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ACCOUNTANCY EDUCATION BENCHMARKING STUDY

Albania, Bosnia and Herzegovina, Kosovo,
Macedonia FYR, Montenegro and Serbia

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Reporting Reform**



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- ▶ Serbian Association of Accountants and Auditors (SAAA)
- ▶ Serbian Chamber of Authorized Auditors (CAA)

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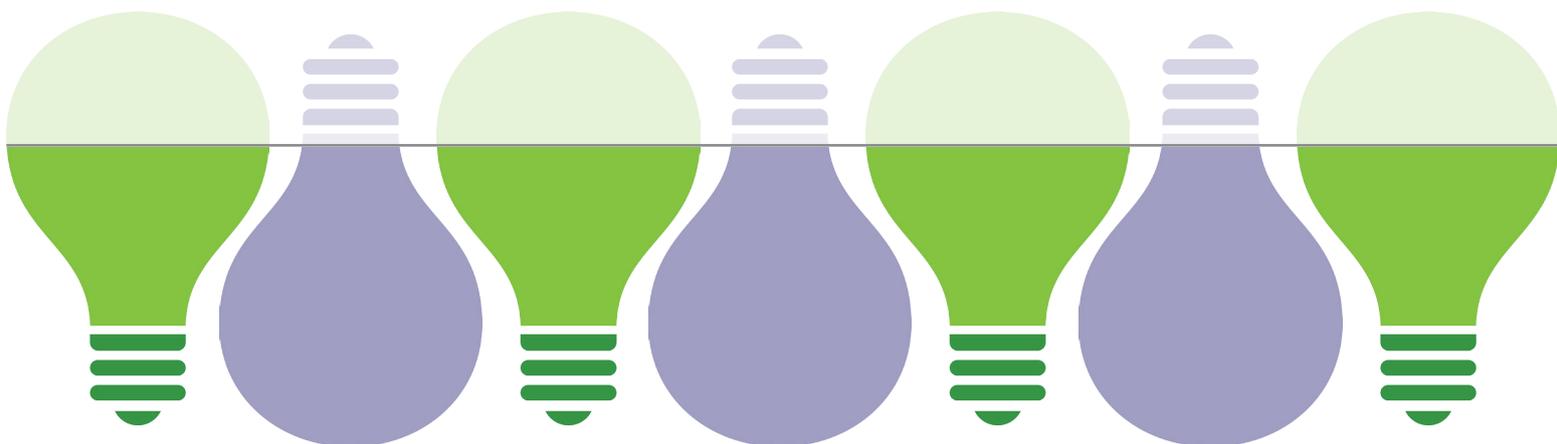
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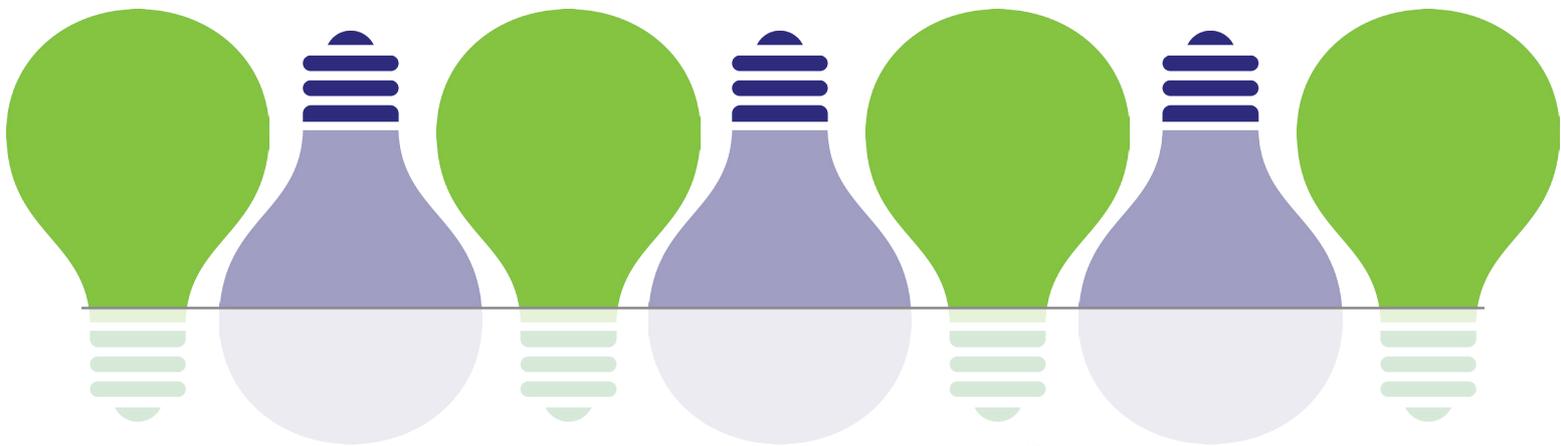
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Acronyms

AAARS	Association of Accountants and Auditors of Republic Srpska
AACSB	Association to Advance Collegiate Schools of Business
ACCA	Association of Chartered Certified Accountants
CA	Certified Accountant
CAA	Chamber of Authorized Auditors
CAT	Certified Accounting Technician
CFRR	Centre for Financial Reporting Reform
CIPFA	Chartered Institute of Public Finance and Accountancy
CPA	Certified Public Accountant
CPD	Continuing Professional Development
DBA	Doctor of Business Administration
ECTS	European Credit Transfer System
EduCoP	Education Community of Practice
EHEA	European Higher Education Area
EPAS	Education Policy and Accreditation Standards
EFMD	European Foundation for Management Development
EU	European Union
EU-REPARIS	The Road to Europe: Program of Accounting Reform and Institutional Strengthening
EQAR	European Quality Assurance Register for Higher Education
FBH	Federation of Bosnia and Herzegovina
FEE	Federation of European Accountants
IAASB®	International Auditing and Assurance Standards Board®
IAESB™	International Accounting Education Standards Board™
IAS®	International Accounting Standards®





IASB®	International Accounting Standards Board®
ICAM	Institute of Certified Accountants of Montenegro
ICARM	Institute of Certified Auditors of the Republic of Macedonia
IEKA	Institute of Authorized Chartered Auditors of Albania
IES™	International Education Standard™
IESBA®	International Ethics Standards Board for Accountants®
IFAC®	International Federation of Accountants®
IFRS® Standards	International Financial Reporting Standards
IFRS for SMEs® Standard	International Financial Reporting Standards for Small and Medium-Sized Entities
IPD	Initial Professional Development
IPSAS®	International Public Sector Accounting Standards®
ISA®	International Standards on Auditing®
ISQC®	International Standard on Quality Control®
KFRC	Kosovo Financial Reporting Council
MBA	Master of Business Administration
MSc	Master of Science
PAO	Professional Accountancy Organization
PM	Professional Master
ROSC A&A	Report on the Observance of Standards and Codes – Accounting and Auditing
RS	Republic of Srpska
SAAA	Serbian Association of Accountants and Auditors
SCAAK	Society of Certified Accountants and Auditors of Kosovo
SEBS	School of Economics and Business Sarajevo
SEE	Southeast Europe
SMP	Small- and Medium-Sized Practices
SRRF-FBH	Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina

Executive Summary

Sound accountancy education systems improve the competence of professional accountants and contribute to enhanced public trust and confidence in the quality of their work.

Fostering inclusive and sustainable economic growth is key to ending poverty and boosting shared prosperity. Growing economies create jobs, generate income, produce social benefits and attract investment. This is of particular importance for developing economies whose strategic development goals include significant efforts to improve the business climate, increase access to finance, strengthen the financial sector, and promote private sector-led growth.

There is widespread recognition that in order for markets to function efficiently and for economies to grow, reliable and credible financial information is vital. Producing high quality financial information is supported by sound accountancy education systems that develop and improve the competence of professional accountants.

This Accountancy Education Benchmarking Study was undertaken for, and at the request of, the Education Community of Practice (EduCop),¹ with four key objectives in mind:

- ▶ Sharing good practices of universities and Professional Accountancy Organizations (PAOs) and developing solutions to shared challenges through a collaborative process, which the EduCoP has facilitated by enabling members to engage in peer learning and regional knowledge exchange;
- ▶ Exploring synergies between academic and professional accountancy education as a prerequisite for developing adequate accountancy education systems and ensuring the effective use of country level education resources;
- ▶ Implementing a “learning outcomes approach” in accountancy education promulgated by the revised content based International Education Standards™ (IESs™)² and international good practices as a more effective learning experience; and
- ▶ Enabling a diagnostic that aims to assist EduCop members to engage in a process of international recognition and accreditation of national programs.

Six countries participated in the study between March 2015 and May 2016: Albania, Bosnia and Herzegovina, Kosovo, Macedonia FYR, Montenegro and Serbia. The Study was a comprehensive assessment of the countries’ 14 universities and PAOs, which together provide 25 academic and professional accountancy education programs to around 4,120 enrolled students. Curricula content, learning outcomes and proficiency levels from these accountancy programs were analyzed using International Education Standards (IESs) related to technical competence (IES 2) and professional values, ethics and attitudes (IES 4) as the main benchmark. Supplementary benchmarking was performed for the purposes of comparing syllabi and course content with those of the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Public Finance and Accountancy (CIPFA).

The Study identified a number of opportunities that can be explored in future accountancy education reforms. These opportunities represent significant areas that can have an important impact while developing accountancy education in the region and can lead to:

- ▶ Recognition of the benefits of qualifications, certification and licensure processes by providing greater consistency in the delivery of high-quality, industry or sector-specific services by individuals to the public;

¹ Refer to the Introduction for a description of the EU-REPARIS program and the Education Community of Practice (EduCop).

² Content based International Education Standards (IES) include: IES 2, Initial Professional Development – Technical Competences (2015); IES 3, Initial Professional Development – Professional Skills (2015); IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2015); and IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016).

- ▶ Improving the reputation of the education program providers and enhancing the professional growth of individuals; and
- ▶ Instilling a higher degree of accountability for accountancy education program providers and for individuals in developing and maintaining their competence.

The Study also proposes a few practical tips which, when combined with the good practices identified, can help accountancy education providers to seize the key opportunities and implement reforms.



Opportunity # 1

Integrate academic and professional accountancy education

Findings

The Study found that despite similarities in the curricula content and learning outcomes, the level of integration between academic and professional accountancy education programs was low in most countries. This presents an opportunity for closer cooperation between universities and PAOs, and could result in developing education programs with reduced overlap and duplication. In addition, this could lead to tailored curricula with scaled progressions of learning outcomes and proficiencies, with the more advanced learning outcomes introduced during professional education programs.

A common competency framework to underpin academic and professional education policy would provide universities with the opportunity to incorporate tailored learning outcomes into degree programs to enable students to transition smoothly to a professional qualification program. Thus, curricula would be mapped to competencies, learning outcomes would be mapped to proficiency levels, and the gap between professional bodies and academic programs on exemptions and recognition policies would be bridged. In some cases, delivering joint programs can also be beneficial and lead to greater efficiency in utilizing scarce country-level educational resources.

In shaping the common competency and policy framework, it would be important to consult with private- and public-sector employers to mitigate the risk of disconnect between skills taught and skills required. In addition, it would help to address the poor post-degree employment rates experienced in some of the countries surveyed.

Tips & Ideas

- ▶ Develop a common policy and competency framework to underpin academic and professional education programs;
- ▶ Understand gaps between academic and professional streams (e.g. by mapping competencies and learning outcomes to proficiency levels);
- ▶ Develop a system of mutual exemptions and recognition between the academic and professional streams;
- ▶ Partner with leading education providers to use up to date and high quality teaching materials and resources; and
- ▶ Engage with private sector employers to understand required skills and incorporate them into education programs and competence frameworks.



Opportunity # 2

Achieve greater international integration of programs

Findings

In the academic context, nationally accredited programs enjoy recognition in other countries of the European Higher Education Area (EHEA) – for example, master’s graduates receive automatic recognition to participate to a Doctoral program in another country of the EHEA. By contrast, national professional accountancy programs in participating countries have limited recognition abroad. Most of the education programs are focused on the local market with little regional or international integration.

Most of the university programs are accredited at the national level only. Only one of the participating universities has attempted to apply for accreditation from an internationally-recognized accreditation organization.

Many of the professional education programs that were surveyed offered an ACCA-based program but despite similarities, few exemptions with ACCA foundation papers are possible and a system for blanket recognition of exams is not always in place. This is disadvantageous for students who might want to apply for membership of an international PAO. As professional qualifications become internationally marketable, they become more appealing to potential applicants and attract new talent to the profession. In addition, international recognition adds to the quality of the education programs as there is an aspiration to achieve higher standards of education that are recognized by institutions abroad.

Tips & Ideas

- ▶ Universities may pursue international accreditation as part of a strategy to expand and raise their profiles;
- ▶ Universities can engage in twinning and joint programs with recognized EU-based universities;
- ▶ Partner and twin with international PAOs to enable knowledge sharing and achieve better international integration; and
- ▶ Engage with international PAOs to introduce a more structured system of mutual recognition and exemptions offering candidates a faster route to international membership.



Opportunity #3

Expand the offerings of public sector education

Findings

There is potential for university programs at all levels to cover public sector topics, including International Public Sector Accounting Standards® (IPSAS®). Given that up to 25 percent of graduates ultimately find employment in the public sector, the introduction of more public sector courses would help align university programs with their graduates’ needs and may help to improve the quality of public sector financial accounting and reporting.

Similarly, given that a sizable number of PAOs members work in the public sector, PAOs might want to consider introducing specialized public sector certification programs as well as tailored public sector Continuing Professional Development (CPD). An important step for PAOs in providing direction would be to gather case studies on how

partnerships and alliances have been formed, and how obstacles can be overcome with organizations such as CIPFA. For example, PAOs could work with public sector authorities, supreme audit authorities and other relevant stakeholders to identify the content for such CPD programs and training.

The Study identified a few PAOs which had already expanded their offerings to public sector education, including developing public sector qualifications and introducing tailored CPD on public sector financial reporting.

Tips & Ideas

- ▶ Introduce CPD training tailored for accountants in the public sector;
- ▶ Work with government employers to help identify the content and scope of new qualifications and CPD programs;
- ▶ Develop public sector certification programs. A possible cost effective approach could be to develop a set of public sector papers on top of the core accountancy qualification; and
- ▶ University programs to include a greater focus on public sector accounting and reporting including IPSAS.



Opportunity # 4

Enhance CPD systems and training programs

Findings

Public confidence and trust in the profession is linked to the quality of the professional services they provide. By engaging in continuing professional development activities, professional accountants maintain and upgrade their skills so the quality of their work can remain at high levels.

Many of the CPD systems lack flexibility and access to suitable CPD opportunities can be difficult. Limited numbers of in-country CPD providers (usually a single PAO in each country), limited range of admissible CPD units (usually classroom training organized only a few times per year) and a lack of tailored CPD offerings for members working in specialist business segments and sectors of the economy are some of the constraints in the present CPD systems. Further, CPD is specified and measured in an input based approach (by completing a minimum number of training hours), rather than a learning-outcomes based approach (which requires participants to demonstrate mastery of professional competences linked to their specific roles and needs).

Tips & Ideas

The Study already identified a number of actions and good practices that can be further explored while enhancing CPD systems, including:

- ▶ Periodically assessing competences developed through CPD;
- ▶ Resolving capacity constraints by outsourcing CPD delivery to international network accounting firms and international experts; and
- ▶ Introducing minimum ethics content in annual CPD training.

Other actions that universities and PAOs can implement to improve the CPD systems and training programs include the following:

- ▶ Introduce a variety of options for CPD activities and modern methods of delivery (e.g. online platforms);
- ▶ Develop more frequent and focused CPD training offerings, including activities to develop professional skills, as well as professional values, ethics and attitudes;
- ▶ Introduce an accreditation system of CPD providers;
- ▶ Prescribe learning outcomes for CPD activity and introduce output-based measurement systems;
- ▶ Introduce personal reflections as part of periodic CPD evaluations as a means to gradually move towards a more learner-centered CPD approach; and
- ▶ Engage with the International Accounting Standards Board® (IASB®) and the International Federation of Accountants® (IFAC®) to make available the latest versions of International Standards on Auditing® (ISA®) and International Financial Reporting Standards® (IFRS® Standards) to practitioners.



Opportunity # 5

Improve practical experience requirements and workplace assessments

Findings

Universities can improve their approach to teaching theory and develop more internship opportunities to create links between students and the job market.

PAOs could introduce formal learning outcomes for professional skills, and professional values, ethics and attitudes, to close the compliance gaps with IESs. PAOs could also consider moving away from systems of measuring practical experience based on the amount of time served to developing evidence-based methods, such as verifying the skills and competences obtained in practical training through workplace assessments.

Tips & Ideas

The Study found a number of good practices already in place that can be referred to as good examples how to establish links with the business world, including:

- ▶ Involving practitioners in the delivery of more practical lectures;
- ▶ Using work log books to assess the quality of work experiences;
- ▶ Creating a network of internship opportunities and making internships a minimum requirement for graduation; and
- ▶ Providing employment databases to help with post-qualification opportunities.

Other actions that universities and PAOs can implement to improve the teaching of theory and enhance the practical experience requirements, are listed below:

- ▶ Introduce learning outcomes for professional skills, and professional values, ethics and attitudes, subject to workplace assessments;

- ▶ PAOs could provide tools and guidance to candidates and supervisors for development of practical skills, such as competency maps and frameworks to help identify areas of focus and further skills development;
- ▶ Create a database of supervisors to help mentor candidates;
- ▶ Receive feedback from employers and business support organizations to ensure that skills-gaps are being identified and addressed through education and qualifications;
- ▶ Stress-test competency maps with potential employers; and
- ▶ Maximize opportunities for exercising professional judgment in academic programs (e.g. through the use of business simulation activities, introducing practitioners into the teaching process, etc.).

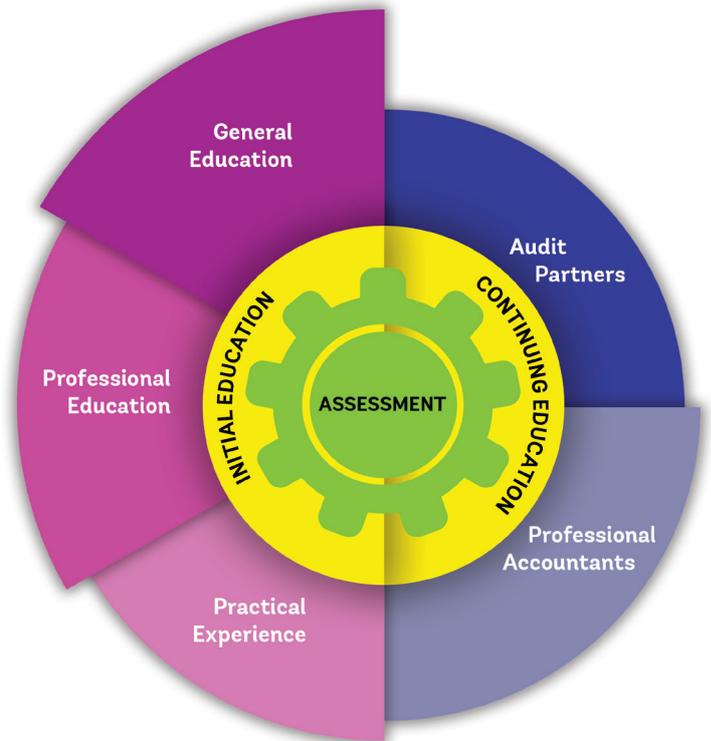
Introduction

Fostering inclusive and sustainable economic growth is key to ending poverty and boosting shared prosperity. Growing economies create jobs, generate income, produce social benefits and attract investment. This is of particular importance to developing economies whose strategic development goals include significant efforts to improve the business climate, increase access to finance, strengthen the financial sector, and promote private sector-led growth.

