

# ACCOUNTANCY EDUCATION BENCHMARKING STUDY

Kalina Sukarova, Senior Financial Management Specialist, CFRR

*20 October 2017, Becici, Montenegro*

**CFRR** >>

**Centre for Financial  
Reporting Reform**



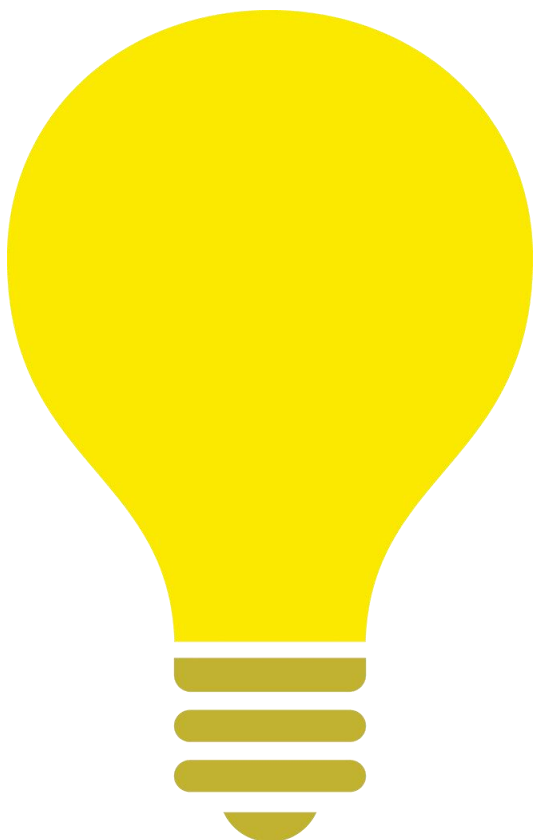
**WORLD BANK GROUP**  
Governance



Road to Europe: Program of Accounting  
Reform and Institutional Strengthening



**EU-REPARIS** is funded by the  
European Union and is a part of  
**WB EDIF.**



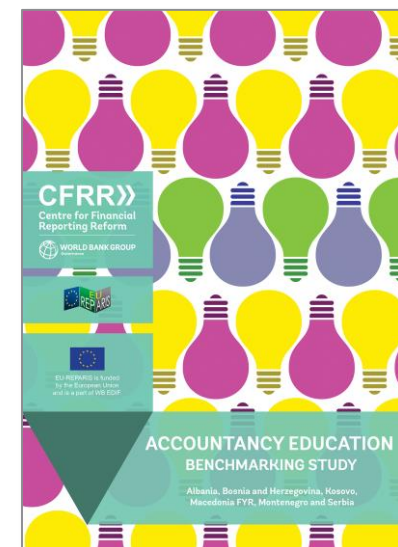
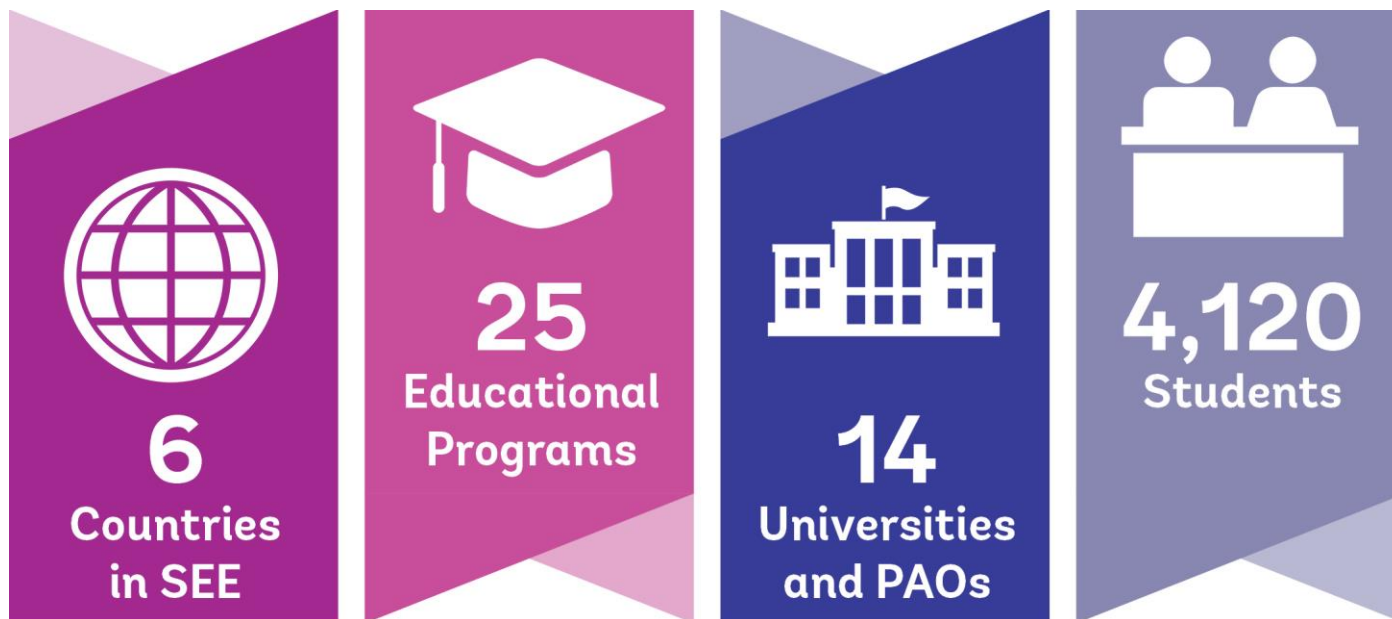
- » About the Study
- » Methodology and Approach
- » Practical Application and Benefits of Benchmarking
- » Cross Cutting Issues
- » Challenges with IES Implementation
- » Opportunities for Reform and Good Practices
- » CPD Resources



# About the Study

# About the Study

- » All six Western Balkan countries of the EU-REPARIS Education CoP participated
- » The Study enabled an assessment of the accountancy education at both academic and professional levels
- » Not all, but some of the largest accountancy education providers were covered



# Objectives



Engaging in peer learning  
and regional knowledge  
exchange



Exploring synergies between  
academic and professional  
accountancy education



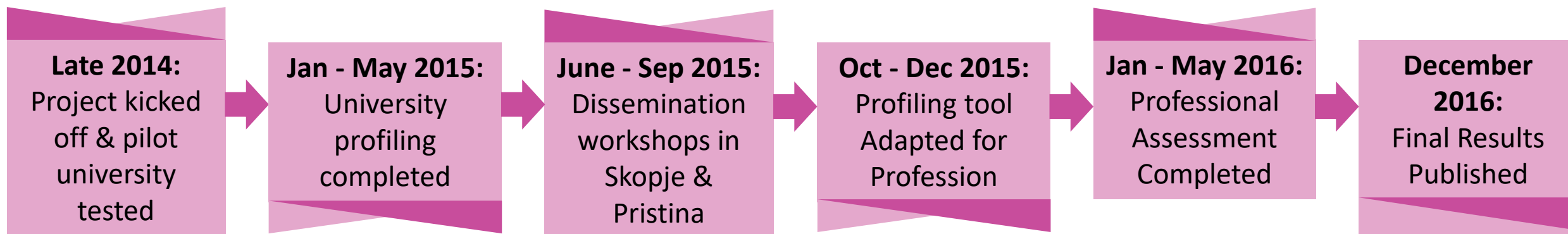
Implementing a learning  
outcomes-based approach in  
accountancy education



Assisting with international  
recognition and  
accreditation of national  
accountancy programs



# Project Timeline: 2 years long!



 Ongoing consultations and support from IAESB and IFAC staff





# Methodology and Approach

# Methodology and Approach



## Questionnaires

# 1

Universities

# 2

Profession

Collected data to provide context to the broader accountancy education environment in the participating countries.



## Diagnostic “Profiling” Tool

Integrated  
Sections for  
University &  
Profession

Map the curricula content, learning outcomes and proficiency levels of the accountancy programs and compare them against internationally-recognized benchmarks





# Methodology and Approach - Questionnaires

52 Questions collecting statistical information and providing further understanding about:

- Admission criteria
- Number of students enrolled at undergraduate and master's levels;
- Gender profiles;
- Number of professors, length of tenure and qualifications;
- Sources of funding;
- Post-graduate career paths;
- Student skills developed and tested;
- Teaching and learning methodologies
- Assessment (examination) methods;
- Learning resources and support facilities

71 Questions to collect statistical information and provide understanding about:

- Types of qualification offered;
- Number of aspiring members;
- Gender profiles;
- Sources of funding;
- Links with universities or other PAOs (national, regional and international);
- Practical experience requirements;
- Professional skills;
- Assessment of technical and professional competence;
- Type and quality of CPD.

