University Accreditation Programs

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21 June 2017, Tbilissi, Georgia

EDUCATION COMMUNITY OF PRACTICE EVENT

Learning Objectives

» Review the concept of professional competence, and the use of Competency Frameworks

» Justify collaboration between Professional Accountancy Organizations (PAOs) and Universities

» Explore what typical accreditation programs look like

» Describe the development of accreditation programs

» Examine a typical accreditation process

» Describe ongoing maintenance and sustainability of the accreditation program

Agenda

I. The Case for University Accreditation

II. Accreditation Programs – typical structure

III. Developing an Accreditation Program

IV. The Accreditation Process

V. Sustaining an Accreditation Program

I. The Case for University Accreditation

The Case for University Accreditation

What is an Accreditation Program?

> » A Professional Accountancy Organization (PAO) works with one or more universities (or other tertiary-level educators)

> » The universities provide courses and a learning environment that is acceptable to the PAO

> » Students who complete the relevant university courses receive recognition for their learning and gain credit from the PAO

> » Credit may be in the form of transfer credits, exam exemptions, an advanced entry point to the professional program, etc.

The Case for University Accreditation

Professional Accountancy Organizations' Responsibilities

  » PAOs are responsible for ensuring competence of members to:
    » protect the public
    » protect the reputation of the profession and maintain public trust
    » comply with national standards and regulations
    » meet international requirements and expectations

Knowledge or Competence?
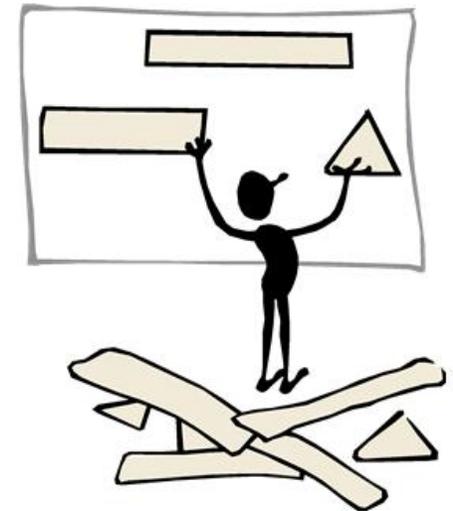
Knowledge: **"Do you know how to…?"**

» Knowledge is necessary but not sufficient –
  we can "know how" to do something, but still
  not be able to do it consistently in a real situation.
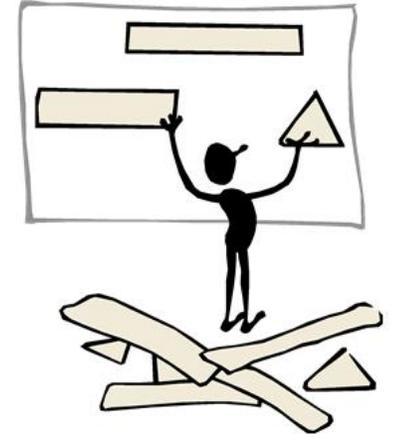
Professional Competence: "Can you…?"

» The ability to perform a role to a defined standard,
  by integrating technical knowledge and
  professional skills values, ethics, and attitudes
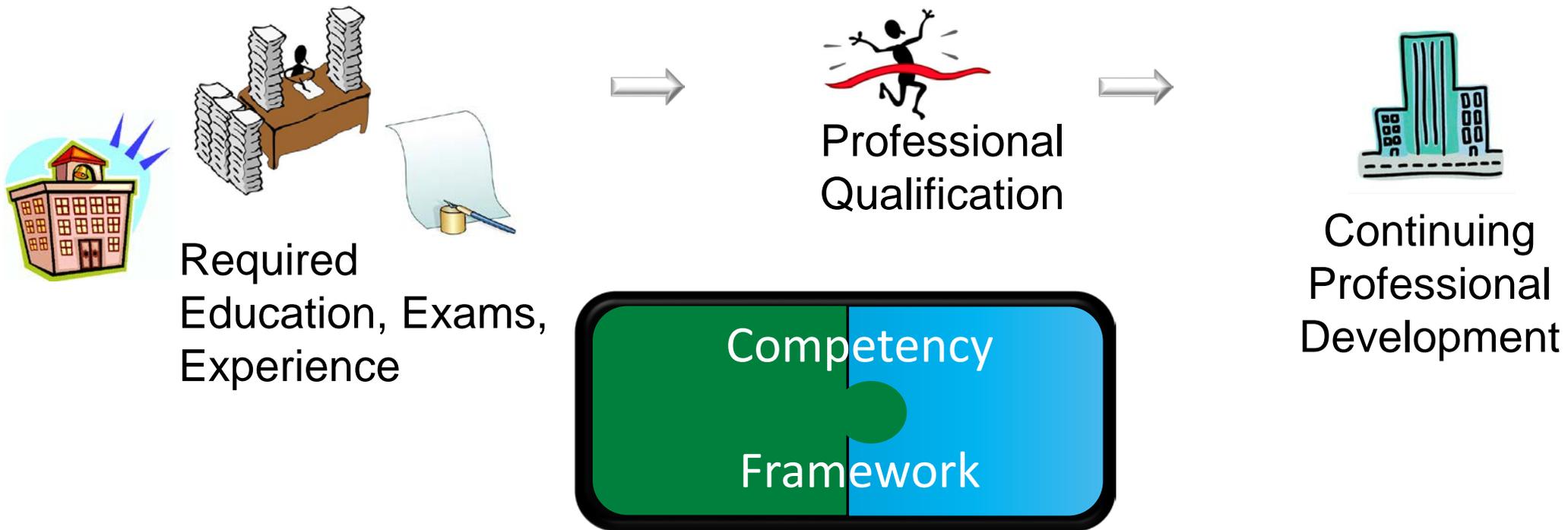
Professional Competence

Why focus on Professional Competence?

» When developing and qualifying professional accountants and auditors, it's not enough that they *know* what the standards require.

