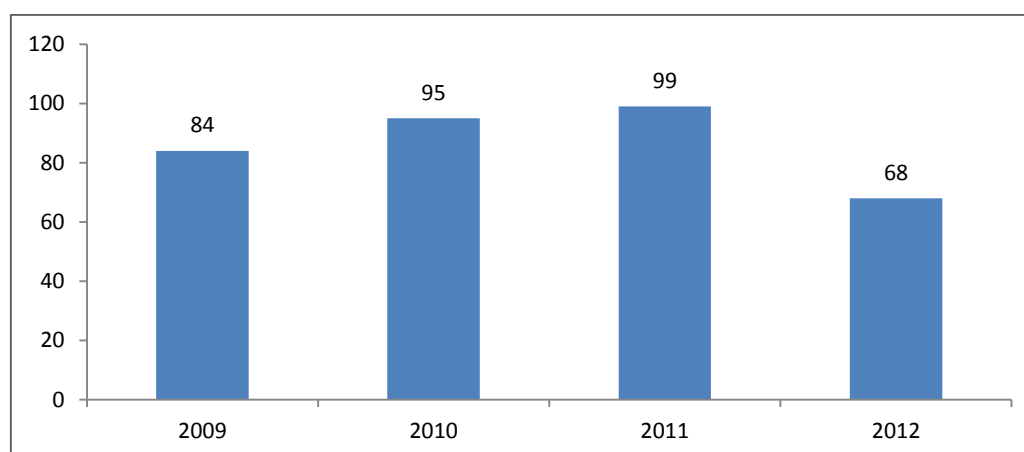
²⁰⁵ Source: Authors' calculation based on: *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/> (as available on 30.07.2013)

Table 4.8. Major audit firms that audited financial statements of companies listed on the WSE in 2011 (average stock market capitalization of audited companies and the number of companies listed on the WSE)²⁰⁶

	Name of audit firm/audit firm network	Average market value of audited company on WSE (PLN million)	Percentage of the quantity of WSE companies (%)
1	KPMG	5206.8	6.8
2	PwC	4086.1	6.3
3	Deloitte	2135.5	10.8
4	Ernst&Young	1243.2	8.9
5	Grant Thornton	352.6	4.7
6	Mazars	165.5	2.3
7	BDO	131.2	6.1
8	PKF	87.3	6.1

As for the number of entries on the list of entities authorized to audit financial statements in each year included in the analysis, the biggest number of entries was made in 2009 (Graph 4.23)

Graph 4.23. Number of entities authorized to audit financial statements put on the list in each year²⁰⁷

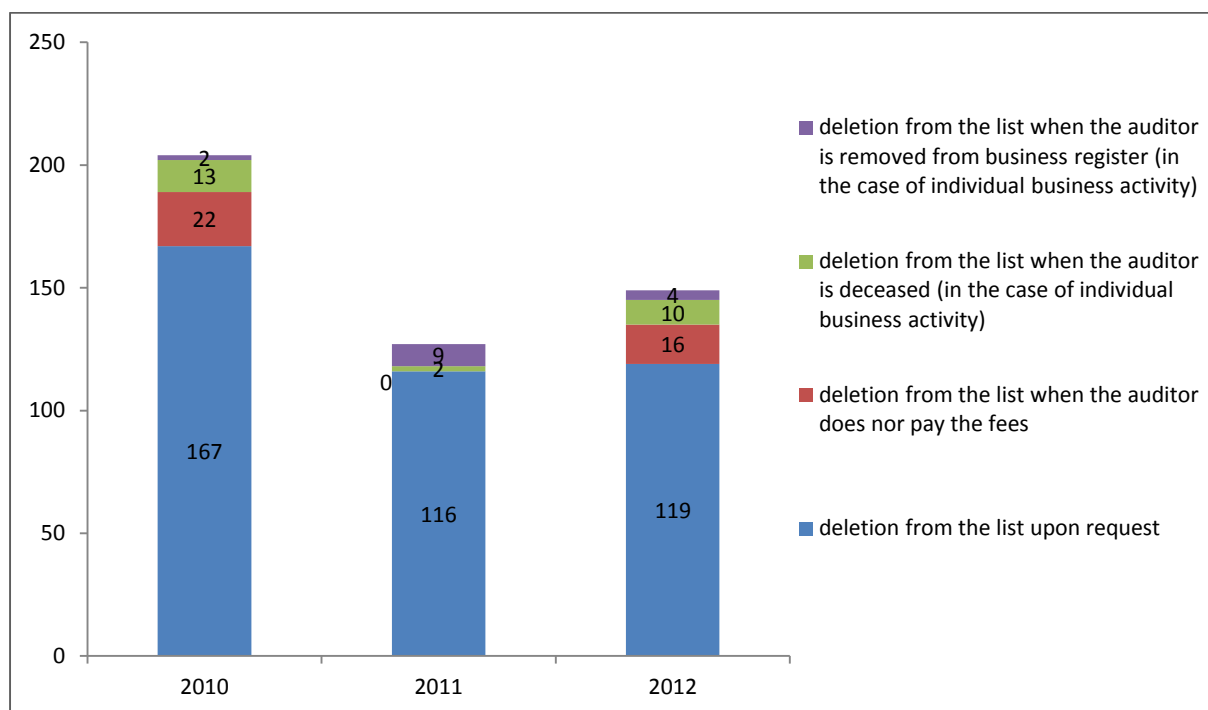


²⁰⁶ Source: *Roczne sprawozdanie Komisji Nadzoru Audytowego za rok 2012* [Annual statement of the Audit Oversight Commission for 2009-2012], table 2, <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/> (as available on 02.08.2013)

²⁰⁷ Source: Authors' calculation based on: *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/>, as available on 30.07.2013, taking into account KIBR data.

Compared to 2009, the number of entities present on the list in 2012 was reduced by 221 entities. The biggest number of deletions was reported in 2010. The main cause (analogically to the register of individuals) was deletion upon request: 80-90% of all deletions. The data describing causes for deletion from the list of entities authorized to audit financial statements is presented in Graph 4.24.

Graph 4.24. Number of entities removed from the list of entities authorized to audit financial statements²⁰⁸



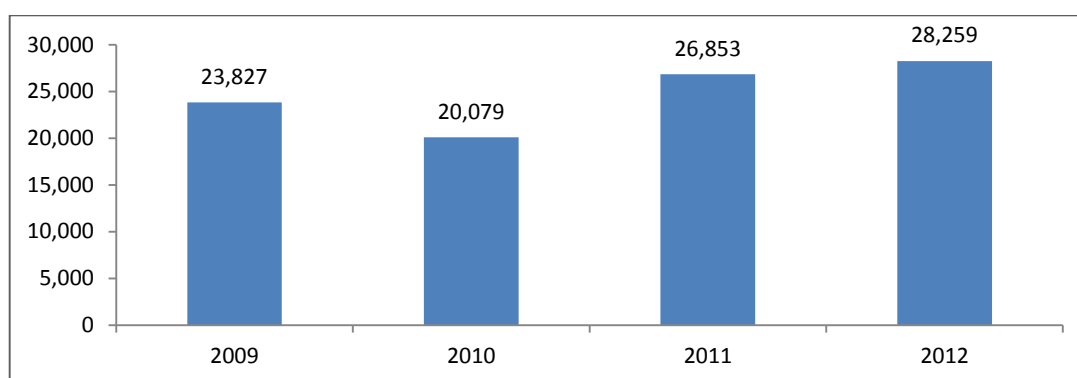
Another significant issue is the information about the number of performed audits of financial statements (Graph 4.25) After a drop in that number in 2010 (by 16% compared to 2009), there has been regular increase: by 34% in 2011, and by further 5% in 2012 (year to year.) Over the period of 2009-2012, the number of audits grew by 19%.²⁰⁹

On average, there were almost 8 audits per one practicing statutory auditor in 2012 (28259/3632.) The lowest number – less than 6 audits per one practicing statutory auditor – was reported in 2010 (this could partially explain the highest number of deletions, side by side with the enforcement of KIBR resolution on deletion due to non-payment of membership fees.)

²⁰⁸ Source: Authors' calculation based on: *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audyrowego/plany-dzialania-i-sprawozdania/> (as available on 30.07.2013)

²⁰⁹ The data for 2010 is applicable to 75% of the population of entities which were required to submit P11 form, and the data for 2011 is applicable to 85% of such entities.

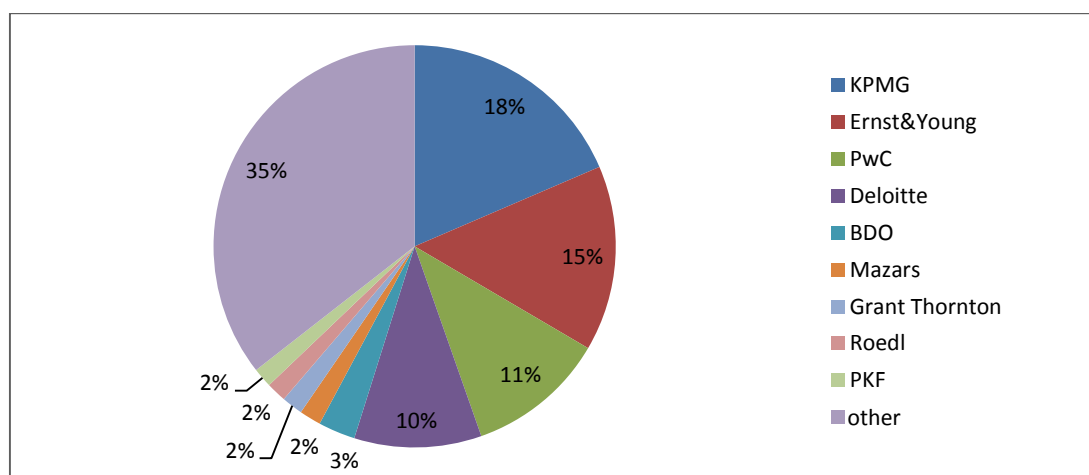
Graph 4.25. Number of financial statement audits performed (according to AOC reports)²¹⁰



Revenues generated by entities authorized to audit financial statements in 2011 in respect of financial audit amounted to PLN 728.5 million, including the revenues of the entities doing financial audit in public interest entities in the amount of PLN 571.8 million²¹¹.

Revenues generated by the Big Four (KPMG, E&Y, PwC, Deloitte) in 2011 in respect of financial audit amounted to PLN 402 314 187, which represented 54% of the revenues of all the entities authorized to audit financial statements (Graph 4.26) In the opinion of the AOC, such dominance does not signify very high level of market concentration and, importantly, each of the Big Four companies has a similar market share.

Graph 4.26. Distribution of revenue generated in respect of financial audit in 2011 among audit firms (in percentage)²¹²



²¹⁰ Source: Authors' compilation.

²¹¹ *Roczne sprawozdania Komisji Nadzoru Audytowego za lata 2009-2012* [Annual statements of the Audit Oversight Commission for 2009-2012], <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/> (as available on 30.07.2013)

²¹² Source: Authors' calculation based on: *Roczne sprawozdanie Komisji Nadzoru Audytowego za rok 2012* [Annual statements of the Audit Oversight Commission for 2009-2012], table 3, <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/> (as available on 02.08.2013)

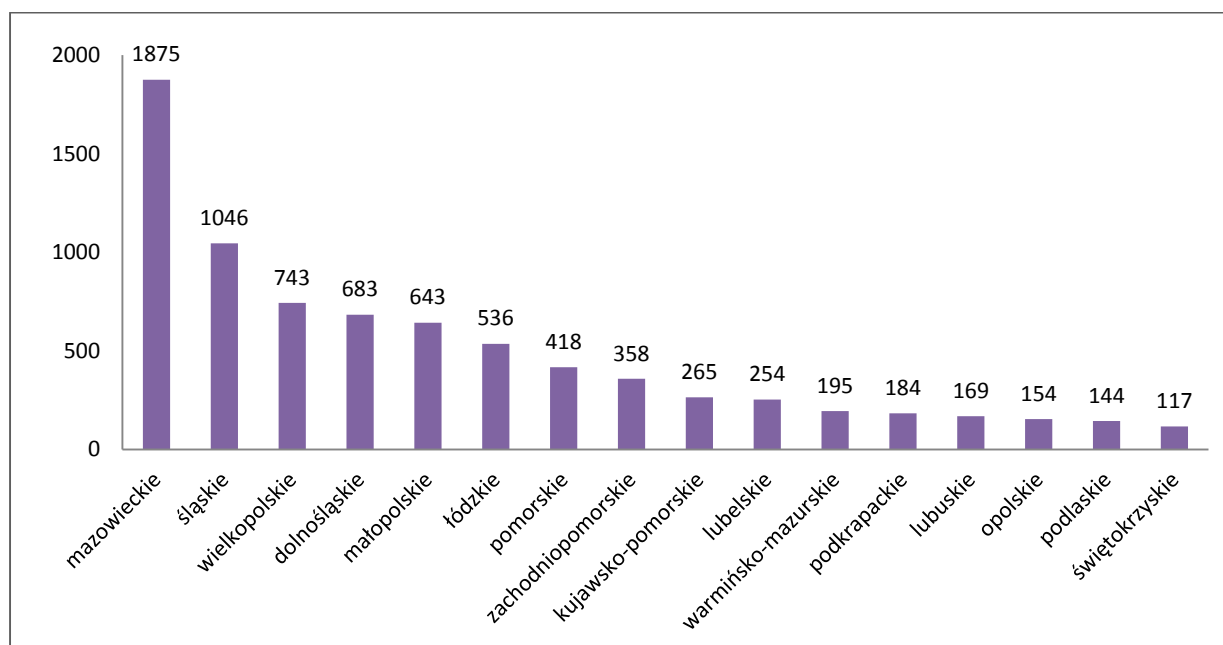
4.4.2. Tax advisors

As of June 28, 2013, there were 8 962 individuals on the list of advisors (after National Council of Tax Advisors/Polish: KRDP website), but 1 178 individuals (13%) did not practice the profession, which means that there were 7 784 practicing tax advisors.

The biggest number of entries (8 352, i.e. 70% of all the entries) were made in 1997-1998, when tax advisor profession was first established. The annual average over the first two years since the profession was established amounted to almost 4 200 entries. In subsequent years the annual average number of entries was slightly above 200.

The number of tax advisors in the breakdown according to geographical distribution of profession (by voivodship) and their structure is presented, respectively, in Graph 4.27 and Graph 4.28.

Graph 4.27. Practicing tax advisors by voivodship (number of individuals)²¹³



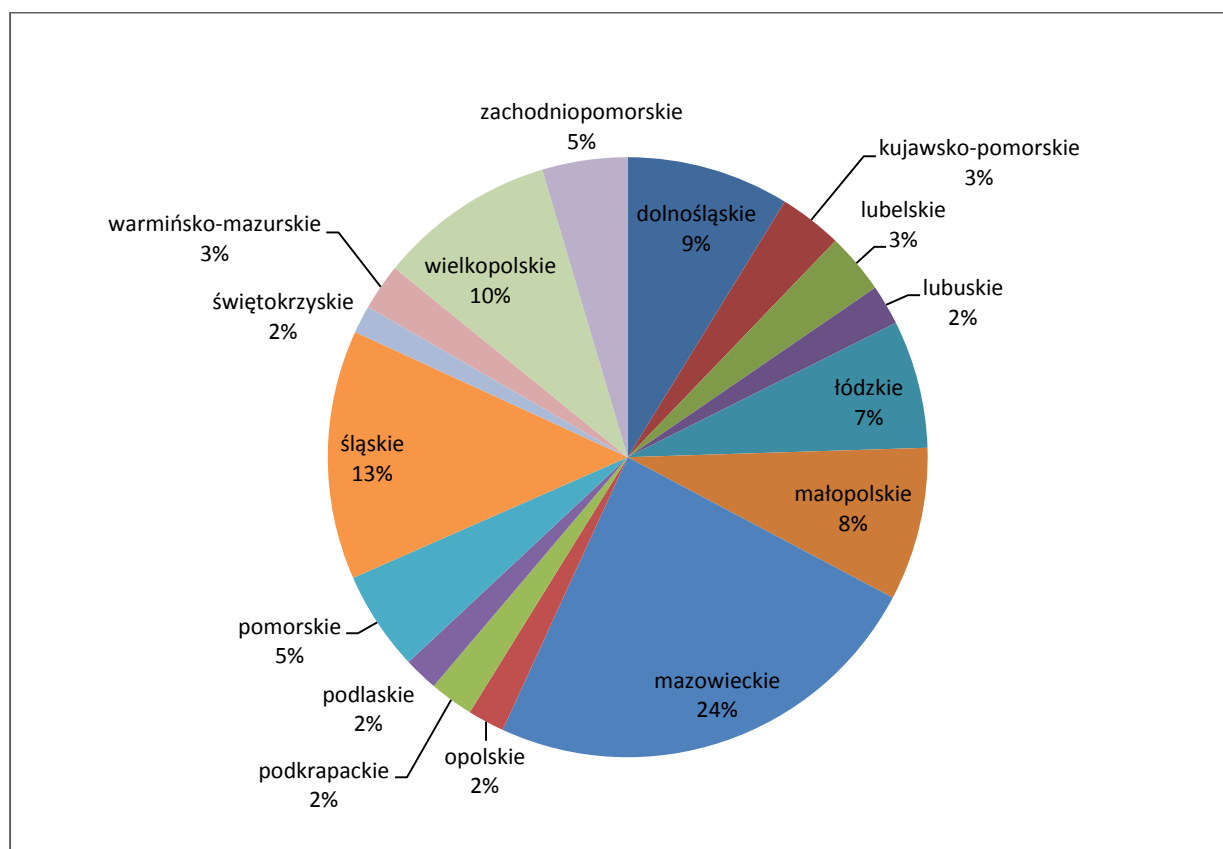
The highest number of practicing tax advisors is reported in Mazowieckie Voivodship – 1875 people, i.e. more than 24% of all practicing tax advisors in Poland. Mazowieckie is followed by Śląskie – 1046 people (13%), and by Wielkopolskie (10%), Dolnośląskie (9%), Małopolskie (8%) and Łódzkie (7%.) In Pomorskie and Zachodniopomorskie tax advisor profession is practiced by 5% of all tax advisors each, and in the remaining eight voivodships this profession is practiced by 2-3% of practicing tax advisors. This data is presented in the graphs below.

²¹³ Source: Authors' calculation based on: the list of tax advisors updated as of June 28, 2013 <http://www.krdp.pl/zapisz.php/plik/149> (as available on 22.07.2013)

The National Council of Tax Advisors also keeps the register of legal persons authorized to provide tax advisory services. The motion requesting the entry in the register is filed by the executive body of the legal person, and the entry includes:

- 1) Number and date of the entry in the register;
- 2) Full and abbreviated company (name) of the legal person and its address.

Graph 4.28. Practicing tax advisors by voivodship (percentage share)²¹⁴

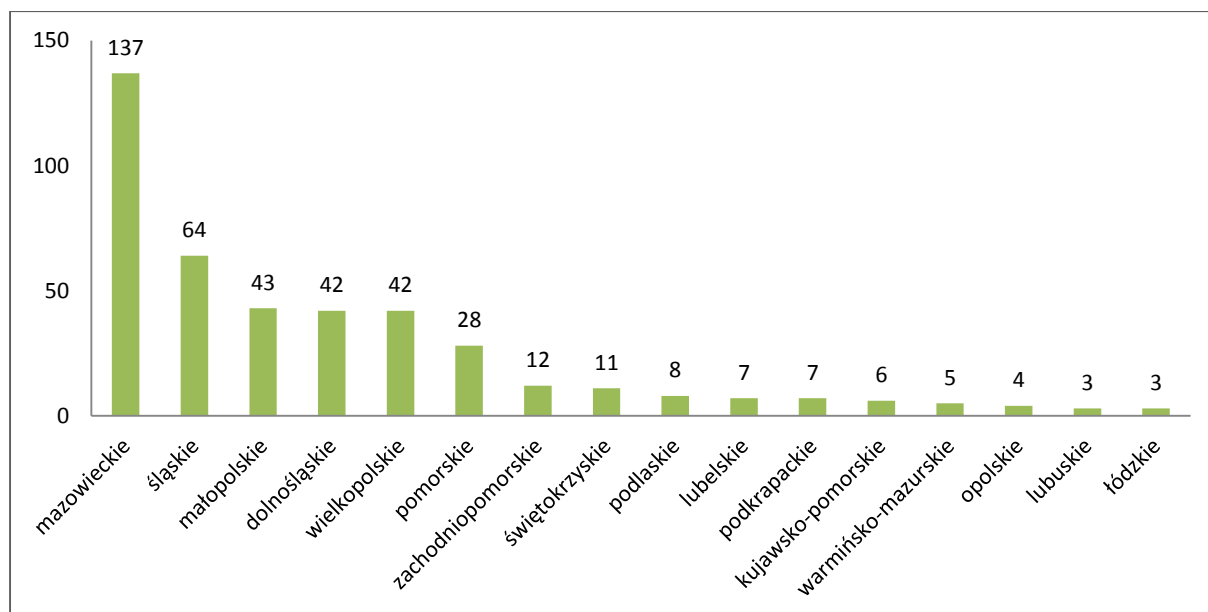


The register is maintained in electronic format and it is available in Public Information Bulletin on KRDP website.

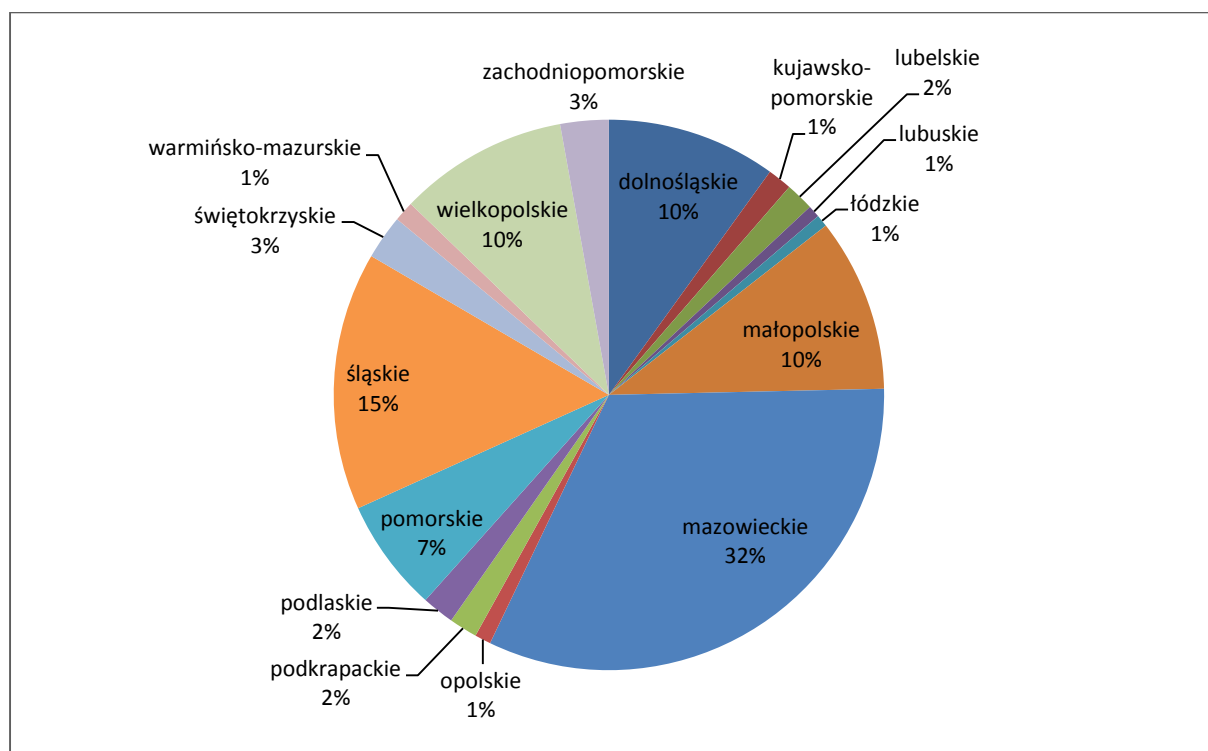
As of 27 July 2013, the last entry was assigned the number of 468, but 46 entities had been deleted from the register, which is why there are 422 legal persons authorized to provide tax advisory services listed in the register. The biggest number of entities comes from Mazowieckie - 137 (32%) and Śląskie - 64 (15%), followed by: Małopolskie, Wielkopolskie and Dolnośląskie (10% each.) Detailed data is presented in the graphs below (Graph 4.29 and Graph 4.30.)

²¹⁴ *Ibid.*

**Graph 4.29. Legal persons authorized to provide tax advisory services, by voivodship
(number of entities)²¹⁵**



**Graph 4.30. Legal persons authorized to provide tax advisory services, by voivodship
(percentage share)²¹⁶**



²¹⁵ Source: Authors' calculation based on: the register of legal persons authorized to provide tax advisory services, published at: [http://www.krdp.pl/files/pliki_z/7\(27\).pdf](http://www.krdp.pl/files/pliki_z/7(27).pdf) (as available on 27.07.2013)

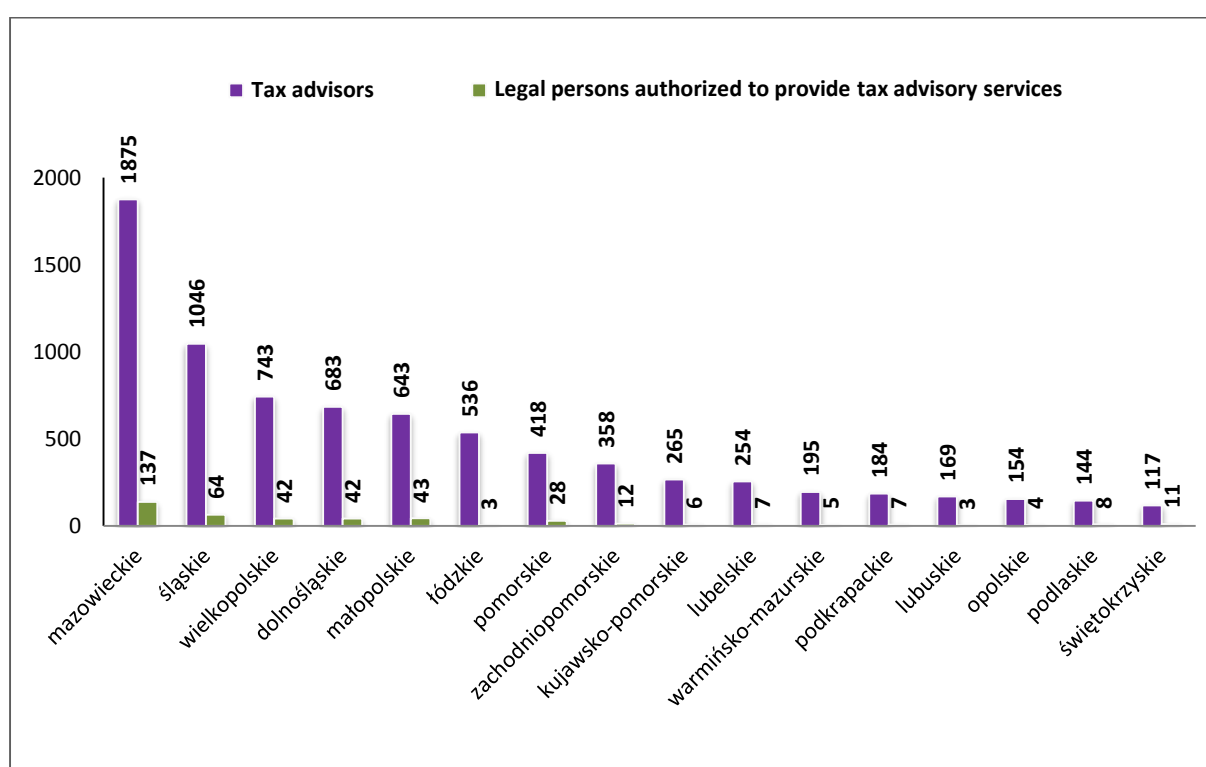
²¹⁶ *Ibid.*

As can be inferred from the data, in the voivodships that report high number of tax advisors the number of legal persons offering tax advisory services is also high (the only exception to that rule is łódzkie, where a relatively high number of tax advisors coincides with a small number of legal persons offering tax consultancy services.) This is illustrated in Graph 4.31.

Such geographical distribution of the population of tax advisors and legal persons offering tax advisory services can probably be accounted for with two factors, as follows:

- 1) The factor determining the demand for tax advisory services: economic development of the regions – the higher the level of economic development, the greater the demand for tax advisory services (and, consequently, the greater the number of entities that offer such services),
- 2) The factor determining the supply of tax advisory services: access to educational institutions offering college degree courses/other courses/training – the greater the access, the bigger the chances for getting proper education/obtaining professional qualifications.

Graph 4.31. Tax advisors and legal persons authorized to provide tax advisory services, by voivodship (number)²¹⁷



Interesting conclusions from research into the market of tax consultancy services in Poland can be found in a Ph.D. thesis written by Ms. Irena Sobieska, defended in 2011 at Szczecin University, Faculty of Economics and Management at the Department of Finance, entitled:

²¹⁷ Source: Authors' compilation.

Determinants of the development of tax consultancy in Poland, supervisor Associate Professor of Szczecin University, Jolanta Iwin-Garzyńska²¹⁸. The author of the thesis aims to evaluate the phenomena observed in Polish tax consultancy in the context of the factors that impact performance of this sector, with the purpose to identify the determinants underlying the development of tax consultancy in Poland.

The following paragraphs contain an outline of selected findings and conclusions from that thesis.

1. **Tax advisor age analysis.** About 44% of entries involved people below the age of 50, and about 56% were people aged 50 plus. This fact may impact the volume and number of entries in future years. In the period of 2005–2010 (analysis is based on the data as of July 30, 2010), people under 30 years of age were becoming more and more numerous in the catalog of entries to tax advisor profession, but at the same time people from that age group suspended their entry more frequently than others. A growing trend in respect of suspension of professional practice was proven over the last three years of the analysis, side by side with a correlation between tax advisor age groups and suspension rates in those groups (confirmed with a chi-square test of independence.)
2. **Tax advisor employment analysis.** The population of active tax advisors listed in the register includes a large share of people hired by the 'Big Five' companies, with increasing inflow of tax advisors hired by those entities to the profession. Average share of tax advisors employed by the 'Big Five' in the total number of active entries was equal to 27% - it was going up in recent years and in the last year of the analysis (2010) it reached the level of 32.72%. In that group, profession entry rate among people aged below 30 was on a very steep rise (from 1.05% in 2005 to 27.27% in 2010.)
3. **Projection concerning the population (number) of tax advisors.** Estimation projection of the number of entries for active tax advisors listed in the register in 2011–2020 demonstrated a downward trend due to which the number of entries may drop in 2020 to 5.696 (by about 30%.) The profession develops towards increased HR potential and market competitive advantage factors in the most developed economic areas.
4. **Demand for tax consultancy services.** The most important factor generating the demand for consulting services is a high degree of complexity, ambiguity and instability of the tax law. The most important reason why entrepreneurs do not use the services of tax advisors was lack of such need (50.64%), or difficulty in contacting entrepreneurs (26.6%.) In comparison to taxpayers in other countries, Polish taxpayers sparsely used tax advisory services. On the other hand, though, the number of proceedings before administrative courts with tax advisors acting as plenipotentiaries has been on the rise, as can be inferred from Chief Administrative Court statistics. This reflects growing

²¹⁸ Abstract of the thesis is available at the following address:

http://www.wneiz.pl/nauka_wneiz/obrona_dr/sobieska/Sobieska_autoreferat.pdf (as available on 20.08.2013)

competences of tax advisors as well as an increasing demand for their services among entrepreneurs.

5. **Availability of tax consultancy in terms of the subject, object and institutional capacity (tax advisor examination.)** Terms of access to the professions are most favorable of all 'related' public trust professions (such as a defense attorney, a legal counsel, a statutory auditor.) In a group of people who passed the oral examination, economic background (education) was slightly more prevalent than lawyer education, and definitely more prevalent than 'other' background. In the group of people aged 50 plus, however, lawyer education was more prevalent than economic background, and definitely more prevalent than 'other' background. This goes to show that tax advisor profession is interdisciplinary in nature. The 'relief' in access at the stage of tax advisor examination (with a limited range of areas) was used by 96 people, most of them were fiscal control inspectors (81), mainly from Wielkopolskie Voivodship. In 2010 the biggest number of candidates were eligible for oral examinations (930); 71.61% took the examination, and 32.73% passed the examination (of those who took it), which may reflect poor preparation of candidates or broad extent of subjects included in the examination. Examination success rate has been decreasing year over year: in 2008 it was 45%, in 2009 it was 40%. Success rate in the case of tax advisor examination in each year was much higher than the success rate in the case of examination for 'an accountant with a certificate' (in 2010, 32% and 23%, respectively), which is probably a consequence of the fact that, in contrast to a tax advisor profession, the qualification of 'an accountant with a certificate' can be obtained without taking a state examination.
6. **Economic and financial condition of tax advisors** (survey involving 545 respondents.) Typically, tax advisors offered their consultancy services as economic activity conducted by a natural person, with the following characteristics:
 - a) Hiring individuals with other qualifications, including the qualification of 'an accountant with a certificate' (22.39%); tax advisors aged 41-50 typically hired another tax advisor, and those aged 51-60 typically hired 'an accountant with a certificate'; in the period included in the analysis employment in small firms was shrinking and employment in large firms was growing; in 2005–2009 the biggest number of respondents had 1–2 employees, with an increasing trend, fewer firms had 3–5 employees, with a decreasing trend; number of tax advisors who did not hire any employees was going up year after year, and in 2009 it reached the level of 17.61%; this means that smaller entities were reducing their workforce, probably due to reduced revenues; and employment in firms with 11-20 people was on the rise, which reflects increasing revenues generated by larger entities;
 - b) Number of clients serviced on a monthly basis was either very low [1–10 entrepreneurs], or very high [101–200 entrepreneurs];
 - c) Cost cutting or keeping the costs at a stable level, with the biggest share of the category defined as: 'rent, utilities, IT services, publications' in the cost structure,

in the ranges of [up to PLN 8.000] and [PLN 8.100–15.000]; in the category of ‘wages, Social Security (ZUS) contribution covered by the payer, materials’ there were only slight changes reflecting cost containment;

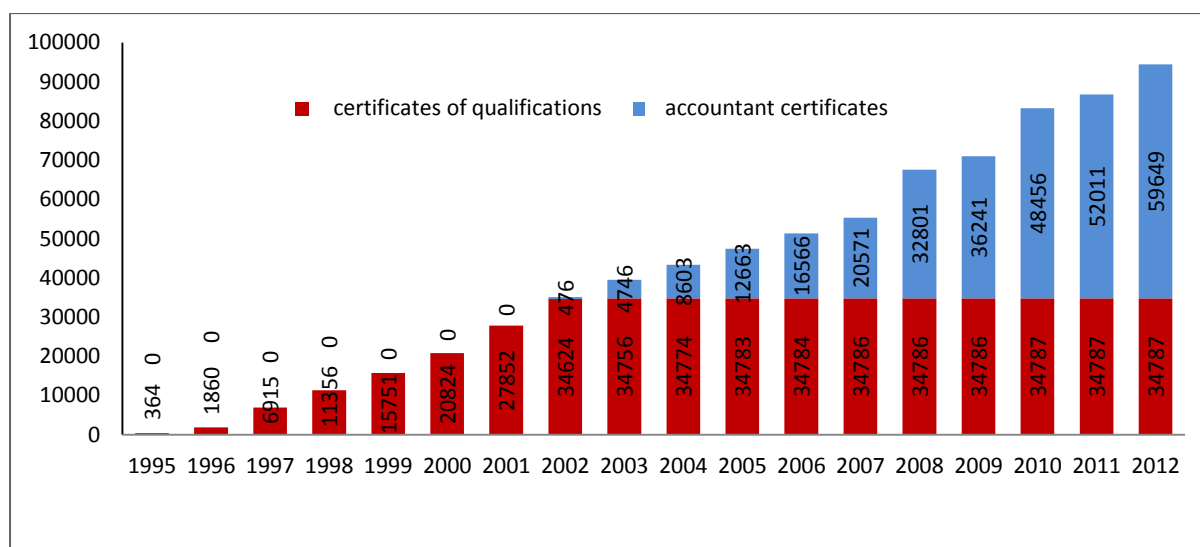
- d) Revenue generated predominantly from doing tax calculations and workforce services (approx. 50% of total revenue); revenue from drafting legal opinions and participating in tax proceedings represented about 10-15% each of total revenue structure, followed by revenue from participation in court proceedings and tax optimization (about 5-10% each); revenue from tax audit and other sources was the least significant category (less than 5%); smaller tax consultancy firms suffered due to economic cycle turbulence, and bigger ones demonstrated stability based on continued increase in revenue generation;
 - e) Average monthly income per one advisor in the amount of PLN 8,500, which represented 292% of the average monthly compensation in the enterprise sector (but, given the character of the survey, the author of the thesis believes that this income level may have been overestimated.)²¹⁹
7. **Practical recommendations for the future.** Tax advisors who run small tax and accounting offices, operating somewhere between ‘an accountant with a certificate’ and large consultancy firms, ought to strengthen their market position by taking on multi-dimensional cases, offering services in the areas that are ‘unpopular’ among their competitors, strive to offer comprehensive array of services, and cooperate with ‘related’ public trust professions.

4.4.3. Individuals with an accountant certificate

According to the data disclosed on Ministry of Finance website (MoF administers a list of individuals who have an accountant certificate/certificate of qualifications), as of July 29, 2013 (data until the end of 2012) there were 94 436 individuals on that list, including 34 786 people with a certificate of qualifications and 59 649 people with an accountant certificate. The number of authorizations granting the right to provide book-keeping services, in the breakdown into certificates of qualifications and accountant certificates, is presented in Graph 4.32.

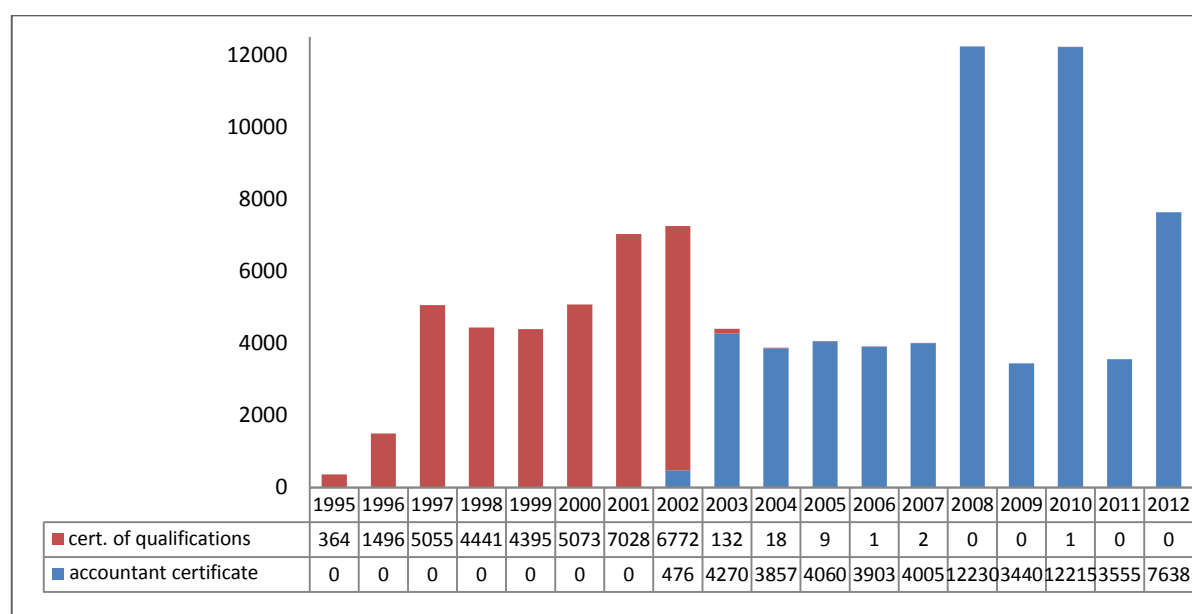
²¹⁹ According to the data presented on www.moja-pensja.pl web portal (as available on 20.08.2013), average income of a tax advisor is PLN 9 thousand gross (about PLN 6.3 thousand net.)

Graph 4.32. Number of certificates of qualifications and accountant certificates issued (cumulative)²²⁰



The number of authorizations to provide book-keeping services issued each year is presented in Graph 4.33.

Graph 4.33. Number of authorizations for a certificate of qualifications and an accountant certificate issued in each year (number of people)²²¹



²²⁰ Source: Authors' calculation based on: the list of individuals with an accountant certificate, <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/egzaminy-zawodowe/certyfikat-ksiegowy/wykaz-osob-posiadajacych-certyfikat-ksiegowy> and the list of individuals with a certificate of qualifications, <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/egzaminy-zawodowe/certyfikat-ksiegowy/wykaz-osob-posiadajacych-swiadectwo-kwalifikacyjne> (as available on 29.07.2013)

²²¹ *Ibid.*

Certificates of qualifications were issued (in very small quantities) after 2002 due to transitional provisions referred to in point 2.3.4.

Over the 18 years during which the list has been maintained, on an average annual basis 5 246 people received the qualification for book-keeping services, and growth was not proportional in each year. As can be inferred from the data shown in Graph 2, the biggest growth dynamics was observed in 2008, 2010 and 2012 (13%, 13% and 8%, respectively, of all qualifications issued by the end of 2012.) Significant growth was also reported in 2001 and 2002 (7% and 8% of qualifications issued.) This phenomenon should probably be associated with the changes in legal regulations governing the issuance of accountant certificates/certificates of qualifications (usually during transition periods, in the circumstances of uncertainty as to the future direction of legislation, people tend to make every effort to get the procedure finalized under existing, familiar rules.)

According to the data published on <http://republikanie.org> website, average earnings of a person offering book-keeping services amount to over PLN 4 thousand (it is not specified whether the amount is provided in net or gross terms.)

Using the data included in the list administered by the Ministry of Finance it is not possible to determine how many of the individuals from the list actually provide book-keeping services, or what is their employment/business model. It is not clear how many of those people also have tax advisor and statutory auditor qualifications.

The Minister of Finance does not have a register of entities authorized to provide book-keeping services; the only register available is the list of individuals with an accountant certificate. By the same token, it is not clear how many of these people actually make use of their qualifications in their job, including how many run their own accountancy firms and how many are employed by various organizational units.

The quality of services provided by accountancy firms in Poland is varied. Clients sometimes file complaints²²²; the Accountants Association in Poland (SKwP) receives 100 complaints a year, on average, and the complaints filed with the Ministry of Finance must be regarded as incidental, in proportion to the number of qualifications issued. In the opinion of Jerzy Koniecki (President of Warsaw Branch of SKwP) and Ryszard Gorycki (Chair of SKwP Main Audit Board), the key areas of knowledge and skill shortages can be summarized as follows:

- Inadequate knowledge in the area of accounting, especially with regard to cost recognition,
- Inadequate knowledge in the area of taxation, especially with regard to the VAT,
- Gaps in practical preparation for the profession,

²²² Clients complain about errors made by accountancy firms, http://podatki.gazetaprawna.pl/artykuly/315877,klenci_skarza_sie_na_bledy_biur_rachunkowych.html (as available on 20.08.2013)

- Negligence in updating one's knowledge.

It should be remembered that the taxpayer bears responsibility for errors made by accountancy firm, and the taxpayer may claim compensation from the insurer for damages incurred by the entity authorized to provide book-keeping services. The taxpayer must prove that the error arose from the fault of the accountancy firm and must have the evidence, i.e. an invoice or a contract, to document the service in question.

As a safeguard of taxpayer's interest, one can verify whether the firm is run by a member of a professional organization (such as SKWP [Accountants Association in Poland], KIBR [National Chamber of Statutory Auditors], or KRDP [National Council of Tax Advisors]). Any irregularity concerning service provision reported to a professional body results in implications specified in the acts of law, charters and in professional codes of ethical conduct. Any irregularity reported to the Ministry of Finance as the entity supervising the provision of book-keeping services in Poland, when there is reliable information indicating that an illegal act may have been committed, results in the notification of relevant law enforcement authorities (prosecutor's office or police department.)

It appears that quality assurance services for accountancy firms in Poland are going to develop along the lines of the UK model, where strong private institutions of accountants/auditors perform a supervisory function over such services, and where there is preference (on a market basis) for individuals with certificates issued by respectable and renowned institutions. In the case of book-keeping services, such affiliation is required pursuant to 2007 *Money Laundering Regulations*²²³ (*Explanatory Memorandum for draft regulatory law, tranche 2*²²⁴.)

In Poland we have also observed bottom-up initiatives connected with verification of reliability of accountancy firms and their services. One of those initiatives is the 'Accounting Information Center' (C.I.K. sp. z o.o., KRS 0000380095), which aims to *'improve the quality and the standards of accounting and book-keeping services in Poland, and promote fair competition'*²²⁵. C.I.K. verifies official qualifications and competences of entities offering accounting services, taking the following items into account:

- 1) MoF/KIDP [National Chamber of Tax Advisors] list/Statutory Auditors Register license,
- 2) Civil liability insurance in respect of book-keeping services,
- 3) No outstanding payments,
- 4) Impeccable reputation (verified based on feedback received),
- 5) Work with licensed accounting software,

²²³ <http://www.legislation.gov.uk/ukxi/2007/2157/contents/made> (as available on 18.07.2013)

²²⁴ <http://ms.gov.pl/pl/%20deregulacja-dostepu-do-zawodow/ii-transza/> (as available on 17.07.2013)

²²⁵ <http://www.cik.org.pl> (as available on 20.08.2013)

6) At least one year of experience in provision of book-keeping services.

To date, more than 500 firms have been enrolled on the list administered by the C.I.K. The number of firms successfully verified in each city included in the review is presented in Table 4.9 below. Verification process in the cities of Kielce and Opole is in progress, and the cities of Gorzów Wielkopolski and Rzeszów will be verified next (data as of 25.07.2013.)

Table 4.9. Accountancy firms certified by the C.I.K.²²⁶

	City	Number of firms verified		
		City	Adjacent area	Total
1	Białystok	13	-	13
2	Bydgoszcz	21	3	24
3	Gdańsk	20	-	20
4	Gdynia	14	1	15
5	Katowice	13	2	15
6	Cracow	73	6	79
7	Lublin	20	1	21
8	Łódź	52	5	57
9	Olsztyn	4	-	4
10	Poznań	42	7	49
11	Sopot	6	-	6
12	Szczecin	35	-	35
13	Warsaw	133	4	137
14	Wrocław	47	3	50

Notably, verification does not apply to all the firms that offer book-keeping services – it only applies to those firms which either volunteered for verification process or else were put forward by their clients.

A similar initiative (verification of accountancy firms) was taken up by Net Find Company²²⁷, but in this case the operation is limited to Warsaw and its surroundings and there is no information about verification methodology on the website. The website displays an advertising slogan reading: *‘Warsaw Database of Accountancy Firms is a place where you can*

²²⁶ Source: Authors’ compilation based on: <http://www.cik.org.pl/Certyfikowane-Biura-Rachunkowe---Lista.php> (as available on 25.07.2013)

²²⁷ <http://www.biura-rachunkowe.waw.pl> (as available on 20.08.2013)

find qualified accounting services that meet the criteria', defined as a business license and civil liability insurance.

Polish Chamber of Accountancy Firms (Polish: PIBR)²²⁸ has a more comprehensive approach. PIBR is a relatively new, independent, self-financing organization of a self-governing professional body; it is a lobby group of accountancy firm owners and as such it represents business interest of its members, who conduct economic activity in the area of book-keeping services, tax revenue and expense ledger keeping, record-keeping and registers required by the authorities, state administration and local governments, and economic, social and political organizations and institutions. PIBR mission is to help enhance competences of accountancy firm owners and to promote high quality standards in the field of services offered by the firms.

PIBR wants to create conditions conducive to better performance that is supposed to translate into higher profits, especially given the fact that in recent years there was a dramatic increase in the supply of accounting services. In consequence, prices have dropped and costs have increased – this is particularly true of wage costs, which account for 90% of all costs incurred in an accountancy firm.

As can be learnt from the analysis presented on PIBR website, over the last 12 years, i.e. since 1996, profitability of accountancy firms dropped by 60%, and half of that drop dynamics occurred in the last five years. In the opinion of PIBR the drop in service profitability can be stopped once the number of entities providing book-keeping and accounting services is reduced, their operating costs are contained, and the number of customers on the market is increased. Planned market deregulation is not going to help put the downward trend in profitability to a halt.

Any entrepreneur operating in the area of book-keeping services can become a member of the Polish Chamber of Accountancy Firms.

PIBR flagship project is an initiative labelled as 'A Good Accountancy Firm' (*Dobre Biuro Rachunkowe/DBR*.) A good accountancy firm is characterized by: high level of professionalism, carefully selected staff, excellent work organization system, process automation, and effective marketing. In contrast, a traditional accountancy firm is characterized by outdated work organization system and absence of state-of the-art technology solutions, which is reflected in high operating costs. A traditional accountancy firm is based on a model of an accountant who is a specialist in many fields. In practical terms, this means but rudimentary knowledge in each field. A good accountancy firm should be based on team work, with constant improvements. As an outcome, the quality of services will be much higher, with concurrent reduction in operating costs.

²²⁸ Material developed based on the contents of PIBR website, including its charter and by-laws, <http://pibr.pl> as available on 23.08.2013

PIBR is ready to help its members implement a modern DBR system; it offers professional training for the staff within the framework of 'A Good Accountancy Firm' project. The Chamber hopes that, ultimately, accountancy firms with DBR certificate will be the role models and a symbol of top quality on the market of book-keeping and accounting services.

PIBR is a new organization established in September 2012. In July 2013 the Board of Polish Chamber of Accountancy Firms adopted a resolution on a new professional qualification called 'PIBR Accounting Expert' and on the accompanying certificate. 'PIBR Accounting Expert' is a professional title protected under the law. A person who receives the title is expected to have proven knowledge and skills in the fields of accounting, taxation and business law. PIBR grants the certificate on request of the interested individual, who must meet the pre-determined criteria (for example, at least secondary level education, at least 2 years of documented experience in book-keeping service practice, and an examination²²⁹, but the test is equivalent to having the qualification of a statutory auditor, tax advisor, or accountant certificate.) Certificate is issued for a period of one year, and the annual fee is PLN 400 (examination fee – PLN 300.)

Other certificates (apart from the accounting expert) granted by PIBR are as follows:

- DBR certificate – granted to an entity which provides services through an accountancy firm and is a member of the Chamber; this is a flagship certificate of PIBR; it can be obtained based on the criteria described in the regulations (yet unpublished); the certificate is issued for a 3-year period, upon favorable recommendation of an auditor authorized by PIBR leadership to do the audit; PIBR Board claims that the current system develops a universal accountant with an above-standard mind; broad range of knowledge required of an individual who provides accounting services is excessive for a capacity of an average person, which is why DBR is a modern team-work system with realistic division of knowledge and experience requirements among individual members of the team, it enables efficient and fully professional service for accountancy firm client; PIBR puts forward a system of educational paths conducive to the development and improvement of staff in a Good Accounting Firm (as specified below.)
- Manager of an accounting firm – certificate issued for an individual who meets the requirements specified in the regulations (lacking) and who passed a certification examination;
- Employee of an accounting firm - certificate issued for an individual who meets the requirements specified in the regulations (lacking) and who passed a certification examination.