There is widespread recognition that in order for markets to function efficiently and for economies to grow, reliable and credible financial information is vital. Producing high quality financial information is supported by sound accountancy education systems that develop and improve the competence of professional accountants.

Well-developed accountancy education programs comprise technical competencies, professional skills, and professional values, ethics and attitudes. Initial education includes all the training that aspiring accountants need to complete in order to begin their career: general education (e.g. high school, university), initial professional accountancy education (usually delivered through PAOs), completion of practical experience (to learn on-the-job skills under the tutelage of a skilled accountant or auditor), and finally, passing a formal assessment of the requisite technical competencies, professional skills, and professional values, ethics and attitudes. Continuing education

Accountancy Education



includes learning and development undertaken to maintain technical competencies, professional skills, and professional values, ethics and attitudes over the course of a career. These education programs are essential, not only for ensuring the competencies of professional accountants, but also to strengthen public trust and confidence in their work.

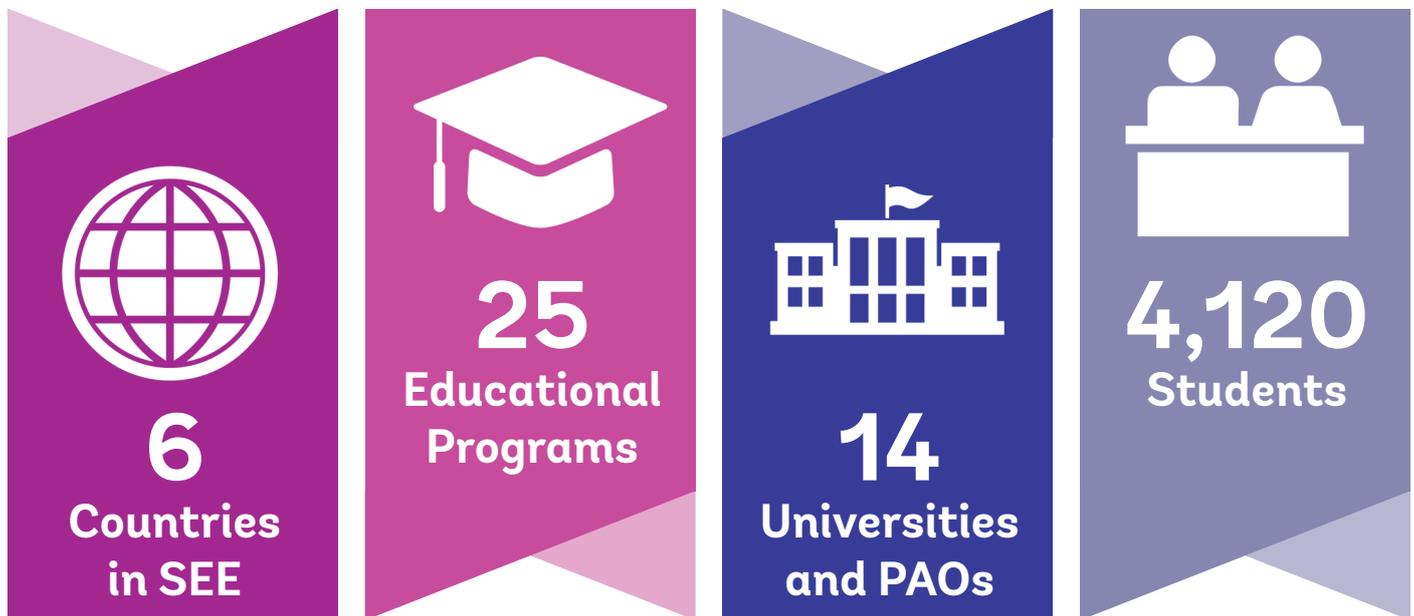
The EU-REPARIS Education Community of Practice

The Road to Europe: Program of Accounting Reform and Institutional Strengthening (EU-REPARIS) has been designed to help and encourage the process of integration of candidate or potential candidate countries for EU enlargement in the countries of Southeast Europe, including Albania, Bosnia and Herzegovina, Kosovo, Macedonia FYR, Montenegro and Serbia.

The Education and Development activity of EU-REPARIS aims to promote the development of accountancy education aligned with International Education Standards (IESs) and the educational requirements of the EU's Statutory Audit Directive for professional qualifications, continuing professional development, and at university level. The Education Community of Practice (EduCoP) was established as a means of achieving this objective. There is a substantial commonality of curriculum content, qualification systems, and lifelong learning requirements that are being addressed on a regional basis through the EduCoP.

About the Study

This publication records findings from the World Bank Centre for Financial Reporting Reform (CFRR) Accountancy Education Benchmarking Study, which was undertaken as part of the EU-REPARIS Program and its Education Community of Practice (EduCop).



Participant Profile

Between March 2015 and May 2016, six countries took part in the Study: Albania, Bosnia and Herzegovina, Kosovo, Macedonia FYR, Montenegro and Serbia. The Study was a comprehensive assessment of accountancy education in the region at both academic and professional levels, with a high level of participation from stakeholders.

The Study analyzed 14 universities and PAOs providing 25 academic and professional educational programs. Curricula content, learning outcomes and proficiency levels from the accountancy programs were analyzed using International Education Standards (IESs) related to technical competence (IES 2) and professional values, ethics and attitudes (IES 4) as the main benchmark. The sample included some of the largest accountancy education providers in the participating countries whose programs are widely recognized and in high demand, and which collectively offer accountancy education to approximately 4,120 enrolled students.

The university benchmarking methodology was piloted in late 2014 and the approach was tested in one university. Following the pilot, the 14 academic

programs were assessed between March 2015 and October 2015, and curricula were benchmarked with the cutoff date for the academic year 2014/2015. The PAO assessment took place between January 2015 and May 2016 and included an analysis of 11 professional programs and benchmarked curricula, with December 2015 as the cutoff date.

Objectives of the Study

The Accountancy Education Benchmarking Study was undertaken with four key objectives in mind.



The Study reflects the EduCop's work under EU-REPARIS. The EduCoP provides its members with

the opportunity to discuss, share experiences and collaborate on curriculum content, qualification systems, and lifelong learning requirements. This Study catalogs members' good practices with a view to their replication elsewhere in the region. It also highlights potential opportunities for future accountancy education reforms and proposes tips and ideas on how they can be achieved.



Accountancy education is multilayered. It starts with universities whose focus is to align university curricula with the needs of industry and the profession. Understanding the need to align and integrate university accountancy programs with professional education programs is a prerequisite for developing sound accountancy education systems and ensuring the effective use of resources.



International good practice in accountancy education focuses on a "learning outcomes approach" when developing Initial Professional Development (IPD) and CPD programs, and identifying professional competences to be gained through practical experience. The International Accounting Education Standards Board™ (IAESB™), which is responsible for promulgating the IESs, has emphasized that learning and development experiences are highly effective if they are based on individuals' demonstrated achievement of learning outcomes at a targeted level of proficiency, rather than focusing on the learning process itself. This Study provides a baseline by

comparing the content of the accounting syllabus offered at selected universities and PAOs against the IESs related to technical competence (IES 2), and professional values, ethics and attitudes (IES 4). It can also be viewed as a gap analysis tool and roadmap to guide member bodies of the International Federation of Accountants (IFAC) to engage in an education conversion process that embraces a learning outcomes approach.



Participating universities and PAOs hail from countries of Southeastern Europe that are engaged in the European Union (EU) enlargement process as either candidate or potential candidate countries. The Study is a diagnostic tool which compares learning objectives of an accountancy program to a set of international benchmarks. It could enable the development of documentation to support an application for accreditation abroad and support recognition with EU-based universities and international PAOs.

Benefits for Stakeholders

There are a number of benefits for all stakeholders participating in this Accountancy Education Benchmarking Study including:

Students' perspective

- Enables visibility of entire syllabus coverage by learning outcomes;
- Assists decision-making during course selection (e.g. core vs. elective, undergraduate vs. master's program); and
- Increased awareness of skills and knowledge required; next generation of students receive more focused education.

University perspective

- Highlights areas for improvement such as the need for curricula reforms where applicable;
- Provides international comparability of programs and evidence to support an application for accreditation;
- Closes gaps between academia and professional education by facilitating better linkage with PAOs (e.g. opportunities for exemptions); and
- Tool to influence policymakers.

Employers' perspective

- Better skills and work readiness of the next generation of accountants;
- Improved recruitment base leads to easier recruitment process and reduced human resources costs (e.g. training costs); and
- Employees acquire international proficiency in accounting.

PAOs' perspective

- Self-diagnostic tool that shows to what extent the learning outcomes of a program compare with international benchmarks;
- Gap analysis tool and conversion tool toward the learning outcomes approach required by IES 2 and IES 4;
- Closes gaps between academia and professional bodies, and enables better linkage with universities;
- Provides international comparability and evidence to support applications for recognition of qualifications; and
- Self-promotion tool used to attract new members to the profession.

Policymakers' perspective

- Overview of the education system at the country level;
- Tool to support effective education resource allocation decisions; and
- Resource for National Accreditation Bodies when assessing new accountancy programs.

Learning outcomes are at the core of the revised IESs

The International Accounting Education Standards Board (IAESB), as an independent standard-setting body of IFAC, serves the public interest by strengthening the world-wide accountancy profession by developing and implementing globally accepted IESs, aimed at increasing the competence of the global accountancy profession and reducing international differences in the requirements to qualify and work as a professional accountant.

The IAESB recently revised the IESs. Most of the revised standards came into effect from July 1, 2015, except for IES 8 which became effective on July 1, 2016. At the core of these revisions is a shift towards a "learning outcomes" approach for the content based IESs as an effective way to develop competences. This educational approach involves the active participation of students by asking them to demonstrate the achievement of a learning outcome at a targeted level of proficiency (either foundation, intermediate or advanced).

The IAESB has highlighted many benefits in adopting a learning outcomes approach to accountancy education. These include:

- ▶ Enhancing an individual's competence, given the direct link between education and on-the-job capability;
- ▶ Adding accountability for program design by introducing a statement of what a particular curriculum is expected to achieve;
- ▶ Increasing visibility of the program to students; and
- ▶ Identifying portions of the program which need development.

The IAESB has produced [guidance material to support the implementation of a learning outcomes approach](#) which can be accessed at www.ifac.org/publications-resources. Transitioning to a learning outcomes-based approach requires IFAC member bodies to engage in an education conversion process that starts by mapping existing education programs to learning outcomes and devising a plan to address the gaps.

Next Steps

This Study has been reviewed by participating universities and PAOs of the EU-REPARIS EduCop prior to publication. Thereafter, the Study will be used primarily to facilitate in-country discussions with a broad range of stakeholders (including policymakers, academia, the profession, regulators, private and public sector employers, business community, as well

as development partners) with a view to building consensus on and facilitate in-country accountancy education reforms. Countries will be encouraged to repeat periodic self-assessments using this Study's methodology to observe differences with this baseline assessment and to assess the impact of reform measures. The EU-REPARIS EduCop will continue to meet on a regional basis to enable countries to share reform strategies and measures.

Methodology and Approach

Data from participating countries were gathered through questionnaires tailored for university and professional accountancy education programs. A diagnostic tool was developed to map the curricula content, learning outcomes and proficiency levels of the accountancy programs and compare them against internationally-recognized benchmarks. The learning outcomes and competence areas were validated by inspecting the source syllabus content and syllabus details for each of the accountancy programs subject to the assessment.

IESs related to technical competence (IES 2) and professional values, ethics and attitudes (IES 4) were the main benchmarks. Other benchmarks included the curricula for the professional qualification of the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Public Finance and Accountancy (CIPFA). The ACCA program was selected as it is a globally-recognized qualification which is already broadly recognized and utilized in the participating countries and has existing links to academic accountancy programs. The CIPFA program was used as the principal benchmark for public sector accounting education given its widely acknowledged international recognition. Finally, the requirements of the EU *acquis communautaire* as issued in the directives for accounting and auditing, which largely align with IESs as well as the learning outcomes laid down in both the National Qualification Frameworks and the European Qualifications Framework of Lifelong Learning, were also considered at a high level.

Data were collected to give context to the broader accountancy education environment in the participating countries. For universities, such data included: admission criteria (number of students enrolled in the university and in accountancy programs at undergraduate and master's levels); gender profile; number of professors and other teaching staff; length of tenure and qualifications; sources of funding; and

post-graduate career paths. For PAOs, data collected included: types of qualification offered (e.g. accounting technician, chartered accountant, etc.); number of aspiring members; gender profile; sources of funding; links with universities or other PAOs (national, regional and international); and continuing professional development.

The Study also draws on the principles of other IESs to provide a high level analysis of the accounting programs in areas such as practical experience, professional skills, assessment of technical and professional competence, and the quality of continuing professional development for members of PAOs. A summary of the IESs is presented below.

IES 1, Entry Requirements to Professional Accounting Education Programs (2014)

This IES establishes the principles to be followed when setting and communicating educational requirements for entry to professional accountancy education programs. Such programs should have suitable entry requirements which are neither too high by posing unnecessary barriers to entry, nor too low. Candidates should have a reasonable chance of successfully completing the program. For example, some programs require completion of a degree from a university or equivalent higher education institution.

IES 2, Initial Professional Development – Technical Competence (2015)

This standard prescribes the learning outcomes for the technical competences that aspiring professional accountants should be able to demonstrate on completion of the program, which is often referred

to as IPD. These competence areas include essential accountancy knowledge (such as financial accounting and reporting) and other business disciplines (e.g. business strategy and management).

IES 3, Initial Professional Development – Professional Skills (2015)

Another key element of IPD is the professional skills required to demonstrate competence as a professional accountant. These include achieving the requisite learning outcomes for intellectual, interpersonal and communication, personal and organizational skills. For example, a learning outcome for intellectual skills is to recommend solutions to unstructured, multi-faceted problems.

IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2015)

This IES stipulates the professional values, ethics, and attitudes that aspiring professional accountants are expected to demonstrate. These include: learning outcomes associated with professional skepticism and professional judgment; ethical principles; and commitment to the public interest. For example, a learning outcome of ethical principles is identifying ethical issues and determining which ethical principles to apply.

IES 5, Initial Professional Development – Practical Experience (2015)

This standard establishes the practical workplace experience that aspiring professional accountants should achieve during IPD under the supervision of appropriately qualified providers. This experience should reinforce the technical competence and other professional skills that candidates are expected to achieve. PAOs may adopt an input-based, output-based or combination approach to measure the achievement of practical experience requirements. If an input-based approach is used, the practical experience requirement should be for a minimum of three years.



Measurement Approaches

There are three measurement approaches that PAOs can use to monitor the achievement of practical experience and CPD: (i) input-based; (ii) output-based; or (iii) a combination of output-based and input-based approaches.

An input-based approach focuses on what the learning or development activity should feature, e.g. coverage of certain subject matter in curricula or the minimum number of hours that a course should comprise. For example, a requirement to complete a minimum of 120 hours of CPD over a three-year period is an input-based requirement. Input-based approaches allow easier measurement and verification but also have the shortcoming that they do not focus on the development of a specific competence.

In an output-based approach, the focus is on whether a specific competence has been developed or maintained, as demonstrated by achieving certain learning outcomes. Learning outcomes clearly express the competences that need to be demonstrated for a particular subject. Under this approach, evidence of achievement can be taken from workplace assessments validated by a suitably qualified supervisor, or undertaking a form of periodic assessment of competence achieved through CPD.

IES 6, Initial Professional Development – Assessment of Professional Competence (2015)

As a prerequisite of completing IPD, this standard establishes the requirement for assessing the professional competence of aspiring professional accountants. The assessment should be based on verifiable evidence with high levels of reliability, validity, equity, transparency, sufficiency and may include a series of examinations, a single multi-disciplinary examination, or a series of examinations and workplace assessments conducted throughout IPD.

IES 7, Continuing Professional Development (2014)

After completing IPD, professional accountants are expected to develop and maintain their level of professional competence through a CPD program. This can be achieved by following an input-based, output-based or combination approach.

IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)

Professional accountants performing the role of Engagement Partners (referred to in some jurisdictions as the “signing partner” or “statutory auditor”) are expected to maintain and develop the professional competence to function in this particular role. This IES establishes the learning outcomes for engagement partners. For example, a learning outcome for audits is to develop an appropriate audit opinion and related audit report, including a description of key audit matters, as applicable.

Interpreting the Benchmarking Results

When interpreting the benchmarking results, readers should consider the following:

- The learning outcomes and proficiency levels prescribed by IESs provide a base that education providers can further build upon to reflect specific competencies needed for a particular role. Education providers can increase the proficiency levels and add more learning outcomes to the ones prescribed, but are not allowed to lower the level of proficiencies or remove learning outcomes. Consequently, the number of learning outcomes benchmarked by IES 2 and IES 4 is less than the learning outcomes benchmarked under the ACCA and CIPFA qualifications.
- The 100 percent level of the benchmark boxes presented in the country profiles of this Study represent the actual level of content in each of the qualifications or competency maps; and



Principles of Assessment

IES 6 requires PAOs to establish appropriate assessment activities designed to enable the combined achievement of several attributes, including high levels of:

- ▶ Reliability – the assessment activity should consistently produce the same result, given the same set of circumstances (e.g. avoiding using ambiguous wording in written examination questions);
- ▶ Validity – assessments should measure what they were intended to measure (e.g. using comprehensive case studies rather than simple case studies);
- ▶ Equity – the assessment activity should be fair and without bias (e.g. introducing assessment activities that rely on computer-based technologies);
- ▶ Transparency – enabling appropriate public access regarding the assessment activities (e.g. making information on scoring, types of assessments publicly available);
- ▶ Sufficiency – whether the assessment activity has a balance of depth and breadth, knowledge, and application, and combines materials from different areas applied to a range of situations and contexts (e.g. assessment activities that combine technical knowledge and professional skills, and professional values, ethics and attitudes, at appropriate levels of difficulty and detail).

- Achieving 100 percent of one competence area may involve many more learning outcomes compared to another one (for example, in IES 2 there are six learning outcomes relating to the Financial Accounting and Reporting competence area, compared to three in the Information Technology competence area).

Cross-Cutting Issues

Accountancy education approaches differ in each country and generalizing the findings can be challenging. During the Study, some cross-cutting issues were identified that are discussed in more detail below.