» Professionals need to be able to *perform* their roles competently, to the level expected by the public, clients and employers.
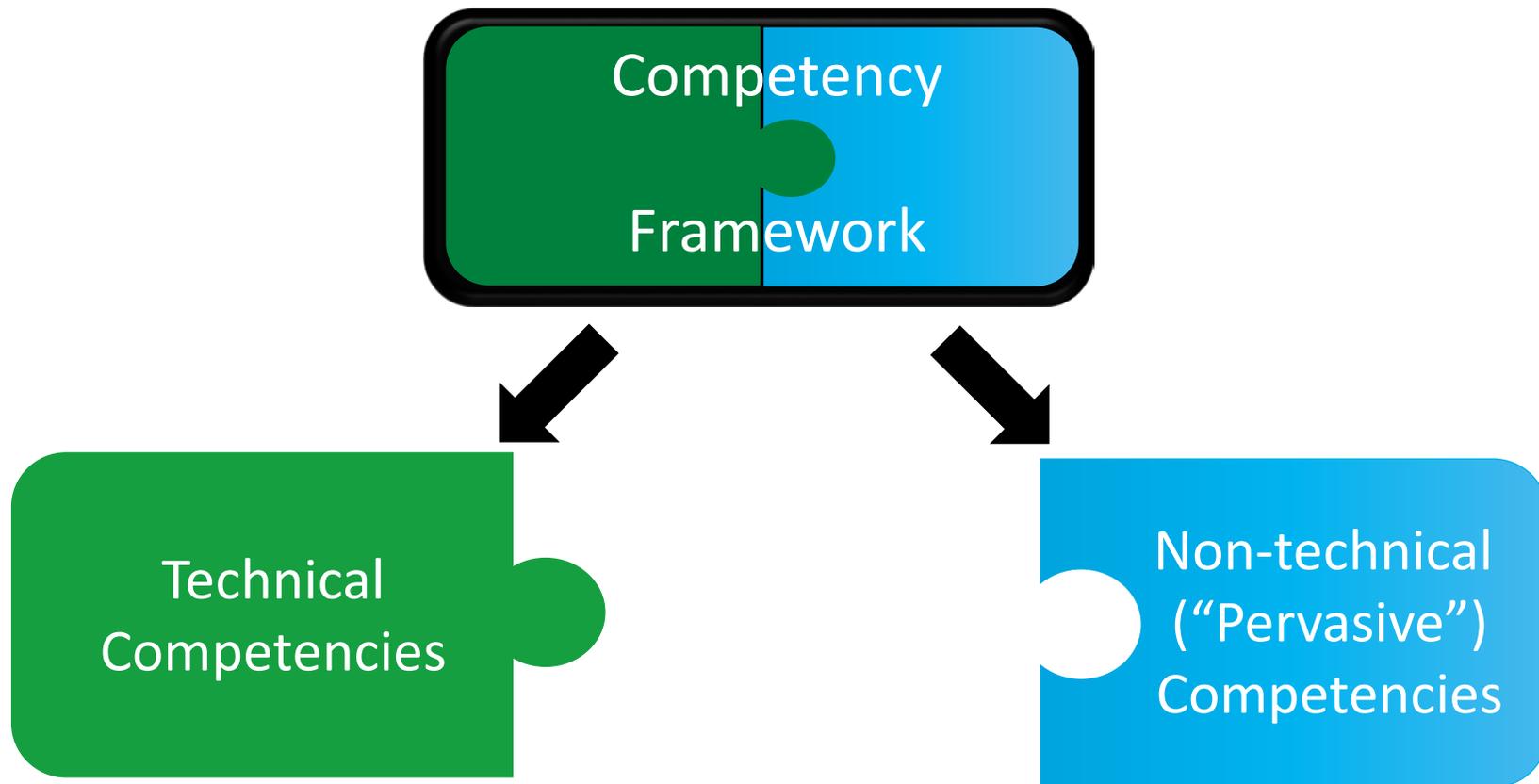
Competency Frameworks

» Competency Frameworks are the foundation ensuring competence is developed, evaluated, and maintained:

Required Education, Exams, Experience

Professional Qualification

Competency

Framework

Continuing Professional Development

Supports PAO's internal programs pre- and post-qualification

Competency Frameworks

Competency Frameworks

Technical Competencies

Non-technical ("Pervasive") Competencies

Competency Areas / Domains

- Financial Accounting & Reporting
- Audit & Assurance
- Management Accounting
- Finance & Financial Management
- Strategy & Governance
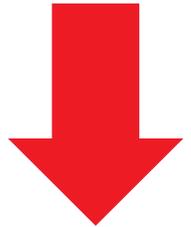- Taxation
- Business Laws & Regulation

Competency Areas / Domains

- Communication
- Teamwork & Leadership
- Problem Solving
- Integrative Approach
- Professional Skepticism & Judgment
- Ethics & Trust

Competency Frameworks

Technical Competencies

EXAMPLE
Area: Audit & Assurance

Competency Statements	Proficiency Level
Evaluates and consults on the organization's reporting needs and related assurance requirements	Intermediate
Determines whether to accept an engagement consistent with professional standards	Intermediate
Determines the scope of the engagement	Intermediate
Evaluates risks and business issues to determine their impact on the engagement	Intermediate
Develops the audit plan	Intermediate
Develops and/or performs appropriate audit procedures	Intermediate
Evaluates and advises on internal controls	Intermediate
… and so on	

Competency Frameworks

Sample Knowledge Topics: Audit & Assurance

Competency Statement: 3.2 Determines whether to accept an engagement consistent with professional standards
K3.2.1 Auditor independence requirements for external engagements (Independence Standards for External Auditors)
K3.2.2 Client acceptance, including scope restrictions and conflict of interest
K3.2.3 Engagement management, including resource allocation

Professional Competence

The Role of Universities (and other educators)

» University education provides the foundation for professional education – competence begins here.

» Universities are where students decide on their career path, and may choose to pursue a profession.

» It is important that universities provide a consistent message to students about the profession's requirements and opportunities.

PAO & University Collaboration
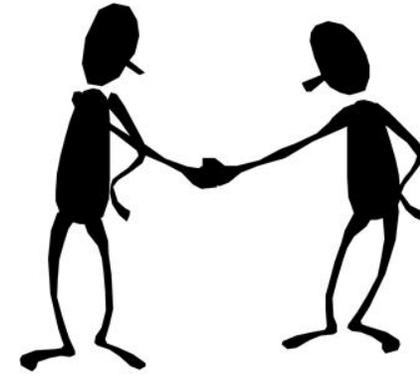
The need for collaboration

» No university or PAO is overfunded!

