Competency Frameworks for Professional Accountants and Auditors

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National Initiatives For Improving Accounting Education

Learning Objectives

» Distinguish between *competence* and *knowledge*

» Recognize why professional competence is essential for auditors and accountants

» Evaluate the responsibilities of professional accountancy organizations (PAOs) in developing and maintaining member competence

» Explore what typical Competency Frameworks look like

» Evaluate the use of Competency Frameworks by PAOs

» Describe Competency Framework development methods

» Describe ongoing dissemination and maintenance of the Competency Framework

Agenda

I. Competence and Knowledge

II. Competency Frameworks – typical structures

III. How Competency Frameworks are used

IV. Development Methods for Competency Frameworks

V. Sustaining a Competency Framework

VI. Using a Competency Framework for Program Accreditation

I. Competence and Knowledge

Knowledge or Competence?

Knowledge: **"Do you know how to…?"**

> » Relies on learning principles, standards, concepts, facts, and procedures

> » Is often theoretical or academic in approach

> » 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.

# Knowledge or Competence?

Professional Competence: "Can you…?"

- » Defined by IFAC as "the ability to perform a role to a defined standard"

- » Competence "goes beyond knowledge …; it is the integration and application of
(a) technical competence,
(b) professional skills, and
(c) professional 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 work in complex environments

  » Professionals are entrusted by society to guard the public interest

  » Often, once qualification is achieved, they can offer services to the public without further requirements

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

Professional Competence
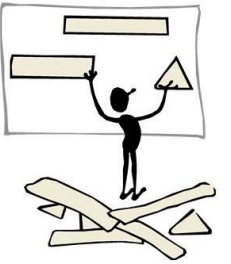
Professional Accountancy Organizations' Responsibilities

» PAOs are responsible for ensuring member competence 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

Professional Competence

The Role of Universities (and other educators)

» University education provides the foundation for professional education.

» In early courses, students build knowledge, but the sooner we can start developing competence, the better.

» As much and as early as possible, courses should incorporate the application of judgment, critical thinking, dealing with uncertainty, ethics and values, communication, leadership, teamwork, etc.

II. Competency Frameworks – Typical Structures

Elements of a Competency Framework

Competency Framework

Competency Domains

e.g., **Financial Accounting, Audit, Strategy, Communications**

Competency Statements

e.g., **"Develops the audit plan" at Level B**

Levels of Proficiency

Knowledge Topics

e.g., • **ISA 300**
• **Materiality**
• **Scope and timing**
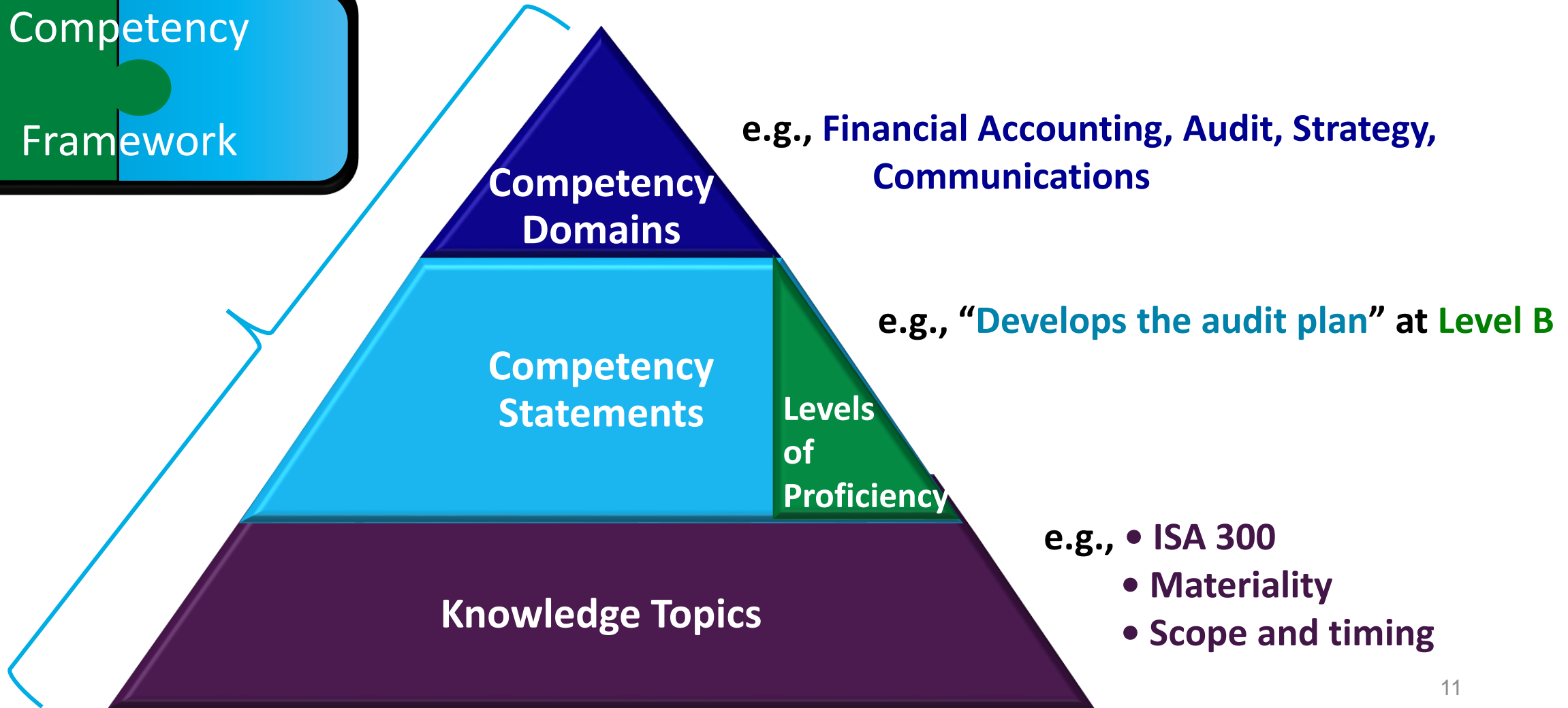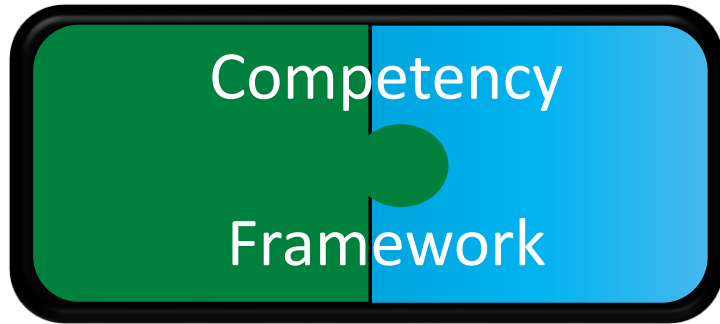
Competency Frameworks