# Profiling Tool - Benchmarks



IES

- Primary benchmark
- IES 2 Technical Competence
- IES 4 Professional Values, Ethics and Attitudes



ACCA

- Existing links with EU-REPARIS countries
- Existing links with academic programs
- Possibility for up to 9 exemptions

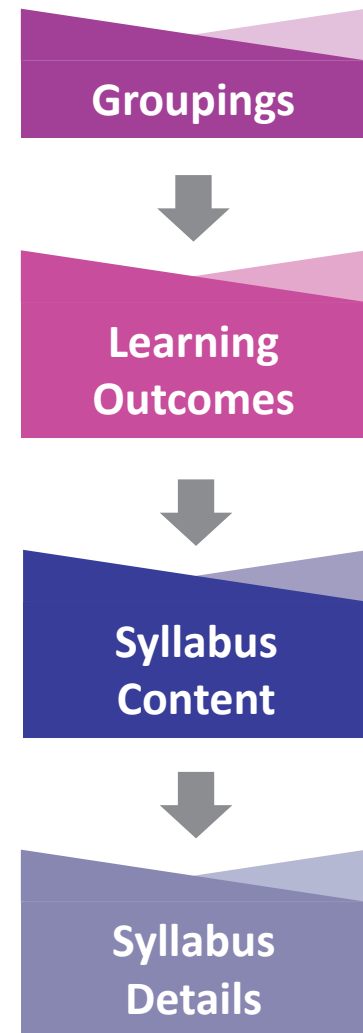


CIPFA

- Widely recognized qualification in public sector
- Existing links with EU-REPARIS countries
- Possibility for 6 exemptions

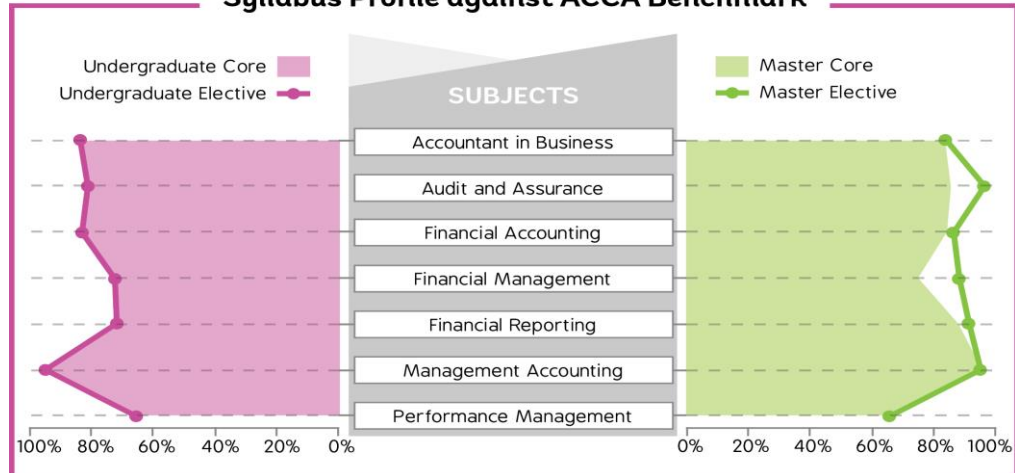
# Profiling Tool - Features

Full Syllabus Profile - Grouping		University (# of details)	Professional (# of details)
A	Management and Accounting	176	295
B	Management Accounting Techniques	171	179
C	Management and Ethics	88	174
D	Performance Management and Decision Making	101	223
E	Management Techniques	-	71
F	Financial Accounting Concepts	59	64
G	Recording Transactions and Events	147	149
H	Preparation of Financial Statements	90	156
I	Analysis and Interpretation of Financial Statements	28	34
J	Audit and Assurance Engagements	59	110
K	Audit Testing and Reporting	81	192
L	Principles of Financial Management	34	73
M	Financial Management Techniques	149	244
N	Strategy	-	85
<b>TOTAL</b>		<b>1,183</b>	<b>2,049</b>

