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**ACHIEVING EXCELLENCE IN ACCOUNTANCY EDUCATION:
SHARING GOOD PRACTICES AND
OPPORTUNITIES FOR REFORM**

Key opportunities for In Country Accounting Education Reforms



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World Bank ROSC accounting & auditing Macedonia – september 2014



Findings on university education

- University programs for accounting, finance and auditing existed on three public universities (Skopje, Stip and Prilep) with limited collaboration
- International standards (IFRSs, ISAs and IFAC Code of Ethics) part of the programs
- Learning materials used to deliver university courses should be innovated and more practical (case studies, simulations of professional firms and clients, practical assignments)

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Findings on university education

- Faculty has limited experience in professional practice, practitioners are engaged as guest lecturers, more often within private universities
- There is a need for enhanced cooperation between universities, business community, the profession and regulators in developing more internship opportunities throughout study period
- Limited and inflexible opportunities for international cooperation – often as a result of legal changes and bureaucracy (Law on Higher Education in 2009-integrated university)

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Findings on professional education

- **Graduated students from relevant university programs are not provided exemptions from ICARM professional qualification program**
- **Inflexible CPD system for statutory auditors**
 - ICARM is the single recognised provider of CPD training that means credits for members
 - Other learning forms and activities with other educational providers are not recognised, although they are effective for the professional development
- **Limited resources for education → cooperation between ICARM and ISOS**

Macedonia in the benchmarking study on accounting education - May 2016



What was covered by the benchmarking study in Macedonia?

- ✓ **Two university programs (undergraduate and master) on accounting and audit from Faculty of Economics, UKIM**
- ✓ **ICARM professional qualification program for statutory auditors**

Accounting education programs at Faculty of Economics, UKIM



- Largest programs in the country according to the number of enrolled students (around 150 undergraduate students and 20-30 master level students per academic year)
- The undergraduate program last four years (240 ECTS), the master program is offered as single/two year program.
- Programs accredited at national level, students from Macedonia.
- Accreditation of programs with international organisations is not pursued actively, mainly because of lack of resources.

Composition of study programs, Faculty of Economics, UKIM

Undergraduate program

- 60% Mandatory
- 40% Elective courses



- ➡ Principles of Accounting, Financial Accounting
- ➡ Corporate Financial Reporting, Management Accounting
- ➡ Auditing, Internal Auditing, Financial Statements Analysis
- ➡ Accounting Information Systems, Cost Accounting
- ➡ Governmental accounting and accounting for non-profit organisations

Composition of study programs, Faculty of Economics, UKIM



Master program

- 65% Mandatory
 - 35% Elective courses
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- 👉 External reporting, Strategic management accounting
 - 👉 Auditing, Financial Statements Analysis, Performance measurement
 - 👉 Accounting information systems and technologies,
 - 👉 Tax accounting, Fraud examination, State audit

Challenges for accounting education programs



- Engagement of experts from professional practice in the teaching process is limited.
- For graduated students that chooses to enroll to ICARM professional qualification program there are no exemption for the relevant parts of the program that were effectively thought at university courses.
- Graduated students that enroll to the ACCA program receive exemption from 4 (F1-F4) out of 14 program exams.