Competency Frameworks
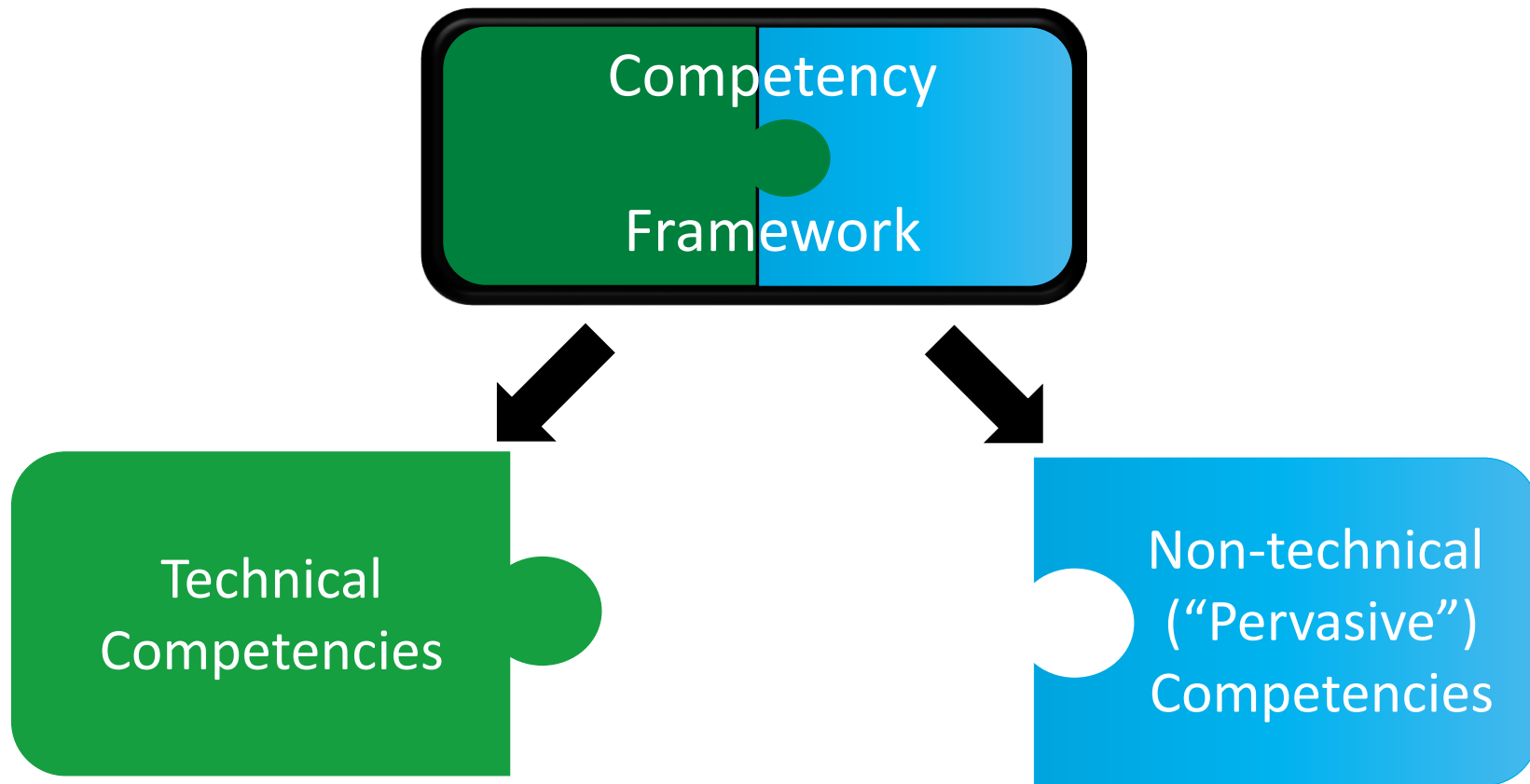
Technical Competencies

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

Competency Frameworks

EXAMPLE
Area: Communication

Non-technical ("Pervasive") Competencies

Competency Statements
Selects an appropriate medium to convey information, ideas, and results
Prepares information in formats appropriate for specific purposes
Communicates information in a timely, clear, and concise manner
Projects a professional image in communications
Follows up to ensure that communications are clearly understood
Ensures effective meetings by developing agendas and minutes, and facilitating discussions
Facilitates resolution between differing viewpoints

Competency Frameworks

Proficiency Levels – "How well can you…?"

» Each Competency Statement in the Framework is assigned a required "level of proficiency"

» Proficiency levels specify the required level of performance expected by the time of qualification

» Proficiency levels differ between competency statements and between various programs or specialties, depending on context

Competency Frameworks

Proficiency Levels

» Proficiency levels are labeled and described in various ways:

  » 1, 2, 3 (or 3, 2, 1)

  » A, B, C or (C, B, A)

  » Expert, Advanced, Intermediate, Foundational

  » Mastery, Comprehension, Awareness

» Interim proficiency level requirements may be set for milestones along the way, such as various levels in a program
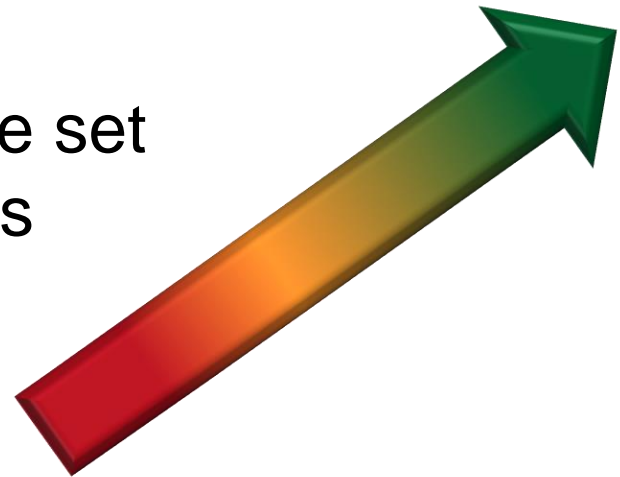
Competency Frameworks

