

ACCOUNTANCY EDUCATION BENCHMARKING STUDY

Kalina Sukarova, Senior Financial Management Specialist, CFRR

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CFRR >>

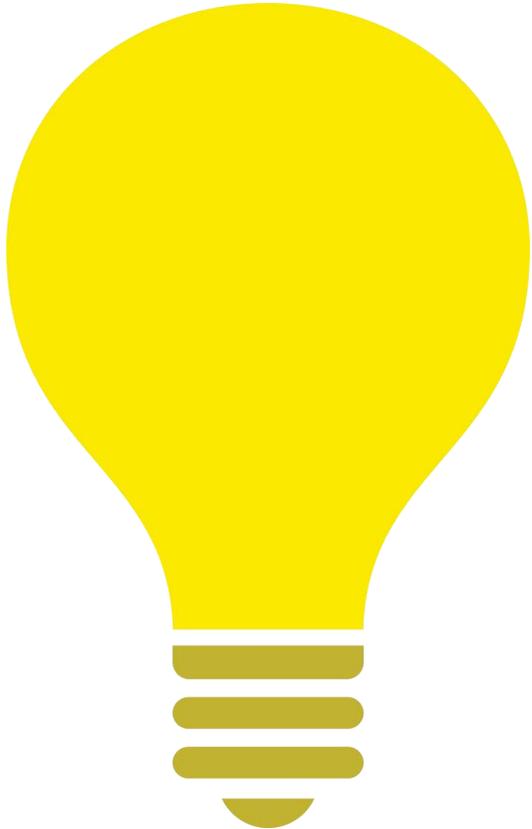
**Centre for Financial
Reporting Reform**



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.



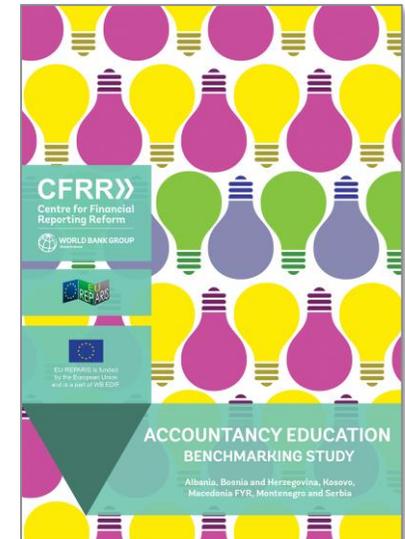
- » About the Study
- » Methodology and Approach
- » Practical Application and Benefits of Benchmarking
- » Cross Cutting Issues
- » Challenges with IES Implementation
- » Opportunities for Reform and Good Practices



