

Achieving Excellence in Accountancy Education: Sharing Good Practices and Opportunities

- Exploring Future Accountancy Education Reforms

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1 - Albanian Institute of Statutory Auditors (IEKA) - overview

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- **11/1997** – the Albanian Institute of Statutory Auditors (IEKA) - established
- IEKA - Professional body of Certified Public Accountants (CPAs), represents:
 - 221 active CPAs, organized in
 - 61 audit firms and
 - 136 sole practitioners audit practice, and
 - 100 CPAs, which are not active in exercising the audit profession
 - Employed in government
 - Business entities as accountants, auditors and similar positions
- 165 candidates with full time or part time employment contracts.
- Financial resources – membership fees, publications

1 - Albanian Institute of Statutory Auditors (IEKA) - overview

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- The only professional body in charge with statutory auditors, their education and applicable professional, ethical and technical standards
- IEKA has established very good relation at national level
 - ▣ Ministry of Finance ; Ministry of Economy ;
 - ▣ Tax and Custom Authorities, National Registry, Universities
 - ▣ Supreme Audit Institution
- Active member internationally. Full member :
 - ▣ IFAC - International Federation of Accountants; FIDEF - Federation of Francophone Accountants;
 - ▣ FIDEF – Federation of Francophone experts comptables
 - ▣ FCM – Federation of Mediterranean Countries Accountants
 - ▣ EFAA- European Federation of Accountants and Auditors for SMEs
- Good relations with:
 - ▣ Other PAOs in the EU and all Balkans countries
 - ▣ CFRR WB - Vienna

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□ **Regulatory framework**

- Commercial Company law
- Accounting law
- Ordinance of Council of Ministers (1995), Modified (2000, 2001)
- Audit law 2009, n modified 2016
- IEKA charter (Statute)
- IEKA internal regulations
- Secondary rules, guidelines and other self-regulatory acts regulating
 - Preparation of Auditors
 - Membership criteria
 - Training of members and candidates
 - Quality Control and Quality of assurance

□ **Supervised by the Public oversight of the statutory audit profession (POB)**

2 – Professional Education of candidates and members

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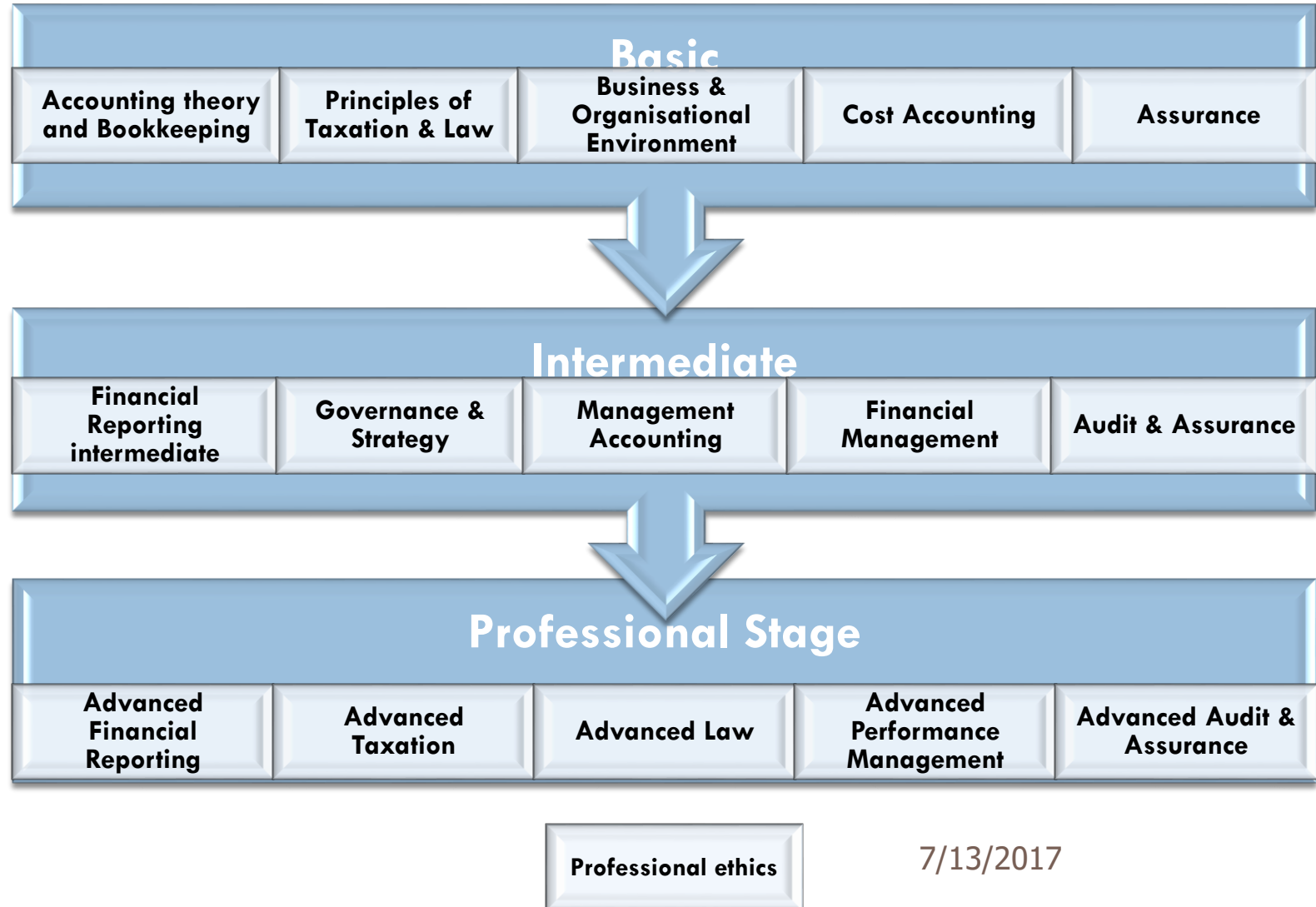
- **(a) Initial and Professional Developments**
 - - **Technical competence**
 - - **Professional skills**
 - - **Professional values, ethics and attitudes**
 - - **Practical experience**
 - - **Assessment of Professional Competence**
- **Audit Law, modified in 2016 – increase the IEKA role to IEKA in education**
 - A complete CPA curricula - to be approved by IEKA (comprising three stages)
 - Reconsidering the role of the higher education Institutions (bachelor and Master studies)
 - Theoretical part – technical competence....
 - IEKA is going to be in charge of other aspects of IPD and to further develop professional modules at the stage 3 of the CPA curriculum