Technical Competencies

EXAMPLE
Area: Audit & Assurance

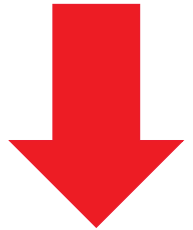| Competency Statements	Proficiency Level
Evaluates and consults on the organization's reporting needs and related assurance requirements	Intermediate
Determines whether to accept an engagement consistent with professional standards	Intermediate
Determines the scope of the engagement	Intermediate
Evaluates 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

EXAMPLE
Area: Communication

Non-technical ("Pervasive") Competencies
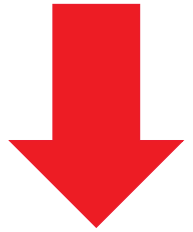
Competency Statements	Proficiency Level
Selects an appropriate medium to convey information, ideas, and results	Advanced
Prepares information in formats appropriate for specific purposes	Advanced
Communicates information in a timely, clear, and concise manner	Advanced
Projects a professional image in communications	Advanced
Follows up to ensure that communications are clearly understood	Advanced
Ensures effective meetings by developing agendas and minutes, and facilitating discussions	Intermediate
Facilitates resolution between differing viewpoints	Intermediate

Competency Frameworks

Knowledge Topics:

» provide lists that represent the scope and context of each Competency Statement.

» add detail without "bulking up" the Competency Statements

» provides the granularity needed to give guidance to educators (Universities and developers of the professional education courses) about what topics should be covered in courses.

» may or may not be specified for non-technical competencies.

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

Example – CPA Canada's Competency Map

CPA Competency Map

» Framework includes technical and "enabling" competencies

» Enabling competencies comprise professional skills, values, ethics, and attitudes

FIVE ENABLING COMPETENCY AREAS	SIX TECHNICAL COMPETENCY AREAS
1. Professional and Ethical behaviour 2. Problem-solving and Decision-making 3. Communication 4. Self–management 5. Teamwork and Leadership	1. Financial Reporting 2. Strategy and Governance 3. Management Accounting 4. Audit and Assurance 5. Finance 6. Taxation

CPA Competency Map – Proficiency Levels

Proficiency levels are C (lowest) to A (highest):

» **Level C: retrieval** and **comprehension** skills; be able to **explain**, **describe**, and demonstrate knowledge that is **low to moderate in complexity for a routine** situation.

» **Level B:** demonstrate knowledge, **analyze** problems, and **draw logical conclusions** in routine situations that have **low to moderate complexity**; be able to perform a **preliminary** analysis of an issue, but the work will require the involvement of more senior professionals before the candidates are able to complete the work.

CPA Competency Map – Proficiency Levels

» **Level A:** demonstrate knowledge, analyze problems in sufficient depth and draw conclusions in routine situations that have low to moderate complexity. In cases of **non-routine and moderate complexity, candidates are expected to be able to see some, but not all, of the interrelationships**. In these situations, candidates will require some guidance from a more experienced professional to complete the task.
[Highly complex and non-routine situations are assumed to be handled by more seasoned professionals.]

CPA Competency Map

Competency Statements	Entry	Core			Electives				Capstone	
		C1	C2	Core	E1 PM	E2 FIN	E3 AS	E4 TAX	Cap 1	Cap 2
TECHNICAL COMPETENCIES										
4. AUDIT AND ASSURANCE										
4.1 Internal Control										
4.1.1 Assesses the entity's risk assessment processes	B	A		A			A		>	>
4.1.2 Evaluates the information system, including the related processes	C	B		B	A		A		>	>
4.2 Internal and External Audit Requirements										
4.2.1 Advises on an entity's assurance needs	B			B			A		>	>
4.2.2 Explains the implications of pending changes in assurance standards	C			C			B		>	>
4.3 Internal Audit Projects and External Assurance Engagements										
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	B		B			A		>	>

Proficiency Levels

Common Final Evaluation

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CPA Competency Map

> ENABLING COMPETENCIES

i. Professional and ethical Behaviour

ii. Problem-solving and decision-making

iii. Communication

iv. Self-management

v. Teamwork and leadership

Non-technical
Competency Areas

Common Final
Evaluation

> indicates coverage and progressive development of
professional skills and behaviour.

CPA Competency Map – Knowledge Reference Lists

Knowledge Topics	Related CPA Competencies
• Objectives and fundamental accounting concepts and principles (qualitative characteristics of accounting information, basic elements) • Ethical professional judgement • Objectives of financial reporting • Difference between accrual accounting compareed to cash accounting • Framework of standard setting (IFRS and ASPE) • Financial statement users and their broad needs, standard setting, and requirement for accountability • Accounting information systems … and so on	1.1.1 Evaluates financial reporting needs 1.1.2 Evaluates the appropriateness of the basis of financial reporting 1.1.3 Evaluates reporting processes to support reliable financial reporting 1.2.1 Develops or evaluates appropriate accounting policies and procedures 1.4.2 Evaluates financial statements including note disclosures 1.4.4 Interprets financial reporting results for stakeholders (external or internal)

CPA Competency Map

Competency Statements	Entry	Core			Electives				Capstone	
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Used for evaluating University or College courses for accreditation

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CPA Competency Map

Competency Statements	Entry	Core			Electives				Capstone	
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4.2.2 Explains the implications of pending changes in assurance standards	C			C			B		>	>
4.3 Internal Audit Projects and External Assurance Engagements										
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	B		B			A		>	>

