

ACCOUNTING  
AND AUDITING



EDUCATION



STRATEGIES FOR IMPROVEMENT  
**GEORGIA**

**CFRR»**

Centre for Financial  
Reporting Reform



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STRATEGIES FOR IMPROVEMENT

GEORGIA

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# TABLE OF CONTENTS

Acknowledgements.....	ii
List of Acronyms.....	iii
Executive Summary.....	iv
<b>INTRODUCTION .....</b>	<b>1</b>
<b>OVERVIEW OF THE STATUTORY FRAMEWORK .....</b>	<b>2</b>
<b>PROFESSIONAL ACCOUNTANCY ORGANIZATIONS AND UNIVERSITIES .....</b>	<b>4</b>
<b>COMPLIANCE WITH IFAC INTERNATIONAL EDUCATION PRONOUNCEMENTS AND BEST PRACTICES.....</b>	<b>6</b>
<b>RECOMMENDATIONS .....</b>	<b>7</b>
<b>AREAS FOR CONSIDERATION .....</b>	<b>9</b>
Appendix 1. International Education Standards Published by the IAESB.....	10
Appendix 2. Accounting Degree Programs at Universities In Georgia .....	11
Appendix 3. Action Plan For Improving Accounting And Auditing Education Quality in Georgia.....	12
Appendix 4. Suggestions produced at the EDUCOP replication event in Tbilissi 22 June 2017 .....	15

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# LIST OF ACRONYMS

<b>ACCA</b>	Association of Chartered Certified Accountants
<b>APO</b>	Accredited Professional Organization
<b>CFRR</b>	Centre for Financial Reporting Reform
<b>CNCC</b>	Compagnie Nationale des Commissaires aux Comptes
<b>CPA</b>	Certified Public Accountant
<b>CPD</b>	Continuing Professional Development
<b>CSOEC</b>	Conseil Supérieur de l'Ordre des Experts-comptables
<b>EDUCOP</b>	Education Community of Practice
<b>ESM</b>	Free University
<b>EU</b>	European Union
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESBA</b>	International Accounting Education Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>ICAEW</b>	Institute of Chartered Accountants in England and Wales
<b>IES</b>	International Education Standards
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISA</b>	International Standards on Auditing
<b>PAO</b>	Professional Accountancy Organization
<b>PIE</b>	Public Interest Entity
<b>POA</b>	Public Oversight Authority
<b>PQP</b>	Professional Qualification Program
<b>ROSC</b>	Report on Observance of Standards and Codes
<b>SARAS</b>	Georgian Federation of Professional Accountants and Auditors, Service for Accounting, Reporting, and Auditing
<b>SME</b>	Small and Medium-sized Enterprise
<b>SMP</b>	Small- and Medium-sized Practice
<b>SOE</b>	State-Owned Enterprise
<b>STAREP</b>	Strengthening Auditing and Reporting in the Countries of the Eastern Partnership



# EXECUTIVE SUMMARY

This concept note states the objectives and goals of accounting and auditing education development in Georgia and defines the trends and priority development directions aligned with the European Union (EU) standards and international good practices. This concept note is developed within the regional project 'Strengthening Auditing and Reporting in the Countries of the Eastern Partnership' (STAREP) by the representatives of Georgia in the accounting education community of practice. Georgia participates in this community through the representatives of the Ivane Javakhishvili Tbilisi State University, Free University (ESM), University of Georgia, Caucasus School of Business, International Black Sea University, Georgian Independent Accountants And Auditors Society, Georgian Independent Accountants And Auditors Society (GIAAS), Georgian Federation of Accountants, Auditors and Financial Managers (GFAAFA) and Georgian Federation of Professional Accountants and Auditors (GFPA).

The concept note provisions have been correlated with relevant policy documents (Law on Accounting, Reporting and Audit, International Education Standards, etc.) and with reforms in transposing the corporate financial reporting provisions of the *acquis communautaire*.

An efficient accounting and auditing educational system in line with the international good practices will contribute to the development of professional skills of the accountants and auditors, and respectively, increase the level of public trust in the quality and utility of the services provided.