PIBR intends to organize a system of courses within the framework of paths leading to examinations. PIBR is going to offer the following specializations:

²²⁹ As of 23.08.2013, the regulations were not available on PIBR website.

I. Accounting specializations:

1. Accounting expert – accounting specialist;
2. Accounting expert – Personal Income Tax specialist,
3. Accounting expert – Corporate Income Tax specialist,
4. Accounting expert – Value Added Tax specialist,
5. Accounting expert – HR and payroll specialist,
6. Accounting expert – analyst.

Requests for opening accounting specialization can be submitted by individuals with accounting expert qualification, and specialization is attained upon completion of a specialized course and successful result of a certification examination.

II. Other specializations:

1. Certified employee of an accountancy firm, specializing in commercial code companies - requests for opening this specialization can be submitted by individuals, without any prior requirements; specialization is attained upon completion of a specialized course and successful result of a certification examination.
2. Certified IT specialist for an accountancy firm - requests for opening this specialization can be submitted by individuals with general IT background; specialization is attained upon completion of a specialized course and successful result of a certification examination.

PIBR efforts are a new initiative and it is hard to predict how the community will respond.

There is no doubt that, in view of deregulation of provision of book-keeping services, the initiatives along the lines of those described above seem to set the direction for verification of A&A service quality. Having said that, a question remains as to which of the entities/organizations will emerge as the leader in quality assurance, business association and continued training. In that context, one should not overlook the long-standing Accountant Clubs - 'Book-keeping and Accounting Service Firms', operating under the auspices of SKwP field branched, with their activity traditionally focused on training, lectures and integration of professional community. At present these clubs might start to launch initiatives connected with accountancy firm quality assurance. There is need for discussion about the criteria that would be taken into account in the process of evaluation of accountancy firms and the way in which those criteria would be verified, because it seems that the initiatives undertaken to date were focused on formal aspects rather than on the actual assessment of service quality and reliability.

4.4.4. Chief accountants and internal auditors in public finance sector entities (PFSEs)

Statistics concerning employment and compensation in PFSEs in the breakdown according to selected professions can be obtained from GUS study based on Z-14 form entitled: 'Report on employment and compensation in public administration and other entities'. This study is typically carried out every two years (the most recent one is a report on 2010 status.) This reporting obligation is mainly applicable to public administration entities (central and local government administration), social welfare services, system of justice, and national defense.²³⁰

In connection with the number of chief accountants and auditors one should take into account two lines in Section 2 of this form, i.e. 'Employment and compensation in the breakdown according to selected professions':

- 04 - Financial managers (1211), including chief accountants who were not presented on the form as a separate category,
- 12 – Auditor (242204).

For these and 18 other professions²³¹, the following data is collected on Z-14 form:

- Average compensation per one FTE (headcount) – with the accuracy of one decimal point, and
- Gross compensation in PLN thousand - with the accuracy of one decimal point.

The data allows for the estimation of the number of people working in audit departments (in FTEs), but chief accountants are aggregated together with other employees classified as financial managers.

The data collected on Z-14 form is a part of GUS data resources, but it is not published. Quantitative data on chief accountants in PFSEs is not available from other entities, either (e.g. Regional Chambers of Audit – entities that supervise local government units do not gather such data concerning chief accountants/accountants in local government units.) It appears that one can make a ballpark approximation as to the number of chief accountants in local government units. It is common knowledge that each municipality employs a treasurer (chief accountant of a local government unit budget), and there were 2 479 municipalities as of 1 January, 2013. It is not known, however, how many municipalities also employ a chief accountant for municipal budget side by side with the treasurer, and that means that the

²³⁰ http://www.stat.gov.pl/cps/rde/xbcr/bydgosz/ASSETS_Objasnienia_FAQ_Z-14_2013.pdf (as available on 4.10.2013)

²³¹ Interestingly, a group of professions listed on the form also includes other professions that bear significance for this analysis, such as, for example: general and executive directors (1120), financial specialists (241), including accounting specialists (241103) and accountants (3313), as well as lawyers working in finance and statistics (431.) Therefore, the Z-14 form study is a source of information about employment and compensation in A&A professions named above in the entire public sector.

number of municipalities at a given point in time can only be used as an indicator for the minimum number of chief accountants in local government units.

The problem of lack of GUS official statistics on the number of internal auditors in PFSEs can be addressed thanks to the data and information made available by the Ministry of Finance on its websites. In particular, annual reports of Public Finance Sector Audit Department (starting from 2006 reports) at <http://www.mf.gov.pl/sprawozdania-ministerstwa-finansow> (as available on 20.08.2013) can serve as a source of information about internal audit structure and performance, and about management control in PFSEs in Poland.

The first such report available goes back to 2006, and the most recent one was prepared for 2012 – a year that marks the 10th anniversary of internal audit in Polish public administration, and the 3rd anniversary since the effective date of management control regulations²³². Due to the fact that the evaluation of internal audit system in 2012 report was presented under a new format – with less data of interest from the standpoint of the subject-matter of this study – the following analysis is based on the data from previous years.

Audit Department reports are based primarily on the information on execution of tasks in scope of internal audit, sent to the Minister of Finance by the end of January for the previous year by the entities that are required to provide such information (Article 295 of the Act on Public Finance.) Such reporting requirement does not apply to, *inter alia*, local government units and their organizational entities, i.e. in the case of such units and entities the data is not precise and it can be estimated based on the information collected by relevant organizational units of the Ministry. That was one of the reasons why the Audit Department 2012 Report is focused almost exclusively on the information pertaining to central government entities²³³.

Due to the fact that PFSEs are a potential employer for PFSE internal auditors, the analysis includes the data on the number of PFSEs. As of 31.12.2012, internal audit obligation was imposed upon 613 central government units and 1012 local government units. Detailed data concerning the approximate number of PFSEs required to do the audit in the period of 2006-2012 is summarized in Table 4.10.

²³² *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (reports for 2012), Public Finance Sector Internal Audit Department, August 2013, p. 3, http://www.mf.gov.pl/documents/764034/5425261/20130814_SPRAWOZDANIE_ROCZNE_2012.pdf (as available on 20.08.2013)

²³³ The term of 'central government administration' applies to entities referred to in Article 274, paragraphs 1, 2, 5 and 6 of the Act on Public Finance, as well as to the entities referred to in paragraph 4 of that Article that do not make part of local government administration. In other words, central government administration includes all the entities listed in Table 2.3 in point 2.3.5., with the exception of local government units and other entities from local government sector.

Table 4.10. Number of public finance sector entities required to do internal audit in the period of 2006-2012 (in approximation)²³⁴

Group of entities \ Year	2006	2007	2008	2009	2010	2011	2012
Central government units	1900	1936	1959	1975	635	640	613
Local government units	500	621	684	776	1044	1075	1012
Organizational entities of local government units	0	0	0	0	132	32	(.)
Associations of municipalities and counties	0	0	0	0	0	3	(.)
PFSEs total	2400	2557	2643	2751	1811	1750*	x

* Additionally, audit was carried out in 4 earmarked funds; since it was performed by internal auditors employed in relevant ministries or agencies, the funds were not included in the 1750 number.

The universe of entities includes all categories of entities in the breakdown according to the legal basis for the audit requirement – specification of those entities for 2010 and 2011 is presented in Table 4.11. The data for 2012 and for the years prior to 2010 is missing.

Table 4.11. PFSEs required to perform internal audit in the breakdown according to the legal basis for the requirement (2010-2011)²³⁵

Group of entities according to the legal basis for the audit requirement	2010		2011	
	number	structure	number	structure
Entities required to do the audit pursuant to Article 274, paragraph 1 of the Act on Public Finance	69	3.8%	70	4.0%
Entities required to do the audit on the grounds of the fact that they exceeded a financial threshold specified in the regulations (Article 274, paragraph 2)	1398	77.2%	1421	81.0%
Entities required to do the audit pursuant to the decision of unit manager/minister in charge of the division/Prime Minister	344	19.0%	263	15.0%
Total	1811	100.0%	1754*	100.0%

*Taking into account earmarked funds audited by auditors employed in relevant ministries or agencies.

²³⁴ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (annual reports for 2006-2012), <http://www.mf.gov.pl/sprawozdania-ministerstwa-finansow> (as available on 12.08.2013)

²³⁵ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (annual reports for 2010 and 2011.)

During both periods included in the analysis, vast majority of public finance sector entities required to do the audit are the entities that exceeded financial thresholds specified in the regulations, set at the level of PLN 40 000 thousand (in 2010 such entities represented more than 77% , and in 2011 – 81% of all PFSEs required to do the audit.)

Not all the entities required to do the audit actually comply with that obligation. In the entities that conform to the requirement, audit is performed by in-house auditors (in some cases the auditors employed in the inspection agency), or service providers. There is no data concerning the number of entities that complied with the audit obligation in 2012, but it is known that out of the entire population of 575 central government administration entities under review (the total number of all entities subject to the obligation was 613), 534 entities used an in-house auditor (93%) and 41 entities used an external provider (7%.) More detailed information for 2011 is presented in Table 4.12.

Table 4.12. PFSEs that complied with audit obligation in 2011²³⁶

Group of PFSEs	Audit obligation performed by			number of entities required to do the audit	compliance with the obligation (%)
	auditor employed in the entity	service provider	total		
Central government units	555	41	596	640	93%
Local government units	463	483	946	1075	88%
Organizational entities of local government units	3	0	3	3	100%
Associations of municipalities and counties	29	3	32	32	100%
PFSEs total	1050	527	1577	1750	90%

As shown in Table 4.12, some entities (first and foremost, local government units) fail to conform to the audit requirement. In 2011 service providers did internal audit in 1/3 of the entities in which audit was performed. During the period included in the analysis, external service providers were used most extensively by local government units - external auditors carried out audit in more than 51% of such entities.

Provision of internal audit service by individuals and firms not employed in the entity has been a part of audit practice for a short time (since 1.10.2010), so it seems reasonable to look at the changes in the number of service providers and auditors employed in audit units. The data

²³⁶ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (2011), p. 8.

shown in Graph 4.34 applies to 2010 and 2011. As for 2012, we only know that 914 people were employed in audit units in central government administration, of which 813 people were employed as internal auditors and the others held auxiliary positions.

As shown in Graph 4.34, the number of people employed in audit units remained at a quite stable level in 2010 and 2011, but the number of service provider auditors increased by 40%. Relative stability in the employment of auditors in audit units in 2010 and 2011 does not indicate that the same trend could be observed before. The analysis of employment in audit units in the longer time frame (since 2007) is based on the data summarized in Table 4.13.

Graph 4.34. Comparison of the number of people employed in internal audit units to the number of service providers in PFSEs²³⁷

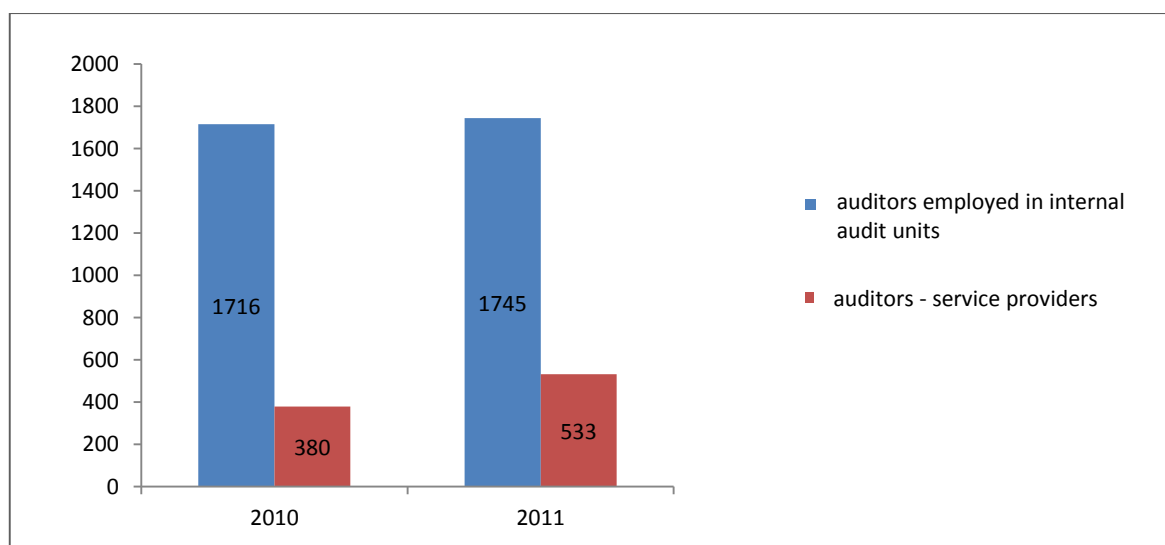


Table 4.13. Number of people employed in internal audit units in 2007-2012²³⁸

Group of PFSEs \ Year	2007	2008	2009	2010	2011	2012
Central government units	809	944	918	959	952	914
Local government units	(.)	(.)	557	621	760	(.)
Organizational entities of local government units	(-)	(-)	(-)	136	33	(.)
Total	x	x	1475	1716	1745	x

As suggested by the data summarized in Table 4.13, the most stable employment was that of internal auditors in central government sector entities, although even in that sector there

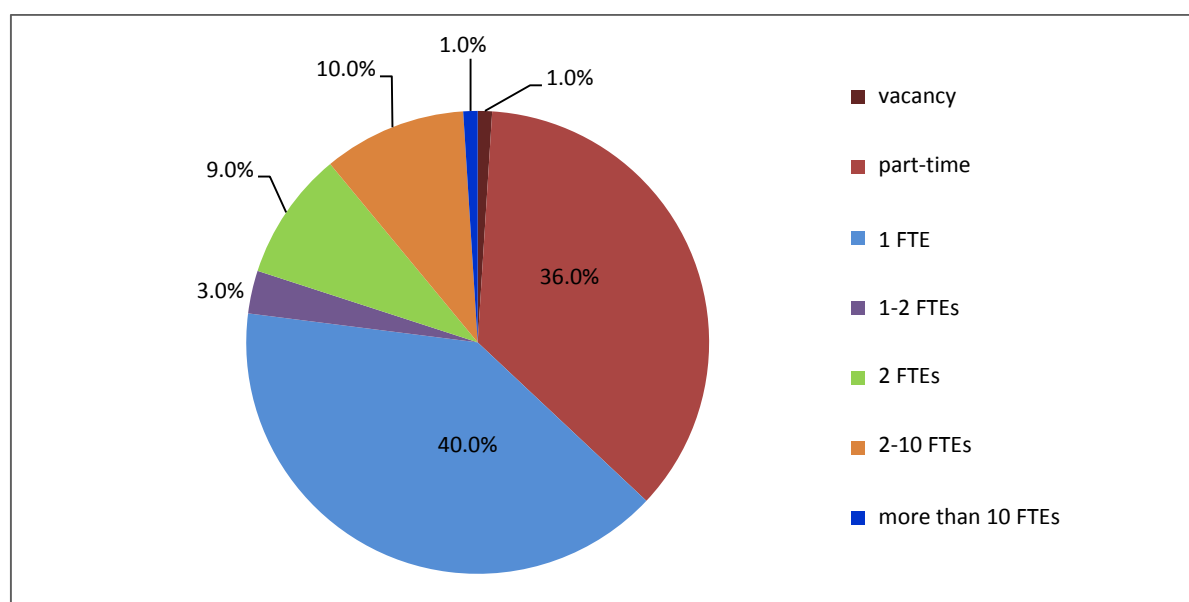
²³⁷ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (2011), p. 16.

²³⁸ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (2011), p. 15.

were some small fluctuations in 2007-2012. The most dynamic increase in auditor employment was observed in the group of local government units. In view of the lack of data, it is not possible to analyze employment in local government units for 2007, 2008 and 2012. In the period of 2009-2011 there was an over 36% increase (203 people) in employment of auditors in internal entities of local government units.

For the sake of accuracy in interpreting the number of people employed in audit (resulting from data in Table 5) it must be noted that some auditors are employed in several entities at the same time, holding even several FTEs, all in all. Such individuals are shown in the statistics summarized in the table more than once (e.g., in 2011 such individuals accounted for about 7%.) Yet another trend consists in hiring auditors under part-time employment schemes, which results in phenomenon whereby the number of auditors is greater than the number of FTEs (headcounts) (Graph 4.35)

Graph 4.35. Employment structure in internal audit units in 2011²³⁹



In 2011 as much as 76 % of audit units employed people under a part-time to 1 FTE scheme. Only 10% of audit units employed between 2 and 10 full-time employees, and only 1% of PFSEs employed in their audit units more than 10 people²⁴⁰. Analogical data for 2012 is not available.

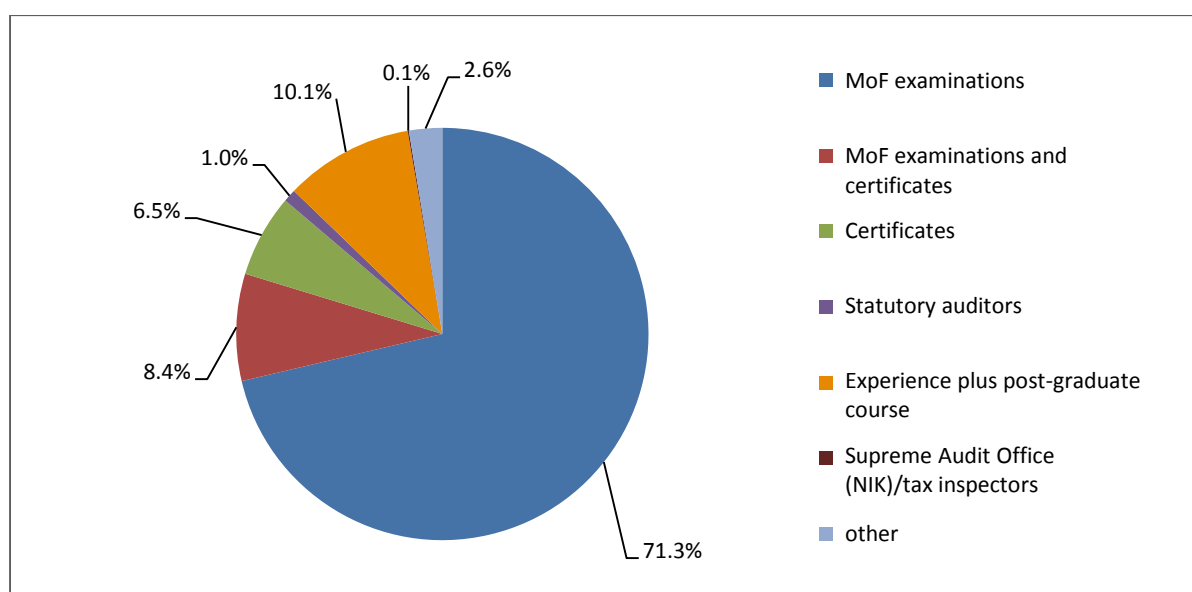
²³⁹ Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym* [Internal audit and management control in the public sector] (2011), p. 9.

²⁴⁰ *Audyt wewnętrzny i kontrola zarządcza ...*, [Internal audit and management control in the public sector] (2011), p. 8.

According to the reports dedicated to internal audit and management control, for several years now there has been a permanent group of about 1500 auditors dealing with internal audit in the public sector (in-house as well as external auditors.)²⁴¹

Interesting conclusions can be drawn from the analysis of professional qualifications of auditors. The structure of internal auditors according to their qualifications is presented in Graph 4.36 below.

Graph 4.36. Professional qualifications of internal auditors employed in PFSE internal audit units (2011)²⁴²



Among internal auditors employed in PFSE internal units in 2011, the most numerous group (over 70%) is made up of individuals who passed Ministry of Finance examination in the period of 2003-2006. Individuals holding international certificates authorizing them to perform internal audit represent 14.4% of internal auditors in the public sector, including 8.4% of auditors who combined such certificate with Ministry of Finance examination. Individuals who have completed a post-graduate course in that field and have two years of experience in internal audit represent about 10%.

To sum up, one can conclude that the employment structure in internal audit in Polish PFSEs is characterized by strong fragmentation, which can be accounted for by the fact that relatively many entities required to undergo the audit have one employee in their audit unit, hired on a full-time or a part-time basis. In view of a relatively stable number of in-house

²⁴¹ *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* Public Finance Sector Department (2011), July 2012, pp. 4 and 15, electronic version available at: http://www.mf.gov.pl/documents/764034/1133652/120718_sprawozdanie__za__2011__rok.pdf (as available on 12.08.2013)

²⁴² Source: Authors' calculation based on: *Audyt wewnętrzny i kontrola zarządcza w sektorze publicznym [Internal audit and management control in the public sector]* (2011), p. 15.

auditors, the role of external service providers becomes more and more prominent (this solution is used mostly by local government units.)

4.5. Outsourcing of book-keeping and accounting services

4.5.1. Outsourcing status

Outsourcing of book-keeping and accounting services is quite common among larger entities and corporations, as well as among the SMEs. Outsourcing is allowed by the law (Article 11, paragraph 2 of the Act on Accounting.) Apart from the possibility to outsource book-keeping and accounting services to Polish entrepreneurs with relevant authorizations, under the amended Act on Accounting which came into force as of April 10, 2010²⁴³ it is also allowed to outsource such services to the entities involved in such activity from other Member States (Article 76a, paragraph 3 of the Act on Accounting.) Moreover, it is perfectly legitimate to outsource book-keeping and accounting services in the cases when such services involve other models than the full accounting. Together with book-keeping services, tax record-keeping, VAT record-keeping and settlement, other comprehensive services are also offered to the entities, for example:

- Business consulting, including accountancy and tax consulting,
- Preparation of documents describing generally accepted accounting principles and other internal documentation (e.g., document flow manuals, inventory manuals),
- Preparation of credit applications,
- Drafting statistical reports required by Polish Central Statistical Office (GUS),
- Acting on behalf of the taxpayer before the tax office, statistical office and other public agencies, in line with the power granted by the client,
- Updating the data concerning the enterprise in registry courts, tax office, and statistical office.

Outsourcing of book-keeping and accounting services is a very broad term and it can occur in different forms. One can outsource single functions or entire processes. There are many outsourcing models, such as managing the service provision inside the organization, out-tasking, service outsourcing, co-sourcing²⁴⁴, and relationship based on benefit sharing.

²⁴³ Pursuant to the Act on 4 March, 2010, on the provision of services in the territory of the Republic of Poland (*Journal of Laws of 2010, No 47, item 278.*)

²⁴⁴ Co-sourcing is a business practice where a service is performed by staff or managers from inside an organization who are assigned to the service on a temporary basis.

Economic globalization has substantial impact on the popularity of outsourcing because it creates the need for homogeneous accounting solutions and generation of various reports and statements for different external users. The popularity of outsourcing is on the rise among large multinationals as well as among SMEs. Competitive pressure results in the need for cost-cutting, which is an important factor behind the decision to outsource the accounting function. Further, many enterprises appreciate additional services (e.g. consulting, marketing, legal) offered by accountancy firms and financial and accounting service centers on top of financial and book-keeping services. In many cases, such external firms are better positioned to provide the service in terms of expertise and technical infrastructure.

The decision of an organization to outsource book-keeping and accounting services depends on many different factors such as, for example: the type and size of operation, business profile, taxation regime and type of accounting records kept by the organization, complexity of VAT calculations (if an entity does VAT accounting), the area of operation, the level of internationalization of the organization, the number of associated or subordinate entities, the volume of accounting documents generated, the number and type of internal and external reports and statements, etc.

Outsourcing of book-keeping and accounting services can result from various determinants, some of them are related to the size of the organization. Small enterprises opt for outsourcing largely because it gives them more flexibility in HR policy and generates some cost savings. Such entities typically choose accountancy firms. Under such circumstances, outsourcing is typically traditional in character, i.e. the service provider is responsible for the outcome and methods applied in the execution of individual tasks. In bigger companies cooperation may involve traditional outsourcing, where the service provider is responsible for the outcome and methods, or it may involve co-sourcing, with both parties cooperating and jointly contributing to the final result (e.g. when outsourcer's employee is assigned to the organization to keep the books of account, or when a model is put in place whereby the books are kept with the use of client's system.)²⁴⁵

Articles and studies discussing outsourcing in accounting generally underline that commercial and service companies are more inclined to use outsourcing. From the standpoint of size of the organization, large entities and corporations tend to rely on financial and accounting service centers, sometimes established directly by the corporations. Medium-sized manufacturing enterprises and multi-plant enterprises prefer to rely on co-sourcing rather than outsourcing, and outsourcing is more popular than co-sourcing among medium-sized commercial and service companies and small enterprises. Looking at the phenomenon through the eyes of service providers, financial and accounting service centers use traditional outsourcing, out-tasking and co-sourcing, e.g. in the form of emergency accounting services

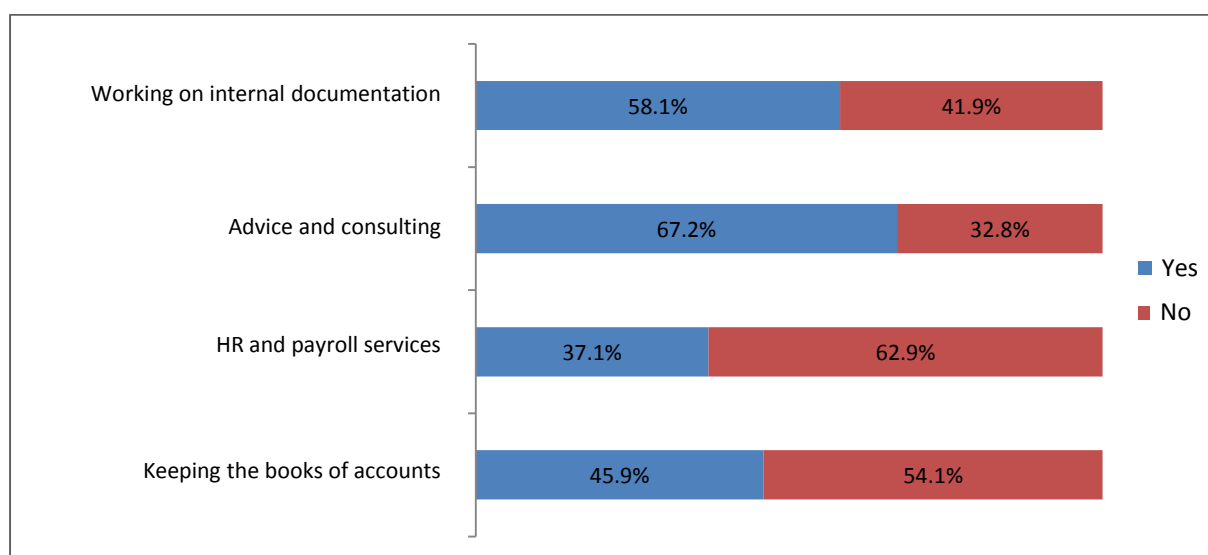
²⁴⁵ *Outsourcing rachunkowości [Outsourcing in accounting]*, Grant Thornton, January 2011, p. 6.

or by delegating employees to the organization. In turn, accountancy firms usually resort to traditional outsourcing, whereas consulting firms offer co-sourcing and outsourcing.²⁴⁶

The status of Polish outsourcing market in the area of simple and advanced services is discussed in a report prepared by Grand Thornton auditing and consulting firm, entitled: *2012 National Research into Outsourcing Market*²⁴⁷. The research is based on a nationwide survey of 400 enterprises employing more than 50 people. The structure of respondent entities is as follows: 29.9% are enterprises with Polish capital only, 16.8% - enterprises with foreign capital, 7.5% are branches or subsidiaries of foreign companies, and 45.8% are enterprises where the Treasury has a share greater than 10%.

In the entire population of respondents, 42.9% outsourced book-keeping and accounting services. They used different services to a varying degree, as illustrated in Graph 4.37.

Graph 4.37. Range of outsourced book-keeping and accounting services²⁴⁸



When enquired about key factors in favor of choosing an external firm offering book-keeping and accounting services, respondents surveyed in the *National Research into Outsourcing* pointed at: many years of experience of the partner (91.2%), comprehensive services (88.9%), high technical (subject-matter) quality (79.0%), and support in business decision-taking process (78.6%.) Among the benefits related to outsourcing, the respondents indicated

²⁴⁶ *Innowacyjna rola outsourcingu rachunkowości [Innovative role of outsourcing in accounting]*, <http://www.skwp.poznan.pl/files/pliki/4ea7f0030cdf5.pdf> (as available on 8.09.2013)

²⁴⁷ http://grantthornton.pl/sites/default/files/raporty/badanie_outsourcingu_2012.pdf (as available on 09.09.2013)

²⁴⁸ Source: Authors' compilation based on: *Ogólnopolskie badanie rynku outsourcingu 2012 [2012 National Research into Outsourcing Market]*, Grant Thornton, p. 35, http://grantthornton.pl/sites/default/files/raporty/badanie_outsourcingu_2012.pdf (as available on 8.09.2013)

savings (possibility to avoid personnel costs connected with hiring accountants, training them, problems with absenteeism and replacements), access to accounting and finance experts, and avoiding problems arising from evolving legal regulations.

4.5.2. Accountancy firms

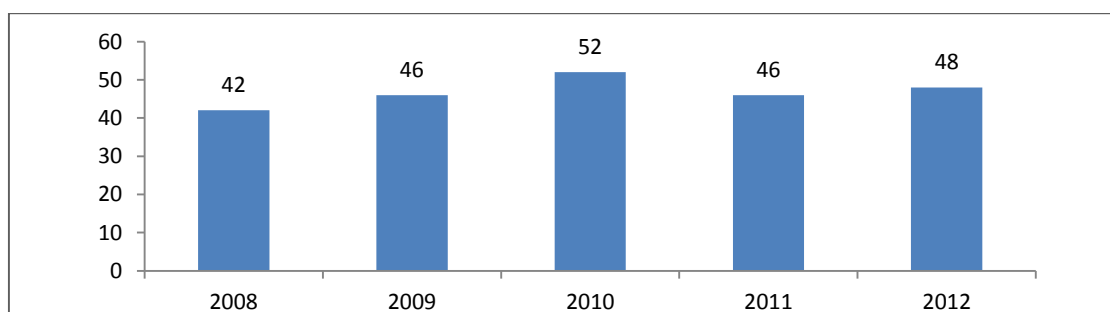
The only definition of an accountancy firm in the *Regulation of the Minister of Finance of 26.08.2003 on tax revenue and expense ledger*²⁴⁹, where such a firm is defined as an ‘entrepreneur authorized to keep the books, pursuant to separate provisions, who provides such services on the basis of a contract signed with the taxpayer’ (paragraph 3, point 5.) Services of an accountancy firm should be provided on the basis of a written contract in which the parties specify the scope of services, fee amount, mutual rights and obligations, the way in which the terms of cooperation can be modified, and termination date and mode.

The answer to the question about the number of accountancy firms in Poland and their staffing volume is rather challenging, because the data published by GUS in that respect belongs to a broader category – activity coded as 69.20.Z: ‘Accounting and Book-keeping Activity; Tax Advisory Services’, as mentioned in sub-section 4.1. Quite frequently, book-keeping services are accompanied with other services of similar profile (e.g. law advice, audit services) or unrelated profile (listed under a different code of core business activity in the Polish Classification of Activities), which further aggravates the challenge.

There are many articles and publications dedicated to accountancy firms. An article entitled ‘Outsourcing the losses, insourcing the gains’, placed on SKwP website, contains data about total number of audit and accountancy firms in the period of 2008 - 2012, as presented in Graph 4.38.

It would be difficult to relate to the data shown in Graph 4.38, mostly due to the fact that the source of data is not quoted in the article.

Graph 4.38. Number of audit and accountancy firms (in thousands)²⁵⁰



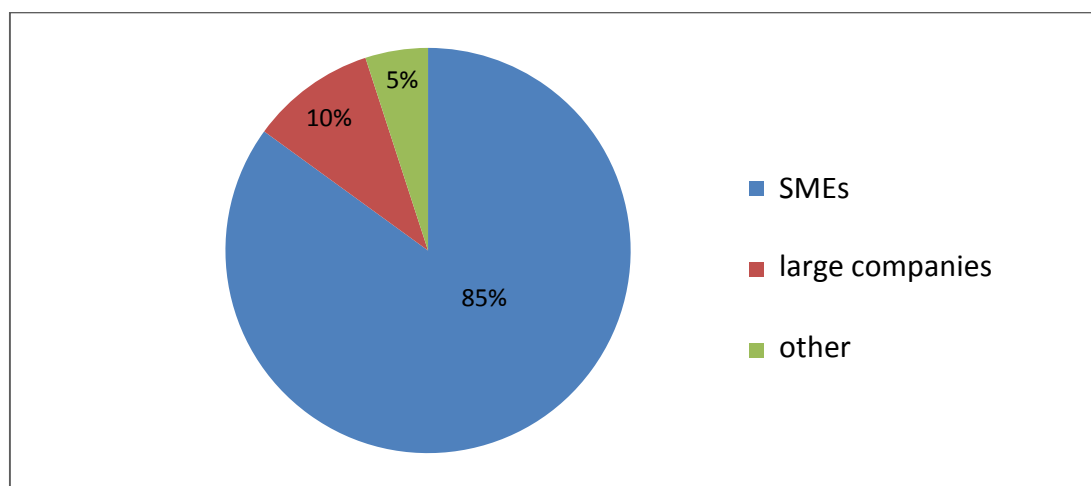
²⁴⁹ *Journal of Laws of 2003, No 152, item 1475, as amended.*

²⁵⁰ Source: A. Puch, *Outsourcing strat, insourcing zysków* [‘Outsourcing the losses, insourcing the gains’], http://www.skwp.pl/files/zg/mediaonas/2013/businessman_pl_2013_09_01_outsourcing_strat__insourcing_zyskow__pdf_k_p.pdf (as available on 4.10.2013)

A.Puch quotes in the article other interesting data about the clients of accountancy firms (Graph 4.39), presented as own information obtained from the GUS.

Analogically to the previous series of data, it would be hard to comment due to the fact that the data cannot be verified.

Graph 4.39. Clients of accountancy firms²⁵¹



By the same token, all kinds of contact databases cannot be regarded as a reliable source, although they do contain such data. One example could be the *TeleAdreson* database, equipped with a search engine identifying accountancy firms by voivodship, ownership structure and legal form of business, and providing statistics²⁵². As of 10.09.2013, there are 4371 accountancy firms listed in the database, with Mazowieckie Voivodship taking the lead (733.)

4.5.3. Outsourcing centers

BPO/SSC sector, which is a new international business trend, has substantial significance for the labor market involving people working in accounting in Poland.

Under BPO (Business Process Outsourcing), an external company takes over certain business functions or processes (e.g. recruitment and HR processes, call center, financial and accounting services for R&D activity, etc.) Those processes can be on-shored (in the same country), near-shored (close to the country where company headquarters or clients' offices are located), or off-shored (in a far-away country.) SSCs (Shared Service Centers) service large and geographically dispersed corporations or capital groups, typically offering back-office services.

²⁵¹ *ibid.*

²⁵² <http://www.teleadreson.pl/> (as available on 11.09.2013)

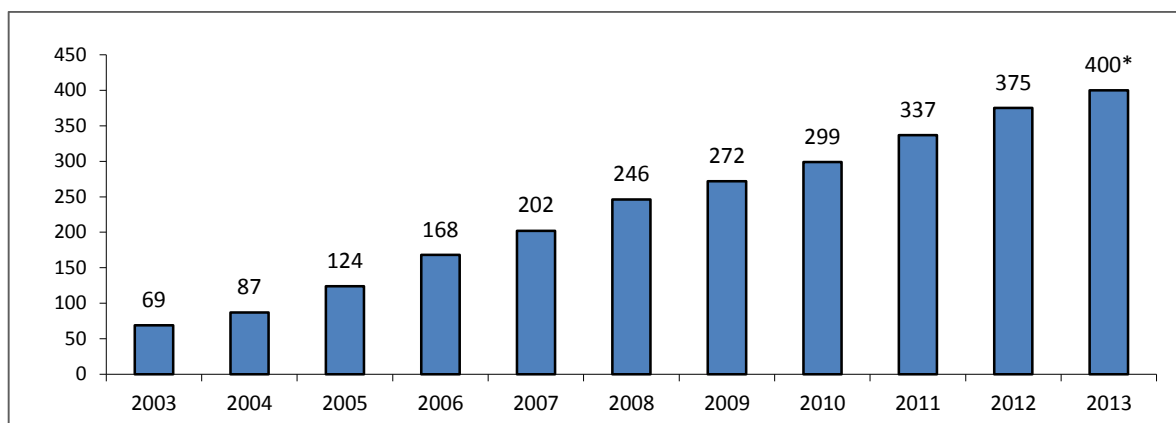
Based on the data published by GUS, it is not possible to determine the number of BPO/SSC entities that offer financial and accounting services, or to get information about their staffing structure. Since financial and accounting services need not represent their core business, those BPO/SSC entities can be classified under a different PKD code.

BPO/SSC market in Poland is surveyed, first and foremost, by the Association of Business Service Leaders in Poland (ABSL.) ABSL is a leading industry association representing the sector of modern business services in Poland. ABSL associates Shared Service Centers, Business Process Outsourcing Centers, IT Outsourcing Centers, research and development centers, and the companies that support the development of that sector. ABSL websites contain reports summarizing the studies done annually since 2010 and dedicated to modern business services in Poland (<http://www.absl.pl/pl/reports>.) ABSL underlines that they have been predominantly focused in their research on foreign capital entities.

According to ABSL data, Poland is a strong leader in terms of the size of employment in modern business services in Central and Eastern Europe. There are more than 400 foreign capital service centers in Poland, owned by almost 300 investors and employing 110 thousand people (data as of 1.05.2013.)²⁵³

For many years now, the number of outsourcing centers in Poland has been steadily on the rise. The number of outsourcing centers in 2003-2013 is presented in Graph 4.40.

Graph 4.40. Number of foreign outsourcing centers in Poland in 2003-2013²⁵⁴



* Acc. to ABSL, the number of outsourcing centers in 2013 exceeded 400

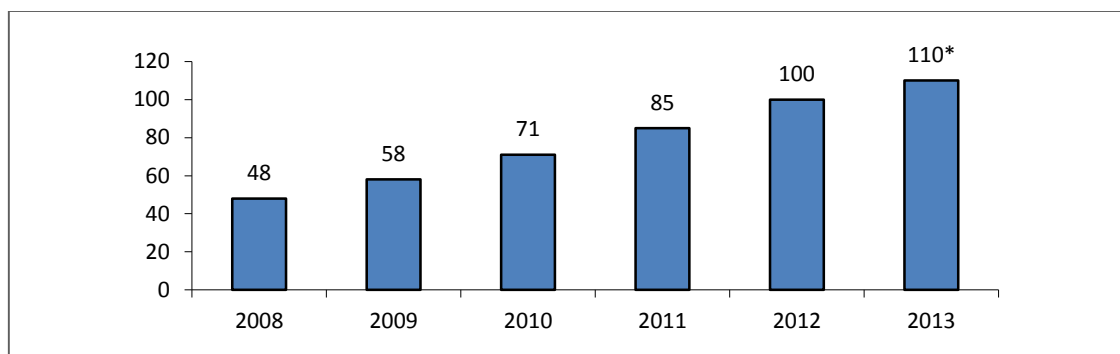
In recent years, the average growth rate regarding employment in that sector in Poland remained at the level of about 20%; with stability greater than that in any other country in

²⁵³ *Sektor nowoczesnych usług biznesowych w 2013 w Polsce [The market of modern business services in Poland in 2013]*, Association of Business Service Leaders in Poland, p. 11, <http://www.absl2013.epublish24.com/> (as available on 02.08.2013)

²⁵⁴ Source: Authors' compilation based on: *Sektor nowoczesnych usług biznesowych w Polsce [The market of modern business services in Poland]*, ABSL (2012 and 2013 reports)

the region. Detailed data concerning the number of people employed in the sector in 2008-2013 is presented in Graph 4.41.

Graph 4.41. Number of people employed in foreign outsourcing centers in Poland in 2008-2013 (in thousands)²⁵⁵



* Status as of 31.05.2013

In average terms, a foreign capital service center located in Poland employs 257 people (i.e., 50 people more than in 2009.) There are 24 outsourcing centers in Poland that employ more than 1000 people (6% of the total population of foreign capital centers.) Overall, they employ nearly 40 thousand people, which accounts for over 35% of total employment in the sector.²⁵⁶

Seven cities are regarded as key locations for BPO/SSC sector in Poland, namely: Cracow, Warsaw, Wrocław, Gdańsk-Gdynia-Sopot (Tri-City), Łódź, Katowice Agglomeration and Poznań, with more than 80% of all foreign capital centers (88% of total employment in the sector.)²⁵⁷ On the map of Poland there are some cities with a few service centers, such as, for example: Rzeszów, Lublin, Szczecin and Bydgoszcz.

BPO/SSC entities located in Poland offer a very broad range of services including, *inter alia*, finance and book-keeping/accounting, audit, IT, tax and general business consulting, research and development, customer service. As shown in the findings of 2013 research involving 71 respondents, done by ABSL²⁵⁸, most BPO/SSC entities (almost 60%) provide financial and book-keeping/accounting services, frequently in combination with other business processes (most entities provide services in the area of at least two business processes.)²⁵⁹

ABSL has more specific data in that regard for 2011 (Graph 4.42)

²⁵⁵ Source: Authors' compilation based on: *Sektor nowoczesnych usług biznesowych w Polsce [The market of modern business services in Poland in 2013]*, ABSL (2012 and 2013 reports)

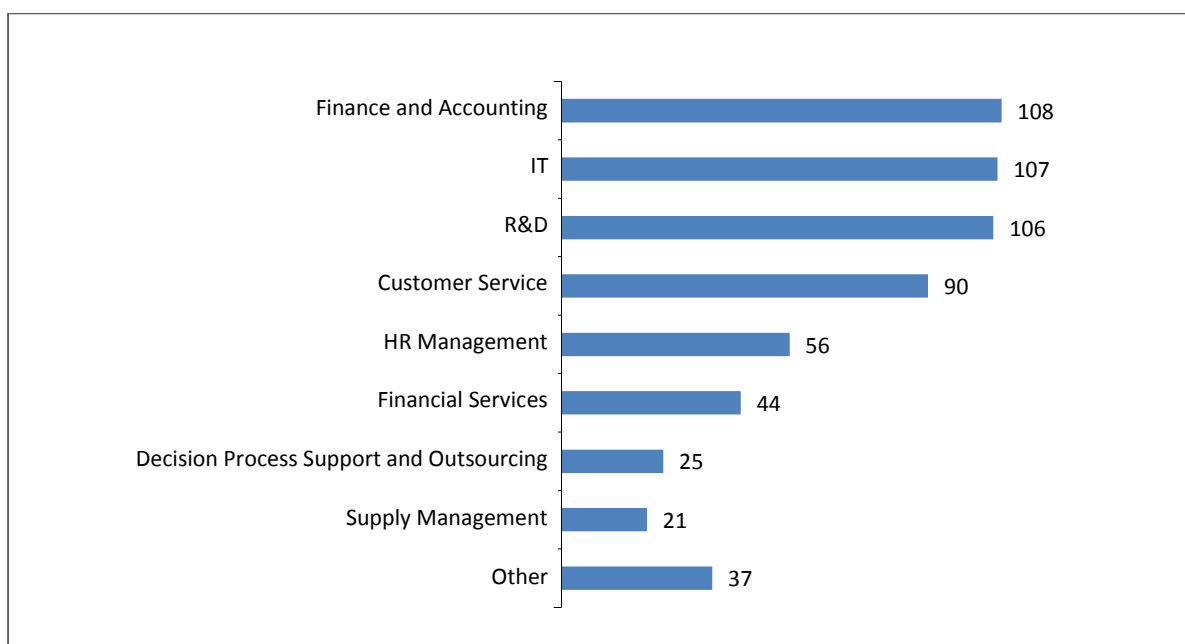
²⁵⁶ Ibid., p. 18.

²⁵⁷ Ibid., pp. 10 – 11.

²⁵⁸ Research involved more than 100 centers because, for the purpose of the analysis, individual center locations were treated as separate units.

²⁵⁹ *Sektor nowoczesnych usług biznesowych w 2013 w Polsce...[The market of modern business services in Poland in 2013]*, p. 19.

Graph 4.42. Number of centers offering each type of service (2011)^{260,*}



**figures include several types of services provided by one BPO/SSC entity*

One can also notice geographical distribution in terms of specialization in a given type of services. Such a description for seven leading locations with foreign outsourcing centers is outlined in Table 4.14.

Table 4.14. Specializations of major locations hosting business service centers (2012)²⁶¹

Location	Specialization
Warsaw	Finance and Accounting
Cracow	IT Services, Finance and Accounting
Wrocław	Research and Development (including software development),
Łódź	No specialization
Katowice Agglomeration (Silesia)	Customer Service (without IT support), Human Resources Management, IT Services
Gdańsk-Gdynia-Sopot (Tri-City)	Research and Development, IT Services
Poznań	Finance and Accounting

²⁶⁰ Source: *Sektor nowoczesnych usług biznesowych w Polsce (2012)* [The market of modern business services in Poland (2012)], p. 31.

²⁶¹ Source: Authors' calculation based on: *Sektor nowoczesnych usług biznesowych w Polsce (2012)*... [The market of modern business services in Poland (2012)], p. 33.

Apart from the data presented above, ABSL reports do not contain the information lending itself to the analysis of BPO/SSC sector entities offering financial and accounting services (either as a core business or in combination with other services.) Under the circumstances, ABSL was requested to kindly provide additional data. A reply was received, reading that ABSL has been focused on promoting and analyzing the sector in its 'entirety'. More detailed analyses (applicable to sub-sectors) can be prepared by ABSL as projects done on a commercial basis²⁶².

In pursuit of additional information, request was filed with Polish Information and Foreign Investment Agency (Polish: PAIIZ) – an institution responsible for promotion of Polish economy and inflow of foreign investments, among other things. The following brief analysis is based on the data obtained from PAIIZ, from the database of BPO/SSC/IT sector maintained and regularly updated by the Agency. The analysis certainly gives some insights into the sector of outsourcing centers offering financial and accounting services, but it has its limitations. The biggest challenge results from the fact that financial and accounting services (F&A) provided by the centers cannot be isolated from other services that are offered. For some companies listed in the database, F&A services represent their core and only business line. In other cases, F&A services are provided in conjunction with other services, and it is not clear what is the share of the former in the entire pool of all outsourcing processes. Also, analysts have not been able to assess completeness of the database.

As of 15.09.2013, the database included 131 entities located in 11 cities in Poland, specializing only in F&A services or combining them with other types of services. In that group, SSCs have the biggest share (74%, i.e. 97 companies), and BPO centers represent 23.7% (31 entities), there are also 3 IT firms (2.3%.) The structure of entities in the breakdown according to SSC/BPO/IT category and location is presented in Table 4.15.

Table 4.15. Number of entities that provide financial and accounting services in each location in Poland, according to the database kept by Polish Information and Foreign Investment Agency/PAIIZ (status of 15.09.2013)²⁶³

Location	Center			Number of centers in total	of which: those that specialize only in F&A services
	BPO	IT	SSC		
Bydgoszcz	2		2	4	1
Katowice	5		12	17	5
Cracow	4	1	20	25	3
Lublin	1		1	2	2
Łódź	6		12	18	5

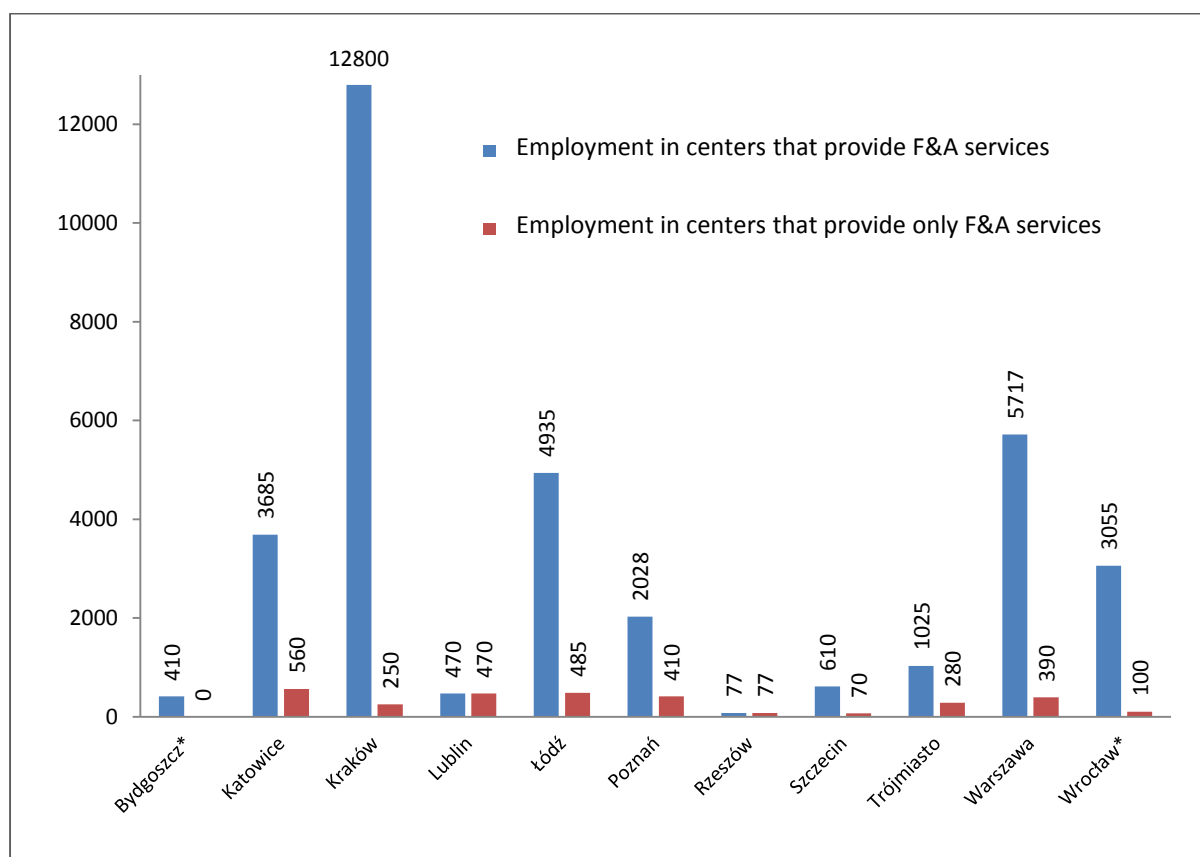
²⁶² E-mail from Mr. Janusz Górecki, the manager of ABSL Analytical Department, dated 18.09.2013.

²⁶³ Source: Authors' calculation based on PAIIZ data.