» Resources are tight, so partnerships between universities and PAOs can be mutually beneficial.

» If a student completes the requirements of an <u>appropriate</u> course at a <u>reputable</u> university, why should they have to redo the same course or exam as part of their professional qualifications?

» Collaboration helps build deeper relations between universities and the PAO – this is beneficial for both parties

Collaboration benefits all stakeholders

When students get credit for appropriate prior learning:

» The public gets more qualified professionals faster

» The PAO attracts more qualified candidates and converts them to members

» Universities that are "PAO Accredited" attract more high -quality students who want to pursue the profession and value a streamlined approach

» Students achieve qualification faster with less redundancy

II. Accreditation Programs – typical structure

Accreditation Programs – typical structure

Requirements for Accreditation

» Accreditation represents a partnership between the PAO and the University

» PAO needs to ensure:

1. The University provides a learning environment that is suitable for developing competence

2. The specific courses under review teach and exam the expected breadth of material at an appropriate depth

Accreditation Programs – typical structure

Two Levels of Verification:

1. University-level

(or faculty/program level)

2. Specific course-level
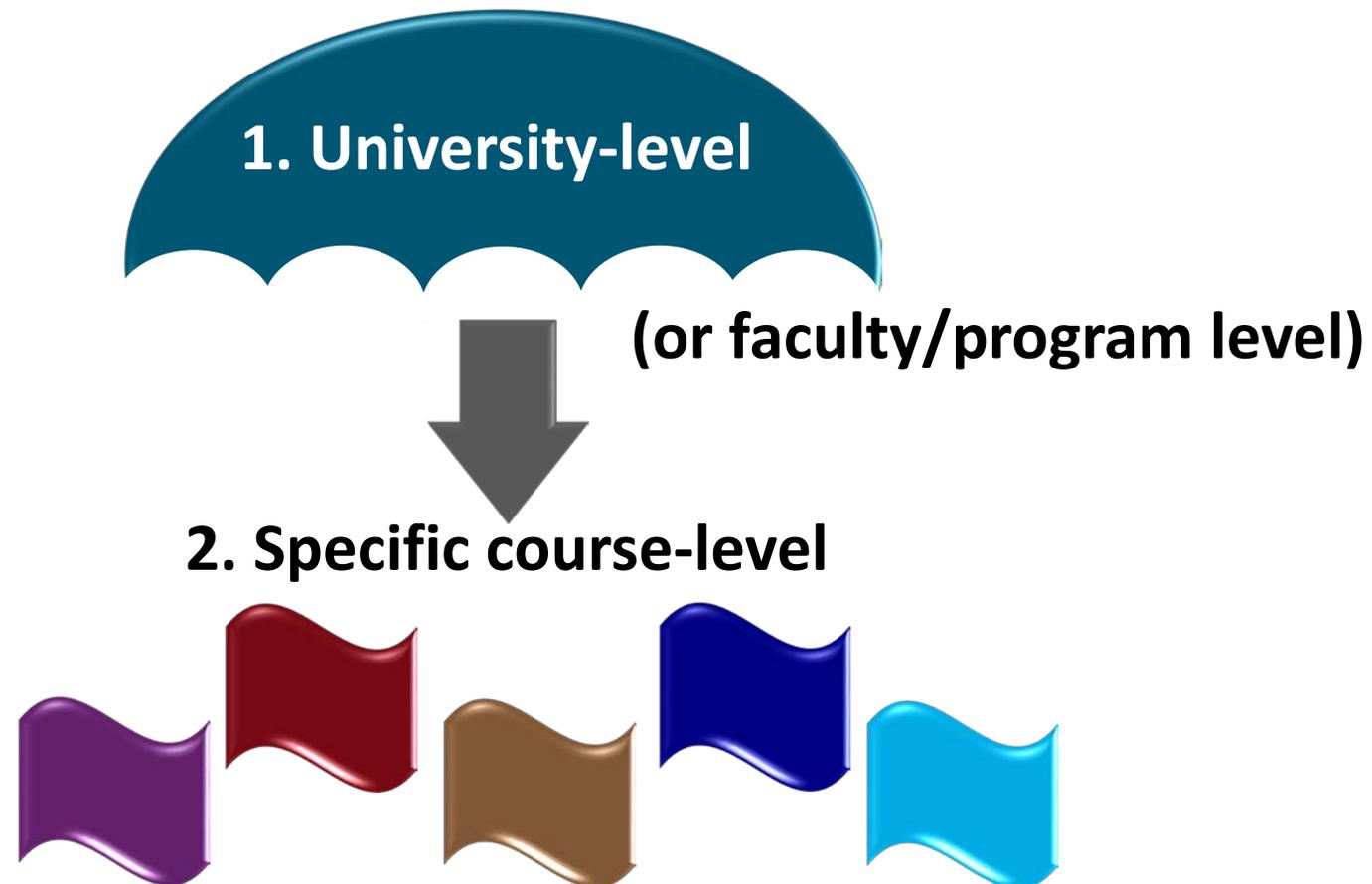
Accreditation Programs – typical structure

Level 1: Broad Accreditation of the School/Faculty/Program

» The unit being evaluated may be the University as a whole, or the Faculty, or a Program offered by a Faculty

» Regardless of the unit, broad accreditation requires that representatives are able to evidence:

   » institutional quality

   » commitment to the accounting/auditing profession

   » dedication to following best practices in tertiary education
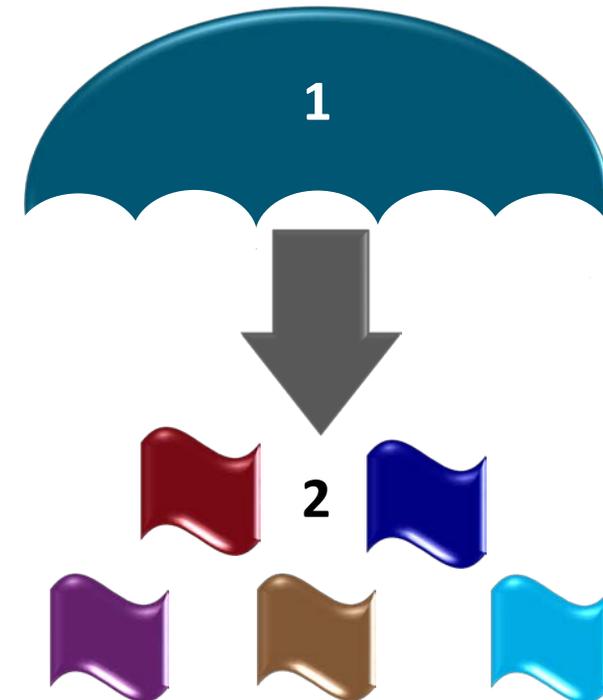
Accreditation Programs – typical structure

Level 2: Acceptance of Specific Courses as "Equivalent"

» One or more courses are reviewed and are deemed "equivalent" to some part of PAO's requirements.

» These courses may result in transfer credits into a professional program, exam exemptions, or other advanced standing.

» May be granted on a course-by-course basis or as a block (for example, based on completing a particular degree).
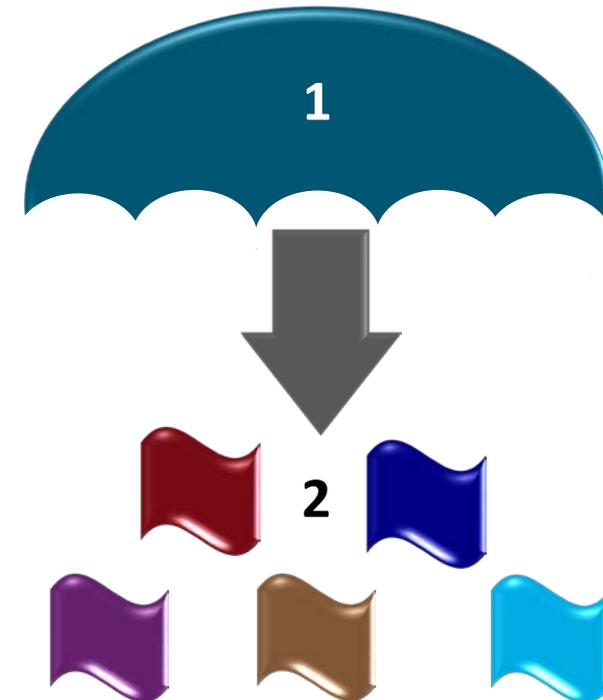
Accreditation Programs – typical structure

Benefits of the "2-level" Approach

» Results in greater efficiency of the review process

» Encourages consistency in institutional quality, while allowing for differences in program and course design

» Leads to enhanced collaboration between the PAO and the universities.
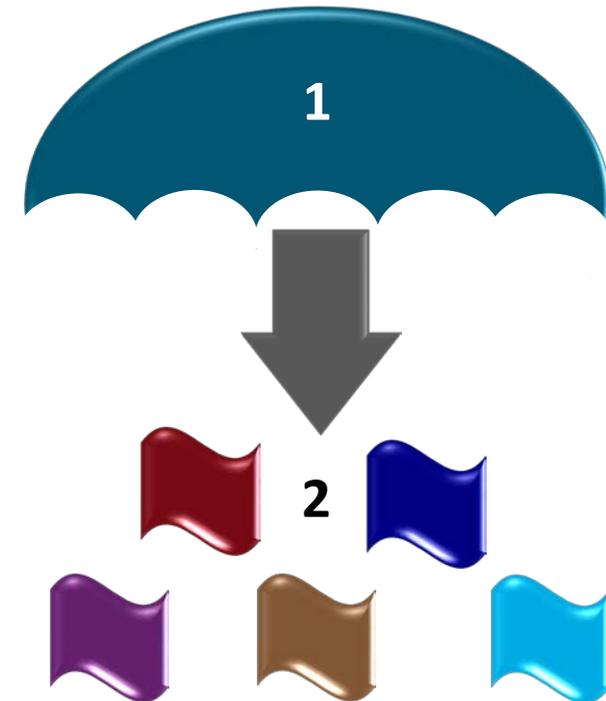
Accreditation Programs

Need to include clear requirements and tools for evaluation:

» PAOs need an efficient method of evaluating university courses and programs to ensure they align with the profession

» Universities need clear expectations to allow them to make decisions of whether to structure courses/programs to feed into the local PAO's professional program – need to know what is expected

The Accreditation Program provides this structure for both parties to facilitate meaningful collaboration.

III. Developing an Accreditation Program

Developing an Accreditation Program

Development steps:

1. Establish governance structure (Board-authorized committee, operational work team, formal mandate etc.) to support and facilitate university partnerships

2. Clarify which PAO requirements are "exemptible" based on university studies and which are not

3. Draft the requirements including broad, university-level and course specific requirements

Developing an Accreditation Program

Development steps, continued:

4. Draft the procedural documentation, outlining the flow, timelines, roles and responsibilities, etc.

5. Circulate to respected universities for feedback

6. Finalize requirements

7. Develop standardized application templates to increase consistency and efficiency

8. Ensure a trained team is ready to coordinate with universities, make decisions in a timely manner and answer questions

Developing an Accreditation Program

Development tips:

» Accreditation is predicated on PAO having a clear pathway to membership/certification

» Specific structure will depend on the level to which the PAO relies on university education:

  » Does the PAO have its own professional program, or does it just offer qualification exams?

  » Are there specific university degrees already established that focus on accounting/auditing, or are courses more piecemeal (e.g., within an economics degree)

Developing an Accreditation Program

Development tips, continued:

» Programs are often developed in conjunction with experienced academics who have developed accreditation programs for their own universities

» Consider piloting the program with one or two strong universities before full implementation

» Be mindful of conflicts of interest (may be unavoidable) – manage through oversight and the use of teams, together with independent advisors as needed.

Level 1: Broad Accreditation Requirements

Broad Accreditation Requirements typically include:

1. Commitment to partnering with the PAO to deliver excellence in educating future professional accountants/auditors

2. Academic integrity policies – consistent enforcement of appropriate ethics statements, policies and procedures (particularly issues of plagiarism, fraud and cheating)

3. Quality Assurance policies – processes for the continuous review and update of the program and courses (content, materials, and teaching and assessment methods); adequate security over assessments and results.