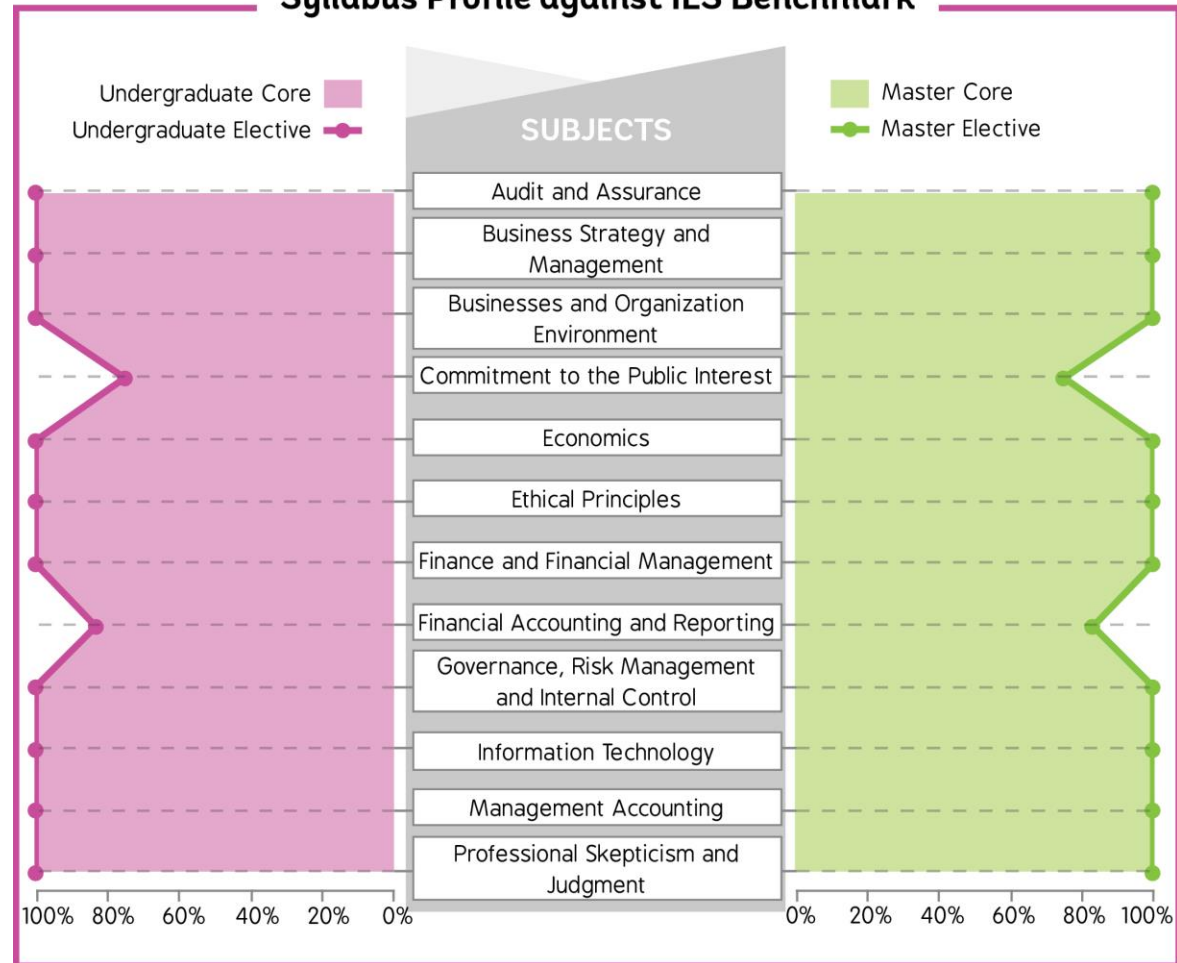


# Benchmarking Tool – University Analysis

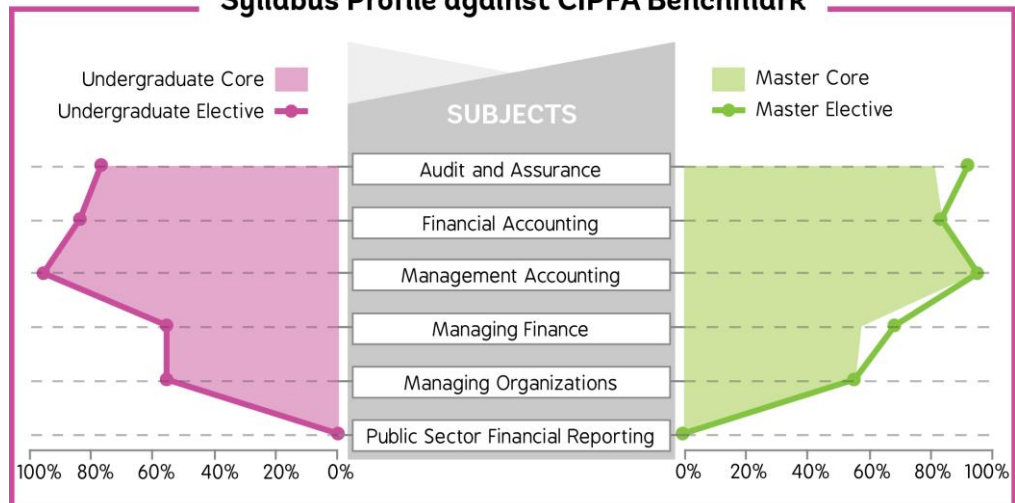
Syllabus Profile against ACCA Benchmark



Syllabus Profile against IES Benchmark

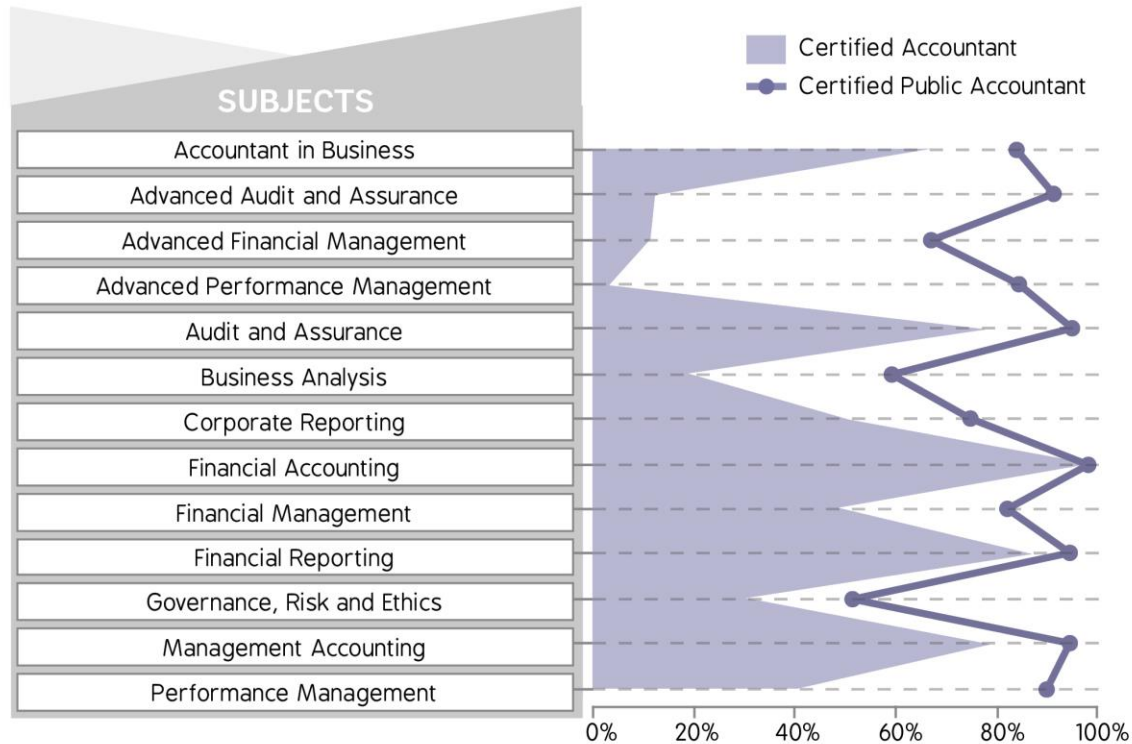


Syllabus Profile against CIPFA Benchmark

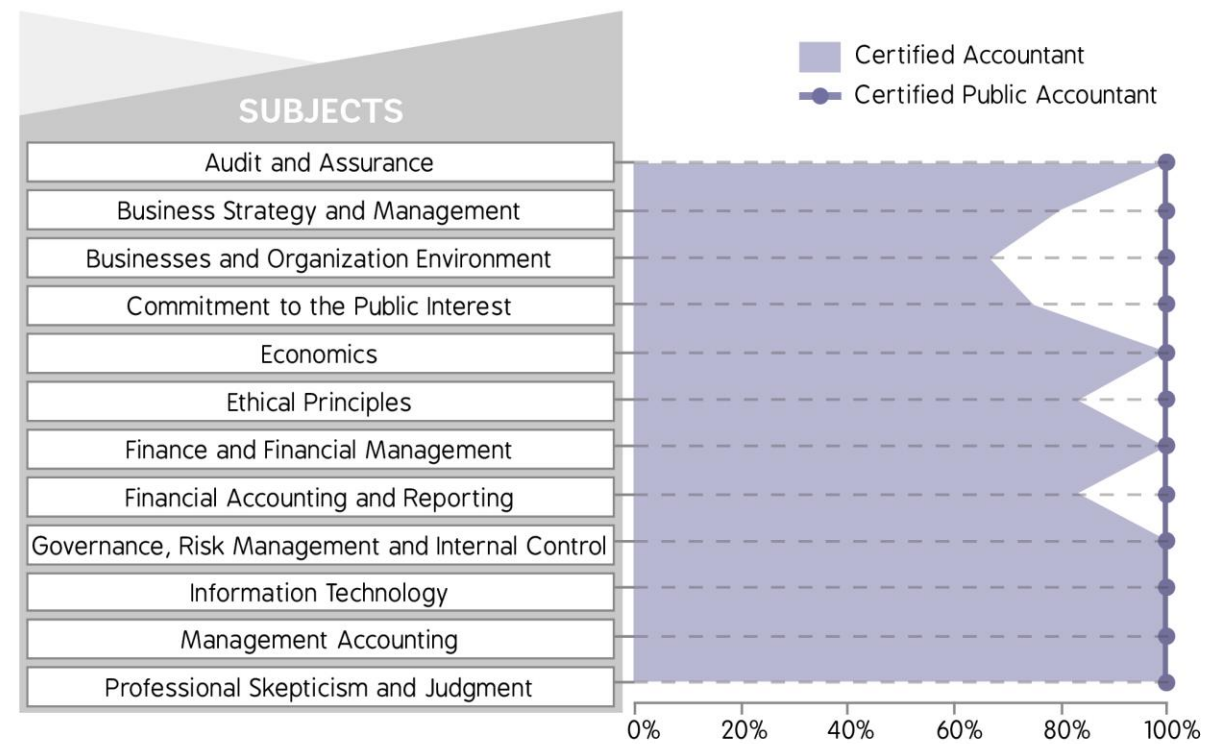


# Benchmarking Tool – Professional Analysis

## Syllabus Profile against ACCA Benchmark



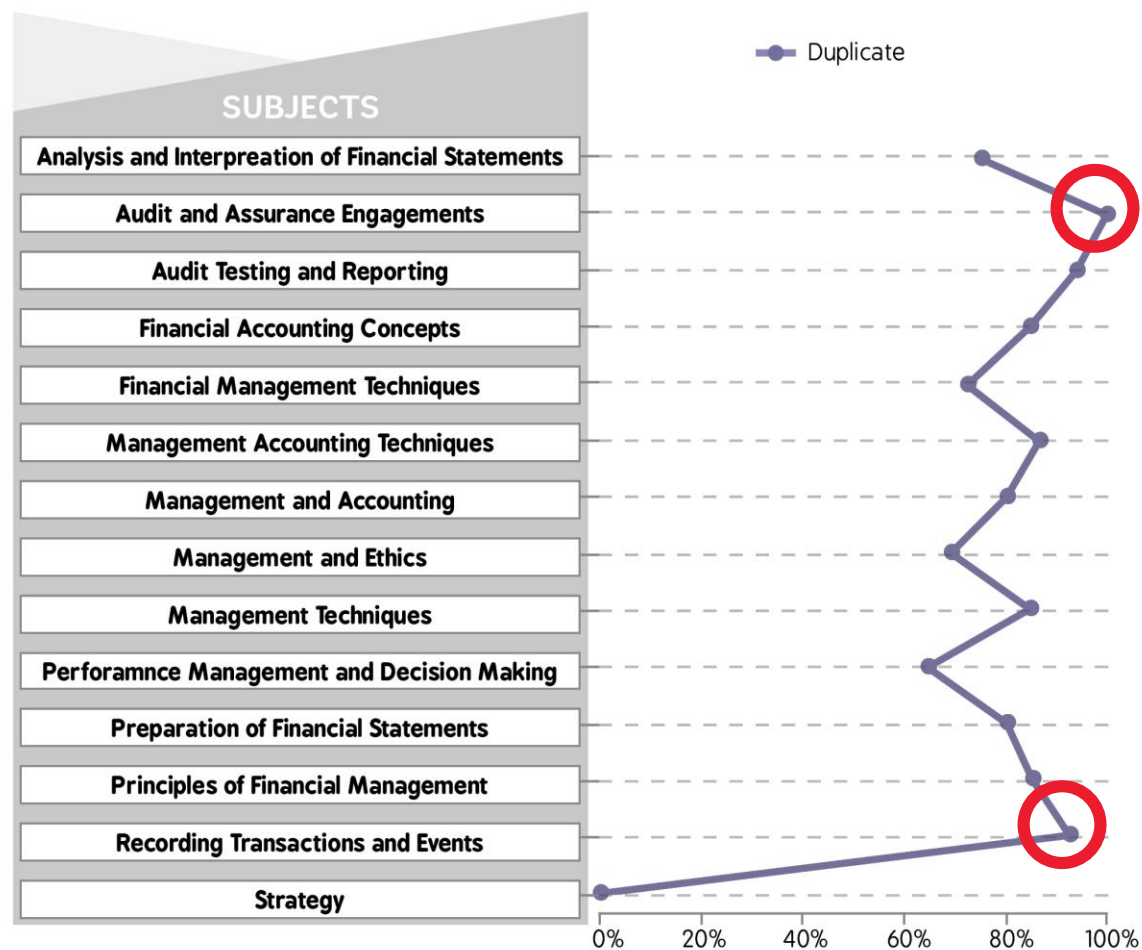
## Syllabus Profile against IES Benchmark



