



# Georgian Federation of Professional Accountants and Auditors

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# **Compliance of Professional Education System with International Standards of Education of Professional Accountants**

# A Brief History of the GFPAA

The Federation of Professional Accountants and Auditors of Georgia (GFPAA) was established in 1998. GFPAA is a membership-based professional organization that operates through its head office (in Tbilisi), regional and district branched.

The goal of the GFPAA is to support business development by promoting the improvement of the investment business environment, which includes:

- Creating a favorable environment for the implementation of International Accounting and Auditing best practice in private sectors in Georgia;
- Achieving highly qualified auditors and business accountants to provide quality services to the public.

# A Brief History of the GFPAA

The main directions of GFPAA activities are:

- a. Establishing international practice in the field of accounting and auditing, actively participating in reforms and lobby for the legal framework governing the profession;
- b. Advising the members of the organization professional education and certification, raising the quality of qualifications and services and protecting their interests;
- d. Informing professionals on the latest developments in the IASs, IFRSs and IESs for accountants and on the challenges and opportunities of implementation of the changes in IESs;
- e. Informing professionals on other recent related developments, including the evolution of the IAESB to transition to the International Panel on Accountancy Education (IPAE);
- f. Identifying gaps and introducing improvements to the curricula of leading universities;

# GFPAA Governance

The highest governing body of GFPAA is the General Meeting of Members.

The policy and strategic Action Plan is determined by the GFPAA Board, which is managed and implemented by the Executive Directorate. The GFPAA Board is headed by a Chairman.

Activities are carried out through seven regional branches throughout Georgia.

According to the GFPAA action plan, the work is carried out by GFPAA committees: Education, Standards and Practice, Audit Quality, Taxation, Membership and Ethics and Disciplinary, which ensure:

- a) meeting the requirements for vocational certification and CPD;
- b) compliance with the requirements of the ESBA Code of Ethics and quality control system by members of Professional organizations;
- c) effective management of economic and financial activities.

# GFPAA International Recognition

- Since 1999, the GFPAA has been recognized as an Accredited Professional Organization and is involved in the regulation of the profession in accordance with the law.
- Since 1998, GFPAA has been working with the International Accounting Standards Board and has the exclusive right to translate IFRS into Georgian.
- Since 2000 GFPAA has been a true member of the International Federation of Accountants (IFAC)
- Since 2003, on the basis of the International Program of Association of Chartered Certified Accountants (ACCA), Professional Certification has been providing .
- Since 2008, the GFPAA Georgian Professional Certification Program has been accredited by ACCA.

# Regulation of the Profession

- Until 2016, the accountancy profession in the private sector of Georgia was based on the principles of full self-regulation (the state did not take part in regulation).
- This function was transferred by law to an accredited professional organization.
- The Georgian Federation of Professional Accountants and Auditors (GFPAA), the member of IFAC, was recognized such organization.

# Current Regulations

- Since 2016, a new law "On Accounting, Reporting and Auditing" has been adopted».
- The accounting profession is regulated by the Service for Accounting, Reporting and Auditing Supervision - SARAS.
- Since 2016 the functions defined by the old legislation to accredited professional organizations has been transferred to „SARAS”.
- „SARAS” is a public institution, part of the Ministry of Finance and is responsible to the Government and the Ministry of Finance of Georgia.



# System of Education, Training of Professional and Certified Accountants

„SARAS” sets the standards for professional certification .

According to the standard of professional certification, the certification of accountants is allowed:

- Under the Certification Program
- Under the Full Certification Program

The qualification of a person is confirmed in accordance with his/her professional certification.

The GFPAA is recognized as a certifying professional body.

GFPAA conducts certification under the **"Full Certification Program"** (13 modules) **and** under the **"Certification Program"** (4 modules).

# „GFPAA Full Certification Program”

- GFPAA prepares and certifies professional accountants under the adapted ACCA program into Georgian .
- The program consists of 13 ACCA modules.
- A person who has passed all 13 certification exams will receive a certificate:
  - **Professional Accountant, and**
- A person who has passed 4 certification exams will receive a certificate:
  - **Certified Accountant, and**

And can be an Auditor - after three years of practical experience.
- GFPAA has 513 professional accountants
- The program included - 9000 applicants

# Professional Training and Certification ACCA in Georgian

## Functions of the GFPAA



Acceptance of applications and selection of candidates for professional certification

Provision of books and materials intended for training under the ACCA program

To date, 13 books have been translated (edition 2021-2023) and published in Georgian