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2 – Professional Education of candidates and members

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2 – Professional Education of candidates and members

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□ Challenges

- Regulations and procedures on recognition system on the Modules (basic and intermediate) delivered by Universities
- Developing proper professional modules and using international literature (ACCA, ICAEW, or other professional bodies)
- Performance management,
- Financial reporting and
- Audit and assurance
- Developing complete module on taxation and Company law
- Better approaching IES 8 (Professional Competence for Engagement Partners Responsible for Audits of Financial Statements)
- CFRR World bank project will assist

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□ IPD – Practical experience requirements

- To enter the CPA examination process, a candidate requires to complete:
 - 3-5 years of relevant practical experience under supervision of a statutory auditor.
 - At least 600 hours per year work experience on audit engagements.
- Eligible supervisors are practicing statutory auditors (firms or sole practitioners).
- The progress of candidates is evaluated on a six month basis and the supervisor is obliged to report on such progress to IEKA.
- During the practical experience candidates has to follow their professional modules – to be organized at the level of European Post Master Studies (with several interim exams)
- Final Thesis at the end of the practical experience – a precondition to enter the final exam
- Challenges – Increasing mutual recognitions with other bodies in the region, ACCA, etc.

2 – Professional Education of candidates and members

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- ❑ **(b) Members – Continuing professional developments (CPD)**
- ❑ CPD is a continuation Professional Development (IPD), the learning and development through which is developed competence leading to performing the role as a professional accountant.
- ❑ CPD provides continuing development of the (a) technical competence, (b) professional skills, (c) professional values, ethics, and attitudes, and (d) competence achieved during IPD
- ❑ In addition, includes many of the same elements as IPD which are necessary for roles that require additional breadth or depth of knowledge, skills, and values.
- ❑ Measurement methods
- ❑ Mainly an input-based method is used.
- ❑ Elements of an output-based system are emerging (assessment of professional knowledge via periodical testing of knowledge)
- ❑ IEKA communicates the importance of CPD to its members through webpage notices and bulletins..

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2 – Professional Education of candidates and members

- ❑ The CPD requirement is set by law – Mandatory 40 verifiable annual hours
- ❑ Admissible CPD units and activities include workshops, seminars and round table discussions which are delivered in accordance with IEKA's annual CPD program.
- ❑ Attendance at conferences as well as writing articles and books (both professional and academic) are also allowable CPD units
- ❑ The Law permits other CPD providers such as higher education institutions, professional training centers and audit firms, however IEKA is the only CPD provider at present.
- ❑ Classroom trainings organized twice per year in lengthy CPD sessions lasting between 2 and 4 consecutive days and including massive audience ranging between 200 and 300 attendances are the dominant method of CPD delivery

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- ❑ Training focus:
- ❑ Update on ISAs, and other assurance, review and related standards
- ❑ NAS, IFRSs, and specialized accounting practices
- ❑ Updates on Taxation and other relevant laws
- ❑ Quality control procedures
- ❑ Best SMP practices
- ❑ Professional ethics
- ❑ SME Guide as a training tool
- ❑ The Audit ToT CFRR Vienna and its practical case study and tools have been very useful and delivered to our members
- ❑ CFRR project on software will cover audit training as well
- ❑ Technology – is the future challenge

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- **EU REPARIS** Audit Training of Trainers program organized by CFRR Vienna has been a very good support to our efforts
- A practical approach to educate Smaller and Medium Sized Practices while performing SME audits
- Materials and cases translated in Albanian and disseminated to our members during our CPD sessions
- Many simulations developed by the program will also help develop practitioner's softer skills