1. University-level

Level 1: Broad Accreditation Requirements

Broad Accreditation Requirements typically include:

1. University-level

4. Faculty qualification and expertise – measured by the qualifications and expertise of the faculty (inclusion of professional accountants/auditors and tenured/tenure-track PhD qualified faculty)

5. Sufficient faculty involvement – sufficient faculty resources to ensure "deemed equivalent" courses are offered on a regular basis; direct involvement of faculty from within the program with respect to strategic, course preparation, and supervision decisions

Level 1: Broad Accreditation Requirements

Broad Accreditation Requirements typically include:

1. University-level

6. Suitable learning environment – providing a learning environment that is intensive, stimulating, respectful and supportive, and includes equitable treatment of students, etc.

For broad accreditation, there may be opportunities to draw on other types of recognition or accreditation already achieved.

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

1. Specific content coverage:
    » The PAO Knowledge Topic requirements must be covered off adequately by one or more university courses.
    » "Adequate" coverage is generally ≥ 80% or 85%
    » There may be a limit on the number of courses that can be used to cover off a particular set of Knowledge Topics (or a specific PAO course or exam).

2. Specific course-level

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

2. Diverse teaching and learning methodologies:

   » appropriate and relevant learning materials that reflect high standards in education

   » learning activities that engage candidates in active experiential and reflective learning, to develop competence (through practical application) in addition to theoretical knowledge

2. Specific course-level

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

2. Diverse teaching and learning methodologies, continued:

   » opportunities for robust feedback as a way of creating and reinforcing learning

   » opportunities for integrating between technical areas

   » opportunities for developing and demonstrating professional skills, values, ethics, and attitudes

2. Specific course-level

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

3. Rigourous evaluation methodologies:

   » Learning must be formally evaluated

   » Assessment methods should:

      » contribute to students' learning

      » include both formative and summative assessments

      » inform students of their progress, and

      » enable them to assess their own development

2. Specific course-level

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

3. Rigourous evaluation methodologies, continued:

    » Evaluations should result in verifiable evidence that demonstrates that the students have gained the necessary knowledge and skills.

    » Minimum exam lengths (e.g., 3 hours), weights (e.g. ≥ 50% of final mark), and/or formats (e.g., written rather than oral, case-based, limited multiple-choice questions)

2. Specific course-level

Level 2: Deemed Equivalence of Courses

Acceptance of Specific Courses as "Equivalent" typically require:

4. Required Performance:

   » Minimum pass marks may be stipulated (e.g., a pass grade of 60%)

   » Students will only receive transfer credit or exemption if they achieve the required pass mark

   » For "block transfer" approach, there may be an overall minimum average set, rather than a course-by-course requirement

2. Specific course-level

Accreditation Programs – Logistical Details

Accreditation program needs to address and agree on details such as:

» Who is responsible for what costs (document preparation, site visits, etc.)?

» What documentation needs to be retained, and for how long (student records, scored exams, etc.)?

» How often are reviews to be done after accreditation has been received (annually, every three years, on an exception basis, etc.)?

» Between formal reviews, what changes does the PAO expect to be notified of (course syllabus changes, examination format, etc.)?

Accreditation Programs – More Logistical Details

Accreditation program needs to address and agree on details such as:

» What resources are expected to be provided by the PAO (sample cases, guest lectures, etc.)?

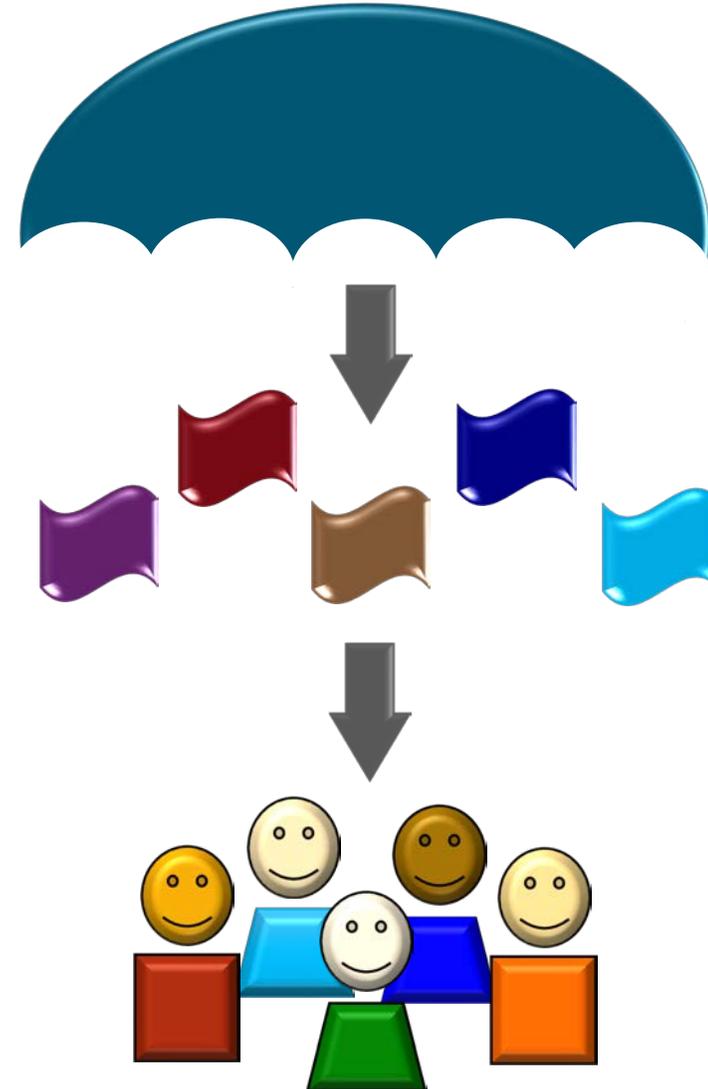» What timelines can the PAO guarantee for processing applications (30 days? 3 months?)

