

ACCOUNTANCY EDUCATION BENCHMARKING STUDY

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CFRR >>

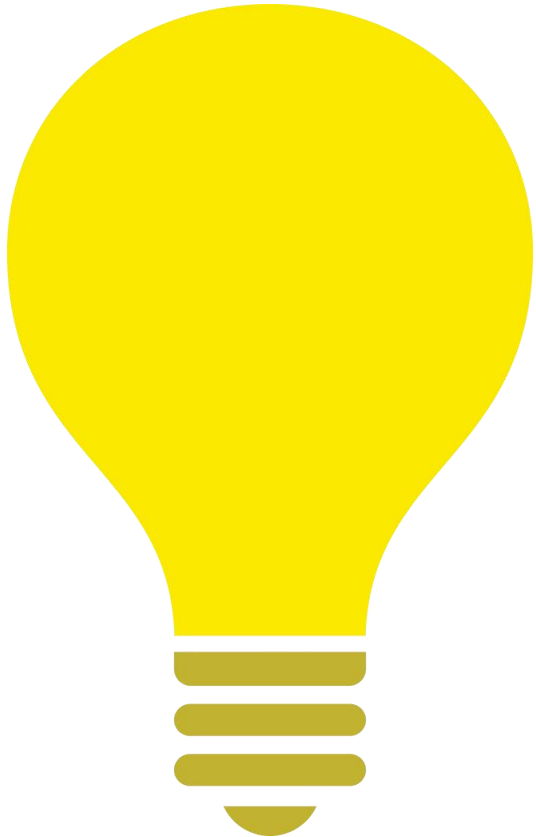
**Centre for Financial
Reporting Reform**



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
- » Cross Cutting Issues
- » Challenges with IES Implementation
- » Opportunities for Reform

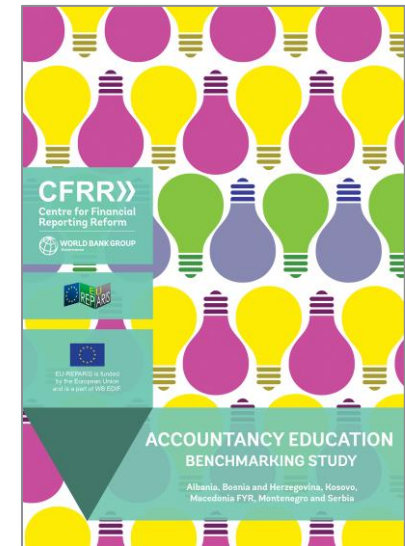
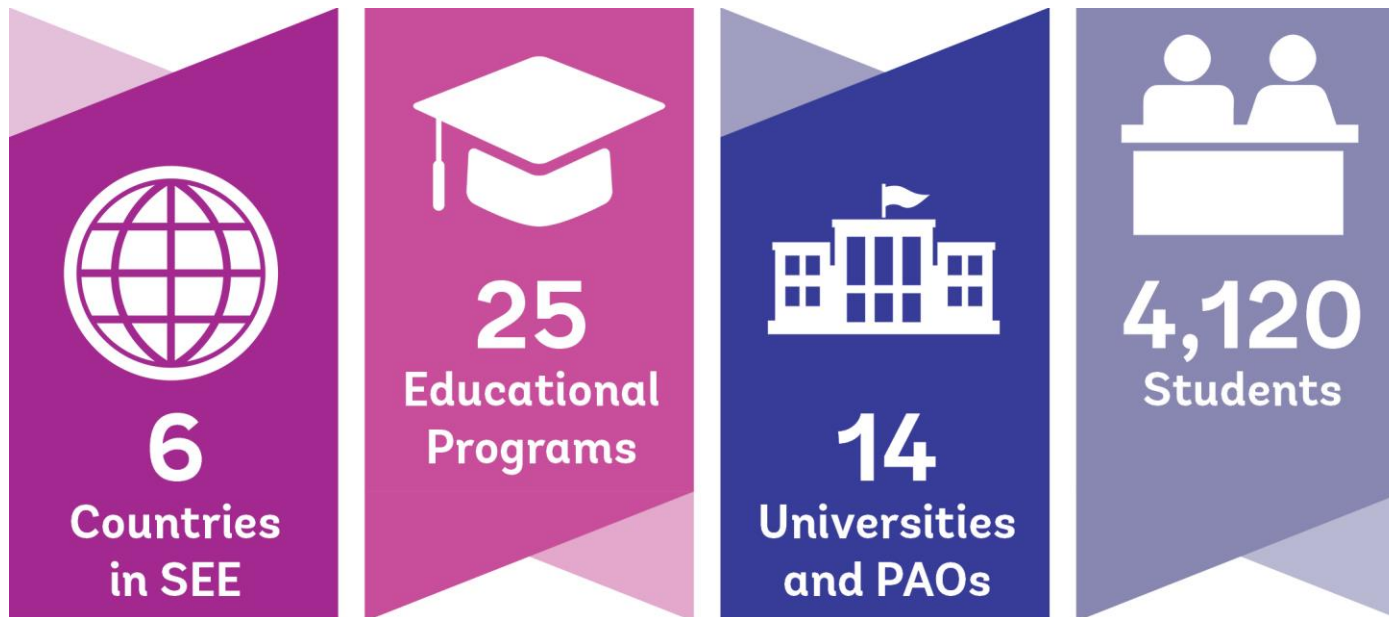