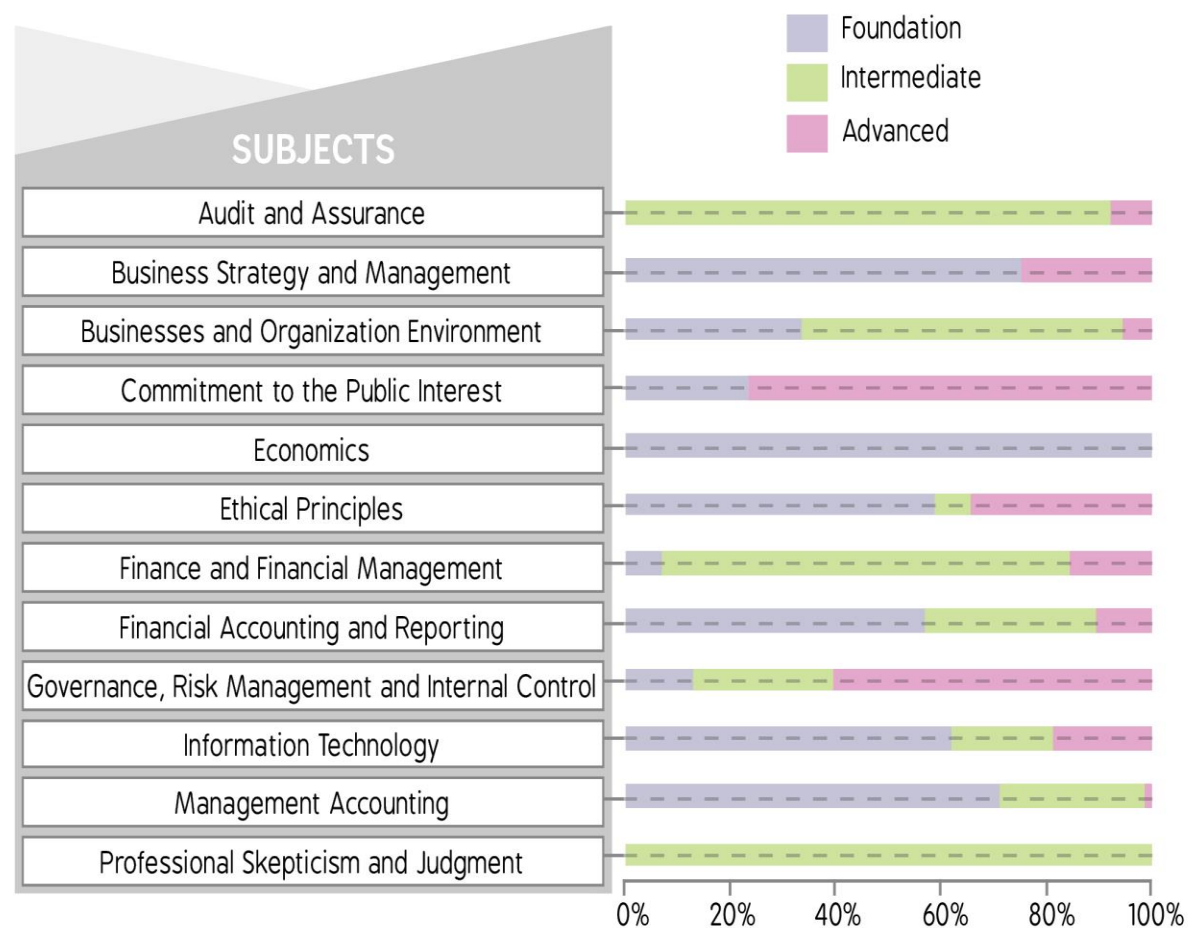


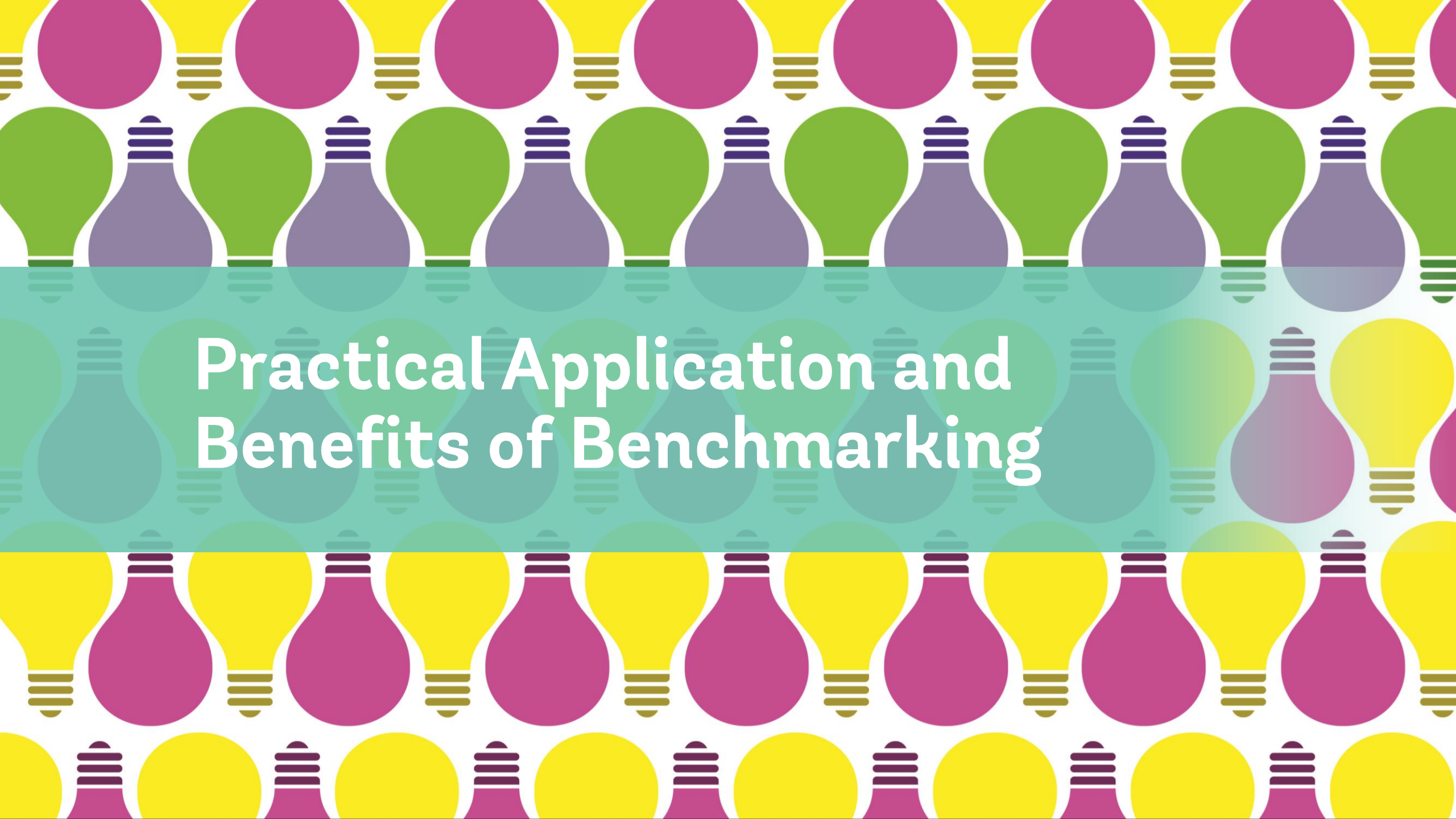
# Benchmarking Tool – Combined Analysis

## Syllabus Profile by Subject Area



## Syllabus Profile against IES Benchmark





# Practical Application and Benefits of Benchmarking

# Practical application of Education Benchmarking

Gap Analysis / Self assessment Tool

Baseline Assessment Tool

Decision making tool  
(university, policymakers, PAOs)

Diagnostic tool  
(e.g. input in ROSCs)

Schedules supporting syllabus content  
(e.g. for accreditations or international  
recognition)

- Benchmarking does not solve the problem – It defines the problem (e.g. highlights areas needing improvement)
- It is not an accreditation toolkit – but can provide support in producing accreditation documentation and verifiable schedules of syllabus content

# Perspectives

**Students**

**University**

**Employers**

**PAOs**

**Policymakers**

- Enables visibility of syllabus
- Assists decision-making during course selection (e.g. core vs. elective, undergraduate vs. master's program)
- Increased awareness of skills and knowledge required.