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

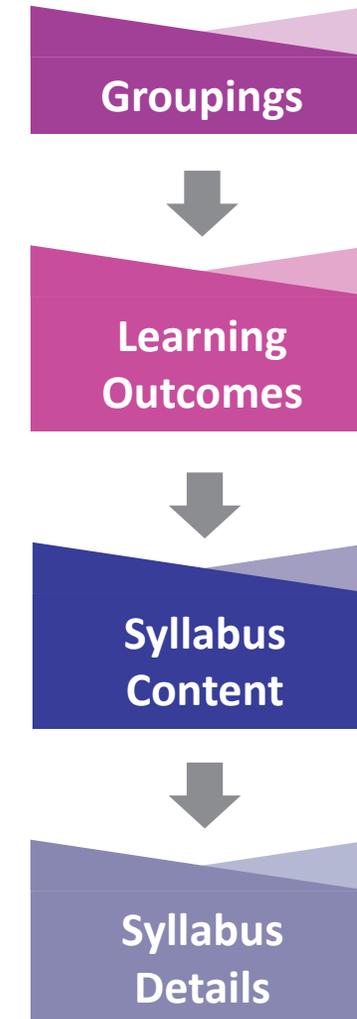


CIPFA

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

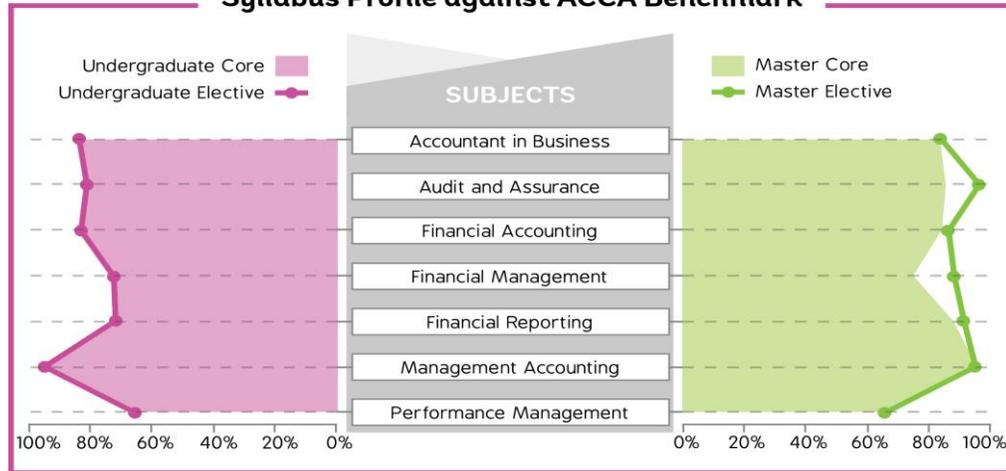
Profiling Tool - Features

| 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 |
| TOTAL | | 1,183 | 2,049 |