Challenges for accounting education programs



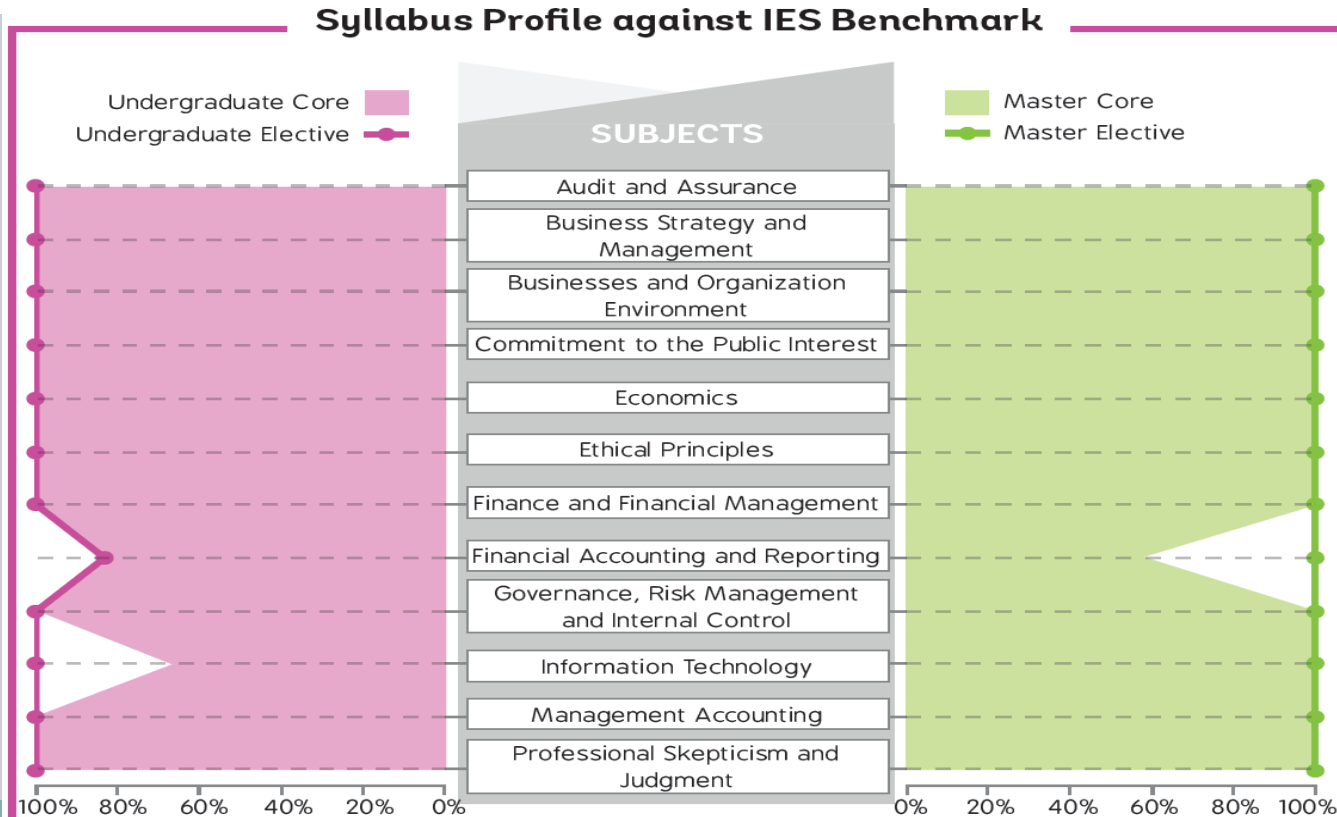
Faculty has active cooperation with professional firms, ICARM and business community, to provide internship opportunities for students, among other goals.



The Faculty failed to develop alumni network and maintains insufficient statistics on graduated students.