# Perspectives

**Students**

**University**

**Employers**

**PAOs**

**Policymakers**

- Highlights areas for improvement
- Possibility to compare programs
- Evidence to support an application for accreditation
- Analysis of gaps between academia and professional education
- Facilitates better linkage with PAOs (e.g. opportunities for exemptions)
- Tool to influence policymakers.



# Perspectives

Students

University

Employers

PAOs

Policymakers

- Better skills and work readiness of the next generation of accountants
- Improved recruitment base
- Employees acquire international proficiency in accounting

# Perspectives

**Students**

**University**

**Employers**

**PAOs**

**Policymakers**

- Self-assessment tool: shows to what extent the learning outcomes of a program compare with international benchmarks
- Gap analysis tool: aids conversion toward a learning outcomes approach required by IES
- Closes gaps between academia and professional bodies
- Supports comparability among different programs
- Evidence to support applications for recognition of qualifications
- Self-promotion tool used to attract new members to the profession



# Perspectives

**Students**

**University**

**Employers**

**PAOs**

**Policymakers**

- Overview of the education system at the country level
- Tool to support effective education resource allocation decisions
- Resource for National Accreditation Bodies when assessing new accountancy programs
- Tool to aid development of competency frameworks.



# Cross Cutting Issues

# Cross Cutting Issues

- » Generalizing findings was very challenging as accounting systems differ in each country
- » Consideration was given to avoid “comparisons” but rather focus on good practices

## Cross Cutting Issues



Sources of  
Funding



Demand &  
Trends



International  
Recognition &  
Accreditation



Professional  
Values, Ethics  
& Attitudes



Resources &  
Capacity



Gender  
Profiles



Curricula  
Benchmarking

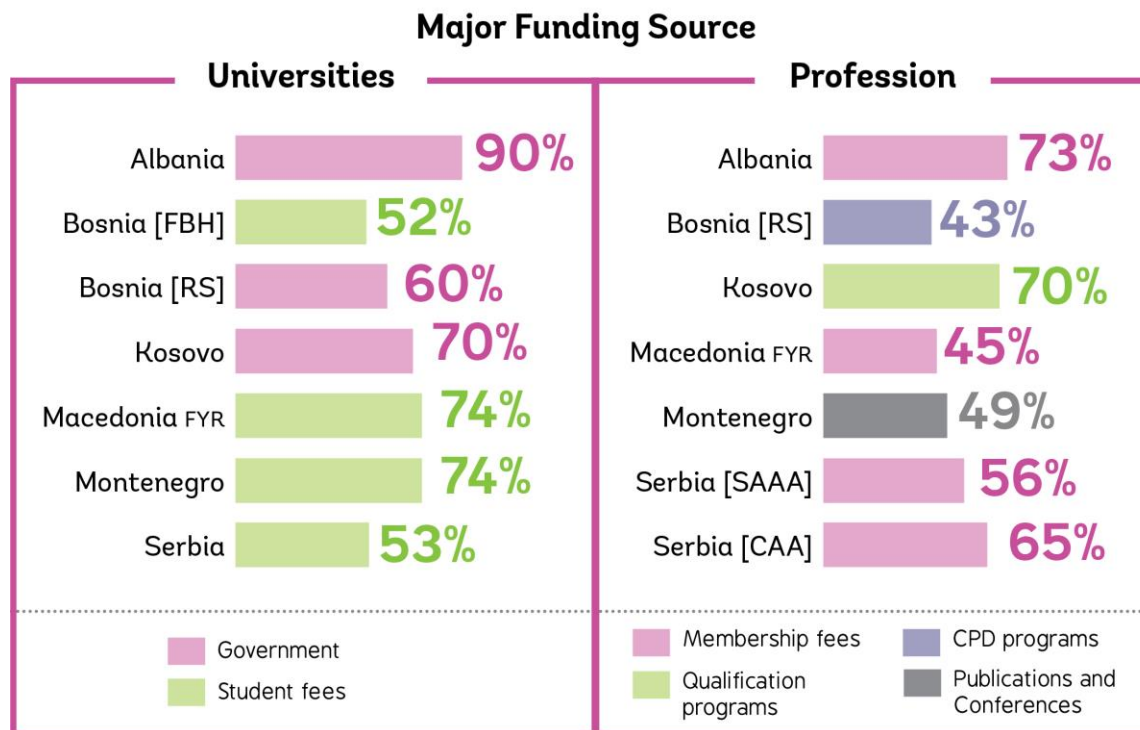


CPD



# Sources of Funding

- High reliance on public funding in some universities
- Proactive approach in seeking private funding may be warranted to diversify the funding mix and support improvements in the quality and outreach of programs



- Overreliance on certain sources of income (e.g. membership fees in some cases for example when PAO mandate secured in law)

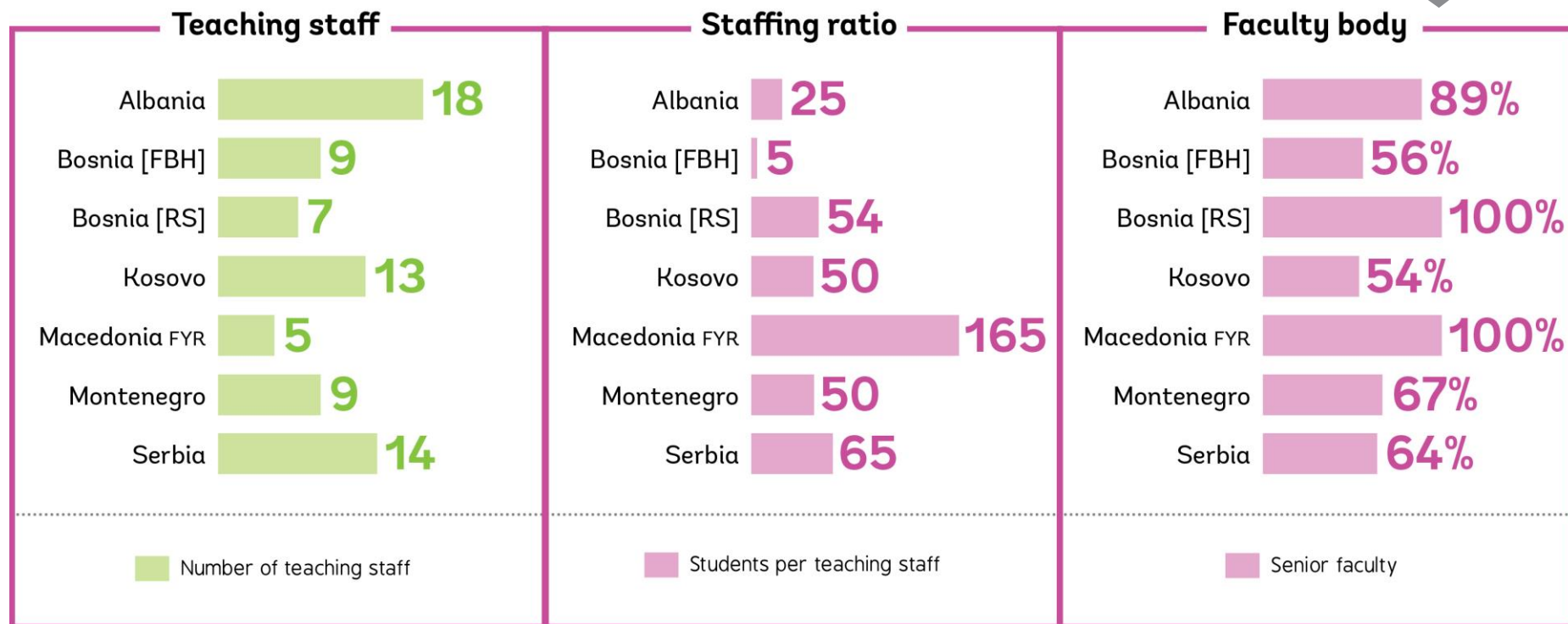
Qualification programs are not the most significant source of income (exception of Kosovo).

