

EduCoP Session 3: PSA education program in North Macedonia

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Public Sector Accounting and Reporting Program

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Education and Research EAER
State Secretariat for Economic Affairs SECO

Regulatory Framework for public sector accounting



Law on Accounting of Budgets and Budget Users

Budget users are obliged to maintain accounting records in accordance with the requirements of the Law on Accounting of Budgets and Budget Users (2002-2015) and related by-laws, including accepted accounting principles and standards.

The accounting standards to be used by budgets and budget users in Macedonia are the International Accounting Standards for the Public Sector (IPSAS).

However, so far, only IPSAS related to the cash flow basis has been translated and used in the public sector.

Public Accountants Certification Training in North Macedonia



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Public Accountants Certification Training (PACT)

- Internationally recognized professional qualification program for public sector accountants, which comprises in-class training, exams and additional capacity development activities.
- PACT was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and adjusted by the CEF, Ljubljana, Slovenia.

Public Accountants Certification Training (PACT)



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Certificate modules

- Management accounting
- Financial Accounting
- National Public Finance and Accountancy Legislation and Taxation

Diploma modules

- Audit and Assurance
- Financial Management
- Business and Change Management
- Public Sector Financial Reporting

Public Accountants Certification Training (PACT)



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Generations	Certificate awarded accountants	Diploma awarded accountants
1st generation 2008/2011	25	23
2nd generation 2012/2013	24	-
3rd generation 2014/2016	10	9
4th generation 2020/2021	19	-
5th generation 2022/2023	-	10
Total	78	42



UNIVERSITY Ss. CYRIL AND METHODIUS FACULTY OF ECONOMICS SKOPJE

Faculty of Economics – Skopje at a Glance



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Leader in education -

- 74 years of tradition
- Highly professional and renowned academic staff
- Enticing the very best students
- Generating the most respectful professionals in business and economics

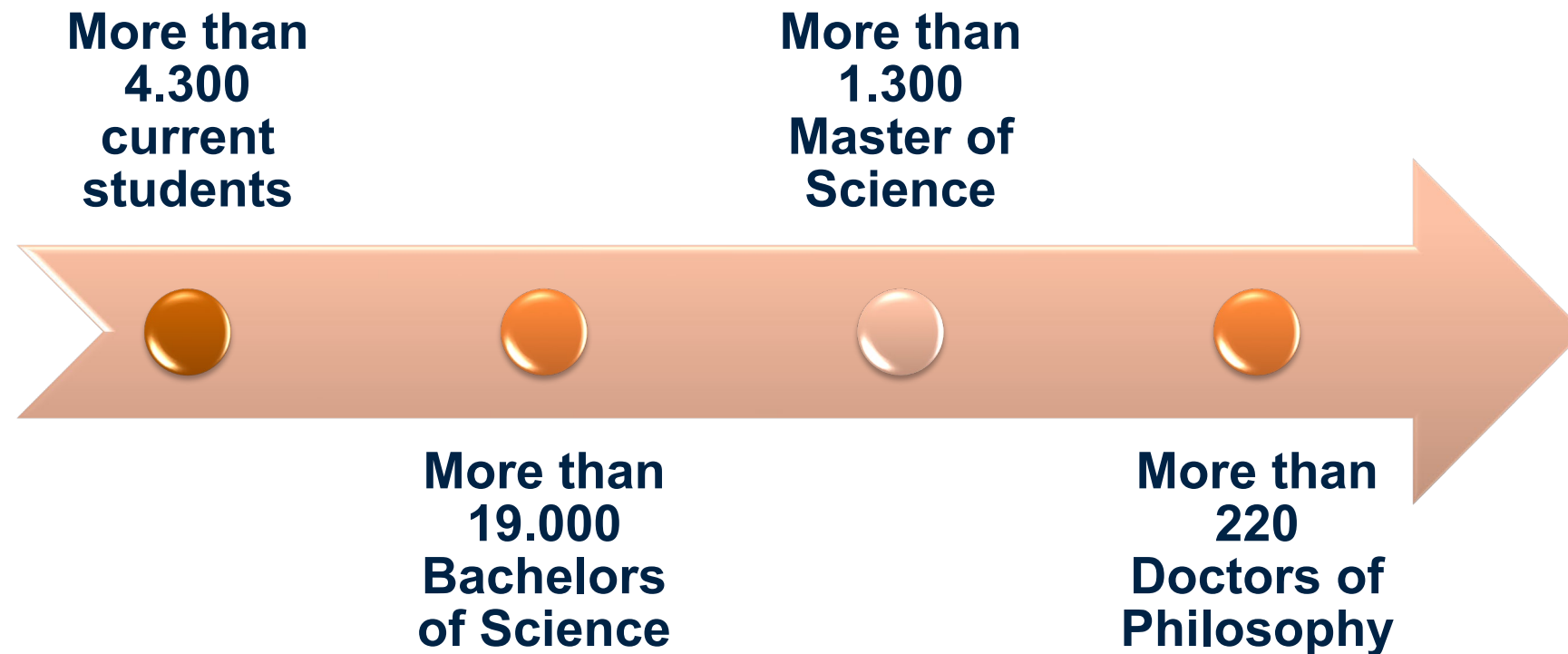
The Faculty of Economics-Skopje, Ss. Cyril and Methodius University in Skopje is the Republic of North Macedonia's **most important and most highly respected provider of professional higher education in business and economics.**