The analysis of the current situation in the accounting and auditing education field, conducted based on available public information, current legal framework, and knowledge of authors, brings out a number of challenges such as: (i) the university programmes are not fully aligned with the market's and profession's needs, in most cases their syllabi do not contain a necessary minimum requirements in accordance with the latest national legislation; general framework regarding professional skills necessary for an accountant and auditor at different stages of education should be improved for a better alignment with the IES; (ii) the university accounting and auditing education programmes are not integrated with the professional certification programmes recognized by regulator in accordance with the International Education Standards (IES) and EU directives; (iii) even though the learning methods in universities and colleges are based on learning outcomes, they mostly do not correspond with learning outcomes in accordance with the International Education Standards (IES) and modern market requirements; (iv) the methodological support, such as teaching materials, accounting and auditing practical applications and manuals tailored to the most recent amendments in the national legislation, is limited and the authors are not really motivated to develop such materials; the digital methodological support is practically missing, hence, the students' online communication platforms are promoted very scarcely; (v) lack of educational audit and accounting software leads to reduced digital skills of students studying in the



accounting and auditing field, thus, these are incompatible with the labour market requirements and European standards.

Following the analysis of the current situation and from the perspective of the international good practices and knowledge acquired during the regional STAREP programme, the following reform and development directions in the accounting and auditing education have been identified:

- A. Ensure better synergy between the accounting and auditing education at university and professional levels to improve the quality of and access to the profession.
- B. Enhance the role of the profession by promoting accounting and auditing education.
- C. Ensure methodological support necessary to develop and enhance the accounting and auditing education at university and professional levels.

The list of suggested reform priorities and actions can be taken into account by interested parties, however, the recommendations will be efficient, if there is a wider consensus between the parties and political commitment for reforms. This requires a participatory process, when all parties affected by these changes, including the general public, could contribute to their development. Also, some of the identified priorities and implementing actions can be achieved directly by relevant institutions, but some require common efforts and would be implemented more efficiently in a national project on strengthening the profession and financial reporting.

# INTRODUCTION

**Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) was launched by the World Bank's Centre for Financial Reporting Reform (CFRR) in 2013 to support the design and implementation of sound corporate financial reporting reforms that strengthen business and investment climates and bring closer integration with the European Union (EU). STAREP is a regional programme that supports the following countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The project aims at assisting the participating countries in adopting and implementing international standards, and promoting the alignment of financial reporting frameworks with international best practices and EU standards.**

**Component 2 of the STAREP Program "Accounting Education Reform" aims specifically to promote the development of accounting education aligned with International Accounting Education Standards and the educational requirements of the EU's Statutory Audit Directive (i) at the university level; (ii) for professional qualification; (iii) for continuing professional development of those already qualified.** Georgia participates in this community through its representatives of the University of Georgia School of Business, Management, and Administration; the Free University (ESM); the International Black Sea University; Ivane Javakhishvili Tbilisi State University; Caucasus School of Business; and the Georgian Federation of Professional Accountants and Auditors, Service for Accounting, Reporting, and Auditing (SARAS).

**The purpose of this concept note is to summarize the results of the diagnostic activities that have been conducted throughout the STAREP Program, as well as to document the direction of future reforms and substance of capacity-building activities required to support greater compliance with international best practices and the International Federation of Accountants (IFAC) International Education Standards (IESs).** The analysis and recommendations included in this report were jointly developed by the CFRR team and local stakeholders. The recent and substantial amendment of the accounting and auditing legislation within the commitment of the Georgian Government to transpose the corporate financial reporting provisions of the *acquis* makes it timely to consider the opportunities for further reforms.

# OVERVIEW OF THE STATUTORY FRAMEWORK

The main legislation establishing corporate financial reporting requirements in Georgia includes the **Law of Georgia on Accounting, Reporting and Auditing of 2016** and the **Law of Georgia on Entrepreneurs of 1994**. The Law on Accounting, Reporting and Auditing establishes the detailed accounting and auditing requirements, while the Law on Entrepreneurs regulates related issues, including establishing audit committees in Public Interest Entities (PIEs), management's responsibility and liability for drawing up and publishing the financial statements and the management report, etc.