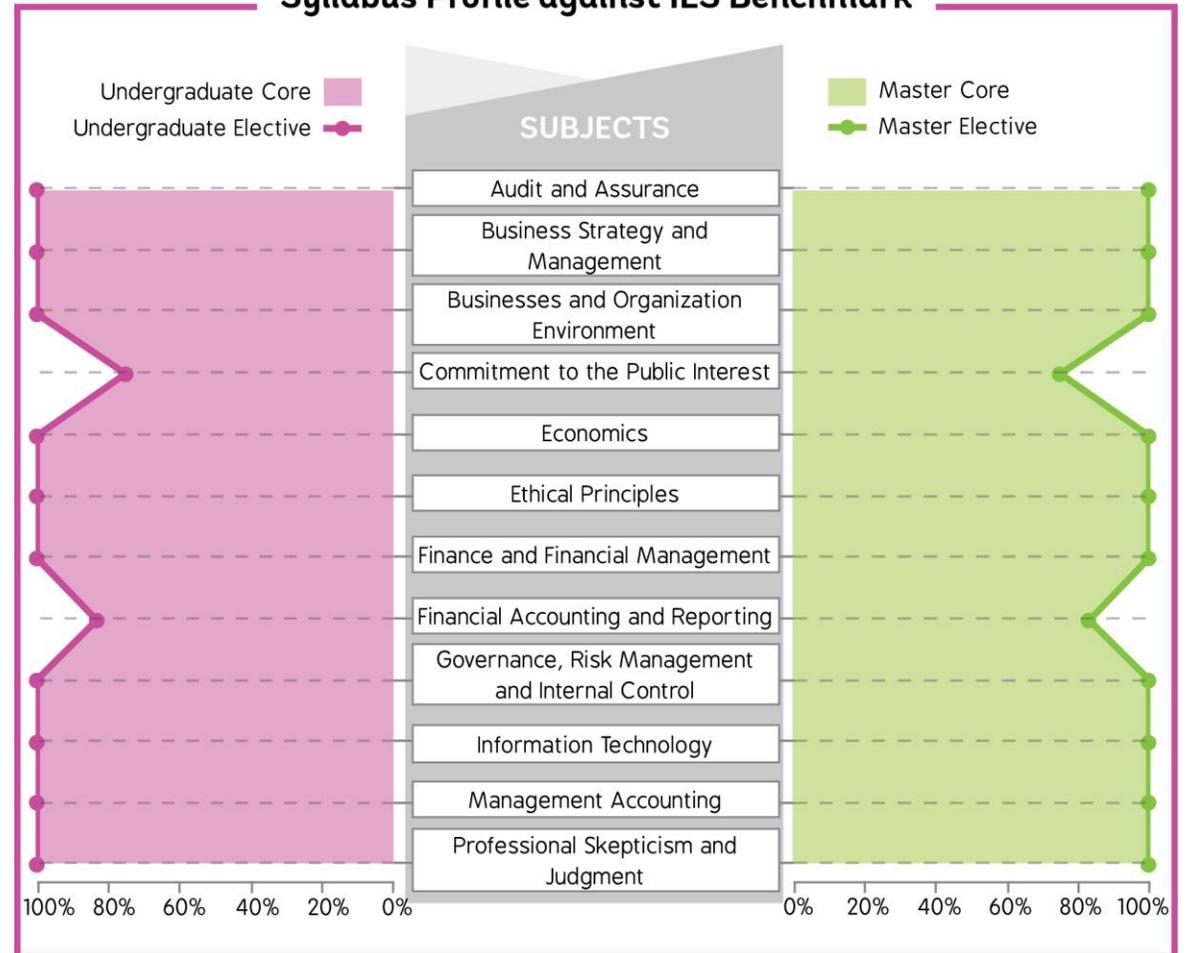


Benchmarking Tool – University Analysis

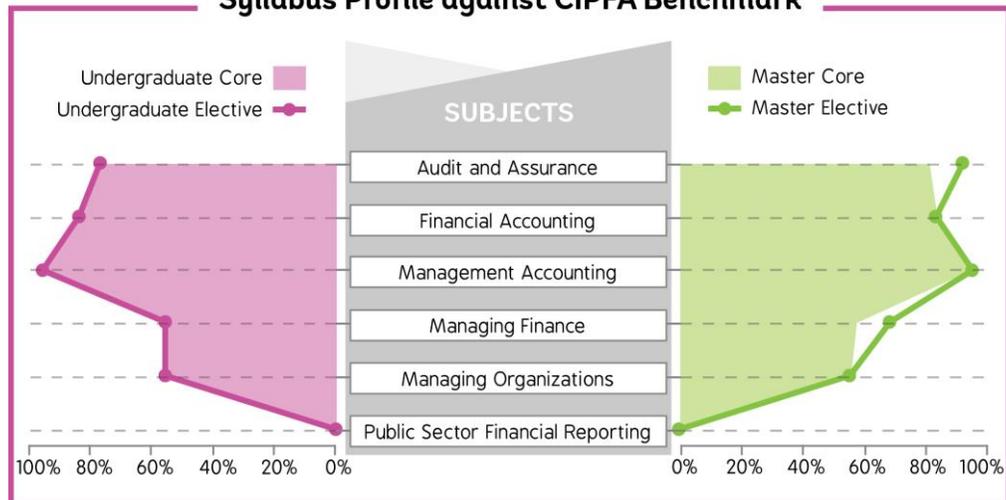
Syllabus Profile against ACCA Benchmark



Syllabus Profile against IES Benchmark

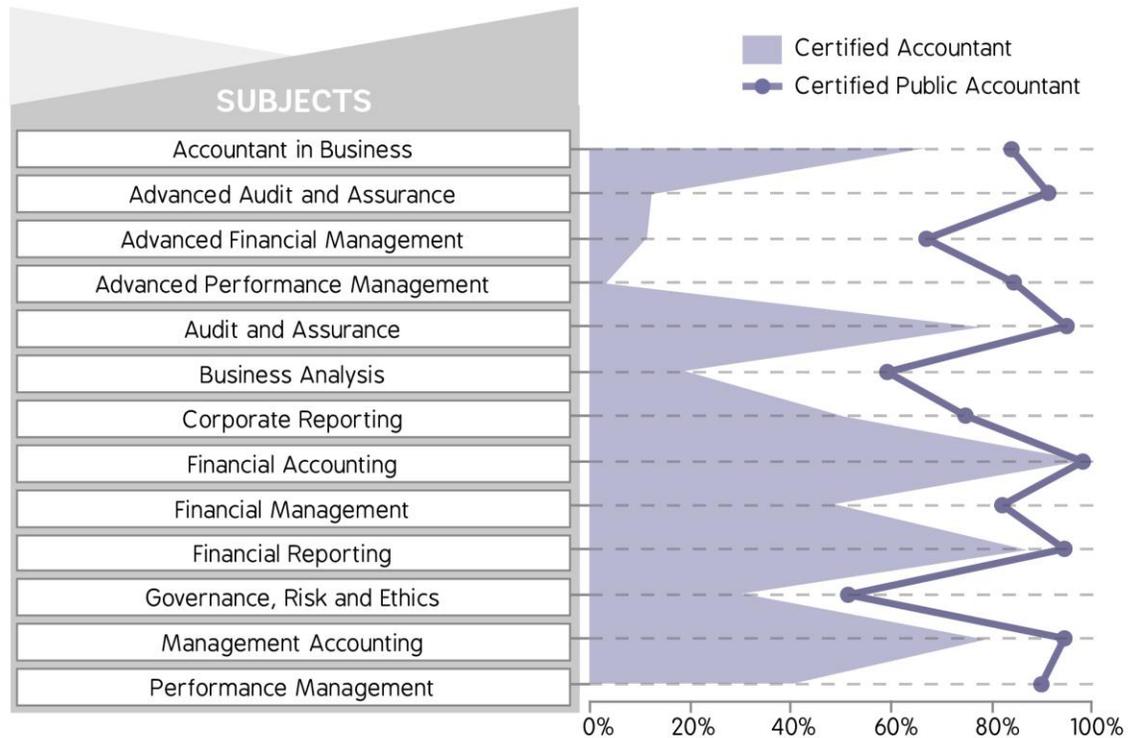


Syllabus Profile against CIPFA Benchmark

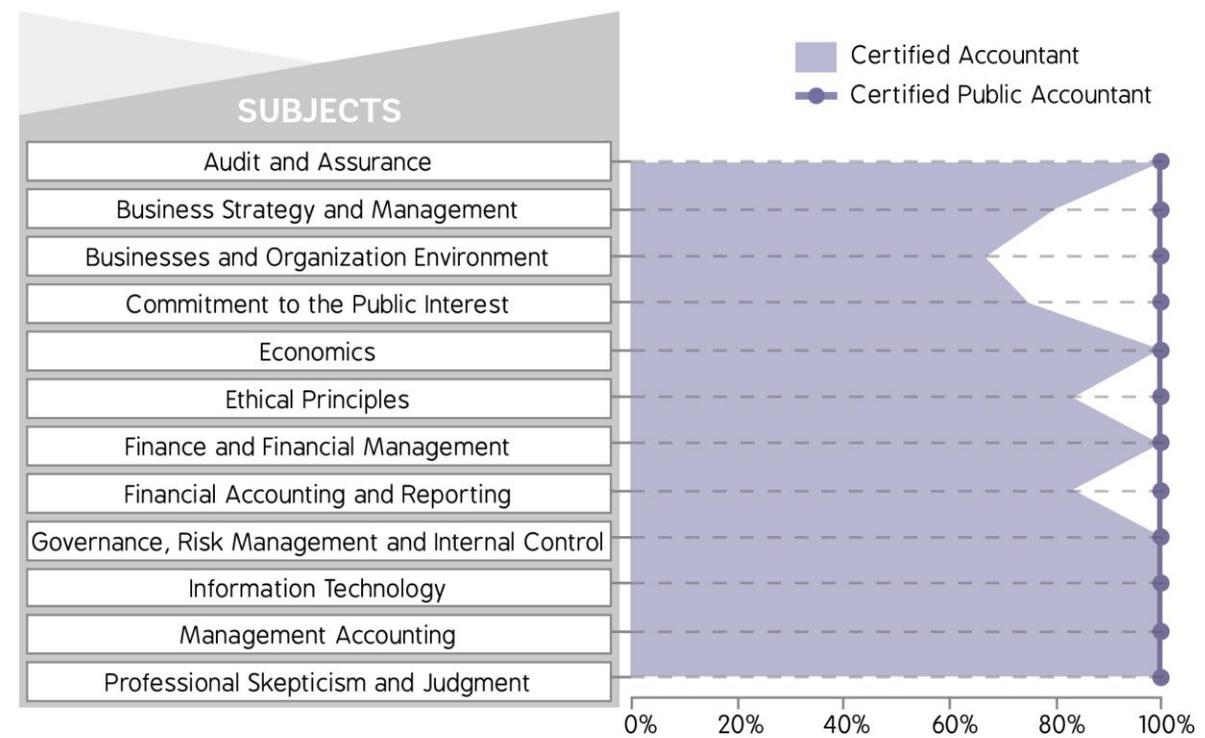