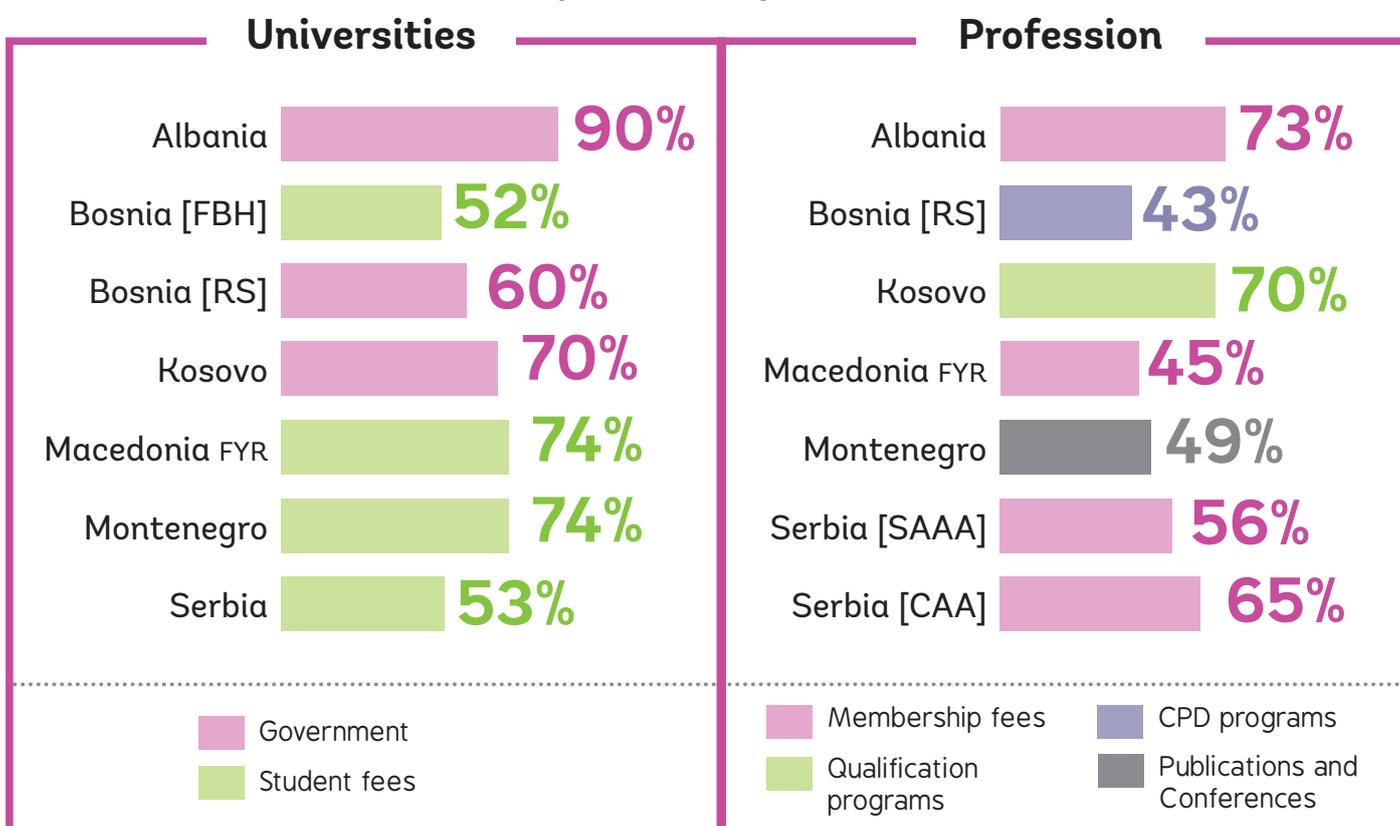


Sources of Funding

Reliance on public funds is quite high in many participating universities (e.g. Albania, Bosnia – Republic Srpska and Kosovo). The other universities have gradually reduced this dependence, which is consistent with broader trends in the EU. A more proactive approach in seeking private funding may be warranted to diversify the funding mix and support improvements in the quality and outreach of programs.

Qualification programs are not a significant source of income for most of the participating PAOs, with the exception of Kosovo. Overreliance on certain sources of income (e.g. membership fees in the case of Albania, Macedonia FYR and Serbia, or fees from PAO magazines in the case of Montenegro) should be analyzed, and strategies devised to diversify the funding sources.

Major Funding Source



Resources and Capacity

Teaching staff at participating universities are well qualified. However, in some countries (e.g. Macedonia FYR) the teacher to student ratios are high and a comparatively high number of teaching hours are required of professors. Further, salaries paid to professors are not always sufficient to retain and attract new faculty members.

Most PAOs are modestly resourced, as indicated by the relatively low available annual budget per member. As a consequence, PAO executive offices employ relatively few permanent staff. Education functions are often outsourced or rely on part-time consultants.



Demand and General Trends

Between 10 percent (Kosovo) and 38 percent (Albania) of students choose programs with an accounting content. The demand for accountancy education has been increasing in most countries and has been stable in the others.

Business and the financial sector are the major employers for university accounting and audit graduates. The accountancy profession employs between 15 and 25 percent of graduates, while governmental and the not-for-profit sector employ between 10 and 25 percent of overall accountancy graduates.

In most of the countries surveyed, PAOs have reported an increased demand for accountancy qualifications.

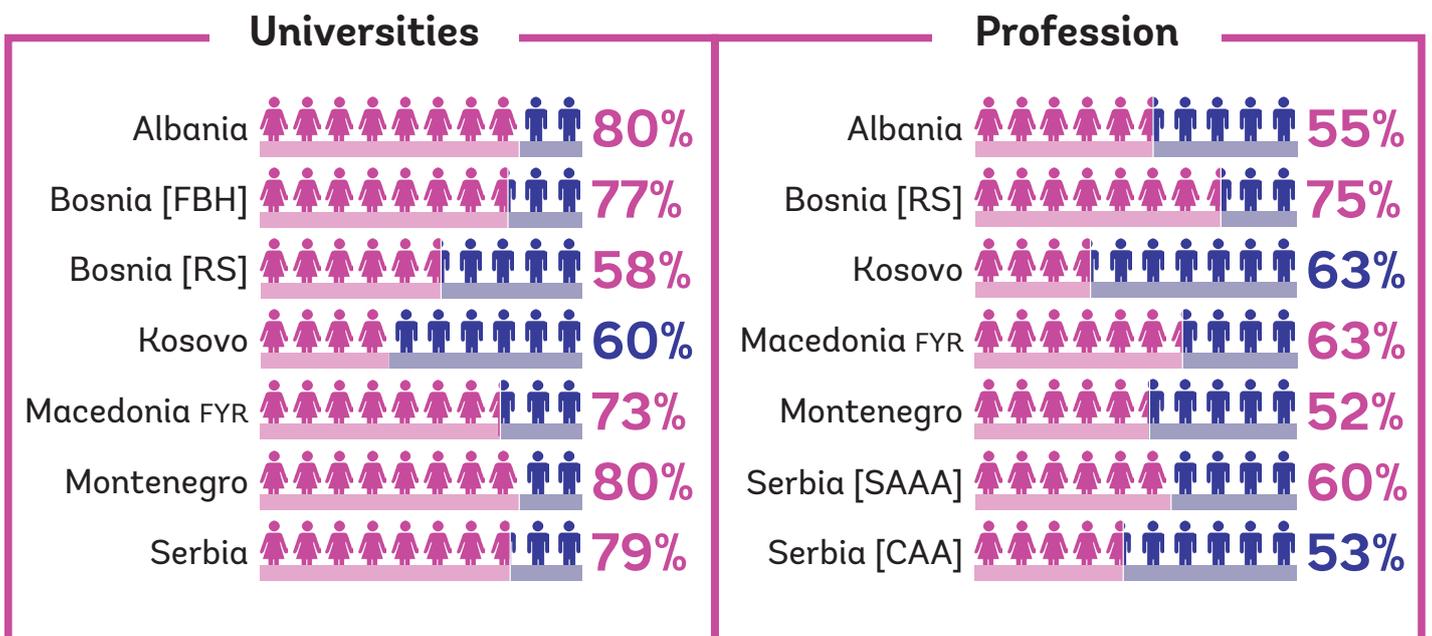


Gender Profile

In most participating universities, the number of female accounting students exceeds that of male students.

At the professional level, with the exception of Kosovo, Macedonia FYR and Bosnia, Republic Srpska (RS), the gender profile of members is relatively balanced between men and women.

PAOs' managing boards are dominated by males so a greater proportion of female accounting professionals should be encouraged in the PAOs' governance structures.



International Recognition and Accreditations

All countries, except for Kosovo, are members of the European Higher Education Area (EHEA) and have declared their willingness to pursue and implement the objectives of the Bologna Process in their systems of higher education. The Bologna Process is a series of ministerial meetings and agreements that promotes the following action lines: compatible qualification frameworks, international mobility of students and staff, European cooperation in quality assurance of higher education, employability of students, cross border joint programs, recognition of qualifications, equal opportunities in higher education, and lifelong learning. The main impact of the Bologna process for the countries participating in this Study has been to ensure program comparability and facilitate student mobility between countries.

The National Qualifications Frameworks in the countries covered by the Study do not prescribe detailed learning outcomes as laid down in European National Qualification Frameworks and the European Qualifications Framework of Lifelong Learning.

Higher level education programs are accredited at the national level by country national accreditation bodies or agencies which follow the principles of the Bologna process and provide accreditation for academic programs. Serbia and Kosovo have agencies which are full members of the European Quality Assurance Register for Higher Education (EQAR). However, higher education institutions in these countries are not allowed to turn to other EQAR registered agencies for external quality assurance. Although higher education institutions in Albania can choose an EQAR agency, their report will serve an informative purpose for the Ministry of Education, which bases the decision on recommendations from the National Accreditation Agency. In summary, the countries' academic education programs can only be offered if they are accredited by the national accreditation bodies or agencies.

With regard to the accreditation of university programs within EHEA or internationally, there have been very few attempts.

Professional bodies also have limited recognition of their programs abroad. There have been some attempts to enter into Memoranda of Understanding with recognized professional bodies abroad that enable a fast-track route to membership but these attempts are few.



Curricula Benchmarking

The curricula benchmarking provided some high level results that can be broadly summarized as follows:

- University programs, and especially Master's programs, show a greater alignment with IES learning outcomes than do PAOs' professional programs.
- Both university and PAOs' professional programs could benefit from improving the learning outcomes concerning ethics and commitment to public interest.
- Scaled progressions of learning outcomes and proficiency levels between undergraduate programs and PAOs' professional education are not always in place.
- International Public Sector Accounting Standards (IPSAS) and accrual accounting applied in the public sector are not sufficiently covered.
- There is quite a weak level of integration between academic and professional accountancy education programs, despite the many similarities in curricula content and learning outcomes.

The Study observed lack of consistency in terms of regular updating of course content. In some instances, there had been minor annual updates while in others there had not been a major update for long periods of time, sometimes almost decades. Given significant changes in IFRS Standards and International Standards on Auditing (ISA) over the last decade, there is a need for a more structured syllabus updates, ideally every three to five years, with minor conforming amendments made to syllabus content on an annual basis in order to take into account tax and regulation updates.



Professional Ethics, Values and Attitudes

There is a lack of content consistency surrounding professional ethics, values and attitudes. In some cases, ethics had been integrated across the curriculum. This approach allows both providers of education and recipients of ethics education to approach professional ethics as a skillset that is pervasive to the accountant's day to day role, rather than as a skill used only in particular situations.

In other cases, ethics was not covered at all progression levels of the certification program, which is not appropriate since ethical competence is required at every level of the profession. Further, in some places ethics was being offered as an elective course, which again is not appropriate given the public's needs and expectations of the profession.

Professional ethics, values and attitudes is an area that regulators are often concerned with and it is therefore quite important that accountancy education providers include ethics as part of their core syllabi.



Continuing Professional Development

CPD programs and requirements are in place and there is good coverage of accounting and auditing topics within CPD programs. Going forward, PAOs face a number of challenges to further develop the CPD systems. These include: enhancing CPD courses by introducing more topics that cover soft skills; exploring more participative ways of teaching ethics; introducing some flexibility in access to CPD; modernizing CPD delivery methods (e.g. introducing online CPD platforms); and introducing output-based CPD measurement systems that focus on the achievement of learning outcomes.

Good Practices

A number of good practices by participating universities and PAOs were identified during the Study and are highlighted throughout the report in the country profiles. For universities, these practices can be broadly categorized under innovative learning and teaching practices, partnership opportunities and practical experience requirements. From a PAO perspective, these good practices relate to developing high quality professional qualifications, promoting lifelong learning through CPD, and providing relevant, value-added services to members.



Universities

GOOD PRACTICES SUMMARY

Innovative learning and teaching practices

- ▶ Maintaining low teacher-student ratios and high student retention rates;
- ▶ Achieving globally-recognized standards in higher education and pursuing international recognition and accreditation;
- ▶ Establishing regular curricula review cycles;
- ▶ Maintaining curricula and teaching processes that are up to date with the skills and needs of employers and stakeholders;
- ▶ Assessing the quality of the teaching process on an ongoing basis and introducing improvements;
- ▶ Monitoring performance and quality through establishing key performance indicators;
- ▶ Using IT tools to support the teaching process; and
- ▶ Fostering an inclusive environment for disabled students.

Partnership opportunities

- ▶ Formalizing interactions with the business community by creating Business Advisory Boards including representatives from successful companies, employers and other stakeholders;
- ▶ Participating in faculty members exchange programs with universities abroad;
- ▶ Entering into partnerships to use and translate quality teaching materials and textbooks;
- ▶ Cooperating with PAOs to develop university curricula;
- ▶ Introducing a system of exemptions between university and professional education programs to enable a faster route for students aspiring for a professional qualification;
- ▶ Facilitating professional networking opportunities for students;



- ▶ Supporting the student learning process by developing business case competitions;
- ▶ Assisting the talent recruitment process through partnerships with accounting firms; and
- ▶ Providing employers with access to student databases as a tool for connecting job seekers and employers.

Focus on practical experience

- ▶ Introducing mandatory practical experience and internship requirements;
- ▶ Engaging established practitioners as part-time lecturers on a continuing basis; and
- ▶ Developing technical and professional competencies through practical experience.



PAOs

Quality of professional qualifications

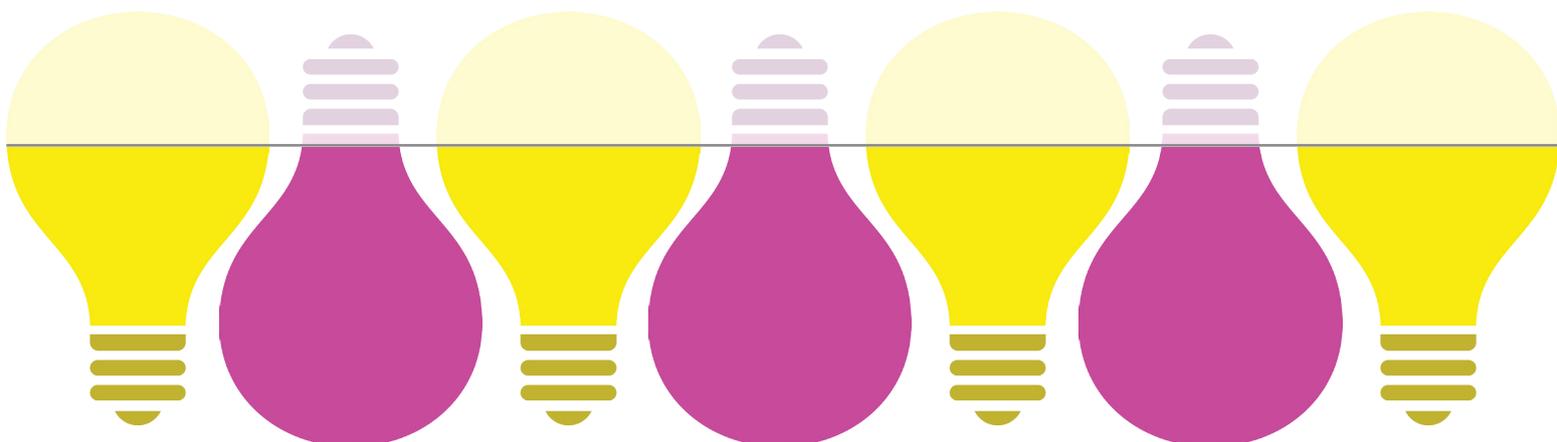
- ▶ Entering into agreements with leading providers of professional accounting and auditing education to use and translate high quality textbooks and study materials;
- ▶ Supplementing textbooks with practice kits, case studies, exercises and mock exams;
- ▶ Engaging international network firms to help PAOs update their education materials;
- ▶ Providing tools and guidance to help meet practical experience requirements;
- ▶ Providing guidance to supervisors who mentor candidates while acquiring the skills and competencies required for a particular role;
- ▶ Involving various committees and stakeholders into the professional education program to ensure the adequate separation of roles and responsibilities;
- ▶ Introducing a system of independent oversight to ensure the integrity of the professional examination;
- ▶ Implementing procedures to protect candidate anonymity during examinations;
- ▶ Introducing double marking systems;
- ▶ Allowing candidates to inquire into the marking of their paper and to file a complaint;
- ▶ Transparency with pass marks that are published on the PAO website;
- ▶ Implementing security, timeliness and quality control procedures during examination marking;
- ▶ Integrating professional ethics across the education curricula; and
- ▶ Cooperating regionally and introducing mutual systems of qualification recognition.

Commitment to lifelong learning and high quality CPD

- ▶ Periodically assessing competencies developed through CPD;
- ▶ Monitoring members' CPD records and ensuring that they are relevant, accurate and complete;
- ▶ Activating disciplinary measures when CPD obligations are not met;
- ▶ Providing members with a good choice of accessible CPD in order to support compliance with requirements;
- ▶ Maintaining a CPD lecturers' contact database comprising external experts and practitioners who specialize in different topics and fields, and relevant members of academia;
- ▶ Quality assurance review findings are incorporated into the CPD annual program: identifying the target audience to receive specific or additional CPD and tailoring CPD annual sessions to areas where most findings are observed;
- ▶ Resolving PAOs capacity constraints by outsourcing CPD delivery to accounting firms and experts;
- ▶ Informing members of their CPD obligations and providing CPD guidance to members;
- ▶ Partnering with regional PAOs to deliver joint CPD sessions; and
- ▶ Introducing minimum ethics content in annual CPD training.

Value-added member services and commitment to public interest

- ▶ Developing tailored education offerings to meet the needs of the various roles of professional accountants;
- ▶ Promoting the importance of the public interest role of the accountancy profession;
- ▶ Entering into twinning arrangements and partnerships with developed PAOs for specific support and broader experience and knowledge sharing;
- ▶ Monitoring PAOs performance by following a set of Key Performance Indicators to improve performance and the quality of services offered to members; and
- ▶ Active engagement on public sector accounting issues.





Albania at a glance



University of Tirana, Faculty of Economics

The Faculty is heavily reliant on state funding for undergraduate programs and enjoys partial autonomy in developing new programs and in establishing international cooperation. Programs are all accredited at the national level.

Well-established accounting program with a long tradition, enriched with a solid practical experience requirement. Professors have excellent connections to the local profession, but the program itself has few links to national and international professional bodies in terms of exemptions offered.

Demand for accounting education has been steadily growing; undergraduate and master's level accounting degrees are popular with students.

Faculty resources: Well-resourced accounting department with qualified senior professors are factors which enable a good learning environment. Low salaries create difficulties in attracting new staff members.