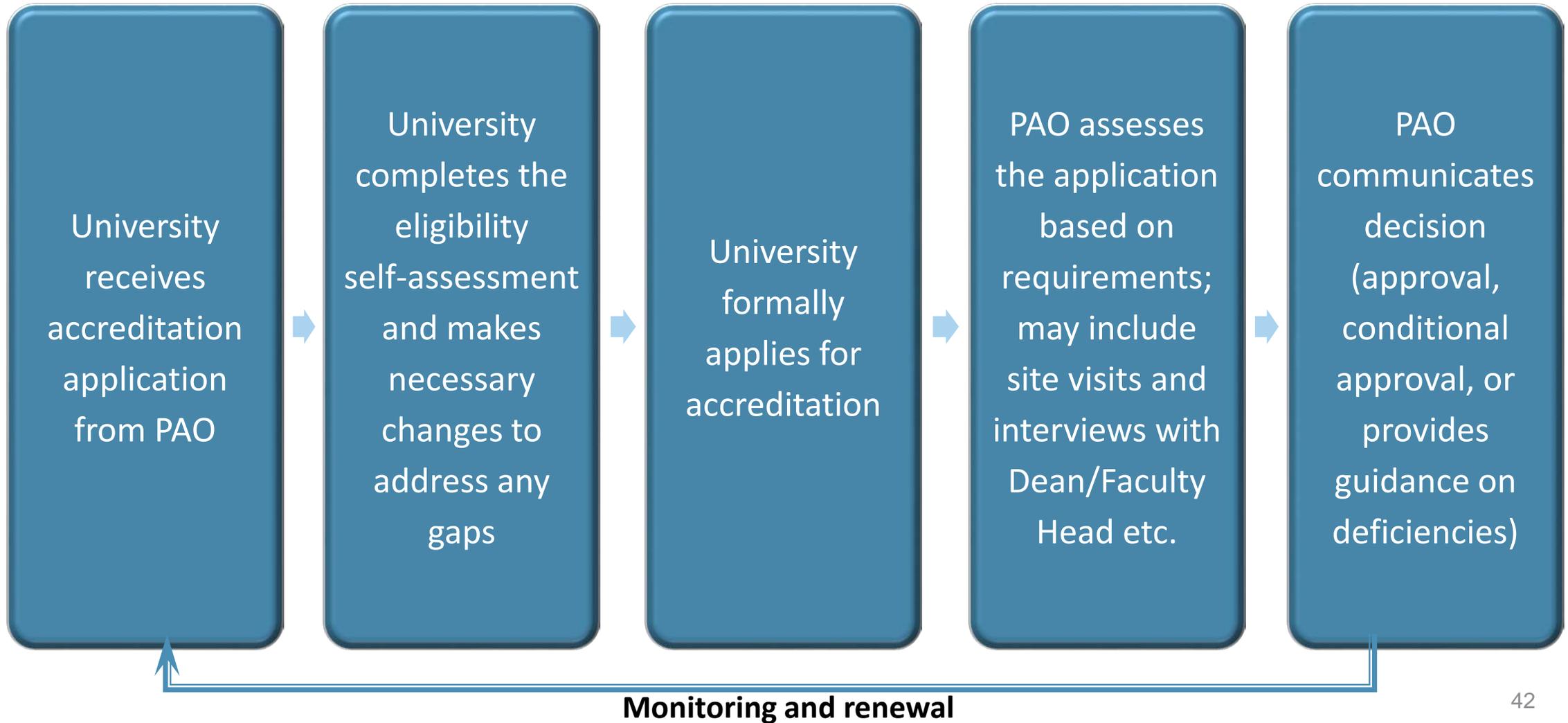# IV. The Accreditation Process

Accreditation Process

1. University-level accreditation

2. Specific course-level equivalence

3. Students receive transfer credits exemptions

Level 1: University-level Accreditation

| University receives accreditation application from PAO | → | University completes the eligibility self-assessment and makes necessary changes to address any gaps | → | University formally applies for accreditation | → | PAO assesses the application based on requirements; may include site visits and interviews with Dean/Faculty Head etc. | → | PAO communicates decision (approval, conditional approval, or provides guidance on deficiencies) |

Monitoring and renewal

Level 2: Acceptance of "Equivalent" Courses

University applies for transfer credits/exemptions based on courses that are proposed to be equivalent

→

PAO assesses the applications based on requirements

→

PAO communicates decision (approval, conditional approval, or provides guidance on deficiencies)