Used for developing professional courses and exams

CPA Competency Map

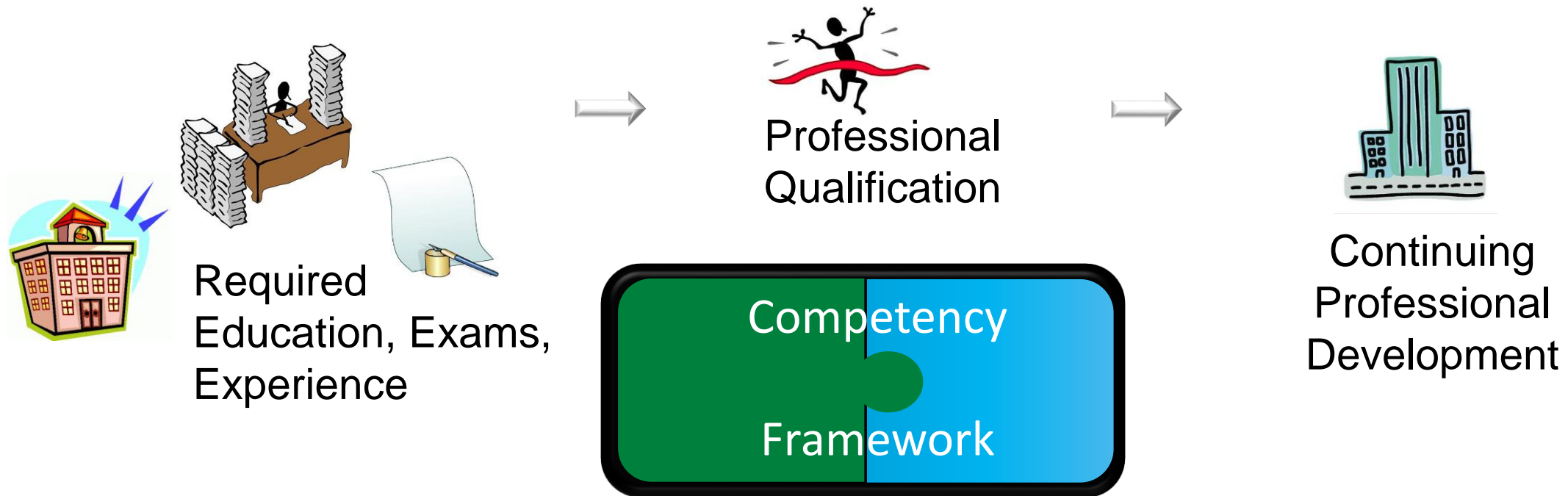| Competency Statements	Entry	Core			Electives				Capstone	
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4.3 Internal Audit Projects and External Assurance Engagements										
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	B		B			A		>	>

Capstones integrate technical areas and strengthen enabling competencies

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III. Using Competency Frameworks

How Competency Frameworks are Used

» Competency Frameworks are the foundation ensuring competence is achieved and maintained:

Required Education, Exams, Experience

Professional Qualification

Competency Framework

Continuing Professional Development

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

How Competency Frameworks are Used

» Competency Frameworks support compliance:

International good practice

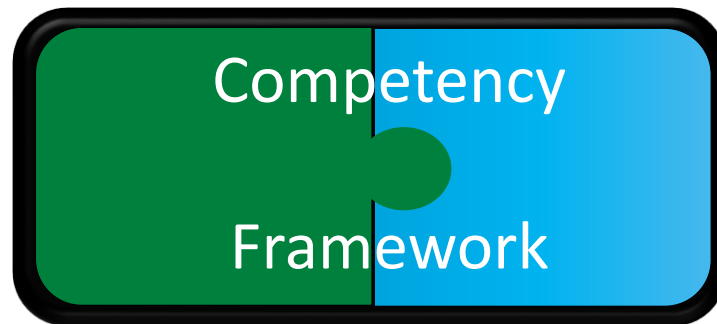Local laws and regulations

IESs

Competency
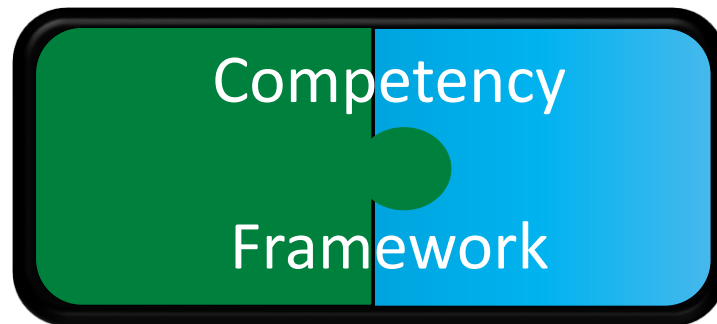
Framework

Supports compliance with local and international expectations

How Competency Frameworks are Used

» Competency Frameworks are often mapped to the requirements of other organizations:

Universities seeking accreditation

Competency Framework

Recognition agreements with other PAOs

Supports comparisons with other organizations

IV. How Competency Frameworks are Developed

How competency frameworks are developed

» Broad stakeholder input is essential, in order for the Framework to meet the needs and expectations of the public, clients, and employers:

  » The goal is to reflect the full range of competencies essential for professional accountants and auditors

  » The proficiency levels required are highly dependent on context, and also need to be realistic based on the local environment

How competency frameworks are developed

» A "Practice Analysis" is typically used to determine competencies and the appropriate levels of proficiency required by new professional accountants

» Full-scale Practice Analysis includes a comprehensive survey of:
   » Members
   » Employers
   » Academics
   » Professional recruiters
   » Regulators

How competency frameworks are developed

» Independent consultants are usually hired to assist
(to bring specialized expertise and help ensure objectivity and avoid potential bias)

» The Practice Analysis should be updated periodically (normally every 3 to 5 years) to reflect changing needs of stakeholders and the professional environment

Performing a Practice Analysis
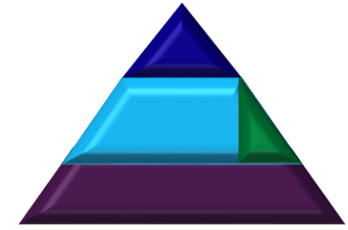
» Led by a small, but representative committee who compile the draft list of Competency Statements.

» For each Competency Statement, Knowledge Topics are generated to describe the intended scope and context of the statement.

» A comprehensive survey is held, where members, employers, academics, regulators, and recruiters rate competency statements on Essentiality/Importance and Proficiency Level.

» Results are compiled to finalize the Competency Statements, Proficiency Levels, and related Knowledge Topics.

How competency frameworks are developed

**Results of recent Practice Analyses:**

» Competencies rated most essential to a newly designated professional accountant relate to professionalism, ethics & trust, leadership, and communicating.

Non-technical ("Pervasive") Competencies

Technical Competencies

» Among the technical competency domains, financial accounting and reporting, internal controls and auditing, management accounting and risk, and taxation generally rank highest.