# Resources & Capacity

Salaries not always sufficient to retain and attract new staff

High number of hours for professors and sometimes high student to teacher ratios

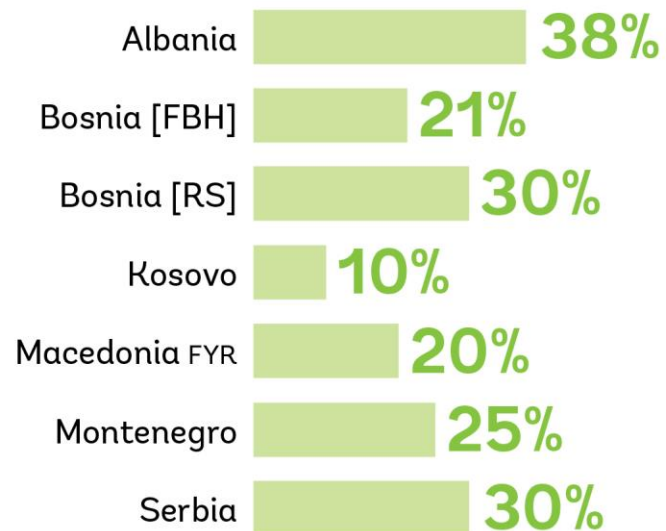
Well qualified teaching staff but junior to senior staff mix not always optimal



# Demand & Trends

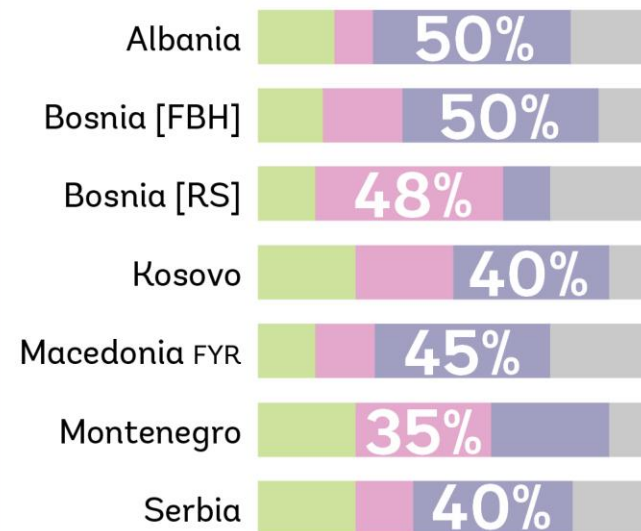
Both Universities and PAOs reported stable or increasing demand for accountancy programs

## Students in Accounting Programs



Number of students that choose accounting

## Graduates employment per sector

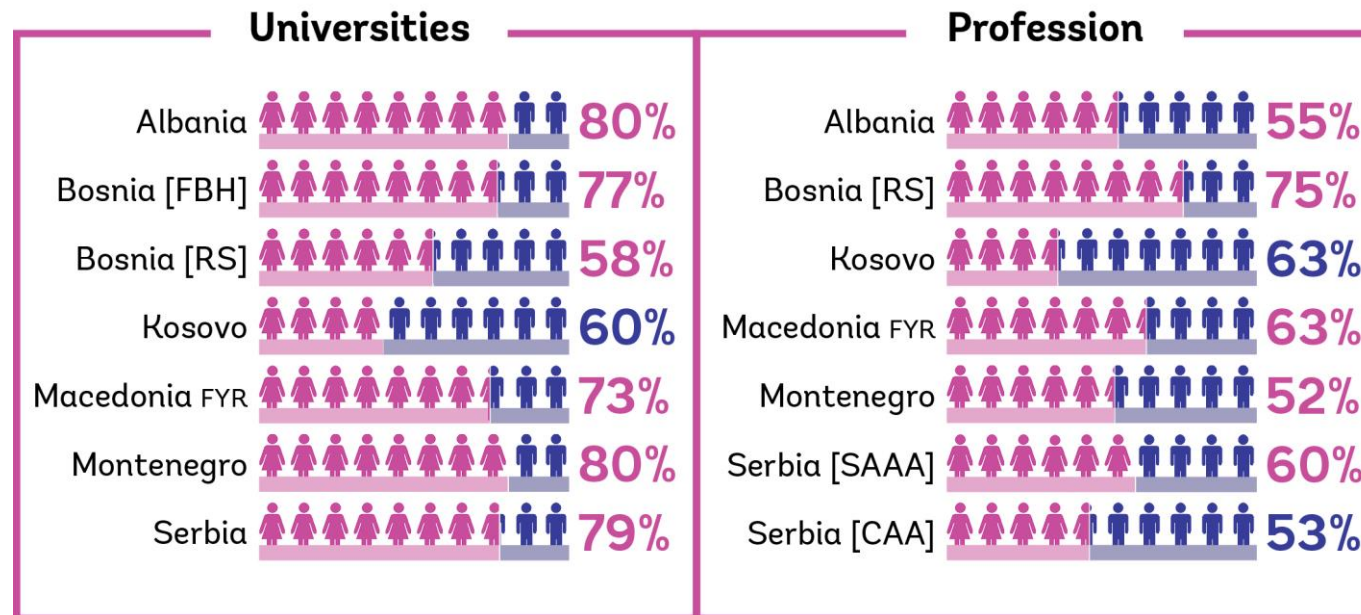


Financial sector  
Accounting and Auditing Profession  
Business Community  
Government and non for profit

Post graduation employment statistics lacking and in some cases low employment levels after graduates

# Gender Profiles

In most participating universities, the number of female accounting students exceeds that of male students.



At the profession, with few exceptions, the gender profile of members is relatively balanced.

PAOs' managing boards are dominated by males – a greater proportion of female accounting professionals should be encouraged in the PAOs' governance structures.

# Cross Cutting Areas



## International Recognition & Accreditation

---

- » Very few attempts for international accreditation
- » Professional bodies also have limited recognition of their programs abroad. Some attempts to enter into Memoranda of Understanding with recognized professional bodies abroad that enable a fast-track route to membership but these attempts are few.



## Curricula Benchmarking

---

- » Weak integration between academic and professional accountancy education programs, despite the many similarities in curricula content and learning outcomes.
- » Lack of consistency in terms of regular updating of course content (ideally this should be every 3-5 years).



# Cross Cutting Areas



## Professional Values, Ethics & Attitudes

---


- » In some cases ethics was not covered at all at certain progression levels of the certification program
- » In some places ethics was being offered as an elective course
- » Sometimes ethics was integrated in the curricula



## CPD

---

- » CPD programs and requirements are in place and there is good coverage of accounting and auditing topics within CPD programs
- » Modernizing and improving the CPD systems are a major challenge for many PAOs



# Challenges with IES Implementation

# IES Implementation challenges

**Practical  
Experience**

**Professional values,  
ethics and attitudes**

**Output based  
approaches**

**CPD**

**Keeping up with  
change**

- Very often measured purely on length of time employed under supervision of qualified accountant, with no requirement to document skills and competencies
- Difficulties with sourcing qualified mentors and supervisors
- Lack of approved employer schemes

# IES Implementation challenges

Practical  
Experience

Professional values,  
ethics and attitudes

Output based  
approaches

CPD

Keeping up with  
change

- Ethics is sometimes not covered at all progression levels of professional certification programs or is an elective subject
- Textbook approach to teaching ethics – lack of case studies and other participative approaches

# IES Implementation challenges

Practical  
Experience

Professional values,  
ethics and attitudes

Output based  
approaches

CPD

Keeping up with  
change

- Input-based measurement for CPD and practical experience are dominantly applied
- There is a need to move toward output based systems that demonstrate more clearly that competences have been developed and maintained
- Introducing more workplace assessments

# IES Implementation challenges

Practical  
Experience

Professional values,  
ethics and attitudes

Output based  
approaches

CPD

Keeping up with  
change

- It is not the quantity but the quality of CPD that often presents an issue
- Modernizing delivery methods, more “soft skills” topics and further flexibility in the systems





# IES Implementation challenges

Practical  
Experience

Professional values,  
ethics and attitudes

Output based  
approaches

CPD

Keeping up with  
change

- Lack of resources to sustain and develop teaching materials
- Infrequent curricula update cycles – outdated syllabus



# Key Opportunities

# Key Opportunities

- » The Study identified a number of opportunities that can be explored in future accountancy education reforms
- » For each opportunity, the Study also proposes a few practical tips which, when combined with the good practices identified, can help accountancy education providers to seize the key opportunities and implement reforms.