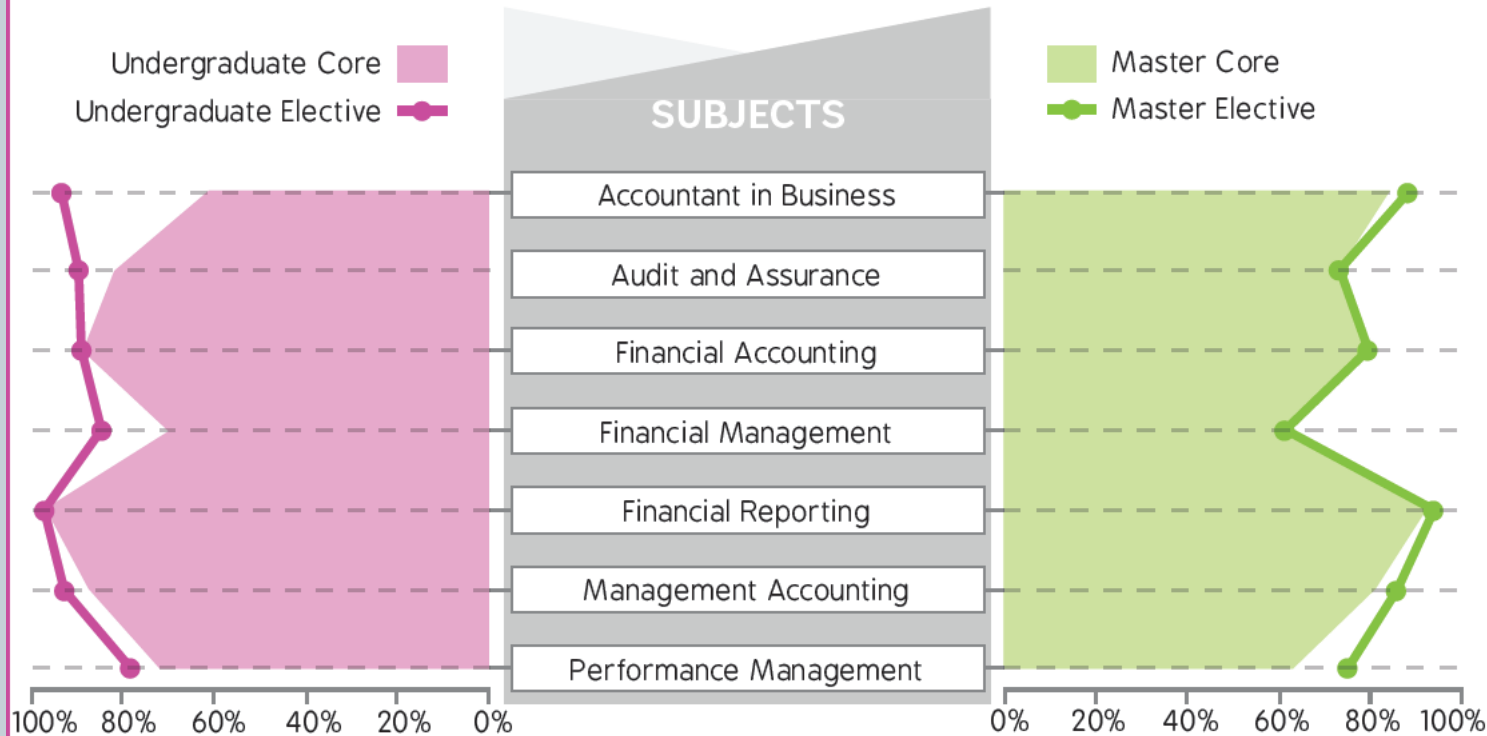
According to rough estimates 30% of students find employment immediately after graduation, 55% within 6 months.

Results of the benchmarking study for the profile and content of ECCF, UKIM programs