Poznań	1		14	15	7
Rzeszów			1	1	1
Szczecin			3	3	1
Tri-City	2		8	10	3
Warsaw	8	1	16	25	5
Wrocław	2	1	8	11	3
Total	31	3	97	131	36

BPO/SSC/IT centers that provide financial and accounting services employ 34 812 people (based on PAliIZ data), including 3 092 people working in the centers that specialize exclusively in F&A services. Detailed employment data concerning the centers offering F&A services is presented in Graph 4.43, in the breakdown according to location.

Graph 4.43. Employment in F&A centers according to location (status as of 15.09.2013)²⁶⁴



* In the case of Bydgoszcz and Wrocław, employment in one of the centers has not been taken into account (lack of quantitative data.)

²⁶⁴ Ibid.

The biggest workforce population is reported by F&A centers (specializing only in F&A services or offering them in conjunction with other services) in Cracow (12.8 thousand people.) In comparison to Cracow, employment figures are cut by half in F&A centers based in Warsaw (5.7 thousand people), Łódź (4.9 thousand), Katowice (almost 3.7 thousand), Wrocław (over 3 thousand), and Poznań (over 2 thousand.) Interesting conclusions can be drawn when we take into account employment in those centers which specialize in F&A services as their core business – as above, smaller locations are at the lead. Katowice (with 560 thousand people employed) and Łódź (485 people) are followed by Lublin (470 people) and Poznań (410 people.)

Another aspect that can be analyzed on the basis of the data obtained from PALiIZ is the country of origin of investor's capital. The number and structure of F&A centers according to that profile are summarized in Table 4.16.

Table 4.16. Number and structure of centers providing financial and accounting services in the breakdown according to the country of origin, based on PALiIZ (status as of 15.09.2013)²⁶⁵

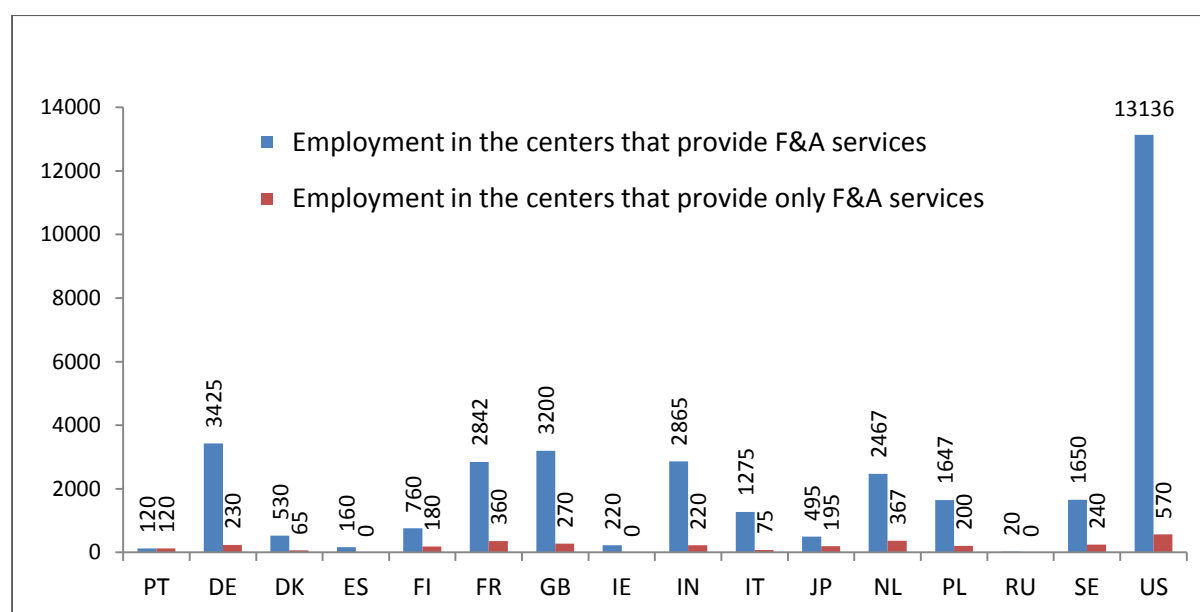
Country of origin of capital	Centers offering F&A services		Centers specializing in F&A services only	
	Number	Structure	Number	Structure
PT (Portugal)	1	0.76%	1	2.78%
DE (Germany)	18	13.74%	4	11.11%
DK (Denmark)	5	3.82%	2	5.56%
ES (Spain)	1	0.76%	-	-
FI (Finland)	7	5.34%	3	8.33%
FR (France)	6	4.58%	2	5.56%
GB (UK)	11	8.40%	4	11.11%
IE (Ireland)	1	0.76%	-	-
IN (India)	9	6.87%	2	5.56%
IT (Italy)	3	2.29%	1	2.78%
JP (Japan)	4	3.05%	2	5.56%
NL (Holland)	5	3.82%	3	8.33%
PL (Poland)	12	9.16%	2	5.56%
RU (Russia)	1	0.76%	-	-
SE (Sweden)	9	6.87%	3	8.33%
US (USA)	38	29.01%	7	19.44%
Total	131	100.00%	36	100.00%

²⁶⁵ *Ibid.*

As shown in the table above, US investors are most prominent as far as the number of F&A service centers is concerned (more than 29%), followed by the Germans (13.74%). Significant market share belongs to the Poles themselves (9.16%), as well as to British investors (8.4%) and the Swedes (6.84%). In the group of centers specializing only in F&A services, US investors also take the lead (7), followed by German and British investors with 4 such centers each.

The importance of foreign capital investments in the breakdown into individual countries on the market of F&A services provided by BPO/SSC/IT centers is also reflected in the analysis of employment figures in those centers (Graph 4.44)

Graph 4.44. Employment in F&A centers in the breakdown according to the country of origin of the capital (status as of 15.09.2013)²⁶⁶



Analogically to the analysis of the number of F&A centers, the analysis of employment figures shows the dominance of US capital entities (those centers employ more than 13.1 thousand people, i.e. 37.7% of total workforce.) Many employees (in terms of their share) also work for centers established with capital from Germany (more than 3.4 thousand employees – 9.84%), the UK (3.2 thousand – 9.19%) and India (2.8 thousand – 8.23 %.) In the group of centers offering only financial and accounting services, the largest share of employees is reported for US, Dutch and French capital centers.

Table 4.17. and Table 4.18. summarize the distribution of workforce in each location in the breakdown according to the country of origin of the capital, for the centers that offer F&A services and for the centers that specialize in F&A services, respectively.

²⁶⁶ *Ibid.*

The biggest number of people employed in the centers offering F&A services (cf. Table 4.17) in one location work in Cracow in US capital firms (6150 people.) US capital is also highly visible (in terms of the population of people employed) in Warsaw and Wrocław. Investors from France have also decided to choose Cracow as the location for their major investment, hiring in that location 2100 employees in the centers offering F&A services. Dutch capital is also focused on F&A centers in Cracow. Investors from India picked Łódź as the key location for their financial and accounting centers. As shown in the table below, most investors decide to operate in several cities, but there are a few who chose one location only (e.g., the Portuguese and the Spaniards opened their F&A centers in Poznań.)

Table 4.17. Employment in the centers that offer F&A services in the breakdown according to the matrix of 'location – country of origin of the capital', based on PAIiZ database (status as of 15.09.2013)²⁶⁷

Location Country of origin of the capital	Bydgoszcz	Katowice	Cracow	Lublin	Łódź	Poznań	Rzeszów	Szczecin	Tri-City	Warsaw	Wrocław	Total
PT (Portugal)						120						120
DE (Germany)		720	500		1050	580		70	60	370	75	3425
DK (Denmark)						310		110	50	60		530
ES (Spain)						160						160
FI (Finland)	300		70		30				80	230	50	760
FR (France)		269	2100	250		93				130		2842
GB (UK)		290	1150		170	80				1460	50	3200
IE (Ireland)					220							220
IN (India)		460	250	220	1700				75	60	100	2865
IT (Italy)		770			75			430				1275
JP (Japan)			180		80	115			120			495
NL (Holland)		440	1950				77					2467
PL (Poland)	50	300			600				360	337		1647
RU (Russia)											20	20
SE (Sweden)			450		340	290			160	250	160	1650
US (USA)	60	436	6150		670	280			120	2820	2600	13136
Total	410	3685	12800	470	4935	2028	77	610	1025	5717	3055	34812

²⁶⁷ *Ibid.*

Table 4.18. Employment in the centers that specialize only in F&A services in the breakdown according to the matrix of 'location – country of origin of the capital', based on PAIIZ database (status as of 15.09.2013) ²⁶⁸

Location Country of origin of the capital	Bydgoszcz	Katowice	Cracow	Lublin	Łódź	Poznań	Rzeszów	Szczecin	Tri-City	Warsaw	Wrocław	Total
PT (Portugal)						120						120
DE (Germany)						30		70	60	70		230
DK (Denmark)						5				60		65
FI (Finland)			70						60		50	180
FR (France)				250						110		360
GB (UK)		40				80				100	50	270
IN (India)				220								220
IT (Italy)					75							75
JP (Japan)					80	115						195
NL (Holland)		140	150				77					367
PL (Poland)					200							200
SE (Sweden)					40	40			160			240
US (USA)		380	30		90	20				50		570
Total	0	560	250	470	485	410	77	70	280	390	100	3092

As far as the centers specializing only in F&A services are concerned (cf. Table 4.18), there is high concentration of US capital in the city of Katowice and French capital in the city of Lublin.

Research carried out by the ManpowerGroup, a company specializing *inter alia* in labor market analyses, offers additional insights into HR and employment status in SSC/BPO centers in Poland. ManpowerGroup did an on-line survey in April and May 2012, targeted at HR directors and executives from the BPO/SSC sector. Twenty-eight companies took part in the survey; they represented 10% of the entire universe of BPO/SSC companies operating in Poland at that time.²⁶⁹

Central and Eastern Europe (including Poland) was described as a region with a lot of potential for the development of BPO/SSC sector. The following attributes were listed as key advantages that attract BPO/SSC companies to Poland: investment climate, highly qualified workforce, development of modern office market. Sixty percent of respondent firms declared

²⁶⁸ *Ibid.*

²⁶⁹ *Trendy HR w sektorze BPO/SSC Wyniki badania ManpowerGroup [HR trends in BPO/SSC sector: Manpower Group research findings]*, http://www.hrnews.pl/reports/RAPORT_Trendy_HR_w_sektorze_BPO-SSC_29.08.2012.pdf (as available on 4.08.2013)

they intended to increase the number of employees but, at the same time, seventy-five percent complained about problems with filling the vacancies for positions of high significance for the company. Lack of available and qualified candidates was indicated as the basic reason underlying recruitment issues, side by side with lack of experience, high financial expectations, and lack of foreign languages in the skill set.

For the sake of cost containment, vast majority (79%) of BPO/SSC entities participating in the survey have been relying on flexible modes of employment, especially such as: work on a temporary basis, external employment, civil law contracts, and other contractual arrangements. A statistical employee of a BPO/SSC center is a well-educated person in his/her thirties, with excellent command of at least one foreign language, frequently equipped with professional qualifications and experience valued by the employer. Foreign languages are the basic requirement for candidates seeking employment in modern business service centers. English is a must, regardless of position or job description. Good command of another foreign language is preferred. According to survey results, present-day employees of the sector are mobile and willing to relocate for career purposes (84.6% of respondents said they would relocate if they received an attractive job offer, and 57.7% have already done that.)

It is to be expected that BPO/SSC sector will continue to strengthen its position on the market of financial and accounting services.

4.6. Compensation

One of the most recent GUS surveys (2010), done every two years with the use of form Z-12, is focused on the structure of compensation in the breakdown according to professions. This is a representative survey encompassing national economy entities employing more than 9 people. The data includes full-time and part-time employees who worked through all of October.

Looking at the results of research into salary structure one can analyze the discrepancies in compensation levels (average, monthly and hourly) and its structure according to attributes of natural persons, such as: gender, age, educational attainments, work experience (tenure), profession; and the features that characterize the institution that employs those individuals, i.e. type of activity, ownership sector, employer size and geographical location. Additionally, research findings lend themselves to the analysis of employment according to the features listed above. Based on survey results, distribution structure of employees according to their compensation level is prepared, side by side with basic measures of wage differentiation²⁷⁰.

²⁷⁰ *Struktura wynagrodzeń według zawodów w październiku 2010 r. [Compensation Structure by Profession in October 2010]*, GUS, Warszawa 2012, p. 10.

The size of the sample in 2010 was 27.2 thousand entities, which represented 13.0% of the total number of entities employing more than 9 people. The Z-12 report was submitted by about 17.3 thousand entities. An average reporting entity had 161 associates, of which 138 were the employees of the entity. Of the entire population of entities, the survey involved about 688.4 thousand randomly selected employees who have worked through the whole month (October 2010.) After generalization of survey results, a population of approximately 8.0 million people employed was obtained, both full and part time (without converting part-time employees into full-time employees), and compensation data was presented after recalculation into full-time employment.

The research was based on KZiS Classification of Occupations and Specializations. Data and analyses concerning the so-called large, big, and medium groups was presented, *inter alia*, in GUS publication entitled 'Compensation Structure by Profession in October 2010' (Polish: *Struktura wynagrodzeń według zawodów w październiku 2010 r.*), published in December 2012. Survey methodology is explained in great detail in the publication. A more recent set of data, as of October 2012, will be available towards the end of 2013.

Table 4.19 below presents the data describing compensation relations between women and men in A&A professions, including between sectors (private vs. public.)

Table 4.19. Compensation proportions in A&A professions for women and men in general, in the private and public sector, and between the sectors ²⁷¹

	Code	Name	Compensation relation: women vs. men	Compensation relation: private sector vs. public sector	Compensation relation: women vs. men in the private sector	Compensation relation: women vs. men in the public sector
1.	112006	Financial Director	79.0%	114%	76.3%	94.6%
2.	121101	Chief Accountant	72.9%	122%	71.4%	83.1%
3.	121102	Accountancy Firm Manager	85.3%	-	85.3%	-
4.	241102	Controlling Specialist	77.6%	101%	85.8%	82.7%
5.	241103	Accounting Specialist	78.7%	93%	76.4%	80.8%
6.	241105	Tax Accounting Specialist	90.5%	130%	100.5%	88.7%

²⁷¹ Source: Authors' compilation based on GUS data.

	Code	Name	Compensation relation: women vs. men	Compensation relation: private sector vs. public sector	Compensation relation: women vs. men in the private sector	Compensation relation: women vs. men in the public sector
7.	241106	Management Accounting Specialist	66.5%	113%	72.1%	54.8%
8.	241306	Financial Specialist	68.1%	99%	67.7%	72.2%
9.	242204	Auditor	98.8%	117%	92.3%	102.7%
10.	331301	Accountant	85.5%	93%	81.4%	105.6%
11.	335201	Tax Returns Controller	69.1%	-	76.9%	71.4%
12.	335202	Fiscal Control Auditor	99.9%	-	-	99.9%
13.	335203	Tax Official	87.3%	-	-	87.3%
14.	335290	Other Tax Officials	86.3%	-	-	86.0%
15.	431101	Accounting Assistant	97.2%	90%	94.6%	102.2%
16.	431102	Invoice Clerk	87.0%	87%	86.9%	85.0%
17.	431103	Accounting Technician	113.0%	77%	101.0%	125.8%

The following conclusions can be drawn from the data included in Table 4.19:

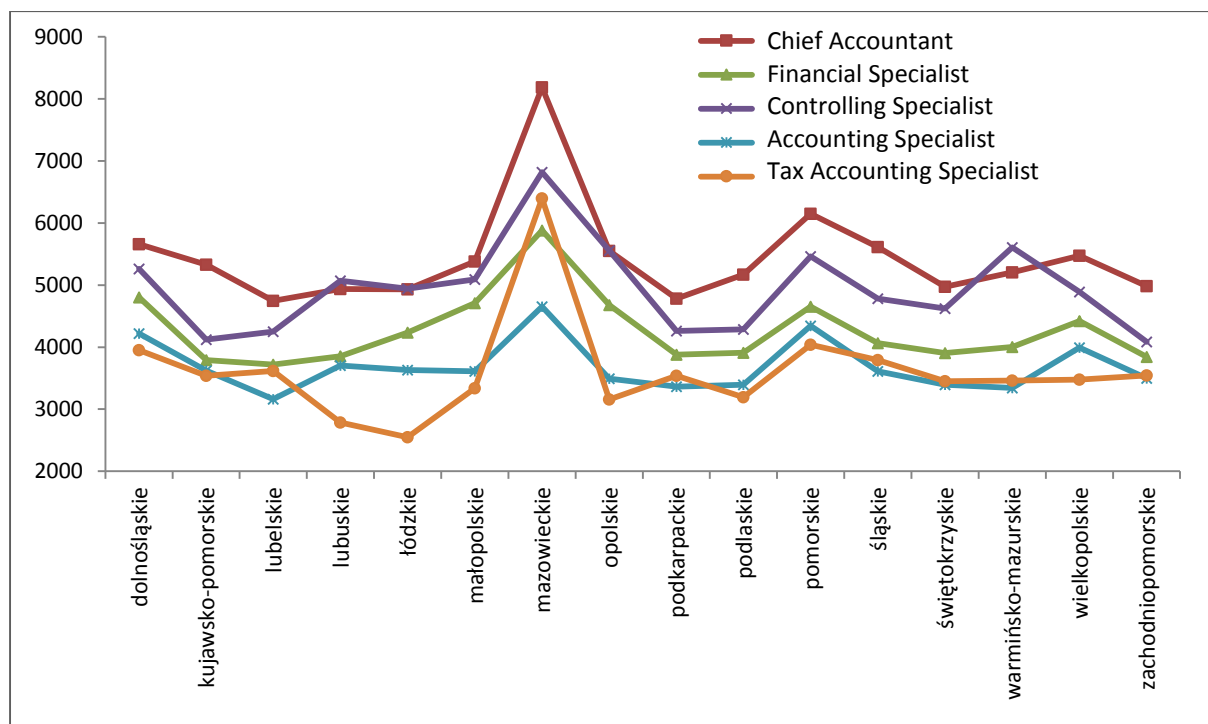
- More than half of the people doing the jobs included in the analysis earned less than the average for the position. This indicates the median in relation to average wages for a given position.
- Average gross monthly compensation total in October 2010 in Poland was PLN 3543.50. With the exception of accountants, accounting assistants, invoice clerks and accounting technicians, people employed in A&A professions had their wages from 9% (in the case of tax returns controller) to 395% (accountancy firm manager) higher than the average wage. Controlling specialist earned, on average, 60% more, managerial accounting specialist 94% more, statutory accountant 99% more, and financial specialist 54% than the national average.
- The biggest number of people doing the jobs related to book-keeping and accounting services had wages below the average for the position. This can be inferred from the

relation of the mode (modal value)²⁷² to the average.

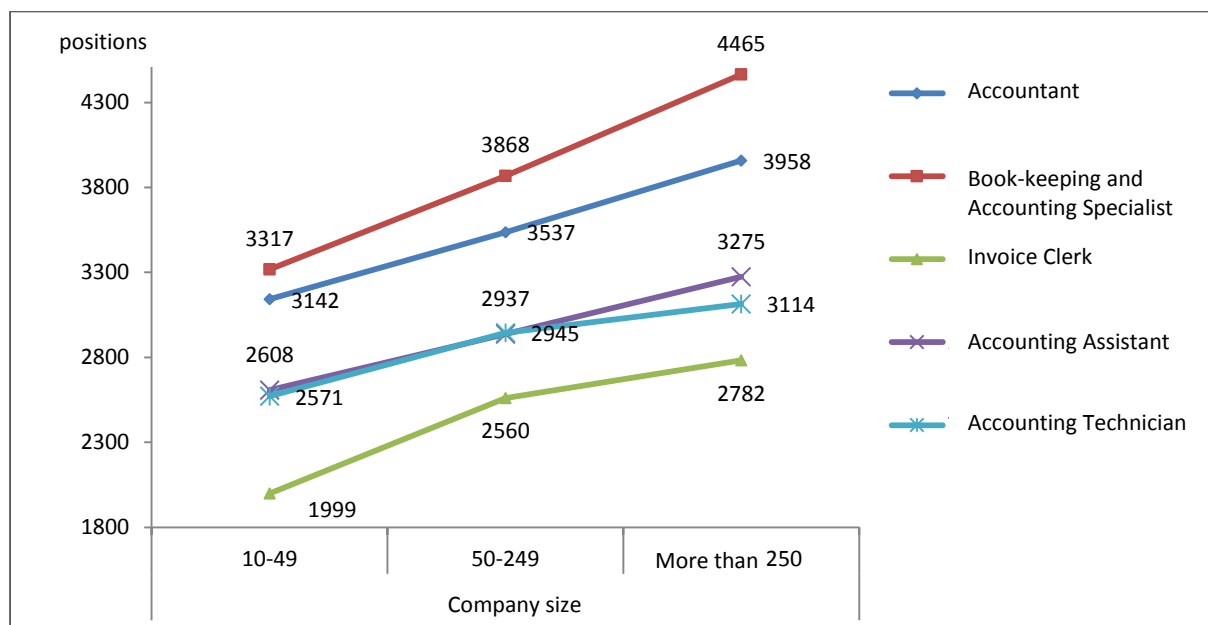
- Looking at the average wages in professions associated with book-keeping and accounting services, women's wages are definitely lower than men's wages, for the same positions. The biggest discrepancies can be observed in positions such as management accounting specialist, financial specialist and tax returns controller – at the rate of more than 30%. In contrast, a smaller compensation gap between women and men is observed in the following positions: auditor (1.2%), fiscal control auditor (0.1%), and accounting assistant (2.8%.) There is one exception to the rule, though: at the position of accounting technician, average women's wages are 13% higher compared to average men's wages. When we compare compensation in the public and private sector, at some positions the differences are even greater or more favorable for women, e.g. women holding the positions of an auditor or an accountant in the public sector earn, on average, more than men in the same jobs. Yet, in the case of management accounting specialist position the discrepancy is much greater and it amounts to 45.2% to the detriment of women.
- Comparing average wages for A&A professions in the private and public sector one can see that in the case of management and specialist positions average compensation tends to be higher in the private sector. However, in the case of positions such as accounting assistant, accountant, financial and accounting specialist, and accounting technician, average compensation in the private sector is lower.
- Looking at the average gross compensation for A&A professions shown in GUS study, it is clear that Mazowieckie Voivodship takes the lead in terms of the level of compensation. Graph 4.45 below illustrates the differentiation in compensation across regions for selected specialist positions. This differentiation applies to the entire group of professions related to book-keeping and accounting services. By the way of an example: average compensation of a chief accountant in Lubelskie Voivodship is 42% lower than the average compensation of a chief accountant in Mazowieckie. In Podlaskie Voivodship it is lower by 36.9%, and in Dolnośląskie by 30.9%. In the case of accounting specialist, the gap between average compensation for this job in Mazowieckie and Lubelskie is 32%, Kujawsko-Pomorskie 22.1%, and Pomorskie 6.6%. Average compensation for accounting technician in Mazowieckie is 50.4% higher compared to the average compensation for accounting technician in Lubuskie.
- There is an almost linear relationship between the average salary for the job and the company size (the bigger the company, the higher the salary - increase in salary may reach from several to several dozen percent, depending on the position.)

²⁷² The modal value was calculated by GUS when the group comprised at least 40 people.

Graph 4.45. Differences between the voivodships in the amount of compensation paid for selected specialist positions²⁷³



Graph 4.46. Impact of company size on the level of compensation, using the example of selected A&A professions²⁷⁴



²⁷³ Source: Authors' compilation based on GUS data.

²⁷⁴ *Ibid.*

Information concerning compensation in A&A professions is also available from many job search web portals. HR consultancy firms develop all kinds of payroll reports, some of them are more or less closely related to A&A jobs/professions. This data is quite valuable in that GUS data is collected in accordance with the binding classification of occupations, and as was indicated in the conclusions at the end of Section 2, **such classification is not fully aligned with the specificity of labor market of accountants and auditors.** It does not provide adequate information on the positions that emerged in large quantities in recent years (this is especially applicable to BPO/SSC sector), and some professions represent too big aggregates for averaged compensation values to be meaningful.

In the reports of some HR consultancy firms, apart from the modal value or the most common offered/expected salary amount, one can also find information about the 1st and the 3rd quartile, components of gross salary (e.g., bonuses), additional non-wage employee benefits. It is always interesting to see the data presenting compensation in the breakdown according to work tenure (length of service) in a given A&A position, knowledge of foreign languages, certificates obtained, age or gender, as well as other factors such as: the sector of company operation, the size of company in terms of employment figures, the origin of capital (domestic vs. foreign), location/region. Such reports have the advantage of being up-to-date (typically they rely on the information collected on an ongoing basis by recruitment firms, largely online.) It should be noted, however, that the information presented in those reports often lacks reliability, mostly due to the fact that research methodology is not explained; the information concerns salaries offered rather than actually paid; or survey samples are small.²⁷⁵

In Table 4.20 below the authors compiled the information about compensation at each position from various sources (GUS and six reports of consultancy firms), with the data about average compensation, the 1st, 2nd (the median) and the 3rd quartile, or minimum, maximum and optimum (most frequently observed) compensation provided wherever possible.

²⁷⁵ Sedlak & Sedlak research published on *wynagrodzenia.pl website* is one of more interesting compensation projects done in Poland; it is dedicated to various professions, including A&A professions. The summary reports on compensation are prepared on the basis of a voluntary survey (according to the information displayed on the website, the survey has been completed by 341 thousand people, but the survey applies to various positions, not only those related to accounting.) There is no indication of the year for which the data is obtained. Information about each position was filled in by group of a dozen to several dozen people. More detailed reports concerning salary levels in each position according to company size, equity, education, tenure, region, are available against payment or upon subscription to the portal.

Table 4.20. Average compensation, the median, the 1st and the 3rd quartile, and maximum compensation amounts in A&A professions, according to various data sources (PLN) ²⁷⁶

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
1. Financial Director						
Average	12 518,76	-	-	-		-
1 st quartile	6 830,07	10 700,00	14 400,00	25 000,00		10 000,00
Mode	7 900,84	-	-	-		-
Median	10 524,36	16 000,00	17 402,00	30 000,00		-
3 rd quartile	16 225,87	21 500,00	22 237,00	50 000,00		30 000,00
Maximum	93 333,51	-	-	-		-
2. Chief Accountant						
Average	5 711,92	-	-	-	-	-
1 st quartile	3 742,40	5 400,00	7 318,00	9 000,00	9 000,00	9 000,00
Mode	4 097,43	-	-	-	-	-
Median	4 712,40	7 400,00	10 234,00	12 000,00	10 000	-
3 rd quartile	6 694,11	10 800,00	12 040,00	25 000,00	12 000	20 000,00
Maximum	58 778,00	-	-	-	-	-
3. Accountancy Firm Manager						
Average	17 549,88					
1 st quartile	6 002,79					
Median	9 482,15					
3 rd quartile	30 512,51					
Maximum	54 160,00					
4. Financial Department Manager						
Average	8 235,19		-	-		-
1 st quartile	4 346,89		6 811,00	15 000,00		6 000,00
Mode	4 715,29		-	-		-
Median	6 075,35		818,00	17 000,00		-

²⁷⁶ Source: Authors' calculation based on GUS data; Goldman recruitment salary survey 2013. *Finanse i księgowość, bankowość i ubezpieczenia, usługi doradcze i audit [Finance and Accounting, Banking and Insurance, Consulting and Audit]*, Goldman Recruitment, report available at: <http://www.goldmanrecruitment.pl/salary-survey-2013> (as available on 01.09.2013); *Raport płacowy 2013. Trendy na rynku pracy. Finanse i księgowość [2013 Salary Report. Labor Market Trends. Finance and Accounting]*, Hays, report available at: http://hays.pl/centrum-mediowe-hays/HAYS_712233 (as available on 01.09.2013); *Przegląd płac 2013. Finanse i księgowość [2013 Salary Review, Finance and Accounting]*, Page Personnel, report available at: http://www.pagepersonnel.pl/media/ppde/Docs/SalarySurveyFinance_PP_PL_2013-web.pdf (as available on 01.09.2013); *Raport płacowy VII-XII 2012 [July-December 2012 Salary Report]*, Cpl Jobs, report available at: <http://cpljobs.pl/raporty-cpl-market-flash/> (as available on 02.09.2013); *Pełna analiza wynagrodzeń dla stanowiska, Wiosna 2013 [Full Analysis of Compensation per Position, Spring 2013]*, available at: <https://raportplacowy.pl/pl/detail,area,696,finanse-i-ksiegowosc.html> (as available on 02.09.2013)

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
3 rd quartile	6 761,21		13 791,00	20 000,00		13 500,00
Maximum	27 800,33		-	-		
5. Audit Firm Manager						
Average	16 000,00					
6. Statutory Auditor						
Average	7 037,10					
1 st quartile	5 254,06					
Mode	7 919,53					
Median	6 569,71					
3 rd quartile	7 951,77					
Maximum	19 000,00					
7. Controlling Specialist						
Average	5 682,83	-	-		-	-
1 st quartile	3 591,34	3 700,00	4 370,00		5 500,00	6 000,00
Mode	4 250,42	-	-		-	-
Median	4 841,54	5 300,00	5 927,00		6 500,00	-
3 rd quartile	6 622,45	6 800,00	7 680,00		8 000,00	14 000,00
Maximum	43 272,04	-	-		-	-
8. Accounting Specialist						
Average	4 003,31	-		-	-	
1 st quartile	2 903,79	3 200,00		5 000,00	6 000,00	
Mode	3 221,85	-		-	-	
Median	3 622,76	4 700,00		7 500,00	8 000,00	
3 rd quartile	4 669,34	5 800,00		9 000,00	9 000,00	
Maximum	24 916,67	-		-	-	
9. Investment Accounting Specialist						
Average	6 899,40					
1 st quartile	4 002,35					
Mode	3 128,36					
Median	5 922,23					
3 rd quartile	8 820,84					
Maximum	16 899,33					
10. Tax Accounting Specialist						
Average	4 118,24					
1 st quartile	2 961,07					
Mode	3 448,39					
Median	3 595,99					
3 rd quartile	4 613,85					

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
Maximum	20 287,50					
11. Management Accounting Specialist						
Average	6 867,97					
1 st quartile	4 571,89					
Mode	5 143,34					
Median	5 796,31					
3 rd quartile	7 711,37					
Maximum	21 253,44					
12. Tax Advisor						
Average	7 646,01			-		-
1 st quartile	3 862,51			9 000,00		7 000,00
Mode	7 503,04			-		-
Median	6 340,01			12 000,00		-
3 rd quartile	8 744,13			18 000,00		16 000,00
Maximum	48 544,55			-		-
13. Financial Specialist						
Average	5 445,83		-			
1 st quartile	3 222,22		4 025,00			
Mode	3 219,18		-			
Median	4 324,56		5 893,00			
3 rd quartile	6 522,25		8 578,00			
Maximum	18 986,33		-			
14. Auditor						
Average	5 997,52	-			-	
1 st quartile	4 248,11	6 900,00			7 000,00	
Mode	4 370,31	-			-	
Median	5 723,71	9 800,00			8 500,00	
3 rd quartile	7 265,64	12 800,00			10 000,00	
Maximum	16 041,75	-			-	
15. Accountant						
Average	3 476,21	-	-	-	-	-
1 st quartile	2 375,84	2 500,00	3 014,00	3 000,00	4 500,00	2 500,00
Mode	2 810,89	-	-	-	-	-
Median	3 128,45	3 400,00	3 915,00	4 500,00	5 500,00	-
3 rd quartile	4 148,47	4 100,00	4 740,00	6 500,00	6 500,00	7 500,00
Maximum	19 846,39	-	-	-	-	-
16. Accounting Assistant						
Average	2 815,59				-	-

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
1 st quartile	1 983,97				-	-
Mode	2 601,77				2 500,00	2 500,00
Median	2 616,62				3 000,00	-
3 rd quartile	3 273,10				4 000,00	5 500,00
Maximum	14 000,00				-	-
17. Invoice Clerk						
Average	2 494,72		-			
1 st quartile	1 727,59		-			
Mode	1 994,99		2 867,00			
Median	2 275,12		3 116,00			
3 rd quartile	2 986,45		4 142,00			
Maximum	8 873,04		-			
18. Accounting Technician						
Average	2 893,86		-			
1 st quartile	1 946,08		-			
Mode	1933,75		2 867,00			
Median	2 732,80		3 116,00			
3 rd quartile	3 548,92		4 142,00			
Maximum	10 415,80		-			
19. Internal Audit Manager						
Average		-				-
1 st quartile		13 000,00				6 000,00
Median		15 700,00				-
3 rd quartile		19 300,00				13 000,00
20. Manager in an External Audit Department						
Average		-				
1 st quartile		9 600,00				
Median		13 200,00				
3 rd quartile		16 800,00				
21. Senior Consultant in an External Audit Department						
Average		-				
1 st quartile		6 700,00				
Median		8 400,00				
3 rd quartile		10 400,00				
22. Consultant in an External Audit Department						
Average		-				
1 st quartile		3 000,00				
Median		4 900,00				

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
3 rd quartile		6 200,00				
23. Financial Analyst						
Average	4 931,00	-	-	-	-	
1 st quartile	3 193,00	8 200,00	4 099,00	4 000,00	4 500,00	4 000,00
Mode	3 259,00	-	-	-	-	-
Median	4 161,00	10 800,00	5 404,00	6 000,00	6 000,00	-
3 rd quartile	5 751,00	14 800,00	6 373,00	12 000,00	7 000,00	12 000,00
Maximum	18 986,00	-	-	-	-	-
24. Financial Controller						
Average		-		-	-	
1 st quartile		8 200,00		7 000,00	7 500,00	
Mode		-		-	-	
Median		10 800,00		8 000,00	9 000,00	
3 rd quartile		14 800,00		16 000,00	11 000,00	
Maximum		-		-	-	
25. Team Leader (Fund)						
Average		-				
1 st quartile		6 400,00				
Median		7 200,00				
3 rd quartile		8 000,00				
26. Fund Accountant						
Average		-				
1 st quartile		3 800,00				
Median		4 500,00				
3 rd quartile		5 600,00				
27. Credit Analyst						
Average	5 225,00	-				
1 st quartile	3 384,00	3 300,00				
Mode	3 547,00	-				
Median	4 417,00	5 200,00				
3 rd quartile	5 960,00	6 700,00				
Maximum	23 246,00	-				
28. Process Manager (BPO)						
Average		-				
1 st quartile		10 300,00				
Median		13 900,00				
3 rd quartile		17 800,00				
29. Team Leader (BPO)						

Measure	Data source					
	GUS*	Goldman Recruitment	Raport Placowy.pl	Hays**	Page Personnel**	Cpl Jobs**
Average		-				
1 st quartile		6 100,00				
Median		7 000,00				
3 rd quartile		8 500,00				
30. Senior Accountant (BPO)						
Average		-				
1 st quartile		4 200,00				
Median		5 100,00				
3 rd quartile		6 200,00				
31. Accountant (BPO)						
Average		-				
1 st quartile		2 800,00				
Median		3 400,00				
3 rd quartile		4 000,00				

* 2010 data

** Data pertains to the compensation offered: minimum, optimum and maximum.

The following conclusions can be drawn from the analysis of data contained in consultancy firm reports and published on HR web portals:

- Lower salaries are earned by accountants in the manufacturing sector, as compared to the service sector (by about 2%), and the lowest salaries are in trade sector (about 6% lower than in the service sector)²⁷⁷;
- The highest salaries for accountants are reported in companies that employ more than 500 people, and the lowest in the companies with staffing figures between 100-500 employees²⁷⁸,
- Companies with the dominance of foreign capital pay the accountants about 20% more than the companies with the dominance of Polish capital²⁷⁹, but these discrepancies are becoming less and less prominent year after year and they mostly pertain to additional, non-wage benefits²⁸⁰,

²⁷⁷ Authors' calculations based on: *Analiza płac specjalistów przygotowana dla Polskiej Agencji Informacji i Inwestycji Zagranicznych [Analysis of Specialist Compensation Prepared for Polish Information and Foreign Investment Agency]* p. 6, Advisory Group TEST Human Resources, www.raportplacowy.pl, (as available on 02.09.2013)

²⁷⁸ Ibid., p. 8, Authors' calculations.

²⁷⁹ Ibid., p. 9, Authors' calculations.

²⁸⁰ *Raport płacowy VII-XII 2012. Płace w sektorze księgowość&finanse [July-December 2012 Salary Report. Compensation in the Accounting and Finance Sector]*, p. 7, Cpl Jobs, <http://cpljobs.pl/raporty-cpl-market-flash/> (as available on 02.09.2013)

- Compensation amount is affected by foreign language skills; in BPO centers employees who speak another foreign language (on top of English) earn more; knowledge of French/German/Spanish/Italian is valued at even 30% pay rise (depending on the position and region), and command of foreign languages that are less common in Poland, such as Dutch, Swedish, Norwegian, Finnish, Turkish or Greek may result in an additional pay rise by another 40-50%²⁸¹,
- Financial specialists or people who work at advisory positions, and even those employed in BPO/SSC entities, earn more than the employees of accounting departments²⁸²,
- The importance of additional benefits offered by employees is on the rise: '(...) in the companies which want to be perceived as good employers, and in the specializations with employee market (...) medical care (42% of respondents) and subsidies for sports and recreational activities (29%) have become a standard'²⁸³; in view of the character of the industry that requires current knowledge of ever-changing legal regulations, training is still perceived as the key non-wage employee benefit (44%),
- Higher compensation can be offered in result of obtaining professional qualifications: ACCA, CIMA, CIA qualifications lead to an increase in salary by even 80%²⁸⁴, but the average increase is equivalent to 15-30%,
- There are clear regional disparities: top salary rates are offered in Mazowieckie Voivodship (or, in fact, in the City of Warsaw) and in Małopolskie Voivodship, and the bottom rates are observed in Zachodniopomorskie.²⁸⁵

It must be noted that there is large discrepancy between GUS estimations concerning compensation and the data available from various salary reports. This is due to the fact that GUS data is a function of extrapolation of research results from a large sample of employees, and the data presented in the reports is based on a smaller sample and it pertains to the compensation that is offered (hypothetical) rather than actually paid.

²⁸¹ Authors' calculations based on: *Raport płacowy. Wynagrodzenia I półrocze 2011 [Salary Report. Compensation for the first 6 months of 2011]*, s. 21-22, Hays, <https://raportplacowy.pl>, (as available on 02.09.2013)

²⁸² Based on: *Goldman recruitment salary survey 2013. Finanse i księgowość, bankowość i ubezpieczenia, usługi doradcze i audit [Finance and Accounting, Banking and Insurance, Consulting and Audit]*, p. 7, Goldman Recruitment, report available at: <http://www.goldmanrecruitment.pl/salary-survey-2013> (as available on 02.09.2013)

²⁸³ Ibid.

²⁸⁴ Ibid. p. 8.

²⁸⁵ Ibid., p. 10; *Raport płacowy I-VI 2012. Płace w sektorze księgowość&finanse [January-June 2012 Salary Report. Compensation in the Accounting and Finance Sector]*, s. 7, Cpl Jobs, <http://cpljobs.pl/raporty-cpl-market-flash/> (as available on 02.09.2013)

4.7. Unemployment

The analysis of unemployment among A&A professionals was prepared on the basis of reports from the Ministry of Labor and Social Policy (MLSP.) Two types of reports were used as key sources of data: 'Deficit and Surplus Professions' (reports drafted since 2007) and 'The Registered Unemployed and Job Offers by Profession and Specialization' (reports drafted since 2004.) These reports are an integral part of labor market survey; they are developed on the basis of MPIP-S-01 forms (MLSP) together with attachments, which are completed by county and regional labor offices and by Voluntary Labor Corps (OHP) Headquarters. It is a regular survey.

Major sources of information of high interest (from the standpoint of this study) are included in Attachments no 2 and 3. Attachment no 2: 'The unemployed according to the type of activity of their last place of employment, seeking employment (acc. to the type of economic activity of their last employer), job vacancies and career activation openings'. Attachment no 3: 'The unemployed, job vacancies and professional activation openings in the breakdown according to professions and specializations'. Both attachments have been prepared on the basis of the full method, they are mandatory and drawn with a semi-annual frequency. Bydgoszcz Statistical Office is responsible for gathering the data sent by regional labor offices (which, in turn, collect the data provided by county-level labor offices.)

Labor market survey can be used to inform the following thematic scope:

- A.** Number and structure of the unemployed in the breakdown according to:
 - a) Demographic and social characteristics (age, gender, education level),
 - b) Place of residence (urban/rural),
 - c) Situation on the labor market (the unemployed aged less than 25; the long-term unemployed; women who did not start working after having a child; the unemployed aged 50 plus; the unemployed without professional qualifications; without professional experience; without secondary level education; single parents with at least one child under 18; the unemployed who were released from custody and did not start work; the disabled; the unemployed after the completion of social contract implementation),
 - d) Professional experience (tenure, ownership sector, PKD Polish Classification of Activities section, profession) and time spent without employment,
 - e) Unemployment liquidity (inflow and outflow to/from unemployment by reason, including selected categories of the unemployed: the long-term unemployed; the unemployed aged less than 25; the unemployed aged 50 plus; the unemployed living in rural areas; the unemployed entitled to a benefit.)
- B.** Number and structure of people seeking employment in the breakdown according to:

- a) Demographic and social characteristics (age, gender, education level),
 - b) Place of residence (urban/rural),
 - c) Professional experience (tenure, PKD section, profession) and time spent without employment,
 - d) Liquidity (inflow and outflow to/from labor office by reason),
 - e) Statutory categories (including the disabled not in employment, employees aged 45 plus, foreigners entitled to a benefit.)
- C.** Job vacancies and career activation openings in the breakdown according to ownership sector, PKD section and profession.
- D.** Other, for example: the number of contracts concluded with labor offices; participation in programs co-financed by the European Social Fund; the number of special programs and the number of the unemployed seeking employment and participating in the programs; balance of Labor Fund resources; reported lay-offs and group redundancies; active promotion of employment; vocational training of adults; socially useful work; implementation of an individual social program; assistance for employers and enterprises in terms of supporting professional development of their staff.

Data analysis is focused on 22 selected professions. The analysis pertains to the period of 2010-2012. Previous years were left out due to 2010 changes in the Classification of Occupations and Specializations, which – in spite of the transition key between KZiS 2007 and KZiS 2010 – do not allow for full data comparability, in practice.

Graph 4.47 presents the inflow of the unemployed and job offers in a given year, and the status of the registered unemployed and vacancies as of the end of each year included in the analysis for the entire group of 22 A&A professions. On top of that, the differences in inflows and statuses are shown.

In each of the three years included in the analysis there was a surplus in the inflow of the unemployed over the inflow of job offers, resulting in a deficit in the number of jobs at year end, with particularly high change dynamics in 2011. Yet, if we consider the status of accountants/auditors on the labor market during the period in question against the background of deficit/surplus changes in all the professions in total, we will see that there was one-way trend direction and dynamics in deficit changes (Table 4.21)

On the downside, the dynamics of the inflow of the unemployed in the group of analyzed professions was 9 percentage points higher in each of the periods, but on the upside the inflow of job offers for professions related to book-keeping and accounting must be considered as a positive symptom: in 2012 the dynamics was 30% higher in comparison to the prior year (over the same period, job offer inflow dynamics for all professions was only 6%.)

Graph 4.47. Quantitative changes in the inflow of the unemployed and job offers, and in the status of unemployment and job vacancies for the group of 22 A&A professions in 2010-2012²⁸⁶

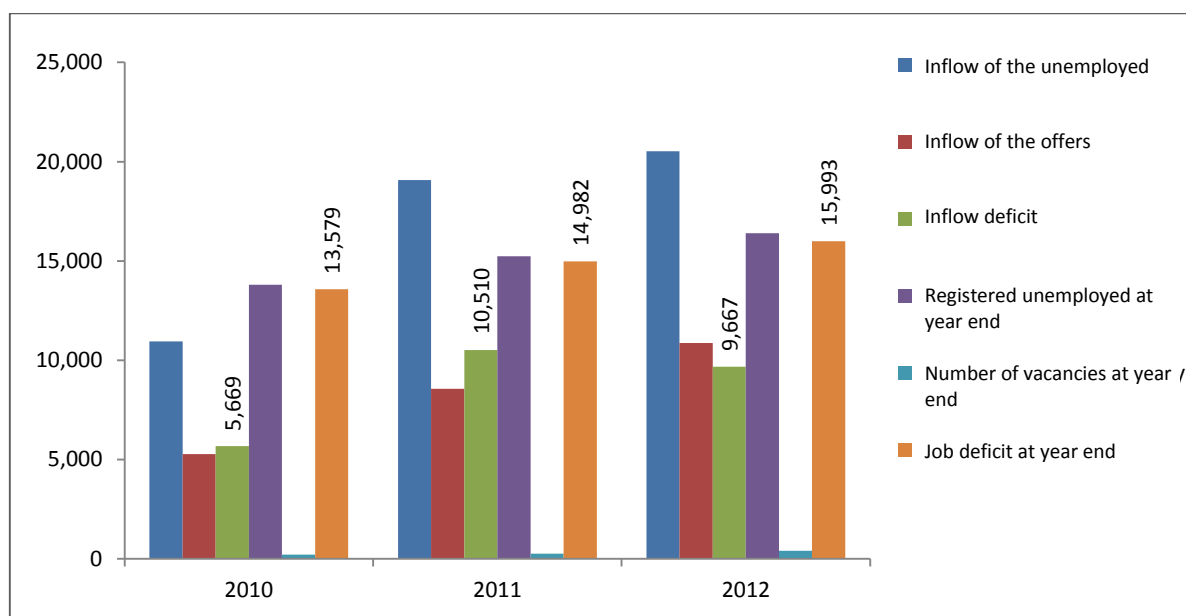


Table 4.21. Comparison of the dynamics of the inflow of the unemployed and job offers for the group of 22 professions and for all professions²⁸⁷

Indicator	2011/2010		2012/2011	
	22 professions	all	22 professions	all
Dynamics in the inflow of the unemployed	70%	61%	7%	2%
Dynamics in the inflow of job offers	52%	58%	30%	6%

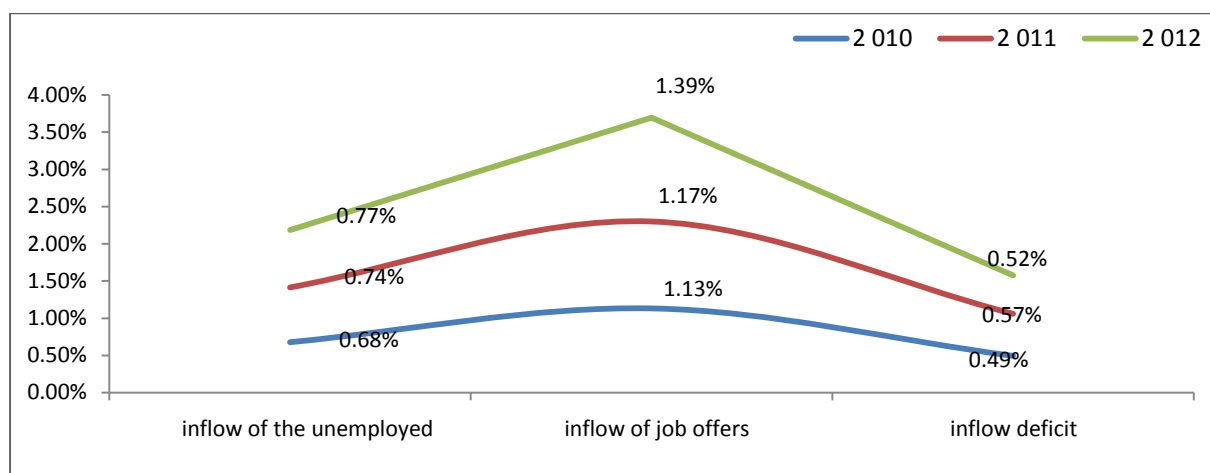
The share of the inflow of job offers and the unemployed in the group of professions included in the analysis is presented in Graph 4.48. It should be remembered, however, that the share of the group of 22 professions in the pool of all professions included in the reports of the Ministry of Labor and Social Policy was in 2011 and 2012 equivalent to 0.85% (the report included 2595 professions/specializations), and in 2010 it was equivalent to 0.92% (the report included 2382 professions/specializations), and that this comparison pertains to the number of professions, not the number of the people who could potentially practice the profession.

²⁸⁶ Source: Authors' calculation based on: *Zawody deficytowe i nadwyżkowe* ['Deficit and Surplus Professions'] and *Zarejestrowani bezrobotni oraz oferty pracy według zawodów i specjalności za lata 2010-2012* ['The Registered Unemployed and Job Offers by Profession and Specialization for 2010-2012']

<http://www.mpips.gov.pl/analizy-i-raporty/raporty-sprawozdania/rynek-pracy/> (as available on 13.08.2013)

²⁸⁷ *Ibid.*

Graph 4.48. Share of the inflow of job offers, the unemployed and inflow deficit in the group of 22 professions considered in the analysis in the pool of all professions for 2010-2012²⁸⁸



In the following paragraphs, the analysis of the impact of the inflow of the unemployed and job offers is carried out separately for each of the 22 professions. The data is summarized in Table 4.22.

In the table 4.22. the most 'surplus-oriented' professions (i.e. those with the biggest dominance of the inflow of the unemployed over job offers) are marked in red; they include the following positions: accounting specialist, financial specialist, accountant and accounting assistant. In the case of seven professions, a deficit (i.e. a surplus of job offers over the inflow of the unemployed) was observed in at least one of the years included in the analysis, these professions are as follows: chief accountant, controlling specialist, tax accounting specialist, auditor, tax official and invoice clerk. Profession of a tax official turned out to be most deficit-oriented occupation in the period under analysis.

Apart from the stream analysis, statistics concerning the number of unemployed accountants/ auditors and job offers at the end of each year were also analyzed. The data is presented in Table 4.23. Further, the share of each of the 22 accounting professions in the number of job vacancies is also presented. It turns out that the professions of a chief accountant, accounting assistant and accountant (marked in the table with yellow) have the biggest share. The highest unemployment was observed in the case of the profession of an accountant, and this profession also had the biggest number of vacancies. A similar phenomenon (high number of the unemployed observed concurrently with a high number of job vacancies) was reported for the professions of an accounting assistant, invoice clerk and chief accountant.