About the Study

About the Study

- » All six 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



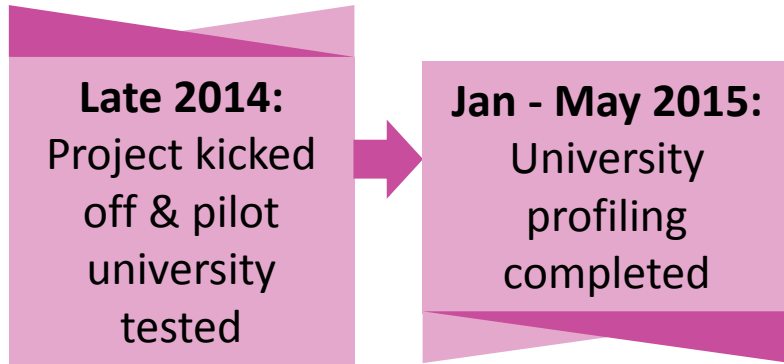
Assisting with international
recognition and
accreditation of national
accountancy programs

Project Timeline: 2 years long!

Late 2014:

Project kicked
off & pilot
university
tested

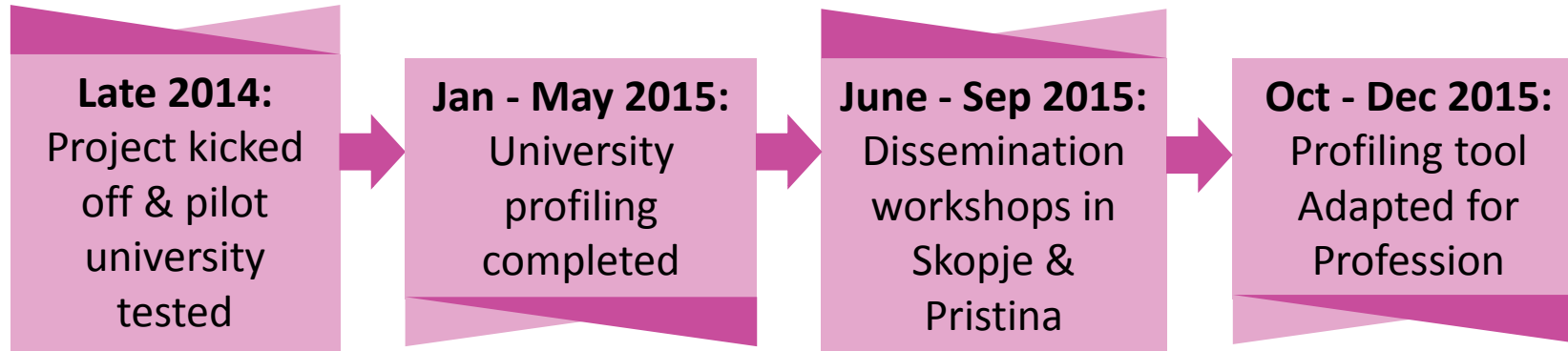
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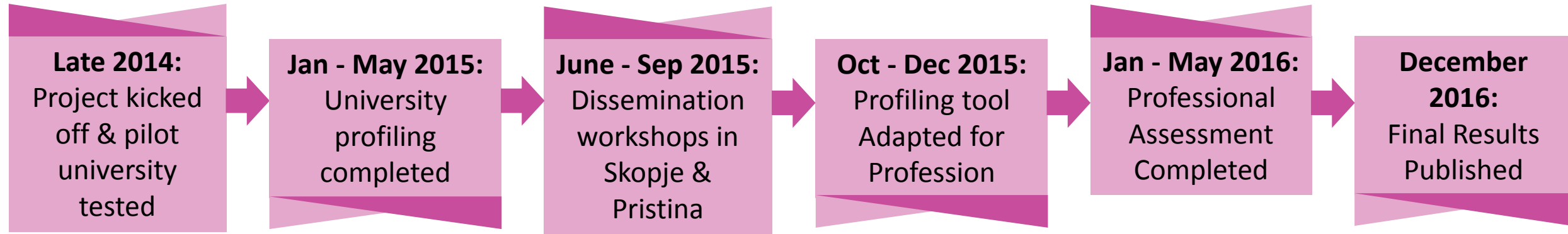
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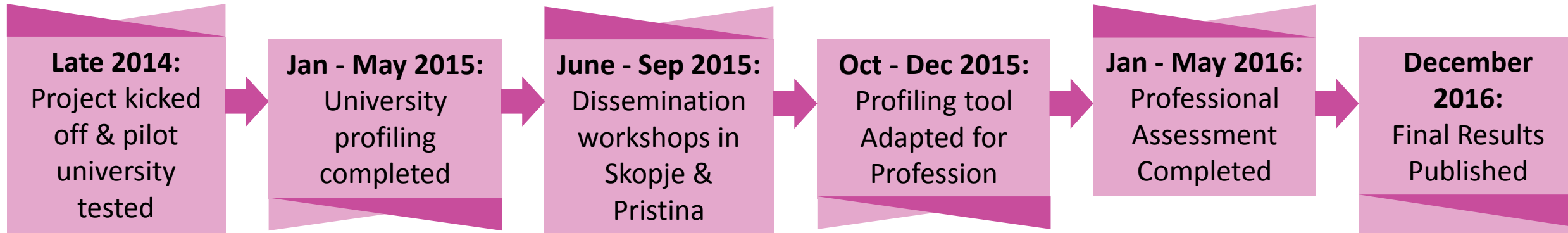
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Project Timeline: 2 years long!



