

Accountancy Education: Sharing Good Practices and Opportunities

Hysen CELA, CA,CPA. Prof.Dr.
Managing partner **Crowe Horwath AL**
President of **IEKA**

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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

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- Very good cooperation 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
 - ▣ CFWB – CFRR 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)**

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- **(a) Candidates – initial and professional education**
 - Audit Law, modified in 2016 - more role to IEKA in education
 - A complete CPA curricula - to be approved by IEKA quite soon.
 - Universities in Bachelor and Master studies will cover mainly the theoretical part of the knowledge and skills
 - IEKA will be responsible to develop professional modules – stage 3 of the CPA curriculum, which will cover:
 - Advanced Financial reporting (including NASs and IFRSs),
 - Advanced Performance Management
 - Advanced Audit and Assurance (including ISAs)
 - Advanced Taxation and Law
 - Professional ethics
 - Challenge - Regulations and procedures on recognition system on the Modules (basic and intermediate) delivered by Universities.

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- **(a) Candidates – initial and professional education**
- Challenge
 - Developing proper professional modules and using international literature (ACCA, ICAEW, or other professional bodies) on Performance management, Financial reporting and Audit and assurance
 - Developing complete module on taxation and Company law
 - CFRR World bank project will assist

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□ (b) Candidates – Practical experience requirement

- 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.

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- ❑ **(c) Members – Continuing education**
- ❑ 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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- ❑ **(c) Members – Continuing education**
- ❑ IEKA is currently reviewing possibilities to improve the CPD system in order to meet members' demands by, for example, developing online training, applying computer tools and software in teaching ISAs. etc.
- ❑ 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..
- ❑ IEKA, keeps a detailed log per member of the number of CPD hours and reports delinquent members to the regulator.

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☐ (c) Members – Continuing education

- ☐ 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
- In our CPD sessions we continue to treat The **PejaSko case study**, as we consider it a very useful tool that can aid ISA documentation in SMEs,
- Many simulations developed by the program will also help develop practitioner's softer skills