Benchmarking Tool – Professional Analysis

Syllabus Profile against ACCA Benchmark

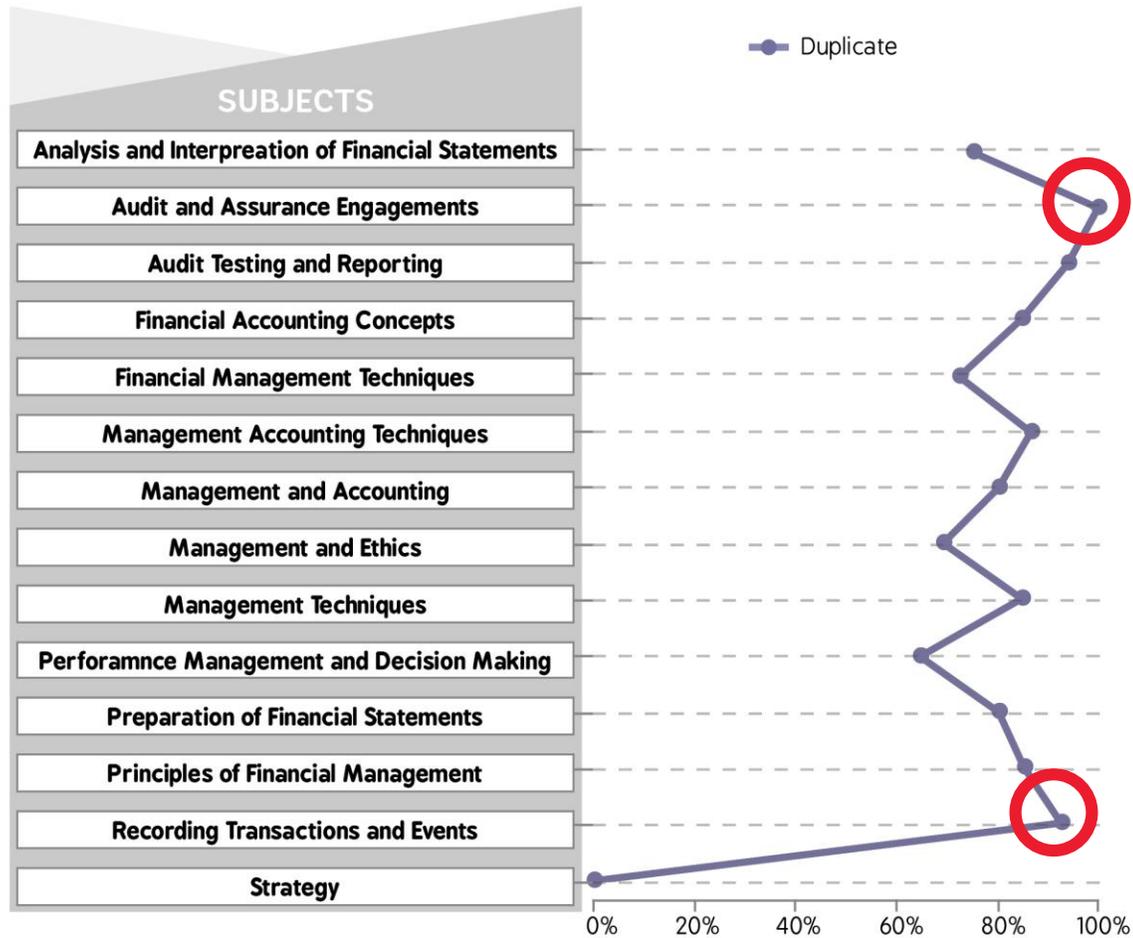


Syllabus Profile against IES Benchmark

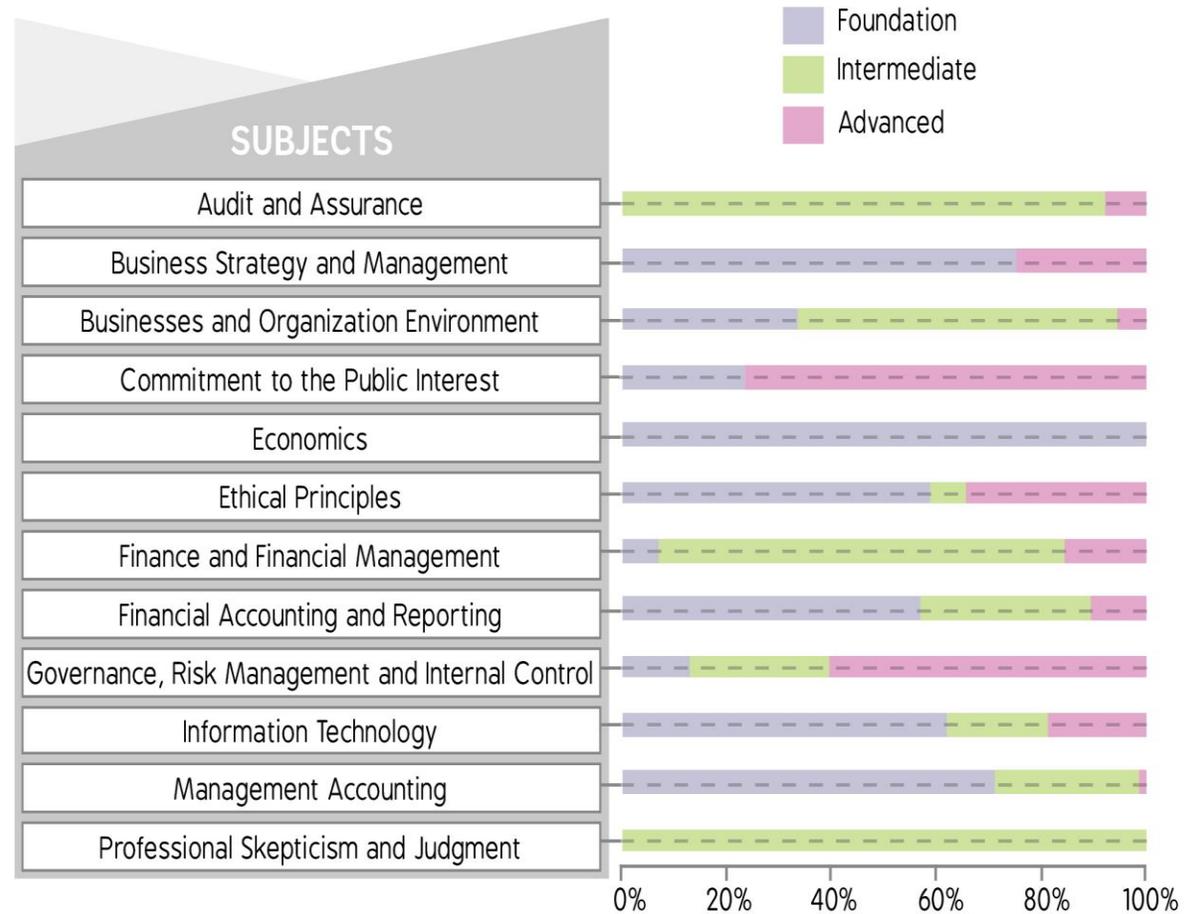


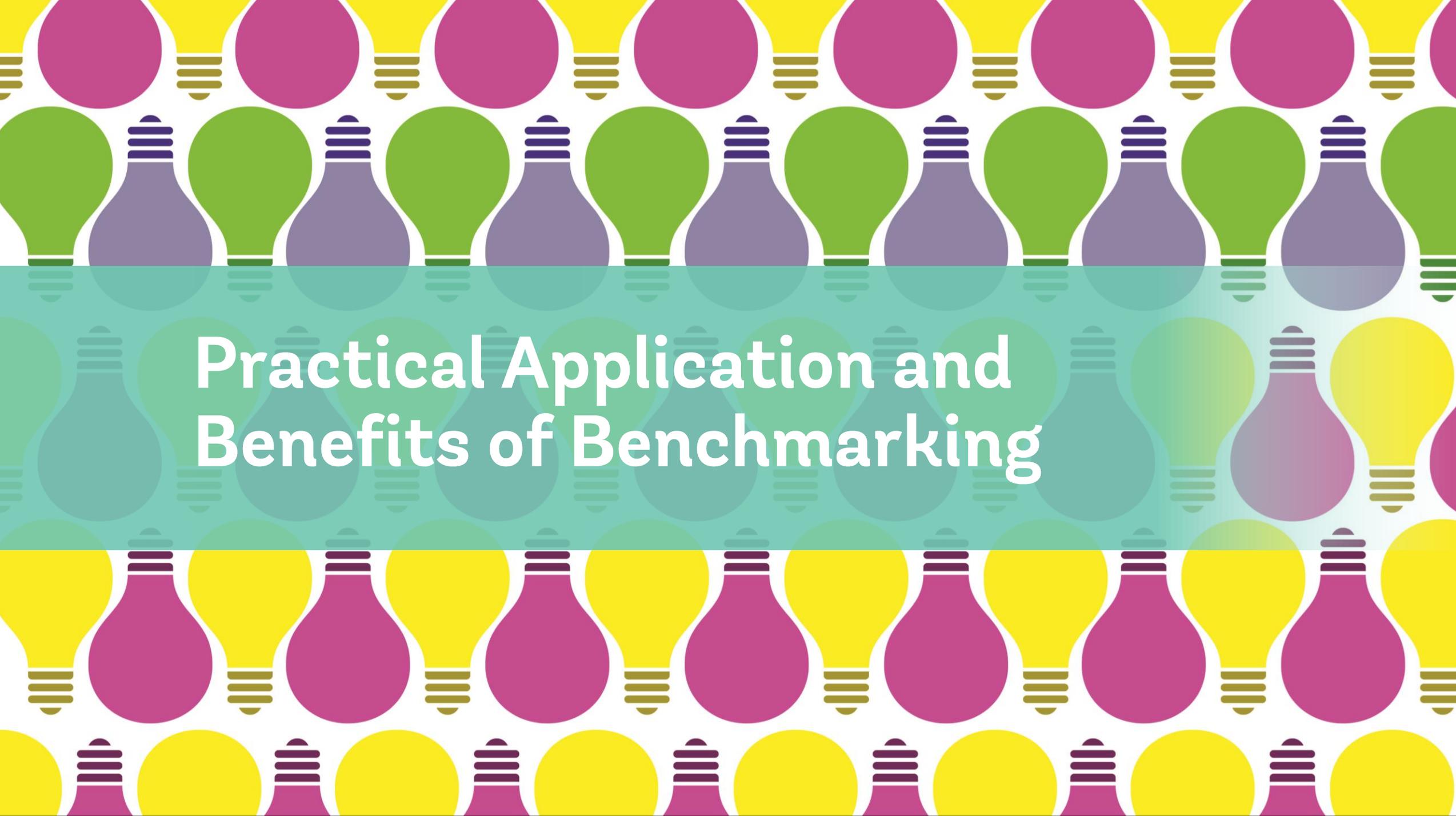
Benchmarking Tool – Combined Analysis

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

Cross Cutting Areas