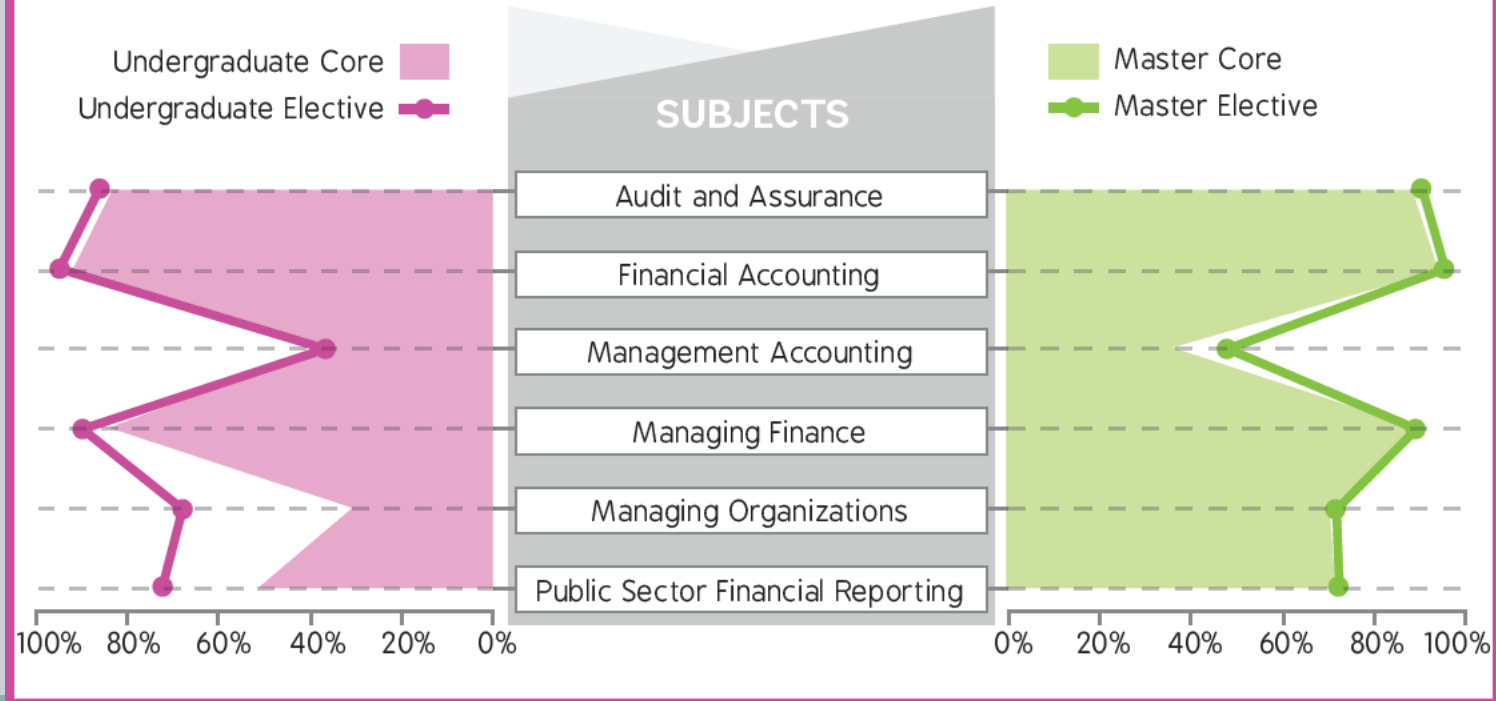
Results of the benchmarking study for the profile and content of ECCF, UKIM programs

Syllabus Profile against ACCA Benchmark



Results of the benchmarking study for the profile and content of ECCF, UKIM programs

Syllabus Profile against CIPFA Benchmark



Good practices in the education process



Activities with the business community to promote internship among students:

- ✓ „Career days“
- ✓ “Macedonian Youth to Business Forum”
- ✓ Workshops and trainings
- ✓ Youth development program – case study scenario competition to win internship and employment opportunities