²⁸⁸ *Ibid.*

Table 4.22. Inflow of the unemployed and job offers in accounting professions in 2010-2012^{289,*}

	Code	Name of profession	Inflow of the unemployed			Dynamics of the inflow of the unemployed		Inflow of job offers			Dynamics of the inflow of job offers		Deficit/surplus of job offers versus the inflow of the unemployed		
			2010	2011	2012	2011/ 2010	2012/ 2011	2010	2011	2012	2011/ 2010	2012/ 2011	2010	2011	2012
1	112006	Financial Director	16	80	90	400%	13%	14	20	27	43%	35%	-2	-60	-63
2	121101	Chief Accountant	111	332	401	199%	21%	131	468	365	257%	-22%	20	136	-36
3	121102	Accountancy Firm Manager	3	7	4	133%	-43%	1	1	2	0%	100%	-2	-6	-2
4	121103	Financial Department Manager	35	108	96	209%	-11%	24	61	60	154%	-2%	-11	-47	-36
5	134904	Audit Firm Manager	(-)	0	0	-	-	(-)	0	0	-	-	-	0	0
6	241101	Statutory Auditor	4	15	14	275%	-7%	4	2	1	-50%	-50%	0	-13	-13
7	241102	Controlling Specialist	37	56	97	51%	73%	30	67	90	123%	34%	-7	11	-7
8	241103	Accounting Specialist	1 774	2 717	3 055	53%	12%	185	282	342	52%	21%	-1 589	-2 435	-2 713
9	241104	Investment Accounting Specialist	10	29	34	190%	17%	2	17	22	750%	29%	-8	-12	-12
10	241105	Tax Accounting Specialist	14	71	90	407%	27%	12	26	29	117%	12%	2	45	61

²⁸⁹ *Ibid.*

	Code	Name of profession	Inflow of the unemployed			Dynamics of the inflow of the unemployed		Inflow of job offers			Dynamics of the inflow of job offers		Deficit/surplus of job offers versus the inflow of the unemployed		
			2010	2011	2012	2011/ 2010	2012/ 2011	2010	2011	2012	2011/ 2010	2012/ 2011	2010	2011	2012
11	241106	Management Accounting Specialist	55	148	180	169%	22%	3	15	8	400%	-47%	-52	-133	-172
12	241204	Tax Advisor	55	66	101	20%	53%	50	20	24	-60%	20%	-5	-46	-77
13	241306	Financial Specialist	2 139	3 293	3 616	54%	10%	209	336	287	61%	-15%	-1 930	-2 957	-3 329
14	242204	Auditor	41	75	95	83%	27%	29	152	138	424%	-9%	-12	77	43
15	331301	Accountant	4 302	7 677	8 125	78%	6%	2 714	4 011	4 697	48%	17%	-1 588	-3 666	-3 428
16	335201	Tax Returns Controller	11	22	19	100%	-14%	5	13	13	160%	0%	-6	-9	-6
17	335202	Fiscal Control Auditor	6	13	13	117%	0%	1	3	0	200%	-100%	-5	-10	-13
18	335203	Tax Official	7	22	26	214%	18%	204	214	467	5%	118%	197	192	441
19	335290	Other Tax Officials	13	30	37	131%	23%	73	100	200	37%	100%	60	70	163
20	431101	Accounting Assistant	1 691	2 739	2 665	62%	-3%	1 017	1 648	2 652	62%	61%	-674	-1 091	-13
21	431102	Invoice Clerk	548	1 100	1 215	101%	10%	600	903	1 130	51%	25%	52	-197	-85
22	431103	Accounting Technician	232	478	557	106%	17%	132	209	309	58%	48%	-100	-269	-248
Total			10 939	18 551	19 939	70%	7%	5 270	8 018	10 409	52%	30%	-5 660	-10 420	-9 545

**Color red was used to mark professions with most surplus (largest surplus of unemployed inflow as compared to job offers) and yellow – to mark professions with most deficit (largest surplus of job offers over inflow of unemployed)*

Table 4.23. Number of the unemployed and job offers in accounting professions at the end of each year (2010-2012)^{290,*}

	Code	Name of profession	Status of the unemployed			Dynamics in the status of the unemployed		Number of job vacancies			Dynamics in the number of job vacancies		Share of the profession in the number of job vacancies in the group of 22 professions		
			2010	2011	2012	2011/2010	2012/2011	2010	2011	2012	2011/2010	2012/2011	2010	2011	2012
1	112006	Financial Director	15	48	66	220%	38%	1	1	1	0%	0%	0%	0%	0%
2	121101	Chief Accountant	82	203	277	148%	36%	21	21	20	0%	-5%	10%	8%	5%
3	121102	Accountancy Firm Manager	3	5	3	67%	-40%	0	0	0	-	-	0%	0%	0%
4	121103	Financial Department Manager	25	64	63	156%	-2%	5	0	1	-100%	-	2%	0%	0%
5	134904	Audit Firm Manager		0	0	-	-		0	0	-	-	0%	0%	0%
6	241101	Statutory Auditor	7	9	7	29%	-22%	0	0	0	-	-	0%	0%	0%
7	241102	Controlling Specialist	27	35	50	30%	43%	7	4	2	-43%	-50%	3%	2%	0%
8	241103	Accounting Specialist	1559	1839	1919	18%	4%	1	5	11	400%	120%	0%	2%	3%
9	241104	Investment Accounting Specialist	7	17	17	143%	0%	0	0	0	-	-	0%	0%	0%
10	241105	Tax Accounting Specialist	7	39	48	457%	23%	0	0	0	-	-	0%	0%	0%
11	241106	Management Accounting Specialist	29	86	95	197%	10%	0	0	0	-	-	0%	0%	0%
12	241204	Tax Advisor	61	70	71	15%	1%	1	1	1	0%	0%	0%	0%	0%
13	241306	Financial Specialist	2095	2268	2535	8%	12%	7	15	8	114%	-47%	3%	6%	2%

²⁹⁰ *Ibid.*

	Code	Name of profession	Status of the unemployed			Dynamics in the status of the unemployed		Number of job vacancies			Dynamics in the number of job vacancies		Share of the profession in the number of job vacancies in the group of 22 professions		
			2010	2011	2012	2011/2010	2012/2011	2010	2011	2012	2011/2010	2012/2011	2010	2011	2012
14	242204	Auditor	30	41	60	37%	46%	0	3	56	-	1767%	0%	1%	14%
15	331301	Accountant	6412	6781	7241	6%	7%	111	190	247	71%	30%	52%	73%	62%
16	335201	Tax Returns Controller	14	19	15	36%	-21%	0	0	0	-	-	0%	0%	0%
17	335202	Fiscal Control Auditor	12	12	9	0%	-25%	0	0	0	-	-	0%	0%	0%
18	335203	Tax Official	4	14	21	250%	50%	6	0	9	-100%	-	3%	0%	2%
19	335290	Other Tax Officials	11	19	24	73%	26%	19	0	0	-100%	-	9%	0%	0%
20	431101	Accounting Assistant	2532	2507	2504	-1%	0%	17	17	26	0%	53%	8%	7%	6%
21	431102	Invoice Clerk	616	788	930	28%	18%	19	2	17	-89%	750%	9%	1%	4%
22	431103	Accounting Technician	246	378	439	54%	16%	0	1	2	-	100%	0%	0%	0%
Total			13794	15242	16394	10%	8%	215	260	401	21%	54%	100%	100%	100%

**Color yellow was used to mark those data, which were pointed out in the text*

MLSP publishes data about unemployment status by profession in the breakdown according to voivodships. As can be learnt from the data for 2010-2012, the highest percentage of the unemployed from accounting professions was reported in Mazowieckie (14-16% of all unemployed accountants), Śląskie (11-12%) and Małopolskie voivodships (8-9%). In Lubuskie, Opolskie, Podlaskie and Świętokrzyskie this share did not exceed 3% (Table 4.24). In order to be able to draw legitimate conclusions, a multivariate analysis is required, including the information on labor force supply in analyzed professions.

Table 4.24. Share of unemployed accountants/auditors by voivodship²⁹¹

year	2010	2011	2012
dolnośląskie	8%	7%	7%
kujawsko-pomorskie	6%	6%	6%
lubelskie	6%	5%	5%
lubuskie	3%	3%	3%
łódzkie	6%	6%	7%
małopolskie	8%	9%	9%
mazowieckie	14%	15%	16%
opolskie	2%	3%	3%
podkarpackie	8%	8%	7%
podlaskie	3%	3%	3%
pomorskie	6%	6%	6%
śląskie	12%	11%	12%
świętokrzyskie	3%	3%	3%
warmińsko-mazurskie	4%	4%	4%
wielkopolskie	6%	6%	6%
zachodnio-pomorskie	4%	4%	4%
total	100%	100%	100%

Table 4.25 presents quantitative description of unemployment among accountants/auditors in each region. The data is valid for 2012, but the analysis of reports for the two previous years demonstrates similar distribution of the number of the unemployed in the regions.

²⁹¹ *Ibid.*

Table 4.25. Number of unemployed accountants/auditors in each voivodship in the breakdown according to individual professions as of the end of 2012²⁹²

	Code	Name of profession	Voivodship																Poland
			dolnośląskie	kujawsko-pomorskie	lubelskie	lubuskie	łódzkie	małopolskie	mazowieckie	opolskie	podkarpackie	podlaskie	pomorskie	śląskie	świętokrzyskie	warmińsko-mazurskie	wielkopolskie	zachodnio-pomorskie	
1	112006	Financial Director	3	3	2	0	1	2	32	0	3	0	8	8	1	2	1	0	66
2	121101	Chief Accountant	18	21	8	9	23	21	69	7	13	5	20	28	7	8	9	11	277
3	121102	Accountancy Firm Manager	0	0	0	0	1	0	2	0	0	0	0	0	0	0	0	0	3
4	121103	Financial Department Manager	5	3	0	1	8	5	15	3	2	3	7	8	1	0	0	2	63
5	134904	Audit Firm Manager	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	241101	Statutory Auditor	0	0	0	1	0	0	3	0	0	1	0	1	1	0	0	0	7
7	241102	Controlling Specialist	2	0	3	2	1	2	15	1	3	3	7	6	1	0	3	1	50

²⁹² *Ibid.*

	Code	Name of profession	Voivodship																Poland
			dolnośląskie	kujawsko-pomorskie	lubelskie	lubuskie	łódzkie	małopolskie	mazowieckie	opolskie	podkarpackie	podlaskie	pomorskie	śląskie	świętokrzyskie	warmińsko-mazurskie	wielkopolskie	zachodnio-pomorskie	
8	241103	Accounting Specialist	140	89	103	49	96	233	219	50	252	83	64	207	56	56	141	81	1 919
9	241104	Investment Accounting Specialist	1	0	0	0	0	6	4	0	1	0	2	1	2	0	0	0	17
10	241105	Tax Accounting Specialist	5	3	4	0	6	1	8	0	2	1	2	2	6	2	5	1	48
11	241106	Management Accounting Specialist	5	5	6	1	10	10	5	3	13	0	4	15	2	5	10	1	95
12	241204	Tax Advisor	1	4	3	1	11	4	21	0	1	3	2	5	7	5	2	1	71
13	241306	Financial Specialist	174	105	144	46	167	190	430	61	161	80	175	324	117	61	208	92	2 535
14	242204	Auditor	4	0	5	1	2	2	21	2	0	3	2	9	1	2	3	3	60
15	331301	Accountant	594	444	293	214	548	606	1 226	248	330	189	460	915	182	314	372	306	7 241

	Code	Name of profession	Voivodship																Poland
			dolnośląskie	kujawsko-pomorskie	lubelskie	lubuskie	łódzkie	małopolskie	mazowieckie	opolskie	podkarpackie	podlaskie	pomorskie	śląskie	świętokrzyskie	warmińsko-mazurskie	wielkopolskie	zachodnio-pomorskie	
16	335201	Tax Returns Controller	3	0	0	0	2	1	2	0	0	0	1	3	0	2	1	0	15
17	335202	Fiscal Control Auditor	1	0	0	1	0	2	1	0	0	0	1	2	0	0	1	0	9
18	335203	Tax Official	0	3	1	0	3	0	4	0	1	1	4	1	0	0	2	1	21
19	335290	Other Tax Officials	0	0	0	1	0	2	7	0	3	1	2	4	1	2	1	0	24
20	431101	Accounting Assistant	170	200	150	64	118	244	321	31	285	78	177	265	60	108	116	117	2 504
21	431102	Invoice Clerk	56	58	54	25	53	109	112	28	60	41	79	111	26	51	39	28	930
22	431103	Accounting Technician	11	37	40	7	23	19	87	6	19	6	45	40	5	28	50	16	439
Total			1 193	975	816	423	1 073	1 459	2 604	440	1 149	498	1 062	1 955	476	646	964	661	16 394

The authors analyzed registration forms filed by the unemployed and job seekers, and the forms submitted by entities reporting job vacancies – these forms are used as the basis for statistics developed by county-level labor offices.

As far as a job offer submitted by an employer is concerned, the electronic form contains reference to the Classification of Occupations and Specializations, but it does not include closed catalogs for the selection of qualifications or skills (there is a choice from a list of proposed options, but an employee can also provide other option of his or her preference.)

On the form of electronic registration of the unemployed and job seekers appropriate catalogs were prepared under the headings of a profession, qualifications and skills. These catalogs, together with the comments, are presented in Table 4.26 below.

Table 4.26. Scope of selected information on electronic registration form completed by an unemployed person or a job seeker²⁹³

Profession	Qualifications	Skills
Number of items on the list – in total		
2601	651	752
Number of items on the list - A&A related		
All the professions subject to analysis in this study	22, i.e.: 1. <u>Internal auditor</u> 2. Internal auditor certificate 3. <u>Accountancy certificate</u> 4. Certificate – accounting specialist 5. HR and payroll 6. Book-keeping and HR 7. Computer book-keeping 8. Book-keeping in hotel and catering services 9. Course for future accountants, including project accounting 10. Book-keeping, HR and payroll course, including computer skills and use of office equipment 11. Preparation for chief accountant function 12. HR and payroll specialist	25, i.e.: 1. Analysis of company financial situation 2. <u>External auditor</u> 3. <u>Accountancy certificate</u> 4. Controlling of costs and financial result 5. Invoicing 6. Computer invoicing 7. Finance for non-financiers 8. Book-keeping 9. Computer book-keeping 10. Book-keeping, including 'Płatnik' and "Rachmistrz" software 11. Course – financial settlements specialist 12. Book-keeping course

²⁹³ Source: Authors' calculation based on: 'Syriusz' ICT application
<https://www.praca.gov.pl/eurzad/index.eup?idJednostki=06630> (as available on 18.08.2013)

Profession	Qualifications	Skills
	13. Accounting and finance post-graduate course 14. Training – budgeting and budget execution control 15. Training in office skills and HR/payroll for a small enterprise 16. Training in computer accounting 17. Qualification of a certified accountant in the area of construction 18. Qualification of a certified accountant in the area of commerce 19. Qualification of a certified accountant in the area of industry 20. Qualification of a certified accountant in the area of agriculture 21. Qualification to keep the books of account 22. Qualification of an independent accountant	13. Book-keeping course, including accounting software 14. Course: tax regulations 15. Course in the area of finance 16. HR and payroll in an enterprise 17. 'Płatnik' and 'Symfonia' software 18. Comarch 'Optima' software 19. 'Gratifikant GT' and 'Płatnik' software 20. 'Gratifikant GT', 'Płatnik' and 'Rachmistrz' software 21. 'Rewizor' software 22. PIT and CIT 23. Accounting 24. Training – finance for non-financiers 25. Completed training – audit and internal auditor
Comments		
One can name three professions, the one that was practiced most recently is taken into account, unless 1) the person had never worked before – then, the learned profession; 2) the person is no longer able to practice the most recent profession due to expiry/loss of qualifications or documented deterioration of health status. KZiS Classification of Occupations and Specializations includes	An open catalog, but an item can be recorded statistically only upon qualification acknowledgment with a relevant document (verification done by labor office employee.) The catalogs are inconsistent, there is no uniform preparation methodology (e.g. training/training completed); more homogeneous groups of qualifications and skills have not been identified; some certifications overlap under the heading of qualifications and under the heading of skills (as underlined.) These shortcomings may arise from the fact that the catalogs have been developed since 1997.	An open catalog, the unemployed/job seeker can put in additional skills, without limitations.

Profession	Qualifications	Skills
2366 professions and it is not clear why the catalog on the form includes 235 professions less.	Currently, the amendment to the Act on Employment Promotion is quite advanced in the legislative process; it sets forth a new methodology for data collection exercise done by labor offices.	

It should be noted that the analysis of unemployment and job offers based exclusively on the data obtained from labor offices fails to present the true picture and status. It is common knowledge that a majority of processes associated with job seeking or employee search are carried out outside of labor offices, especially in the case of professions such as book-keeping/accounting and audit, where trust, opinion of the recommending person and the environment play a vital role. Moreover, the 'matchmaking' between the demand for and the supply of accountants' and auditors' services is largely done by professional organizations (KIBR, KRDP, SKwP), employment agencies and specialized web portals (e.g.: www.pracuj.pl, www.nuzle.pl, www.praca.pl, www.inforpraca.pl).

For example, www.inforpraca.pl portal displayed 928 job offers for the position of an accountant/auditor as of 20.08.2013 (11.00 a.m.); with most openings coming from Cracow (392), Warsaw (117), Poznań (108) and Wrocław (59.) Lion's share of the vacancies were full-time job offers (824.) As of that same date, www.praca.pl portal displayed 349 job offers in the area of book-keeping/accounting/audit/taxes; with most openings coming from the voivodships of Małopolskie (133), Mazowieckie (66), Śląskie (57) and Wielkopolskie (55). On yet another portal, www.pracuj.pl, there were 1200 job offers in the category of audit/taxes and book-keeping/accounting, once again coming mostly from the voivodships of Małopolskie, Mazowieckie, and Wielkopolskie. In terms of positions, specialists (923), managers (125) and assistants (108) were in great demand, and interns/apprentices (36) as well as directors/CEOs (8) were in low demand. The accountant position on www.gazetapraca.pl portal had 429 job offers, with geographical dominance of Małopolskie (150), Mazowieckie (82) and Śląskie (51.) These quantitative data cannot be summed up because the same job offer can be placed on several portals.

Concluding, the biggest number of job offers comes from the voivodships of Mazowieckie, Małopolskie, Śląskie, Dolnośląskie and Wielkopolskie, and offers tend to cluster in big cities such as Warsaw, Cracow, Wrocław, Poznań or Katowice. Similar conclusions can be drawn from the review of content of work intermediation websites.

Employees with several years' worth of professional experience are in high demand on the market, but there are also many offers of internships and apprenticeships for young graduates of university accounting courses. It is to be expected that in one or two years' time work intermediation firms will be flooded with applications of 'new' A&A specialists. According to the data from the Ministry of Science and Higher Education with the summary of 2012/2013 recruitment, there were 17642 candidates for the 'finance and accounting'

major, both for baccalaureate degree and the combined baccalaureate and master's degree (a year before there were 19998 candidates.) This major is ranked on the 9. position among all the majors offered during 2012/2013 recruitment (a year before it ranked 7.), with a 63% increase in popularity of 'finance and accounting' major in comparison to 2007/2008 (10804 candidates) and the biggest increase observed between academic years 2007/2008 and 2008/2009 (increase by 63.5%.) Recruitment for 'finance and accounting' major in academic year 2012/2013 accounted for 3.2% of the entire freshmen population (549 443 people), and a year before it was 3.6%. The number of candidates competing for one opening at the university was 11.9 (6. place), and a year before there were 3.6 candidates per one opening.²⁹⁴

4.8. Conclusions

Having analyzed the market of A&A professions in Poland one must come to a conclusion that, due to data constraints, it is extremely difficult to carry out a reliable quantitative and qualitative analysis of demand and supply on that market. One reason is that a person need not have accounting background (education) in order to work at a position related to book-keeping/accounting. Another reason is the fact that A&A market is heterogeneous and broad. Heterogeneity arises from the fact that a book-keeper/accountant can work in a small or large company, in any industry and any legal form of business, public as well as private. On top of that, book-keeping and accounting services can be provided by outsourcing firms, which affects the structure of employment among people involved in provisions of such services.

To work as an accountant in Poland it is not necessary to be a member of a professional organization (with few exceptions, e.g. statutory auditor, tax advisor), which means that one cannot obtain a simple information on the number of accountants. Having said that, it is possible to use the data to estimate the number of people with top professional qualifications in the area of book-keeping/accounting. This group will include statutory auditors (about 7.1 thousand people, including about 3.6 thousand individuals who declare they practice the profession), tax advisors (almost 9 thousand, including about 7.8 thousand practitioners), certified accountants (51 people – statutory auditors excluded), ACCA certificate holders (more than 1.2 thousand) and CIMA certificate holders (about 2 thousand, but students are included in the figure.) All together, this is a group of about 19.3 thousand individuals with the highest qualifications confirmed with a certificate/diploma, including about 14.6 practitioners.

Unfortunately, there is not data available as to the number of individuals who hold several certificates/qualifications at the same time (e.g., it cannot be determined how many people are certified accountants and tax advisors, or how many people hold ACCA or another

²⁹⁴ <http://www.nauka.gov.pl/aktualnosci-ministerstwo/informatyka-najszybciej-rozwijajacym-sie-kierunkiem-studiow.html> (as available on 20.08.2013)

certificate and are statutory auditors), which is why the 19.3 thousand figure can be over-estimated. One should also remember about a group of people who work as chief accountants (estimated 55 thousand people) or financial directors (estimated 11 thousand people), who are frequently highly qualified on the basis of many years of experience and individual work input, without any major certificates to confirm this.

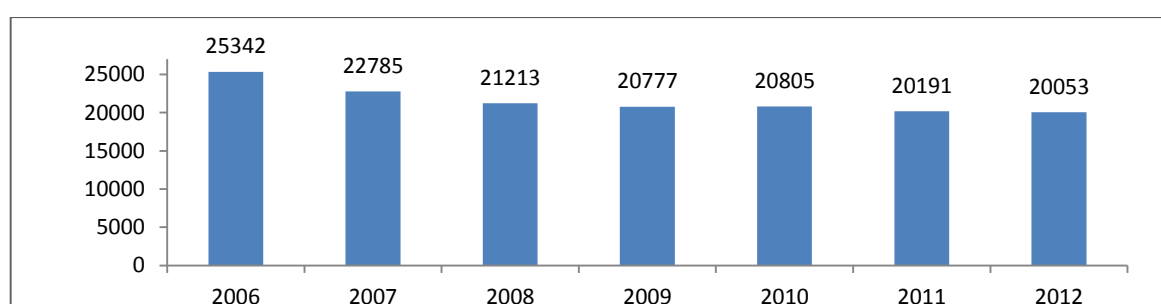
Another group of professionals is made up of individuals who have a certificate for the provision of book-keeping services issued by the Minister of Finance (more than 94.4 thousand people, but it is not clear to what extent and in what way these certificates are made use of from the standpoint of professional activity.) Teaching and practical experience of the researchers seems to indicate that such certificate holders do not always represent a very high level of professionalism.

High standard potential is certainly represented by the individuals who have completed the 3rd level of SkwP certification (approximately 12.6 thousand chief accountant certificates issued.)

Additionally, at present we have in Poland a substantial population of university graduates who did their major in ‘finance and accounting’ and related fields. Still, those people do various jobs not necessarily related to A&A market, even if broadly defined, and their population can at best indicate market development potential.

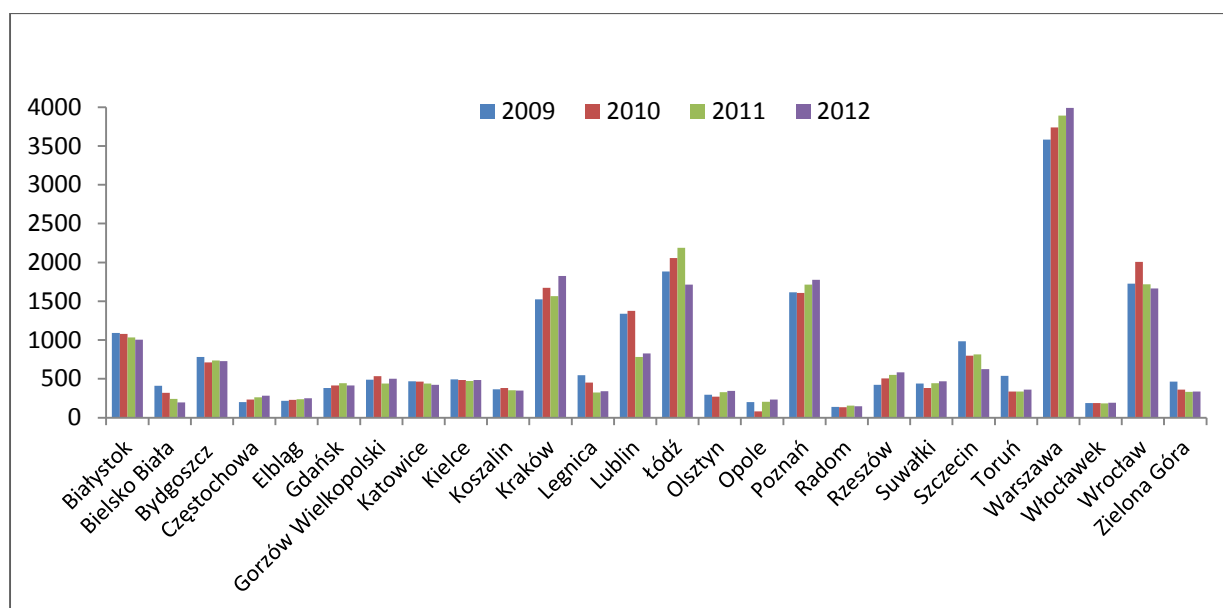
There is no doubt that a large proportion of members of the oldest accountancy professional organization of accountants in Poland – the Accountants Association in Poland (SKwP) – can be regarded as the core/foundation of the community of accountants. Graph 4.49 presents changes in the number of regular members of SKwP over the last 6 years. Further, Graph 4.50 illustrates the number of SKwP members in the breakdown according to field branches over the last 4 years.

Graph 4.49. Number of regular members of Accountants Association in Poland (SKwP) in 2006 -2012 (status as of 31 December)²⁹⁵



²⁹⁵ Source: Authors' calculation based on SKwP data.

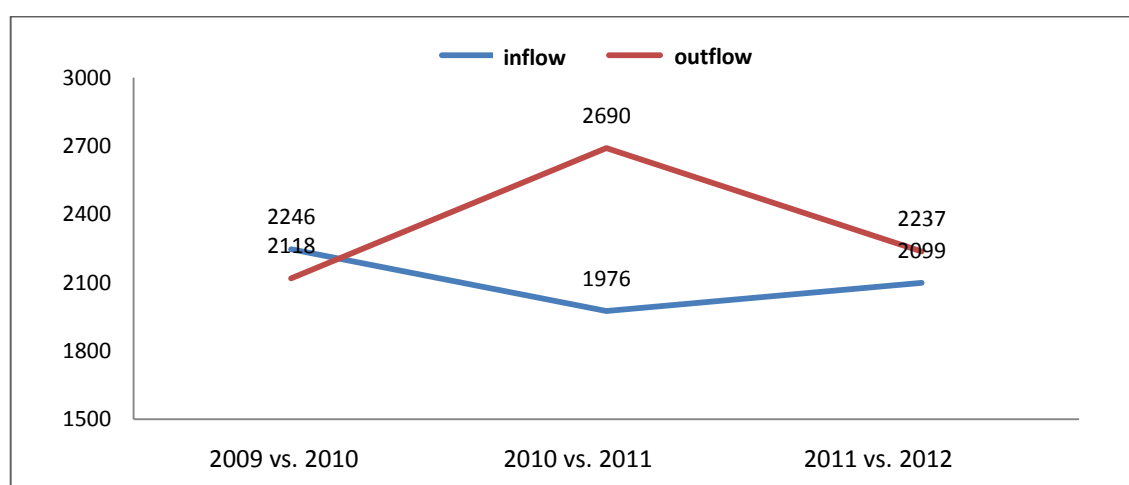
Graph 4.50. Number of regular members of Accountants Association in Poland (SKwP) in the field branches in 2009 -2012 (status as of 31 December)²⁹⁶



The population of SKwP members has been quite stable – for the last four years there have been about 20 thousand regular members, and the most numerous branch is the one located in Warsaw.

Interestingly, this number is not based on ‘incumbents’, rather, there has been dynamics in terms of both the outflow of existing members and the inflow of new ones to the organization (Graph 4.51).

Graph 4.51. Inflow and outflow of regular members of Accountants Association in Poland (SKwP) in 2009 -2012 ²⁹⁷



²⁹⁶ *Ibid.*

²⁹⁷ *Ibid.*

It should also be kept in mind that in Poland membership in a professional organization of accountants is not compulsory, and SKwP members are regular accountants, accounting specialists, as well as statutory auditors or tax advisors. Therefore, it would be counterproductive to add to the figures above the number of SKwP members in order to obtain the number of A&A practitioners, as the sum would be false (these figures represent the sets that overlap.)

Development of the market for A&A services and the need for A&A professions/specializations is contingent on the demand for those services, which in turn is largely determined by the number of entities that conduct economic activity, including the businesses that keep the books of account (or do simplified record-keeping for accounting purposes) in Poland, as well as the number and size of outsourcing centers that may service clients (entities/organizations) operating outside of Poland. Furthermore, municipalities, counties, voivodships and their associations, side by side with state, municipal, county- and regional-level units and undertakings or earmarked funds have a significant impact on creating jobs for accountants and auditors. Population of that group of entities, however, is quite stable and it has not demonstrated substantial changes. In contrast, there has been noticeable growth in the number of companies that offer financial and accountancy services and tax consulting (registered under code 69.20 of PKD), but growth dynamics has been on the decline (cf. subsection 4.1.)

One should expect continued vibrant development of employment in the sector of outsourcing services, mostly in BPO/SSC entities, and declining employment dynamics in traditionally defined in-house accounting departments. Currently, the sector of business services is the most active sector in terms of hiring on the Polish market: '... in no other industry can we see so many job offers, both for those who are just starting their career and for specialists'²⁹⁸. Foreign investments in that sector also represent the most numerous group from among all foreign investments in Poland. New investments are started and the existing centers expand their operation in Poland.

It would be difficult, however, to specify the demand for BPO/SSC sector employees in the breakdown according to Polish cities and voivodships. Although several locations are clearly more popular than others (as shown in the analysis presented in point 6.5.3), the sector is characterized by the ease of relocation and relatively low entry barriers for new entities. Based on analytical findings, the researchers claim that the following factors are decisive for the location of new BPO/SSC entities (including those that provide book-keeping and accounting services): access to personnel with preferred foreign language skills, access to real estate and other infrastructure, open attitude of local government authorities, and other amenities (e.g. special economic zones.) It appears that the vicinity of academic centers is no

²⁹⁸ Words of Ms. M. Jasińska, a director in Hays Specialist Recruitment, *Tysiące etatów czekają na chętnych* ['Thousands of vacant headcounts are waiting to be populated'], Rzeczpospolita daily, issue of 16.09.2013, p. B7.

longer decisive, because employees can develop the required professional competences in an informal way (not necessarily through university courses), and BPO/SSC entities often offer such training opportunities (e.g. in the form of training and secondments abroad, in investor's home country or another branch of the company.) On the other hand, though, access to higher education facilities paired with the capacity of their authorities to take sovereign decisions concerning the curricula may result in an offer of post-graduate courses and training programs for present-day and potential employees of BPO/SSC entities.

The demand for A&A services is bound to increase once the long-awaited reform of agricultural activity taxation comes into force. The income from agricultural activity (with the exception of special sections of farming produce) is currently exempt from income tax regime. According to various preliminary announcements, the smallest farms of up to 6 hectares in area will be taxed on a lump-sum basis, and the majority of farms will have to do some kind of accounting record-keeping for tax purposes. The Ministry of Agriculture anticipates that farmers will have a choice as to the model of taxation (lump-sum or taxation regime in line with general principles - with the books of account or tax revenue and expense ledger.)²⁹⁹ There are 1 543 540 farms in Poland, including 780 443 farms up to 5 hectares³⁰⁰, so potentially about 700 thousand farms might emerge as new entities subject to taxation.

²⁹⁹ See for example: <http://ksiegowosc.infor.pl/wiadomosci/139811,Podatek-dochodowy-dla-rolnikow-w-2014r.html#ixzz 2d5bqa7Bm> (as available on 26.08.2013)

³⁰⁰ Farmsteads in the breakdown according to the area of agricultural land, BDL, <http://www.stat.gov.pl/bdl> (as available on 26.08.2013)

5. NEW TRENDS AND DIRECTIONS OF CHANGES PLANNED FOR THE A&A PROFESSIONS MARKET

5.1. The A&A Professions Market vs. State Policy Directions

The Lisbon Strategy was a development plan for the European Union approved by the European Council in March 2000. The Plan assumed the EU to be transformed by 2010 into the most dynamic economy worldwide, competitive, knowledge-based, and capable of creating new and better jobs alongside improved social cohesion and respect for the environment.

The Lisbon Strategy referred to action taken in three interdependent areas: economy, social issues, and environmental protection. It was based on a conviction that in order to improve life standards and retain the Union's unique social model, productivity and competitiveness will need to be raised in conditions of growing global competition, technological change, and the ageing of societies.

The Lisbon Strategy served as a foundation for activities in the following areas:

- Swift transition to knowledge-based economy, including information society, research, and innovation development, and creation of relevant qualifications and skills,
- Liberalization and integration of all industries and sectors not forming part of the common market, i.e.: telecommunications, energy, transport, postal services, as well as the financial sector and services market in its entirety,
- Development of entrepreneurship, to be supported by deregulation and better administrative assistance: liquidation of administrative and legal barriers, easier access to equity and technology, limits set to state aid impacting competition, and the introduction of a level competitive playing field,
- Increased employment rates and changes to the current social model by boosting professional activeness, making the labor market more flexible, improving the education system, modernizing social security systems, and limiting poverty and social exclusion,
- Care for sustainable development foundations and the natural environment with impact to climate changes and natural resources preservation.

In the area of activities supporting the European labor market, the focus was on reforming instruments generating labor market supply, improving the European labor force's competitiveness, modernizing social security systems, and reforming instruments generating

labor market supply – including the elimination of administrative barriers, simplifying the process of creating small and medium-sized enterprises, and creating an administrative and legal environment supporting business setup and operation.

At the national level, the European Commission was assigned the role of supporting Lisbon Strategy implementation by benchmarking, financial assistance from EU's budget, social dialogue promotion, and best practices sharing.

In 2004, the European Council and European Commission decided to hold a medium-term review of Lisbon Strategy assumptions³⁰¹. The review was to serve as a response to past insufficiencies in implementing the Strategy's objectives. In the wake of an assessment of progress in implementing Lisbon Strategy goals, the European Commission concluded that Europe remains far from the potential assumed in the Strategy, with past progress insufficient at the European and national levels alike. In light of the above, the Union's member states were obliged to draft National Reform Programs (NRPs- *KPR*), i.e. national-level programs of implementing Lisbon Strategy objectives. Furthermore, the Strategy objectives were shortlisted to include two vital items only: achieving sustainable economic growth, and permanent employment growth. In order to reach these goals, each and every member state – having drafted its NRP – was to provide appropriate conditions to facilitate the efficient implementation of Lisbon Strategy assumptions, by introducing a number of legislative and institutional instruments³⁰².

With regard to Poland, the following activities were recognized as crucial for purposes of successful implementation of amended Lisbon Strategy assumptions³⁰³:

- Reforming the public research sector to purposes of improved knowledge and innovation investment efficiency, and better research and development quality,
- Creating a business-friendly institutional, legislative, and financial environment to support dynamic entrepreneurship development, and improve the potential of competitiveness and the generation of innovative solutions, by the SME sector in particular,
- Creating a modern transportation and energy system as a coherent component of European infrastructure networks,
- Modernizing the education and vocational training systems to improve their capabilities of anticipation and flexible adaptation to versatile labor market demand and supply, and to improve the share of adults participating in lifelong learning mechanisms,

³⁰¹ <http://www.strategializbonska.pl/skutki-strategii-lizbonskiej.html> (accessed on 4.10.2013)

³⁰² http://www.mrr.gov.pl/rozwoj_regionalny/Polityka_spojnosci/Polityka_spojnosci_2007_2013/Negocjacje/Strony/Strategia_Lizbonska_mozliwosci_realizacji_w_ramach_ps.aspx (accessed on 4.10.2013)

³⁰³ http://www.mrr.gov.pl/aktualnosci/polityka_rozwoju/Strony/Strategia_Lizbonska_mozliwosci_realizacji_w_ramach_ps.aspx?N=T (accessed on 2.10.2013)

- Reforming public employment systems with the ultimate result of implementing efficient active labor market policy instruments targeting the unemployed – young people and the elderly in particular.

Regrettably, the financial crisis of 2007 revealed the European economy's structural weaknesses. In light of the necessity to introduce changes, in June of 2010 the European Council adopted a new Strategy for smart, sustainable and inclusive growth: *Europe 2020 – Strategy for Smart, Sustainable and Inclusive Growth*. This is a long-term program for the European Union's social and economic development, replacing the modified Lisbon Strategy. The purpose of the new Strategy is to accelerate the process of exiting the economic crisis, to prevent a similar one in the future, and to design foundations for sustainable development conducive to creating a knowledge- and innovation-based economy, more environment-friendly and more competitive. One of the Strategy's assumptions is to improve Europe's current social model, primarily by preventing social exclusion through increasing employment rates and combating poverty³⁰⁴.

To reach the aforementioned assumptions, three fundamental and interdependent **priorities** were identified:

- **Smart growth** based on knowledge and innovation,
- **Sustainable growth**: transition towards a low-emission, competitive, and resource-efficient economy,
- **Inclusive growth**: supporting high employment-rate economy ensuring economic, social, and territorial cohesion.

Moreover, the European Commission suggested indicators enabling progress monitoring in the area of implementing all the aforementioned priorities with the aid of **five priority targets** defined for the European Union in its entirety, including the following³⁰⁵:

- Employment growth (the employment rate for people aged 20-64 to reach 75% and 71% in the Union and in Poland, respectively),
- Improving the qualifications level of European citizens (the share of young people discontinuing education to be lower than 10% and 4.5% in the Union and in Poland, respectively; the share of citizens aged 30-34 with tertiary or equivalent education to reach no less than 40% and 45% in the Union and in Poland, respectively),
- Reducing poverty levels (the number of individuals threatened with poverty to be reduced by 20 million and 1.5 million in the Union and in Poland, respectively),
- Improving research and development operating conditions, with 3% of the Union's GDP to be allocated to research and development-related investment,

³⁰⁴ <http://www.mg.gov.pl/Bezpieczenstwo+gospodarcze/Strategia+Europa+2020> (accessed on 5.10.2013)

³⁰⁵ http://www.mg.gov.pl/files/upload/8418/EUROPA_PL.pdf (accessed on 3.10.2013)

- Reducing hothouse gas emissions by 20% against 1990 levels; increasing the share of renewable energy to 20% of total energy use; taking action to improve energy efficiency by 20%.

Fundamental instruments serving the purpose of implementing the *Europe 2020* Strategy include National Reform Programs drafted by European Union member states, and flagship initiatives prepared by the European Commission and implemented at the European Union, member state, regional authority, and local authority levels.

When discussing the *Europe 2020* Strategy, the European Employment Strategy (EES – ESZ) developed against the *Europe 2020* Strategy should be mentioned as well. This is a collection of vital principles and priorities pointing all European Union activities at specific employment policy objectives. Its basic goal is to harmonize national member state employment policies, to outline development directions in preventing and counteracting unemployment, to develop human resources potential, and to ensure labor market social integration. In other words, the purpose of the European Employment Strategy is to create a higher number of better-quality jobs throughout the European Union. Furthermore, its implementation is to promote dialogue between the European Commission and member states, social partners, and other European institutions, such as the European Parliament, European Social and Economic Committee, Committee of the Regions, etc.

The European Employment Strategy has been based on an annual economic growth analysis defining the EU's priority for the coming year, with the purpose of stimulating economic growth and creating jobs. National governments used these priorities to co-ordinate their economic and fiscal policies.

Every year, the process (supported by Employment Committee works) includes the following stages:

- Employment policy guidelines – joint employment policy priorities and goals. These are submitted by the Commission, agreed by national governments, and adopted by the European Union Council,
- Joint employment report – based on a) an assessment of employment conditions throughout Europe, b) the implementation of employment policy guidelines, c) an analysis of national reform programs by the Employment Committee. This is a component of annual economic growth analysis, published by the Commission and approved by the European Union Council,
- National Reform Programs – submitted by national governments and analyzed by the Commission as to their conformity to the *Europe 2020* Strategy,
- Recommendations for individual countries – issued by the Commission and based on national reform programs assessment.

The flexicurity model (comprising four components) remains the basic instrument of combating long-term unemployment and labor markets segmentation. The four components include the following:

- Flexible and foreseeable terms and conditions of employment contracts (recognizing issues vital to employee and employer, and to persons with temporary and permanent employment contracts), designed in conformity to modern labor law, collective bargaining procedures, and proper labor organization,
- Comprehensive lifelong learning strategies ensuring permanent employee capacity for adjustment and employment, with special attention paid to socially weakest groups.
- Efficient active labor market policies supportive of rapid change management, allowing shortened unemployment periods and enabling change of employment,
- State-of-the art social security systems ensuring appropriate income assistance, conducive to employment and facilitating labor market mobility. The ultimate purpose is to recognize the broad array of social security regulations (unemployment benefits, retirement pensions, health care) enabling correct work-life balance, child care included.

Within the framework of action to implement the *Europe 2020* Strategy, on April 25, 2012 the Council of Ministers adopted a program drafted by the Ministry of Economy: *National Reform Program to Implement the 'Europe 2020' Strategy. 2012/2013 Update (NRP 2012/2013)* (*Krajowy Program Reform na rzecz realizacji strategii „Europa 2020”. Aktualizacja 2012/2013 (KPR 2012/2013)*). The document outlines crucial 2012-2013 activities supporting smart economic growth, competitiveness, and employment in a blend of European Union targets with national priorities.

The collection of activities planned for 2012/2013 includes actions of indirect impact to the A&A market³⁰⁶:

- Implementing a policy conducive to lifelong learning,
- Prolonging periods of professional activeness in the male and female populations,
- Creating a level playing field on the labor market for individuals aged 50+,
- Taking further action to improve the young people's situation on the labor market,
- Introducing changes to general and vocational education to the purpose of better reflection on labor market needs,
- Improving active labor market policies,

³⁰⁶ *Europe 2020* National Reform Program. 2012/2013 Update, pp. 50-63, http://www.mg.gov.pl/files/upload/15964/PL_NATIONAL%20REFORM%20PROGRAMME%202012-2013.pdf (accessed on 5.10.2013)

- Activating local communities in rural areas, including support for the process of creating non-agricultural jobs,
- Creating a migration policy responding to labor market requirements.
- Drafting a National Qualifications Framework, including a National Qualifications Register of vocational educational and training and of tertiary education mechanisms.

On September 25 2012, the Council of Ministers resolved to adopt the *National Development Strategy 2020*. Competitive economy objectives include that of developing human capital – its quality remains one of the fundamental factors in the development and competitiveness of the country. Qualitative and quantitative human capital development is key to developing national and local labor markets and improving personnel productivity, and ultimately to growth in manufacturing and services, innovation development, and improved productivity of the economy, all of which conducive to improved living standards and quality of life of the entire population³⁰⁷.

Knowledge, qualifications, and skills remain the most important properties of human resources, as they improve employability. Human capital quality is largely determined by the quality of education – including that of tertiary learning institutions and scientific research. Knowledge, on the other hand, is fundamental to social development (of the state and economy alike). This is why it is important to invest in broadly understood educational and scientific development policies – they ensure highest rates of return, however extended over time.

As forecasted by the European Centre for the Development of Vocational Training (CEDEFOP), demand for highly qualified personnel shall continue growing in Poland until 2020, with a simultaneous drop in demand for work performed by staff with medium-level and low qualifications. This is why it shall be crucial to promote lifelong learning solutions for the adult population, with special attention paid to short-term courses and on-the-job training. According to the CEDEFOP, the lifelong learning ratio in Poland remains considerably below the EU average. Hence, the creation of a coherent system of implementing the labor market and education policies shall coincide with the development of lifelong learning mechanisms and education across all life roles³⁰⁸.

The *National Development Strategy 2020* provides for activities facilitating young people's entry onto the labor market (with assistance provided during education-to-employment transition, in order for graduates to begin or return to work as soon as possible). Concurrently, activities targeting improved tertiary education quality shall be launched to promote B.A. level education as sufficient to enter and remain on the labor market and to support short-term training forms.

³⁰⁷ *National Development Strategy*, Ministry of Regional Development, Warsaw 2012, p. 100.

³⁰⁸ *Ibidem*, p. 101.

Furthermore, the Strategy provides for system reforms resulting in postponed retirement and identical retirement age for the male and female populations. This will be accompanied by promotion of older employees in the employer community (with i.a. the strengths of older employees highlighted to overcome stereotypes), and by system solutions to support the employment of older people. Moreover, action will be taken to allow individuals aged 50+ to acquire new and expand existent knowledge at educational institutions, tertiary education institutions included. This will allow the older population to remain active on the labor market. Such action will be conducive to activating this particular community on the labor market and in social debate alike.

The *Human Capital Development Strategy 2020* (HCDS-SRKL) was approved by the Council of Ministers on June 18, 2013³⁰⁹. This is one of the nine sector-oriented strategies recognized as “other development strategies” as laid out in the Act of Law concerning the principles of implementing development policies focusing on the medium- and long-term national development strategy³¹⁰. *SRKL*’s main objective is to develop human capital by tapping human potential in a manner allowing individuals to fully participate in social, political, and economic life at all stages. Moreover, five detailed priorities have been identified as listed below:

- Employment growth,
- Extending the term of professional activeness and providing better life quality for the elderly,
- Improving the conditions of individuals and groups threatened with social exclusion,
- Improving the population’s health condition and the healthcare system efficiency,
- Improving the overall level of professional competencies and qualifications in the society.

According to the *SRKL*, all general and detailed objectives are to be implemented through action taken at different stages in life, i.e. early childhood through primary, secondary and tertiary education, professional activeness and parenthood, and the old age. From the 2020 perspective, implementation of all *SRKL* targets should allow Poland to develop its labor market and improve employment rates. This – when coupled with a high-quality education system and efficient healthcare solutions – will enable the country to become an increasingly modern, attractive, and competitive location of choice.

According to *SRKL* assumptions, the importance of individual work performed by pupils and students (work at libraries and/or archives, analytical exercises, teamwork projects targeting creative and self-sufficient task design and performance) should be highlighted. Education

³⁰⁹ Resolution No. 104 of the Council of Ministers of June 18 2013 concerning the approval of the Human Capital Development Strategy 2020

³¹⁰ Act of Law of December 6 2006 concerning the principles of implementing development policies (*Journal of Law* 2009, No. 84, item 712, as amended)

and training promoting creativity and innovation should blend in an individual approach to students with developing their teamwork capabilities³¹¹.

In order to modernize the structure of education, on the other hand, works were initiated to design a new B.A. education model. To date, B.A. education usually spanned a single area of science only, with its fundamental purpose to equip students with extensive (often as not excessive) specialist data related to the area studied. The 2011 tertiary education reform introduced a major change in increasing the autonomy of tertiary education institutions in terms of designing their own curricula – a National Qualification Framework for tertiary education was set up.³¹²

According to the *SRKL*, action will be taken to accelerate the process of young people entering the labor market (the average age of labor market entry is 22-23.4 and 20 for Poland and the European Union, respectively). Such condition is the direct derivative of the high share of young Poles continuing tertiary education, M.A./M.Sc. degree studies in particular. Student internships and on-the-job training is to be promoted, allowing young people to expand their knowledge and practical skills. Employers believe that professional experience (even if in another area) remains a key criterion in recruiting a university graduate.

A national qualifications system based on the results of a variety of educational forms, locations, and stages in life is now under design, in reflection of the European Qualifications Framework. The lack of such system makes it highly difficult to compare certifications and diplomas awarded as part of informal education and extracurricular learning. Not only do such circumstances limit the inter-European Union and inter-industry mobility of employees and students; they also extend the process of recruiting appropriate staff over time and increase expenses incurred by employers, while remaining a considerable obstacle to lifelong learning – expansion of knowledge, skills, and social competencies.

Setting limits to the mass popularity of M.A./M.Sc. education and strengthening the position of B.A. degrees as completed tertiary education preparing graduates for labor market entry and lifelong learning constitutes a yet another activity stemming from *SRKL*. To that end, it will be necessary to remain consistent in assuring compliance with targeted B.A. education results, in removing all and any unjustified obstacles to recruiting (e.g. in public administration and/or in regulated professions) individuals with B.A. degrees, and in rationalizing (with the aid of i.a. economic incentives) students' decisions to continue M.A./M.Sc. tertiary education. Furthermore, a multi-disciplinary education model is to be implemented at the B.A. level to the purpose of developing key capabilities recognized as desirable on the labor market, including capabilities of access to a vast array of M.A./M.Sc. education. Not only will such move allow for a better match of graduate competencies to employer requirements, but also

³¹¹ *Human Capital Development Strategy 2020*:

<http://www.mpips.gov.pl/download/gfx/mpips/pl/defaultopisy/7616/1/1/Strategia%20Rozwoju%20Kapitalu%20Ludzkiego%202020.pdf> (accessed on 4.10.2013)

³¹² For details on new educational trends, in accounting in particular, see sub-section 5.4.

for improved student mobility between the different B.A. and M.A./M.Sc. areas, in full conformity to Bologna Process assumptions.

Moreover, the *SRKL* will involve promotion of the coupling of tertiary education with professional activeness (internships, on-the-job training), as well as social and civic engagement. The purpose would be for such blend to feature an educational dimension, and improve the quality of practical skills in the student population. According to the *SRKL*, the role of tertiary education institutions would be enhanced in terms of assisting students at active labor market entry and participation stages, university career offices and university business incubators recognized as model solutions.

Designing a commonly accessible and attractive lifelong learning system remains an indispensable condition for the population to react flexibly to any labor market challenges. The following tools are to be employed to this end³¹³:

- Making adult learning systems commonly accessible, most effective learning forms in particular (office hours training, learning in social involvement environment, short-term course forms). This will require recognition of informal education and extracurricular learning results, while allowing a rapid reaction to the need of improving personnel qualifications;
- Providing adults with access to tertiary education thanks to a new system of confirming all and any competencies developed in extracurricular learning (e.g. in self-improvement, professional work, short-term course and training attendance), and of recognizing qualifications gained at vocational colleges forming part of the official education system;
- Developing a national qualifications system as part of the European Area of Lifelong Learning, and coherent with European Qualifications Framework assumptions. This will enable better comparability of qualifications, and enhance the capacity of confirming learning effects (knowledge, skills, social competencies) achieved in extracurricular learning and informal education – i.e. venue, form, and time span of education notwithstanding.

In light of the fact that the *Europe 2020* Strategy provides for young people's mobility as an instrument conducive to EU member states taking action to facilitate young people's educational and professional mobility, it ought to be assumed that the Polish labor market shall be witnessing a growing number of foreigners working as A&A professionals. Freer human resources movement within the European Union UE will further result in greater versatility of the A&A labor market. Once granted greater freedom in moving around the Union's labor market, such individuals will be provided with an option of searching for more appropriate postings.

³¹³ *Ibidem*, p. 61.

Extending the term of professional activeness, designing a commonly accessible and attractive lifelong learning system, and increasing the importance of informal education will all enable swift reactions to the need of improving qualifications in the A&A services community.

5.2. Impact of Deregulating Legislation on Regulated A&A Professions

Poland is working hard to pass legislation deregulating a variety of professions. Nearly 250 professions are to be deregulated in three stages. The first stage was approved by the *Sejm* (lower house) and Senate as of July 9, 2013, and consequently signed by the President of the Republic of Poland, in the *Act of Law of June 13, 2013 amending legislation regulating the performance of selected professions* (*Journal of Law* 2013, item 829). It abates the requirements of access to 50 professions, with its provisions coming into force (in their majority) as of August 23, 2013. In June, the government approved draft legislation referred to as “the second stage of deregulation” for 91 professions. The Ministry of Justice is working on the third and final stage of deregulation, intended to apply to 103 professions.