Sources of Funding

- » High reliance on public funding in some universities
- » Qualification programs are not the most significant source of income (exception of Kosovo)
- » Overreliance on certain sources of income (e.g. membership fees in some cases for example when PAO mandate secured in law)



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
- » Few permanent staff and most functions in education outsourced to part time consultants

Cross Cutting Areas



Demand & Trends

- » Both Universities and PAOs reported stable or increasing demand for accountancy programs
- » Post graduation employment statistics lacking and in some cases low employment levels after graduates



Gender Profiles

- » Balanced ratio of male to female members of the profession in most places
- » PAOs' managing boards are dominated by males

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

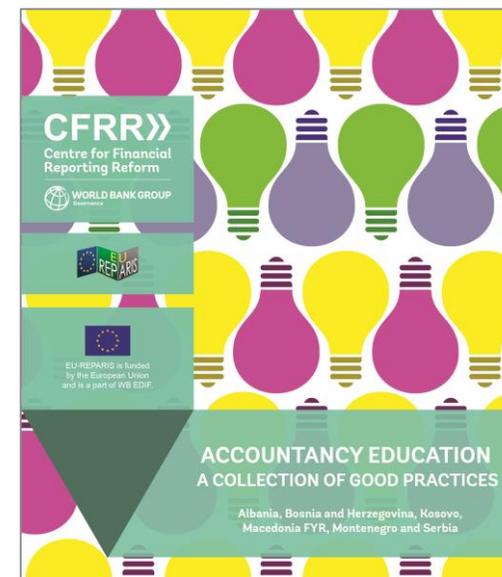


Good Practices

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 Kosovo



Society of Certified Accountants and Auditors
of Kosovo (SCAAK)