Monitoring and renewal
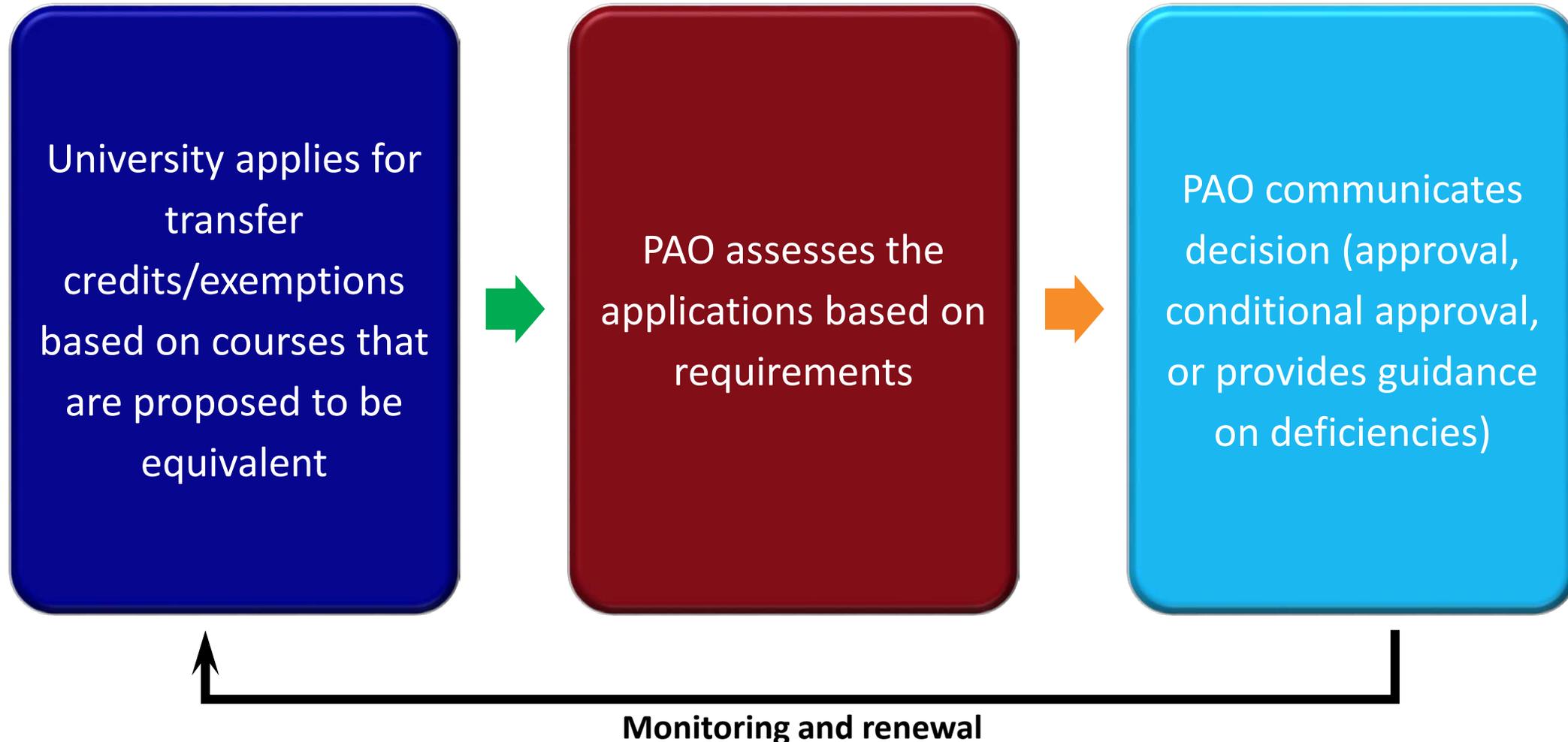
Accreditation Process

Success requires a true partnership approach:

» Both parties stand to benefit from working together

» Evaluation by PAO of University may be sensitive – remember that the PAO is evaluating from their perspective as a profession, NOT based solely on academic quality

» Universities are under no obligation to comply with the PAO requirements, and will not choose to take part unless they see the benefits to the school (prestige, ability to attract the best students, etc.)

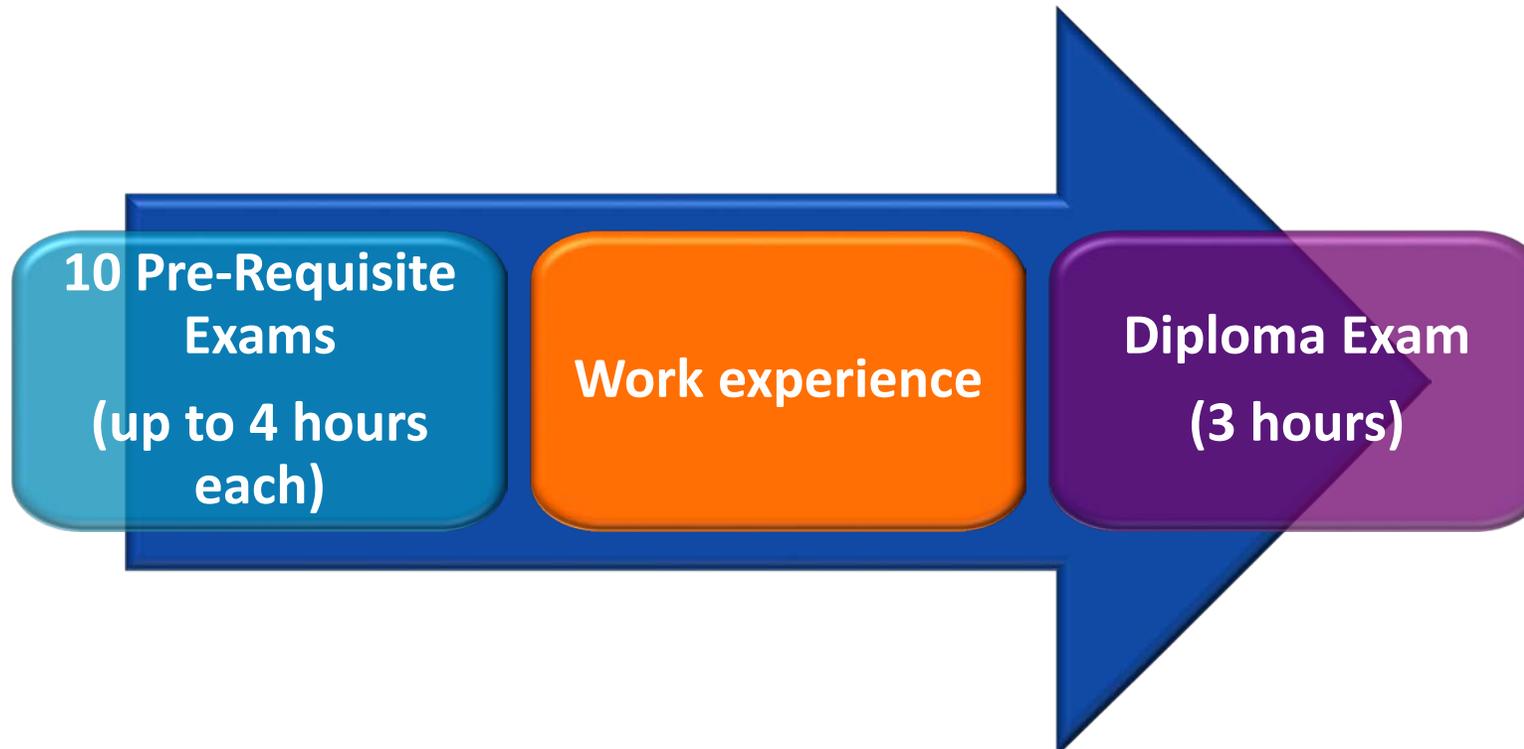# Example – Developing Poland's Accreditation Program

Chamber of Auditors - Krajowa Izba Bieglych Residentow (KIBR)

Requirements to become a Statutory Auditor:

10 Pre-Requisite Exams (up to 4 hours each) → Work experience → Diploma Exam (3 hours)

World Bank Project in Poland

CFRR Project: Strengthening Accounting and Auditing Education

» Terms of Reference called for for:

  » Developing an integrated case-based exam to serve as the final qualification exam for auditors

  » Developing a process to accredit universities and provide exemptions to the current 10 pre-requisite exams

» Outputs needed to be in compliance with IFAC's *International Education Standards for Accountants* (IESs)

World Bank Project in Poland

» To support IES compliance, a Competency Framework was needed, but there were not enough resources to conduct a full practice analysis at the time.