The justification commentary to the first stage of deregulation³¹⁴ stipulates that deregulation shall bear no impact on the Polish citizens’ capacity to provide cross-border services in third countries where respective professions remain regulated, or where the scope of regulation remains broader than under Polish legislation. Circumstances of so-called reverse discrimination have actually transpired, consisting in excessive limitations and obstacles having been introduced for local citizens where citizens of other European Union states enjoy easier access. Such circumstances have often as not stemmed from a discrepancy between liberal and egalitarian Union regulations (including Directive 2005/36/EC), and national legislation stipulating extra requirements. It may well happen that it is much easier for a European Union resident not being a citizen of a given country to be granted the right to work in a given profession thanks to competencies gained in his or her country of origin, than it is for a citizen of the host country aspiring to respective qualifications under local legislation. Such circumstances result in discrimination against citizens of the host country, who – when working on their competencies – have to meet a higher number of requirements than citizens of other European Union countries eligible for the respective competencies recognition system. Notably, this is not a case of discrimination under Article 49 of the TFEU (Treaty on the Functioning of the European Union), as the circumstances as described do not result in the limitation of any of the Union freedoms – which means that the citizen cannot when in court refer to any discrepancy between European Union law and national legislation. Nonetheless, circumstances of domestic entities finding it more difficult than citizens of other

³¹⁴ <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/i-transza/> (accessed on 22.08.2013)

EU member states to engage in identical business operations in any given area is indubitably harmful and disadvantageous to entrepreneurship development and domestic unemployment rates reduction. Excess regulation of access to selected professions (resulting from the letter of Polish law) consisting in domestic citizens being frequently forced to shoulder extraordinary conditions of accessing a given profession positions them unfavorably against citizens of other states to the disadvantage of Polish professionals' competitiveness on the European labor market. Furthermore, such circumstances may affect Polish labor market conditions by offering more favorable treatment to foreign entities.

Works to deregulate selected professions have triggered huge interest in professional communities concerned. In terms of general comments, the vast majority have declared interest in following action taken by the Ministry of Justice to facilitate access to a number of professions, and general support for initiatives targeting economic stimulation and entrepreneurship development. That said, detailed comments concerning the deregulation of individual professions were not as unambiguous.

Notably, despite arguments tabled by the government (*"more work for the young (...), reduced prices, improved quality, (...) limited bureaucracy (...), lower costs for the business community"* – communication published by the Ministry of Justice), **a number of communities have expressed their deep concern as to the justifiability of such extensive deregulation of accounting- and tax-related professions.** Such opinions were not only uttered by associations or organizations accused of comments stemming from trepidation related to a threat to their position (*KIBR, KRDP, SKwP*); individuals with no direct ties to the industry offered unfavorable opinions as well. For example:

- Witold Michałek, expert, Business Centre Club – *"These propositions are rather risky. They do evoke concern whether such changes will not result in a considerable number of victims until the market works out a ranking of credible companies"*³¹⁵;
- Katarzyna Urbańska, expert, *Lewiatan* Polish Confederation of Private Employers – *"I believe deregulation should consist in the liquidation of grotesque requirements, such as exceedingly high license fees, and certificates serving the sole purpose of blocking access to a given profession"*³¹⁶;
- Jerzy Bielawny, vice-president, Institute of Taxation Studies – *"The result will be contrary to all expectations: instead of an open market, higher employment rates, and a greater*

³¹⁵ <http://prawo.rp.pl/artykul/838825,938675-Firmy-obawiaja-sie-deregulacji-w-ksiegowosci.html> (accessed on 6.08.2013)

³¹⁶ [http://prawo.rp.pl/artykul/838825,938675-Firmy-obawiaja-sie-deregulacji w%20 ksiegowosci.html](http://prawo.rp.pl/artykul/838825,938675-Firmy-obawiaja-sie-deregulacji-w%20ksiegowosci.html) (accessed on 6.08.2013)

*number of service providers, we will shortly witness the bankruptcy of numerous small companies, job loss, and a division of the market between survivors*³¹⁷.

Przemysław Ruchlicki, expert at the Polish Chamber of Commerce, believes otherwise: *"I see deregulation as a good thing. The free market will serve to verify individual qualifications (...). Businesses will choose their providers themselves"*³¹⁸.

From the viewpoint of this paper, the most interesting comments were offered with regard to the second stage of deregulation; they will be segmented and described in synthetic form for each of the A&A professions earmarked for deregulation.³¹⁹

The process of filing comments for the third stage of deregulation is currently in progress.

5.2.1. Deregulation: Stage One

First-stage deregulation did not extend to professions strictly tied to accounting, and will impact the bookkeeping services market only indirectly: the professions of legal counsel, barrister, and solicitor are to be deregulated (as described in sub-section 2.3. hereto, such individuals are authorized to perform the majority of work relating to tax advisory services). Suggested changes to the Barristers, Solicitors, and Legal Counsel Act reflect the above in that they extend the list of individuals eligible for a barrister and solicitor/legal counsel listing with no need for a term of application or exam; they extend the roster of individuals eligible to apply for an exam with no need for a term of application; they shorten the time of internship required for selected positions and preceding the final exam with no need for a term of application; and they eliminate the test component of the exam.

5.2.2. Deregulation: Stage Two

Second-stage deregulation is to apply to all currently regulated professions related to accounting, i.e. statutory auditors, tax advisors, and bookkeeping service providers. Tables below list all proposed changes to qualification requirements for aforementioned professions, selected justification provisions, and selected representative arguments in favor and against the deregulation of individual professions filed during social consultation, which had triggered huge interest – in particular that of professional governance bodies of chartered accountants and statutory auditors.

³¹⁷ <http://prawo.rp.pl/artykul/838825,938913-Deregulacja-zawodu-doradcy-podatkowego-bedzie-miala-swoje-konsekwencje.html> (accessed on 6.08.2013)

³¹⁸ <http://prawo.rp.pl/artykul%20/838825,938675-Firmy-obawiaja-sie-deregulacji-w-ksiegowosci.html> (accessed on 6.08.2013)

³¹⁹ Annex to OSR, tabled listing of comments/opinions offered as part of social consultations with regard to the draft Act of Law concerning easier access to selected financial, construction, and transportation professions (title amended – draft Act of Law concerning easier access to selected regulated professions), as of January 31, 2013, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 6.08.2013)

5.2.3. Deregulating the Statutory Auditors Profession

In justifying the content of draft legislation, four key factors considered in drafting changes proposed to the conditions of access to the statutory auditors' profession have been recognized as noteworthy (pp. 112-115 of the justification commentary):

- a) It ought to be expected that limiting obstacles in access to the profession may be favorable to employment rates in the industry, albeit no detailed estimate of the effects scale is possible;
- b) Proposed changes making access to the statutory auditors' profession easier and the system of qualifications improvement more flexible are not expected to impact trading safety or consequent competitiveness of the economy;
- c) Proposed changes to the structure of vocational training system obligatory for statutory auditors provide proper development space for businesses offering relevant training services, in conformity to market conditions; it ought to be expected that this shall result in a more extensive training course offer, both in terms of form and content (e-learning courses included);
- d) In all European Union member states, the statutory auditors' profession is regulated (exams have to be passed, professionals have to be registered); Irish solutions are recognized as model practices in the area of education obligatory for statutory auditors. For example, the Irish Certified Public Accountants (CPA) Institute³²⁰ requires all professionals to attend training courses targeting professional usefulness capabilities; all training can be organized with state-of-the-art technology employed to save time and assure flexibility.

Current requirements and proposed changes in the scope of access to the statutory auditor profession have been shown in Table 5.1.

The following institutions filed comments within the social consultations framework³²¹: Institute of Logistics and Warehousing (*ILiM*), Polish Accountants Association, the *Libertas* Association of Statutory Auditors, accountants, Tax Advisors, Lawyers, and Economists, the Polish Crafts Association (*ZRP*), *ACCA*, *KIBR*, and *KNF*, whereby:

- Three comments were recognized as justified (concerning the scope of knowledge to be assessed during exams, the process of recognizing qualifications developed abroad, the supplementary Polish economic law exam, and fees collected for reviewing motions to recognize exams/qualifications passed/developed elsewhere) – filed by *ACCA*, *KIBR*, and *ILiM*);

³²⁰ CPA is one of the six self-governance organizations in the statutory auditors' community (and one of the nine in the accountants' community); thus, CPA solutions are not recognized as universal for the entire profession of statutory auditors in Ireland.

³²¹ Annex to OSR, pp. 186-201, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on August 22, 2013)

- One comment was recognized as unjustified (concerning broader training entity access to compulsory professional development , and considered unjustified in light of the requirement to assure appropriate training levels stipulated in Directive 2006/43/EC – filed by *Libertas*);
- Seven comments were recognized as partly justified (concerning i.a.: excessive simplification of internship-related requirements, the lack of tertiary education requirement, and the structure of mandatory training) – the majority of comments filed by *KIBR*;
- One comment was recognized as irrelevant (it did not concern the statutory advisors’ but the tax advisors’ and bookkeeper services providers’ profession) – filed by *ZRP*.

Table 5.1. Current Requirements and Proposed Changes in the Scope of Access to the Statutory Auditor Profession³²²

Current Requirements	Proposed Changes
Requirement: one-year accountancy internship in a European Union member state, and an application term no shorter than two years, supervised by a certified statutory auditor.	<p>Simplified regulations concerning internship and application terms.</p> <p>Introduction of amended requirements:</p> <p>a) One-year accountancy internship in a European Union member state, and an application term no shorter than two years with an entity authorized to audit financial statements, registered in a European Union member state. The term of application shall be supervised by a certified statutory auditor or by a certified statutory auditor registered in a European Union member state; or</p> <p>b) an application term no shorter than three years with an entity authorized to audit financial statements, registered in a European Union member state, such term of application supervised by a certified statutory auditor or by a certified statutory auditor registered in a European Union member state.</p> <p>New option to receive internship and application term approval following no less than fifteen years of professional experience in accounting, law, and finance;</p> <p>New option to receive approval of internship in accounting in recognition of coupling internship (i.e.</p>

³²² Source: Justification commentary to draft legislation, Table 17, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 1.08.2013)

Current Requirements	Proposed Changes
	employment with an entity authorized to audit financial statements) and employment in an independent financial/ accounting unit position; the total term of employment shall be no shorter than three years for both conditions to be met and approved simultaneously.
<p>Mandatory successful results of ten written exams and an oral final exam before an Assessment Committee appointed by the Minister of Finance.</p> <p>Option for the candidate to be relieved (following his or her motion) of the duty to take exams as provided for in the qualifying procedure, should the candidate have successfully passed (a) tertiary education exam(s) (or its/their equivalent) with its/their scope identical to the aforementioned.</p> <p>The fee per written exam within the scope as stipulated in Article 9 clauses 1 and 2 of the Act shall amount to PLN 400.00; the fee for individuals listed under Article 3 clauses 3 and 4 of the Act shall amount to 20% of average remuneration in national economy entities as proclaimed by the President of the Central Statistical Office for the preceding calendar year (PLN 679.90) rounded down to tens of PLN.</p> <p>The fee for the final exam assessing the candidate's knowledge gained during the application term shall amount to PLN 750.00.³²³).</p>	<p>Mandatory successful exam assessing the candidate's knowledge as described under Article 9 clauses 1 and 2 of the Act – requirement unchanged.</p> <p>Introduction of extra options:</p> <ul style="list-style-type: none"> • Qualifying procedure with regard to assessing the candidate's theoretical knowledge – approval for tertiary education graduates of departments with curricula comprising knowledge required in the qualifying procedure, • The statutory auditor candidate may be credited (following his or her motion) for theoretical knowledge exams if said candidate had successfully passed qualifying exams held by a body authorized to certify individuals as statutory auditors in another European Union member state, once it has been confirmed that the preceding curriculum conforms to theoretical knowledge described under Article 9 clauses 1 and 2 of the Act.

³²³ Resolution 842/11/2012 of the Polish Board of Statutory Advisors of February 7, 2012 concerning fees for individual exams, in force since April 2, 2012.

Current Requirements	Proposed Changes
Mandatory professional qualifications improvement training during each calendar year.	Making the obligatory professional qualifications improvement system more flexible, in particular by introducing new options of participating in such training – i.a. within a self-improvement training format; Introducing an option of obligatory professional qualifications improvement training to be held by entities duly authorized against pre-specified criteria.
Differences in access to the profession depending on the legal form of work performance as selected by the individual.	Introducing an option of equal access to the profession for all statutory auditors by waiving the statutory limitation as to the scope of work performed depending on the legal form of work performance as selected by the individual.

5.2.4. Deregulating the Tax Advisors Profession

Deregulation is to apply to the majority of tax advice components, such services to also be provided by individuals not screened by duly authorized state agencies as to their professional qualifications. Individuals providing such services shall not be obliged to take out any third-party liability insurance policies for potential damage caused in the course of services provision (whereas tax advisors shall continue to be so obliged) – Table 5.2.

Table 5.2. Scope of Tax Advisory Activities Reserved for Specific Groups of Entities under the Current Law and Proposed Changes³²⁴

Scope of Services	Groups of Entities Authorized under the Current Law	Groups of Entities Authorized under the Draft Law
1) Providing taxpayers, payers, and collectors (as commissioned or to their benefit) with advice, opinion, and/or clarification within the scope of their taxation and/or customs duty obligations, and with regard to administrative collection procedures relating to such obligations;	<ul style="list-style-type: none"> • Tax advisors • Solicitors and legal counselors • Statutory auditors 	All (deregulated activity)
2) keeping – on behalf and to the benefit of taxpayers, payers, and collectors – accounting ledgers, tax	<ul style="list-style-type: none"> • Tax advisors • Solicitors and legal counselors 	All (deregulated activity)

³²⁴ Source: Justification commentary to draft legislation, Table 5.2., <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 1.08.2013)

Scope of Services	Groups of Entities Authorized under the Current Law	Groups of Entities Authorized under the Draft Law
ledgers, and other evidence ledgers used for taxation purposes, and providing due assistance with regard to the above;	<ul style="list-style-type: none"> • Statutory auditors • Businesses providing bookkeeping services 	
3) drafting – on behalf and to the benefit of taxpayers, payers, and collectors – tax returns and statements, and/or providing due assistance with regard to the above;	<ul style="list-style-type: none"> • Tax advisors • Solicitors and legal counselors • Statutory auditors • Businesses providing bookkeeping services 	All (deregulated activity)
4) representing taxpayers, payers, and collectors in proceedings before state administration authorities and within the scope of court-ordered audits of decisions, judgments, and other administrative actions in cases listed under item 1.	<ul style="list-style-type: none"> • Tax advisors • Solicitors and legal counselors 	Unchanged

In justifying the content of draft legislation, a number of key factors considered in drafting changes proposed to the scope of tax advice services and of access to the tax advisors' profession have been recognized as noteworthy (pp. 127-136 of the justification commentary):

- a) The risk to taxpayers using tax advisors' services shall undergo no significant increase, as in tax cases heard before a tax authority or administrative court (where potential damage is greatest) the taxpayer can be represented only by a duly authorized entity – i.e. a tax advisor, legal counselor, or solicitor,
- b) Enabling the Assessment Committee to sign agreements with tertiary learning institutions, such agreements to specify departments the graduates of which shall be temporarily relieved of the duty to take the written tax advisor exam (under provisions of Article 168b of the Tertiary Education Act),
- c) Albeit the deregulation of selected tax advisory services shall contribute to reducing unemployment rates, it is currently impossible to specify the exact number of new jobs created as a result (primarily because tax advisory services can be also provided, in whole or in part, by solicitors, legal counselors, statutory advisors, and businesses authorized to provide bookkeeping services),
- d) Prices of deregulated services are expected to drop, which effect is crucial in particular to a group numbering nearly 1.8 million of small and medium-sized enterprises

(according to a 2010 study of the Ministry of Economy, annual administrative expenses incurred by businesses with regard to tax return filing have been estimated at an amount in excess of PLN 10.2 billion),

- e) The tax advisors profession remains regulated in eight (Poland excepted) European Union member states: the Czech Republic, Germany, Hungary, Greece, Austria, Portugal, Slovakia, and Romania, and in Croatia (who has signed the accession treaty); in France, Luxembourg, Portugal, Belgium, Sweden, Spain, Lithuania, Italy, Norway, and Cyprus tax advisory services have been restricted to specific regulated professions (lawyers or accountants); in Sweden, Spain, Lithuania, Italy, Norway, and Cyprus all accountants and lawyers (albeit representatives of regulated professions) have to meet supplementary requirements to provide tax advisory services.

Table 5.3 contains current requirements and proposed changes to the scope of access to the tax advisors' profession.

Table 5.3. Current requirements and proposed changes in scope of access to tax advisor profession³²⁵

Current requirements	Proposed changes
Tertiary education	no changes
Full legal capacity	no changes
Full extent of public rights	no changes
No criminal record	no changes
Impeccable character and guarantee of practicing the tax advisor profession correctly	no changes
<p>Passing a tax advisor exam, consisting of written and oral part.</p> <p>Passing the written part of the exam is a prerequisite for being eligible for the oral part. In case of negative result of the written part, the exam may be taken again, however no sooner than 3 months after the first.</p> <p>In case of failing the oral part, it may be taken again, within a year from the day of first attempt, however no more often than once every three months.</p>	<p>Possibility of exemption from the written part of the exam for graduates of tertiary studies, covered by an agreement between the school and Examinations Committee.</p> <p>Elimination of the minimum three months interval between exam terms in case of re-taking the exam.</p>
<p>After passing the exam, a two year practical internship:</p> <ul style="list-style-type: none"> • 2 months in tax office, • 2 months in tax chamber, • 2 months in tax inspection office, 	Reduction of practical internship in Poland to 6 months

³²⁵ Source: Justification to draft Act, table 23, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 01.08.2013)

Current requirements	Proposed changes
<ul style="list-style-type: none"> 18 months with a tax advisor or in a tax advisory company 	
Entry on the list of tax advisors and compulsory membership in National Chamber of Tax Advisors	no changes
Compulsory third party liability insurance for damages incurred in process of performing activities in scope of tax advisory services	no changes
Obligation of continuous professional development (participation in all forms of professional development organized by the organizational units of the National Chamber of Tax Advisors or other entities, in particular tertiary schools, associations and organizations whose scope of activity is aligned with subject scope of tax advisor exam)	no changes

Within the framework of social consultations³²⁶ following institutions have presented comments: Employers of the Republic of Poland, self-government organizations of statutory auditors and tax advisors, Accountants Association and Association “Libertas”, Association of Polish Artisans (ZRP), KRDP, of which:

- 2 comments were recognized as grounded (recognition of practical internship abroad (PRP), categorizing the profession in the group of legal professions rather than financial, as previously proposed (KRDP));
- 13 comments were recognized as ungrounded (they pertained, among other things, to: reduced examination fees, concerns about not observing the principles of ethics and professional secrecy (PRP, ZRP), extending the period of practical internship, introduction of compulsory third party liability insurance for entities providing tax advisory services (Libertas), expanding the scope of activities reserved for tax advisory services, specifying the amount of fine for performing tax advisory services without certification, introduction of charges for internship (KRDP);
- 2 comments were recognized as irrelevant (due to further work on draft amendment to the Act (PRP and KRDP)).

5.2.5. Deregulation of bookkeeping services

In justification to the draft Act, a number of factors should be indicated, such as were taken into consideration in structuring the proposal for changes in scope of providing bookkeeping services (p. 118-122 of the Justification):

³²⁶ Attachment to OSR, p. 59-83, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 23.08.2013)

- a) deregulation will contribute to increased interest in providing services (very low pass rate of the state exam), but it is not possible to make a reliable forecast of impact of this change on level of employment in the profession;
- b) easier access to the profession may lead to reduction of fixed costs of small and medium companies, which are the ones who use the services of accountancy firms to a greatest extent (through a decline in service prices due to increased competition in the market);
- c) it can be expected, that the market mechanism of verification of quality of services as well as the industry's "self-regulation" could successfully replace state intervention (it would be desirable to increase the role of private entities, which, based on market principles, would enforce observance of certain standards by their members);
- d) in EU countries level of regulation of bookkeeping services varies greatly.

Current requirements and proposed changes in scope of access to providing bookkeeping services are presented in Table 5.4.

Amendments to the Act on accounting are related with amendments to the Act of 27.08.2009 on public finance (Journal of Laws No. 157, item 1240, as subsequently amended). With respect to chief accountants of public finance sector entities, one of the ways to meet the eligibility requirements for this function will still be the certificate in accounting or certificate of qualifications issued pursuant to provisions of the Act on accounting.

Within the framework of social consultations,³²⁷ following institutions offered comments: Marshal's Office of mazursko-warمیńskie voivodship (UWM-W), Accountants Association in Poland, Spokesman for Alumni rights, Association of Statutory Auditors, Accountants, Tax Advisors, Lawyers and Economists "Libertas", Zachodniopomorskie Voivodship Office, (ZUW), PKP Polish Railways (PKP), Polish Chamber of Accountancy Firms (PIBR), KNF, Marshal's Office of Lubuskie (UML), of which:

- 9 comments were recognized as ungrounded (including, among others: concerns about allowing incompetent persons to enter the profession and possibility of financial barriers emerging in case of certification by commercial companies (UWM-W), requirement of relevant professional qualifications (SKWP, PKP), including not all of the activities involved in providing bookkeeping services in the scope of deregulation, and requirement for third party liability insurance (Libertas, ZUW), reduced quality of services provided (KNF), introduction of requirement of continuous professional development (PIBR));
- 4 comments did not require a reaction (an opinion supporting deregulation of the profession (Spokesman for Alumni Rights), support for elimination of costly and stressful

³²⁷ Attachment to OSR, p. 50-58, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 01.08.2013)

exams and an accusation of absence of market opinion research before commencing work on the draft (PIBR), opinion about possible decline in price of services (UML)).

Table 5.4. Current requirements and proposed changes in scope of providing bookkeeping services³²⁸

Current requirements	Proposed changes
3 years practical experience in accounting in Poland in case of: a) MA with major in accounting or other economic major with accounting specialization, or other, for which the curriculum and syllabus was equivalent to accounting specialization as defined by the given school for accounting specialization, in organizational units certified to grant the title of PhD in economic sciences b) MA (or equivalent) and a post-graduate course in accounting in organizational units certified to grant the title of PhD in economic sciences.	Elimination of requirement of tertiary specialized education, of tertiary supplemented by a post-graduate degree in accounting,
In case of persons with secondary education, a state exam is required, resulting in receiving a certificate in accounting.	Forgoing the requirement of the state exam in favor of self-regulation of the bookkeeping services market.
Two years practice in accounting for persons who passed the exam, or three years practice for persons with specialized tertiary degree.	Elimination of requirement of practical internship (in both cases)
Obligatory third party liability insurance	no changes
Requirement of no criminal record for felony against credibility of documents, property, economic activity, monies and securities trading, as well as for tax fraud.	no changes
Full legal capacity	no changes
Full extent of public rights	Elimination of requirement of full extent of public rights

5.2.6. III tranche of deregulation

Draft deregulation act of so-called III tranche has been released for social consultations in June 2013. Deregulation is to include such professions as: investment advisor, investment company agent, dealer of commodities market and securities market³²⁹. Thus, this stage of deregulation does not pertain to A&A services market.

³²⁸ Source: Justification to draft Act, table 20, <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/ii-transza/> (accessed on 01.08.2013)

³²⁹ <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/iii-transza/> (accessed on 23.08.2013).

5.3. New types of accounting services

One particularly important sector of accounting services, for which further dynamic development is expected, is the sector of online accounting services.

Software sales model based on paid license is gradually replaced by online software. Such programs are usually based on SaaS (*Software-as-a-Service*) model. In a nutshell, it involves moving data processing from computers and servers used in the local network to highly specialized data processing centers. Services provided based on SaaS model fit into another global trend – the concept of “cloud computing”. With increasing transmission speeds in public data networks, geographic location of servers has lost its importance, and data is processed in the “cloud” of the global computer network. This has contributed to a shift in IT services model towards increasing volume of outsourced services.³³⁰

Online accounting services are primarily geared towards the SME sector. Services of this type may be provided both by banks and other companies and non-financial institutions.

“Starter” Foundation report, already quoted in sub-section 4.3., shows, that over 370 thousand entrepreneurs have used online accounting services in 2011, and value of the market was estimated at 400 million PLN. Authors of the report estimate, that in 2015 value of this market may increase even fivefold – to 1,5-2 billion PLN³³¹.

Results of research, presented by “Starter” Foundation indicate, that online accounting is a serious competition for traditional accountancy firms, and at the same time the answer to problems, related to services of accountancy firms, as indicated by respondents. Among 450 surveyed entities, the majority (79%) indicated practical problems, such as the need to bring documents to the offices, little to no advice in terms of cost optimization, need to maintain parallel records in the company, lack of earlier information about tax amount or lack of responsibility for potential errors in the records. 52% of respondents have indicated the importance of communication problems, such as: need for frequent visits at the firm, lack of access to information needed for management, or difficulties in case of change of the accountant in the firm. Lowest percentage of respondents (25%) indicated document problems, such as no access to detailed costs and revenues records, or misplacement of documents by the accountancy firm.³³²

At this point it should be emphasized, that the survey pertained to years 2010 and 2011, hence some of the problems listed above have a somewhat different importance today. Over the past few years, there was a very significant progress in operation of the accountancy firms, going towards better satisfying the client’s needs, by offering additional services (e.g. advisory

³³⁰ Technology changes the way we look at business, <http://mksiegowa.pl/www/mksiegowa-technologie-przyszlosci> (accessed on 02.10.2013)

³³¹ Analysis of online accounting services market (2012) ..., p. 14.

³³² Ibidem, p. 12.

services, assistance in registering a business etc.), or the possibility of sending documents in electronic format, without the need of personal delivery or pickup. In case of some documents, electronic circulation became possible thanks to changes in regulations, enacted in the meantime (e.g. *Ordinance of the Minister of Finance of 17 December 2010 on sending invoices in electronic format, principles of their storage, and procedure of granting access to them for tax authority or tax inspection authority (Journal of Laws of 2010 No. 249, item 1661)* has created such a possibility with respect to invoices).

Advantages of online applications include accessibility 24/7 from any place with Internet access. E-accounting service providers update their applications on the current and often enhance their proposal by additional services (consultations over the telephone/chat/email, messenger services etc.). In exchange, they charge subscription fees (frequently preceded by a free of charge trial period). Prices of this type of services range from a few dozen to a few hundred PLN per year and are competitive in comparison to traditional accountancy firms³³³.

Online accounting services sector, according to forecasts of the authors of *Analysis of online accounting services* report, will be characterized in the coming years by dynamic growth, high competition and consolidation.

Current proposal of the portals providing online accounting services is varied. Available choices include:

- self-service packages, with consultants available on as-needed basis,
- packages offering software for invoicing and other modules serving to prepare the company's outgoing documents; documents are serviced by the Internet office, which also generates relevant declarations (e.g. *taxe.pl*),
- mixed packages, where the client enters all the documents into the system himself, and the Internet firm verifies their correctness and prepares declarations (e.g. *infakt.pl*, *bookkeeper.pl*).

Types of service packages mentioned above indicate, that typical online accounting services very often coincide with services of web-based accountancy firms, within the same portal, so in some situations it is difficult to discern the two types of service.

Table 5.5 presents a comparison of proposals of selected web based accounting services along with brief characteristics, prepared based on information provided on websites of those services.

³³³ It should be noted, that competition forces a reduction in prices of traditional accountancy firms (this problem is emphasized by data on profitability of accounting services provided by accountancy firms. As per data of Polish Chamber of Accountancy Firms (PIBR), in the period from 1996 until current year, profitability of accounting services has dropped by 60%, while 50% of dynamics of this decline was recorded over the past 5 years, <http://pibr.pl/o-izbie/wizja> (accessed on 29.09.2013))

Table 5.5. Review of selected Internet bookkeeping/accounting services (as of 20.09.2013)³³⁴

Main profile of activity	Basic types of services	Prices of online service	Number of clients*
wfirma.pl			
simplified accounting	maintaining KPiR: the ledger of revenues and expenses (using posting schemes), VAT records, register of: equipment, fixed assets, etc.); invoicing program; warehouse program; HR and payroll; preparing and sending declarations; assistance of accounting experts, CRM module, mobile version of the application; integration with Allegro, e-stores	30 days free of charge trial period, in following months prices depend on chosen package and subscription period: cheapest package costs 100 PLN if paid for entire year (or 24 PLN a month) and pertains to invoicing and CRM, the most expensive package costs 700 PLN for a year (70 PLN, if paid monthly) and includes accounting, invoicing, warehouse and CRM; it is also possible to buy 3 month and 6 month subscription – it has an impact on price	pproximately 100 thousand
ifirma.pl			
simplified accounting	maintaining KPiR and register of revenues, as well as VAT records and additional registers (equipment, fixed assets etc.) calculating and sending declarations; invoicing program, assistance from accounting experts, staff and payroll, CRM module, warehouse module, module for financial analysis with reporting capabilities, mobile version of the	3 months free of charge, following: 40 PLN a month (if paid monthly) or 37,5 PLN (if paid for 6 months)	approximately 60 thousand

³³⁴ Source: Own compilation based on websites of accounting/bookkeeping online services and report: *Analysis of online accounting services market ...*

Main profile of activity	Basic types of services	Prices of online service	Number of clients*
	application, integration with Allegro, e-stores		
bookkeeper.pl			
simplified accounting	maintaining KPiR and register of revenues, as well as VAT records, additional registers, invoicing program, staff and payroll, experts support (telephone, chat, e-mail)	3 months free of charge, following: 29 PLN a month – if paid monthly, 26 PLN a month – if paid for 6 months and 24 PLN a month if paid for a year).	approximately 10 thousand
infakt.pl			
simplified accounting	maintaining KPiR, VAT records, preparing declarations based on posted costs and revenues; invoicing, support from a team of specialists, mobile version	29 PLN a month	approximately 120 thousand
szybkafaktura.pl			
simplified accounting	maintaining KPiR, VAT records, register of fixed assets, accounting for business trips, preparing declarations, invoicing, warehouse management, business reports	45 days free of charge, fees for following months depend on type of package: basic package costs 9,99 PLN a month full package – 29,99 PLN per month	no data
SuperKsięgowa.pl			
simplified accounting	Maintaining KpiR, with support of an accountant or as self-service; invoicing program, starting a company, accounting for taxes and ZUS contributions, possibility of ordering other business services (legal, insurance, leasing)	free invoicing program, 3 types of subscriptions, from 49 PLN to 99 PLN a month (depending on scope of service and number of documents)	no data

Main profile of activity	Basic types of services	Prices of online service	Number of clients*
elaboro.pl			
comprehensive company management system online	comprehensive system for company management, supporting sales, accounting, staff and payroll, fixed assets management, cost control, CRM; it also has very specialized modules (e.g. for an internet store, module for cost control in a construction company, or conference management system).	2 months free of charge or other promotion for new clients (e.g. PICO subscription is completely free), fees in following months depend on type of package and number of users, as well number of locations served – prices range from 30 to 150 PLN a month	no data
taxe.pl			
internet accountancy firm	maintaining KPiR or register of revenues, as well as VAT records and additional registers, based on scans of documents; invoicing program, generating declarations, based on which the client pays taxes/contributions, support of partnership type companies	the price includes a monthly fixed fee (30 to 100 PLN, depending on the package) and is additionally increased by fees for additional documents and services (as per price list)	no data
mksięgorowa.pl			
full accounting	maintaining accounting ledgers, invoicing, warehouse management, CRM, assistance from experts, preparing proposals and order for clients, accounting for goods turnover, review of accounts, project accounting	3 subscriptions to choose from , with various services included 49 PLN to 199 PLN a month	no data

Main profile of activity	Basic types of services	Prices of online service	Number of clients*
e-conomic.pl			
full accounting	maintaining general ledger, receivables and liabilities accounts, invoicing module; assistance of experts, integration with bank, payroll system, MS Excel	2 types of subscription 59 PLN a month (up to 2000 documents a year) and 118 PLN a month (over 2000 documents)	no data

* Number of clients is provided after the report: *Analysis of online accounting services market (2012)*, p. 14-16 (it pertains 2011); no newer data was found

Online accounting services are mostly geared towards SME sector, offering simplified accounting. Few services offer the possibility of maintaining a full set of accounting ledgers. Some also have proposals tailored for accountancy firms. Online services market is very competitive. Besides price, the services compete on interfaces, additional services, capability of integration with external IT systems (e.g. Allegro, internet stores).

Another new online services trend on the Polish market are accounting services integrated (or capable of integration) with a bank account, offered by banks. The first bank to introduce this in spring 2011 was Idea Bank. In response to this initiative, other banks started offering this service: first Alior Bank and mBank, and now also: Deutsche Bank, ING Bank Śląski, City Handlowy, PKO BP S.A. Proposals of various banks are varied with regard to clients, to whom they are offered, as well as ways in which they are implemented. Prices vary, too.

Banks do not offer accounting services directly but rather cooperate in this scope with other companies (e.g. Idea Bank uses the service of Tax Care, a company from the same capital group). Some banks (e.g. Idea Bank) do not profit from online accounting services, offering them free of charge. It is also not necessary to open an account in the given bank, or using its other services and products; all it takes is logging in to the service (in Idea Bank it's www.darmowa-ksiegowa.pl). The only condition of using the e-accounting offered by Idea Bank is granting permission to receive loan proposals or saving-investment opportunities information. By offering online accounting services, the bank mostly aims to attract new clients and increase its share in this service segment. Owners of a bank account have the option to integrate online accounting with electronic banking system which is very convenient. Electronic accounting service offered by Idea Bank operates based on client self-service, which requires basic knowledge in the area of accounting and tax regulations. It is also possible to use the full extent of online services of a company (here: Tax Care) which involves, among other things, support from professional accountants. This option, however, has to be paid for, in accordance with price list. Idea Bank targets its services towards

companies whose accounting is based on KpiR – revenues and expenses ledger, as flat rate fee or fixed amount tax.³³⁵

Some of the banks offer to their clients direct discounts or free of charge use of online accounting services, or other portals, to enterprises they work with. This is for example the case of City Handlowy bank, which cooperates with SuperKsięgowa portal, which offers 70% discount for accounting services provided.³³⁶ mBank offers free of charge use of mikroFirmy.pl portal to owners of mBiznes accounts.

ING Bank Śląski offers a slightly different service. It launched an online accounting service via company ING Usługi dla Biznesu. The bank specializes in full accounting, and offers this service mostly to capital companies, partnerships, sole proprietors, foundations and associations.³³⁷ Based on scans or photos of accounting documents sent in, employee enters data into the accounting system. Wire transfer forms, resulting from calculations, are sent to the electronic banking system, where after client's approval they are effected. Price of services includes subscription (priced 490 PLN to 4990 PLN – depending on scope); there are also some additional services paid for separately (e.g. staff and payroll, accounting for business trips etc.)³³⁸.

Clients of Alior Bank may use systems szybkafaktura.pl and abcksiegowosconline.pl on the abcfirma.pl platform of Cloud Planet S.A. company. Clients of the virtual office of Alior Bank, mostly SMEs, use the package “accounts with advisory services package” thus being able to communicate with their accountancy firm. PKO BP has also entered into cooperation with Cloud Planet in May 2013, preparing product under the name “Online accounting with PKO BP” targeted to small and medium enterprises³³⁹.

Deutsche Bank has two types of accounts combined with online accounting services. First of them is the free of charge account dbNET Biznes for microcompanies, with a broad package of additional services such as e.g. Pakiet Przedsiębiorczy, including online accounting (faktura.deutschebank.pl). The second account, db Firma Plus, is a proposal for larger companies from the SME sector, which maintain full accounting (for 12 months it is free of

³³⁵ M. Bednarek, Bank da księgowość za darmo, http://wyborcza.biz/Firma/1,101618,13909275,Bank_da_%20ksiegowosc_z_darmo.html (dostęp dn. 15.09.2013 r.)

³³⁶ https://www.online.citibank.pl/p/cb_ksiegowosc_online.do (accessed on 18.09.2013)

³³⁷ <http://www.ingksiegowosc.pl/oferta> (accessed on 18.09.2013)

³³⁸ <http://www.ingksiegowosc.pl/cennik> (accessed on 18.09.2013)

³³⁹ Cloud Planet rozpoczął współpracę z PKO BP, http://ri.wseie.pl/pliki/1372672813_sSIkOZ.pdf (accessed on 21.09.2013)

charge, subsequently 9,99 PLN a month). Domestic transfers and one foreign transfer a month can be made.³⁴⁰

Table 5.6 presents a comparison of selected accounting services packages available from Polish banks.

Table 5.6. Comparison of selected bundles of accounting services in Polish banks³⁴¹

Bank/ operator System feature	Alior Bank (Cloud Planet S.A.)	Idea Bank (Tax Care S.A.)	ING Bank Śląski (ING Usługi dla Biznesu S.A.)	mBank (Power Media S.A.)
Type of records maintained	Revenues and expenses ledger (KPIR), staff and payroll, VAT tax	Fixed amount tax, tax on registered income without deductible costs, KPIR, full accounting, staff and payroll, VAT tax	Full accounting, staff and payroll, VAT tax	KPIR, staff and payroll, VAT tax
Monthly cost of the package (net)	119 PLN (up to 20 documents/month, 1 PLN for each following document)	Fixed amount tax: from 49 PLN Tax on registered income without deductible costs: from 99 PLN KPIR: from 99 PLN Full accounting: from 490 PLN Staff and payroll: from 25 PLN per employee	Processing an accounting document: from 5,5 PLN to 10 PLN (depending on the package) Monthly accounting per employee from 16 PLN to 35 PLN (depending on the package) minimum monthly cost of a package is 490 PLN	from 80 PLN

³⁴⁰ <https://www.deutschebank.pl/biuro-prasowe/kategoria-komunikaty-prasowe/dbnet-biznes-nowy-bezplatny-rachunek-internetowy-dla-mikrofirm-oraz-db-firma-plus-nowa-oferta-dla-wiekszych-firm-segmentu-msp.html> (accessed on 27.09.2013)

³⁴¹ Source: A. Prajsner, A może... księgowość w banku?, <http://www.ebroker.pl/wiedza/a-moze-ksiegowosc-w-banku/2615> (accessed on 27.09.2013)

Bank/ operator System feature	Alior Bank (Cloud Planet S.A.)	Idea Bank (Tax Care S.A.)	ING Bank Śląski (ING Usługi dla Biznesu S.A.)	mBank (Power Media S.A.)
Client's obligations	Entering the documents into the online accounting system	Delivering original documents to Tax Care facility or Idea Banku	Delivering scans or photos of documents	Delivering originals, photocopies, scans or photos of documents
Additional services (besides records)	Help in registering a business, accounting advice, participation in tax inspections	telephone consultations	Accounting advice	Accounting advice
Comments	In case of the more expensive package, which costs 139 PLN a month, documents are entered into the system by an accountant (scans or originals required) More expensive package covers 20 documents/month, every subsequent posting costs 2 PLN	Quoted prices of packages may change, depending on the number of documents	At least one current account in ING Bank Śląski is required The bank only services the clients who reach the limit of annual revenue (1,2 million euro)	mBIZNES Konto account required

Despite many advantages of accounting services offered by banks, there are also certain drawbacks and limitations, which should be noted. Sceptics accuse the banks of taking a boilerplate approach to their clients, as well as the fact, that bank employees involved in providing this type of services are generally less competent to provide them, and are not able to react to frequent changes in the law as well as employees of accountancy firms³⁴². However, according to authors of the study, the main limitations are those in the perception of the clients themselves, who are concerned, that having their accounting done by banks will give them complete knowledge about the company, which in some situations may prove unfavorable and may force the entrepreneurs to act in a certain way. Bank has access to source data (documents) on economic and financial situation of the client, which may be inconvenient for the client as it deprives him of possibility of creating/doctoring information in reports to the bank (this pertains in particular to companies using the KPiR or registered

³⁴² This comes from statements made by owners of accountancy firms. Cf. M. Bednarek, op. cit.

revenue format, whose reports to the bank pertaining to balance sheet or income statement are not prepared based on reliable data from financial and accounting systems).

In summarizing the analysis of online accounting services (offered by banks and other companies) it is worth emphasis that further dynamic development of this sector is to be expected. Probable directions of this development, in the opinion of the authors of the report, will be further expansion of the services offer, software improvement, increased availability of services for mobile devices, integration of business processes based on “public cloud” concept, increasingly popular worldwide.

Trends observed in companies and institutions specializing in this type of services do not remain without impact on traditional accountancy firms, which adapt their offer to ever changing needs and expectations of clients, also in scope of online services. This does not mean that traditional accountancy firms will be completely pushed out of the market for accounting services, as there will always be entities (especially micro enterprises) that will prefer direct contact with “their own” accountant.

Although most attention is usually given to benefits of online accounting to the clients, it is worth mentioning that it has advantages also from the perspective of employees of firms and banks offering such services. Online accounting/bookkeeping no longer requires coming to the office regularly in order to perform one’s duties. Programs operating “in the cloud” offer the possibility of remote work, which can be performed away from the workplace (teleworking). For employees, this facilitates combining their private life with professional life, and – especially in larger cities – savings in terms of time and cost of commute. Thus, these factors may be important for development of this segment of the labor market.

5.4. New trends in education of accountants

Changes occurring now in various areas of education in Poland (including organized education of accountants – both formal and non-formal) are aligned with the emerging system of qualifications. Works are in progress on new national qualifications system, main element of which is the Polish Framework of Qualifications (*Polska Rama Kwalifikacji, PRK*).

PRK is a common point of reference for qualifications awarded in Poland, linked with European Qualifications Framework, and by definition is intended to constitute the fundamental element integrating the national qualifications system³⁴³. Education system aligned with Polish Qualifications Framework is based on a new approach to the learning process – lifelong learning. For the education system, it means first and foremost focusing on

³⁴³ *Kwalifikacje w zmodernizowanym systemie kwalifikacji* (Qualifications in the Modernized Qualification System), Educational Research Institute (Polish: IBE), 10.12.2012
http://www.wup.pl/files/content/p/Krajowy_System_Kwalifikacji_do_konsultacji.pdf (accessed on 30.09.2013)

achieving specific education outcomes. It is an assumption that is completely different from the one so far, where qualifications of specific types were awarded based on curriculum content implemented in the given education cycle, as well as time of education (number of hours, semesters, years of learning). „(..) *Basing the qualifications system on learning outcomes will allow formal recognition (after relevant verification of knowledge, skills and other competences) of qualifications of learners (non-formal and informal education). Thanks to reorienting the entire system to learning outcomes (as the main criterion for awarding the qualification) it will be possible to expand the system, beginnings of which exist in Poland, of validation (confirming) non-formal and informal learning outcomes, which will enable gaining qualifications outside of the formalized system of school and academic education. The direction of transformation of Polish qualifications system fits into the assumptions, on which agreed joint policy of EU member states is based*”³⁴⁴.

Thus, in order to obtain competences in a given profession (including that of an accountant) in accordance with PRK, it won't matter whether the qualification was obtained at a university, training course or as a result of self-education. In the assumptions, adopted in the new approach to education, greater focus on needs of the economy is visible (observations of the labor market show, that while unemployment is relatively high, it's still difficult to find an employee with appropriate Therefore, importance of adapting education to the needs of the labor market is emphasized.

Implementation of above objectives and assumptions is reflected in changes occurring in secondary and tertiary education (including in scope of A&A professions). They include legislative changes as well as other actions and initiatives, undertaken both by the state and other participants of the education system.

One of such actions is exemplified in changes to vocational education, commenced on 1 September 2012 pursuant to *Ordinance of the Minister of National Education on curricular basis for vocational education of 7 February 2012* (Journal of Laws of 2012, item 184). New classification of occupations covers 8 areas, within which 200 professions are identified. Within the framework of every area of education, professions were sorted by type of school: vocational school, technical lycee, post-secondary school. Within the professions, 251 qualifications were identified (including 23 professions with 3 qualifications each, 72 professions with 2 qualifications each, 98 professions with one qualification and 7 professions of art education, for which no qualifications were identified).

As far as accounting related professions are concerned, discussed provisions of the law pertain only to the profession of “Accounting technician” (431103). As discussed in sub-

³⁴⁴ *Od europejskich do Polskich Ram Kwalifikacji Model Polskich Ram Kwalifikacji* (From the European to Polish Classification Framework: Polish Classification Framework Model), Ministry of National Education, Warsaw, January 2010, p. 16, http://www.kwalifikacje.edu.pl/download/dokumenty/Model_Polskich_Ram_Kwalifikacji_raport_%20ekspertow.pdf (accessed on 30.09.2013)

section 3.2, education objective for this profession is to prepare the student to perform, among other things, following professional tasks: accounting, accounting for public levies, accounting for payroll and ZUS contributions. In order to perform the tasks listed above, it is necessary to achieve assumed education outcomes, divided into 3 groups (Table 5.7).

Table 5.7. Characteristics of “Accounting Technician” profession in curriculum basis of vocational training ³⁴⁵

Group of outcomes	Education outcomes
Education outcomes common for all professions	<ol style="list-style-type: none"> 1) safety and hygiene at work; 2) starting and running a business; 3) foreign language in professional scope; 4) personal and social competences; 5) organization of work of small teams.
Education outcomes common for professions within the framework of administration and services area, constituting a basis for teaching a profession or group of professions	<ol style="list-style-type: none"> 1) uses notions from the scope of microeconomics and macroeconomics; 2) uses computer software in office work; 3) prepares standard business letters; 4) performs work related to organization of business meetings; 5) applies provisions of the law in scope of confidential data and personal data; 6) operates office equipment; 7) stores documents; 8) selects statistical data with view of its usefulness for analytical and decision making purposes; 9) recognizes types of statistical surveys and assesses their usability; 10) collects information about surveyed group; 11) recognizes, calculates and interprets basic statistical measures; 12) conducts statistical analysis of phenomenon being examined; 13) processes and presents statistical data and research results; 14) applies computer software supporting performance of tasks.

³⁴⁵ Source: Own compilation based on: *Ordinance of Minister of National Education on curriculum basis for vocational ...*

Group of outcomes	Education outcomes
Education outcomes specific to qualifications identified for the profession of accounting technician	<p>A.36. Accounting</p> <p>1. Documenting and recording economic operations</p> <ol style="list-style-type: none"> 1) prepares and controls accounting evidence and qualifies it for posting; 2) interprets economic events documented by accounting evidence; 3) observes the principles for storing accounting evidence; 4) classifies assets and liabilities; 5) values assets and liabilities throughout the financial year and as of balance sheet date; 6) identifies resulting categories; 7) observes principles and applies provisions of the law pertaining to accounting; 8) observes the principles of operation of bookkeeping accounts; 9) opens and closes accounting ledgers; 10) records balance sheet operations and results on synthetic accounts and analytical accounts in various units; 11) accounts for the costs of operation of the organization; 12) plans depreciation of fixed assets and performs depreciation write-offs; 13) recognizes and applies cost calculation methods; 14) determines financial result by statistical and accounting methods; 15) corrects errors in accounting evidence and in ledgers; 16) prepares report on turnover and balances; 17) applies various forms of monetary settlements; 18) applies financial and accounting software. <p>2. Conducting and accounting for inventory taking</p> <ol style="list-style-type: none"> 1) recognizes types, stages and principles of inventory taking; 2) takes inventory by various methods; 3) determines and interprets inventory taking discrepancies; 4) accounts for inventory discrepancies;

Group of outcomes	Education outcomes
	<p>5) prepares documentation of stock taking.</p> <p>3. Preparing a financial statement and conducting financial analysis</p> <p>1) prepares unit financial statement;</p> <p>2) identifies the subject, tasks and methods of financial analysis;</p> <p>3) selects and interprets financial analysis indicators;</p> <p>4) calculates financial analysis indicators;</p> <p>5) assesses financial and asset based situation of the company.</p> <hr/> <p>A.65. Accounting for payroll and public levies</p> <p>1. Accounting for payroll</p> <p>1) prepares employee documentation;</p> <p>2) recognizes and prepares civil law agreements;</p> <p>3) calculates remunerations of employees using various remuneration systems;</p> <p>4) recognizes constituent elements of payroll document;</p> <p>5) prepares payroll;</p> <p>6) accounts for remunerations from civil law agreements;</p> <p>7) applies provisions of the law in scope of social insurance;</p> <p>8) calculates social insurance contributions;</p> <p>9) determines eligibility for sickness benefit and calculates its amount;</p> <p>10) calculates the level of benefits paid by the payer on behalf of Social Insurance Institution;</p> <p>11) applies provisions of the law pertaining to health insurance;</p> <p>12) calculates contributions to health insurance;</p> <p>13) calculates the amount of contribution to Enterprise Fund for Social Benefits;</p> <p>14) applies HR and payroll software.</p> <p>2. Accounting for taxes and other public levies</p> <p>1) uses public finance terminology;</p> <p>2) applies provisions of tax law;</p> <p>3) classifies taxes;</p>

Group of outcomes	Education outcomes
	<ul style="list-style-type: none"> 4) recognizes structural elements of taxes and levies; 5) accounts for VAT tax; 6) accounts for excise tax; 7) accounts for income taxes taking into consideration agreements (conventions) on avoiding double taxation, 8) observes principles of identifying and accounting for other public levies; 9) maintains tax registers; 10) prepares tax declarations; 11) observes principles of storing tax documentation; 12) applies software for preparing tax calculations. <p>3. Preparing documents pertaining to transactions with Social Insurance Institution</p> <ul style="list-style-type: none"> 1) prepares documents for registration of contribution payer and persons insured; 2) recognizes various types of contributions to social insurance; 3) prepares settlement documents; 4) prepares documents constituting the basis for payment of benefits by Social Insurance Institution; 5) determines contributions to Labor Fund and Fund of Guaranteed Employee Benefits; 6) uses software for preparing documents for settlements with Social Insurance Institution.

Regulations discussed here specify also the minimum number of hours necessary to achieve the education outcomes. As far as outcomes common to all professions are concerned, as well as outcomes common for professions within the framework of administration and services area, constituting a basis for teaching a profession or group of professions, a minimum of 280 hours is envisaged for these. For outcomes specific to profession “Accounting technician” envisaged number of hours is, respectively: for outcome A. 36 “Accounting” 520 hrs., and A.65. “Accounting for payroll and public levies” - 550 hrs.

Guidelines discussed here must be taken into consideration by schools in developing education content.

Change in education model (also on majors preparing future accountants and finance specialists) has also occurred in tertiary schools. It was initiated by reform of tertiary

education, introduced as of 1 October 2011 by the *Act of 18 March 2011 amending the Act – law on tertiary education, Act on academic degrees and titles as well as degrees and titles in art, and also amending certain other Acts (Journal of Laws of 2011 No. 84, item 455)*. A number of acts of secondary legislation related to this Act were also amended or enacted. *Ordinance of Minister of Science and Tertiary Education*³⁴⁶ was abrogated, together with rigid education standards it introduced. Those standards specified a list of basic and specialized subjects, curriculum content for basic and specialized subjects, number of hours and number of ECTS points.