 Ongoing consultations and support from IAESB and IFAC staff



**We are grateful
for your support!**

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

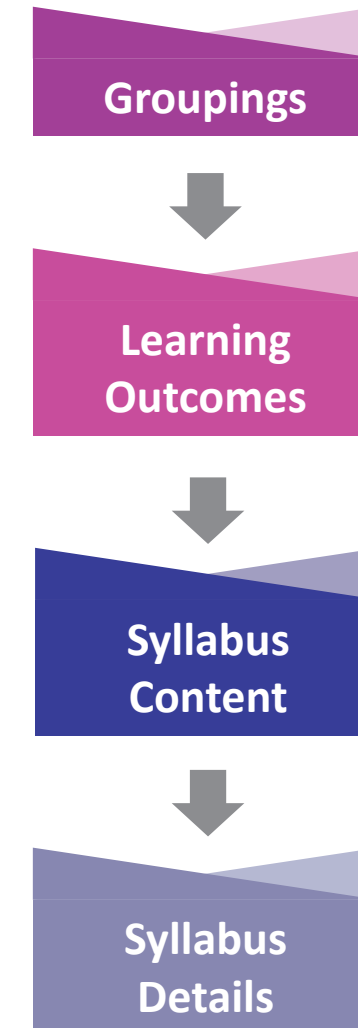


CIPFA

- 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 |



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



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

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

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

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

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

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



Opportunities for Reform

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

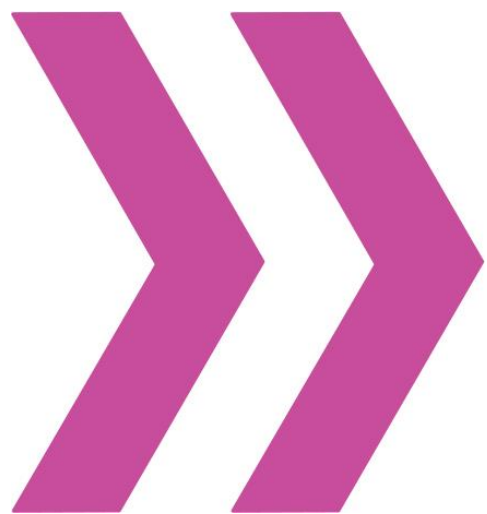
- Periodically assessing competences developed through CPD and introduce output-based measurement systems;
- Resolving capacity constraints by outsourcing CPD delivery to international network accounting firms and international experts;
- Introducing minimum ethics content in annual CPD;
- Introduce 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



Thank you