Challenges of a Practice Analyses
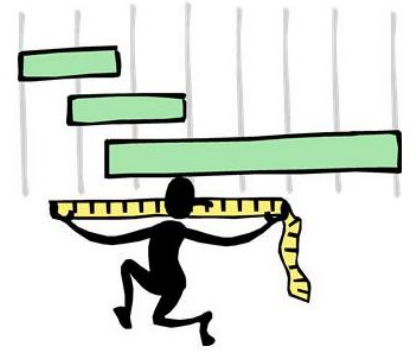
Logistical/Resource Challenges:

» Practice Analyses are time-consuming, complex, and expensive

» Ideally, the first comprehensive Practice Analysis should occur before professional education programs are in place and it becomes more difficult to totally overhaul them

» Be careful not to just retrofit an education program to the Framework and ignore the need for changes indicated by the Practice Analysis

Challenges of a Practice Analyses

Content Challenges:

» The Framework needs to be articulated at the "right" level of granularity – in order to serve their purpose, they can't be too broad or too focused:

  » If too broad – not enough detail for implementation

  » If too granular – too cumbersome to work with

» Remember that the Framework represents the *minimum* level of competence to be demonstrated by all professional accountants and/or auditors at the time of certification

  » this should reflect a *strong* minimum level, but also needs to be *realistic* given the certification program

Overcoming Challenges
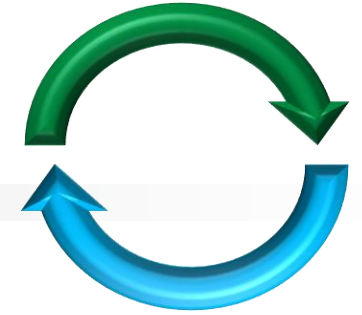
A Potential Iterative Approach:

» Draw on experience of established Frameworks and IESBA's IESs

» Draft the Competency Statements, Proficiency Levels and Knowledge Statements (or descriptions)

» Use a small but representative group of stakeholders to vet the Framework in an intensive workshop

» Fit the program and Framework together, adjusting the program as needed over time

» Review and adjust the Framework over time as appropriate

Overcoming Challenges

Collaborative assistance from experts:

» Best results occur when based on a collaboration of:

   » Experienced experts – to gain independent guidance and international perspective

   » Strong local expertise – to ensure local context is understood and adapted to

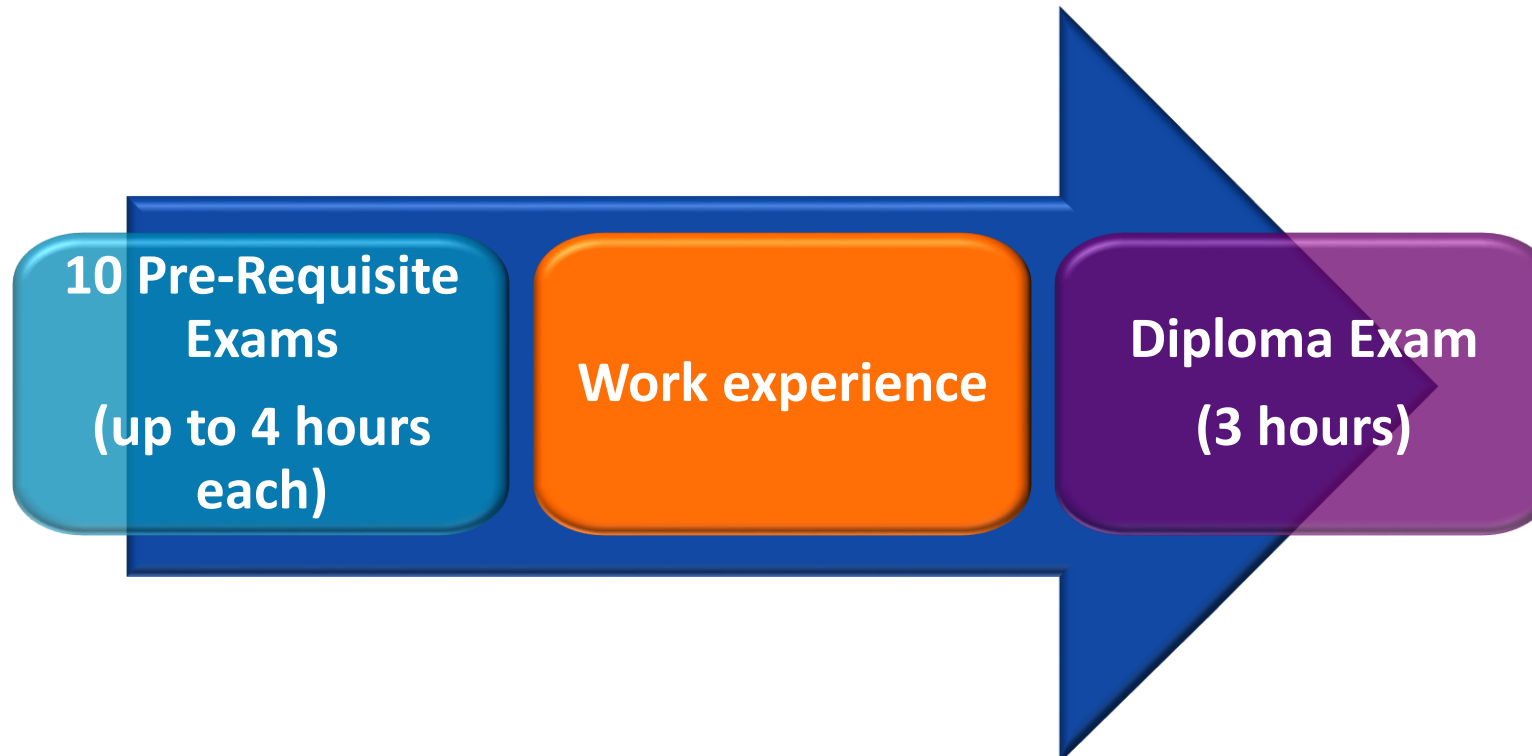# Example – Developing Poland's "Framework of Learning Outcomes"

World Bank Project in Poland

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

» **IFAC's IESs require a "Learning Outcomes" approach:**

» "A learning outcomes approach focuses on the individual's **demonstrated achievement** of the learning **outcomes** at the **targeted level of proficiency** and not on the learning process."