The latter Law differentiates between four categories of reporting entities based on their size (total assets, revenues, and number of employees) and also defines PIEs, which include listed entities, banks, micro-finance institutions, credit unions, investment funds, insurance companies, among other types of entities. PIEs and enterprises of the first categories are required to apply International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and translated by the Public Oversight Authority (POA) at the Ministry of Finance within 6 months from their issuance. Application of the English version of IFRS is permitted. Enterprises of the second and the third categories may apply either IFRS for SMEs or full IFRS. Enterprises of the fourth category and non-entrepreneurial (non-profit) legal entities are permitted to apply IFRS, IFRS for SMEs or the standards set by the POA.

The **Law on Accounting, Reporting and Auditing of 2016** establishes mandatory audit requirements for PIEs and first and second categories enterprises. The third and fourth categories of enterprises and non-entrepreneurial (non-profit) legal entities are exempt from the obligation to have audit of financial statements, unless provided otherwise in the legislation. All statutory audits must be conducted in accordance with the International Standards on Auditing (ISA) as issued by the International Auditing and Assurance Standards Board (IAASB) and translated by SARAS within 6 months from their issuance. Application of the English version of ISA is permitted.

With respect to the regulation of the Accountancy Profession, the 2016 Law on Accounting, Auditing and Reporting established the POA at the Ministry of Finance as the authority responsible for the regulation of the profession, which was formerly carried out by the accredited professional organizations (APOs). The POA, SARAS, was established in September 2016 and was officially launched in June 2017. Prior to 2016, the accounting and auditing profession in the Republic of Georgia was largely self-regulated by the APOs under the Law on Accounting and Financial Audit of 2012. De facto, only the Georgian Federation of Professional Accountants and Auditors was accredited as an APO.

The mandate of SARAS under the current law is far-reaching. It includes (i) promulgation of international standards, including their translation into Georgian, such as IFRS, IFRS for SMEs, ISA, and defining financial reporting standards for the fourth category enterprises and non-

entrepreneurial (non-profit) legal entities; (ii) defining rules and requirements for auditing; (iii) defining rules for audit quality control system and its monitoring; (iv) monitoring quality control system of auditors/audit firms registered in the auditors' registry; (v) defining requirements for professional certification, examination procedures and continuous education of professional accountants in accordance with IES, EU Directives and approving respective standards; (vi) setting rules for recognition of certification programs, examination procedures and continuous education programs and their recognition; (vii) overseeing professional organizations, examination bodies and other persons engaged in professional educational activities with the law; (viii) maintaining the registries of auditors and audit firms, recognized training and continuous education programs, specialized examination bodies, among others; and (ix) investigation and discipline of auditors and audit firms, among other functions.

**According to the new Law, professional organizations have now limited role and authority in the regulation of the profession.** The law no longer refers to APOs. Instead, it introduced the concept of professional organizations that are defined as professional organizations of accountants and/or auditors, established according to the Georgian legislation, registered as a non-entrepreneurial (non-profit) legal entities, and acting in compliance with the Law and the by-laws adopted on its basis. The responsibilities of the professional organizations include (i) providing certification and continuing professional education of their members; (ii) providing support to their members with the implementation of standards such as IFRS, IFRS for SMEs, IESBA Code, quality control through trainings; (iii) administering qualification exams when recognized as specialized examination bodies; and (iv) investigating and disciplining their individual members, but not the audit firms, in accordance with the procedures developed in agreement with SARAS.

**The Law recognizes the qualification of Certified Accountant, who is defined as an individual who is certified by a professional organization of accountants and/or auditors in accordance with professional certification standards set by SARAS or is recognized as such under the Law No. No. 5386, and who can prove his/her qualification after certification in accordance with the continuous education standard.** Certified accountants must be members of one of the professional organization of auditors and/or accountants. In order to provide auditing services, certified accountants and audit firms must be registered with SARAS provided they satisfy the following requirements: (i) be a certified accountant; (ii) have at least three years of supervised practical experience; (iii) be a member of professional organization; and (iv) comply with the IESBA Code of Ethics as evidenced by the professional organization or the auditor attesting to the practical experience. The Professional Accountancy Organization (PAO) is also entitled to register an individual, who is a full member of a professional organization that is a member of IFAC from the OECD and EU member states, provided she/he passed a qualification test in Georgian Law. Accountancy professionals other than certified accountants are regulated through their voluntary membership in professional accountancy organizations, which establish internal rules and procedures for regulating their members.