Benchmarking results: master's level programs compare well to ACCA and IES benchmarks. However, they compare poorly with the CIPFA benchmarks because of low coverage of IPSAS. Areas for improvement include introducing courses on auditing and assurance subjects at the undergraduate level as well as incorporating IT competencies and further emphasizing ethics.

About IEKA: A professional organization of Certified Auditors and an IFAC member since 2008. Its mandate is formally recognized in Albanian Law. IEKA represents 220 Certified Auditors, 57 audit firms and 142 sole practitioners. It is mainly funded through membership fees.

The professional education and training program is defined by law and the Certifying Authority plays a substantial administrative role during professional examinations. No substantial reviews to the program are performed as the requirements are fixed in the law. IEKA provides professional training to prepare candidates entering the profession and also supports the Certifying Authority in developing the examination papers.

The **CPD requirement** for Certified Auditors is prescribed by law and IEKA is currently the only CPD provider. The training offering is tailored to satisfy the needs of the IEKA membership and accordingly covers ISA, professional ethics, regulatory and tax updates. Areas for improvement include introducing learning outcomes and more advanced topics for audit partners.

Benchmarking results: The professional program scores well in only a few areas including financial reporting, auditing and assurance and professional ethics. Other areas compare poorly with benchmarks and many learning outcomes required by IES 2 and IES 4 are not covered. Very few learning outcomes with advanced proficiency are included in the qualified auditor program.

Institute of Authorized Chartered Auditors of Albania (IEKA)

Key survey facts



Accountancy Education Framework in Albania

Aspiring professional accountants in Albania need to complete a university degree in business or economic studies and then a master's degree in either accounting or auditing.

The candidate is then eligible to enter a professional training program in either the Audit or Accounting streams. Candidates in the Audit stream (Certified Auditor qualification) enroll in the training program administered by Albania's professional body of auditors – the Institute of Authorized Chartered Auditors of Albania (IEKA) – while candidates

in the Accounting Stream (Certified Accountant qualification) enroll in the training programs offered by the professional bodies of accountants.

Upon completing a professional body's training program, the candidate needs to pass the Certifying Authority's statutory exams. The Certifying Authority operates under the Ministry of Finance and comprises five members (representing the Ministry of Finance, Ministry of Economy, National Accounting Council, IEKA and one representative from the professional bodies of accountants) nominated for a period of three years.

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University of Tirana, Faculty of Economics

About the Faculty



The Faculty relies heavily on public funding for its undergraduate programs but enjoys partial autonomy in developing new programs and in establishing international cooperation. Programs are all accredited at the national level.

The Faculty of Economics is one of the six faculties that are part of the University of Tirana. It was originally established in 1952 under the name “Higher Institute of Economy”. It has offered a diploma in the fields of economy and accounting since merging with the University of Tirana (one of the oldest and most highly recognized higher education institutions in the country) in 1957.



The University Segment

Higher education in Albania is offered by 13 public universities and 46 private universities, of which over 20 offer accounting and auditing courses. All universities have several faculties. Approximately 80 percent of all students are admitted to public universities.

The Law on Higher Education and its amendments regulate the activities of the faculties as well as the establishment and work of the governing bodies, while the University Statute defines the scope of work, overall organization, and activities more closely.

Sources of funding

The Faculty is financed 90 percent by the state while the remainder is covered by student fees and, to lesser extent, other sources. Students in the undergraduate program pay annual fees of USD 320. Master’s studies are entirely funded by student fees and cost approximately USD 1,500 – USD 2,000 per academic year.

Level of autonomy

The Faculty is free to develop new undergraduate and master’s programs after approval by the University

Senate (Rectorate). International cooperation and partnerships with other institutions are also subject to approval by the University Senate. The professors have a great deal of flexibility when it comes to establishing teaching formats as well as the formats of the exams and exam questions.

The Faculty proposes the overall number of students for programs which are subject to approval by the Ministry of Education and Sports. Over the past three years, the Faculty has admitted 3,900 students or about 1,300 students per year.

Education programs

There are currently four undergraduate programs offered by the Faculty: (i) Management, (ii) Finance and Accounting, (iii) Economics and (iv) Economic Informatics. The Faculty also offers master’s diplomas (professional and scientific) in: Master of Business Administration (MBA), Accounting and Auditing, Finance, Economics, Marketing, Tourism, European Economic Studies, Applied Economics and other areas. PhD studies are also available.

All undergraduate programs are for period of three years (six semesters and 180 ECTS). Scientific Master’s Degree programs are two year programs (four semesters and 120 ECTS) and Professional Master’s

Degree Programs are one and a half year programs (60-90 ECTS). Both undergraduate and master’s programs comprise compulsory and elective courses. PhD studies are based on scientific research and independent activities, including 60 ECTS of organized theoretical studies of at least three academic years and include the requirement to pass an internationally recognized English test.

Accreditation

Albania has been a member of the Bologna process and the European Higher Education Area since 2003. All programs are accredited at the national level.

The Accounting Program



Well established accounting program with a long tradition, enriched with a solid practical experience requirement. Professors have excellent connections with the local profession but the program itself has weak links to national and international professional bodies in terms of exemptions offered.

Type of degrees

The Faculty offers an undergraduate degree in Finance and Accounting (both full- and distance- learning/ part-time), a Scientific Master’s Program (MSc) in Accounting and Auditing (offered full-time only) and a Professional Master’s (MP) in Accounting (both full- and distance-learning/ part-time). A Doctoral program in Accounting and Auditing is available. The Faculty also provides specialized courses in Accounting and Finance.

The undergraduate degree in Finance and Accounting was introduced in 1952, but was significantly modernized in 1998.

Curriculum

The undergraduate program in Finance and Accounting consists of six semesters (180 ECTS credits, 26 mandatory courses and 4 elective courses). The table below shows the accounting and auditing courses in the undergraduate program:

Undergraduate

First Year	Second Year	Third year	
Principles of Finance	Principles of Accounting	Financial Management	Elective courses: <ul style="list-style-type: none"> • Personal Finance • Accounting Information Systems.
	Financial Accounting	Cost Accounting	
		Management Accounting	

The Scientific Master’s Degree program is a two-year program (120 ECTS). The table below shows the core and elective accounting and auditing courses in the program:

Scientific Master

First Year	Second Year
Advanced Management Accounting	Auditing and Assurance
Advanced Financial Management	Consulting, Assurance and Other Professional Services
IFRS Standards and National Accounting Standards	
Research and Quantity Methods in Accounting	Financial Statements Analysis
Organization of the Accounting System and Control	Forensic Accounting (elective course)
Advanced Financial Accounting	
Accounting for Public and Not-for-Profit Organizations	
Elective courses: <ul style="list-style-type: none"> • Public Finance, or • Professional Ethics, or • Spreadsheet Modeling. 	

The Professional Master’s Degree Programs is a one and a half year program (60-90 ECTS) and covers the following core and elective accounting and auditing courses:

Professional Master

First Year	
Advanced Management Accounting	Auditing and Assurance and Consulting Services
Advanced Financial Management	Organization of Accounting and Control Systems
Financial Statements Analysis	Elective courses: <ul style="list-style-type: none"> • Insurance and Banks Accounting or Professional Ethics. • Computerized Accounting and Applied Software or Control and Internal Audit.
Advanced Financial Accounting	
Accounting for Public and Not-for-Profit Organizations	

Linkages to professional qualification

There are no exemptions offered to university graduates by the national PAOs. Graduates of the bachelor studies are offered exemptions from the ACCA’s foundation level papers in: Accountant in Business, Management Accounting and Financial Accounting. Master’s graduates are offered an additional exception from the paper on Corporate and Business Law.

Practical experience

Three months of practical experience is required for both undergraduate and master’s programs. The PhD Accountancy program may also require some prior experience.

Curriculum updates and reviews

The current curriculum was developed in 1998 with some changes introduced in 2014. Course syllabi are usually updated annually.



GOOD PRACTICE BOX

Reinforcing practical learning in university accountancy programs

Practical experience is an essential component of accountancy education to reinforce learning through the application of knowledge in real-world situations. It also contributes to increased employability of students upon graduation. Faculty in the Accounting Department at the University of Tirana reinforce practical learning through a number of initiatives including:

- ▶ Introducing a mandatory practical experience requirement. All students on accounting programs must complete a period of relevant practical experience before graduation. For students on undergraduate or master's programs, a three-month internship is required. Before enrolling on the PhD program, it is desirable that students have completed at least three years of professional experience; and
- ▶ Engaging established practitioners as part-time lecturers. Around twelve part-time lecturers, lecturers from foreign universities, and professional accountants and auditors (in public practice and industry) are regularly invited to deliver presentations, workshops and seminars to both undergraduate and master's students. This approach gives students valuable insights into real-world accountancy lifestyles and working practices since it enables established practitioners to share professional experiences and working methods directly with students.

Program evaluations

Various methods are used to evaluate the quality of the teaching, including annual student questionnaires, discussions with student focus groups and feedback from students' councils. A survey of students is also performed at graduation.

Teaching materials

The quality and availability of textbooks and materials is rated as good for most subjects. However, textbooks and materials on Finance could be improved. English textbooks are mainly used for the teaching of IFRS Standards. The Faculty library does not have translated or original versions of IFRS Standards and ISA, and only the 2010 version of the translated Code of Ethics is available. Students usually access translated IFRS Standards and ISA from websites of the National Accounting Council (KKK) and professional bodies.

All courses at the undergraduate program are taught in Albanian and some master's courses are delivered in English.

IT technologies are used modestly in the teaching process and mainly to communicate with students. In addition, there are not enough computer stations at the Faculty, especially computers with internet access. A renovated laboratory was recently inaugurated, comprising 30 new computers equipped with the latest accounting software and curriculum that can be accessed by students. This was made possible through a World Bank project "Enhancing the Quality of Financial Reporting" funded by the Swiss State Secretariat of Economic Affairs (SECO). The new laboratory is available for use from the beginning of the 2016/2017 academic year and aims to strengthen teaching and practical training of accounting and auditing students.

PowerPoint and other visual presentations are used during the lectures. Teaching methods include short case studies, in-class exercises, as well as group and individual project assignments.

Assessment methods

All exams (final and interim) are written, comprising a combination of multiple choice questions, short exercises, case studies or open-ended questions. Interim tests, in-class assignments and activities contribute up to 20-25 percent of the overall course grade and final exams up to 75-80 percent.



GOOD PRACTICE BOX

Maintaining low teacher-student ratios

Lower teacher-student ratios is a factor often cited as contributing towards the creation of a higher quality learning environment. There are many benefits for both teachers and students in keeping teacher-student ratios low, including:

- ▶ Teaching faculty members have more manageable workloads;
- ▶ More time is available to work one-on-one with students, which is essential for preparing them to deal with more complex subjects;
- ▶ More possibilities exist to develop an individual approach to each student; and
- ▶ Teachers can engage more with students during the teaching process and try out different activities and lessons that might not be feasible in a larger class size.

Faculty Body

Well-resourced accounting department with qualified senior professors are factors which enable a good learning environment. Low salary levels present difficulties in attracting new faculty members.

The teaching norm is 220 hours per annum for full-time and associate professors and 260 hours per annum for senior lecturers and assistants.

The teacher-student ratio is quite low and conducive to a quality learning environment.

Salaries paid to professors are considered low and, as such, present a challenge to attract new faculty members.

Eight faculty members hold a local professional certification (Certified Accountant and Certified Auditor) and two have the ACCA designation.

The English and Italian language proficiency of the Faculty body is considered very good.

The Faculty body is involved in professional development activities such as participating in accounting conferences and seminars and publishing books and articles. Faculty members also participate in overseas exchange visits.



18
Faculty members

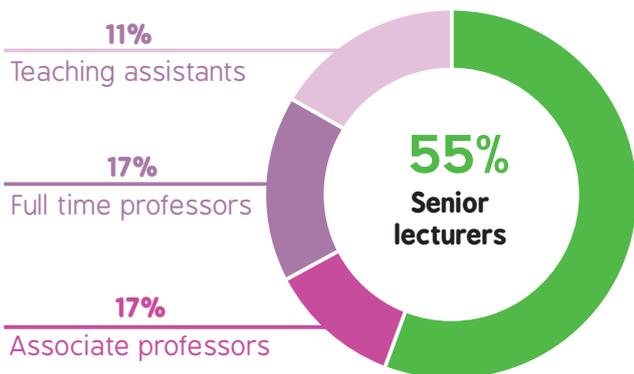


89%
Senior staff

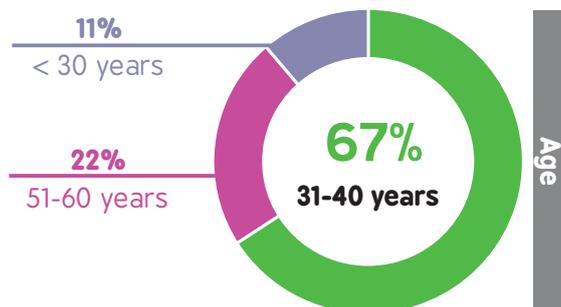


1:25
Teacher to student ratio

Faculty Profiles



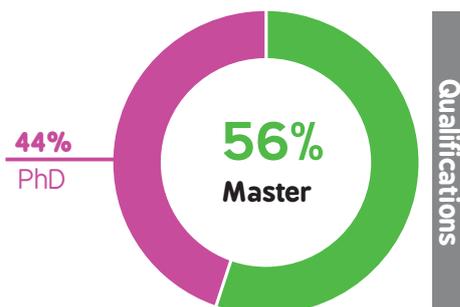
Members



Age



Gender



Qualifications

Student Body

The demand for accounting education has been steadily growing and undergraduate and master's accounting degrees are popular with students.

The demand for accounting education has been growing over the past few years and the number of students admitted into the undergraduate accounting program has increased steadily by around 6 percent annually. In 2014, 600 students enrolled (of whom 450 were full-time and 150 part-time), while about 140 were admitted into the Accounting and Auditing master's programs. Around 38 percent of the total number of students in the Faculty choose the Accounting undergraduate program.

Students' proficiency in English is considered to be average.

Student drop-out rates are believed to be 20 percent for the undergraduate degree and 7 percent for the master's program.

Linkages with the business sector

The Faculty has excellent links with the professional bodies of Accountants and Auditors in the country and with international and local accountancy firms. The Faculty has established a Career Center to encourage and foster links for students with industry and it also facilitates student activities such as forums, workshops and recruiting events.

The Faculty has no system to track graduate employment after graduation. For students with master's diplomas, it is estimated that between 80 and 90 percent of graduates find employment within 6 to 12 months of graduation.