The Faculty was founded by the Government of Macedonia on the 14th of November 1950 with the stated purpose of “**theoretically building and practically preparing highly qualified economic professionals**”.

Faculty of Economics – Skopje at a Glance



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Undergraduate Program – (First cycle) - Accounting and Auditing



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Compulsory courses

Semester 1

- Fundamentals of Economics;
- Mathematics for economists
- Principles of Accounting

Semester 2

- Statistics for Business and Economics;
- Commercial Law,
- Fundamentals of E-business

Semester 3

- Fundamentals of Management,
- Principles of Marketing
- Financial Accounting

Semester 4

- Management Accounting 1
- Business Communication
- Financial Markets and Institutions

Undergraduate Program – (First cycle) - Accounting and Auditing



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Compulsory courses

Semester 5

- Corporate Financial Reporting
- Accounting information systems
- Financial Management

Semester 6

- Audit;
- Management Accounting 2
- Risk Management

Semester 7

- Governmental Accounting and Accounting for Non-Profit Organizations
- Business Data Analytics
- Public Finances

Semester 8

- Financial Statements Analysis
- Internal Audit
- International Accounting

Elective
course
Accounting
Control
Systems

Undergraduate Program – (First cycle of studies) - Accounting and Auditing



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Exemption Accreditation

Think Ahead **ACCA**

This is to certify that

Ss. Cyril & Methodius University of Skopje

BSc Accounting & Auditing

is an

ACCA Accredited Programme

Valid from: 01 January 2021

Valid until: 31 December 2025

Judith Bennett
Director – Professional Qualifications

Association of Chartered Certified Accountants

This certificate remains the property of ACCA and must not in any circumstances be copied, altered or otherwise defaced.
ACCA retains the right to demand the return of this certificate at any time and without giving reason.

Graduate Program (Second cycle) - Accounting and Auditing



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Compulsory courses

- Audit and Assurance
- Financial Statement Analysis
- Financial Reporting
- Strategic Management Accounting

Elective courses

- Scientific Research Methods in Accounting
- Fraud Examination
- Governmental Audit
- Tax Accounting
- Accounting Information Systems and Technologies
- Corporate Governance
- Financial Management
- Governmental Accounting and Accounting of Non-profit Organizations

Graduate Program (Second cycle) - Accounting and Auditing



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Exemption Accreditation

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Ann Lamb
Director – Professional Qualifications

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Internal Audit Academic Awareness Program - IAEP

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- The Faculty of Economics – Skopje through the Department of Accounting and Auditing, specifically through the course INTERNAL AUDIT, is listed in the renowned Internal Audit Academic Awareness Program of the Institute of Internal Auditors (IIA).
- The Academic Awareness Program was established to recognize the varying degrees of commitment and effort that higher education institutions make to provide students with the information and skills necessary in choosing to pursue a career in the field of internal auditing.