# PROFESSIONAL ACCOUNTANCY ORGANIZATIONS AND UNIVERSITIES

**There are three leading Professional Accountancy Organizations in Georgia.** The Georgian Association of Independent Accountants and Auditors (GAIAA) is a non-governmental, professional association with voluntary membership established in 1999 and, according to its website, comprised of more than over 300 accountants and auditors throughout Georgia. GAIAA membership includes accountants and auditors working in all fields of the economy, including in the public and non-governmental sector. The GAIAA protects the interests of its members; provides training and continuing educational programs for accountants; adopts quality control standards and ensures their implementation through a quality assurance review system for its members who provide auditing services. Since 2006, GAIAA has been a full member of the Eurasian Council of Certified Accountants and Auditors and offers the Professional Certification Program for Accountants.

**The Georgian Federation of Auditors, Accountants and Financial Managers (GFAAFM), established in 2011, unites small and medium audit practices, bookkeepers, accountants and tax advisors, who join the organization on a voluntary basis.** The GFAAFM delivers trainings in various areas including tax, internal audit and financial management. It has been a full member of the European Federation of Accountants and Auditors for SMEs. It has more than 200 certified accountants and 50 audit firm members.

**The Georgian Federation of Professional Accountants and Auditors (GFPA) is a non-governmental, non-for-profit PAO in Georgia.** Prior to 2016, it was the only accredited professional organization authorized to regulate auditors. The GFPA membership is mostly comprised of audit firms, auditors employed by audit firms, sole practitioners, and consultants. The GFPA offers a certification program, based on the UK Association of Chartered Certified Accountants (ACCA) qualification curricula translated into the Georgian language. The GFPA is actively involved in developing accounting and auditing regulations; supporting accounting and auditing reforms; promoting the interests of the profession; and developing certification standards. The GFPA was created 20 years ago, and has been responsible for translating accounting and auditing standards for 17 years. GFPA has been an IFAC member since 2000.

**There is a recently established fourth professional body, the Society of Accountants, Auditors and Consultants of Georgia (GSAAC).** GSAAC main activities are directed towards promotion and protection of interests of small- and medium-sized practices (SMPs) in audit and accounting. Main members of the GSAAC along the SMPs are international network companies. GSAAC is closely cooperating with the French National Institutes charged with the regulation of auditors and accountants, Compagnie Nationale des Commissaires aux Comptes (CNCC) and Conseil Supérieur de l'Ordre des Experts-comptables (CSOEC).

**There are five leading public universities in Georgia offering degrees with a significant amount of accounting and audit courses.** The list of Universities, along with some basic statistics, are included in Appendix 1.

# COMPLIANCE WITH IFAC INTERNATIONAL EDUCATION PRONOUNCEMENTS AND BEST PRACTICES

**In accordance with the new Accounting Law, the responsibility for defining requirements for professional certification, examination procedures, and continuous education of professional accountants, rests with SARAS.** SARAS has issued a procedure on recognition of Certification Programs and Examination Processes and a Professional Certification Standard, and the Standard on Continuous Education. The Procedure and Standard refer to both EU Directives and IFAC International Education Standards. SARAS will only recognize members of PAOs whose own certification program meets the requirements laid out in the Recognition Procedure and Certification Standard. Three certification programs have been recognised until now.

The law allows professional certification through passing university final equivalent level exams at PAOs. It also mandates a number of subjects to be covered at universities or PAOs, and specifies the level of proficiency required for a detailed list of learning outcomes. SARAS also provides detailed rules for the assessment of professional competence which PAOs need to comply with. **With respect to the coverage of learning objectives mandated by IFAC and internationally recognized accounting education programs, the CFRR completed the Benchmarking tool for a leading University in Georgia.** The conclusion was that Financial Reporting, Audit and Assurance, Financial Management and Performance Management were areas of relative strength. Rather, the areas of weakness requiring significant upgrading are: Management Accounting Techniques, Management and Ethics, Financial Accounting Concepts, and Preparation of Financial Statements.