» As a solid interim approach, a "Framework of Learning Outcomes" was developed, building on the work of other respected groups.

» The "Learning Outcomes" were essentially unverified competency statements.

» A list of Knowledge Topics was already required by regulation– these were mapped to the Framework of Learning Outcomes.

Key Elements of Program

Two step process for partnering with KIBR

I.   University Accreditation granted based on:

   » overall quality of the university

   » commitment to the Statutory Auditor profession

   » dedication to following best practices in tertiary education

II.   Exam Exemptions given for "deemed equivalent" courses:

   » Up to three university courses could be used to support exemption from each of the 10 KIBR Pre-requisite Exams

   » Statutory Auditor candidates are granted exemption from exams if they pass the equivalent university course(s).
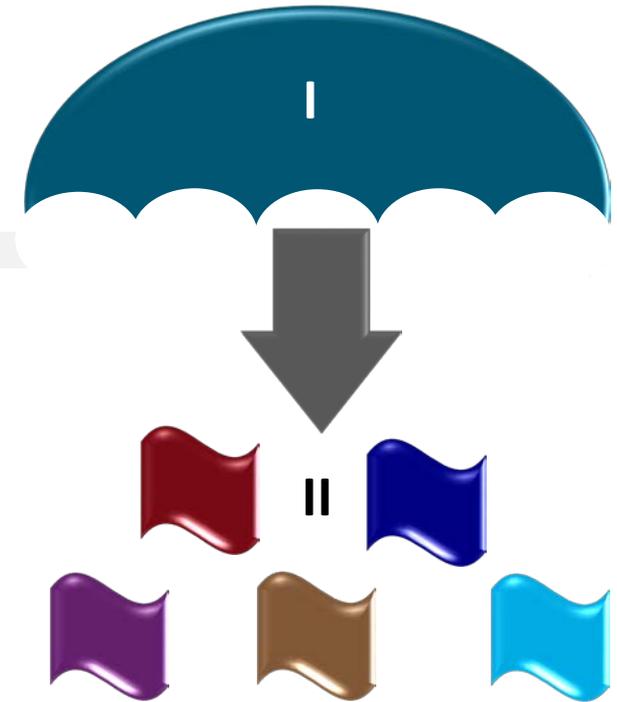
Key Elements of Program

Program Requirements:

I. Accreditation as a KIBR partner (Accreditation Standards)	II. Deemed equivalence – exam exemption (Exemption Standards)
AS1 - Commitment to the Statutory Auditor Profession	ES1 – Required content coverage
AS2 – Ethics policies	ES2 – Teaching and learning methodologies
AS3 – Quality Assurance policies	ES3 – Evaluation methodologies
AS4 – Faculty qualification and expertise	ES4 – Required performance
AS5 – Faculty sufficiency	
AS6 – Faculty educational involvement	
AS7 – Learning environment	

Roles and Responsibilities

Universities are expected to:

» Self-assess against requirements

» Complete documentation, with sign-off by Dean, Faculty Head and/or Department Head

» Facilitate site visits as needed (primarily used at Level I), including meetings with senior administrators and faculty members

» Maintain standards and inform KIBR of any significant program changes

» Be an informed champion of the Statutory Auditor profession

» Cover their share of accreditation costs

Roles and Responsibilities

KIBR and its Accreditation and Exemption Review Teams are committed to:

» Fostering partnerships with the Universities

» Providing comprehensive templates for applications

» Providing assessments that are timely, thorough, and unbiased (2 week initial review to determine application completeness, 3 months for review and response)

» Providing clear justification for decisions and appropriate guidance in recommendations

» Helping Universities achieve accreditation and exemptions, in the spirit of partnership

V. Sustaining an Accreditation Program

Sustaining an Accreditation Program

Once implemented:

» Program needs to be monitored and maintained

» Needs to be updated whenever the Competency Framework/ Knowledge Topics are updated

» Best ongoing collaboration is achieved when PAO can help provide teaching resources that help professors focus on developing student competence (e.g., providing case studies that are integrative and include elements of professional ethics)

Sustaining an Accreditation Program

Sustainability depends on value to stakeholders:

» Ongoing university commitment depends on ensuring:
   » the requirements don't change too frequently
   » University input is meaningfully considered
   » requirements are logical and not overly burdensome
   » review process is unbiased and feedback is constructive

» Need to be mindful of balancing:
   » academic flexibility and
   » the standard required by the PAO.

Sustaining an Accreditation Program

Consideration for PAOs:

» For success, PAO also needs to have strong reputation in the country, so that both parties gain credibility from collaboration.

» Training and authority are essential so that review teams can respond efficiently and decisively.

» A risk -based approach can increase efficiency and avoid a "checklist mentality"

» If there are consistent gaps between university courses and the entry point for the profession, bridging options or added professional courses may be needed (rather than trying to push more on to the universities).

Sustaining an Accreditation Program

Potential Legal and Financial Challenges:

» PAO needs to have legal authority to "delegate" education to universities.

» PAO may lose exam/course revenue if exemptions or transfer credits are granted.

» PAO needs to have the ability to generate lost revenue elsewhere.

» Membership and CPD fees may help subsidize the education and examination program.

» In some jurisdictions, fees are set by regulation, and PAO may not have authority to adjust.

Learning Objectives - Recap

» Review the concept of professional competence, and the use of Competency Frameworks

» Justify collaboration between Professional Accountancy Organizations (PAOs) and Universities

» Explore what typical accreditation programs look like

» Describe the development of accreditation programs

» Examine a typical accreditation process

» Describe ongoing maintenance and sustainability of the accreditation program