38%
Students choose accounting programs



6%
Annual increase in demand for accounting programs



>80%
Master's graduates find employment within 12 months of graduation

Student Profiles

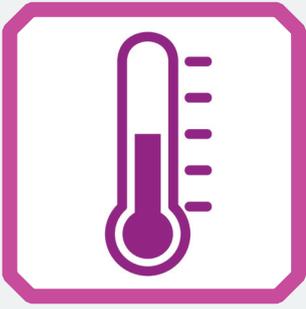


Graduates employment per sector



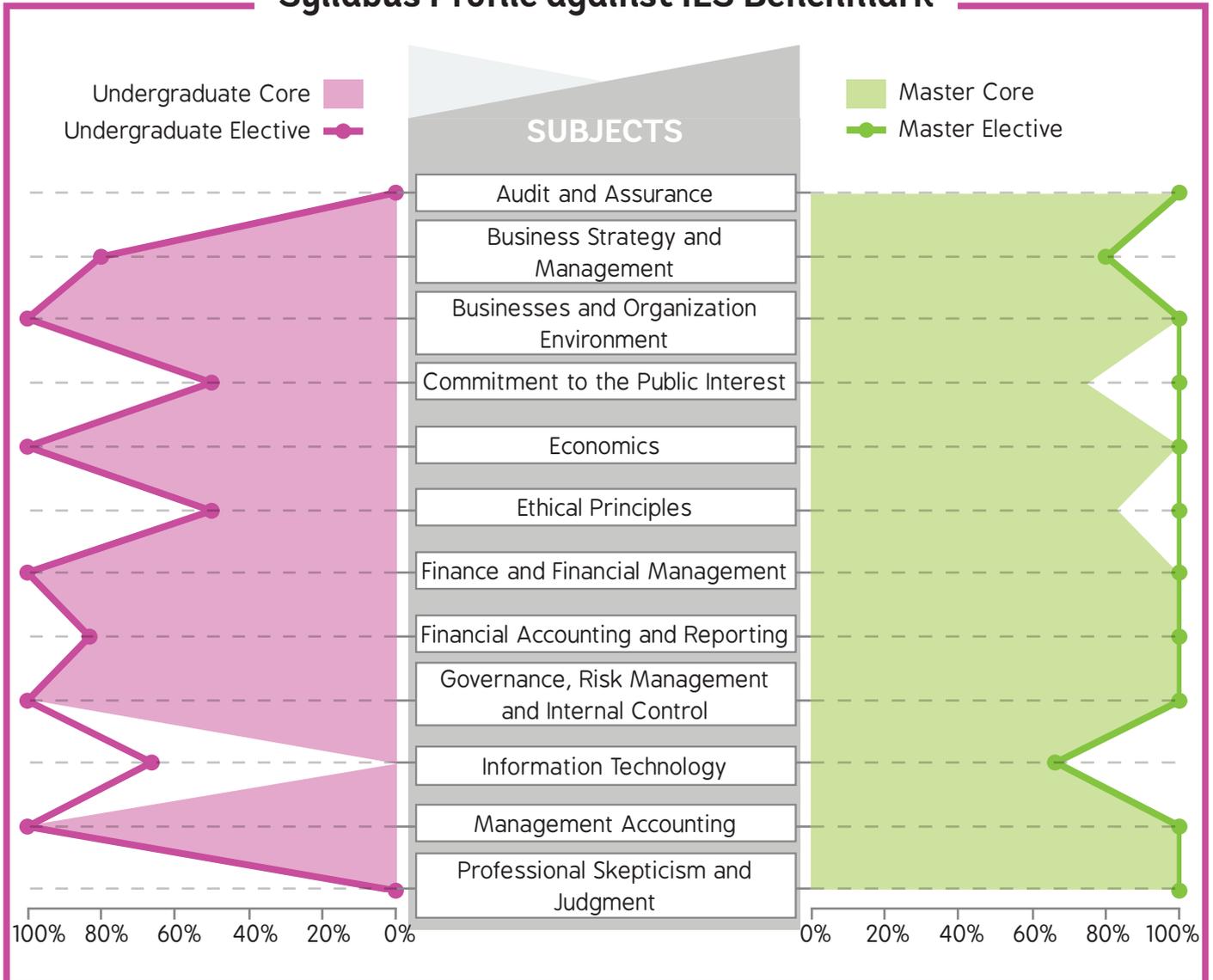
Gender

Benchmarking Results

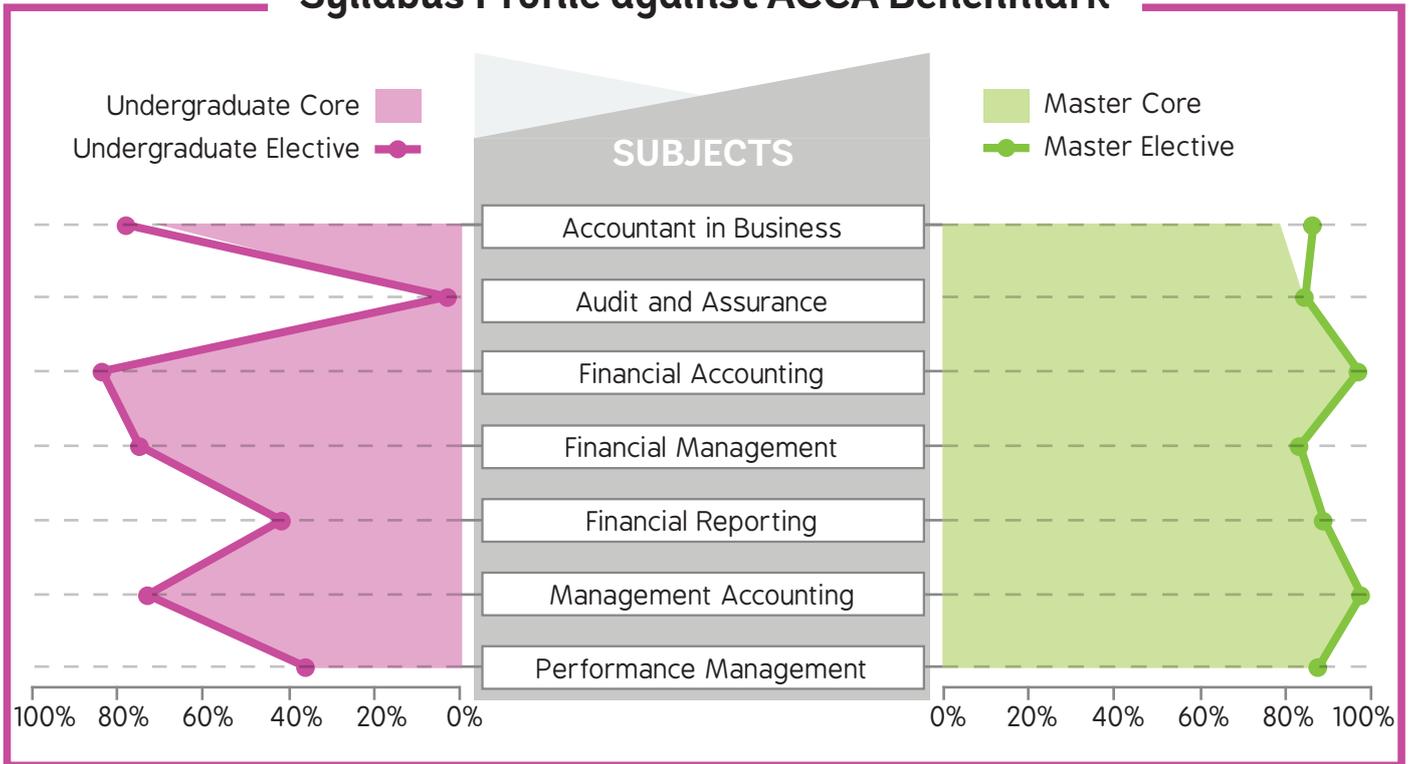


Master's programs compare well against ACCA and IES benchmarks. However, they compare poorly against CIPFA benchmarks because of low coverage of public sector topics including IPSAS. The Program could benefit from the introduction of courses on Auditing and Assurance at the undergraduate level, improving Financial Reporting and Financial Management subjects, as well as enhancing Ethics, Commitment to Public Interest and IT core syllabi.

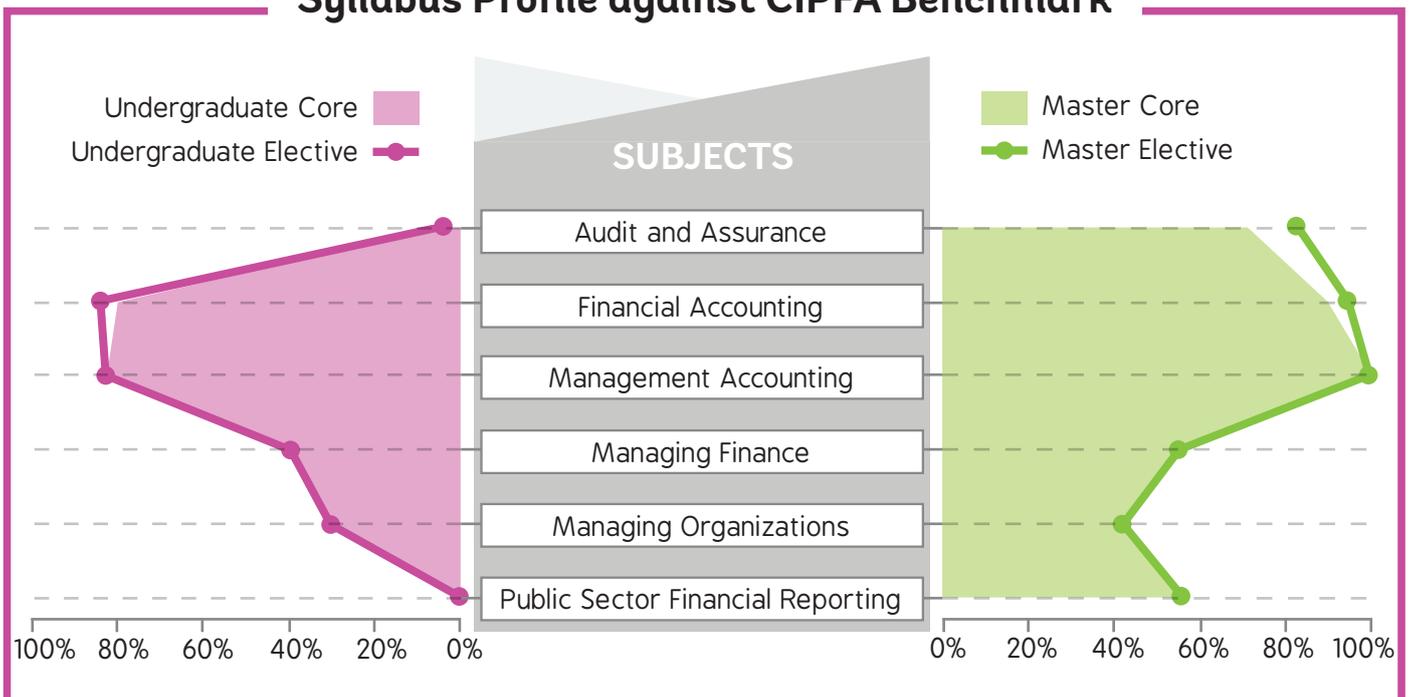
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



The Institute of Authorized Chartered Auditors of Albania (IEKA)

About IEKA



IEKA has been an IFAC member since 2008. It is a professional organization of Certified Auditors whose mandate is formally recognized in Albanian Law. IEKA represents 220 certified auditors, 57 audit firms and 142 sole practitioners. Membership fees are the main source of IEKA funding.

IEKA was established in November 1997 as a not-for-profit, nongovernmental organization, formally obligated by law to ensure that the profession acts in the public interest and protects the independence and honor of its membership. Other functions of IEKA as defined in the law include: (i) delivering IPD training to certified auditors; (ii) designing and delivering CPD programs; (iii) establishing and monitoring practical

experience requirements and reporting on the same to the regulator; (iv) operating a quality assurance system; and (v) maintaining and updating a register of auditors and statutory audit firms.

IEKA became a member of the International Federation of Accountants in 2008 and has developed a close working relationship with the Society of Certified Accountants and Auditors of Kosovo (SCAAK).



The Profession

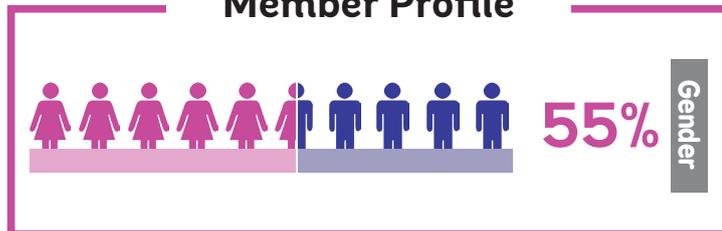
The Auditing and Accounting profession in Albania is regulated by the Law on Statutory Audit, Organization of Statutory Auditor and Certified Accountant Professions. The National Accounting Council (KKK) is the statutory auditor regulator and Public Oversight Body while the National Accounting Council is responsible for drafting and maintaining the Albanian National Accounting Standards.

The Institute of Authorized Chartered Auditors of Albania (IEKA) is the professional body of Statutory

Auditors. There are three professional bodies of accountants:

- ▶ The Association of Accountants and Finance Experts of Albania (AAFEA) is the largest and oldest of the three bodies, supporting approximately 70 percent of the country's accountants. It has representatives on the National Accounting Council and the Certification Authority;
- ▶ The Institute of Certified Accountants (ICA); and
- ▶ The Association of Chartered Accountants (ACA).

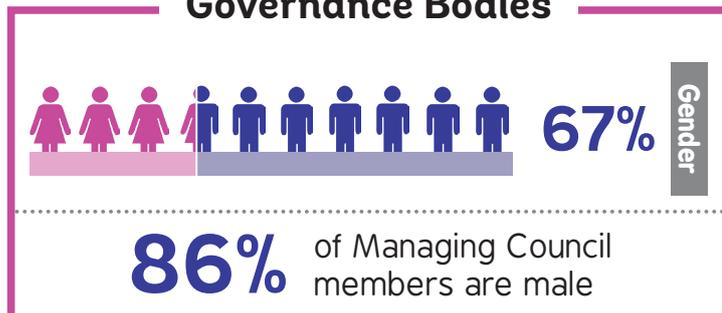
Member Profile



Funding



Governance Bodies



Members

IEKA is a professional body of auditors only. It represents 220 certified auditors, 57 audit firms and 142 sole practitioners.

Resources

Membership fees are the main source of income for IEKA. The annual budget is approximately EUR 1,300 per member.

Governance

The Assembly of Members is the ultimate governing body and it elects the Council members at its annual meetings. The Council comprises seven members appointed for two-year terms who may be reappointed for up to two consecutive terms.

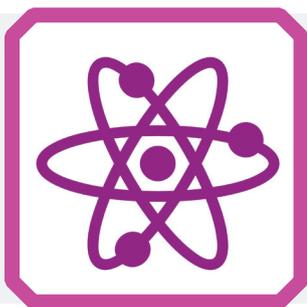
There are five IEKA committees, each headed by a Committee Chairman who is also a member of the IEKA Managing Council: (i) Quality Control Committee; (ii) Professional Education Committee; (iii) CPD Committee; (iv) Investigation and Discipline Committee; and (v) Ethics Committee. There is also an Internal Control Committee that operates like an internal audit department in that it is charged with reviewing the legality of IEKA's operations.

IEKA's committees are dominated by males and only one of its seven Council members are female. Committee members are mostly comprised of practicing members.

Staff

The IEKA Executive Office has six full-time employees (an Executive Director, one staff member working on education and examination duties, three who provide administrative support, and one staff member charged with external relations) as well as 23 part-time consultants (most of whom are committee and council members). The Executive Office is led by an Executive Director who reports to the Council and has a term of four years with the possibility of reappointment.

Education and Training Program



The content and structure of the professional education program is prescribed in law and the Certifying Authority has a substantial administrative role during professional examinations. IEKA provides professional training to prepare candidates entering the profession and also supports the Certifying Authority in developing the examination papers.

Entry requirements

The entry requirements for IEKA's professional training program are determined by law. Candidates are required to hold a master's degree from a higher education institution in the field of economics, accounting, finance, business administration or a similar field of study. Aspiring candidates must also be residents of Albania and not be subject to disciplinary charges.

Demand

The demand for the certification program has been growing and there are approximately 50 new admissions on average to the IEKA training program annually.

Content

The content and structure of the professional education program is prescribed in law and covers written tests in the following areas:

IEKA provides training programs to prepare candidates entering the Certified Auditor Stream, while the professional bodies of accountants provide training to candidates for the Certified Accounting Stream. The general content of the professional education program is published on IEKA's website, including information about the program, examination methodology and the associated program costs.

The syllabus and exam structure are too theoretical and there is a need for a more practical approach to the syllabus and exams. There are no overall learning outcomes, competences, or skills specified for the course program. The auditing and accounting training programs should integrate technical knowledge, professional skills, and professional values, ethics and attitudes, across topics and disciplines to deal with complex situations. The programs should also cover the required IES level of proficiency, as well as stimulating candidates to develop professional skepticism and professional judgment.

Certified Auditor Stream	Certified Accountant Stream
Accounting, Financial Reporting and Financial Statements Analysis	Accounting, Financial Reporting and Financial Statements Analysis
Albanian Civil Law, Penal Law, Commercial and Company Law, and Labor Law to the extent they relate to the statutory audit of financial statements	Albanian Civil law, Penal law, Commercial and Company Law, and Labor Law to the extent they relate to the statutory audit of financial statements
Code of Ethics for Professional Accountants, ISQC, ISA, International Audit Practice Statements, International Statements on Review Engagements, International Standards on Assurance Engagements and other International Standards issued by the IAASB and published in Albanian, as well as regulations on the organization of the statutory auditor's profession	
Organization, Management and Internal Control of Companies, Including Information Systems and Computing	
Taxation Law in the Republic of Albania	

Curriculum updates and reviews

No substantial reviews and updates are performed because the requirements are fixed in law.

Examinations

The Certifying Authority does not have an education department and its role is limited to administrative tasks. It relies on inputs from IEKA and professional experts in developing the examination papers. Examination sessions take place once per year.

Exam assessment methods comprise written exams. IEKA has the right to make suggestions regarding examination materials, which is subject to the National Accounting Council (KKK) approval.

Average pass rates for all exams fall in the range of between 35 and 40 percent. The average period for examination completion is between four and six years. There are between 15 and 20 successful candidates annually.

Papers contain a combination of multiple choice questions (about 30 percent) and exercises (about 70 percent). A pool of five exam papers is prepared for each module and on the day of the exam an examination paper is chosen from the pool. Although exam marking is performed by different staff to those who prepared the exam papers, no double marking is undertaken. The pool of examination papers is developed by the IEKA Education Committee and professional experts, and the Certifying Authority has the right to review the exam questions and control the quality.

Some improvements to the examination assessment methods could be made such as preparing examination papers so as to test all required professional skills and abilities. This could be done by selecting and integrating principles and theories from the different areas of required technical competency. It could also involve using different examination techniques which would better examine the ability and skills of candidates to synthesize and evaluate information. In addition, introducing double marking would greatly help reduce subjectivity and increase the effectiveness of marking scripts. Finally, each marker should use the same marking schedule as this would give consistency to the process.

Practical experience requirement

To enter the Certifying Authority examination process, a candidate requires between three and five years of relevant practical experience undertaken under the supervision of a statutory auditor. At least two-thirds of the practical experience must be obtained in full-time employment with a statutory auditor or audit firm. A candidate requires at least 600 hours per year work experience on audit engagements.

IEKA's Education and Professional Qualification Committee is responsible for making an assessment of each candidate to determine whether they meet the practical experience requirements to enter the Certifying Authority examination program using an input-based approach. Candidates and students document the work they perform. Eligible supervisors are practicing statutory auditors (firms or sole practitioners). The progress of candidates is evaluated by supervisors on a six-month basis and the supervisor is obliged to report on such progress to IEKA. The Education and Professional Committee evaluates each candidate's progress every year and proposes a list of eligible candidates for further membership approval to the Managing Council.

Recognition

Candidates who are Albanian citizens and either hold an ACCA practicing certificate or have qualified as a USA Certified Public Accountants (CPA), are exempt from all papers except taxation and law. To date, 14 candidates holding ACCA and CPA (USA) have had their foreign qualifications recognized under the IEKA education program.

ACCA offers exemptions from foundation level papers in: Accountant in Business, Management Accounting, and Financial Accounting for candidates who have obtained the Certified Auditor designation.

Continuing Professional Development (CPD)



The CPD requirement for Certified Auditors is prescribed by law and currently IEKA is the only CPD provider. The training programs are tailored to satisfy the needs of IEKA members and cover ISA professional ethics, regulatory and tax updates. Challenges remain to reform the system by exploring modern methods of CPD delivery as well as introducing learning outcomes and more advanced and complex topics for audit partners.

Requirements

The CPD requirement is set by law at a minimum of 40 verifiable annual hours and is mandatory for all Certified Auditors. Admissible CPD units and activities include workshops, seminars and roundtable 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, above and over the admissible 40 verifiable units.

Although the law permits other CPD providers such as higher education institutions, professional training centers and audit firms, IEKA is currently the only CPD provider in practice. Other potential CPD providers should notify the regulator of their intent to offer CPD activity and IEKA has the right to supervise these CPD providers. Appropriate resources and technical knowledge should be demonstrated by other potential CPD providers.

The main method of CPD delivery involves classroom training activities which are organized twice per year in lengthy CPD sessions. The sessions last for between two and four consecutive days and include a large audience of between 200 and 300 participants.

IEKA management 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 ISA and introducing more advanced and complex CPD topics for more experienced professionals.

Measurement methods

The measurement method for CPD completion is mainly input-based (a method that provides verification by documenting time spent in the relevant role) by verifying that the 40 annual hours of verifiable CPD have been undertaken. Elements of an output-based system are emerging (assessment of professional knowledge via periodical testing of knowledge). However, there is a need to introduce a more structured approach which would focus on the achievement of the learning outcomes required by the revised IES 8 which became effective in July 2016.

IEKA communicates the importance of CPD to its members through webpage notices and bulletins.

As the only provider of CPD, IEKA keeps a detailed log for each members CPD hours achieved and is obliged to report to the regulator members who fail to comply. If a member does not meet the CPD obligations, the law foresees revocation of membership and audit license, although in practice IEKA has not taken such action as members have complied with the CPD requirement.



GOOD PRACTICE BOX

Monitoring and assessment of competence developed through CPD

IEKA’s Managing Council is mandated by law to conduct periodic tests of knowledge gained during CPD in order to assess the professional competence of its members. These assessments should be performed on a cyclical basis of between three and five years. IEKA is required to make the results of the assessment public and to file a copy with the regulator.

The IEKA Managing Council reviews the results of the testing and is required to take corrective

measures where applicable. These measures may include revoking membership. IEKA is also required to perform monitoring activities to ensure that the CPD records provided by statutory auditors are accurate and complete.

Should false declarations be observed, IEKA Managing Council is required to revoke membership and inform the regulator who reflects the revocation of status in the register of statutory auditors.

CPD program

The CPD program offered by IEKA is tailored primarily to satisfy membership needs in technical and professional topics. There appears to be sufficient coverage of ISA and professional ethics, financial reporting and IFRS Standards, and a significant part of the annual CPD (about 30 percent) comprises regulatory and tax updates. The CPD program offerings are not segmented to meet the needs of the following: professionals with varying levels of experience; those who work in specialized fields; and those requiring

training in soft skills. IEKA gathers input and feedback from participants after each CPD session and takes such feedback into account when designing future CPD courses. The final CPD annual plan and its content is approved by the IEKA Managing Council.

CPD trainers are usually IEKA subcontractors and include knowledgeable practitioners, university professors, as well as specialists holding key positions in relevant state institutions such as the tax authorities. CPD resources are mainly IFAC manuals and guides, which are translated into the local language.