ICARM Professional Education

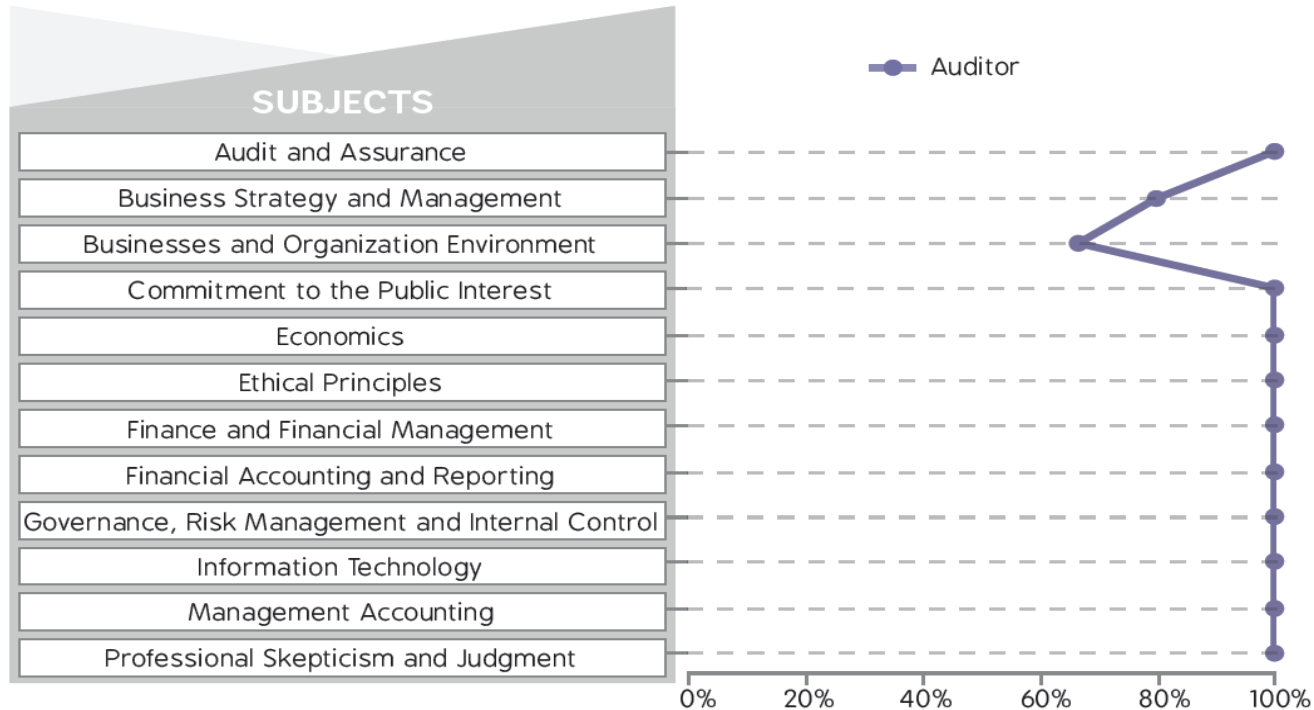


ICARM is professional organisation of statutory auditors with mandate secured in the Audit Law.

ICARM became IFAC member in 2013. Status obtained in respect of the solid quality control system and quality professional education for the membership.