» "**Demonstrating** the achievement of these outcomes provides **evidence** of the professional competence of the individual to **perform the role of a professional accountant**."

Source: January 2016 - IAESB Implementation Support Materials: *Guiding Principles For Implementing A Learning Outcomes Approach*

World Bank Project in Poland

» To support IES compliance, a Competency Framework was needed, but there were not enough resources to perform a full Practice Analysis

» As a solid interim approach, a "Framework of Learning Outcomes" was developed

» Less grounded in research, but more efficient to produce, using the work of other respected groups

KIBR Framework of Learning Outcomes

» **KIBR Framework of Learning Outcomes**

   » Framework included Learning Outcomes (rather than Competency Statements), including technical areas and pervasive skills

   » Ties directly to IFAC's IESs to support compliance

   » Uses proficiency levels
      1 = Foundation, 2 = Intermediate, 3 = Advanced

   This recognizes that newly-qualified candidates are not experts (there is room to add Levels 4 or 5 for CPD)

KIBR Framework of Learning Outcomes

» Serves as an interim step on the way to building a Competency Framework (following a national Practice Analysis)

» Learning Outcomes were essentially "unverified" competency statements

» Learning Outcomes were assigned Proficiency Levels

» Learning Outcomes were mapped to the knowledge lists contained in current regulation

Framework of Learning Outcomes
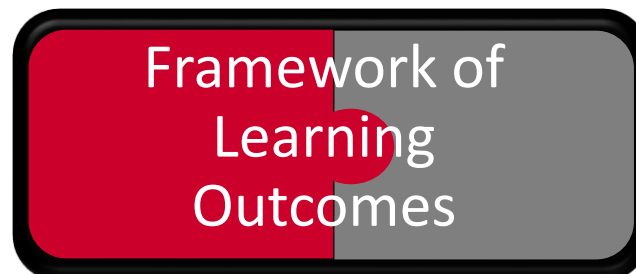
KIBR Framework of Learning Outcomes

TECHNICAL

Framework of Learning Outcomes

Sample Learning Outcomes – Financial Accounting & Reporting	Proficiency Level
Explain the regulatory environment and standard-setting process, and identify the relevant laws and regulations that pertain to the organization.	2 - Intermediate
Explain the purposes, objectives and qualitative characteristics of financial reports, the benefits to the public, and the fundamental processes and tasks.	3 - Advanced
Apply Polish accounting regulations other than IFRS to transactions and other events.	2 - Intermediate
Apply International Financial Reporting Standards (IFRSs) to transactions and other events.	2 - Intermediate
Evaluate the appropriateness of accounting policies used to prepare financial statements.	2 - Intermediate

KIBR Framework of Learning Outcomes

Framework of Learning Outcomes
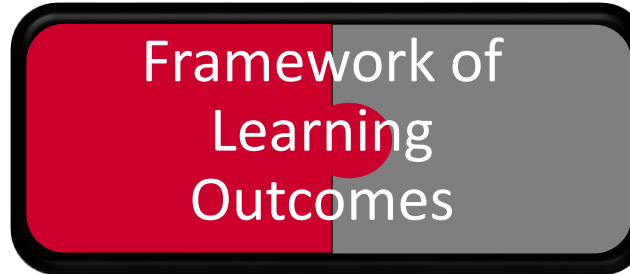
NON-TECHNICAL

| Sample Learning Outcomes – Intellectual Skills	Proficiency Level
Evaluate information from a variety of sources and perspectives through research, analysis, and integration.	2 - Intermediate
Identify when it is appropriate to consult with specialists to solve problems and reach conclusions.	2 - Intermediate
Apply reasoning, critical analysis, and innovative thinking to solve problems.	2 - Intermediate
Recommend solutions to unstructured, multi-faceted problems.	2 - Intermediate
Resolve audit issues using inquiry, abstract and logical thought, and critical analysis to consider alternatives and analyze outcomes.	2 - Intermediate

V. Implementing and Sustaining a Competency Framework

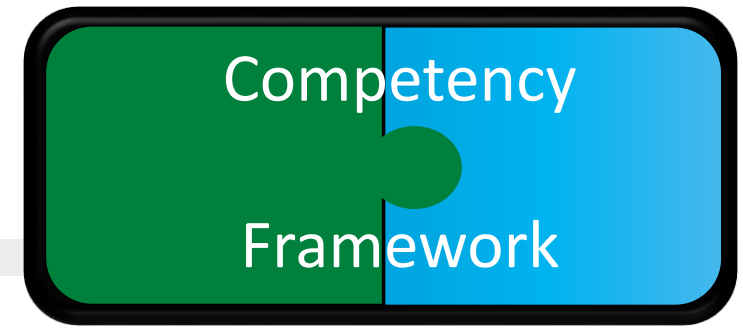# Implementing a Competency Framework

Once a Competency Framework has been developed:

» it needs to be rolled out to all areas

» the Framework should be referenced any time the profession sets up processes for ongoing training, education, evaluating or monitoring of members

» communication is key with other stakeholders, such as government oversight/regulators, education partners

Competency
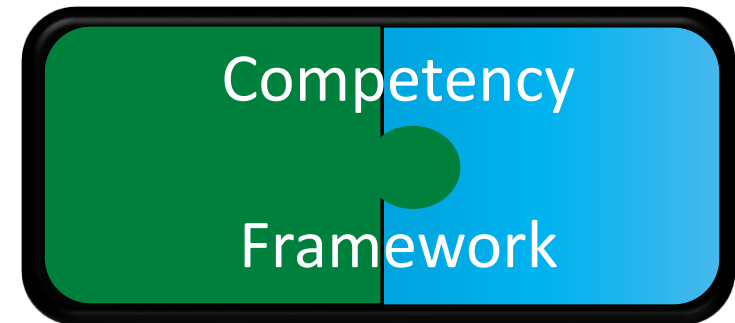
Framework

Sustaining a Competency Framework

Once a Competency Framework has been implemented:

» it should be reviewed and updated regularly (every 3 to 5 years) to keep it relevant

» review/revision can be done through a full Practice Analysis or through surveys and/or workshops in specified domains

» International and local trends and regulatory changes need to be monitored and reflected in the Framework

» the organization needs to become comfortable mapping it against other Frameworks for benchmarking and partnership purposes