AWARENESS SCHOOL



OPEN CALL

for participants



BRIDGING THE GAP: NON-TRADITIONAL MAJORS AND THE FUTURE OF INTERNAL AUDITING SUSTAINABILITY

4 workshops

Duration: February - May, 2024

Internal audit function visit in a prominent corporation

Participants: 30 + students

Research project competition

Tutors: 7+



The Institute of
Internal Auditors



Internal Audit
FOUNDATION



Internal Auditing Education Partnership



This project was funded by an Internal Auditing Education Partnership (IAEP) Program Grant supported by the Internal Audit Foundation's Academic Fund.

<https://www.theiia.org/en/internal-audit-foundation/>



What new knowledge and skills should accounting and auditing curricula focus on in order to prepare the next generation of professional accountants?

SDG/ESG Education: Beyond Traditional Accounting and Auditing Curriculum



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- The accountancy professional will play a key role in providing high quality, sustainability-related information and services.
- **Challenges in SDG/ESG Education for accountants**
 1. **Rapidly Evolving Landscape:** The dynamic nature of ESG standards and benchmarks necessitates constant curriculum updates.
 2. **Bridging Theory and Practice:** Translating ESG theoretical knowledge into actionable business strategies remains a challenge.
 3. **Overcoming Traditional Mindsets:** For seasoned professionals rooted in traditional business paradigms, embracing ESG can require a significant mindset shift.

Equipping Professional Accountants for Sustainability: What We Have and What We Need, IFAC



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- In publication, **Equipping Professional Accountants for Sustainability: What We Have and What We Need**, IFAC stressed the importance of professional accountants being **systems-thinkers**, who recognize the **connectivity of finance and sustainability**.
- Sustainability is not a topic to be considered in isolation. The professional accountant should consider the impact of the global sustainability landscape on business models, value chains, and strategies, as well as on governance, risks, and opportunities.
- **As the accountancy profession prepares to meet demands for high-quality, sustainability-related information, professional accountants, academics and educators must consider how to close gaps in accountancy education programs.**
- The good news is that much of what professional accountants already do is transferable to sustainability-related services. **Other new sustainability related topics and challenges will require new ways of thinking and working.**

IFAC Sustainability Education Framework - four key focus areas for professional accountants



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Business acumen

Behavioral competence

Technical expertise

Ethical behaviors

IFAC Sustainability Education Framework - four key focus areas for professional accountants



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● BUSINESS ACUMEN

○ WE NEED:

- Be **systems-thinkers** who consider the impact of the global sustainability landscape on business models, value chains, and strategies.
- Recognize the connectivity of financial and sustainability risks and opportunities.
- Evaluate the impact on governance, risk, and performance management.
- Provide management with sustainability-related information to support informed decision making.
- Produce high-quality, decision-useful information for a range of external stakeholders

IFAC Sustainability Education Framework - four key focus areas for professional accountants



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● BEHAVIORAL COMPETENCE

○ WE NEED:

- Apply analytical skills and accounting knowledge to new data types and reporting requirements.
- Utilize critical thinking and problem-solving skills to effectively analyze future scenarios, including risks and uncertainties, and weigh alternatives.
- Be adaptable and agile in developing new knowledge and skills to respond to sustainability-related activities.
- Further enhance collaboration skills to work effectively in multi-disciplinary teams and with a wider range of experts.
- Communicate clearly and effectively with a wider range of internal and external stakeholders.