Conducting Examinations for professional certification

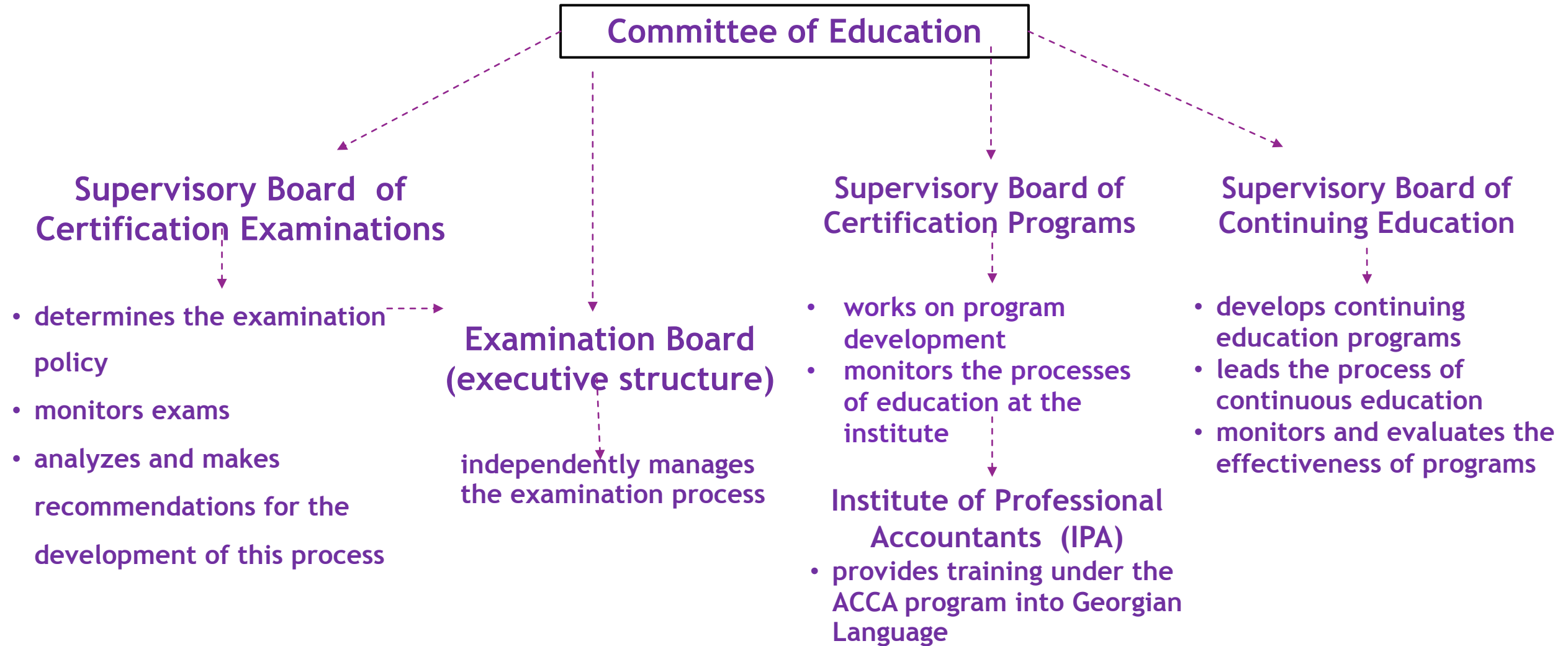
## Functions of the Institute of Professional Accountants



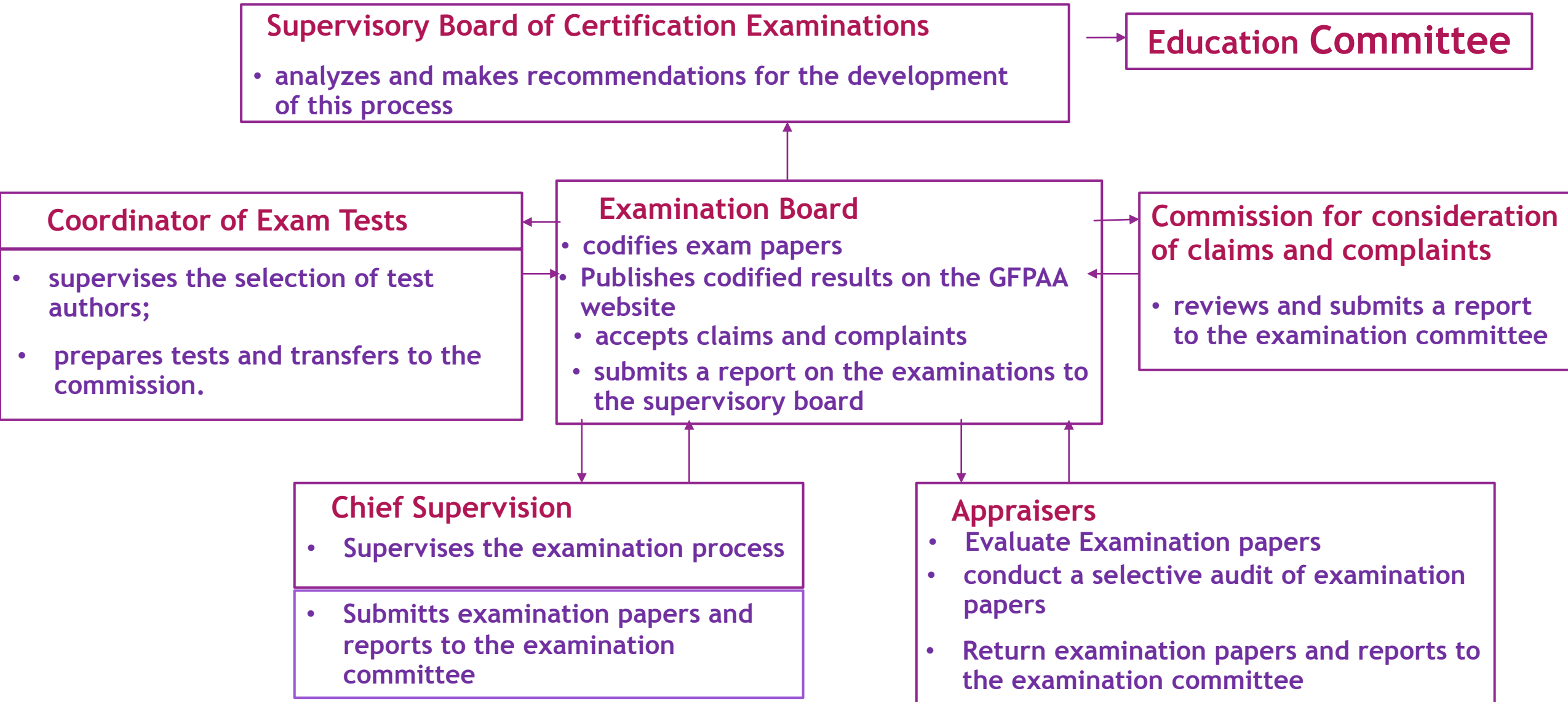
Organizes the educational and preparatory process for professional certification