Pursuant to amended legislation, programming autonomy of tertiary schools has increased and they gained freedom in creating new, author crafted majors. Education programs are intended be the result of cooperation between scientists and experts in the area of economy, as well as employers.

New mechanisms are based on National Qualifications Framework (KRK), which include a description, by way of education outcomes, of qualifications which may be obtained in Polish tertiary education system. Thanks to KRK diplomas of Polish universities will be comparable to diplomas from other European countries.³⁴⁷

In practice, the new regulations give the schools with full extent of academic rights freedom in determining study majors, teaching curricula, as well as number of hours devoted to each subject. KRK³⁴⁸ only specifies education outcomes, divided into knowledge, skills and competences in eight areas of education, including in social sciences. Outcomes achieved at first and second level of studies were identified, for academic and practical profiles. Since the area of social sciences includes the fields of social, economic, and legal sciences³⁴⁹, outcomes specified in the Ordinance are general in nature. The school is obligated to develop education curricula for specific majors, including descriptions of assumed education outcomes, curricula for studies understood as a process leading to achievement of assumed results and principles of verification of adopted education outcomes.³⁵⁰

³⁴⁶ *Ordinance of Minister of Science and Tertiary Education of 12.07.2007 on education standards for individual majors, education levels, as well as procedures for creation and conditions which have to be met by a tertiary school to conduct interdisciplinary studies and macro-majors, Journal of Laws of 2007 No. 164, item 1166.*

³⁴⁷ <http://www.nauka.gov.pl/reforma-szkolnictwa-wyzszego/reforma-uczelni-i-kariery-akademickiej-weszla-w-zycie.html> (accessed on 1.10.2013)

³⁴⁸ *Ordinance of Minister of Science and Tertiary Education of 2.11.2011 on National Qualifications Framework for Tertiary Education, Journal of Laws of 2011, No. 253, item 1520.*

³⁴⁹ *Ordinance of 8.08.2011 on areas of knowledge, science and art, as well as scientific and art disciplines, Journal of Laws of 2011 No. 179, item 1065.*

³⁵⁰ W. Gos., S. Hońko, T. Martyniuk, *Standaryzacja efektów nauczania rachunkowości w wyższych uczelniach w świetle Krajowych Ram Kwalifikacji* (Standardization of the outcomes of accounting teaching in tertiary education facilities in light of the National Qualification Framework) [in:] *Rachunkowość. Dydaktyka i certyfikacja zawodu księgowego* (Accounting. Teaching and certification for the accounting profession), ed. D. Dziawgo, Wydawnictwo Naukowe UMK, Toruń 2012, p. 58.

In case of economic majors, there must be a direct link between the described outcomes and outcomes specified for the area of economic sciences. As far as competences in the area of accounting are concerned, there is a doubt as to how well the detailed and relatively measurable qualifications in this area can be reconciled with the general outcomes described in the Ordinance on KRK and whether individual formulation of education outcomes in the area of accounting by individual schools would not lead to different descriptions of the same desired qualifications of alumni? This topic is discussed in scientific publication³⁵¹ as well as among academic researchers and teachers in the area of accounting.³⁵²

Besides the changes discussed above, stemming from “top down” regulations of changes, certain initiatives and actions can be seen on the part of schools and institutions educating the accountants, undertaken with the purpose of adapting to new challenges and labor market expectations. They try to adjust to new requirements, by, among other things, inviting practitioners to cooperate on improving education programs. Many tertiary schools have established Entrepreneurs Councils (Business Councils), composed of representatives of business community or self-government entities. Their role is to issue opinions on changes in education programs, indicating directions for desired changes or those specializations and majors, in which there is a shortage of supply of graduates.

Some schools enter into close cooperation with organizations certifying and bringing together the communities of accounting and audit professionals, introducing separate specializations or education paths, enabling achievement of a specific level of given qualification. Cooperation of this type is conducted, among others, with ACCA, CIMA, SKwP, or KiBR. It is particularly important in context of deregulation of professions.

One reflection of academic world becoming more practice oriented is inviting professionals to lectures, discussions within the framework of conferences and meetings, as well as undertaking cooperation with business in scope of various research projects, expert opinions, in preparation of which students are frequently involved, who are thus able to gain practical experience. Another illustration of openness to new needs and expectations of employers is preparing post-graduate and MBA majors targeted towards their needs.

Taking into consideration practical skills and knowledge gained in non-formal education system will be reinforced when proposals included in the amendment to the Act on tertiary education enter into force³⁵³. As per those proposals, a person accepted into tertiary school based on so-called validation of learning outcomes, may gain up to 50% of ECTS points

³⁵¹ Ibidem, s. 57-75.

³⁵² Such a discussion was held for example during the annual Assembly of Polish Accounting Faculties on 24-26 September 2012 in Toruń, entitled “Accounting – science, practice, teaching”.

³⁵³ Draft of 16 July 2013 *Act amending the Act – Law on tertiary education and amendments to certain other Acts*, <http://www.psrp.org.pl/2716/projekt-nowelizacji-ustawy-prawo-o-szkolnictwie-wyzszym-konsultacje-spoleczne/> (accessed on 03.10.2013)

assigned to given curriculum, major, level and profile of education. Learning outcomes may be validated for:

- a person with maturity exam and at least 5 years of professional experience after passing the maturity exam – in case of applying for enrolment to first cycle studies or long cycle MA studies (requirement of five years experience shall not apply to graduates of teachers' colleges and linguistics colleges);
- a person with BA or equivalent title, and at least 3 years professional experience after graduation from first cycle studies – in case of applying for enrollment to second cycle studies;
- a person with MA or equivalent title, and at least 2 years of professional experience after graduation from second cycle studies, or long cycle MA studies – in case of applying for enrollment to a next major of first or second cycle studies, or long cycle MA studies.

As per the amendment, enrollment limit for persons with validated education outcomes will be up to 20% of total number of students in the given major, level and profile of education. Organization and method of validation of learning outcomes are to be determined by Senates of individual schools (by determining principles, conditions and procedures for validation of learning outcomes, as well as procedure for appointment and operation of the commission verifying these outcomes). In general, entities authorized to validate learning outcomes shall be the basic organizational units of schools with at least positive institutional or programmatic assessment with respect to given major, level and profile of education, or with rights to award the academic title of PhD with respect to the given major.

In connection with proposal of amendments to the Act on tertiary education (which are to enter into force already on 1 January 2014) it would seem, that the schools should be more interested in labor market requirements with respect to their graduates, and motivated to observe economic practice, which should contribute to continuous modernization and improvement of education curricula. These challenges will be additionally reinforced if proposals related to following up on the graduate's further career (even today, based on existing Act on tertiary education the schools should monitor further life of their graduates, but they were not equipped with relevant tools, hence that provision remained pretty much dead letter – except for very few cases, mostly when a project financed from external resources, mostly EU funds, was implemented). The discussed amendment involves the Social Insurance Institution (ZUS) in monitoring the graduates; Minister of Tertiary Education shall submit to the Institution, by the end of September of each year, information on persons who graduated over the period of five calendar years preceding the year on which data is transferred. Information submitted shall include:

- 1) PESEL number,

- 2) information about completed or ongoing studies, including: name of the school, name of the unit conducting the course, format of studies, as well as major, level and profile of studies, year and month of starting the studies, year and month of graduation.

Social Insurance Institution, within 3 months, shall present the data from pt. 2) supplemented by³⁵⁴:

- code of the person insured, generated by ZUS (not allowing identification of the graduate);
- year of birth and gender of the person insured,
- code for insurance title,
- worktime format of the person insured,
- first three digits of ZIP code of registered address or residence address or mailing address of the person insured,
- code of Polish Classification of Occupations of the contribution payer,
- code of contribution payer, generated by ZUS, not allowing identification of the contribution payer,
- basis for calculation of contributions to pension and disability insurance of the person insured, or basis for calculation of contributions to sickness and accidental insurance of the person insured, or basis for calculation of contributions to health insurance.

Minister of Science and Tertiary Education shall not be authorized to publicize this data or providing access to it, but results of the monitoring, in aggregated format, presenting in particular professional development of groups of graduates after one., three and five years from graduation will be made available on MSaHE website. Results of monitoring pertaining to aggregates of less than 10 persons shall not be made public.

Assuming, that implementation of graduates monitoring system in proposed shape is successful, it will provide an opportunity to obtain complete and comprehensive information about situation of young people in the labor market. From the perspective of this study, it would be reasonable to include in the collected data the codes for profession or work position, which would enable obtaining complete information about employment of tertiary schools graduates. However, in order to achieve that, ZUS would have to expand the scope of information collected from contribution payers – in ZUA declarations, e.g. next to the code of title for insurance, code for profession/work position could be added. It would be necessary to include those changes in Płatnik software, used by companies/institutions to meet their notification and payment obligations of contribution payers. The change would not be particularly complicated, it would only involve adding a field with a drop down list of codes of professions/specializations to ZUA form. Proposed expansion of ZUA form would result in

³⁵⁴ ZUS will store this data for the period of 5 years.

collection of data about employment (including remuneration) in particular professions, including A&A professions, would be collected from the entire population of the employed (and insured). Of course, it should be taken into consideration, that such expansion would somewhat increase administrative burdens of enterprises/institutions.³⁵⁵

5.5. Conclusions

Accounting and auditing services market is undergoing continuous changes. Those result mostly from trends, which can be observed in the entire economy (first and foremost through globalization, increased competitiveness), but also by technological progress. The need to respond to signals from the market quickly, before the competition does, results in increasing requirements with respect to information systems, which are the basis for decision making in the enterprises; new information needs are also born. A&A market, like any other service sector, must adapt as best it can to needs and expectations of its clients. However, it is also subject to influence of other, specific factors and conditions. Financial crisis and undermined trust in accounting and auditing companies resulting from much publicized scandals in United states and certain countries of Western Europe calls for special attention to be given to quality of services provided, as well as issues of ethics in accounting. Thus, the system of educating accountants and auditors must be rebuilt in order to fulfill the above postulates.

The objective of discussion of selected issues in this section was to draw attention only to the most important trends and phenomena observed on the A&A market, both in terms of services themselves and trends illustrating adjustment to the needs of the labor market. Another important issue is the change in approach o education of accountants so far and changing it so as to form deeper ties with the economy and make it more practical; this is particularly true with respect to formal education.

It seems, that in near future the factor determining further changes in the A&A market shall be the deregulation processes, announced by the government. Even now, one can see many initiatives and actions undertaken by A&A market participants (first and foremost education institutions and units) aimed at adjusting to change, although concerns about results of deregulation (especially from owners of accounting companies) remain rather significant.

³⁵⁵ On the other hand, increased administrative burden related to ZUS notification for the employee would be compensated by reduction of this type of burdens by eliminating the need to fill in GUS forms for labor market surveys.

6. SCOPE OF DATA COLLECTED BY STAKEHOLDERS

6.1. Background information

In this section key sources of data concerning A&A market in Poland are described. In sub-section 6.2. GUS research that gives most insights into this market will be discussed. Methodology behind each piece of research will be briefly outlined in order to enable proper interpretation of statistics based on research findings. The structure of research forms has been analyzed with the purpose to diagnose the scope of data gathered on A&A market. Against this background, it will be possible to define recommendations for improvements in the quality of information obtained.

In sub-section 6.3., the sources of data pertaining to accounting and audit market other than the data collected by public statistics are summarized. They are presented in tables, separately for each stakeholder/stakeholder group. A detailed scope of collected information has been defined for each category, side by side with information presentation form, frequency of updates, and accessibility. Whenever appropriate, recommendations for improvements in data presentation and/or scope have been put forward.

6.2. Data collected by GUS (Polish Central Statistical Office)

6.2.1. Public statistics resources from the standpoint of A&A market

Public statistics plays a vital role in the information system of information society and knowledge-based economy. The key task of public statistics is to keep the general public, state bodies, government administration and national economy entities informed in a reliable, impartial and regular manner as to the economic, demographic, social and environmental situation. Thus, public statistics is the primary system and source of information about the state, creating knowledge about the state, i.e. about the conditions of the state, the phenomena observed within the state, and extrapolating them and forecasting their occurrence³⁵⁶. In pursuit of that goal, public statistics organs are authorized to gather and store data from all the sources available (GUS reporting, reporting from other ministries, administrative information systems, expert opinions, studies, own estimations), as specified in public statistics research program or in separate acts of law. The data pertains to national

³⁵⁶ K. Markowski, *Opisowa statystyka nauki, (w:) Podstawy naukoznawstwa [Descriptive Statistics in Science, (in:) Fundamentals of Science Studies]*, ed. P. Kawalec, P. Lipski, R. Wodzis, Wydawnictwo KUL, Lublin 2011, vol. 1, p. 62 – 80.

economy entities and their performance (individual data) as well as to natural persons, their lifestyle and situation (personal data.) Public statistics studies may pertain to any area of social and economic life and related phenomena that can be observed and analyzed by means of statistical methods³⁵⁷.

Public statistics research program is determined on an annual basis for each subsequent year by the Council of Ministers, by way of regulation based on a draft research program prepared by the Statistics Board. The regulation of the Council of Ministers concerning public statistics research program represents a piece of secondary legislation under Article 18 of the Act on Public Statistics³⁵⁸. Draft research program is prepared on the basis of a proposal presented by the President of Central Statistical Office (GUS.) President of GUS develops the proposal for the draft research program **on the basis of identified demand for statistical information and analyses**³⁵⁹ and presents it before the Statistics Board, which is involved in programming work on an ongoing basis. When developing the draft, the following factors are taken into account:

- Information needs of a broad circle of statistical information users, with the overriding purpose to provide them with the information necessary for proper performance of their functions, as well as broadly defined information needs of the society,
- Detailed, diligent and critical evaluation of the scope of research carried out to date, and review of the draft program from the standpoint of its expediency, social usefulness and suitability of the information collected, and from the standpoint of capacity of public statistics system,
- Anticipation of new information needs,
- Satisfying information needs arising from Poland's membership in international organizations, especially EU requirements.

Draft public statistic research program for a given year includes research carried out by the President of Central Statistical Office, ministers and managers of leading and central government administration bodies, the President of the National Bank of Poland, and the Chairperson of Polish Financial Supervisory Authority (KNF); as well as research done jointly by public statistics services and other leading or central government administration bodies. **Thematic scope of the draft public statistic research program is a result of collaboration and broad consultations with central and sub-national administration bodies, local government authorities, NGOs, trade unions, and the academia.**

The key intention underlying programming work is to make sure that public statistics provides accurate, impartial, professional, independent and socially useful statistical information in

³⁵⁷ The Act of 29 June 1995 on Public Statistics (Journal of Laws of 2012, item 591, and of 2013, item 2), hereinafter: AoPS.

³⁵⁸ Ibid.

³⁵⁹ Ibid., Article 25, paragraph 1.

response to the needs of state authorities, government administration, local governments and the general public at large. It is assumed that the data - once collected and processed - will illustrate phenomena and processes that impact current socio-economic situation in the country, serving as the basis for defining developmental trends and forecasting. The contents of the program must also comply with Poland's information disclosure obligations, in scope of data transfer competences, arising from Poland's membership in international organizations, and it must satisfy information needs connected with Poland's membership in the European Union and international organizations. The resulting statistical information obtained in course of research should help determine key parameters and indicators that must be announced by the President of Central Statistical Office pursuant to separate regulations. This means that the draft has to comply with EU law, i.e. it has to receive positive opinion from the Minister of Foreign Affairs.

When initiating the work on the preliminary draft of public statistics research program for a given year, the President of GUS contacts various entities with a request for proposals, suggestions, opinions and comments on the scope and content of research plans. These entities include:

- 1) President of the Association of Polish Cities,
- 2) President of the Union of Polish Metropolises,
- 3) President of the Union of Polish Towns,
- 4) President of the Association of Polish Counties,
- 5) President of the Union of Rural Municipalities of the Republic of Poland,
- 6) President of the Federation of Unions and Associations of Municipalities and Counties of the Republic of Poland,
- 7) President of the Association of Polish Regions,
- 8) Chairperson of the Tripartite Commission for Social and Economic Affairs,
- 9) Chairperson of the 'Solidarity' Trade Union,
- 10) Chairperson of the National Council of 'Solidarity' Trade Union for Private Farmers,
- 11) President of the National Union of Farmers and Agricultural Organizations,
- 12) President of the All-Poland Alliance of Trade Unions,
- 13) President of the Polish Association of Old Age and Disability Pensioners and the Disabled,
- 14) Chairperson of the Forum of Trade Unions,
- 15) President of the National Chamber of Commerce,
- 16) President of the Polish Business Council,
- 17) President of the Business Centre Club – Employers' Association,

- 18) President of the Associations of Poland's Employers,
- 19) President of 'Lewiatan' - Polish Confederation of Private Employers,
- 20) President of the Polish Crafts Association,
- 21) President of the Polish Debt Collection Association,
- 22) President of the National Council of Court Bailiffs,
- 23) President of the National Federation of Trustees and Receivers,
- 24) Chairperson of the Association of Trustees, Receivers and Restructuring Officers,
- 25) **President of the Accountants Association,**
- 26) Chairperson of Public Benefit Board,
- 27) President **of the National Council of Statutory Auditors,**
- 28) **Chairperson of the National Board of Tax Advisors,**
- 29) President of the Polish Statistical Association,
- 30) Director of the Institute of Catholic Church Statistics,
- 31) President of the National Cooperative Council,
- 32) Voivodship Marshals.

All the feedback received is then channeled to relevant units involved in work on statistics to find out whether the feedback can be included in public statistics research activities planned for the following year.

After social consultations, using statistical research proposals submitted by the units, and taking into account information needs, comments and opinions voiced by the users, a preliminary draft program for the following year is prepared. Afterwards, opinions concerning the research and related comments are discussed by GUS Programming Committee, with participation of the representatives of units responsible for carrying statistical research and key users of statistical information, as well as the Statistics Board.

At the preparatory stage, research costs and funding sources are also described. Estimated cost of research is determined on the basis of research cost planning manual, developed by GUS, and with regard to the cost of research carried out outside of public statistics services, according to estimations provided by the entity doing the research.

At the same time when draft research program is developed for the following year, the scope of research done in the previous year is reviewed. As a result, some research studies are cut down, and **new research proposals are discussed during the meetings of Programming Committee and Statistics Board for their expediency and legitimacy from the standpoint of information needs of the state and the general public, and in light of obligations arising from Poland's membership in international organizations.**

The Council of Ministers determines the research program for the year and specifies the following items for each study included in that program:

- a) Subject-matter of the study and the responsible body,
- b) Type of the study,
- c) Thematic scope and sources of statistical data to be collected,
- d) National economy entities and natural persons not involved in individual business activity who are obliged to provide information and transfer statistical data, or who may participate in the study on a voluntary basis,
- e) Mode, frequency, deadlines and place of transfer of statistical data,
- f) Types of output statistical information, as well as the modes and deadlines for their disclosure;
- g) Costs and funding method.

Statistical surveys of public statistics are conducted as full research, i.e. on the basis of the entire population (this type of study includes censuses, primarily), or as representative sample surveys. The latter apply to a randomly or purposely selected sample from a well-defined population (social group, etc.) Depending on the type of survey, respondents are either required to reply to questions put on the form or in the questionnaire, or they are asked to reply to the questions on a voluntary basis. If a study listed in public statistics research program is carried out on a mandatory basis, the entities named in the program are required to provide and submit to the researcher complete and exhaustive information in line with the scope, form and deadlines specified in the program. The type and size of the sample, as well as mandatory or voluntary character of the study, are determined each and every time in public statistics research program or in separate acts of law. One example of such a separate act of law could be the Act on Agricultural Census – a 2010 study, or the Act on Population and Housing National Census – a study done in 2011³⁶⁰. These laws provided for the thematic scope, form, organization and mode of implementation of the general agricultural census and the national census of population and housing by the President of Central Statistical Office, as well as the scope, form and proceedings concerning the preparation of the work and processing of the results³⁶¹.

According to Article 19 of the Act on Public Statistics, the Council of Ministers should include in public statistics surveys the research of paramount importance for monitoring social and economic phenomena such as, in particular:

- 1) Regular research enabling permanent monitoring of key areas and related phenomena,

³⁶⁰ *The Act of 17.07.2009 on 2010 Agricultural Census (Journal of Laws of 2009, No 126, item 1040), and the Act of 4.03.2010 on 2011 Population and Housing National Census (Journal of Laws of 2010, No 47, item 277.)*

³⁶¹ *Ibid.*

- 2) Periodic research, including censuses,
- 3) Studies that guarantee comparability of results in a situation when the research pertains to objects of statistical observation that change in time, or when research methodology is changed,
- 4) Studies that must be carried out to ensure compliance with international obligations of the Republic of Poland³⁶².

Statistical data is provided in a written or electronic format on reporting forms, questionnaires and statistical surveys; templates of those documents and explanations as to how they should be completed are announced by the Prime Minister by way of regulation.

Apart from the studies specified in public statistics research program for the year, public statistics services (i.e. the President of GUS, directors who report to the President of GUS, appraisers, enumerators and interviewers, etc., appointed by the President of GUS) may:

- a) Carry out statistical research commissioned on an individual basis, not included in public statistics research program;
- b) Prepare other studies and analyses, as commissioned, using to that purpose the data accumulated through the surveys performed under public statistics research program; under such circumstances the results of those surveys and studies/analyses become part of public statistics data and may be used, disclosed and disseminated by public statistics services as long as it does not infringe the legitimate interest of the client and the contract does not restrict the use only and exclusively for the benefit of the client.

Having said that, it must be underlined that such surveys, studies and analyses must be carried out in keeping with the provisions of the Act on Access to Public Information³⁶³. Moreover, public statistics services may, on a voluntary basis, prepare studies supporting other information systems of public administration, and assign their staff to do statistical work in central and local government bodies.

Individual data and **personal data** collected and accumulated through statistical surveys is under special protection of public statistics. This data is protected under statistical secrecy requirement³⁶⁴. It can be used **exclusively** for statistical studies, summaries and analyses, and for the creation of a sample frame for statistical surveys conducted by public statistics staff. Public statistics staff, enumerators, interviewers and other individuals acting on behalf of and for the benefit of public statistics who have direct access to individual data and personal data are absolutely required to keep statistical secrecy; they can be allowed to perform these functions only upon submitting a written pledge in a statistical office or other organizational

³⁶² This applies to, *inter alia*, directives and decisions of the European Council, the European Parliament and the European Commission, etc.

³⁶³ *The Act of 6.09.2001 on Access to Public Information (Journal of Laws, No 112, item 1198, as amended.)*

³⁶⁴ More information about statistical secrecy can be obtained from GUS website:
http://www.stat.gov.pl/gus/tajemnica_stat_PLK_HTML.htm.

unit of public statistics system. Sharing or using individual data or personal data for the purposes other than those listed above is forbidden and punishable with up to three years of imprisonment. A person who, in connection with their work or duties commissioned by the person responsible for a public statistics survey, became familiar with statistical data and used this data for financial gain or personal advantage, is punishable with up to five years of imprisonment.

Another piece of evidence testifying to due diligence with regard to treatment of information shared within the framework of public statistics system is the fact that aggregated data is never published or disclosed if it is possible to use this data to identify the information pertaining to specific individuals or business entities and their economic performance. Consequently, according to the Act on Public Statistics, it is forbidden to publish or disclose data when the aggregation is based on less than three entities, or when the share of one entity is greater than three fourths³⁶⁵.

Pursuant to the Act on Public Statistics, the results of calculations, studies and analyses made on the basis of statistical data collected in public statistics surveys - the so-called 'output statistical information' – are publicly available, with the exception of individual and personal data. The system of public statistics ensures equal, equivalent and contemporaneous access to statistical information, in particular to key parameters and indicators. Types of output statistical information and the modes and deadlines for their disclosure are specified in public statistics research program³⁶⁶. All the information obtained from studies carried out in accordance with public statistics research program is regarded as official information of public statistic, regardless of who conducted the study. All institutions which conduct research under the Act on Public Statistics apply binding classification standards and share research findings with public statistics staff and with international organizations, upon consultation with GUS.

The types of output statistical information and the modes and deadlines for their disclosure are specified in public statistics research program.

Output statistical information from public statistics is made generally accessible through³⁶⁷:

- a) Providing output statistical information describing economic, demographic, social and environmental status in the publications of GUS, statistical offices and other bodies involved in public statistics research,
- b) Announcing key parameters and indicators in line with separate regulations³⁶⁸,

³⁶⁵ Act on Public Statistics, Article 38.

³⁶⁶ Ibid, Article 14, paragraphs 1, 2, 3.

³⁶⁷ Prime Minister's regulation of 10.09.1999 on the procedure and forms of publishing, sharing, and disseminating output statistical information (*Journal of Laws of 1999, No 75, item 842.*)

³⁶⁸ List of parameters announced by the President of GUS is available from GUS website (status as of 27 February, 2013): http://www.stat.gov.pl/gus/opis_wskaznikow_PLK_HTML.htm (as available on 22.08.2013)

- c) Mass media dissemination,
- d) Providing information based on the data collected during statistical surveys, in particular through the intermediation of statistical information centers operating in GUS and in statistical offices.

In accordance with the regulation on the procedure and forms of publishing, sharing, and disseminating output statistical information, the President of the Central Statistical Office announces key parameters and indicators describing socio-economic situation, as required under separate regulations. Indicators and their values are published in the form of notices or announcements of the President of the Central Statistical Office, in 'Monitor Polski' Official Journal, and in the Official Journal of the Central Statistical Office. They are disseminated by statistical information centers and mass media, starting from the date on which the President of the Central Statistical Office has signed a relevant notice or announcement, and they become publicly available as of that date.

Output statistical information resulting from statistical surveys carried out by GUS and by statistical offices is announced, shared and disseminated in the form of printed copies and statistical publications, on electronic carriers, and on the Internet.

The date of the publication of output statistical information resulting from statistical surveys and the title of a publication issued within a group are specified in public statistics research program.

All other statistical aggregates, except for those that were referred to in the public statistics research program for the year, can be prepared (under statistical secrecy) upon user's special request and against payment, as they require additional work input and /or software development.

Individual requests for the provision of direct statistical information or preparation of additional studies not included in public statistics research program are accepted and satisfied by:

- a) Central Statistical Information Center in the Central Statistical Office,
- b) Statistical Information Centers in statistical offices.

The revenues earned by GUS and statistical offices in respect of dissemination and sharing of output statistical information in the form defined in each public statistics research program and special aggregates upon individual request always represent state budget revenues. Public statistics research program is adopted by the Council of Ministers prior to or, at the latest, concurrently with the adoption of draft budget law due to that fact that statistical surveys are financed from state budget resources up to the amount specified each

year in the budget law. **However, state budget does not cover the cost of additional studies, statistical calculations, analyses and surveys done upon individual request.**

In a situation when such surveys, studies and analyses are requested by a state administration body, the Supreme Audit Office or the National Bank of Poland, payment is determined at the amount of costs incurred³⁶⁹.

Research program drafted for each year is made up of about thirty sections dedicated to various topics of importance from the standpoint of information needs of the state and the society. GUS does from several to a dozen or so surveys under each section. In total, in 2013 GUS will carry out 248 different surveys in the following fields:³⁷⁰

1. State of the environment and environmental protection;
2. Organization of the state, regional and local government;
3. National defense, internal security, system of justice;
4. Social economy;
5. Population, demographic processes;
6. Religious denominations, ethnic groups;
7. Labor market;
8. Salaries, costs of labor and social benefits;
9. Family, population living conditions, social welfare;
10. Housing, municipal infrastructure;
11. Education;
12. Culture;
13. Health and health care;
14. Tourism and sports;
15. Science, technology and information society;
16. Materials, fuel and energy market;
17. Agriculture and forestry;
18. Industrial activity;
19. Construction activity;
20. Transport and communication;

³⁶⁹ Act on Public Statistics, Article 51, paragraph 3.

³⁷⁰ Cf: *Program badań statystycznych statystyki publicznej na rok 2013 [Public Statistics Research Program for 2013]*, Attachment to the regulation of the Council of Ministers of November 9, 2012, concerning public statistics research program for 2013 (Journal of Laws of 2012, item 1391), pp. 3-7.

21. Commercial, hospitality, catering and other selected types of activity;
22. Services;
23. Foreign economic relations;
24. Results of non-financial enterprises;
25. Financial market;
26. Prices;
27. Public finance;
28. Tangible fixed assets and investments;
29. National accounts;
30. Regional surveys;
31. Statistical sample frames.

In previous years, the number of surveys carried out by GUS under the program was quite stable and fluctuated between 226 in 2008 to 248 in 2013. Vast majority of those survey were perennial ones (done every year), some were cyclical (repeated at certain intervals), and some were one-time or new studies. Of all the 248 surveys conducted by GUS only 43 were directly or indirectly related to the market of accounting services. Topics and years in which such research has been conducted are presented in Table 6.1. In that sub-group, there are ten surveys (their titles are marked with a shaded background in the table) that may provide most information about A&A market. This information regards, *inter alia*, HR potential (e.g. trends observed among high school and university students – their interest in accounting and book-keeping and their knowledge in those areas), estimated number of people employed in A&A professions, compensation amounts according to various profiles (in the breakdown according to age, education, tenure, company size, sector, industry and region where the people are employed), unemployment level among people who used to work on A&A market, graduates (with secondary, tertiary graduate and tertiary post-graduate education) who studied fields connected with accountancy services market, type of educational needs, assessment of the capacity for satisfying those needs, levels of education, occupational status of young Poles in relation to many variables such as age, gender, etc.

Table 6.1. Summary of surveys concerning labor market, compensation, education, science and technology, and living conditions of the population ³⁷¹

	Survey	2008	2009	2010	2011	2012	2013
Labor market							
1.	Labor Force Survey (LFS)	+	+	+	+	+	+
2.	Registered unemployment	+	+	-	-	-	-

³⁷¹ Source: Authors' compilation based on Public Statistics Research Programs for 2008, 2009, ..., 2013. http://www.stat.gov.pl/bip/4768_PLK_HTML.htm (as available on 12.07.2013)

	Survey	2008	2009	2010	2011	2012	2013
3.	The unemployed and job seekers registered in labor offices	-	-	+	+	+	+
4.	Working time	+	+	+	+	+	+
5.	Institutional support for labor market	+	+	+	+	+	+
6.	People aged 50 + on the labor market	-	+	+	+	+	+
7.	Work-life balance	-	-	+	-	-	-
8.	Not registered employment	-	+	+	-	-	-
9.	The employed in national economy	+	+	+	+	+	+
10.	Employment-related population flows	+	+	-	-	-	
11.	Strikes. Collective disputes	+	+	+	+	+	+
12.	Working conditions	+	+	+	+	+	+
13.	Young people entering labor market	-	+	-	-	-	-
14.	Job vacancies	+	+	+	+	+	+
15.	Accidents at work	+	+	+	+	+	+
16.	Employment, wage bill in the government sector	+	+	+	+	+	+
17.	Work permits for foreigners in Poland	+	+	+	+	+	+
18.	The disabled on the labor market	-	-	-	+	-	-
19.	Retirement	-	-	-	-	+	-
20.	Accidents at work and health problems related to work	-	-	-	-	-	+
Compensation, costs of labor and social benefits							
21.	Salaries in the national economy	+	+	+	+	+	+
22.	Labor costs survey	+	-	-	-	-	-
23.	Labor costs and employment costs index – derivative survey	+	+	+	+	+	+
24.	Compensation structure	+	-	+	-	+	-
25.	Social security and other benefits	+	+	+	+	+	+
26.	Employment and compensation in public administration and national defense; mandatory social security and universal health insurance	-	-	+	-	+	-
Education							
27.	Care over children and teenagers	+	+	+	+	+	+
28.	Primary, junior high and high schools	+	+	+	+	+	+

	Survey	2008	2009	2010	2011	2012	2013
29.	Tertiary education facilities and their financial situation	+	+	+	+	+	+
30.	Continued professional development in enterprises	-	-	+	-	-	-
31.	Employment, student accidents, holiday recreation of children and teenage students, number of students in schools	+	+	+	+	+	+
32.	Choice of educational paths and occupational situation of young Poles	-	-	-	+	-	-
33.	Adult education	-	-	-	-	+	-
Science, technology and information society							
34.	Human Resources in Science and Technology (HRTS)	+	+	+	+	+	+
Living conditions of the population, social welfare							
35.	Household budgets	+	+	+	+	+	+
36.	Household condition (consumer attitudes)	+	+	+	+	+	+
37.	Social welfare	+	+	+	+	+	+
38.	EU-SILC	+	+	+	+	+	+
39.	Inflation processes and household savings and consumption	+	+	+	+	+	+
40.	Social cohesion survey	-	-	-	+	-	
41.	Beneficiaries of community social welfare and family benefits	-	-	-	+	+	+
42.	Poverty and social exclusion	-	-	-	-	+	+
43.	Description of living conditions of families in Poland	-	-	-	-	+	

The following discussion is focused on the surveys that are most informative as far as accounting and book-keeping professionals are concerned³⁷².

6.2.2. The unemployed and job seekers registered in labor offices³⁷³

³⁷² Predominantly based on *Public Statistics Research Program for 2013*, Attachment to the regulation of the Council of Ministers of November 9, 2012, concerning public statistics research program for 2013 (Journal of Laws of 2012, item 1391.)

³⁷³ Ibid., p. 117, http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 12.07.2013)

The purpose of the study is to obtain the data on the number and structure of the unemployed and job seekers registered in County Labor Offices according to their demographic and social attributes, professional experience and period of unemployment; the inflow and outflow of the unemployed and job seekers to and from labor office registers, taking into account territorial profiles; and updated monthly diagnosis of Labor Fund income and expenses in connection with the tasks prescribed by the Act on Promotion of Employment and Labor Market Institutions.³⁷⁴

Number of the unemployed, which is also reflected in the indicator presenting the level of registered unemployment, is a second (next to LFS) source of information about unemployed people in Poland. Data from these two sources is not identical due to differences in survey methodologies, definitions and timeframes. The data pertaining to the number of the unemployed collected by County Labor Offices (Polish: PUP) is based on the definition of the unemployed person as laid out in the Act on Promotion of Employment and Labor Market Institutions³⁷⁵. In the meaning of that Act, an unemployed is a job seeker who is:

- above 18 years of age, i.e. not a minor,
- below the retirement age defined in Article 24, paragraphs 1a and 1b, and Article 27, paragraphs 2 and 3 of *the Act of 17.12.1998 on Social Security Fund Retirement and Disability Pensions (Journal of Laws of 2009, No 153, item 1227, as amended)*,
- not in education (any level) or training (organized by County Labor Office),
- legally living or registered for residence in Poland, or the stay can be legalized (political asylum, permanent or temporary residence card, EU citizens.)

The data is derived from County and Voivodship Labor Offices; it pertains to individuals registered in labor offices in line with the wording of the Act on the Promotion of Employment and Labor Market Institutions, who are regarded as the unemployed and job seekers. County and Voivodship Labor Offices also provide data on the disabled (including the disabled who are unemployed job seekers) in the meaning of the Act on Occupational and Social Rehabilitation and Employment of the Disabled, registered in labor offices in line with the wording of the Act on the Promotion of Employment and Labor Market Institutions³⁷⁶. Additionally, Voluntary Labor Corps (OHP) Headquarters, voivodship offices and MLSP (Labor Fund administrator) provide the information on the range of Labor Fund revenues and expenditures.

The survey is focused on the following items:³⁷⁷

³⁷⁴ Ibid., p. 116.

³⁷⁵ Cf. *the Act of 20.04.2004 on the Promotion of Employment and Labor Market Institutions (Journal of Laws of 2008, No 69, item 415, as amended.)*

³⁷⁶ *The Act of 27.08.1997 on Occupational and Social Rehabilitation and Employment of the Disabled (Journal of Laws of 2011, No 127, item 721, as amended), and the Act of 20.04.2004 on the Promotion of ...*

³⁷⁷ *Public Statistics Research Program...*, p. 116.

1. Number and structure of the unemployed in the breakdown according to:
 - Demographic and social characteristics (age, gender, education level),
 - Place of residence (urban/rural),
 - Situation on the labor market (the unemployed aged less than 25; the long-term unemployed; women who did not start working after having a child; the unemployed aged 50 plus; the unemployed without professional qualifications; without professional experience; without secondary level education; single parents with at least one child under the age of 18; the unemployed who were released from custody and did not start work; the disabled; the unemployed after the completion of social contract implementation),
 - Professional experience (tenure, ownership sector, PKD Polish Classification of Activities section, profession) and time spent out of employment,
 - Unemployment liquidity (inflow and outflow to/from unemployment by reason, including selected categories of the unemployed: the long-term unemployed; the unemployed aged less than 25; the unemployed aged 50 plus; the unemployed living in rural areas; the unemployed entitled to a benefit.)
2. Number and structure of job seekers in the breakdown according to:
 - Demographic and social characteristics (age, gender, education level),
 - Place of residence (urban/rural),
 - Professional experience (tenure, ownership sector, PKD Polish Classification of Activities section, profession) and time spent out of employment,
 - Liquidity (inflow and outflow to/from labor office registers by reason),
 - Certain categories specified in primary legislation (including the disabled not in employment, employees aged 45 +.)
3. Active measures for employment promotion: training, intervention works, public works, internships, vocational training for adults, socially useful work, implementation of a personalized social program or social contract, implementation of a personalized action plan, occupational guidance and information services, supporting employers and businesses in professional development of their staff as well as in candidate selection and determination of requirements in line with the job description (by: ownership sector, company size), assistance in active job search (career clubs.)
4. Job vacancies and career activation openings in the breakdown according to ownership sector, PKD classification and profession.
5. Number of contracts signed with employment agencies and number of the unemployed referred to employment agencies, including the unemployed with special status on the labor market.

6. Involvement in the programs co-financed from the European Social Fund: system- and contest-based projects implemented by County Labor Offices.
7. Number of special programs and number of the unemployed and job seekers participating in the programs. Balance of Labor Fund resources, liabilities and receivables, income and expenses.
8. Costs incurred in connection with conferences, seminars or meetings, including international ones, organized by the minister competent for labor issues, in particular for public labor services staff and Voluntary Labor Corps (Polish: OHP).
9. Layoffs and group redundancies, outplacements – number of enterprises and individuals involved, in the breakdown into public and private sector.

GUS receives data from Country Labor Offices, Regional Labor Offices, MLSP and OHP Headquarters in MPiPS-01 reports together with attachments: MPiPS-02, MPiPS-07³⁷⁸. Reports are provided in electronic format once a month (MPiPS-01 labor market report and MPiPS – 02 Labor Fund income and expense report), once a quarter (Attachment No 1 to MPiPS-01 – The unemployed and job seekers according to the length of unemployment, age, education level and tenure), semi-annually (attachments to the report of the Ministry of Labor and Social Policy: MPiPS – 01 No 2: The unemployed according to the type of activity of their last place of employment, job seekers, and job vacancies and career activation openings , No 3: The unemployed and job vacancies and career activation openings according to professions and specializations – in electronic format, No 7 - The unemployed by municipality, and MPiPS-07: a report focused on disabled unemployed and job seekers not in employment), and annually (attachments to MPiPS – 01 No 4: Occupational guidance and information services, assistance with active job search, training for the unemployed and job seekers, internships and vocational development for adults; supporting employers and businesses in professional development of their staff as well as in candidate selection and determination of requirements in line with the job description; No 5 - The unemployed and job seekers living in rural areas in the breakdown according to the length of unemployment, age, education level and tenure; No 6 – Active labor market programs; No 8 – Contracts with employment agencies and special programs - in electronic format.)

Based on all this data, GUS develops and shares studies with information concerning the following:³⁷⁹

1. The unemployed and job seekers registered in labor offices in the form of:
 - Territorial breakdown: pan-region, region (voivodship), sub-region, county, municipality (the unemployed: in total, of which women: with special status on the labor market, including those aged under 25, 50 +, and long-term unemployed as of the end of June and the end of December each year),

³⁷⁸ Templates of some selected forms are provided in the Attachments.

³⁷⁹ *Public Statistics Research Program...*, p. 120.

- Output tables (electronic format) – about 20 days after the end of the reporting period,
 - Document entitled: ‘Information about the unemployed and job seekers’ – monthly report (MLSP),
 - Document entitled: ‘Registered unemployment’ – June, September, December 2013, March 2014 (GUS),
 - Document entitled: ‘Registered unemployment in Poland’ – monthly report (MLSP),
 - Document entitled: ‘Labor market in Poland’ - March 2014 (MLSP),
 - Table entitled: ‘The registered unemployed and registered unemployment rate’ – monthly report (GUS),
 - Document dedicated to the monitoring of labor market, entitled; ‘Monthly information about registered unemployment in Poland’- monthly report (GUS.)
2. Number and structure of disabled unemployed and job seekers not in employment in the breakdown according to demographic, social and health-related characteristics, in relation to the length of unemployment, and job vacancies and career activation openings for the disabled:
 - By pan-region, region (voivodship), sub-region, county;
 - Output tables (electronic format) – October 2013, April 2014.
 3. Labor Fund income and expense – output tables (electronic format) - about 21 days after the end of the reporting period.

Conclusions/recommendations

Studies prepared by GUS, MLSP and labor offices, focused on the unemployed and job seekers, are usually at a general level. They describe the number of the unemployed and job seekers, who are analyzed according to the dimensions of age, education, length of unemployment, various social groups (young people, women, people aged 50+, etc.) However, none of these studies is focused on the unemployed and job seekers who have accounting and book-keeping educational background or whose last job was related to accounting and book-keeping. Indeed, there are lists of the so-called surplus and deficit professions – prepared by labor offices at the regional level and by MLSP at the national level – but they are not analyzed from the standpoint of A&A professions. By the same token, GUS studies and analyses are developed at a general level and describe registered unemployment in each quarter, in the breakdown according to newly registered and de-registered unemployed, the unemployed living in rural/urban areas, by education, length of unemployment, region, etc. Not a single study has been directly focused on the market of accountancy services.

Nevertheless, one can prepare very detailed **analyses concerning the supply of and the demand for professions related to accountancy services market** on the basis of labor office and MLSP reports submitted to GUS and disseminated through labor office and MLSP websites. It is possible to analyze the data according to various territorial profiles; for people of different age and with different education; by labor market trends, etc. (such analysis has been presented in sub-section 4.7.)

6.2.3. Job vacancies³⁸⁰

The survey aims to determine changes in the number of workers and job vacancies, including new job vacancies. Survey findings help prepare an in-depth analysis of labor market situation, taking into account jobs in the breakdown according to profession, PKD section and sub-section, ownership sector, pan-region, region, and job offers submitted to labor offices. The survey is regular, it is carried out every quarter.

Since 1995, Central Statistical Office has been doing research into demand for labor in large entities from the enterprise sector. Three years later medium-sized entities from the enterprise sector were included in the survey, and in 2005 the model of the survey was modified to comply with Eurostat requirements, i.e. it was aligned in terms of content and methods used in all EU Member States. This representative survey is conducted once a quarter. Its advantage is both the frequency and the fact that it includes the entities classified under all types of activities. In consequence, it is possible to keep track of changes occurring on the labor market.

Since 2007 the survey has been representative and it has included national economy entities employing 1 or more people. The survey pertains to, in particular: legal persons, organizational units without legal personality, individuals who conduct business activity – by local entities which employ 1 or more people, involved in economic activity in the field of: agriculture, forestry and fisheries (divisions: 01-03), mining and quarrying (divisions: 05-09), manufacturing (divisions: 10-33), electricity, gas, steam, hot water and air-conditioning generation and supply (division 35), water supply: sewage and waste management and remediation activities (divisions: 36-39), construction (divisions: 41-43), wholesale and retail trade: repair of motor vehicles and motor cycles (divisions: 45-47), transportation and warehousing (divisions: 49-53), hospitality and catering (divisions: 55-56), information and communications (divisions: 58-63), financial and insurance activity (divisions: 64-66), real estate market services (division 68), professional, scientific and technical activities (divisions: 69-75), administrative and support activities (divisions: 77-82), public administration and national defense; compulsory social security (division 84), education (division 85), health care

³⁸⁰ *Public Statistics Research Program...*, p. 122,
http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 24.07.2013)

and social welfare (divisions: 86-88), culture, entertainment and recreation activities (divisions: 90-93), other service activities (divisions: 95-96.)

The survey is focused on the total number of people employed, including women, on: 31 March, 30 June, 30 September, 31 December 2013, newly created jobs, eliminated jobs, job vacancies, working people with disabilities, job offers submitted to labor offices. The data is provided electronically with the use of Z-05 report form. The analysis of job vacancies (job offers) is also based on other information sources, i.e. the reports of the Ministry of Labor and Social Policy drafted on the basis of registers from County Labor Offices based on MPiPS-01 report with Attachments No 2 and 3. Pursuant to applicable regulations, all job vacancies should be reported, and thus registered, by County Labor Offices.

The structure of the sample for labor demand survey is quite unique. It is randomly selected - separately for large and medium-sized entities, and separately for small entities. Separate treatment of small entities is justified on the grounds of a somewhat different research purpose for this segment of surveyed population. In the case of large and medium-sized entities, the purpose is to obtain information for individual types of activity (PKD section) by voivodship, and in the case of small entities the overriding objective is to obtain accurate results for individual types of activity, that is for the 15 sections of PKD Polish Classification of Activities. Randomly selected sample, both for large and medium-sized entities and for small entities, is used in quarterly surveys in a given year. After the generalization, the results are representative for approximately 0.5 million entities³⁸¹.

In consequence, the survey provides information about the total number of people employed, including women, the number and structure of job vacancies by profession, PKD section and division, ownership sector, region and voivodship, and new and eliminated jobs by PKD section and division, ownership sector, region and voivodship. The data is presented in the following studies:

- 'Registered Unemployment' – June, September, December of 2013, March of 2014.
- 'Demand for Labor in 2013' – June of 2014,
- 'Demand for Labor': labor market monitoring – 1st, 2nd, 3rd and 4th quarter of 2013, June, September, December of 2013, March of 2014.

Conclusions/recommendations

The form marked as Z-05, used in the representative survey focused on labor demand³⁸², is made up of three sections. The first section deals with basic information about surveyed entity. This information includes PKD type of activity code and legal and economic status as

³⁸¹ GUS uses the so-called statistical units (groups of national economy entities) for research purposes, where: small entities are defined as such that have up to 9 employees, medium-sized entities have between 10 and 49 employees, and large entities have more than 49 employees.

³⁸² Subject matter of GUS survey: job vacancies.

of the last date of the reporting quarter. This is where the surveyed entity specifies whether it is active (operational phase, development/organizational phase, liquidation or bankruptcy phase) or inactive (i.e. it did not start operation, it is in liquidation, bankruptcy, or operation was suspended or discontinued but not deleted from the register.) The second section deals with demand for labor and it contains six items (questions.) In the first item, the entity provides the information about the number of people employed, including women, in 96 large groups (two-digit) according to the Classification of Professions and Specializations³⁸³. The second and the third item under this section pertain to the number of new and/or eliminated jobs between the beginning of the year and the end of the quarter. Question (item) number five concerns job vacancies (if any) in the entity as of the last day of the quarter. If the response is affirmative, the entity should move on to question number six where it should specify, once again in large two-digit numbers of groups of professions, how many jobs there were and how many of them were dedicated specifically for women. In the third section of the form the entity presents supplementary information, i.e. the information on the number of the disabled, how many of them work at specially adapted positions, and whether the entity is interested in hiring more disabled employees. At the end, the person who fills in the form should provide his/her e-mail address. Earlier on, the e-mail to entity's secretarial office is also provided. Entities hiring up to 5 employees are allowed to provide the data in hard copy. Larger entities have a login and password and fill in the form through the reporting portal. Data obtained from this form is not very valuable from the standpoint of accounting services market, because in the number of people employed in group 24, for example: economy and management specialists, there are 99 different specialists, and only 9 of those are specialists practicing A&A professions. This survey could become much more meaningful for accounting services market if the form was modified. Section two of the form might be enhanced with a more detailed description of certain large occupational groups – it would not incur significant additional burden for the reporting entity (as the reporting entity must prepare a summary of employees divided according to large groups anyway.) By the same token, it would not affect survey quality, since modification of the form does not impact random selection of the sample. Apart from the fact that certain occupational groups should be more granular in order to improve the quality and increase the quantity of data about individuals practicing accounting and book-keeping professions, it would also be advisable to add the information about age, tenure (work service), education, and possibly also the university major or the learned profession. Information might be extended only in relation to the professions introduced. Electronic versions of the forms have a number of drop-down menus, therefore there would be very small additional burden imposed on respondent entities filling in the forms. Similar modification ought to be done with regard to item number six, concerning the information on job vacancies on the last day of the reporting quarter in accordance with the Classification

³⁸³ This classification was introduced by way of Regulation of the Minister of Labor and Social Policy of 27.04.2010 on the classification of professions and specializations for labor market purposes, and on the applicability of the classification (Journal of Laws No 82, item 537.)

on Professions and Specializations. After modification of form Z-05, the following additional information about A&A professions would become available:

- Number of people employed, by profession and gender (status as of the last day of the reporting quarter),
- Number of new jobs in the period between the beginning and the end of the reporting quarter,
- Number of job vacancies, including new jobs created as of the last day of the reporting quarter, by profession and required educational attainments,
- Age, education, university major, etc.

All this information would be summarized in accordance with company (employer) characteristics, such as geographical distribution, ownership sector, type of activity and entity size. A sample modified Z-05 form is presented below (Table 6.2) The original form is presented in the Attachment and on GUS website³⁸⁴.

Table 6.2. Proposed modification of a part of Z-05 form³⁸⁵

Section 2. DEMAND FOR LABOR						
2. Number of people employed in accordance with the Classification on Professions and Specializations, 2010 (status as of the last day of the reporting quarter)						
Symbol and name of profession		Total	Of which: women	Education	University major/learned profession
0		1	2	3	4	5
TOTAL (sum of lines 02 - 41)	01					
11 Representatives of public authorities, higher level officials and general managers	02					
12 Managers for governance and trade	03					
13 Managers for manufacturing and services	04					
14 Managers in hospitality, trade and other service-related sectors	05					
21 Specialists in physics, mathematics and engineering	06					
22 Health specialists	07					

³⁸⁴ <http://form.stat.gov.pl/formularze/2013/index.htm> (as available on 25.09.2013)

³⁸⁵ Source: Authors' compilation based on a section of GUS Z-05 report entitled: *Badanie popytu na pracę* (Labor Demand Survey), <http://form.stat.gov.pl/formularze/2013/index.htm> (as available on 24.09.2013)

Section 2. DEMAND FOR LABOR						
2. Number of people employed in accordance with the Classification on Professions and Specializations, 2010 (status as of the last day of the reporting quarter)						
23 Teaching and education specialists	08					
24 Economics and management specialists	09					
241101 Statutory auditor	10					
241102 Controlling specialist	11					
241103 Accounting specialist	12					
241104 Investment accounting specialist	13					
241105 Tax accounting specialist	14					
241106 Management accounting specialist	15					
25 ICT specialists	16					
26	17					

6.2.4. Work permits for foreigners in Poland³⁸⁶

The purpose of the survey is to obtain information about labor market status (in terms of legal employment) of foreigners in the Republic of Poland. Information is reported by Voivodship Offices in respect of work permits issued for foreigners in the Republic of Poland, using form MPiPS-04, i.e. the report on work permits issued for foreigners in the Republic of Poland. As a result, GUS has the data concerning the number of work permits for foreigners granted pursuant to the Act on the Promotion of Employment and Labor Market Institutions, taking into account citizenship, employee groups, professional groups, selected PKD sections, types of permit, and permit validity period. The data is available in the geographical breakdown into regions, voivodships – output tables (magnetic media) – for the first half of the year in July of that year, and for the second half of the year in January of the following year. The data pertaining to the entire year is available in February of the following year.