IFAC Sustainability Education Framework - four key focus areas for professional accountants



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● TECHNICAL EXPERTISE

○ WE NEED:

- Understand and apply new sustainability-related reporting and assurance standards and requirements.
- Establish new ways to measure performance, including science-based metrics and targets.
- Analyze new types of sustainability-related data sets and scenarios to support informed decision making.
- Design, implement and evaluate systems, processes and controls for sustainability-related reporting.
- Use judgment and assess materiality for a sustainability context.
- Produce high-quality, decision-useful sustainability disclosures and information

IFAC Sustainability Education Framework - four key focus areas for professional accountants



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● ETHICS AND PROFESSIONAL VALUES

○ WE NEED:

- Apply forthcoming revised and new ethical standards for sustainability-related reporting and assurance.
- Consider ethical threats in the context of sustainability, including when working with experts and others.
- Use professional judgment and skepticism when preparing or providing assurance on sustainability related disclosures.

Education for Sustainable Development (ESD) Competencies



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Lozano, Merrill, Sammalisto, Ceulemans, and Lozano (2017) framework includes 12 competencies referred to as 'Education for Sustainable Development (ESD) Competencies,' including

(1) systems thinking,

(2) interdisciplinary work,

(3) anticipatory thinking,

(4) justice, responsibility, and ethics,

(5) critical thinking and analysis,

(6) interpersonal relations and collaboration,

(7) empathy and change of perspective,

(8) communication and use of media,

(9) strategic action,

(10) personal involvement,

(11) assessment and evaluation, and

(12) tolerance for ambiguity and uncertainty.

Key benefits for Faculty of Economics from the PULSAR program



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- ACCA accreditation
- Discussions that inspired us to conduct scientific research
- Presentations on current topics in public sector accounting that have broadened our scientific horizons
- Outstanding lecturers from IFAC, INTOSAI, EFRAG, etc.
- Networking with colleagues from other universities and public sector institutions

„Enhancing Sustainable Progress: An Analysis of Supreme Audit Institutions' Performance Audits and Information Disclosure Practices”, *Journal of Public Budgeting, Accounting & Financial Management*, (25 June 2024), DOI: [10.1108/JPBAFM-06-2023-0092](https://doi.org/10.1108/JPBAFM-06-2023-0092)

- Purpose

- This technical paper has two purposes. It firstly aims to explore Supreme Audit Institutions' information disclosure of Sustainable Development Goals' related performance auditing practices by focusing on four Balkan countries: Croatia, Montenegro, North Macedonia, and Slovenia. Secondly, it aims to investigate whether membership in the European Union, in conjunction with the adoption of unified EU legislation and best practices in socio-economic and political spheres, influences the level of disclosure practices in SDGs' auditing and the national approaches to auditing SDG-related topics.

- Findings

- The findings highlight that the Slovenian SAI stands out for its comprehensive information disclosure in annual reports related to SDGs or sustainability reporting. It also demonstrates a high level of performance auditing on SDG topics. Following closely are the Macedonian and Croatian SAIs, which also exhibit noteworthy performance in these areas. In contrast, the Montenegrin SAI displays the lowest level of information disclosure and has conducted fewer performance audits related to SDGs. Furthermore, the study reveals that there is no significant correlation between EU membership and the extent of SDG disclosure in the SAIs' annual reports and the level of performance auditing.



Key development areas and next steps within PUSAR II



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- ToT focused on a robust sustainability reporting and assurance framework (CSRD, IFRS S1, IFRS S2, ISA 5000, IES 2, IES 3, IES 4 etc.)
- ToT with a focus on incorporating IFAC International Educational Standards into accounting and auditing curricula
- ToT focused on developing soft skills among the next generation of students - application of professional skepticism, critical thinking and problem solving, systems-thinking, adaptability and flexibility, interpersonal skills, etc. through examples and case studies
- Transfer of experiences from renowned universities in the EU regarding the application of digitization in the study of accounting and auditing
- Workshop on the development and implementation of the Multi-Stakeholder Approach to Education
- Application of innovative ways of teaching and learning accounting and auditing


Thank you!



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