**The finding is consistent with the results obtained for universities based in other STAREP Countries:** The technical aspects of accounting and auditing are well taught, in spite of some deficiencies in the coverage of some IFRS Standards. Well-developed Georgian language textbooks are needed and can be produced locally by university professors; however a lack of intellectual property safeguards discourage potential authors from taking on this time-consuming task. What is mostly lacking are the professional skills, values, ethics and attitudes required of professional accountants and auditors. The inadequacy of university and PAO programs in the area of ethics was widely acknowledged by stakeholders.

**Another area where stakeholders have consistently expressed concerns is practical experience requirements.** PAOs are able to enforce practical experience requirements which include a three-year working period under the supervision of a licensed auditor for aspiring auditors. The acquisition of relevant competencies during the period of practical experience is far more challenging to verify and enforce. Universities themselves have raised the issue of cooperation with employers as key to ensuring young graduates have some practical experience before graduation.



## RECOMMENDATIONS

**The establishment of SARAS as the new supervisory body for both audit firms and PAOs, with the authority to recognize a PAO's certification program, has changed the accounting education landscape in Georgia.**

**The key priority in the area of accounting education is to ensure SARAS is able to fulfill its mandate.** The rules and procedures applied by SARAS to accept or reject a PAO certification program have now been widely understood, and are being applied in a consistent and transparent manner. Thus far, SARAS has introduced (a) an order on Approving the Professional Certification Standard and the Rule on Recognition of Certification Programs and Examination Process and (b) an order on Approving the Continuous Education Standard. SARAS is now in the process of developing a by-law on periodic monitoring of PAOs. UPDATE

PAOs need to develop their continuing professional development (CPD) programs and receive SARAS's approval. PAOs have limited resources to develop their own CPD programs. They applied to big network firms for assistance. A working group was established with the participation of the network firms and PAOs. Some of the firms shared their annual CPD programs with the PAOs. GFPPA announced a tender and together with other PAOs hired network firms to carry out CPD program for their members.

**Practical experience requirements have been identified by Georgia Accounting Education Community of Practice (EduCop) participants as an area of weakness.** PAOs should enhance collaboration with their member auditing firms to ensure practical training possibilities for aspiring professionals. Assistance will need to be provided to PAOs to help them in developing procedures and tools to work with candidates and employers to developing and implementing a competency-based practical experience program.

**The development of case studies and use of software to allow students to simulate real world business situations would be very beneficial,** in light of the difficulty of getting practical experience opportunities for students and aspiring professionals, as shared by many stakeholders. Case studies can be developed locally by practicing professors with a little funding from potential donors.

**Developing courses in ethical issues facing accountants and auditors** has been established as a key challenge by completing the benchmarking tool, but is also recognized as a priority by all Georgia members of the STAREP EduCop.

Some of the broader, long-term objectives agreed to by local stakeholders include:

- **Promoting cooperation between accounting education institutions at different levels (for instance, universities, colleges) and PAOs** The accounting and auditing education can be considered multi-level and starts in universities, focusing on aligning the university programmes with the market's and profession's needs. The understanding of

the need to align and integrate the university accounting and auditing education programmes with the professional certification programmes is a precondition for good development of a solid education system in this field and to ensure efficient use of resources.

- **Promoting a learning outcome-based approach in the accounting and auditing education at the university.** International best practices in this field pay high attention to the ‘learning outcome-based approach’ in developing education programmes and identifying occupational skills to be acquired from practical experience. The International Accounting Education Standards Board (IAESB), responsible for International Education Standards (IES) development, focuses on the fact that the experience accumulated during the learning and continuing professional development process is more efficient if based on learning outcomes at a specific level of competence, proved by every person rather than on the learning process itself. Brief description of the IES is provided in Annex B.
- **Enhancing the profession’s role in accounting and auditing education development by creating necessary incentives.** This is aimed at ensuring that accountants and auditors want to become members of a professional organization and the latter want to become full members of the International Federation of Accountants (IFAC). A national champion (institution, professional association, etc.) should be identified by the various stakeholders to assume the responsibility for promoting reforms in the field, and contribute to the achievement of goals and priority directions identified in this concept document.