## Opportunity # 1

**Integrate academic and professional accountancy education**



## Opportunity # 2

**Achieve greater international integration of programs**



## Opportunity #3

**Expand the offerings of public sector education**



## Opportunity # 4

**Enhance CPD systems and training programs**



## Opportunity # 5

**Improve practical experience requirements and workplace assessments**

# Opportunity #1: Integrate academic and professional accountancy education

» Low level of integration between academic and professional programs

## Tips & Ideas

- Develop a common policy and competency framework to underpin academic and professional education programs;
- Understand gaps between academic and professional streams (e.g. by mapping competencies and learning outcomes to proficiency levels);
- Develop a system of mutual exemptions and recognition between the academic and professional streams;
- Partner with leading education providers to use up to date and high quality teaching materials and resources;
- Engage with private sector employers to understand required skills and incorporate them into education programs and competence frameworks.

## Opportunity #2: Achieve greater international integration of programs

» There is potential for qualifications to become internationally marketable - they become more appealing to potential applicants and attract new talent to the profession.

### Tips & Ideas

- Universities may pursue international accreditation as part of a **strategy to expand and raise their profiles**;
- Universities can **engage in twinning and joint programs** with recognized EU-based universities;
- **Partner and twin with international PAOs** to enable knowledge sharing and achieve better international integration; and
- Engage with international PAOs to introduce a more structured **system of mutual recognition and exemptions** offering candidates a faster route to international membership.

## Opportunity #3: Expand the offerings of public sector education

» Developing the public sector education offering is beneficial for both universities and PAOs as up to 25% of graduates and sizable membership work in public sector

### Tips & Ideas

- Introduce **CPD training** tailored for accountants in the public sector;
- Work with **government employers** to help identify the content and scope of new qualifications and CPD programs;
- **Develop public sector certification programs.** A possible cost effective approach could be to develop a set of public sector papers on top of the core accountancy qualification;
- University programs to include a **greater focus on public sector accounting and reporting** including IPSAS.



## Opportunity #4: Enhance CPD systems and training programs

» Modernizing CPD delivery is both a challenge and opportunity for many PAOs

### Tips & Ideas

- Periodically assessing competences developed through CPD and introduce output-based measurement systems;
- Resolving capacity constraints by outsourcing CPD delivery to international network accounting firms and international experts;
- Introducing minimum ethics content in annual CPD;
- Introduce a variety of options for CPD activities and modern methods of delivery;
- Develop more frequent and focused CPD training offerings, including activities to develop professional skills, as well as professional values, ethics and attitudes;
- Introduce an accreditation system of CPD providers.

## Opportunity #5: Improve practical experience requirements and workplace assessments

- » University programs in the region are still too theoretical.
- » Many PAOs perform an assessment of the achievement of the practical experience purely based on length of time employed with an audit firm without requiring a deeper look at the skills and competences developed.

### Tips & Ideas

- Involving practitioners in the delivery of more practical lectures;
- Creating a network of internship opportunities and making internships a minimum requirement for graduation; and
- Providing employment databases to help with post-qualification opportunities;
- Using work log books to assess the quality of work experiences;
- Create a database of supervisors to help mentor candidates;
- Receive feedback from employers and business support organizations to ensure that skills-gaps are being identified and addressed through education and qualifications;
- Stress-test competency maps with potential employers

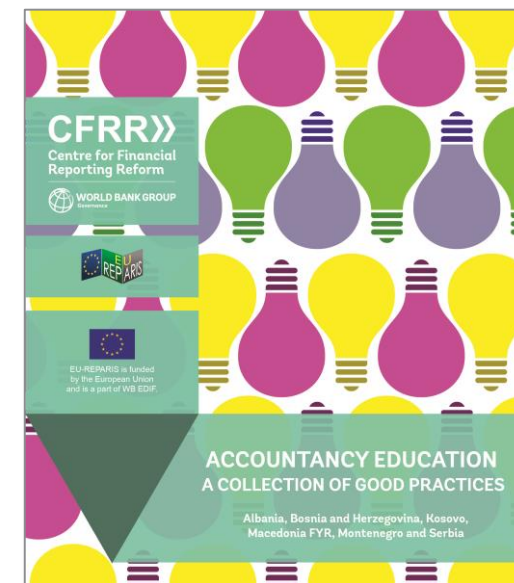


# Good Practices

# Good Practices

» The regional study highlighted a number of good practices implemented by universities and PAOs. These were cataloged in a side publication under 5 thematic

-  **1 Focus on Practical Experience**
-  **2 Commitment to Lifelong Learning**
-  **3 Assessment of Professional Competence**
-  **4 Supporting a Quality Learning Environment**
-  **5 Collaboration and Partnerships**



# Good Practices – Examples from Montenegro



## Institute of Certified Accountants of Montenegro (ICAM)

- » Providing members with useful guidance about CPD
  - » CPD policy is published on web site, phone help line to answer questions about CPD and other member matters



## Institute of Certified Accountants of Montenegro (ICAM)

- » Fostering collaboration between the university and PAO on accounting programs
- » A system of exemptions is for students that graduated from the Faculty of Economics and who enter the professional program of ICAM
- » Additional exemptions are provided to Masters students





# CPD Resources

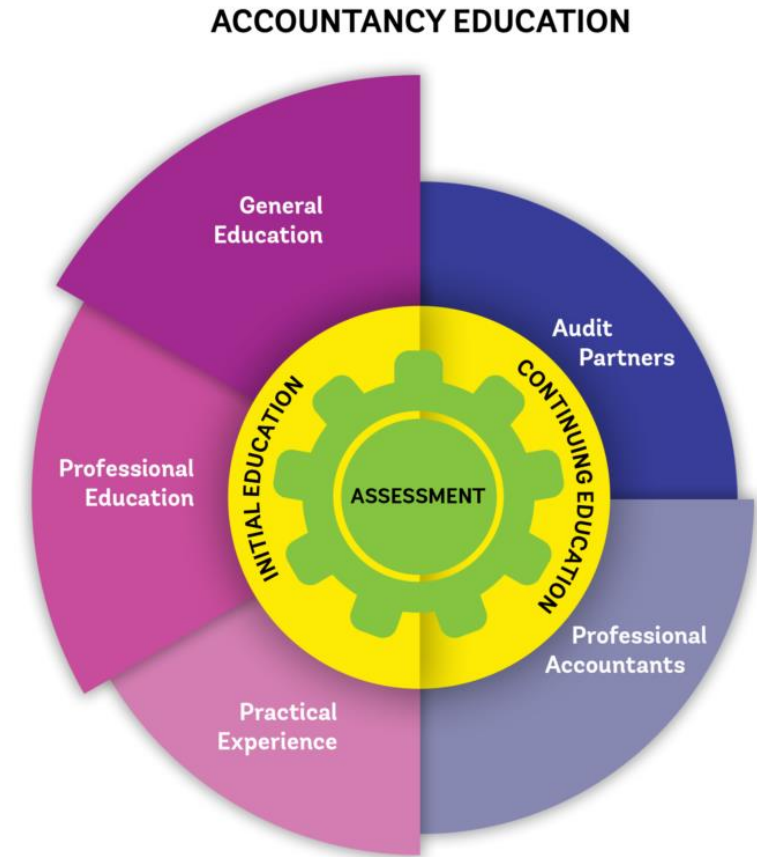


# CPD Resources



# Continuing Professional Development (CPD)

- » Continuing education follows IPD and qualification
- » CPD includes learning and development undertaken over the course of a career to maintain:
  - » technical competencies,
  - » professional skills, and
  - » professional values, ethics and attitudes



# Why is CPD relevant?

- » IESBA Code of Ethics requires all Professional Accountants, irrespective of their role, sector or industry, to maintain their professional competence;
- » Keep pace with accountancy changes and innovations;
- » Quality of work to remain at high levels;
- » Strengthens public trust in the competence of profession.

## Structured

- Studying for a suitable qualification
- Attending training, workshop or seminar
- e-learning or an online test
- Delivering training to others (where not normally part of an individual's role)
- Mentoring and coaching
- Writing/researching a report

## Unstructured

- Attending a networking event / exhibition where no participation is required or measure of knowledge developed is available
- Reviewing professional literature

## What IES prescribe CPD requirements?

- » IES 7 Continuing Professional Development (2014): extends to all professional accountants engaged in practice and in business, irrespective of role, industry sector, or organization they work for.
- » IES 8, Professional Competence for Engagement Partners for Audits of Financial Statements (2016), prescribes separate professional competences that audit partners are required to develop and maintain, given the significance of this role to the public interest.

## Proposed revisions to IES 7

- » It is expected that the new standard will become effective by 2019.
- » **At the core of these revisions is the need for greater emphasis on actual learning and development relevant to the professional accountant's responsibilities, rather than focus on the number of hours undertaken in learning activities or the number of CPD units achieved.**
- » PAOs are encouraged to develop relevant CPD systems that include measurement, monitoring, and enforcement processes to ensure professional accountants maintain their professional competence to deliver high quality services for their clients, employers, and other stakeholders.