CPD Courses

30%

Taxes and regulatory updates

25%

Auditing standards and updates

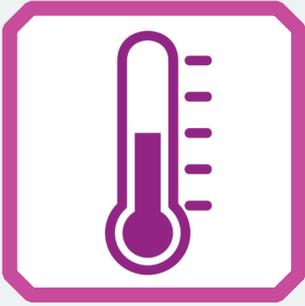
25%

Financial reporting and accounting

20%

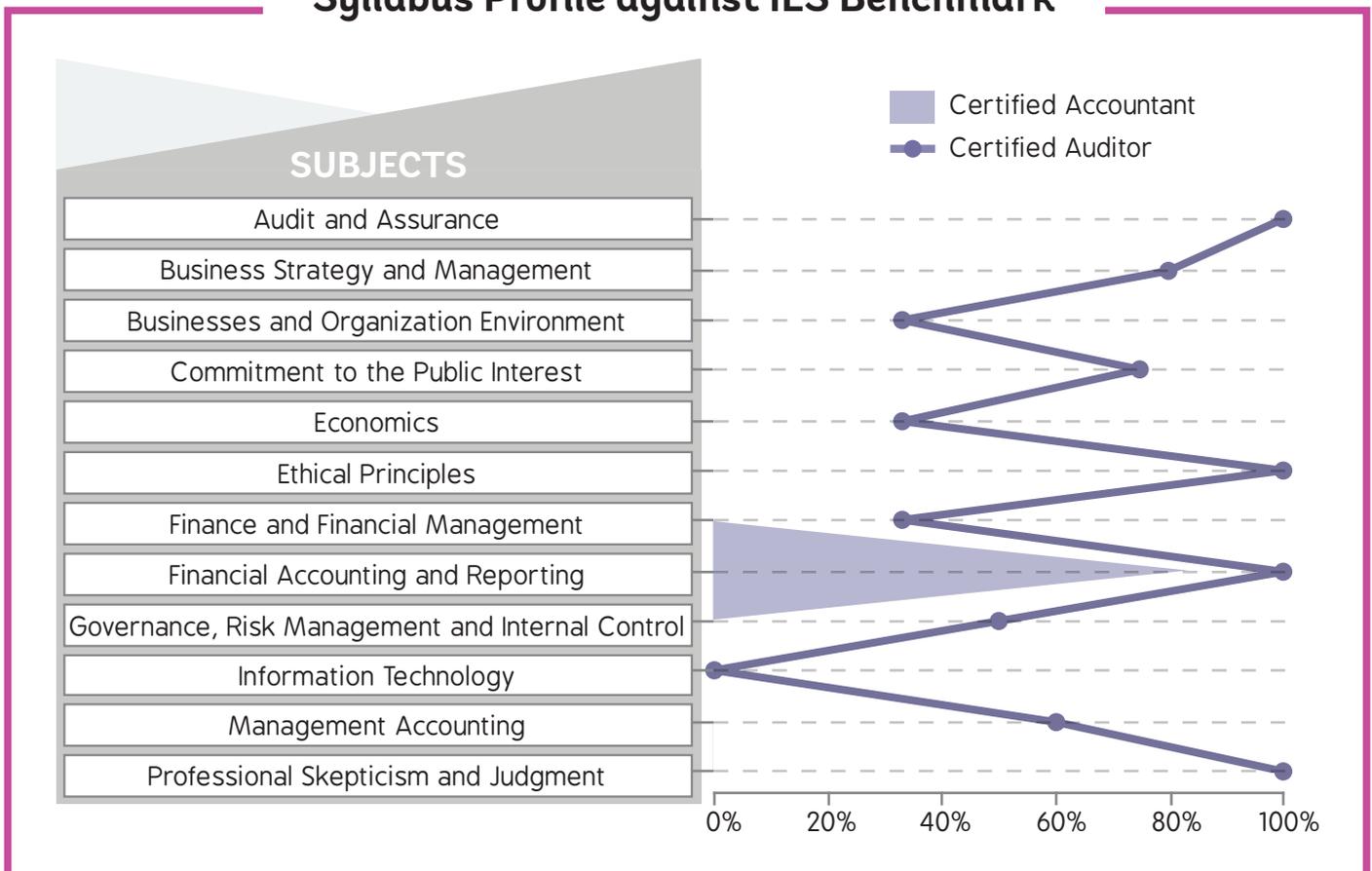
Professional Ethics and other

Benchmarking Results

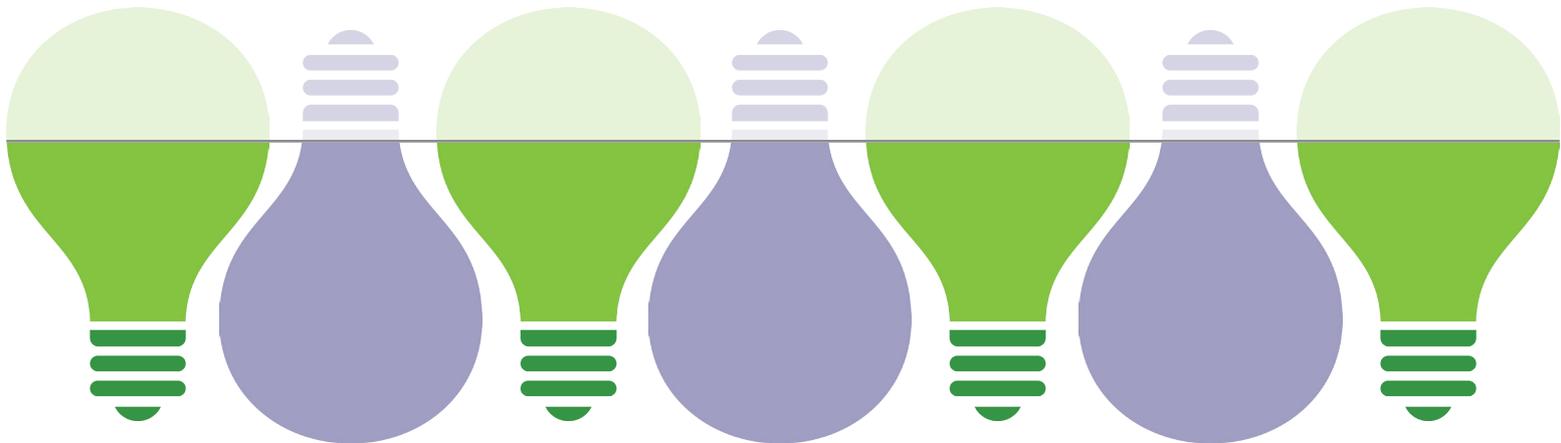
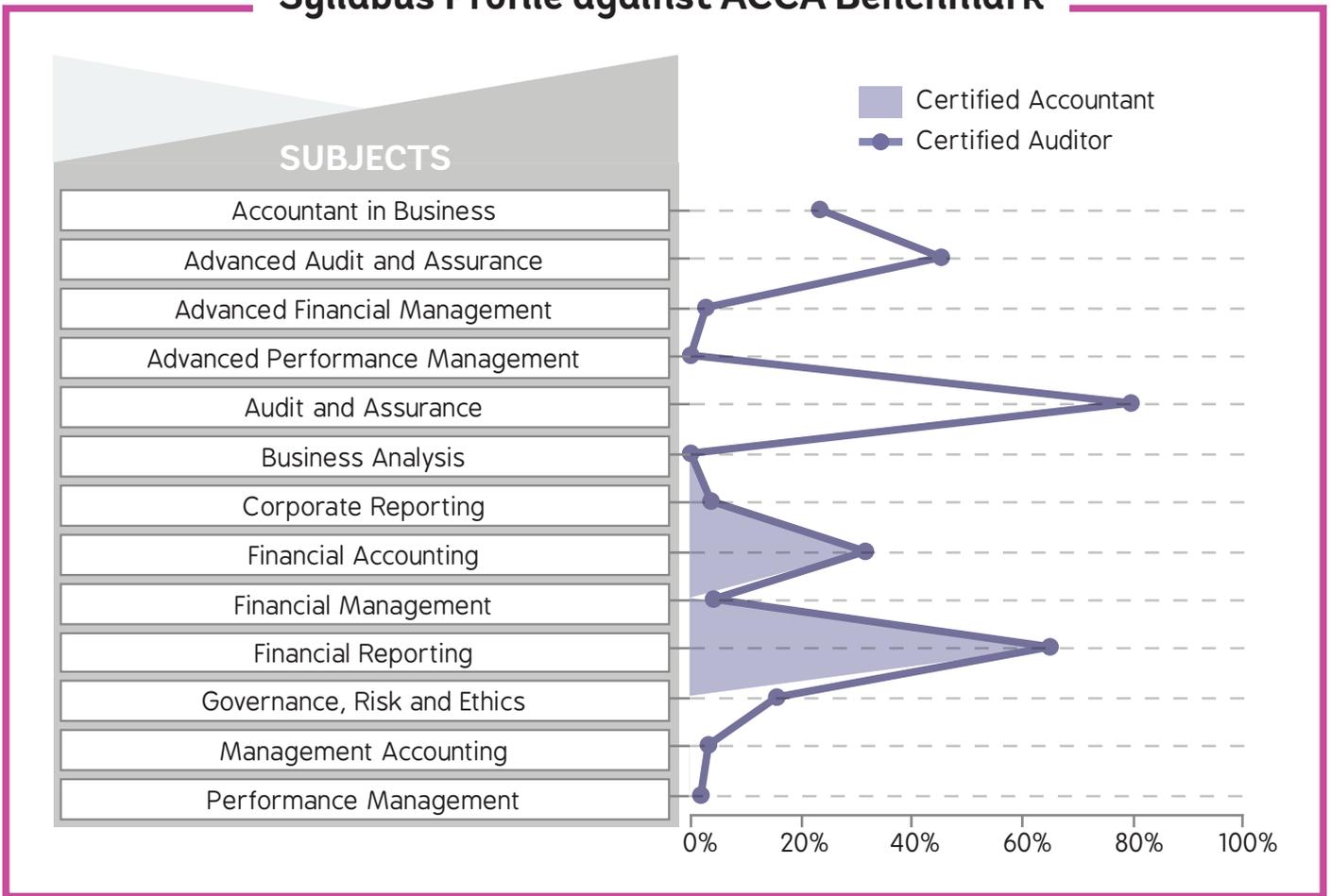


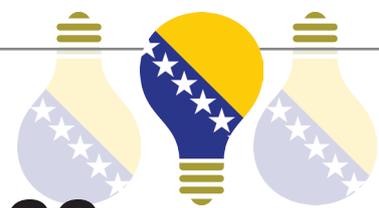
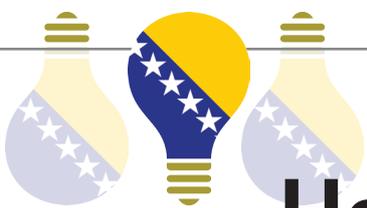
Compared to IES, the professional Certified Auditor program only scores well in a few areas, including the relevant topics of Financial Reporting, Auditing and Assurance, Professional Ethics, and Professional Skepticism and Judgment. Information Technology is not covered at all and represents a significant gap when compared to the IES and ACCA benchmarks. Very few learning outcomes with advanced proficiency are included in the Certified Auditor program.

Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark





Bosnia and Herzegovina at a glance

About the School: SEBS is one of the leading higher education institutions in the country with a mission to achieve international recognition. The School relies primarily on student fees and to a lesser extent on state funding.

Accounting program: Students can major in accounting and auditing. There is a practical internship requirement which aims to prepare students for the job market. A number of programs have been accredited at the European level including availability of joint and twinned programs. However, there is low recognition of programs with local and international PAOs.

Demand and trends: Student admission to the Faculty is based on annual quotas. Demand for accountancy programs is stable at both the undergraduate and master's levels.

Benchmarking results: The curricula score well when benchmarked against the ACCA. The Master's program also scores well against CIPFA. The undergraduate program has less coverage of IPSAS and achieved lower scores in this area. Further, the undergraduate program could benefit from greater alignment with the learning outcomes outlined in IES 2 and IES 4.

**University of Sarajevo,
School of Economics and Business
Sarajevo (SEBS)**

Faculty resources: Balanced mix between senior and junior teaching staff and a low teacher to student ratio in the final year of study. Active engagement with local and international audit firms, businesses as well as PAOs. Practitioners are involved in the teaching process on a part-time basis.

About AAARS: IFAC member since 2010 and of FEE since 2015; membership largely comprises Certified Accountants and Certified Accounting Technicians. Primary source of funding is CPD program fees.

Professional education and training program: Follows a progression model with exit points at three levels based on the preferences of the candidate. Practical experience requirements are in place. The program could benefit from prescribing learning outcomes for professional skills, and professional values, ethics and attitudes.

CPD requirement: Prescribed by law for Certified Auditors and is a condition of AAARS membership for Certified Accounting Technicians and Certified Accountants.

Benchmarking results: Improvements to the following components would lead to greater alignment with IES benchmarks: Governance; Risk Management and Internal Control; Economics; Business and Organizational Environment; and Ethics.

The Association of Accountants and Auditors of Republic Srpska (AAARS)

About the Faculty: Qualified and experienced professors have established close cooperation with leading universities and business schools in the country and abroad. Funding is primarily from the state. Programs are accredited at national level.

Accounting program: The Faculty offers undergraduate and master's level accounting programs. There are few linkages with the local professional accountancy programs but there is no system in place for mutual recognition and exemptions. Some exemptions are available for the ACCA program.

Demand for accountancy education: Increasing demand for accountancy education. Nearly a third of all undergraduate students enroll in the Accountancy program. Students benefit from a number of opportunities to engage in the job market.

Benchmarking results: The accounting programs score relatively well at the undergraduate and master's level against the benchmarks. The programs could have a greater focus on Ethics and Commitment to Public Interest in order to improve their alignment with IES 4.

University of Banja Luka,
Faculty of Economics

Key survey facts



Accountancy Education Framework in Bosnia and Herzegovina

Bosnia and Herzegovina has adopted a Framework Law on Accounting and Auditing that harmonizes the accounting and auditing regulations and legislation adopted by both decentralized Entities (i.e. the Federation of Bosnia and Herzegovina – FBH and the Republic of Srpska - RS). Each Entity enjoys a high level of autonomy with separate Ministries of Finance, laws and institutions. Requirements for educational qualifications, practical experience and training, continuing education and testing of theoretical knowledge are determined by the Bosnia and Herzegovina Accounting and Auditing Commission. The Framework Law has harmonized the professional titles (Certified Accounting Technician, Certified Accountant and Authorized Auditor, reflecting progressive sets of education and work experience requirements) and the entry requirements to the accountancy profession.

Professional bodies issue certificates and licenses for accountants and the qualification for authorized auditors while the Entities' Ministries of Finance

are the competent authorities to provide practice licenses to authorized auditors. The Framework Law sets the maximum requirements for education, licensing and training. Entities cannot impose additional requirements to that law in terms of education, examination and professional training. The law also stipulates that an audit report is valid throughout Bosnia and Herzegovina, regardless of which entity the auditors reside in. The Accounting and Auditing Commission has also provided a mechanism for co-operation among the entities' professional bodies, leading to a unified framework for the education, training and CPD requirements for accountants and auditors.

The two professional bodies that enjoy statutory recognition are the Union of Accountants and Auditors and Financial Workers of FBH (SRRF-FBH) and the Association of Accountants and Auditors of Republic Srpska (AAARS). The Association of Auditors in FBH is an auditor chamber performing roles within the quality assurance process.

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University of Sarajevo, School of Economics and Business Sarajevo (SEBS)

About the School



SEBS is one of the leading higher education institutions in the country with a clear mission to become a prestigious education institution in the area of economics and business sciences in Southeast Europe by 2025. Achieving an Education Policy and Accreditation Standards (EPAS) program accreditation and an Association to Advance Collegiate Schools of Business (AACSB) institutional accreditation as well as the availability of many joint and dual diploma programs confirm SEBS's ambition to achieve global recognition.

The School of Economics and Business in Sarajevo (SEBS) is part of the public University of Sarajevo, which was established in 1952. SEBS is one of the leading higher education institutions in the country and is strongly devoted to creating a modern learning environment with up to date curricula reflecting current trends in the fields of economics, management and business administration. The mission of SEBS is to become a prestigious education institution in the area of economics and business sciences education in Southeast Europe by 2025.

Sources of funding

Student fees comprise the main source of funding, followed by government funds which account for 37 percent of the overall budget.

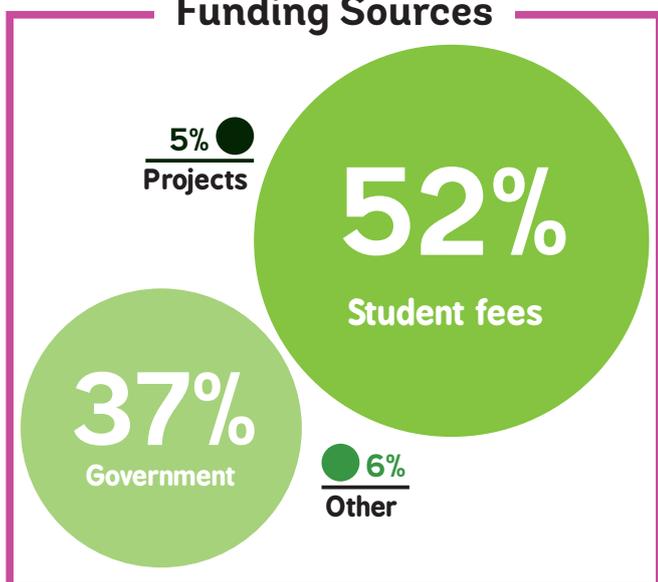
Level of autonomy

SEBS is partially autonomous in designing or changing the structure of the curricula as well introducing new programs, assessment methods and establishing academic partnership with other institutions. Such matters do, however, need to be approved by the University and in some cases the Ministry of Education, Science and Youth of Canton Sarajevo.

SEBS offers a wide range of programs designed and implemented in various fields of economics, management and business. Programs in English language on undergraduate, master and Doctoral levels are also offered.

The overall number of students admitted to the School is determined by annual quotas set by the Ministry of Education, Science and Youth of Canton Sarajevo.

Funding Sources



Education programs

There are currently four bachelor degree programs offered at the School: (i) bachelor program in Economics, (ii) bachelor program in Management, (iii) bachelor program in Applied Business; and (iv) a double degree program conducted with Griffith College Dublin. In addition to two master's programs conducted independently by SEBS (a master's program in Economics and a master's program in Management), it offers six master's programs, most of which are twinning and joint programs with other foreign and domestic universities. One PhD program (with two concentrations: in Economics and in Management / Business) is offered as well as one DBA program (Executive Doctorate).

There are approximately 700 admissions per year to the undergraduate program (of which around 400 graduate every year) and 400 student admissions to the master's programs (with 200 graduates per year).

All undergraduate programs last for three years (six semesters and 180 ECTS). Master's programs are both one and two year programs. Undergraduate, master's and doctoral programs are composed of compulsory and elective courses.

Accreditation

Bosnia and Herzegovina became a Bologna-signatory country and a member of the European Higher Education Area in 2003.