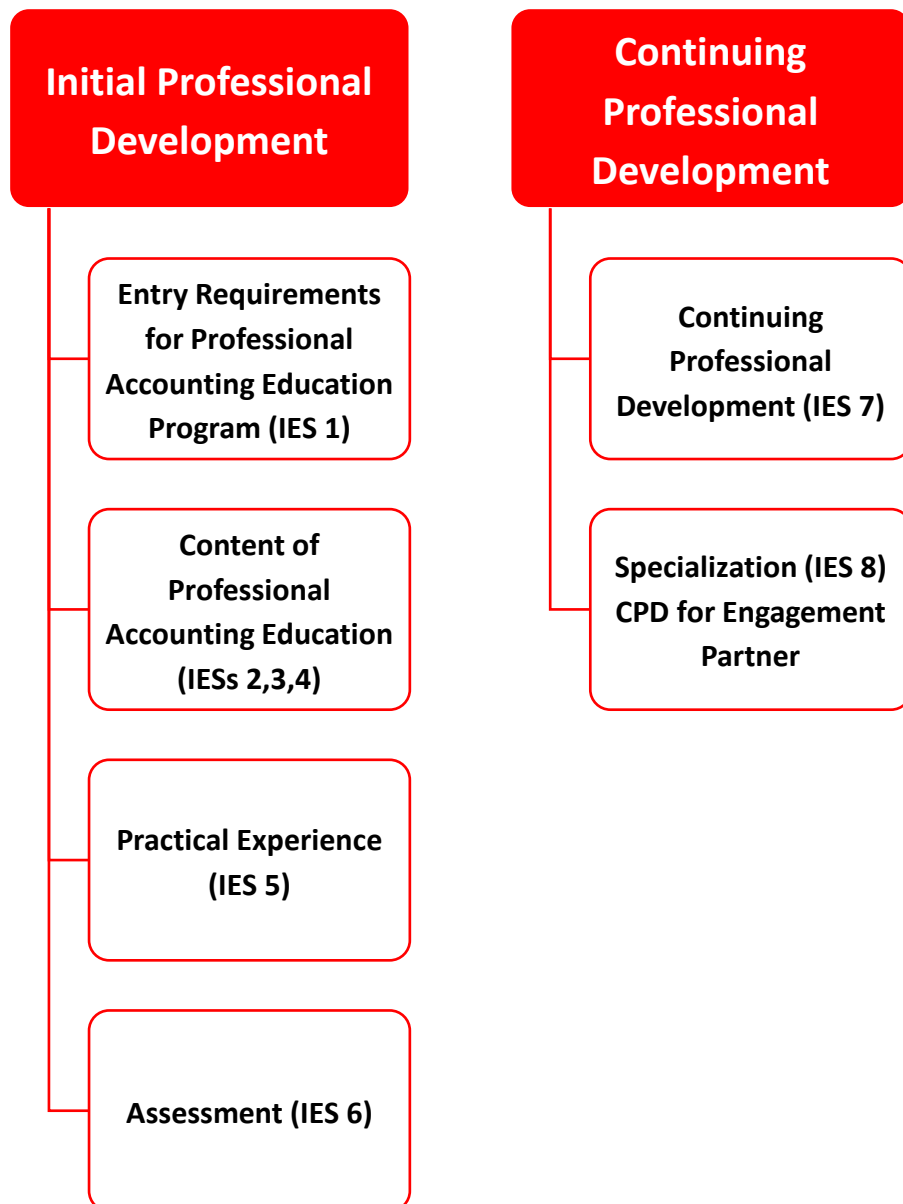
## AREAS FOR CONSIDERATION

**Demand for Georgian language auditors should increase to stimulate the development of accounting and auditing education.** Currently, there is little demand for Georgian language auditors in Georgia. Most all ISA-based audits are still performed by top audit firms that keep all audit files in English. Hence, big audit firms hire auditors Certified by IFAC member PAOs in EU and OECD countries, fluent in English. Small audit practices who employ Georgian language auditors mostly did tax audit or non-ISA audit. Currently, such audit firms are subject to quality control and are mandates to do audit according to ISA.

In order to widely develop Georgian certification programmes, there should be more demand for Georgian language auditors in the country. Such demand has partially been created by increasing the number of mandatory audits by the Law on Accounting, Reporting and Auditing. However, if this does not prove sufficient, more measures might need to be taken, such as mandating keeping audit documentation in Georgian.