Conclusions/recommendations

Over the last several years, about 35-40 thousand work permits were issued in Poland annually. A lion's share have been the permits for foreigners who work in the territory of the Republic of Poland on the basis of an agreement with an entity whose official address, residence address, branch or another form of organized operation is located in the territory of the Republic of Poland. One can use the data derived by GUS from MPiPS-04 report to prepare a study on the

³⁸⁶ *Public Statistics*,..., p. 129, http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 25.07.2013)

number of foreigners working in Poland in A&A professions in the breakdown according to various characteristics such as their profession, geographical distribution, country of origin, etc.

6.2.5. Compensation structure³⁸⁷

The purpose of the survey into compensation structure is to determine the structure and level of monthly and hourly compensation (in gross terms) according to such characteristics of an individual person as: age, gender, level of educational attainments, tenure, practiced profession; and such characteristics of an employing entity as: type of activity, ownership sector, company size. The range and scope of the study, side by side with data quality requirements, are determined on the basis of European Commission regulations on wage statistics.

The survey is cyclical, i.e. it is conducted every two years, as a representative survey. It covers (on a mandatory basis) about 20% of national economy entities with 10 or more employees. Those entities send the report on a Z-12 form. The study is focused, in particular, on legal entities, organizational units without legal personality, individuals who conduct business activity and employ 10 or more people, by local entities and entities involved in business activity in the field of: agriculture, forestry and fisheries (divisions: 01-03), mining and quarrying (divisions: 05-09), manufacturing (divisions: 10-33), electricity, gas, steam, hot water and air-conditioning generation and supply (division 35), water supply: sewage and waste management and remediation activities (divisions: 36-39), construction (divisions: 41-43), wholesale and retail trade: repair of motor vehicles and motor cycles (divisions: 45-47), transportation and warehousing (divisions: 49-53), hospitality and catering (divisions: 55-56), information and communications (divisions: 58-63), financial and insurance activity (divisions: 64-66), real estate market services (division 68), professional, scientific and technical activities (divisions: 69-75), administrative and support activities (divisions: 77-82), public administration and national defense; compulsory social security (division 84), education (division 85), health care and social welfare (divisions: 86-88), culture, entertainment and recreation activities (divisions: 90-93), other service activities (divisions: 95-96) without the activity of membership organizations not classified elsewhere (division: 94); excluding private farms, foundations, associations, political parties, trade unions, NGOs, employer organizations, business and professional self-governing organizations.³⁸⁸

Output information concerning employees in full and part-time employment (distribution) and the data on the level of their monthly and hourly gross compensation, wage distribution (deciles), top and bottom wages, and about the structure of compensation in the breakdown according to demographic, social and professional characteristics of employees by PKD types of activity, ownership sector, voivodship, are made available in the following studies:

³⁸⁷ *Public Statistics Research Program for 2012. Attachment to the Regulation of the Council of Ministers of 22 July, 2011, on 2012 Public Statistics Research Program (Journal of Laws, No 173, item 1030), pp. 139-140.*

³⁸⁸ *Ibid*, p. 139.

- 'Compensation structure by profession for October 2012', published in December 2013,
- 'Living conditions of the population in 2012', also published in December 2013,
- '2013 Industry Statistical Yearbook', December 2013.

Conclusions/recommendations

This survey aptly meets its purpose, as specified in the research program, in respect of compensation and number of people employed by profession at the level of large occupational groups. To obtain more precise data about the number of people employed on the market of accounting services and their wages according to various socio-demographic profiles (age, gender, education, tenure, employment by PKB division, etc.) and geographical profiles (by voivodship) with a six-digit occupational code, one should modify random selection methodology and increase the sample by about four times. In the case of random selection of employees, the jobs involving people associated with accounting and book-keeping should be examined in each randomly selected entity of the national economy. Alternatively, the process of random selection can be organized in the same way as in previous editions of the survey, but then the sample of enterprises should be increased so as to minimize the risk of mean error arising in connection with the estimation of the number of people employed in A&A professions.

6.2.6. Employment and compensation in public administration and national defense, mandatory social security and universal health insurance³⁸⁹

The survey into employment and compensation in public administration and national defense, mandatory social security and universal health insurance is a cyclical piece of research, conducted by GUS for the Head of the Civil Service Corps.

The purpose of the study is to obtain the data thanks to which the Head of the Civil Service Corps can perform its tasks. This purpose is pursued, *inter alia*, through developing comprehensive analytical and forecasting materials concerning the level of compensation of civil service corps members against the background of compensation offered on local and regional labor markets.

Reporting entities are the institutions operating in the field of public administration and national defense, compulsory social security and universal health insurance, as well as: Agricultural Market Agency and the Agency for Restructuring and Modernization of Agriculture; Military Property Agency; Military Housing Agency; Agricultural Property Agency; State Fund for the Rehabilitation of the Disabled; Social Welfare Centers; National Fund for Environmental Protection and Water Management; Agricultural Advisory Centers; National Archives; Office of Civil Aviation; Inland

³⁸⁹ *Public Statistics Research Program*, p. 146,
http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 29.07.2013)

Navigation Authority. They submit the electronic version of Z-14 report, i.e. the report on employment and compensation in public administration and other entities.

The information and data obtained by means of the survey applies to employment as of 31 December of the year (the most recent edition is for 2012) and average wages during the year in the year in questions, gross wages with separate presentation of compensation of individuals who hold high-level positions in the civil service, the remaining members of civil service corps, soldiers and officials, and all other employees, and gross wages with separate presentation of fixed and variable components and other compensation, as well as the average number of people employed in selected occupational groups and their gross compensation.

The information on average employment and general compensation level plus its structure, as well as the amount of average compensation by: profession, region, voivodship, in the breakdown according to state and self-government units, will be made available in a document entitled: 'Employment and compensation in public administration', to be published in December 2013.

Conclusions/recommendations

A request should be filed with the Head of the Civil Service to make the results of this survey available, and form Z-14 should be modified in a way described below in order to increase the scope of information.

Form Z-14 is used in the survey entitled: 'Employment and compensation in public administration and national defense, mandatory social security and universal health insurance' is made up of two sections. Section one pertains to compensation and employment in general. A respondent (i.e. public administration entity – minister, manager of a central agency, voivode, etc.) fills in the form with the data on average employment, general employment as of 31 December in a given year, and about gross compensation. Such information is provided for individuals who hold higher level positions in the civil service, for the remaining members of civil service corps, soldiers and officials, and for all the others. In the next part of section one there is information (for the same groups) about the fixed and variable wage components and about other compensation. Everything is included in a composite category, i.e. the compensation information applies to average groups of employees listed above. Section number two pertains to compensation and employment in the breakdown according to selected professions. In that section, three average occupational groups are named (financial specialists, legal specialists, and finance and statistics employees), side by side with twelve elementary groups (among others: financial managers, HR management specialists, accountants, etc.), and five professions with six-digit codes (IT network administrator, accounting specialist, auditor, EU projects coordinator, public procurement specialist.) For those occupational groups and specific professions the reporting entity provides the data on average compensation and gross compensation in total, for civil service corps members, and for soldiers and officials.

The data obtained from the survey based on form Z-14 may, in part, be useful from the standpoint of accounting services. Its value lies in the fact that the data pertains to public administration, but

detailed data is presented only for selected A&A market professions or groups of professions. The form should be modified in order to make the data more useful in terms of accounting services market. Such modification would consist in adding specific A&A professions performed by public administration, national defense, mandatory social security and universal health insurance. Furthermore, when modifying the form to obtain better A&A data it would be worthwhile to enhance the information about the number of people employed and the amount of gross compensation for the professional category in question with additional information such as: gender, tenure, education, age brackets, etc. Such additional information might apply only to the detailed items introduced in the survey. That would generate more comprehensive information about individuals involved in A&A professions, although it would only pertain to public administration. Proposed modification of Z-14 form is presented below. Shaded fields stand for new information. With these changes in place, one could obtain very detailed information about individuals practicing A&A professions in public administration. The information would include the following items:

- Number of people employed in a given profession,
- Average compensation (median, modal value, maximum and minimum) for a given profession,
- Education, age, gender, potentially also university major and learned profession, certificates and qualifications of people who practice the profession.

All this data could be listed according to characteristics of employer firms (type of territorial self-government unit, central agency, etc.), spatial distribution (by voivodship, county, etc.) A sample modified Z-14 form is presented below (Table 6.3). The original copy is presented in the Attachment and on GUS website³⁹⁰.

Table 6.3. Proposed modification of a part of form Z-14³⁹¹

Section 2. Employment and compensation by selected professions				
Selected professions a – total, of which: b- civil service corps members (individuals who hold higher level positions in the civil service and the remaining civil service corps members - items a+b from Section 1) c- soldiers and officials	Average employment a) (with one decimal point)	Gross compensation b) in PLN thousands (with one decimal point)	Tenure (work service)	...
				...
			
				...
				...
			
				...
0	1	2		...

³⁹⁰ <http://form.stat.gov.pl/formularze/2013/index.htm> (as available on 25.09.2013)

³⁹¹ Source: Authors' compilation based on a part of GUS Z-14 form on employment and compensation in public administration and other entities, <http://form.stat.gov.pl/formularze/2013/index.htm> (as available on 15.09.2013)

Section 2. Employment and compensation by selected professions						
In total (from Section) 1	a	01				
	b					
	c					
Of which:						
Higher officials of public administration (1112)	a	02				
	b					
	c					
.....	a	03				
	b					
	c					
Financial specialists (241)	a	04				
	b					
	c					
Of which: statutory auditors (241101)	a	05				
	b					
	c					
Of which: controlling specialists (241102)	a	06				
	b					
	c					
Of which: accounting specialist (241103)	a	07				
	b					
	c					
Of which: specialist in (2411....)	a	08				
	b					
	c					
.....	a	09				
	b					
	c					
.....	a	10				
	b					
	c					
Finance and statistics employees (431)	a	11				
	b					
	c					

Section 2. Employment and compensation by selected professions							
	Accounting and book-keeping employees (4311)	a	12				
		b					
		c					
	Of which: accounting assistance (431101)	a	13				
		b					
		c					
	Of which: invoice clerk (431102)	a	14				
		b					
		c					
	Of which: accounting technician (431103)	a	15				
		b					
		c					

6.2.7. Primary schools, junior high schools and schools above junior high level³⁹²

The study is a regular survey carried out each year. The data is sent to GUS by the Ministry of National Education by means of the Educational Information System (Polish: SIO); in the format of XML files on a CD carrier by December 17 each year (2012), and processed by September the following year (2013) (with the data about the number of schools, forms, school facilities, computers, books in school libraries, students, graduates, foreign language teaching; data at the school level) and by May 31 the following year (2013) with the data as of the status of September 30 of the preceding year (2012.) There is data describing primary and junior high schools and schools at above junior high level for children and teenagers; teaching conditions and the flow of children and teenagers through the system of education, as well as information about adults learning in the school system. The data is used in methodology work and in other statistical studies. It will be used for the calculation of the indicators applied in monitoring the progress of operational programs included in the National Strategic Reference Framework for 2007–2013. Information collected in connection with the study is also shared with international organizations to present the status of Polish education in comparison to the systems of education in other countries.

The data is provided by primary and junior high schools and by schools at above junior high level, including colleges, art schools, teacher education facilities and colleges for social workers, run by government administration units, territorial self-government units, NGOs and associations,

³⁹² *Public Statistics Research Program*, p.170,
http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 31.07.2013)

religious organizations and other organizations as well as legal and natural persons. This also applies to public schools, facilities and colleges; non-public schools, facilities and colleges with the same rights as public ones; and non-public schools.

Collected data pertains to:³⁹³

- Organs responsible for schools, facilities and colleges,
- Students and graduates (by age and gender, type of school, class and form; vocational training profiles and occupations in vocational education),
- Students participating in additional teaching and remedial classes, specialized (correction and compensation, speech therapy and social adjustment counselling),
- Students transported to schools and by class and distance between their place of residence and the school,
- Students receiving practical vocational training in the form of practical classes and vocational apprenticeship,
- Students and foreigners (including from EU Member States),
- Students who receive special needs education,
- Compliance with school enrollment obligation,
- Student classification results,
- Teachers who perform mandatory teaching tasks - FTEs and part-time (converted into FTEs),
- Foreign language instruction,
- Teaching of the mother tongue of national and ethnic minorities and regional dialects, and the organization of teaching for the pupils of Roma origin,
- School facilities (school laboratories, including computer labs, foreign language labs, practical exercises, classrooms, gymnasiums, swimming pools),
- Number of work stations in labs for practical vocational training,
- Number of computer stations in schools, including those with Internet access (including broadband Internet), number of computer stations dedicated for student use, including those with Internet access (including broadband Internet),
- Number of schools with computer stations, including those with Internet access (including broadband Internet), number of schools with computer stations dedicated for student use, including those with Internet access (including broadband Internet),
- Number of books (in volumes) in school libraries.

³⁹³ Ibid.

Output information from that survey is grouped according to the following profile: country, region, voivodship and county, in the breakdown into urban and rural areas, and selected information is also developed at the level of sub-regions and by city, municipality; it will be made available in the following studies:³⁹⁴

- Output tables – March/April 2013,
- *Oświata i wychowanie w roku szkolnym 2012/2013 [Education and schooling in 2012/2013]* – July 2013,
- UNICEF - September 2013,
- *2014 UOE (UNESCO, OECD, Eurostat) Data Collection on Education Statistics and Indicators* – data about students and teachers - September 2014,
- *2013 UOE (UNESCO, OECD, Eurostat) Data Collection on Education Statistics and Indicators* – data about graduates - October 2013.

Conclusions/recommendations

Studies and analyses prepared by GUS apply to various schools and large groups of educational fields. The data from this survey contained in the Local Data Bank is applicable to higher level aggregates. To be able to draft more granular analyses concerning potential future employees on A&A market, GUS should be requested to develop specifications for a longer period, e.g., for 10 years. Based on such data set, one could prepare multivariate analyses focused on students in schools above junior high level, including the forecast of the interest in A&A professions demonstrated by those young people.

6.2.8. Tertiary education facilities and their financial situation³⁹⁵

Another important topic from the standpoint of accountancy services is the issue of tertiary education facilities and their financial situation. This is a regular survey conducted every year. Its purpose is to obtain information about performance of tertiary education facilities and the institutions that offer Ph.D. and post-graduate courses. Thanks to the data pertaining to revenues, expenditures, financial result, funds and capital expenditures of tertiary education facilities one can learn about their financial management, *inter alia*. With this information one can calculate the indicators for the monitoring of progress of operational programs included in the 2007-2013 National Strategic Reference Framework. The data is used in methodological work and other statistical research, it serves the needs of domestic users, and allows for the presentation of Polish education against the background of educational systems in other countries.

³⁹⁴ Ibid.

³⁹⁵ Ibid., ps. 170.

All the data and information is derived from reports submitted by public and non-public tertiary education facilities³⁹⁶ and the institutions that offer Ph.D. and post-graduate courses and scholarships. Reports are submitted to GUS once a year, on four dates. By December 18 with the data as of November 30, 2012: report S-10 on higher education courses; by January 18, 2013, with the data as of December 31, 2012: report S-12 on scholarships, Ph.D. and post-graduate courses and employment in tertiary education facilities, science and research institutions (apart from tertiary education facilities, this report is also submitted by the institutes of the Polish Academy of Sciences and by research institutes); by March 29, 2013, with the data as of December 31, 2012: report F-01/s on revenues, expenditures and financial result of tertiary education facilities, in electronic format, full method, mandatory. Finally, by October 5, 2012, status as of October 1, 2012, with the data for academic year 2012/2013: report EN-1 on the number of candidates and individuals accepted for regular and extra-mural higher education courses, in electronic format, full method, mandatory.³⁹⁷

Based on the reports from all public and non-public tertiary education facilities, research institutes and the institutes of the Polish Academy of Sciences, GUS prepares composite information on tertiary education facilities by facility type; outlying organizational units, including branches; primary outlying organizational units and outlying teaching centers – data grouped according to the following profile: country, region, voivodship, sub-region and county; students and graduates in the breakdown into: facility, gender, year of birth and course type (regular, extra-mural in the meaning of Article 2, paragraph 1, pp. 12 and 13 of the Act on Tertiary Education), course degree (first degree, combined BA and MA, second degree courses), course field; foreign language learning; education method, including distance learning methods and techniques; foreigners by course field; foreigners by country; employment in tertiary education facilities by positions of academic teachers, including foreigners by country, employment of individuals who are not academic teachers; students and graduates grouped by course field in accordance with ISCED'97 applied by international organizations; admission for combined BA and MA courses; first and second degree courses with separate treatment of candidates who are contest winners; financial situation of tertiary education facilities in the breakdown into public and non-public facilities, by facility type. The following studies will be prepared in that respect in 2013:³⁹⁸

- *Szkoły wyższe i ich finanse w 2012 r. [Tertiary education facilities and their financial situation in 2012]* – August of 2013,
- Preliminary output tables from reports on tertiary education courses and from reports on scholarships, Ph.D. and post-graduate courses, and employment in tertiary education

³⁹⁶ Operating pursuant to the *Act of 27.07.2005 on Tertiary Education (Journal of Laws of 2005, No 164, item 1365, as amended.)*

³⁹⁷ Public Statistics Research Program, p. 174,

http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_PBSSP2013_DzU2012_poz_1391.pdf (as available on 31.07.2013)

³⁹⁸ Ibid.

facilities and science and research institutes – 30 March, 2013, final tables – April/May of 2013,

- UNICEF - September of 2013,
- *2014 UOE (UNESCO, OECD, Eurostat) Data Collection on Education Statistics and Indicators* – data about students, academic teachers, financial situation of tertiary education facilities – September/October of 2014,
- *2013 UOE (UNESCO, OECD, Eurostat) Data Collection on Education Statistics and Indicators* – data about graduates - October of 2013,
- Preliminary output tables dedicated to revenues, expenditures and financial result of tertiary education facilities pertaining to public and non-public facilities in scope of the resources from the state budget – 10th May, 2013, final tables for public and non-public facilities - June of 2013.

Conclusions/recommendations

In the case of this piece of research, one should recommend that form S-12 be modified by GUS. Such modification would involve more precise information about course fields, i.e. in the group of economic and administration courses tertiary education facilities should also report those courses which are more closely related to accounting and book-keeping. Thanks to the information about the number of students attending post-graduate courses very closely linked to A&A market it would be possible to estimate future capacity of that market. Future capacity of A&A market could also be determined on the basis of detailed data from specific tables prepared by GUS in connection with the number of students and graduates from the sub-group of economics and administration who study or graduated from the courses most closely related to A&A market, e.g. accounting, finance and accounting, etc. Such specifications might be prepared in a longer timeframe, so that one could analyze the determinants of changes observed among young people as far as their level of interest in studying accounting is concerned.

Table 6.4. Proposed modification of a section of form S-12³⁹⁹

Section 1. Post-graduate courses (without foreigners)					
Sub-groups of course fields		Students		Issued certificates (in a previous academic year)* ¹	
		total	of which: women	total	of which: women
1		2	3	4	5
Total	01				
Economics and administration	02				

³⁹⁹ Source: Authors' compilation based on GUS report S-12 on scholarships, post-graduate and Ph.D. courses, and employment in tertiary education facilities and science and research institutes
<http://form.stat.gov.pl/formularze/2013/index.htm> (as available on 30.09. 2013)

Including: finance and accounting	03				
Including: accounting	04				
Including:	05				
Humanities	06				
Mathematics and statistics	07				

On the basis of the data derived from form Z-10 (tertiary education reports) and modified report Z-12 (report on scholarships, post-graduate and Ph.D. courses, and employment in tertiary education facilities and science and research institutes) one can prepare a study dedicated to the extent of interest in A&A professions among post-graduate students who have knowledge in accounting and book-keeping required for a proper operation of enterprises and public institutions, where such knowledge is a paramount significance. The studies referred to above might be prepared according to various profiles, e.g. by territory, age, gender, etc.

6.2.9. Choice of educational paths versus career status of young Poles⁴⁰⁰

The purpose of this study is to examine the reasons and determinants that affect the decisions connected with the choice of a school and field of education, as well as the impact of educational attainments on career status of young Poles. The study is conducted in the form of a periodic, representative survey carried out among household members aged 15-40. In 2009 the survey was done by means of a direct interview method, by pollsters involved in household budget survey. Sample size was 3858 properly selected households so as to allow for extrapolation of results on the entire population. The study is carried out with the use of two questionnaires: DS-57G - choice of educational path vs. career status of young Poles, household questionnaire; and DS-57I - choice of educational path vs. career status of young Poles, individual questionnaire.

The theme of the study is the education of respondents in correlation with their career status, their parents' education, place of residence, family model, as well as educational needs and the way these needs are satisfied in correlation with respondent's education and respondent's parents' education and the extent to which those needs can be met.

In a study entitled 'Choice of educational path vs. career status of young Poles' ('Wybory ścieżki kształcenia a sytuacja zawodowa młodych Polaków'), released in 2012, the following information was presented: types of educational needs, assessment of the extent to which those needs can be met, levels of education careers, top education attained, and career status of young Poles in correlation with respondent's age, gender and education, respondent's parents' education, biological family model, socio-economic category of the household.

⁴⁰⁰ Public Statistics Research Program for 2011 (*Program badań statystycznych statystyki publicznej na rok 2011*), Attachment to the Regulation of the Council of Ministers of 9 November, 2010, on 2011 Public Statistics Research Program (Journal of Laws of 2010, No 239, item 1594), p. 163, http://www.stat.gov.pl/cps/rde/xbcr/bip/BIP_pbssp2011_12.doc (as available on 31.07.2013)

Conclusions/recommendations

This study and the data from subsequent editions of similar surveys can be used to analyze the determinants underlying educational choices of young people, and then to prepare the promotion of the so-called 'preferred' university majors, indispensable for successful performance of country's economy. Survey results could also be used to develop national programs aimed at developing the right quantity and quality of future professionals for broadly defined economy. Furthermore, the study can also help determine educational needs on the A&A market (once the sample is increased.)

6.2.10. Education of adults⁴⁰¹

Analogically to the previous study, the survey on the education of adults is a periodic one and it is conducted every few years. The study is done by means of a technique of a direct interview with the respondent, without the possibility of a substitute interview, using paper questionnaires: KD-1G, education of adults, household questionnaire – which is dedicated for every household in a randomly selected dwelling unit; and KD-1I, education of adults, personal questionnaire – to be completed by every individual aged 18-69 included in the study. In 2011 the interviews were held in 14.2 thousand households.

The main purpose of the study was to collect information about adult participation in formal, non-formal and informal education over the last 12 months directly preceding the date of the interview, in association with socio-demographic characteristics of those individuals. The study took into account foreign language skills, computer skills, and respondent participation in cultural events and social life.

The data obtained in the study pertains to the size and structure of the population of people who benefit from the system of school education, learn outside of the system of school education, or on an informal basis, in connection with such characteristics as gender, age, place of residence, level and field of educational attainments, and description of educational endeavors such as: type, level and field of education, time spent learning, reasons underlying the decision to take on learning, the use of new knowledge or skills, methods of informal learning. Other features include: level of education of both parents, computer skills, foreign language skills, involvement in cultural events and family status of the respondent (including monthly income of the household) as well as his/her status on the labor market (and in the case of people in employment, characteristics of their main work place.)

Based on survey results, domestic users and international organizations can obtain information about the status of lifelong learning in Poland against the background of the status in other European Union Member States.

⁴⁰¹ Public Statistics Research Program for 2011 (*Program badań statystyki publicznej na rok 2012*), op. cit., p. 183.

The results are presented in output tables in electronic format and in a publication entitled: 'Education of Adults' ('Kształcenie dorosłych'.)

Conclusions/recommendations

This survey is quite important from the standpoint of *Europe 2020* strategy and the instruments recommended for this strategy (e.g., the program for new skills and employment), as well as the *2020 Country Development Strategy* and *Human Capital Development Strategy*. The latter aims to extend the period of occupational activity and improve the quality of life of senior citizens, *inter alia*. The findings of this 2011 survey and the ensuing analysis can support the development of educational curricula in the field of accounting and book-keeping for people aged 50 plus who want to master new knowledge and skills in that field, and the creation of a universal and appealing lifelong learning system.

6.2.11. Human Resources for Science and Technology (HRST)⁴⁰²

It is a regular survey focused on the size of the population of people employed in so-called S+T professions and/or equipped with tertiary education and potentially able to do the work which involves creation, development, dissemination and application of scientific and technological knowledge in accordance with the approach presented in the *Canberra Manual* (an international methodology manual) in scope of HRST population size and demographic, social and occupational characteristics of people who are the members of that population.

The research includes individuals with tertiary education and individuals who practice S+T professions, and it is focused on the number of:

- individuals with tertiary education in Poland, by gender and social and occupational characteristics;
- individuals who practice S+T professions, by gender and social and occupational characteristics;
- individuals with tertiary education migrating to and from Poland for permanent residence;
- students, including foreigners and graduates of higher education facilities, by gender and university major;
- Ph.D. students, in the breakdown by the field of science;
- Members of the Polish Academy of Sciences.

Information in that regard is provided each year by: the Chancellery of the President of the Republic of Poland (with regard to Professor academic titles), the Ministry of Science and Higher Education (with regard to Ph.D. and Assistant Professor academic titles), and the Polish Academy of Sciences (with regard to its members.)

⁴⁰² Public Statistics Research Program, op cit., p. 233.

Results concerning HRST population size are presented in the breakdown according to age, gender, academic degree, labor market status (employed, unemployed, economically inactive), profession, voivodship; university students in the breakdown according to their major; members of the Polish Academy of Sciences by gender and field of science. Net foreign migration of graduates (for permanent residence) is made available in a paper entitled: *Science and Technology in 2012 (Nauka i technika w 2012)*, to be released at the end of 2013.

Conclusions/recommendations

Based on that study one can obtain detailed information about the academic titles of a Professor, Ph.D. and Assistant Professor that were granted in the field of accounting.

6.2.12. REGON register

The official national register of national economy entities – REGON – can serve as another source of information about the market of accounting services. It is an official, country-wide register of national economy entities, established pursuant to Article 41, paragraph 1 of the Act on Public Statistics. Detailed rules for maintaining and updating the register are laid out in the Regulation of the Council of Ministers on the method and methodology for maintaining and updating the register of national economy entities, including templates of applications, surveys and certificates, and detailed conditions and mode of interaction of official statistics services with other authorities maintaining official records and public administration information systems⁴⁰³. REGON register is a currently updated set of information about the entities of the national economy, administered in an IT system as a central database and field databases. REGON is supposed to serve the following purposes:

- Achieve coherence in scope of identification of national economy entities entered in other official registers and public administration information systems;
- Provide a general description of entities operating in the national economy, in the breakdown according to location, ownership structure, type of activity, legal model of operation, etc.,
- Ensure uniformity of descriptions used in conceptual and classification nomenclature in all official registers and public administration information systems,
- Enable drafting a list of addresses of operating entities;
- Enable creation of data bases and data banks concerning national economy entities;

⁴⁰³ Regulation of the Council of Ministers of 27.07.1999 on the method and methodology for maintaining and updating the register of national economy entities, including templates of applications, surveys and certificates, and detailed conditions and mode of interaction of official statistics services with other authorities maintaining official records and public administration information systems (Journal of Laws of 1999, No 69, item 763, as amended.)

- Feed the database of entities elected for statistical research.

The entities required to make an entry into the official national register of national economy entities maintained by the President of Central Statistical Office (REGON) comply with this obligation free of charge.

All of the following entities are required to make an entry into REGON register⁴⁰⁴:

- Legal persons,
- Organizational units without legal personality,
- Natural persons involved in business activity (including natural persons involved in individual agricultural activity),
- Local units of the above entities.

The register contains the following information about the entities referred to above⁴⁰⁵:

- name and address of the registered office, and in the case of natural persons involved in economic activity also the full name and surname and place of residence and PESEL number, as applicable;
- NIP tax identification number, as applicable;
- identification number of partners in a partnership, as applicable, full names and surnames or name of a partnership of the partners, together with PESEL of the natural persons involved in economic activity, as applicable;
- legal status and ownership structure;
- business activity performed, including the primary type of economic activity;
- the following dates: establishment of the entity, commencement of operation, suspension and resumption of operation, entry in the register or records, termination of operation or deletion from the register or records, entry in or deletion from the register of entities;
- name of the body responsible for registration or records, name of the register (records) and the number assigned by that body;
- expected number of people employed;
- in the case of agricultural farms: overall land area and the area of land suitable for agricultural purposes;
- local units of the entities in scope as referred to above, except for the information about NIP tax identification number, and legal status and ownership structure;

⁴⁰⁴ Ibid.

⁴⁰⁵ Ibid., paragraph 5.1.

- telephone and fax number in the registered office, e-mail and web site address, provided that the entity has such data and submits it to the register.

Once the submission is made, each entity is assigned a unique REGON ID number (national economy entity identification number.)⁴⁰⁶ This number is composed of 9 digits assigned to a legal person, an organizational unit without legal personality, or a natural person involved in business activity. The first eight digits represent the ordinal number, and the last one is a control digit. In the case of a local entity, identification number is made up of 14 digits, where the first nine digits represent identification number of the legal person, the organizational unit without legal personality, or the natural person involved in business activity who established the local entity; four subsequent digits represent the ordinal number assigned to the local entity, and the fourteenth digit is a control digit for local entity identification number. Identification number is used in public administration official registers and information systems. The bodies that maintain such registers and systems are required to enter ID number and use it for communication purposes.

Rules governing access to the data in the register

REGON is an open and generally accessible register. On GUS website (<http://www.stat.gov.pl/regon>) one can find a search engine of national economy entities which were entered in the REGON. Using REGON or NIP ID number of the entity, anyone can verify the information about the entity, as submitted to the register.

Statistical offices provide the information **free of charge** to⁴⁰⁷:

- organs that maintain other official registers and public administration information systems - periodically: the lists of registered entities, their ID numbers and coded description of information included in the register,
- central and self-government administration units, other government institutions, the Supreme Audit Office (NIK), the National Bank of Poland (NBP), the General Inspector for Personal Data Protection (GIODO), counterpart bodies, units and entities from European Union Members States, EFTA Members States – parties to the Agreement on the European Economic Area, countries which signed the agreement on the freedom of service provision with the European Community and its Members States, and the European Commission: upon their written motion - extracts from the register of entities,
- State Labor Inspectorate (PIP) and State Sanitary Inspectorate (PIS) – by default, quarterly, the information gathered in the register of entities on the entities that declare increasing their employment, together with their assigned ID numbers and coded description of information included in the register.

⁴⁰⁶ When an entity is de-registered, its ID number is maintained in the historical archive and is no longer used to identify that entity.

⁴⁰⁷ Act on Public Statistics, Article 44, paragraph 2.

The range of the information stored is pre-agreed and indispensable for the performance of tasks of those organs or institutions.

Individual requests for extracts from REGON register are satisfied **against payment** and they may apply to the following information⁴⁰⁸:

- REGON identification number,
- Entity name,
- Registered office address,
- Telephone and fax number in the registered office, e-mail and web site address, provided that the entity has provided such data in its information to the register⁴⁰⁹,
- NIP tax identification number,
- Legal status,
- Ownership structure,
- Business activity performed, including the primary type of activity,
- The following dates: establishment of the entity, commencement of operation, suspension and resumption of operation, entry in the register or records, termination of operation or deletion from the register or records, entry in or deletion from the register of entities,
- Name of the body responsible for registration or records, name of the register (records) and the number assigned by that body,
- Local units of the entity.

REGON information can be made available by Statistical Offices (voivodship level) or by the Central Statistical Office (national or pan-regional level) upon submission of a written request to the address of the Statistical Office in the voivodship or GUS Information Department (gratuitous requests), or to GUS Statistical Information (commercial requests.) Addresses of those institutions can be found on the website of Statistical Offices or the Central Statistical Office (GUS.)

Every month GUS presents on its website the data on the number and structure of national economy entities entered in the REGON register as of the end of the month, compared to the analogical data for the end of the previous month (without natural persons involved in individual agricultural activity.)⁴¹⁰ Any user may access (free of charge) the information about national economy entities presented according to different profiles and applicable to:

⁴⁰⁸ Act on Public Statistics, Article 45, paragraph 3.

⁴⁰⁹ However, a third party cannot obtain information about telephone and fax number, e-mail and web site address of a natural person involved in economic activity subject to registration in the Central Register and Information on Business Activity (Polish: CEIDG.)

⁴¹⁰ http://www.stat.gov.pl/bip/389_5685_PLK_HTML.htm (as available on 12.08.2013)

- entities by expected number of people employed and PKD section and division,
- entities by expected number of people employed and by voivodship, sub-region, county and municipality,
- entities by PKD and by voivodship, sub-region, county and municipality,
- entities recently registered in the REGON by PKD section and division,
- entities recently registered in the REGON by voivodship, sub-region, county and municipality,
- entities de-registered from the REGON by PKD section and division,
- entities de-registered from the REGON by voivodship, sub-region, county and municipality,
- entities by PKD section and division,
- entities by voivodship, sub-region, county and municipality,
- natural persons involved in business activity (without natural persons involved in individual agricultural activity) by PKD section and division and by voivodship, sub-region, county and municipality – status as of the end of the month.

Conclusions/recommendations

REGON information can be used to determine the number of enterprises which on the RG-1 application form (application with a request for the entry in the national official register of national economy entities or for changing the parameters of the entry) declare that accounting, book-keeping and tax advisory services represent their primary, secondary or tertiary (etc.) type of business activity (69.20.Z.) Using the REGON register one can specify the number of such enterprises, determine how many people they employ, in what region (voivodship, city, county, etc.) they operate; what their ownership structure and legal form look like, *inter alia*. This information can serve as the basis for quantitative as well as qualitative analyses in those enterprises in order to diagnose and review their performance, the services offered and their scope, key clients, etc. In order to enable such specification and tell which enterprises conducts activity coded under 69.20.Z as their core business and which perceive it as activity of secondary or tertiary importance, GUS must develop a program so that such data can be 'extracted' from the REGON. GUS is only required to prepare specifications of enterprises according to their primary field of activity.

On the basis of the data from REGON register concerning enterprises involved in accounting, book-keeping and tax advisory services (69.20.Z) as their secondary or tertiary business activity, side by side with the data derived from educational system at the level above junior high school and at tertiary level, one can obtain deeper knowledge about outsourcing market, its development dynamics, future prospects and potential locations.

6.2.13. Other resources⁴¹¹

Apart from the REGON register, Central Statistical Office keeps the following registers and data bases:

- TERYT National Official Registry of Territorial Division of the Country;
- DEMOGRAFIA base;
- HINEX data base;
- Local Data Bank (LDB);
- Glossary of terms;
- SMA System of Meta-Information of Administration of Data Sources;
- Classification Server - a collection of statistical classifications and nomenclatures;
- Polish Public Statistics;
- Base of passwords and synonyms - search engine of classifications and precedents;
- Database of classifications precedents;
- Cross-Border Friendship Database (CBFD);
- Statistical Analysis Plan.

The **Local Data Bank** deserves special attention as far as accounting services are concerned. The bank operates pursuant to internal provisions and regulations laid out by the President of GUS, and its goal is to collect, update and disseminate the data derived from public statistics research and administrative information system in local and regional spatial layouts. LDB contains information about economic, demographic, social and environmental situation of territorial units such as: country, voivodship, county, municipality, statistical locality; regions and sub-regions (in line with the Nomenclature of Territorial Units for Statistics/NUTS); functional areas, and the areas delimited in accordance with the needs of various user groups.

Local Data Bank offers data from the following areas: territorial division, territorial self-government, system of justice, population, non-profit sector, labor market, compensation and social welfare benefits, agriculture, forestry, hunting, transport and communication, condition of the environment and environmental protection, science and technology, financial situation of enterprises, EU funds, housing, industry and construction, materials and fuel and energy market, municipal economy, prices, trade, catering, tourism, pre-school care, primary education, junior high education, education at above-primary and above-junior high level, tertiary education, health care and social welfare, art and culture, physical culture, sport and recreation, business entities, ownership and structural transformation, income and

⁴¹¹ Information derived from a GUS study entitled: *Rejestry i bazy danych prowadzone w GUS 2014 [2014 GUS Registers and Databases]*: http://www.stat.gov.pl/bip/index_PLK_HTML.htm (as available on 21.08. 2013)

expenses of territorial self-government entities, investments and fixed assets, regional accounts, national universal censuses in 1988, 2002 and 2011, and universal agricultural censuses in 1996, 2002 and 2010.

Local Data Bank is updated with an annual frequency, and the data is collected on the basis of primary and secondary research carried out within the framework of Public Statistics Research Program, and on the basis of the contents of administrative registers and information systems.

Local Data Bank also includes a module with short-term data, updated with a monthly, quarterly or semi-annual frequency on the basis of results obtained from surveys conducted more frequently than on an annual basis. Data sources include GUS reports, information systems, administrative registers; voivodship and central documents concerning: the balance of population status and structure; marriages; divorces; births; deaths; migrations; livestock; purchase of major agricultural products; investments and fixed assets; economic activity of the population; social welfare benefits; salaries; prices; industry and construction; tourism; automobiles; financial results of companies; national economy entities; monitoring of the use of European funds, the Cohesion Fund, and the resources allocated to the implementation of Operational Programs.

Conclusions and recommendations

Of all GUS resources named above, two databases may be of high significance from the standpoint of analysis of A&A market and its future, namely: the Local Data Bank and Demographics. Each of these bases can serve general analytical purposes (as a starting point for in-depth analyses) on A&A market, its prospects, determinants, potential staffing shortages in different regions caused by external and internal migrations, *inter alia*, birth rate, pace of population ageing, etc. In the case of the Local Data Bank, special emphasis should be put on population data, 2011 census results, labor market, education above junior high level and tertiary education, business entities, etc.

6.3. Data collected by other stakeholders

6.3.1. Ministries

Ministry of Finance

1. Tax advisor

- a. List of individuals entered on the list of tax advisors and deleted from the list: Entry number and date, Full name and surname, Place where advisory services are rendered (registered office) or information that the individual does not practice the profession; Information is provided to MoF on an ongoing basis (KRDP has 14

days to notify the ministry, counting from the date of entry.) Publication in the form of announcement in MoF Official Journal.

- **Accessibility and frequency:** Public, publication within 60 days from notification by KRDP
- **Source of data:** Official Journal of the Minister of Finance, <http://www.mf.gov.pl/ministerstwo-finansow/minister-finansow/dziennik-urzedowy>
- **Comments**
 - Supervised by Tax Policy Department; publication on an ongoing basis, it includes individuals reported during a given period;
 - no other data about advisors is available.
 - Lack of a consolidated list of individuals with qualifications (publications in subsequent journals appear as KRDP information about individuals entered on that day on the list is received).

2. Provision of book-keeping services

- a. List of individuals with certificate of qualifications: Certificate number, Full name and surname. Additionally, a register of changes in personal data of individuals with certificate of qualifications is maintained.
 - **Accessibility and frequency:** Public, periodically updated.
 - **Source of data:** List of individuals with certificate of qualifications: <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/egzaminy-zawodowe/certyfikat-ksiegowy/wykaz-osob-posiadajacych-swiadectwo-kwalifikacyjne>
 - **Comments**
 - Supervised by the Department of Accounting; publication on an ongoing basis, it includes individuals who obtained certificate of qualifications during a given period;
 - no other data is available.
- b. List of individuals with accountant certificate: Certificate number, Full name and surname. Additionally, a register of changes in personal data of individuals with accountant certificate is maintained.
 - **Accessibility and frequency:** Public, periodically updated.
 - **Source of data:** List of individuals with accountant certificate: <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/egzaminy-zawodowe/certyfikat-ksiegowy/wykaz-osob-posiadajacych-certyfikat-ksiegowy>

3. Internal auditors in public finance sector entities (PFSEs)

a. Number of internal auditors and service providers in PFSEs; Number of entities subject to audit; Size of audit units and their staffing; Data concerning contracts with auditors-service providers; Employment structure by qualification.

- **Accessibility and frequency:** Public – reports drafted since 2006 (the most recent one is for 2012.)
- **Source of data:** *Report entitled 'Internal audit and management control in the public sector'*, <http://www.mf.gov.pl/sprawozdania-ministerstwa-finansow> (the reports are drafted by Internal Audit Department based on the information on execution of internal audit tasks sent to the Minister of Finance by the end of January for the prior year by the entities required to adhere to that obligation.)
- **Comments**
 - Although the title of the report suggests that the report covers public sector in its entirety, in practice the reports are based on the data provided by government administration units. The reporting requirement (Article 295 of the Act on Public Finance) does not apply to TSGUs and TSGU organizational entities, therefore the data concerning those entities is incomplete (it is derived from the information provided by relevant MoF organizational units.)
 - In 2012 the layout of the report and data presentation model were changed, which makes it difficult to compare it with previous years.

b. Internal audit standards; Internal audit good practices; Professional qualifications.

- **Accessibility and frequency:** Public.
- **Source of data:** <http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/finanse-publiczne/kontrola-zarzadcza-i-audytwewnetrzny/aktualnosci1>
- **Comments:** Descriptive information.

4. Service providers who audit PFSEs

a. Number of PFSEs which use external service providers for internal audit purposes; Number of entities serviced by one auditor; Qualifications of auditors/service providers; Number and type of audit tasks done by auditors/service providers; Costs of internal audit.

- **Accessibility and frequency:** Public, study based on survey research done by Public Finance Sector Audit Department and targeted at 492 PFSEs (surveys completed by 368 PFSEs) –this research is not regular in nature.

- **Source of data:** Report entitled: *Internal audit in public finance sector entities done by a service provider*, http://finanse-publiczne.pl/materialy/MF_Prowadzenie_audytu_wewnetrznego_jednostek_fp_przez_uslugodawce_zal1.pdf. The report was developed by Public Finance Sector Audit Department in May 2012.
- **Comments:** The report supplements the data presented in the report entitled *Internal audit and management control in the public sector for 2012*.

5. Tax and contribution payers (in terms of the type of accounting records)

- a. A comprehensive system (linked to REGON and PESEL registers and tax office information databases) concerning Polish taxpayers and social security (ZUS) contribution payers. It contains the following data, *inter alia* (in accordance with the declarations made by the entities): Type of accounting records maintained; Method of accounting records keeping (without assistance/accountancy firm); Addresses of taxpayers and accountancy firms (potentially); Legal form of business.
 - **Accessibility and frequency:** The register is not public; data disclosure rules are laid out in specific regulations; direct access to the system is granted to: the Minister of Finance, Tax Chamber Directors, Heads of Tax Offices, the Chief of the Customs Service, Customs Chamber Directors, Heads of Customs Offices, tax inspection authorities and the Inspector General for Financial Information. Additionally, the register is accessible, in part, to the following institutions: courts, prosecutor's offices, tax authorities, customs authorities, Social Security Institution (Polish: ZUS), Internal Security Agency, Central Anticorruption Bureau, Military Counterintelligence Service, the Police, public statistics agencies, and the agencies that administer public registers.
 - **Source of data:** Central Register of Entities – National Register of Taxpayers (CRP KEP) – register administered by the Department of Tax Administration in the Ministry of Finance.
 - **Comments**
 - No information about the form of taxation and taxpayer ownership;
 - No statistics derived from the data collected;
 - CRP KEP is built on the data/information declared by the entities, and it is not verified for accuracy or timeliness.

Ministry of Labor and Social Policy

1. Unemployment in A&A professions

- a. Number of the unemployed (by profession) during the period of 6 months (half a year) and at the end of that period (including people without employment for a period of: 1 month, 1-12 months, and longer than 12 months), also in the breakdown by voivodship; Number of job vacancies and career activation openings during the period of 6 months (half a year) and at the end of that period. Data in Excel file format.
- **Accessibility and frequency:** Public, data at the end of each half-year period since 2004.
 - **Source of data:** Registered unemployed and job offers by profession and specialization, <http://www.mpips.gov.pl/analizy-i-raporty/raporty-sprawozdania/rynek-pracy/arejestrowanibezrobotniorazofertypracywedugzawodwispecjalnoci/>
- b. Inflow of the unemployed and job offers (by profession) and the intensity rate of the deficit/surplus in a given year, number of registered unemployed at the end of the year (including people without employment for longer than 12 months.) Data in Excel file format.
- **Accessibility and frequency:** Public, data at the end of each half-year period since 2007.
 - **Source of data:** Deficit and surplus professions: <http://www.mpips.gov.pl/analizy-i-raporty/raporty-sprawozdania/rynek-pracy/zawody-deficytowe-i-nadwyzkowe/>

2. A&A professions

- a. Profession description; Qualifications; Positions; Description of tasks and obligations. In a group of 253 standards, 6 are related to A&A market: Financial Specialist (241204), Accounting Specialist (241205), Tax Advisor (241903), (independent) Accountant (343201), Accounting Assistant (412102), Employee working in a financial and accounting unit (341990) – excerpt from the standard.
- **Accessibility and frequency:** Public; standards are developed by Labor Market Department – the set of standards is enhanced and developed on a continuous basis.
 - **Source of data:** Professional qualification standards available at: www.standardyiskolenia.praca.gov.pl or www.kwalifikacje.praca.gov.pl
 - **Comments:** Standards developed on the basis of previous classification of professions and specializations (KZiS 2007); other qualification standards are missing.

Ministry of Justice

1. Deregulation of professions

- a. Scope of deregulation for 3 tranches, including the rationale for draft deregulation laws (qualitative and quantitative analyses) and outcomes of social consultations – in the breakdown according to deregulated professions.
 - **Accessibility and frequency:** Public.
 - **Source of data:** <http://ms.gov.pl/pl/deregulacja-dostepu-do-zawodow/>

Ministry of Science and Higher Education

1. Academic teachers (including in social sciences)

- a. Number of academic teachers by academic degree and title in the field of social sciences (as of 31.12.2012); Number of academic teachers in the field of social sciences, by voivodship.
 - **Accessibility and frequency:** Public.
 - **Source of data:** Report entitled: *Science in Poland in 2013*
http://www.dsw.edu.pl/fileadmin/ULS/Nauka_i_badania/PAN/RAPORT_NAUKA_W_POLSCE.pdf
 - **Comments:** First edition.

2. Science employees – academic teachers / higher education

- a. Figures concerning scientific employees; Register of scientific employees and academic teachers with a search engine enabling search of science employees/academic teachers by the following characteristics: name and surname, scientific degree, science field, area, discipline, specialization.
 - **Accessibility and frequency:** By and large, public; a part of the system is available only to public administration employees.
 - **Source of data:** POL-on (higher education integrated information system)
<http://polon.nauka.gov.pl/>

6.3.2. Professional self-governing organizations

National Chamber of Statutory Auditors (KIBR)

1. Statutory auditor

- a. Register of statutory auditors: Number of the register, Full name and surname, Type of professional practice (does not practice/is employed by an authorized entity/individual who conducts business in one's own name and for one's own account/business partner of an authorized entity/individual who is not employed

and who does not conduct business in one's own name and for one's own account, who has signed a civil law agreement with an authorized entity), Information about entry in a foreign register, Link to entities (name, address, website). Layout in accordance with the sequence of numbers in the register; there is search engine by number in the register or by name/surname.

- **Accessibility and frequency:** Public, updated on an ongoing basis.
- **Source of data:** Register of statutory auditors:
http://kibr.org.pl/pl/rejestr_bieglych
- **Comments:** The register would become much more useful if it was possible to sort the auditors acc. to those who practice/do not practice the profession, and by location (town/city) or region (voivodship) where profession is practiced.

2. Entities authorized to audit financial statements

- a. List of entities authorized to audit financial statements: Number of the entity, Name – both full and abridged, Registered address and www address, Organizational and legal form, Information about entry in a foreign register, Owners/partners (name and surname/company name, address), Members of the management board and supervisory organs, Related statutory auditors. Layout in accordance with the sequence of entity numbers in the register; there is search engine by company name, location or entry number.
 - **Accessibility and frequency:** Public, updated on an ongoing basis.
 - **Source of data:** List of entities authorized to audit financial statements:
<http://kibr.org.pl/pl/podmioty>

3. Entities that audit public interest entities

- a. List of entities authorized to audit PIEs: Number of the entity, Name, Legal form. Document in pdf file format.
 - **Accessibility and frequency:** Public, updated on a regular basis.
 - **Source of data:** List of entities authorized to audit PIEs:
http://kibr.org.pl/pl/podmioty_JZP
 - **Comments:** The list would become more useful if it was presented as an Excel file (currently it is available as non-editable pdf.)

National Chamber of Tax Advisors (KIDP)

1. Tax advisor

- a. List of tax advisors: Number of entry, Full name and surname, Location where tax advisory services are rendered or information that professions in not practiced,

Region (voivodship), Date of the entry. All the data is presented cumulative as of the current date. Data in Excel file format.

- **Accessibility and frequency:** Public, last update as of 30 August, 2013.
 - **Source of data:** List of tax advisors:
<http://www.krdp.pl/zapisz.php/plik/159>
- b. Register of legal persons authorized to provide tax advisory services: number, name – both full and abridged, registered address. Document in pdf format.
- **Accessibility and frequency:** Public, last update as of 19 August, 2013.
 - **Source of data:** Register of legal persons authorized to provide tax advisory services: <http://www.krdp.pl/zapisz.php/plik/158>
 - **Comments:** Time of update is 'concealed' in file name – no clear indication as to the date of register update. The list would become much more useful if it was presented as an Excel file (currently it is available as non-editable pdf.)

6.3.3. Associating and professional organizations

Accountants' Association in Poland (SKwP)

1. SKwP certification and training activity

- a. Number of people participating in level 1-4 courses, and the number of people who received level 1-4 certificates (in the breakdown according to 26 field branches and Certification Institute); Number of people participating in other courses and training (including so-called short ones, up to 30 h, and long ones), in the breakdown according to field branches.
- **Accessibility and frequency:** Data is not published.
 - **Source of data:** Summary list of graduates certified in 2011 and 2012 and reports on SKwP educational activity in 2007-2012.

2. Certified accountant

- a. Number of certificates issued in each year (incl.: after passing the examination, for Assistance Professors, for statutory auditors.)
- **Accessibility and frequency:** Data is not published; data since 2010.
 - **Source of data:** Annual reports on statutory activities of the Main Board.

3. SKwP members

- a. Number of regular and support members (incl.: number of new and deleted members), in the breakdown according to field branches.

- **Accessibility and frequency:** Data is not published; data since 2006 was obtained.
- **Source of data:** Information obtained directly from SKwP Main Board.

ACCA

1. ACCA members

a. Number of members, incl. by voivodship.

- **Accessibility and frequency:** Data is not published; data since 2000.
- **Source of data:** Information obtained directly from ACCA Poland.