SEBS has achieved the following certifications and accreditations:

- In 2009, SEBS became the first higher education institution in the country to be certified by Bureau Veritas for its quality management system, which was developed in accordance with the ISO 9001:2008 for higher education;
- In 2011, SEBS was accredited by the Agency for Quality Assurance and Accreditation Austria for its internal quality management system for the performance area of Studies, Teaching and Further Education;
- In 2012, the European Foundation for Management Development (EFMD) awarded it the EPAS program accreditation for the undergraduate programs Financial Management and Marketing Management (conducted fully in English) for the initial period of three years. In 2015, these programs were re-accredited for an additional three years;



GOOD PRACTICE BOX

Achieving globally-recognized standards in higher education

The mission of SEBS is to become a prestigious education institution in the area of economics and business sciences education in SEE by 2025. To achieve this goal, SEBS engaged in the pursuit of two prestigious international accreditations: the European Foundation for Management Development (EFMD) EPAS program accreditation and the Association to Advance Collegiate Schools of Business (AACSB) institutional accreditation.

In order to meet the requirements of these bodies, SEBS systematically revised its core and support processes. Over a decade-long period, all aspects of SEBS's operations were enhanced and redesigned to meet the highest standards of quality in modern education, including its: strategic management, curriculum development, design and delivery of programs, scientific research, quality management, and support services. Particular focus was placed on student learning.

Programs at all levels of study were developed based on the learning expectations that were systematically connected with learning outcomes, in a way that enables regular revisions and quality measurement. In the process of curriculum development, SEBS has included inputs from all relevant stakeholders: students (through focus groups); teaching staff (through strategic planning with SEBS's departments); and the business community (through sessions of SEBS's Business Advisory Board and Alumni Association).

With the achievement of EFMD/EPAS program accreditation in 2012 (and subsequent re-accreditation in 2015) and AACSB institutional accreditation in 2015, SEBS is a role model for the successful implementation of relevant, high quality and globally recognized standards in higher education.

- In 2015, SEBS received the accreditation issued by the U.S. based accreditation body: the Association to Advance Collegiate Schools of Business (AACSB). This is an institutional accreditation.

In its efforts to achieve a high level of international recognition, SEBS has developed and implemented joint, double and twinning programs with a number of partners, including:

- Double degree master’s program with the Faculty of Economics, University of Ljubljana, Slovenia (Accelerated Masters in Business Administration (AMBA), AACSB and EFMD/EQUIS accredited);
- Twinning master’s program with the Faculty of Economics, University of Zagreb, Croatia (EFMD/EPAS accredited);

- Joint master’s program with Adizes School of Management;
- Joint master’s program with the Faculty of Economics at the University Dzemal Bijedic of Mostar;
- Joint master’s program in “Islamic Banking” with the University of Bolton, UK;
- Double degree program at the Sarajevo Business School, conducted with Griffith College Dublin, Ireland (accredited by Quality and Qualifications Ireland).

The Accounting Program



The Management stream of studies provides students with the possibility to major in Accounting and Auditing. The program was last updated for the academic 2015 / 2016 under the regular five-year review cycle. There is a practical internship requirement aiming to develop a number of competences that prepare students for the business world. Recognition of programs with local and international PAOs is weak.

Type of degrees

Two main education streams are offered at the undergraduate level of study: Economics and Management. Students who take the Management stream can opt to study Accounting and Auditing courses and receive an undergraduate bachelor in Management with a concentration in Accounting and Auditing. The undergraduate programs with a concentration in Accounting and Auditing have been offered since SEBS’ establishment in 1952.

At the master’s level of study, students can opt for the program in Accounting and Auditing. However, the program is only organized if the number of interested applicants is sufficient.

In addition, SEBS has introduced two programs in the fields of accounting and auditing through joint cooperation with the Faculty of Economics University of Zagreb, Croatia: Financial Reporting and Audit, and Accounting and Taxes. Doctoral studies (PhD in Business/Management, PhD in Economics or DBA) allow students to take courses from the accounting field and to undertake their PhD or DBA thesis in accounting.

Despite having a distance learning capacity, programs devoted to accounting and auditing at both undergraduate and master’s level are delivered only on a full-time basis. This is because these programs are highly demanding in terms of the knowledge and skills that need to be acquired and are best met with full-time student engagement.

Curriculum

The undergraduate program is three years in duration and consists of six semesters (180 ETCS credits). The table below shows the core and elective accounting and auditing courses in the programs:

Undergraduate

First Year	Second Year	Third year	
Accounting	Financial Accounting	Cost Accounting	Accounting for Not-for-Profit Organizations
	Financial Management	Financial Institutions Accounting	Financial Reporting
			Management Accounting
		One elective course from the following: Tax Accounting; Accounting for Banks; Audit of Not-for-Profit Organizations; Accounting in the Merchandize Type Enterprise.	Audit

The table below shows the core and elective accounting and auditing courses in the master's program:

Master

First Year	Second Year
Financial Accounting and Financial Reporting	Financial Institutions Accounting II
Cost Accounting II	Elective Subjects: <ul style="list-style-type: none"> • Not-for-Profit Organizations Auditing II • Tax Accounting II • Islamic Accounting II • Securities Accounting II • Investment and Amortization Models
Auditing and Audit Reporting	
Budget Accounting	
Managerial Accounting II	
Not-for-Profit Organizations Accounting II	
Business Analysis II	
Accounting in Banks II	

Linkages to professional qualification

There are no exemptions for graduates when applying to join the professional examination program with any of the PAOs in Bosnia. The ACCA offers exemptions to students who have completed the undergraduate diploma with a major in Accounting and Auditing from the following foundation papers: Accountant in Business; Management Accounting; Financial Accounting; and Corporate and Business Law.

Practical experience

Internships are a compulsory requirement of the undergraduate program. Master's programs do not require practical experience.

Curriculum updates and reviews

The structure, content and curricula of the undergraduate and master's programs were last updated in 2015/2016, as part of the regular five-year review cycle.



GOOD PRACTICE BOX

Developing technical and professional competencies through practical experience

At SEBS, practical experience of at least 22 days is a mandatory component of the undergraduate accounting program. Most students find internship opportunities with local or international professional accountancy firms or with financial institutions.

Students are expected to develop technical and professional competencies during the internship. These include the ability to critically assess professional issues, seek solutions independently or in a team, demonstrate professional behavior and attitude, and show initiative on an individual or team basis.

Two supervisors are assigned to each student undertaking an internship program: one from the company providing the internship and another appointed by the SEBS faculty. Students are required to prepare a report on completion of the internship which is evaluated by the SEBS supervisor. The supervisor from the company evaluates the student's professional attitude and professional skills.

Program evaluations

Each program is evaluated through a rigorous and formalized process on an ongoing basis and through a number of initiatives. Students evaluate the work of the academic faculty and the organization of the exams through structured questionnaires. The SEBS Quality Management Office analyzes the results for each member of faculty, course and exam, and delivers this information to management for future improvements and corrective measures.



GOOD PRACTICE BOX

Establishing regular curricula review processes

Introducing regular cycles for curricula review is an important activity that ensures teaching processes and program curricula are aligned with the stakeholder's skill needs and the expectations of future graduates. Because the accounting and audit profession is exposed to rapid and frequent changes (e.g. changes driven by modernization of technology or changes in accounting and auditing standards), shorter review cycles, ideally between three and five years, are desirable.

At SEBS significant changes to the curriculum are performed in five-year review cycles. The last update to the structure, content and curricula of

the undergraduate and master's programs was conducted in 2015/2016. Smaller changes and updates are performed on an annual basis.

Curricula reviews at SEBS are a peer-review process. This process is motivated by the need to meet the demand of the accreditation bodies and the many stakeholders including students, faculty, the business community, employers and administrative staff. Input from the Business Advisory Board (BAB) of SEBS relates to the skills and knowledge that the business sector expects from future graduates and incorporates them into the curricula updates.

SEBS Testimonial

At SEBS, the strongest emphasis is placed on the continuous improvement of the teaching process and programs' curricula. SEBS introduced a new curriculum in September 2015. The initiative for changes in the curriculum design over the past five years has been encouraged by the need to meet the demand of the accreditation bodies and the many stakeholders including students, faculty, business community and administrative staff.

SEBS participated in the CFRR pilot accountancy education benchmarking study performed in late 2014 and incorporated the results of this analysis into the curriculum revision process. The Study helped identify the discrepancies between SEBS's accounting and auditing programs and the best international practices. It also provided SEBS with the tools to improve the learning experience for its students. With these results, along with all other inputs mentioned above, SEBS has managed to upgrade and redefine curricula for its accounting and auditing programs and bring them one step closer towards the highest international standards.

Teaching materials

The quality of textbooks is assessed as very good. Learning outcomes and course objectives are well documented. More materials could be made available, especially up to date accounting and auditing subject books and materials in the School library. There is excellent use of English language materials.

Teaching methodologies include approximately 50 percent lectures and presentations and 50 percent case studies. Some courses, such as Management Accounting and Cost Accounting, also include instruction via facilitated group assignments and projects. It is expected that, in addition to acquiring technical skills to measure and evaluate accounting information, students will develop analytical and critical thinking skills, communication and presentation skills (written and oral), and team work abilities.

IT technologies are used effectively and there are sufficient number of computer stations available with internet access.

Assessment methods

The main assessment methods are: interim written exams (accounting for between 40 and 65 percent of the final grade); written final exams (up to 50 percent); and group assignments, presentations and quizzes (up to 20 percent).

Written examination questions usually comprise multiple choice questions, short open ended conceptual questions, short problem-solving scenarios, and case studies. Interim tests last 45 minutes and final exams three hours. Although most exams are closed-book, some professors allow reference books in the first 15 minutes of an examination.



GOOD PRACTICE BOX

SEBS' strategy for managing its interface with the corporate world

SEBS formalized its collaboration with the business community by establishing a Business Advisory Board in 2005. This Board includes representatives from some of the most successful companies in the country and provides SEBS with information regarding the needs of the business sector, such as:

- ▶ Skills and knowledge that the business sector expects from graduates. This information feeds into the education process, including future

course design;

- ▶ Executive education and life-long learning needs; and
- ▶ Internships, career placement, recruitment and selection processes.

The Business Advisory Board's main task is to guide SEBS towards satisfying the needs of the business sector so that courses and curricula are designed appropriately.



GOOD PRACTICE BOX

Ensuring the quality of higher education programs through rigorous quality assessment processes

The effectiveness of the teaching process at SEBS is assessed on an ongoing basis through a number of initiatives monitored by the Quality Management Office. Management at SEBS adopted 80 quality indicators and 30 key performance indicators for measuring the overall quality of its programs. These indicators of teaching effectiveness include the quality of:

- ▶ Faculty (performance, reporting systems, evaluation – by students, publishing outputs, etc.);
- ▶ Curriculum delivery (teaching methods, innovations, organization, pedagogical competences);
- ▶ Curriculum management (student-faculty contact, benchmarking, external reviews, alumni and business advisor input);
- ▶ Assessment methods (pre-quizzes, post-quizzes, presentations, case studies, individual research papers, team/group work);
- ▶ IT support (E–Library, E-English, etc.); and
- ▶ Support services (Career Center, Students Admission Office, Library Information Center, International Office, etc.)

The SEBS Quality Management Office provides the results of the quality assessment to management and proposes areas for future improvements and corrective measures to address gaps that have been identified.



GOOD PRACTICE BOX

Using IT tools to support the teaching process

IT (online) tools play an important role in SEBS's efforts to provide maximum support to students by:

- ▶ Facilitating access to academic staff: Tools include online office hours whereby students can contact Faculty members, and a direct email messaging system – a groupware platform designed to provide all students with an email address to engage in communications with the Faculty; and
- ▶ Facilitating access to teaching materials: The Course Management System platform available to full-time students enables teaching materials to be distributed online, and supports modern teaching methods (video, web casts, simulations, etc.). For distance learning students a distance learning Course Management System is in place and there is also an E-English Course Management System. Another useful resource is the E-library, which provides online access to textbooks and literature.

Other IT tools that facilitate the teaching process include:

- ▶ An electronic grading system;
- ▶ Personalized e-cards for students to track attendance and other information; and
- ▶ A student web portal.

Faculty Body

Balanced mix between senior and junior teaching staff and a low teacher-student ratio in the final year of study. Practitioners are involved in the teaching process on a part-time basis.

There are seven full-time Faculty body members at the Department for Accounting and Auditing and two part-time faculty members, who are also practitioners.

The teaching norm ranges between 120 and 180 hours for professors (full-time, associate and assistant professors) and amounts to 300 hours for teaching assistants.

Professors' salaries are sufficient to retain current Faculty members and attract new members.

The teacher-student ratio in the final year of study is five students per professor and is considered to be optimal.

The English language proficiency of the Faculty body is excellent.

The Faculty body participates in professional development activities such as attending accounting conferences, seminars and publication of manuals. There is some involvement in publishing books and articles in accredited journals although the Faculty is not engaged in exchange visits abroad.



9
Faculty members

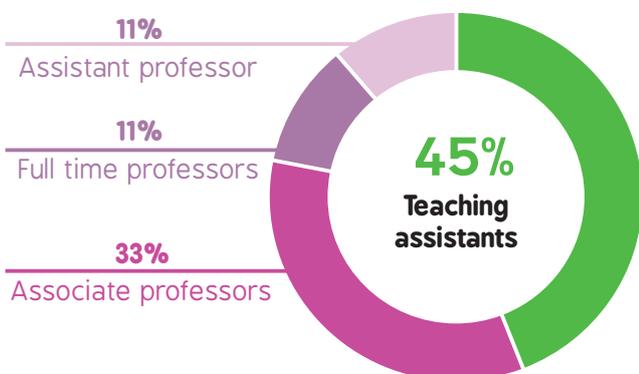


55%
Senior staff



1:5
Teacher to student ratio (in the final year)

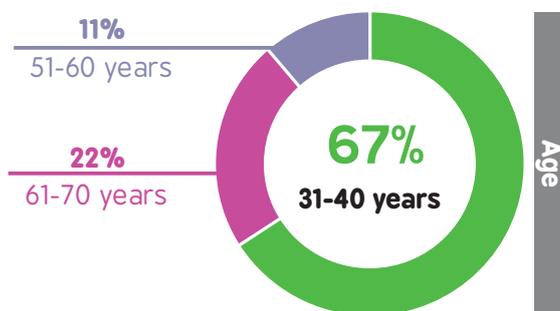
Faculty Profiles



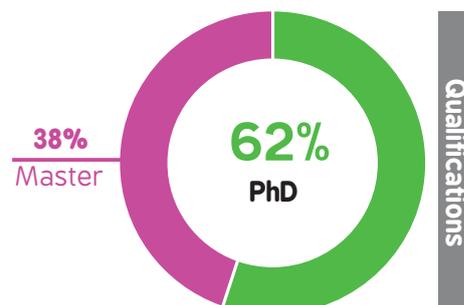
Members



Gender



Age



Qualifications

Student Body

Strong and formalized relationship with the corporate world through a Business Advisory Board. Other linkages with the business sector include opportunities to interact with the corporate world through career days and internship requirements.

The trend for accounting education has remained stable and moderate. Every year between 30 and 40 students opt for accounting and auditing programs at the bachelor level while between 25 and 30 students opt for accounting and auditing programs at the master's level.

The student drop-out rate in 2013 was 8 percent.

The students' English language proficiency is assessed as very good.

Average number of years required to complete a degree is four years. The average period of unemployment after graduation is about six months.

Between 17 percent and 20 percent of all graduates work in accounting and auditing.

Linkages with the business sector

The School has an active engagement with local and international audit companies, the business community and PAOs. Opportunities for students to interact with the corporate world are also provided via career days, organized twice per year, as well as through practical experience and internship requirements for the undergraduate programs.

SEBS has also established a close formalized relationship with the corporate world through the Business Advisory Board, which acts as a counseling body composed of representatives from the most successful companies in the country. Interaction with the corporate world is also maintained through SEBS' Alumni Association.



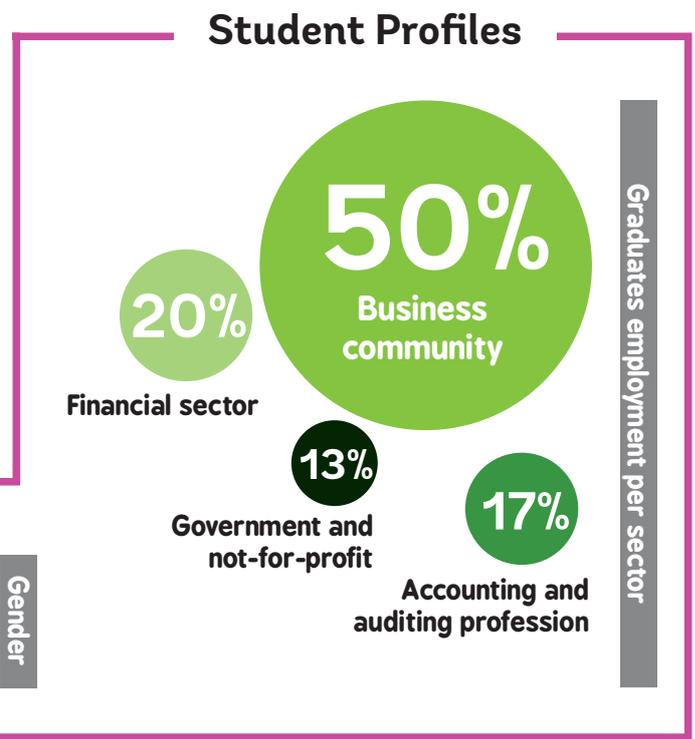
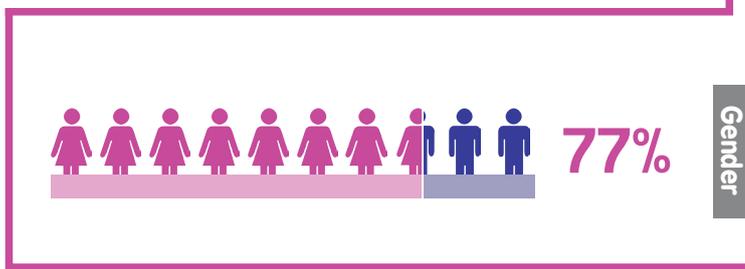
21%
Students choose accounting programs