**SARAS considers introducing voluntary certification for accountants.** A survey of 2630 accountants, carried out by SARAS in October 2018, showcases certain readiness of the profession for enhancing their qualifications, receiving professional certification and investing time in continuous education to meet market demand increased by new requirement defined in the law. PAOs also support introduction of a voluntary accountant certification which is expected to boost their role and membership number. Possible options are being currently discussed.

# APPENDIX 1. INTERNATIONAL EDUCATION STANDARDS PUBLISHED BY THE IAESB



## APPENDIX 2. ACCOUNTING DEGREE PROGRAMS AT UNIVERSITIES IN GEORGIA

Universities offering Undergraduate Degree programs with a significant accounting and audit content.

Name	Location	Number of students studying accounting and auditing as a subject	Undergraduate Degree Program/ Number of years	Status of University
Free University of Tbilissi (European School of Management) <a href="http://freeuni.edu.ge/">http://freeuni.edu.ge/</a>	Tbilissi	7100	Bachelor's Degree in Business Administration	Private
Ivane Javakhishvili Tbilissi State University <a href="https://www.tsu.ge/">https://www.tsu.ge/</a>	Tbilissi	1,000	Bachelor's Degree in Business Administration	Public
International Black Sea University (Faculty of Business Management) <a href="https://www.ibsu.edu.ge/ge/">https://www.ibsu.edu.ge/ge/</a>	Tbilissi	715	Bachelor's Degree in Business Administration	Private
The University of Georgia (School of Business, Economics, and Management) <a href="https://www.ug.edu.ge/">https://www.ug.edu.ge/</a>	Tbilissi	1,250	Bachelor's Degree in Business Administration	Private
Caucasus University <a href="http://cu.edu.ge/">http://cu.edu.ge/</a>	Tbilissi	800	Bachelor's Degree in Business Administration	Private

## APPENDIX 3. ACTION PLAN FOR IMPROVING ACCOUNTING AND AUDITING EDUCATION QUALITY IN GEORGIA

Draft, March, 2018

Accounting and Auditing Education Community of Practice (EduCoP) established within the STAREP (Strengthening Auditing and Reporting in the Countries of the Eastern Partnership) framework.

#	Purpose	Activities	Fulfillment Coordinator
1.	Development of benchmarking curriculum (bachelor's, master's programs) for training accountants based on internationally recognized programs (ACCA, CIMA and etc.) and with consideration of International Education Standards (IES) of International Federation of Accountants (IFAC).	<ol style="list-style-type: none"> <li>1. Analysis of current curriculum and identification of the ways for its refinement.</li> <li>2. Public review;</li> <li>3. Development of competency map for unification of professional education in Georgia and its approval as a guidance (reference);</li> <li>4. Introduction of amendments to the curriculum for the purpose of its improvement;</li> <li>5. Application of curriculum and education standards in all higher education institutions, which train accountants and auditors or teach the subjects at business administration programs for which graduates can get exemptions in the course of professional certification.</li> </ol>	SARAS
2.	Equipping accounting and auditing education institutions with respective textbooks in Georgian language	<ol style="list-style-type: none"> <li>1. Cooperation of education institutions to select the best textbooks that are suitable for study purposes in Georgia;</li> <li>2. Selection of essential textbooks;</li> <li>3. Obtaining support for translation;</li> <li>4. Establish editorial commission for translated textbooks;</li> <li>5. Editing translated textbooks.</li> </ol>	SARAS
3.	Implementation of the professional certification standard approved by the SARAS	<ol style="list-style-type: none"> <li>1. Delivery of trainings for professional organizations to simplify the proper examination process;</li> <li>2. Introduction of examination procedures in accordance with professional certification</li> </ol>	GFPAA