# VI. Using the Competency Framework for Program Accreditation

CPA Competency Map

Competency Statements	Entry	Core C1	C2	Core	Electives E1 PM	E2 FIN	E3 AS	E4 TAX	Capstone Cap 1	Cap 2
TECHNICAL COMPETENCIES										
4. AUDIT AND ASSURANCE										
4.1 Internal Control										
4.1.1 Assesses the entity's risk assessment processes	B	A		A			A		>	>
4.1.2 Evaluates the information system, including the related processes	C	B		B	A		A		>	>
4.2 Internal and External Audit Requirements										
4.2.1 Advises on an entity's assurance needs	B			B			A		>	>
4.2.2 Explains the implications of pending changes in assurance standards	C			C			B		>	>
4.3 Internal Audit Projects and External Assurance Engagements										
4.3.1 Assesses issues related to the undertaking of the engagement or project	B	B		B			A		>	>

Used for evaluating University or College courses for accreditation

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PAO & University Collaboration
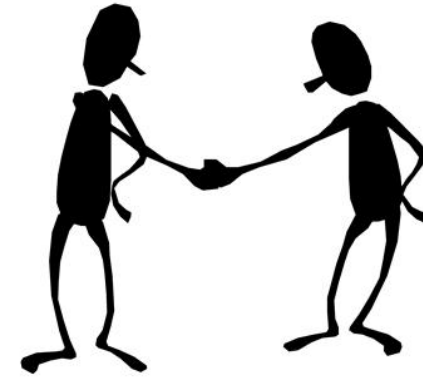
The need for collaboration

» 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

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. University-level

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.

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.)?

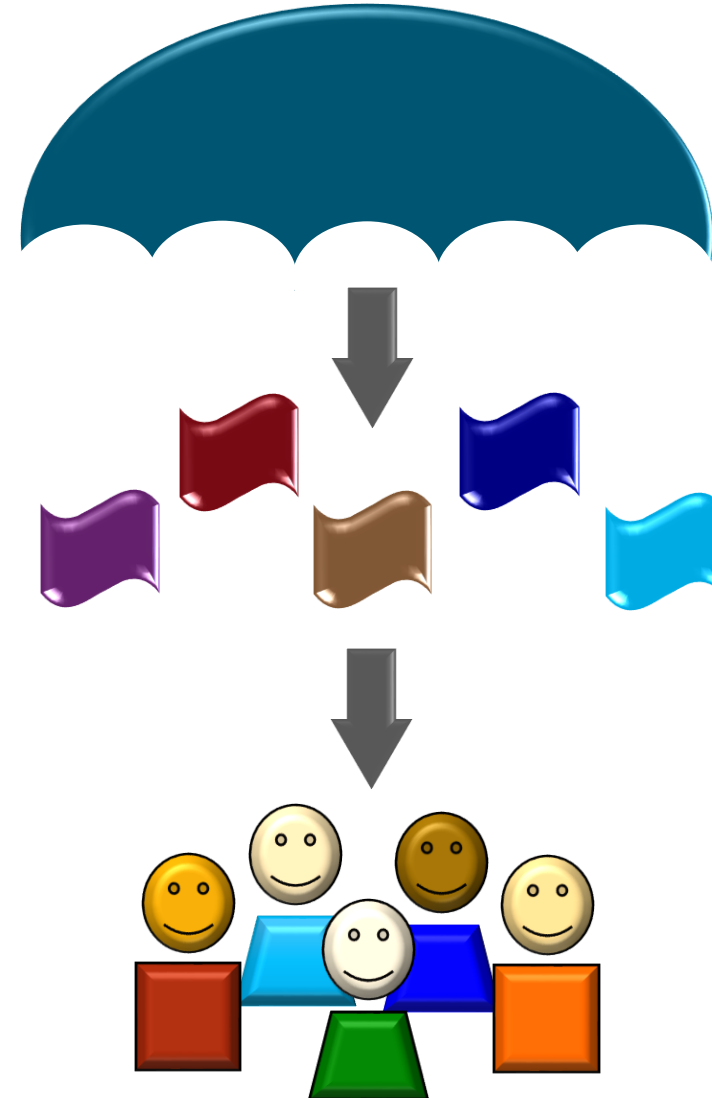» What timelines can the PAO guarantee for processing applications (30 days? 3 months?)
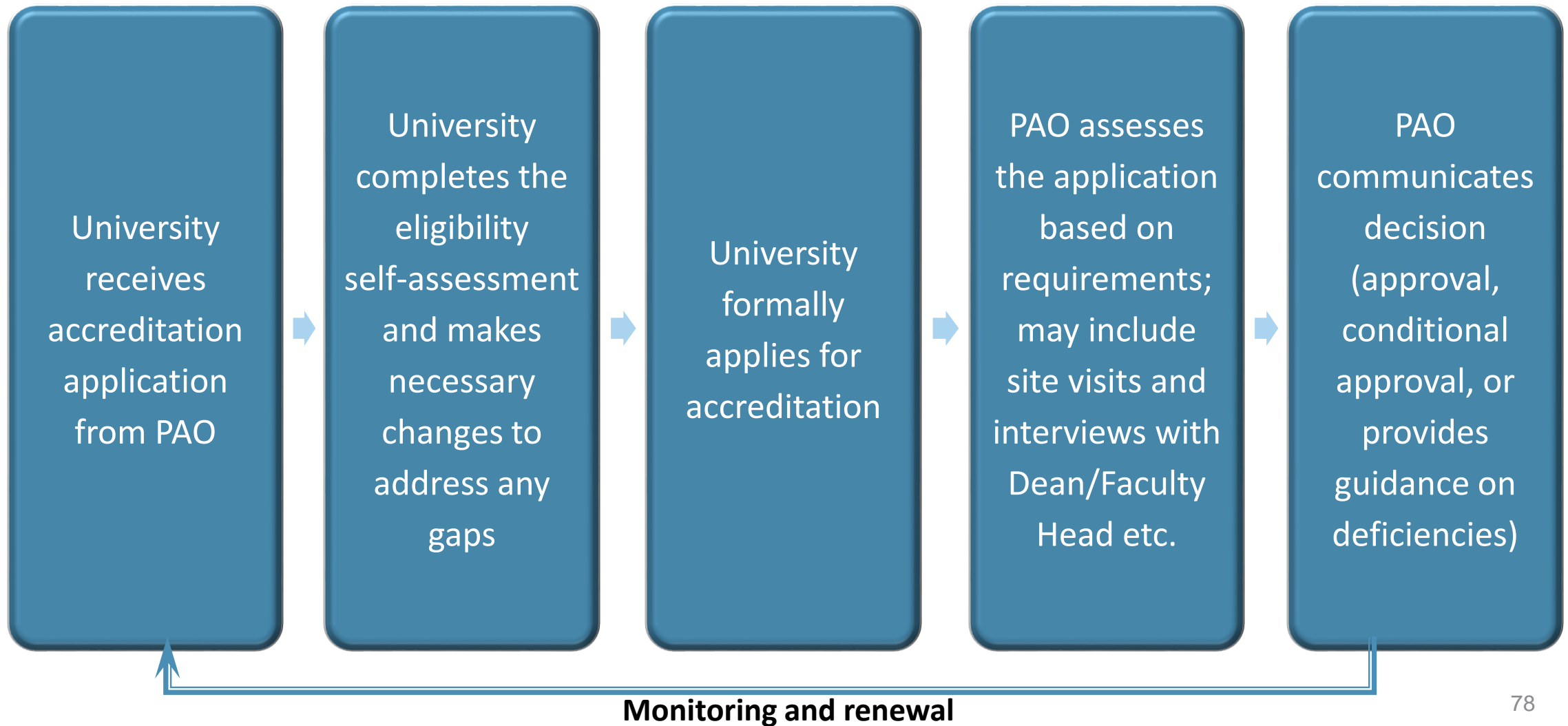
Accreditation Process