- » Providing tools and guidance to members to meet professional skills requirements
 - » Well developed practical experience policy that guides both students and supervisors
 - » Forms and templates to help candidates document the practical experience achieved
- » Maintaining a CPD lecturers' database
 - » Expert database with external experts who specialize in different fields and recognized members of academia
 - » Criteria are used to screen CPD trainers, such as working experience, professional reputation and teaching experience



Society of Certified Accountants and Auditors
of Kosovo (SCAAK)

- » Implementing security, timeliness and quality control procedures during examination marking
 - » All examinations are marked at one single location
 - » Marking guides are used
 - » Qualified markers selected and trained
 - » Anonymity of candidates protected
 - » Marking is audited and re-marking procedures for marginal papers are in place
 - » Reports on examinations are made public

Good Practices – Examples from Kosovo



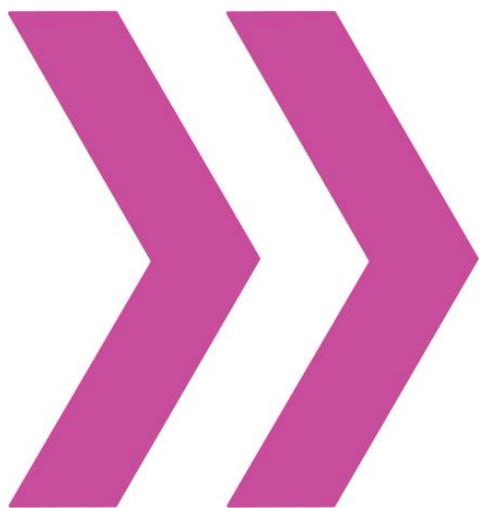
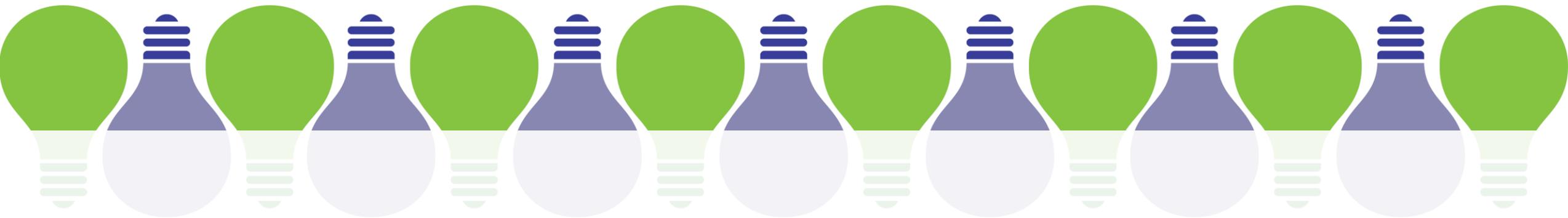
Society of Certified Accountants and Auditors of Kosovo (SCAAK)

- » High quality and up to date teaching materials
 - » Entered into agreement with a leading professional accountancy education materials provider in Europe
 - » Textbooks are accompanied with exercise kits and mock exams
 - » Collaborates with accountancy firms to update syllabus in areas such as tax and law in Kosovo
- » Responsive to the different needs of professional accountants
 - » Developed a Public Sector and an Insolvency Specialist Certification program
 - » Currently working on development of an Internal Audit Certification Program



University of Pristina, Faculty of Economics

- » Building partnerships to modernize university accountancy education
 - » USAID program supported 5 students from the Faculty of Economics in Pristina to study on the Arizona State University and complete the master's in accounting program
 - » The conditions included that upon their return they be retained at the Faculty in Pristina
 - » Developed a three-year undergraduate program in accounting
 - » The 5 scholars also translated textbooks and remained full time lecturers at the Faculty



Thank you