Conducts an educational and preparatory process among applicants for professional certification

# Regulation of Vocational Education in the GFPAA



# Examination Process



# Public Recognition of Professional Accountants

- Recognition of Professional certification process did not come immediately, but very quickly, especially in private business, and soon in the public sector;
- According to the ACCA based Georgian Professional Certification program, retraining of personnel was carried out by the state audit service (Chamber of Control).
- State structures, Ministries, departments, private business - are happy to hire participants of the Certification Program.
- Approximately 90% of certification applicants, before finishing 5-6 modules, start working in their specialty, and quite successfully.

# Higher Education System in Georgia

## Structure of Higher Educational institutions in Georgia:

**College - Training University - University**

Conducts undergraduate program only

bachelor's and masterr's

masterr's and doctorate programs and scientific research

Quality, level and program compliance is determined by the Ministry of Education of Georgia through accreditation.

The state recognizes only those diplomas that are issued by an accredited institutions of higher education.

The system of higher education in Georgia consists of three levels

First level - Bachelor's degree

Second level - master's degree

Third level - Doctorate

# Recognition of programs of Higher Educational Institutions

- By law, higher education institutions have the right to apply to SARAS for recognition of their programs/curricula;
- Examiners must exempt certain subjects (disciplines) in recognized programs;
- Curricula of Georgian higher education institutions are not yet recognized by SARAS;
- GFPAA Professional Certification program based on ACCA is recognized by SARAS; The program is updated every three years;
- In our opinion, it is better for the profession:  
**to cooperate in the goals of higher education and certification, through an agreement between Institutions of higher education, GFPAA Certification Program and SARAS for the recognition of educational programs.**



# Recognition of academic programs

The accounting academic programs of most Universities, at a fundamental level, comply with IES requirements. GFPAA gives exemptions in 3 modules, but it continues to work actively with universities to ensure full compliance of all programs. For this purpose, in 2022, under the joint organization of GFPAA and the World Bank, important events were held, namely:

- Within the framework of the joint financial inclusion and accountability project of the European Union and the World Bank, memorandums of mutual cooperation (mutual recognition of programs) were signed between GFPAA and 7 leading Universities in the field of education and professional certification. According to the memorandums, students will be given full exemptions for the first and second level of the Professional Certification Program, after the universities meet the criteria necessary for the recognition of the subjects;
- The universities that have signed the memorandum were given free of charge educational literature for the modules of the GFPAA professional certification program (1080 sets);
- In June-July 2022, 46 lecturers of the universities that signed the memorandum were trained in the methodology of teaching the modules of the professional certification program.

# Continuing Program Development

- Certified accountants are required to meet the requirements of continuing education and annually confirm their qualifications.
- The period of validity of the professional certificate is indefinite, provided that the certified professional accountants undergo continuing education in professional organization, in accordance with the continuing education standards.
- A certified public accountant must complete a minimum of 120 hours of continuous training over 3 consecutive calendar years.
- The standard requires 90 hours to be verifiable.

# Regulation of Continuing Education programs for Certified Accountants

- By law, a continuing education program must be consistent with SARAS.
- Currently there are two professional organizations in Georgia.
- To ensure the requirements of the regulation, the two organizations act in a coordinated manner:
  - the topics of the programs are focused on the requirements of Georgian professionals;
  - training materials are compiled and lectures are given by representatives of the Big Four audit firms;
  - monitoring is carried out at a high level.

The pooling of resources has greatly improved the quality of continuing education programs.

**GFPAA continues its activities for  
Compliance of  
Professional Education System with International  
Standards of Education of Professional Accountants**



**On behalf of our organization (GFPAA) wish**

**you success**

**Thank you for your attention**