1. University-level accreditation
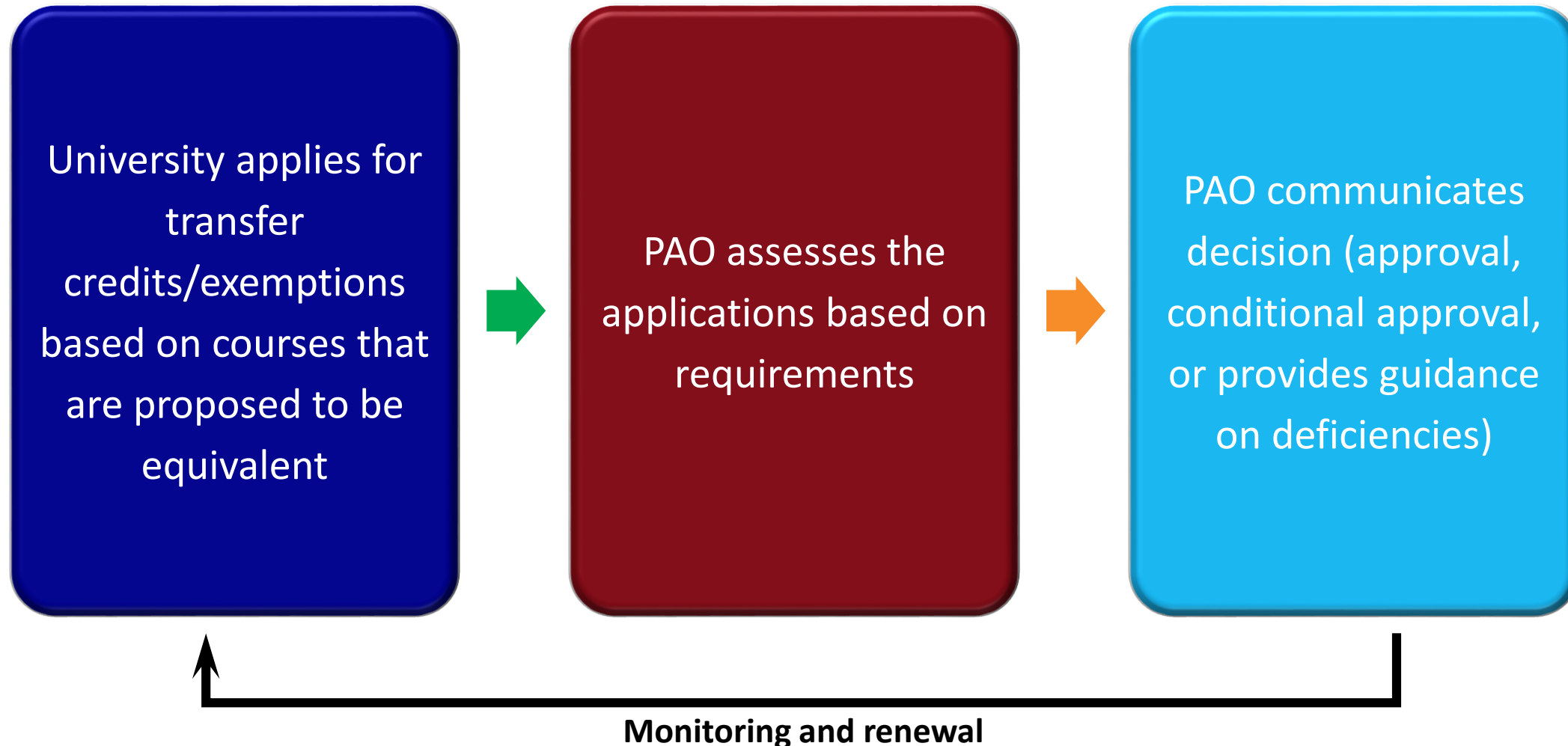
2. Specific course-level equivalence

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
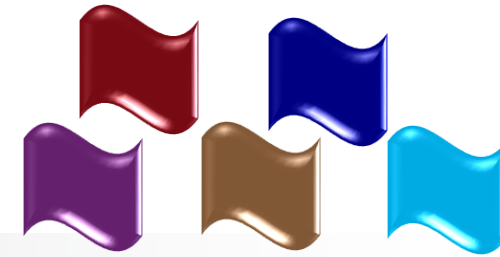
Accreditation Process

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.)

Learning Objectives – Recap

» Distinguish between *competence* and *knowledge*

» Recognize why professional competence is essential for auditors and accountants

» Evaluate the responsibilities of professional accountancy organizations (PAOs) in developing and maintaining competence of members

» Explore what typical Competency Frameworks look like

» Evaluate the use of Competency Frameworks by PAOs

» Describe Competency Framework development methods

» Describe ongoing dissemination and maintenance of the Competency Framework

Thank You!!

Questions?
Comments?
Feedback?

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