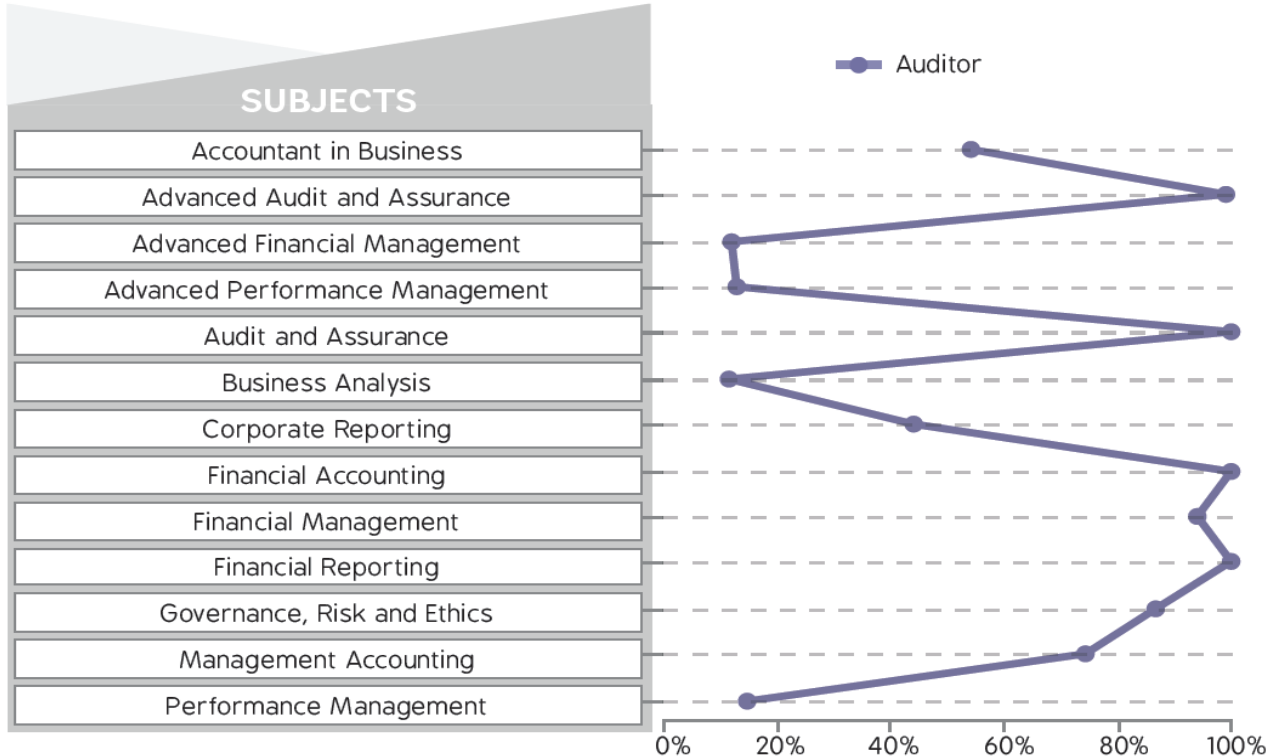
Results of the benchmarking study for the profile and content of ICARM professional program

Syllabus Profile against IES Benchmark



Results of the benchmarking study for the profile and content of ICARM professional program

Syllabus Profile against ACCA Benchmark



Results of the benchmarking study for the profile and content of ICARM professional program