#	Purpose	Activities	Fulfillment Coordinator
		standards set by the SARAS or evaluation of current ones based on IES – 6. 3. Implementation of procedures corresponding to examination process.	
4.	Supporting continuous professional development of teachers (pedagogues)	1. Delivery of regular train the trainer (ToT) seminars for teachers (pedagogues); 2. Development of motivation program for maintaining teachers' (pedagogues) professional level and encouraging obtaining international certificates in accounting and auditing; participation in international programs. 3. Introduce requirement for pedagogues to maintain/ raise professional qualification; 4. Delivery of competency based program design/evaluation trainings for accounting and auditing teachers (pedagogues)	SARAS
5.	Strengthening cooperation among higher education institutions, business and profession	1. Develop a cooperation platform for education process participants: supervisor, Ministry of Education, higher education institutions, professional organizations and business; 2. Determine correlation degree between competences defined under university curriculum and real expectation of employers about knowledge and skills of graduates. 3. Introduction of two-vector teaching where theoretical component will be complemented with practical one.	Mr. Yuri Papaskua, The Federation of Auditors, Accountants and Financial Managers
6.	Formalizing cooperation with accounting and auditing professional organizations	1. Strengthening cooperation between higher education institutions and professional organizations, inter alia regarding curriculum harmonization, curriculum content, joint supervision over the examination process so that the qualification of graduates is recognized later through further professional certification (subject exemptions); 2. Delivery of joint activities Delivery of joint activities (including virtual seminars and	SARAS



#	Purpose	Activities	Fulfillment Coordinator
		webinars) for raising teachers qualification level;	
		3. Exchange of latest EExchange of latest surveys and materials of international organizations, which the professional bodies are members of.	
7.	Effective interaction among professional organizations for the purpose of regular updating and harmonizing curriculum; establishing unified professional community. Design views and proposals for professional development of accountants and raising their qualification	1. Establishing forum for professional accountants with participation of universities, professional organizations and employers to review the common vision of professional development, support and raising qualification of professional accountants. 2. Regular meetings of continuous accounting education providers for program refinement and reflecting recent changes introduced in IFAC Education standards.	Levan Sabauri, Tbilisi State University
8.	Implementation of twinning programs between Georgian universities and the leading universities of foreign countries	1. Initiation of cooperation 2. Develop continuous interaction	Sopho Khundadze, Temur Partskhaladze, Giorgi Rusiashvili
9.	Establish cooperation with leading international organizations which ensure training of professional accountants (ACCA, CIMA and etc.)	1. Establish cooperation 2. Accreditation 3. Accreditation of university curriculums	Sopho Khundadze, Temur Partskhaladze, Giorgi Rusiashvili

# APPENDIX 4. SUGGESTIONS PRODUCED AT THE EDUCOP REPLICATION EVENT IN TBILISSI 22 JUNE 2017

## GROUP 1

- Universities need to upgrade their syllabi to meet the 80% benchmark requirement of correspondence with IFAC's IESs.
- "externalize exams"?
- Introduce more practical components into programs, for audit courses in particular.
- PAOs need to recognize University programs and courses
- Discussions between Universities are required to achieve progress
- Capacity building Certification materials and resources are required
- Greater international cooperation and recognition needs to be achieved by Universities and PAOs

## GROUP 2

### **Universities:**

- Investment in accounting software (and hardware)
- Support for apprenticeship programs or class simulation activities and software
- Capacity building / technical assistance required for training programs / pedagogical skills

### **PAOs:**

- Audit software for members
- Translation / methodology / implementation training
- Educational program development

### **Regulator:**

- Regulator should be more involved in oversight of certification exams.
- Regulator should preferably be administering the exams
- Greater international recognition is to be achieved through professional associations

## GROUP 3

### **PAOs:**

- Trainings for preparing SMPs for Quality Control
- Prepare auditors to help enterprises in understanding legal requirements
- (200 auditors will be enough)
- PAOs should not be required to have learning process and its recognition
- PAO should not be required to have its textbooks. It will be enough to have references to English textbooks
- PAOs, SARAS, international organizations, and donors should cooperate for the translation and publication of textbooks for certification.
- Auditing Software for SMPs to be translated and implemented in Georgia (as it was in Albania)
- Candidates to study by themselves (self-study) and prepare for certification exams

### **Universities:**

- Universities need textbooks and case studies for examinations and assessments
- Simulation auditing programs required for students to acquire practical skills
- Textbooks from leading Universities for lecturers (IFRS, auditing in particular)
- Lecturers from leading Universities to be invited to deliver lectures at Universities in Georgia
- Cooperation between PAOs and Universities should be encouraged
- Training in assessment methodologies to be organized for Universities



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