CIMA

1. CIMA members and students

- a. Number of CIMA members and students (in Poland and worldwide); List of new CIMA members (accepted during the year); Description of qualification levels together with requirements; Amount of examination fee and other fees; Member monitoring system (every member that is logged in has access to his/her module); Information on terms and conditions for examination exemptions.
- **Accessibility and frequency:** Public data: number of members, list of new members, description of qualifications, pricelists, examination exemption policy. Non-public data: number of members and students in Poland, information about monitoring policy.
 - **Source of data:** <http://www.cimaglobal.com/Our-locations/Poland/Witaj-w-CIMA-Polska/>
 - **Comments**
 - List of new members does not include full names and surnames due to personal data protection requirements;
 - No information about the number of people taking the examinations vs. the results;
 - No information about the number of students who have completed certain qualification level;
 - No information about the number (percentage) of students following *CIMA Gateway* (the 'fast track').)

6.3.4. Supervisory authorities

Audit Oversight Commission (Polish: KNA)

1. Statutory auditors

- a. Number of statutory auditors (women/ men); Number of people who practice the profession; Number of entries in the register; Number of deletions, incl. due to causes such as: death, leaving the self-governing organization, i.e. upon request, failure to comply with any of the conditions referred to in Article 5, paragraph 2, pp. 1-3 of the Act Failure to pay membership fees, Legally binding court verdict ruling that the person must leave self-governing organization. Document in pdf format.
- **Accessibility and frequency:** Public.
 - **Source of data:** Changes in the number of statutory auditors and entities authorized to audit financial statements in 2009-2013, http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/informacje-dodatkowe/-/asset_publisher/ZL7r/content/statystyka-ilosci-bieglych-rewidentow-oraz-podmiotow-uprawnionych-do-badania-sprawozdan-finansowych?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Finformacje-dodatkowe%3Fp_p_id%3D101_INSTANCE_ZL7r%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_ZL7r_
- b. Number of statutory auditors in the breakdown according to women/men and people who practice the profession; General information concerning the efforts undertaken to ensure high quality of audit of financial statements by statutory auditors (*inter alia*, findings of inspections done by the National Supervisory Commission (Polish: KKN), decisions of the National Disciplinary Court (Polish: KSD), results of reviews of KIBR resolutions and performance of KIBR organs.
- **Accessibility and frequency:** Public, reports for subsequent years, starting from 2009, are published in March-April the following year.
 - **Source of data:** Audit Oversight Commission reports (for 2009-2013), http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/-/asset_publisher/05jC/content/sprawozdania-1?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Fplany-dzialania-i-

sprawozdania%3Fp_p_id%3D101_INSTANCE_05jC%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_05jC_

- c. Full name and surname of a third country statutory auditor, citizenship, name, website address, and address of the entity authorized to audit financial statements that employs the statutory auditor or in which the statutory auditor is a partner, or with which the statutory auditor is otherwise related.

- **Accessibility and frequency:** Public, updated on an ongoing basis.
- **Source of data:** Register of third country statutory auditors:
http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/rejestracja/-/asset_publisher/Pw4L/content/rejestr-bieglych-rewidentow-z-panstw-trzecich?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Frejestracja%3Fp_p_id%3D101_INSTANCE_Pw4L%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_Pw4L_

2. Entities authorized to audit financial statements

- a. Number of entities, Number of entries in the register, Number of deletions, including due to the following causes: Upon request, Failure to comply with the requirements specified in Article 49, paragraph 3 and Article 61, paragraph 4 of the Act, Failure to pay the annual supervision fee, Failure to take out civil liability insurance, Failure to receive inspection referred to in Article 26, paragraph 2 or 10, and Article 74, paragraph 1, In the cases referred to in Article 27, paragraph 1, point letter c, and Article 83, paragraph 1, point 2, letter c, Other; Document in pdf format.

- **Accessibility and frequency:** Public.
- **Source of data:** Changes in the number of statutory auditors and entities authorized to audit financial statements in 2009-2013,
http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/informacje-dodatkowe/-/asset_publisher/ZL7r/content/statystyka-ilosci-bieglych-rewidentow-oraz-podmiotow-uprawnionych-do-badania-sprawozdan-finansowych?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Finformacje-dodatkowe%3Fp_p_id%3D101_INSTANCE_ZL7r%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_ZL7r_

- b. Name of the entity, registered address of the head office and branches, organizational and legal form, web address; full names and surnames and business addresses of owners of partners, members of the management board and members of supervisory organs; full names and surnames and numbers in the register of all statutory auditors employed by the entity or associated with the entity as partners or otherwise; third country number in the register and name of the registration body.
- **Accessibility and frequency:** Public, updated on an ongoing basis.
 - **Source of data:** List of third country entities authorized to audit financial statements, http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/rejestracja/-/asset_publisher/Pw4L/content/lista-podmiotow-uprawnionych-do-badania-sprawozdan-finansowych-z-panstw-trzecich?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Frejestracja%3Fp_p_id%3D101_INSTANCE_Pw4L%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_Pw4L_
- c. Number of entities authorized to audit financial statements in the breakdown according to legal form of business; Analysis of the market of entities authorized to audit financial statements, in particular those that audit financial statements of listed companies (audit firms by: capitalization of audited companies, audit-generated revenues.)
- **Accessibility and frequency:** Public, reports for subsequent years, starting from 2009, are published in March-April the following year.
 - **Source of data:** Audit Oversight Commission reports (for 2009-2013), http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/ciala-kolegialne/komisja-nadzoru-audytowego/plany-dzialania-i-sprawozdania/-/asset_publisher/05jC/content/sprawozdania-1?redirect=http%3A%2F%2Fwww.mf.gov.pl%2Fministerstwo-finansow%2Fdzialalnosc%2Fciala-kolegialne%2Fkomisja-nadzoru-audytowego%2Fplany-dzialania-i-sprawozdania%3Fp_p_id%3D101_INSTANCE_05jC%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3Dcolumn-2%26p_p_col_count%3D1#p_p_id_101_INSTANCE_05jC_

6.3.5. Industry and support organizations/business environment institutions

ABSL

1. BPO/SSC

- a. Number of foreign business service centers (incl. financial and accounting services); employment in foreign business service centers (incl. in financial and accounting services).
 - **Accessibility and frequency:** Public data, reports drafted annually since 2010 (the most recent one – 2013); present the data pertaining to the previous year (e.g. the last report from 2013 describes 2012 status.)
 - **Source of data:** Reports: *Sector of modern business services in Poland* <http://www.absl.pl/pl/reports>
 - **Comments:** Reports take into account only service centers with foreign capital; comparisons are not possible due to the way in which the data is presented in subsequent years.

Institute of Internal Auditors

1. Internal auditors (incl. in PFSEs)

- a. Forms and rules of IIA membership, Types of professional qualifications for auditors (information about rules, requirements, examinations).
 - **Accessibility and frequency:** Public data.
 - **Source of data:** <http://www.iaa.org.pl/>
 - **Comments:** Descriptive information.

Polish Information and Foreign Investment Agency (PAIIIZ)

1. Outsourcing of accounting services/ BPO/SSC sector

- a. Company name (protected data – undisclosed); Outsourcing processes that represent the type of services provided; Employment in the company; Location; Country of origin of capital; Type of entity (BPO/SSC/IT).
 - **Accessibility and frequency:** Data is not published, Database is updated on an ongoing basis.
 - **Source of data:** BPO/SSC/IT sector companies.

Polish Agency for Enterprise Development (PARP)

1. SMEs

- a. Number of SMEs; Number of employees working in the SME sector, (this data is presented according to sector-based profile – by section of Polish Classification of Activities and by region (breakdown into voivodships), ownership sector and company size; Structure of micro-enterprises according to the form of taxation (type of record-keeping) – data included in the latest report (for 2010-2011.)
 - **Accessibility and frequency:** Reports have been published since 1995 (the report concerning SME sector in 1994.) The latest report contains analysis for 2010-2011.
 - **Source of data:** *Reports on the status of small and medium-sized enterprises in Poland* <http://www.parp.gov.pl/index/index/106>
 - **Comments**
 - o The most comprehensive source of statistics about SME sector in Poland.
 - o The data on A&A market structure in the SME sector including, *inter alia*, SME structure by the form of taxation and by the type of record-keeping, was only put in the latest report.

6.3.6. Other

1. Compensation in A&A professions/ positions - in the reports of selected HR consultancy firms

- a. Bottom and top quartile and median for 17 positions in the following groups: internal audit (2 positions), shared service centers (7 positions), controlling (3 positions), accounting (3 positions), fund accounting (2 positions); Sources of information about employers and work portals used over the last 6 months; Additionally, for some professions changes in the median depending on qualification certificates. Methodology: more than 3.5 thousand people were analyzed. Information about individual positions/jobs is based on 20-200 people from all over Poland, but in 31% from Warsaw agglomeration.
 - **Accessibility and frequency:** Data collected in the period of September-November 2012, no information about reports for previous periods.
 - **Source of data:** Goldman Recruitment Salary survey 2013. Finance and accounting, banking and insurance, advisory services and audit, Goldman Recruitment, report available at:
<http://www.goldmanrecruitment.pl/salary-survey-2013> (as available on 01.09.2013)

- **Comments:** Goldman Recruitment – HR consultancy specializing in selection of specialist managers and directors for positions in the field of finance and banking.
- b. Average compensation for 8 professions (accountant, independent accountant, chief accountant, CFO, financial manager, controlling manager, risk management specialist, financial analyst.) Methodology: research based on draft recruitment projects from all over Poland, compensation averaged for the entire country. No information about sample size.
- **Accessibility and frequency:** Data for 2012, No information about reports for previous periods.
 - **Source of data:** *2013 Salary Report. Labor Market Trends. Finance and accounting*, Hays, report available at: http://hays.pl/centrum-mediowe-hays/HAYS_712233 (as available on 01.09.2013)
 - **Comments:** Hays – HR consultancy firm specializing in accounting and finance, *inter alia*.
- c. Compensation (minimum, maximum and most frequently offered) at 11 positions in BPO/SSC industry in the following voivodships: Śląskie, Dolnośląskie, Wielkopolskie, Małopolskie, Pomorskie, Mazowieckie, in the breakdown into foreign language skills: a) j. English b) English+ French/German/Spanish/Italian, c) English + Dutch/Swedish/Norwegian/Finnish/Turkish/Greek. Methodology: no information.
- **Accessibility and frequency:** Data for 2012, No information about reports for previous periods.
 - **Source of data:** *Salary Report. Compensation in the 1st half of 2011. Modern Business Services*, Hays, report available on the website in pdf format.
- d. Compensation (minimum, maximum and most frequently offered) at 18 professions/positions. Research methodology - two sources: 1) *Page Personnel* database, 2) information collected from recruited individuals. All the information pertains to individuals employed by the branches of international companies from Warsaw agglomeration who speak English at the intermediate level, at the minimum. No information about sample size.
- **Accessibility and frequency:** Data for 2012, No information about reports for previous periods.
 - **Source of data:** *2013 Salary Report. Finance and Accounting*, Page Personnel, report available at: http://www.pagepersonnel.pl/media/ppde/Docs/SalarySurveyFinance_PP_PL_2013-web.pdf (as available on 01.09.2013)

- **Comments:** Page Personel – HR consultancy firm specializing in accounting and finance, *inter alia*.
- e. Minimum and maximum compensation for 25 professions/positions in 8 cities (Warsaw, Wrocław, Łódź, Gdańsk, Szczecin, Katowice, Cracow, Poznań). Methodology: no information.
- **Accessibility and frequency:** Data for the 2nd half of 2012, report for the 1st half of 2012 is available. No information about reports for previous periods.
 - **Source of data:** Salary Report July-December 2012, Cpl Jobs, report available at: <http://cpljobs.pl/raporty-cpl-market-flash/> (as available on 02.09.2013)
 - **Comments:** Cpl Jobs – recruitment company specializing in accounting and finance, *inter alia*.
- f. Enables multi-dimensional comparisons with salary market in Poland; presentation in the breakdown according to: voivodship, industry, sector of activity, and by factors such as company size, turnover amount, etc.; includes information about pay-rises given in the past year and planned for the following year; Methodology: salary data is derived directly from employers' HR Departments; it is not collected via Internet surveys; statistical processing of the data is based on original (proprietary) methodology; data is obtained from 316 companies, it is not clear how much is applicable to financial and accounting positions (status as of 02.09.013.)
- **Accessibility and frequency:** Access against payment.
 - **Source of data:** Comprehensive Salary Report: <https://raportplacowy.pl/pl/productother,list,1.html>.
 - **Comments:** *RaportPlacowy.pl* portal in cooperation with Advisory Group TEST Human Resources consultancy firm (which has been preparing salary reports since the end of 1990's.)
- g. Value of total compensation expected by employees at selected positions in outsourcing centers and the limits of acceptability of those expectations by employers, and information about differences in pay expectations in the case of positions associated with the Main Ledger; Methodology: salary data is derived directly from employers' HR Departments; it is not collected via Internet surveys; statistical processing of the data is based on original (proprietary) methodology; data is obtained from 316 companies, it is not clear how much is applicable to financial and accounting positions (status as of 02.09.013.)
- **Accessibility and frequency:** Special analysis (upon request); access against payment.

- **Source of data:** Analysis of expectations of candidates applying for a job in Shared Services Center with a financial and accounting profile: <https://raportplacowy.pl/pl/static,przykladowe-analizy.html>
 - **Comments:** *RaportPlacowy.pl* portal in cooperation with Advisory Group TEST Human Resources consultancy firm (which has been preparing salary reports since the end of 1990's.)
- h. For 13 positions/professions: total remuneration, salary breakdowns, histogram distribution of wages at a given position, relationship of fixed and variable part of the salary, non-salary benefits, salaries at management level, pay rises at management level. Methodology: salary data is derived directly from employers' HR Departments; it is not collected via Internet surveys; statistical processing of the data is based on original (proprietary) methodology; data is obtained from 316 companies, it is not clear how much is applicable to financial and accounting positions (status as of 02.09.013.)
- **Accessibility and frequency:** Access to total compensation data free of charge; access to all remaining data against payment.
 - **Source of data:** Full analysis of compensation for a position, spring 2013, available at: <https://raportplacowy.pl/pl/detail,area,696,finanse-i-ksiegowosc.html>, (as available on 02.09.2013)
 - **Comments:** *RaportPlacowy.pl* portal in cooperation with Advisory Group TEST Human Resources consultancy firm (which has been preparing salary reports since the end of 1990's.)
- i. Report consists of three parts: (1) Data about compensation at 5 career levels (director/executive, manager, senior specialist, specialist, regular employee, in the breakdown by voivodship, company size, industry and origin of capital (Polish vs. foreign); (2) Compensation at 21 most popular positions: distribution of base and total compensation (1st and 3rd quartile, median, average, 1st and 9th decile), additional benefits, amount of compensation at the position depending on: company type (staffing numbers, capital and industry), region (voivodship, city), employee education and experience (educational attainments, foreign language skills, tenure, age and gender); (3) Summary of base and total compensation for 21 positions discussed in the report. Methodology: data for individual positions - from 31 to 1029 people.
- **Accessibility and frequency:** Report available against payment. It is also possible to obtain the 2010 report, and at the turn of September/October 2013 the report for 2013 is available (all the time against payment.)
 - **Source of data:** *Salaries in Finance and Accounting in 2012*, Sedlak & Sedlak, p.101, <http://wynagrodzenia.pl/raporty.php>

- **Comments:** *Wynagrodzenia.pl* portal administered by Sedlak & Sedlak HR consultancy firm since 2002.

2. PKD 69.20.Z – Accounting and book-keeping services, tax advisory services

- a. Number of entities with that code at the end of each quarter; Location of entities by region (number), Structure of the above-mentioned entities acc. to legal form, ownership and staffing numbers, Key aggregated economic parameters (equity, total assets, net revenue, net result) and averaged financial indicators (ROA, ROE, ROS, DR) for 2010 for the biggest entities in the industry, Key economic parameters (equity, total assets, net revenue, net result) and averaged financial indicators (ROA, ROE, ROS, DR) for 2010 for 20 out of 36 biggest entities in the industry, in terms of net revenue generated in that period.
 - **Accessibility and frequency:** Data updated as of the end of each quarter starting from 31.12.2009 (the most recent data as of 31 March 2013 – as available on 30.09.2013)
 - **Source of data:** <http://www.rynkometr.pl/pkd/69.20.Z>
 - **Comments:**
 - o **Rynkometr.pl** – base of knowledge about Polish economy and entrepreneurs and the most extensive generally accessible financial ranking list of Polish enterprises on the web. It takes into account information from various sources: quarterly statistics (starting from 31.12. 2009) from REGON and selected information from financial statements of **12 297** major entities, published in '*Monitor Polski B*' official gazette, assigned to individuals industry groups on the basis of prevailing activity code declared in the REGON register (as per PKD 2007.)
 - o Data is updated with a significant time lag (on September 30, 2013, data as of the end of the 1st quarter of 2013 was available – a 6 month time lag.)

3. Accountancy firms (voluntary certification)

- a. List of certified accountancy firms (acc. to Accounting Information Center [Polish: C.I.K.] criteria) arranged in alphabetic order (by name) for individual cities/surrounding areas.
 - **Accessibility and frequency:** Data updated on an ongoing basis.
 - **Source of data:** <http://www.cik.org.pl/>
 - **Comments**
 - o C.I.K. (Accounting Information Center) aims to improve the quality and increase the standards of accountancy services offered on Polish

market and to promote fair competition.

- The list only includes firms that volunteered (having met certain criteria) or were put forward by the clients.
- PIBR (Polish Chamber of Accounting Offices) is also supposed to get involved in certification of accountancy firms (<http://pibr.pl/>), but as of 10.10.2013 no such list was available on the website.

4. Science employees – academic teachers

- a. Data and information about individuals holding scientific degrees and titles in the breakdown according to: Various classifications (e.g., Central Commission for Academic Degrees and Titles [Polish: CKSST], Dictionary of Fields and Disciplines [SDD], etc.); Specialization; Gender.
- **Accessibility and frequency:** Public, data updated on an ongoing basis.
 - **Source of data:** SYNABA portal (Nauka Polska - Ludzie Nauki). http://nauka-polska.pl/shtml/raporty/raporty_ludzie.shtml
 - **Comments**
 - Database maintained since 1991 by the Information Processing Center.
 - No explanation on some of the classifications used,
 - Some boxes with categories are 'inactive' – without underlying explanation, due to which the database is incomplete.

5. Internal auditors

- a. Employment in audit units of surveyed companies; Employment structure acc. to qualifications.
- **Accessibility and frequency:** Editions: 2009, 2012, 2013.
 - **Source of data:** Internal audit in Polish companies, survey results http://grantthornton.pl/audyt_wewnetrzny_w_polskich_spolkach_trzecia_edycja_raportu
 - **Comments**
 - Research was carried out by Grant Thornton audit and consultancy firm; in the case of 2013 edition the survey was done in the period of March-May 2013;
 - Surveys were targeted at individuals responsible for internal audit function in Polish companies (30 companies responded).

6. Micro and small enterprises

- a. Structure of surveyed entities in the breakdown according to the approach to accounting records-keeping (without assistance – manually, without assistance

with the use of a software application or Excel; by an accountancy firm); Structure of surveyed entities in the breakdown according to the form of accounting records; Reasons why accounting is done by the enterprise without assistance.

- **Accessibility and frequency:** Public.
- **Source of data:** Report entitled: Accounting in micro and small enterprises in Poland - 2011, <http://www.slideshare.net/infakt/raport-ksigowo-w-polsce-2011>.
- **Comments:** Research was carried out by inFakt.pl portal in cooperation with 4P research mix at the turn of 2010 and 2011 (in the form of a web survey); 450 enterprises participated - companies employing between 0 and 49 people, from all over the country.

7. Outsourcing of accountancy services

- a. Percentage of users of outsourcing of accountancy services. Data concerning outsourced processes and services. Outsourcing partner selection criteria.
 - **Accessibility and frequency:** Public.
 - **Source of data:** Nationwide survey of outsourcing market – 2012 http://grantthornton.pl/sites/default/files/raporty/badanie_outsourcingu_2012.pdf
 - **Comments:** Research was carried out by Grant Thornton on a nationwide sample of 400 enterprises employing more than 50 people each.

8. BPO/SSC sector

- a. Forms of employment in analyzed BPO/SSC entities; Employment and pay prospects in analyzed outsourcing centers.
 - **Accessibility and frequency:** Public.
 - **Source of data:** HR Trends in BPO/SSC Sector. ManpowerGroup Research Findings, http://www.hrnews.pl/reports/RAPORT_Trendy_HR_w_sektorze_BPO-SSC_29.08.2012.pdf
 - **Comments:** Research done in April-May 2012, encompassing 10% of BPO/SSC sector in Poland.

9. On-line accountancy services

- a. Number of companies using on-line accountancy services; Description of on-line accountancy services in the breakdown according to the types of services offered, pricing, in some cases the number of clients was provided.
 - **Accessibility and frequency:** Public. Report published in January 2012.

- **Source of data:** Analysis of the market of on-line accountancy services, http://www.fundacjastarter.org.pl/tl_files/informatory/analiza%20rynku%20uslug%20ksiegowych%20online%202012.pdf
- **Comments:** Research carried out in 2010 and 2011 by 'Starter' Foundation.

6.4. Conclusions

As can be inferred from the discussion of the data collected by GUS and the review of information gathered by other stakeholders, there are segments of A&A market on which the data is quite comprehensive, collected in a structured and regular way. This is especially true of the areas which are covered by the regulatory requirement of data collection and presentation (e.g. a register of statutory auditors, tax advisors or certificates issued in connection with provision of book-keeping services.) GUS surveys can be regarded as the most reliable, verifiable and predictable source of data (since they are done within the framework of a pre-agreed research plan.)

All the surveys done by GUS, and in particular those discussed in sub-section 6.2., follow clearly defined objectives specified in Public Statistics Research Program for a given year and pertain to broadly defined labor market, education at the level above junior high, tertiary education, etc. As such, they are not dedicated to A&A market services. Nevertheless, some research conducted by GUS gives ground for certain conclusions concerning that market. For example, it contains information about:

- Estimated number of people employed in A&A professions,
- Compensation in those professions (average, mode, median, 1st and 3rd quartile),
- Interest in education in economy and administrative fields among high school and university students (on that basis one can make an estimation as to the HR potential for A&A professions),
- Number of technical high school graduates in each year in the breakdown according to professions, e.g. accounting technician, by various variables,
- Number of university students graduating from the major of finance and accounting in each year by gender, degree (BA or MA), region (voivodship) where the student graduated, and the university (public/non-public) plus the name of the university,
- Size of registered unemployment in A&A professions/specializations,
- Interest in working in A&A professions observed among foreigners.

There is lack of research into the section of A&A market that involves book-keeping and accountancy firms and tax consultancy coded as PKD 69.20Z as key activity of the firm. One can find out from REGON register how many enterprises of that kind were operating at a

certain point in time (according to GUS, there were more than 45 thousand such firms as of 30 June, 2013), in what voivodships they were located, and how many employees they hired, but there is no data whatsoever about the structure of those firms, types of their services, types of clients, etc. Moreover, in the information provided by GUS there is no data about the number of companies which reported book-keeping and accounting activity on the registration form as the activity of second and third importance, etc. This applies to foreign outsourcing firms, *inter alia*.

In order to get better insight into A&A market or its selected elements, it would be most recommended to develop a new survey and introduce it to GUS research program as a new, incidental or cyclical study, e.g. done every few years. This approach would require compliance with the procedures referred to in section 6.2. (preparation of Public Statistical Research Program.) Unfortunately, the procedure is time-consuming and long-lasting, and it requires clear identification of sources for research funding, but in the long term such a survey could yield many benefits, given the size of the sample and research reliability.

Another approach to A&A market analysis would be to introduce some modifications in the forms currently used in GUS surveys. Needless to add, this approach also requires compliance with research program procedures. It takes at least one year to introduce modifications in survey forms. On top of that, one must allow for the time needed to do the research and process the findings (unless the processing was to be done by a non-GUS team.) Research into accountancy services market done by GUS has an advantage in that GUS has the infrastructure required for such research, e.g. a reporting portal, as well as the nation-wide network of pollsters. Survey into accountancy market services can also be 'commissioned' with GUS (survey carried out outside of statistical research program), or with another research institution. This solution offers more flexibility in methodological and cognitive terms, because such a survey would not be limited/affected by other objectives and deadlines of surveys included in GUS research program. Under such circumstances one can **freely define research objectives, methods and methodology**. It would take less time to carry out such a survey in comparison to the two earlier approaches described above.

In turn, the information collected by the other stakeholders, despite its high cognitive value, has different scope and is gathered in accordance with various research methodologies. Also - most importantly - it satisfies different, often divergent, needs and purposes. This may create an impression that some research is duplicated, but on the other hand there are areas of knowledge about A&A market where information is scarce or not quite reliable (e.g. when survey results are based on a non-representative sample.)

Lack of general access to a lot of information and reluctance of some organizations/institutions to share it is yet another problem issue. It may be quite understandable in the case of entities that do research on a commercial basis, frequently upon request and with the money of the client; but it is really hard to comprehend and explain situations when some information is public and yet it is not readily accessible, and getting

access requires going through a procedure that involves official registration of the query followed by long period of waiting for the reply. It also happens that access to information is denied without any justification.

7. FINAL COMMENTS

The summary of key sources of data dedicated to accountancy services market and collected by different entities gives a rather inconsistent image, with selective treatment of the issues pertaining to that market. Data is fragmented (it is collected by various institutions), not uniform (there are no uniform classification criteria). There is no entity that would act as a coordinator, both for the market itself and for the system of collecting data and information about the market.

To be able to pursue its goals and carry out its activities, every A&A market entity needs information from other surrounding entities, and frequently acts as the creator of various information it shares (or not) with others. Currently, on Polish market for accountancy professions and services, there are organisations/institutions competent for supervising certain segments of that market, or organizations whose mission is to integrate a part of that market. For example, KIBR deals in a comprehensive manner with the segment pertaining to financial audit. International professional institutions (such as ACCA, CIMA, etc.) focus first and foremost on their members and students in Poland, popularizing and coordinating certification processes and competing with one another, in a sense. In turn, ABSL is focused on the market of outsourcing services (including those within financial/accounting profile) and its mission is to integrate BPO/SSC entities, *inter alia*.

The conducted analysis has shown, that there are certain segments of the A&A market, for which data is collected in a systematic and planned fashion. This pertains essentially to data and information, collection of which is required by the law. Those include, *inter alia*:

- information contained in registers (of statutory auditors, tax advisors, or registers of certificates for bookkeeping services);
- GUS surveys included in the Statistical Research Program for the given year – although they are not specially dedicated to the A&A market, they include a lot of valuable information allowing drawing conclusions about the market and its potential (e.g. estimated number of persons employed in A&A professions, pay levels, number of graduates of specific study majors, etc.); this data, although highly credible, is usually too aggregated, and sometimes incomplete, to allow drawing proper conclusions about phenomena and links on the A&A market.

As far as information collected by various institutions (outside state statistics) is concerned, despite its high informative value, it is characterized by varying scopes, it is collected using different research methodologies, subordinated to varying, sometimes very diverse, needs and objectives (this data is collected in table format in section 6.3 of the report).

Therefore, the most important conclusion stemming from the analysis of available data sources is absence of a single coherent system of data collection pertaining to A&A market and existence of numerous gaps in data currently collected. What is missing is, *inter alia*,

information about age, professional experience, number of years of working experience (in ranges), type of professional contract, type of work performed. For some categories of data it was possible to determine the gender, obtained professional certificates, formal education diplomas, type of employer (public entities vs private, legal format of the employer, size of the employer as per total number of employees, industries in which the entities operate). For a number of data items, voivodship was the common classification category.

A number of alternative proposals may be presented with respect to eliminate gaps in data collection:

1. The most beneficial one (providing the most complete and accurate picture) would be to prepare a new permanent or cyclical survey, (included in GUS research program); this solution requires observing obligatory procedures with respect to preparation of Public Statistical Research Program; such a survey would enable monitoring changes in A&A market, although it would be very time consuming, labor intensive and costly (time for obtaining results and their analysis, as well as cost of the survey would depend on the scope of survey, its complexity, size of sample as well as depth level of analyses; relevant calculations for results and/or analysis thereof could be performed by GUS and/or MoF employees, or a specially formed team of experts).
2. Introducing specific modifications in forms currently utilized by GUS (while maintaining GUS procedures) – detailed proposals in this scope are described in section 6.2 of the report.
3. Commissioning GUS (outside the statistical research program) or another independent research team, a separate survey, incidental or repeated at a specified interval, e.g. 3 or 5 years; this solution would be possible to implement over a relatively short period of time; in case of an incidental survey, it would only provide a snapshot (diagnosis) of the A&A market at a given moment; a cyclical survey would enable monitoring of changes (analysis of survey results, as in previous case, could be performed by various teams).

Important information about employment and pay of young people in A&A professions could be obtained by using the alumni follow-up monitoring program involving ZUS, as envisaged in the draft amendment to Act on tertiary education. If this solution is implemented, it is to modify ZUA form by introducing profession code field. This would enable, for this social group, to obtain complete information about employment in various professions (including in A&A professions).

In conclusion of the discussion presented in the report, it appears that more consistent and comprehensive image of the market of accounting and auditing services could be obtained if the stakeholders embarked on closer cooperation and information sharing, and if common framework was established for data sharing policy for the benefit of all interested parties. On the one hand, this synergy effect would help synchronize the efforts undertaken in common areas of interest, and on the other it would reduce the overall costs incurred by information

generation and use – that way, information would become a ‘common good’ of a kind. It might also contribute to more clear-cut allocation of prerogatives and mandates among different stakeholders on the A&A market, which would also foster closer cooperation.

In that context one must ask yet another important question: wouldn’t it be rational to consider the appointment of one institution as an A&A market coordinator? The first entity that comes to mind in connection with that function would probably be the Accountants Association in Poland (SKwP.) As an organization with rich tradition spanning more than 100 years, associating the biggest number of members related to A&A market, integrating both academics and practitioners, cooperating with many Polish and international institutions, SKwP might be a natural candidate for that role. It seems, however, that in the atmosphere of impending deregulation it would be completely unreasonable to try to impose any obligations in a top-down manner or to grant privileges in an arbitrary way. It should be expected, however, that in the future Poland will have developed a system similar to that observed in the UK, where membership in a professional accountants’ organization is not compulsory, but still very few accountants remain unaffiliated (more information on that topic is presented in sub-section 2.5.) The bottom-up association initiatives have already been started (cf. the initiatives for verification of reliability or even certification of accountancy firms described in point 4.4.3.) - that trend should be regarded as the consequence of deregulation of book-keeping service provision. As the market develops and the image of an accountant as a person who actively supports governance is strengthened, and together with the progress in liberalization of access to the profession, one should expect that the trend to get associated is going to set in. Membership in a professional organization on the one hand gives a member a sense of security and support in professional development, and on the other it gives the firm/institution a guarantee that the member of the organization is a commensurate professional.

Authors of the report hope that this work will offer some insights into the complexity of accounting and auditing services and, most importantly, will inspire the stakeholders to examine those areas of the market which have been overlooked to date. In consequence, it will be possible to adjust the system of collection of data about A&A market to stakeholder needs.

8. SUMMARY

8.1. Objective and subject of the study

Report “Accountancy Market and Professions in Poland” was created within the framework of Financial Reporting Technical Assistance Program (FRTAP), which aims to provide support in implementing sustainable institutional and legal foundations in scope of financial reporting.

Support for Poland pertains to the component named *Analysis of market for accounting services and professions*. Underlying objective of the project is to help Polish institutions to create and implement a sustainable and regular system for collection and analysis of statistical data related to accounting professions in Poland.

Incremental objectives of the component are as follows:

- 1) identifying place and scope of existing information infrastructure,
- 2) identifying gaps in collected data,
- 3) proposing a method of eliminating those gaps,
- 4) supporting partners in implementing agreed actions.

This report is a result of works undertaken during the first phase part of the research, i.e. it pertains to items 1) and 2).

Research covered the accounting services segment in all sectors of the economy. The authors have tried to include all relevant issues, important from the perspective of:

- accounting/auditing companies, including BPO/SSC centers,
- employees in accounting,
- professional organizations,
- schools, universities and certifying institutions,
- various business environment institutions.

Subject of the study was the market for accountancy professions and services in Poland. The report uses terms *accounting professions/accounting professions market* interchangeably with terms *A&A professions/A&A market (Accounting and Auditing)*. The terms *auditor* and *audit* are used in its broad sense, i.e. including both external and internal auditors, referring not only to financial auditing, but also other areas of functioning of enterprises/institutions. In Polish, the term “audit” has a broader meaning than just the financial audit (financial audit is only one of the areas of audit), and auditor is not the same as statutory auditor (an auditor may control and inspect various areas of an entity’s operation, not just perform financial audits).

As far as financial auditing market (and statutory auditor profession) is concerned, the analysis includes those aspects, which are closely related to the main focus of this study (market for accountancy related professions and services), as analysis of auditing services market is tackled under a separate, dedicated study within the framework of FRTAP.

This report is a result of works undertaken during the first phase of the research. The objective of this phase was to review existing information in scope of accounting services market, as well as existing resources and human resources potential in terms of persons connected, in broad sense, to accounting.

Knowledge of the market for accounting services and professions is indispensable for informed decision making by all the entities, which are in any way connected to this market. Decisions may pertain to e.g.:

- directions for education and further professional development of human resources in the field of accounting,
- selection of instruments to counteract unemployment on the accounting and auditing labor market,
- investing in accounting and auditing services market (including by outsourcing centers).

Moreover, knowledge of the market of accounting professions is one of the most important factors, which should be taken into consideration when working on target structure of financial reporting in Poland.

Informed decision making in the area of accounting requires completeness of information, which can be ensured by designing and implementing an appropriate information collection system and a proper information infrastructure. This report is intended to indicate the existing sources of information about accounting services market, and present the resulting picture of the market. This picture cannot be considered a complete and exhaustive study. It should be emphasized, that the objective of the study was to reach all possible information resources, both those considered comprehensive, complete and reliable and those not verified in this respect. However, they were considered easily available enough for a potentially interested person, who might not have appropriate level of knowledge about A&A market, to seek them out. Thus, sources of this type may also serve the purpose of learning about the market for accounting professions. Tasks of the authors of the report did not include verification of credibility of such data sources.

The report is not a diagnosis of A&A market as such, but only presents its picture based on information sources available as of end of September 2013. Conducted review of sources of information about A&A market has indicated, that information is so incomplete and fragmented, that it is not possible to present a complete diagnosis of the market without primary research. Scope of this project did not envisage conducting primary research.

8.2. Research methods

Main research methods applied in preparation of this study were:

- desk research,
- content review of reports/studies (of GUS and other institutions),
- diagnostic survey in form of simple and (in limited scope) in depth interviews.

Due to bias towards qualitative character of research, targeted selection of data sources was applied, with focus on those units/bodies, which are involved in broadly understood processes of collecting statistical data in scope of operation of A&A market. Websites of main A&A market stakeholders were analyzed, with particular focus on reports, analyses and compilations as well as provisions of the law regulating their operation. An effort was made to reach all possible information resources, both those considered comprehensive, complete and reliable and those not verified in this respect.

In performing the content review of existing reports/studies, reports available online were used, and some compilations were prepared especially for this study (e.g. reports prepared by SKwP, ACCA, CIMA). All surveys performed by GUS within the past five years were analyzed, with particular focus given to those, in which the most information/data about A&A market can be found.

Diagnostic survey played a role complementary to research methods listed above. Interviews/conversations were held, among others, with employees of SKwP, ACCA, CIMA, MoF, MoEd, RIO, NBP, UP, GUS, representatives of self-government bodies, outsourcing companies, tax offices, superintendents of education. Frequently, exchange of e-mails was used to supplement personal and telephone interviews.

Most information about accountancy services and professions was collected in July and August, and partly also in September 2013.

8.3. Content of the report

The report is composed of an Introduction (1), five substantive sections (numbered 2 through 6), Final Comments (7) and this Summary (8).

1. Introduction.

Presents the scope and objective of the study, identifies A&A market stakeholders and their needs, describes research methods used.

2. Accounting related professions.

A review of classification of professions and occupations was presented here, identifying professions classified as A&A professions. The basis for identification of professions to be included in the study was the Classification of Professions and Specializations (CPS, 2010), which constitutes a systematic collection of names and specializations, based on International Standard for Classification of Occupations ISCO-08.

This chapter presents:

- formal legal requirements pertaining to regulated professions, i.e.: statutory auditor, tax advisor, A&A professions in public finance sector entities (chief accountant/treasurer and internal auditor) as well as bookkeeping services;
- professions for which there are qualification standards (financial specialist/financial analyst, accounting specialist, tax advisor, autonomous accountant, accounting assistant/accounting technician, employee of financial and accounting organizational units);
- other professions: teachers and academic teachers with accounting and other specializations (as per big groups of the CPS and positions not included in the CPS but encountered in economic practice).

3. Education paths of accountant profession.

Education directions for the purposes of A&A market on secondary and tertiary level were discussed, as well as principles of certification in A&A professions, including SKwP, ACCA, CIMA, and other certifications.

4. Labor market for A&A professions.

Labor market for A&A professions was characterized, both from demand and supply side. Among other things, influence of SME sector on accountants/auditors labor market was indicated, premises and ramifications of accounting services outsourcing both in form of bookkeeping firms and BPO/SSC centers). Qualitative and quantitative analysis was performed of professions regulated by the law. Unemployment in A&A professions was analyzed as well as information on wages of accountants/auditors. A quantitative analysis was conducted of employment in accountancy related professions (based on GUS data) and quantitative analysis of regulated professions.

5. New trends and directions of changes planned for A&A professions market.

The matter of deregulation of accountant profession was touched upon, new types of accounting services were discussed (including online accounting, banks on A&A market) and new trends in accountants education.

6. Scope of data collected by stakeholders.

Presentation of sources of data about A&A market in Poland, divided into data as:

- collected by GUS – surveys were described, such as bring the most information about the A&A market, discussing methodology of each survey, necessary for proper interpretation of statistics, construction of survey forms was analyzed in order to diagnose the scope of collected data on A&A market; based on that, recommendations were presented, enabling improvement of quality of information obtained;
- collected by other stakeholders – presented in table format, separately for each stakeholder/group of stakeholders, sources of data about accounting and auditing market other than state statistics; for individual categories, detailed scope of collected information was provided, form of presentation, frequency of updating, availability; where relevant, recommendations were presented in scope of improving the method and/or scope of data presentation.

Each of the substantive chapters ends in presentation of conclusions of that chapter (organized in separate bullet points).

7. Final comments.

Presents mostly recommendations in scope of possibility of building a system for collection of data about A&A market.

8.4. Main findings

Analyses conducted have allowed formulation of conclusions, which can be presented in a few groups:

8.4.1. Conclusions in scope of definition of an accountant and the accountant profession (Section 2 of the Report)

Accountant profession is not homogeneous, and due to variety of skills, qualifications, scopes of responsibility, it is not possible to develop a single, universal definition. In Poland, the source of such definition is the notion described by SKwP in *Code of professional ethics in accounting*. There is also a debate going on in the international arena about importance and definition of accountant profession. Particular role is played there by International Federation of Accountants (IFAC).

All types of state surveys and statistics in Poland are based on the Classification of Professions and Specializations (CPS).

CPS identifies 31 professions (out of 2360), which may be recognized as A&A professions, including:

- in group Representatives Of Public Authorities, High Level Officials And Managers – 7 professions,
- in group Professionals – 15 professions⁴¹²,
- in group Technicians and Associate Professionals – 5 professions,
- in group Clerical Support Workers – 4 professions.

This was of key importance for further stages of the research, as it set the framework for seeking information about A&A professions market.

The main conclusion with respect to the current CPS is that it does not fully reflect the reality. In some places it is excessively detailed (e.g. invoice clerk), and in some others overly general (e.g. auditor). It would be desirable to introduce a consistent level of detail for professions and specializations on specific levels of the classification. The names of professions and specializations in Polish CPS are often not aligned with names applied in enterprises and institutions and are imprecise (do not reflect the nature of activities performed within the framework of the job), which results in classification errors. Moreover, descriptions of individual professions are lacking (professional qualification standards were developed only for 6 A&A professions). In light of the above, it has to be stated that reliability of statistics based on CPS is limited.

One of proposals worth considering is direct adoption of solutions applied in international classifications (ISCO-08), where:

- Specialists in the area of accounting and bookkeeping are included in a single group *Accountants*. , Polish CPS lists 6 professions in this group (statutory auditor, controlling specialist, accounting specialist, investment accounting specialist, tax accounting specialist, management accounting specialist). Using the opportunity of work being conducted in scope of CPS amendments, it is suggested to divide professions in this group into: financial accounting specialist and management accounting specialist, and classify statutory auditors as a fully separate group.
- Accounting and bookkeeping clerks are classified in a single group *Accounting and bookkeeping clerks*. In Poland, this group includes 3 professions: accounting assistant, invoice clerk, accounting technician.

8.4.2. Conclusions in scope of education of accountants (Section 3)

Education for accountancy professions (except for the regulated professions) may take following forms:

⁴¹² Profession of tax advisor was recognized as one of A&A professions, as in Poland, tax advisors are certified to provide bookkeeping services.

- Formal (secondary and tertiary professional education), while it is difficult to determine a complete catalog of majors, which prepare graduates for work in A&A professions. Statistics show, that approximately 5% of junior high graduates and over 20% of students of tertiary schools study economics and administration majors. Conducting statistical research based on graduates of economics and administration majors is not useful in determining the human resources potential of A&A market, as this is a very large and heterogenic aggregate, including such majors as Finance and Accounting, Economics, IT and Econometrics, Management, Spatial Planning or Logistics. It is also not true, that a graduate of a major which has the word “accounting” in its name is prepared for work in financial and accounting services (this pertains even to the recently popular major Finance and Accounting, where the profile of the graduate is determined by specializations).
- Non-formal (courses, training, certification) – from year to year, number of participants of non-formal forms of education is growing; scope of training offered is also expanding (this is partly related to financing received within the framework of HC OP). Increased interest in certification confirming the highest professional qualifications, including: SKwP (per annum, approximately 4 thousand I level certificates are issued, 3 thousand of II level certificates and approximately 1 thousand of III level certificates), ACCA (approximately 100 new certified persons per year), or CIMA.
- Informal – self-improvement and practical experience, which was always necessary in accounting professions, and now were enhanced by lifelong learning approach adopted in Polish Qualifications Framework.

8.4.3. Conclusions in scope of A&A labor market analysis (Section 4 of the report)

Most important conclusions in this group are:

1. Entities providing accounting and bookkeeping services are registered under the PKD code 69.20Z “Accounting and bookkeeping services; tax advisory services”. In GUS reports, they are included in the aggregated group 69, together with legal services (excluding courts). Total number of entities under code 69 of the PKD in REGON, as of 31.07.2013, was 88 305 (2,2% of all entities in national economy). Drawing conclusions for A&A market based on such information bears too much risk of error (even if separate statistics were maintained for code 69.20Z, data would still be imprecise, as besides the accounting firms, this code includes firms providing services in scope of tax advice and financial auditing). Additionally, statistics based on REGON register only include those entities, which indicated this code as their primary activity (secondary or further activities are not included).
2. As of October 2010, employment in A&A professions (not counting micro companies) has amounted to almost 616,9 thousand persons (7,7% of total number of employed),

of which almost 90% were women. This data comes from a representative GUS survey, conducted every 2 years in entities with more than 9 employees. Drawing conclusions about employment in individual A&A professions based on this data is impossible, due to the fact that:

- information is collected based on so-called elementary groups of CPS, i.e. groups with four digit codes (while individual professions are described by six digit codes);
 - survey is conducted based on a sample of 20% of entities in national economy, not including microenterprises (so it does not include entities which constitute over 95% of total number of companies).
3. Demand for services of accountancy firms as well as labor market for accountants is largely created by small entities (including microenterprises), which according to PARP (Polish Agency for Enterprise Development) constitute 95,6% of all entities active in Poland and create 2/3 of jobs in enterprises. Demand for accounting services from this group of entities depends mostly of selected form of taxation, or VAT payer status. Unfortunately, there are no comprehensive statistics about that (GUS estimates, that approximately 66% companies maintain revenue and expense ledgers, 10% do full accounting and 20% pay a flat rate tax on registered revenues). There is also no information on how the microenterprises maintain their accounts, i.e. whether they employ an accountant, or use an accountancy firm. There is some research available, showing that approximately 50% entities outsource those services to accountancy firms, 12% employ accountants and over 30% do their own bookkeeping (however, this data cannot be seen as reliable, as the surveyed sample was too small).

It is highly probable, that some of the of the accounting services to micro-entities are provided as part of informal economy (so-called grey area). No research in this scope was found, but Polish Chamber of Accountancy Firms estimates the scope of the grey area as 25-30% of the market).

An excellent source of data about selected type of accounting documentation, or methods of maintaining it, is the Central Register of Entities, National Register of Taxpayers (CEP KEP), which collects data based on taxpayers' declarations. However, that register is confidential.

4. Persons with highest professional qualifications in scope of accounting include:
- Statutory auditors (approximately 7,1 thousand persons, of which approximately 3,6 thousand declare themselves as active practitioners),
 - Tax advisors (almost 9 thousand, of which approximately 7,8 thousand active practitioners),
 - Certified accountants (approximately 90 persons – not including statutory auditors and persons with the title of *doctor habilitatus*),

- Persons certified by: ACCA (over 1,2 thousand), CIMA (approximately 2,2 thousand, but including students).

In total, this makes approximately 19,3 thousand persons, of which 14,6 thousand active practitioners. Additionally, the group may include: chief accountants (approximately 55 thousand), financial directors (approximately 11 thousand) and chief accountants/treasurers in public finance sector entities (over 2,5 thousand). Accountants community in Poland is largely composed of members of Accountants Association in Poland (SKwP) (approximately 20 thousand persons).

Numbers quoted above cannot be simply summed up, as there is no data on persons who hold a number of certifications at the same time.

8.4.4. Conclusions in scope of directions of changes in the A&A market (Section 5)

Many new trends can be observed on the labor market for A&A professions. Some of them are already having significant influence on the market, others will probably influence it in the future.

The first group includes in particular:

- Creation and development of outsourcing centers (including those in finance and accounting). Poland is the leader in eastern Europe in scope of employment in modern business services sector: based on PAIIZ data it is estimated, that 131 of BPO/SSC centers are operating in scope of finance and accounting (F&A), and they employ over 34,8 thousand persons (of which in centers specializing exclusively in F&A services – over 3 thousand); Further development of the market is expected and resulting increase in number of job offers issued by the centers.
- Development of online accounting (this serviced is largely geared towards SME sector). According to „Starter” Foundation, in 2011 370 thousand entrepreneurs have used such services; value of the market was estimated at 400 million PLN.

Factors, which will influence situation of the market in the future include:

- Deregulation processes – II stage deregulation included the professions of statutory auditor, tax advisor, as well as providing bookkeeping services.

Deepest changes “liberating” the profession pertain to bookkeeping services (certificate in accountancy/qualifications certificate is held by almost 100 thousand persons, however it is not known how many of them actively use those certificates). As a result of deregulation, access to bookkeeping services activity has been fully liberated, i.e. the obligation to obtain the certificate in accountancy, both by way of an exam and by education and experience. It should be noted, that EU member states do not have a

uniform approach to this, i.e. levels of regulation of this type of services are very diverse. A need arises to create a mechanism for verification of quality of service provided by accountancy firms (such initiatives are already emerging, e.g. Polish Chamber of Accountancy Firms, Center for Accounting Information).

- Potential introduction of agricultural tax reform (potentially, approximately 700 thousand farms will emerge as new taxpayers) will doubtlessly contribute to increased demand for accounting services.

8.5. Identification of gaps in collected data

Review of sources of data/information about A&A market has allowed a preliminary diagnosis of information gaps with respect to the market:

1. summary of key sources of data dedicated to accountancy services market and collected by different entities gives a rather inconsistent image, with selective treatment of the issues pertaining to that market. Data is fragmented (it is collected by various institutions), not uniform (there are no uniform classification criteria), data collection is not coordinated.
2. there are certain segments of the A&A market, for which data is collected in a systematic and planned fashion. This pertains essentially to data and information, collection of which is required by the law. Those include, *inter alia*:
 - registers (of statutory auditors, tax advisors, or registers of certificates for bookkeeping services);
 - GUS surveys included in the Statistical Research Program for the given year – although they are not specially dedicated to the A&A market, they include a lot of valuable information allowing drawing conclusions about the market and its potential (e.g. estimated number of persons employed in A&A professions, pay levels, number of graduates of specific study majors, etc.); this data, although highly credible, is usually too aggregated, and sometimes incomplete, to allow drawing proper conclusions about phenomena and links on the A&A market.
3. information collected by various institutions (outside state statistics), despite its high informative value, it is characterized by varying scopes, it is collected using different research methodologies, subordinated to varying, sometimes very diverse, needs and objectives.

Most important sources of information (besides data collected by GUS) for various segments of the A&A market are presented below:

- regulated professions – registers maintained by KIBR and KRDP,
- certification in A&A professions – certifying institutions, i.e. SKwP, ACCA, CIMA, others,

- academic teachers and students of economics majors – POLON system,
- entities providing bookkeeping services – REGON and CEP KEP,
- unemployment in A&A professions – reports of Minister of Labor and Social Policy.

Information infrastructure in other areas of A&A market (including data on employment and wages) is very poor.

8.6. Recommendations

Review of sources of data/information about A&A market has allowed formulation of preliminary alternative recommendations with respect to eliminating identified information gaps:

1. The most beneficial one (providing the most complete and accurate picture) would be to prepare a new permanent or cyclical survey, (included in GUS research program). Such a survey would enable monitoring changes in A&A market, although due to obligation of observing obligatory procedures with respect to preparation of Public Statistical Research Program it would be very time consuming, labor intensive and costly (time for obtaining results and their analysis, as well as cost of the survey would depend on the scope of survey, its complexity, size of sample as well as depth level of analyses; relevant calculations for results and/or analysis thereof could be performed by GUS and/or MoF employees, or a specially formed team of experts); or
2. Introducing specific modifications in forms currently utilized by GUS (while maintaining GUS procedures) – detailed proposals in this scope are described in section 6.2 of the report; or
3. Commissioning GUS (outside the statistical research program) or another independent research team, a separate survey, incidental or repeated at a specified interval, e.g. 3 or 5 years; this solution would be possible to implement over a relatively short period of time; in case of an incidental survey, it would only provide a snapshot (diagnosis) of the A&A market at a given moment; a cyclical survey would enable monitoring of changes (analysis of survey results, as in previous case, could be performed by various teams).

Regardless of which method of filling the information gap is selected, the authors would like to point out the need for preparing the survey methodology in such a way that it would include the microenterprises segment, which, as has been shown in the report, plays an important role in creating demand for accounting services and in currently collected data it is hardly taken into consideration.

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Attachment 4.	Report on tertiary education courses – S-10
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Attachment 6.	The unemployed and job vacancies and career activation vacancies by profession and specialization - Annex no 3 to MLSP report – 01
Attachment 7.	Occupational advisory services and occupation information, assistance in active job search, training of the unemployed and job seekers, apprenticeship and vocational training for adults - Annex no 4 to MLSP (MPiPS) report – 01