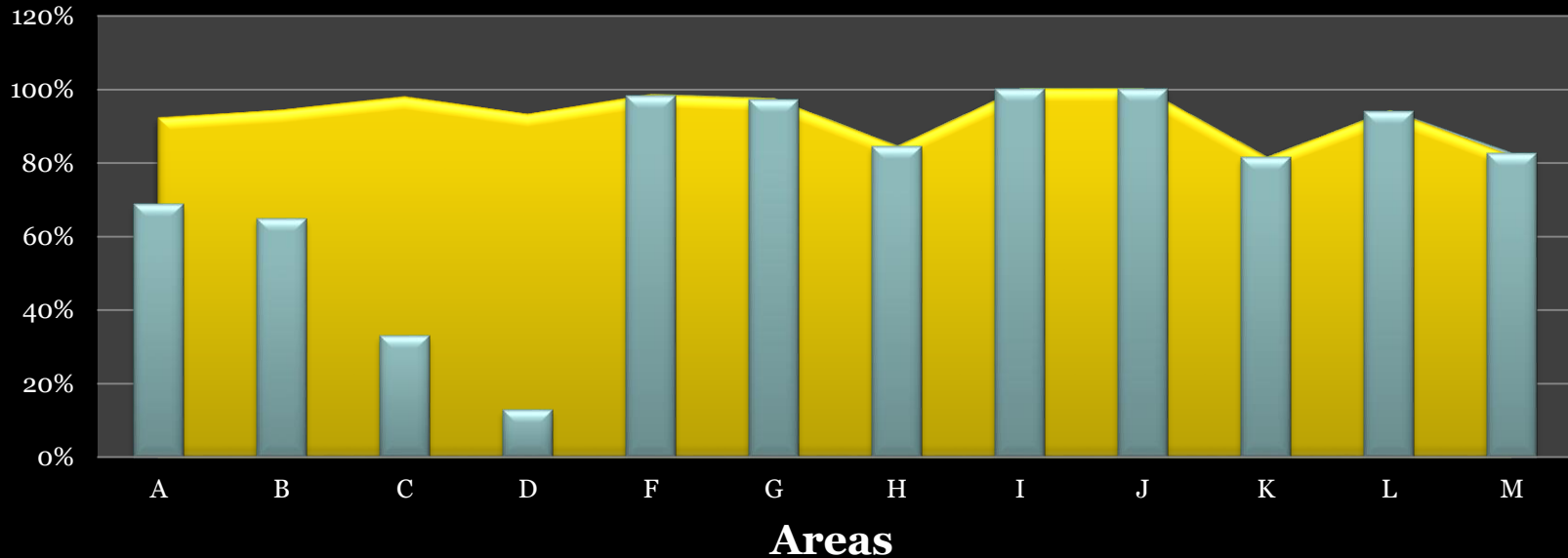


Major drawbacks of the program content are competence areas that are not the technical core part but consider important for the profession and require high proficiency level, for example:

- ✓ Advanced financial management
- ✓ Performance measurement and management (analysis for the management)
- ✓ Business analysis (strategy, strategic and competitive performance etc.)

University programs versus ICARM professional qualification program

**Content duplicated in university and professional
qualification program**



University program coverage
Duplicated at professional qual. program

University programs versus ICARM professional qualification program

	IES areas	Duplicate	%
A	Management and Accounting	121	68,8%
B	Management Accounting Techniques	111	64,9%
C	Management and Ethics	29	33,0%
D	Perforamnce Management and Decision Making	13	12,9%
E	Mangement Techniques		
F	Financial Accounting Concepts	58	98,3%
G	Recording Transactions and Events	143	97,3%
H	Preparation of Financial Statements	76	84,4%
I	Analysis and Interpretation of Financial Statements	28	100,0%
J	Audit and Assurance Engagements	59	100,0%
K	Audit Testimng and Reporting	66	81,5%
L	Principles of Financial Mangment	32	94,1%
M	Financial Mangment Techniques	123	82,6%
N	Startegy		
	TOTAL	859	72,6%

Major content alignment between programs according to the IES 2 competence areas and learning outcomes.

Conditions are met for greater integration between academic and professional programs. Exemptions should be offered to graduated students.

Challenges for ICARM's professional education system



Lack of resources. Current annual budget approx. 760k and is expected to cover many legal responsibilities. ICARM is largely dependent on pro-bono efforts and activities of its membership.



Update of qualification program and exam materials. Relevant professional standards and legal requirements have frequent changes, therefore the qualification program and exam materials need to be updated regularly (annually).



Major revision of the professional qualification program to enhance competence areas and learning outcomes. New competence areas should be incorporated such as: business analysis, performance measurement and management, managing organisations etc.

Challenges for ICARM's professional education system



Appropriate changes in the law and proportionate legal requirements for the professional qualification program. Changes in the Audit Law in order to enable ICARM to re-launch the program and current examination approach for new candidates.







Modern CPD system. ICARM acquires significant financial resources through its CPD program, however different learning and professional development activities of members should be recognised.



Competence areas and learning outcomes for practical experience. ICARM and SUNR should develop competence framework and guidance for candidates and supervisors on documenting practical experience.

Good practices in ICARM's professional education system



-  Outsourcing of CPD and obtaining know-how from international audit network firms
-  Use of Quality review assessments as an input for the design of annual CPD programs
-  CPD trainers from partner professional bodies (CNCC и CSOEC)
-  System of independent monitoring over professional examination (Examination and Examination review committees)

MANY THANKS FOR LISTENING!