## Measuring CPD

- » PAOs can implement input based, output based, or a combination of both approaches to measure the achievement of practical experience and CPD by its members:
  - » **Input-based approach**, measures CPD activity in terms of time spent (e.g. hours of learning within a specified period of time) or equivalent learning units (e.g. number of points or credits accrued by way of attendance at CPD events).
  - » **Output based approach**, the focus is on whether a specific competence has been developed or maintained as a result of CPD, and is demonstrated by achieving certain learning outcomes. Under this approach, evidence of achievement can be taken from various sources including workplace assessments validated by a suitably qualified supervisor, or undertaking a form of periodic assessment of competence achieved through CPD.



# Input vs Output Measurement

## » Input based activities:

- » Easy and quantifiable method of measuring CPD activity,
- » Verified in a straightforward manner,
- » Cost effective;
- » However, many question whether simply recording the time spent on CPD is an indication of genuine learning?

## » Output based activities:

- » More complicated and sophisticated,
- » Requires more time and resources than an input based scheme;
- » Implementation challenges (e.g. resistance from professionals who feel they are being “tested”);
- » However, provides a clearer focus on results and improvement!

## Example #1: Periodic tests of knowledge mandated by law



Institute of Authorized Chartered Auditors  
of Albania (IEKA)

- » IEKA's Managing Council is mandated by law to assess the professional competence of its members by means of periodic testing of knowledge gained during CPD.
- » These assessments are performed on a cyclical basis of between three and five years.
- » IEKA is required to make the results of the assessment public and to file a copy with the audit regulator.
- » IEKA recently added an enhanced requirement for the periodic testing of members recording significant proportions of unstructured CPD.



Macedonian Institute of  
Accountants and Certified  
Accountants (IACA)

- » On completion of the required input based CPD, members of IACA are tested and must pass a written exam administered by IACA.
- » Members who do not pass the test within two years are removed from the register of accountants and authorized accountants and are subject to a three year cooling off period before reinstatement can be initiated.

## Example #2: Voluntary assessment of effectiveness of learning experiences



Society of Certified Accountants and Auditors  
of Kosovo (SCAAK)

- » SCAAK is piloting a voluntary assessment of the effectiveness of certain lectures and CPD sessions by asking members who attended to take a written test.
- » Feedback is provided to members on their level of achievement and the results are used to measure the effectiveness of the learning experience and suggest improvements.
- » SCAAK has reported that CPD sessions subject to these voluntary assessments have become more interactive and often generate lots of professional discussions, interest, and questions from the audience.

## Example #3: Leveraging Quality Assurance as a CPD Tool



Institute of Certified Auditors of the Republic of Macedonia (ICARM)

- » ICARM have developed a quality assurance review system integrated with the CPD system, so it can be used to improve the CPD annual program. For example:
  - » Frequent findings and assessment methodologies are shared with members. CPD annual sessions are tailored to cover areas where most findings are noted;
  - » Quality assurance reviews identify individual requirements for specific or additional CPD with supplementary targeted CPD made available to those practitioners; and
  - » Professionals auditing public interest entities are subject to more rigorous monitoring of CPD requirements during quality assurance reviews.

## 5 Tips

### Tips for PAOs and Other Stakeholders Implementing Output Based CPD

**# 1 Approach CPD as a cyclical process**

**# 2 Learning outcomes are at the core of output based CPD**

**# 3 Supporting a learner centered approach**

**# 4 Develop verifiable output based measures for CPD**

**# 5 Supporting members to plan and reflect on their CPD**

## Tip # 1: Approach CPD as a cyclical process

- » The impact of CPD may be reduced if activities are undertaken in isolation, outside of a defined plan and structure.
- » The most effective schemes approach CPD as a sequence of related activities, often with 4 connected phases (the “CPD cycle”):
  - » **Planning:** determining suitable CPD activities for short and long term professional development needs and setting goals to be achieved through the CPD learning;
  - » **Action/implementation of the learning plan:** completing a variety of structured and unstructured development and learning activities;
  - » **Results/evaluation of learning:** training evaluation, learner satisfaction feedback and surveys, self-assessments, examinations, performance evaluations, and other measurement activities;
  - » **Reflection:** an essential part of the CPD cycle that allows professionals to think about their learning, what they have achieved, and how will this help their further development.



*"Approaches to CPD Measurement, PARN",  
Research Paper Undertaken for the International  
Accounting Education Standards Board™ (IAESB™).*



## Tip # 2: Learning outcomes are at the core of output based CPD

- » Output based approaches focus on demonstrating achievement of learning outcomes as a genuine measure of learning and improvement.
- » IES 8 prescribes the base case learning outcomes for technical competences, professional skills, and professional values, ethics, and attitudes for audit partners.
- » For other professional roles:
  - » PAOs can develop learning outcomes covering a range of relevant professional competences;
  - » May rely on professional accountants to describe their personal learning outcomes for the next CPD cycle; and
  - » Where possible they could also draw on employer performance assessment processes that determine the competences that professional accountants need to be able to perform for their role.



## Tip # 3: Supporting a learner centered approach

- » It is believed that traditional and long-established CPD activities, such as conferences, lectures, and roundtables, have a limited effect on improving professional's competence and performance. In contrast, interactive CPD activities are more effective learning experiences, as they encourage reflection on practice, provide opportunities to use skills, and involve simulating real life situations that are focused on outcomes.
- » Using learning outcomes requires training courses that are learner centered. These differ from traditional classroom lecturing because they involve the active participation of the learners by asking them to do something in order to learn about it.
- » More learner centered approaches can also be achieved by incorporating sufficient CPD activities such as on the job-learning, coaching, mentoring, and similar activities which are not often associated with CPD in an input approach.
- » Irrespective of the CPD approach, approaching CPD in an innovative manner is necessary to change the focus from a compliance mentality to a lifelong learning philosophy.
- » Online tools and modern methods of delivery enhance the learning experience and provide more options, greater frequency for professional networking and experience exchange (e.g. social media), and flexibility.

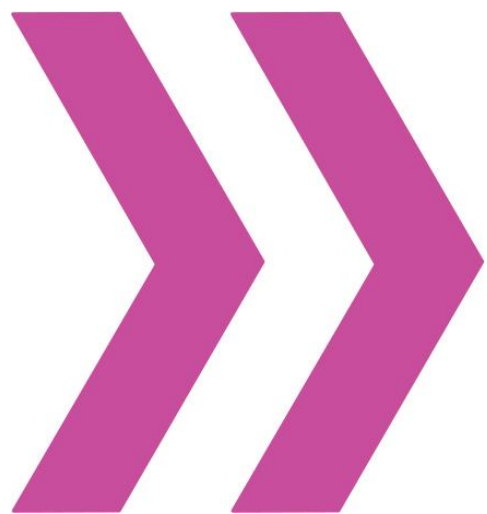
## Tip # 4: Develop verifiable output based measures for CPD

- » Range of methods between:
  - » Self-assessments where members are asked to self-evaluate if a learning outcome has been achieved or not,
  - » Evidence based verifiable evaluation of qualitative improvements such as testing to measure changes in knowledge.
- » Variety of sources, including:
  - » Examination results and knowledge tests;
  - » Periodic assessments of learning outcomes achieved;
  - » Assessing learning through techniques such as role play, learning games, simulations;
  - » Achievement of specialist or other qualifications;
  - » Records of work performed (work logs) verified against a competency map;
  - » Evaluations or assessments of written or published material by a reviewer, publication of professional articles, or of the results of research projects;
  - » Information collected from internal and external quality control reviews;
  - » Surveys and evaluations (e.g. performance evaluations, self and peer assessments, client satisfaction surveys, etc.)
- » Combination of several sources and a variety of verifiable evidence should be considered in some instances (e.g. “softer” learning outcomes or smaller practices)



## Tip # 5: Supporting members to plan and reflect on their CPD

- » PAOs can support members to optimize learning opportunities and provide **different tools and resources** to help them record, plan, and reflect on CPD. For example, learning often takes place “on the job” but the individual may not recognize it as a learning experience.
- » Output based CPD models more explicitly recognize that different professionals have different development needs. By setting **competence frameworks**, PAOs assist professionals to set specific learning goals based on those competences.
- » Competency maps are a good way for members, who are looking for promotion or moving from practice to business (or vice versa), to identify “**competency gaps**” in their learning.
- » **Learning plan** templates can also help members capture “competency gaps” and include other desired learning when planning CPD activity.
- » **Reflection** helps individuals to contemplate what they have learned and how this is relevant in practice and to identify personal areas for improvement within defined competence frameworks. PAOs can encourage this process by asking members to submit a series of reflective statements on their CPD.



Thank you