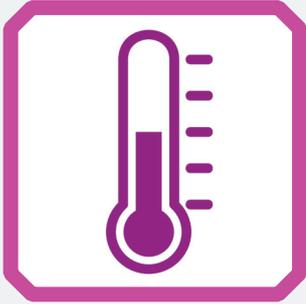
4 years
Average time to complete degree



56%
Students find employment within 6 months of graduation

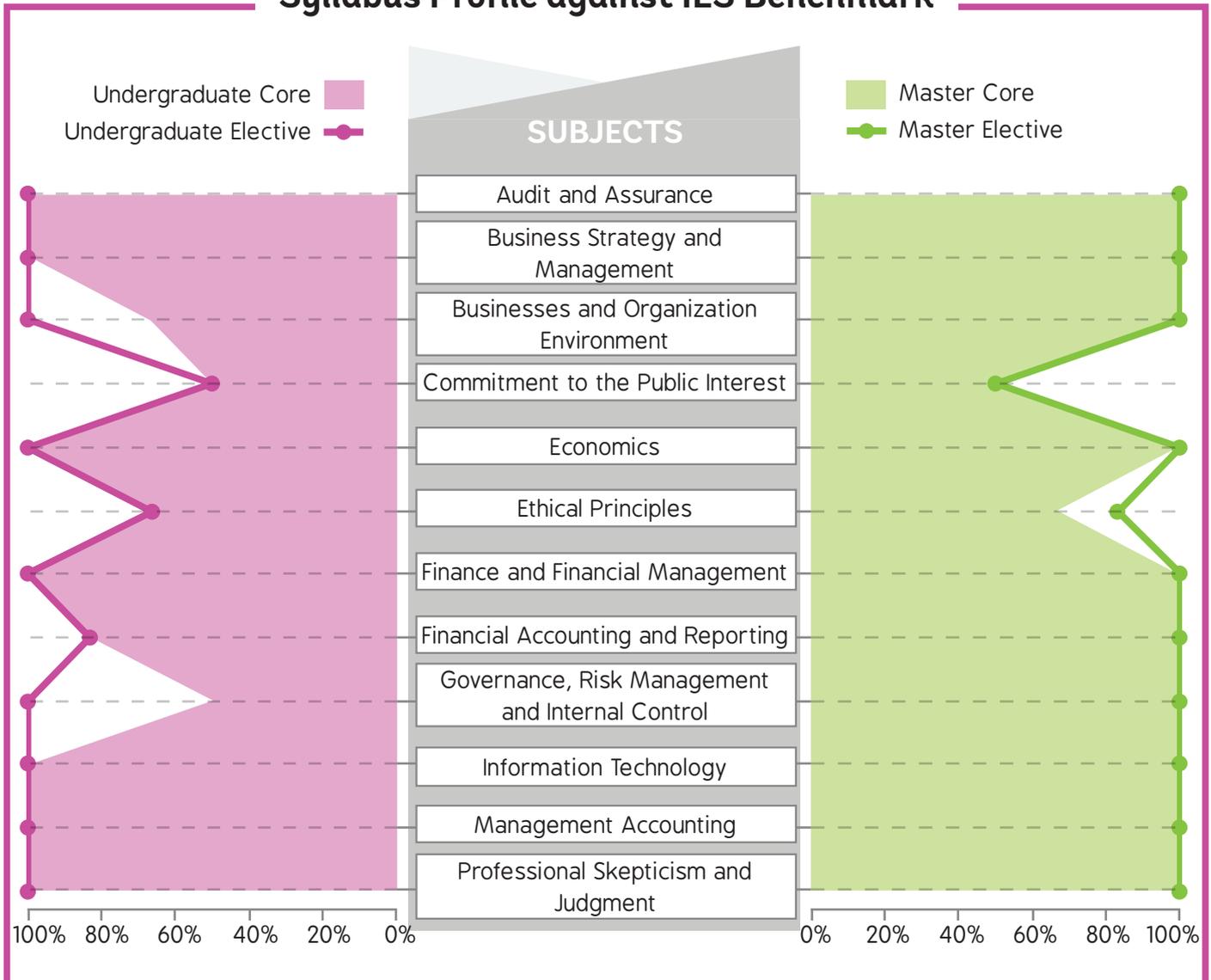


Benchmarking Results

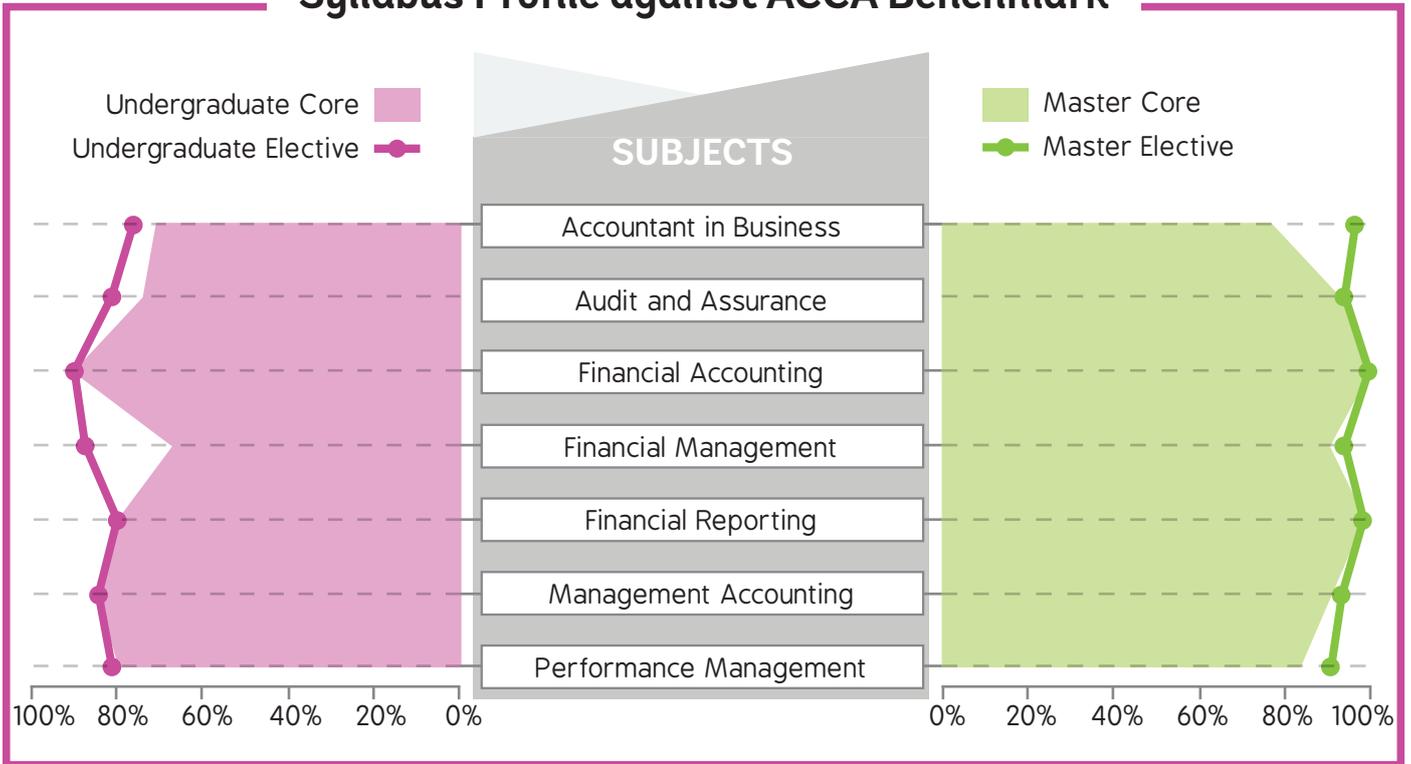


The curricula benchmarking scores well when compared to the ACCA benchmark. The reason for the shortfall when compared to CIPFA is the lack of IPSAS coverage in the undergraduate program (both core and with elective courses) but this gap is narrower at the master's level. The program would benefit from the introduction of more learning outcomes aligned with IESs, especially concerning Ethical Principles, Commitment to the Public Interest, Governance, Risk Management and Internal Control.

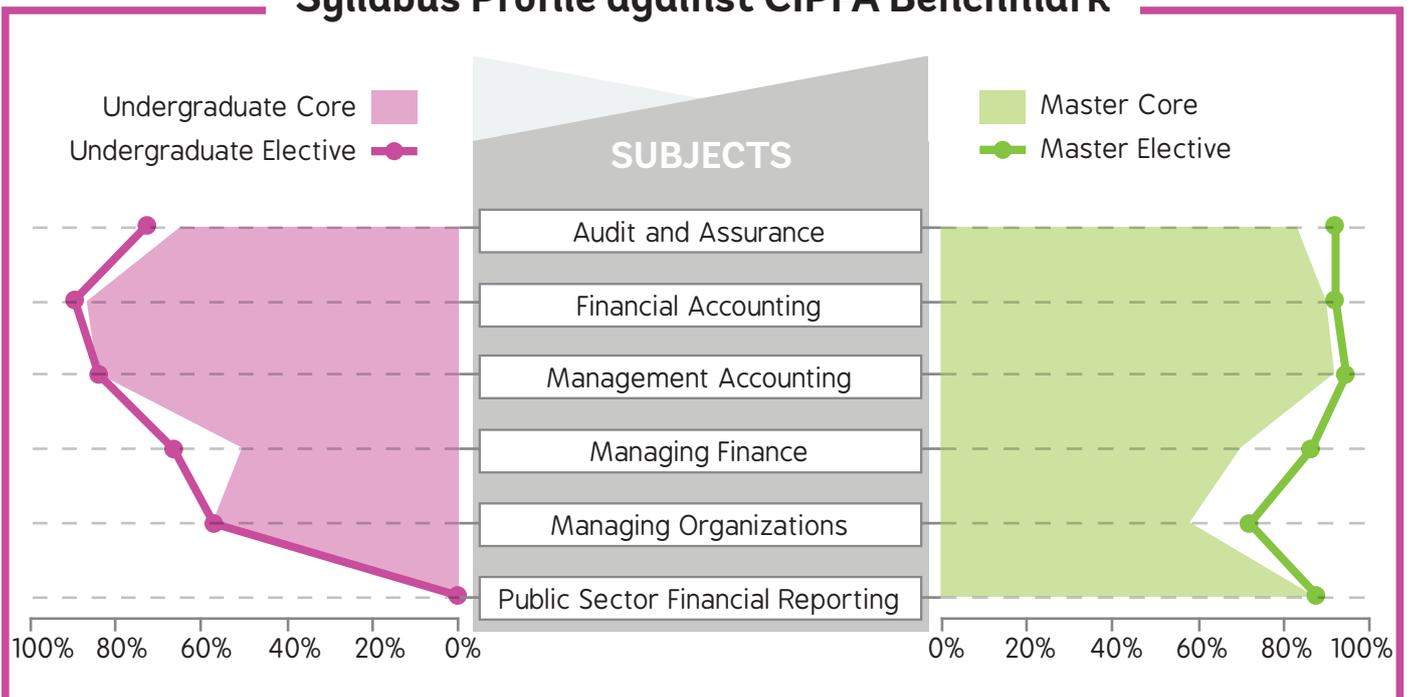
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



University of Banja Luka, Faculty of Economics

About the Faculty

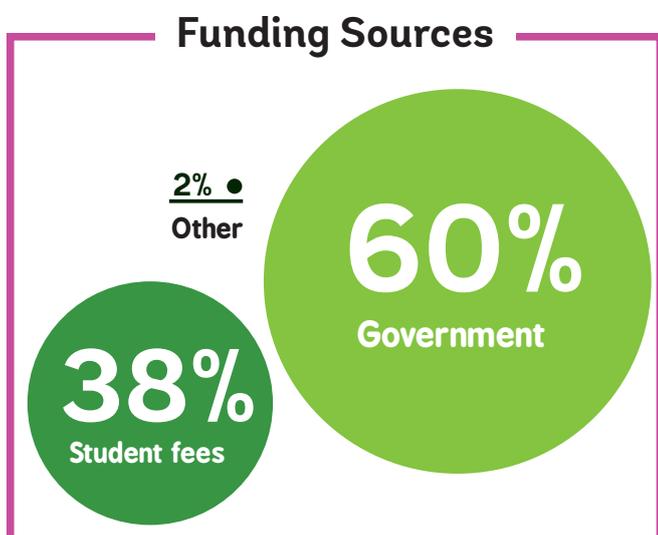


The Faculty has established close cooperation with many prestigious universities and business schools in the country and abroad. Most of the university's funding is sourced from the Government. All programs are accredited at the national level.

The Faculty of Economics is part of the public University of Banja Luka, Republic of Srpska. The Faculty was established in 1975, initially as the Department of the Faculty of Economics at the University in Sarajevo. The Law on Higher Education of Republic of Srpska and the Statute of the University of Banja Luka are the main regulations under which the Faculty operates. The Faculty cooperates with many prestigious universities and business schools in the country and abroad.

Sources of funding

Most of the funding is from the Government (60 percent).



Level of autonomy

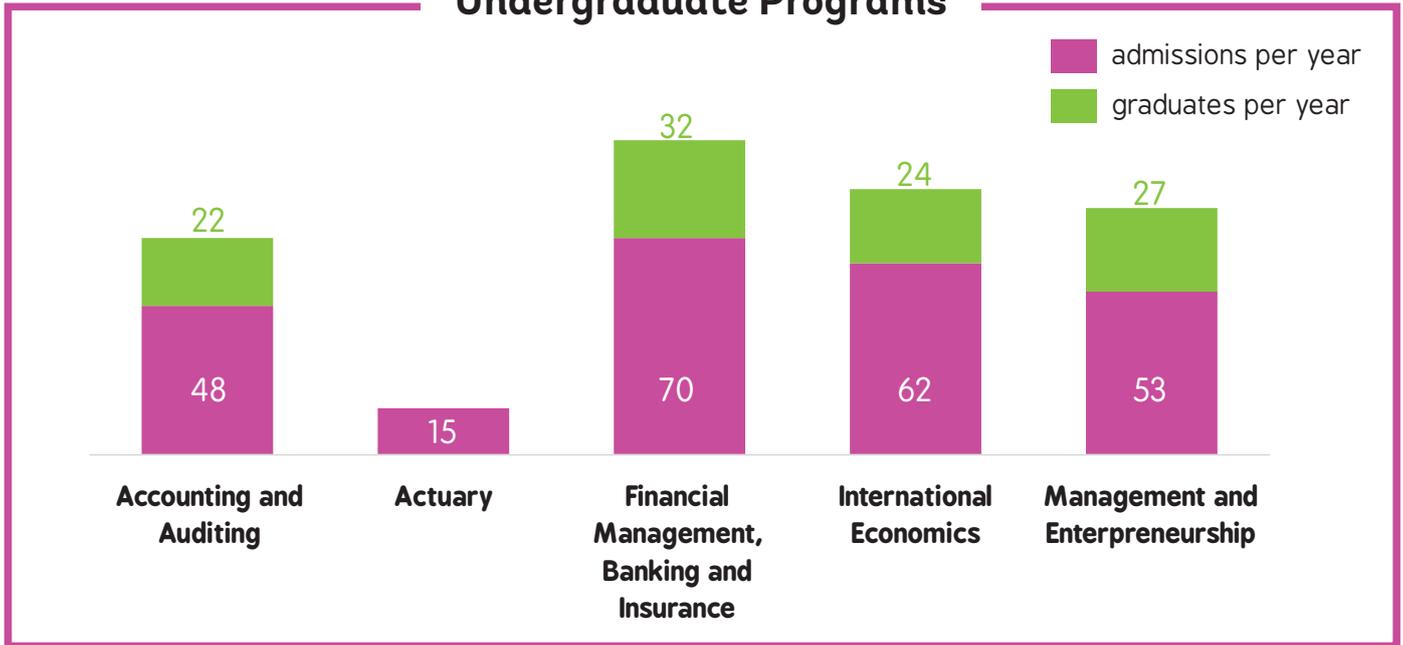
The Faculty is not autonomous in developing the structure of the curricula which is defined by the Government of the Republic of Srpska. The overall number of students admitted in the Faculty is determined by annual quotas set by the Government.

Education programs

The Faculty offers three levels of study: bachelor, master's and doctoral programs. There are currently six bachelor degree programs offered by the Faculty: (i) Accounting and Auditing; (ii) Actuary; (iii) Financial Management, Banking and Insurance; (iv) International Economics; (v) Management and Entrepreneurship; and (vi) Economic Analysis and Policy (a new program introduced 2015/2016).

All undergraduate programs last for four years (eight semesters, 240 ECTS). Master's programs last one year (two semesters, 60 ECTS).

Undergraduate Programs



Accreditation

All programs are accredited at the national level only. Bosnia and Herzegovina has been a member of the European Higher Education Area since joining the Bologna process in 2003.



GOOD PRACTICE BOX

Fostering an inclusive environment for disabled students

The Disabled Students Support Center at the University of Banja Luka was founded in 2006 by the Association of Citizens "Info Part" and later grew into an organizational unit of the University.

The Help Center represents the Coordinating Body at the University whose task is to ensure an equal approach for disabled students to all of the University's programs and activities.

The Support Center nurtures an educational environment which is inclusive and ready to support students with disabilities in the following ways: building and maintaining partnerships with the faculties and academic as well as non-academic staff; promoting awareness of disability among all the members of the University community; and ensuring guidelines with regard to the University's policies and procedures, thus enabling students with disabilities to participate fully in all aspects of University life.

The Accounting Program



There is a weak link with the professional education program and there is no system in place for mutual exemptions and recognition. Students are not required to participate in practical internship programs. Lectures tend to dominate the learning experience.

Type of degrees

The Faculty offers an undergraduate degree in Accounting (full-time) and a master's degree in Accounting (both full- and part-time). The undergraduate program in Accounting has been offered since the Faculty was established in 1975.

Curriculum

The undergraduate program consists of eight semesters (240 ECTS credits). The table below shows the core and elective accounting and auditing courses in the program:

Undergraduate

First Year	Second Year	Third year	Fourth year
Financial Accounting	Managerial Accounting	Auditing	Theory and Policies of Financial Statements
	Financial Management (elective course)		Strategic Financial Management
			Specialized Accounting
			Accounting Information Systems
			Auditing of Financial Statements
			Elective courses:
	<ul style="list-style-type: none"> Accounting of Banks and Insurance Companies Internal Control 		

The table below shows the accounting and auditing core and elective courses in the master's program:

Master

First Year	
Advanced Auditing	Elective courses:
Financial Reporting in Management Function	
	<ul style="list-style-type: none"> Consolidated and Special Financial Statements Specialized Accounting Corporate Finance

Linkages to professional qualification

There are no exemptions for graduates when applying to join the professional examination program.

ACCA offers exemptions from foundation level papers in Accountant in Business, Management Accounting, Financial Accounting and Corporate and Business Law to students who have completed the undergraduate diploma with a major in Accounting.

Practical experience

There is no practical experience requirement for undergraduate, master's or doctoral programs.

Curriculum updates and reviews

New programs are introduced every four years to bring curricula in line with labor market needs. Smaller changes and updates to courses are performed on an annual basis.

Program evaluations

Periodical surveys performed by the Alumni Center provide input to future curricula reforms and valuable information on the skills required by the labor market. Each course and program is also evaluated through student evaluation surveys.

Teaching materials

The quality of textbooks is assessed as very good. The availability of materials in the Faculty library could be improved and most of the available materials are not up to date (for example, the library stocks a 2004 translated version of IFRS Standards and a 2009 version of the SMEs Standard). There is moderate use of English language materials.

Teaching methodologies include approximately 60 percent lectures and presentations, 20 percent case studies, and 20 percent assignments and projects. Beside technical skills to measure and value accounting information, graduates are also expected to develop interpersonal skills, team work and group dynamics skills, communication and presentation skills (written and oral), analytical skills and critical thinking skills, and the ability to use IT technologies.

IT technologies are currently used mainly for communicating with students and a sufficient number of computer stations with internet access are available.

Assessment methods

Examination assessments include written interim tests (approximately 40 percent of final grade), final oral exam (50 percent) and individual projects and assignments (10 percent).

Written examinations usually comprise multiple choice questions, short case studies with narrative or a combination of narrative and computational elements, large essay questions with limited situational instruction, short scenarios or problems.

Faculty Body

Qualified and experienced team of professors. Professors' salaries are considered low and insufficient to retain current faculty and attract new faculty members, which may be a concern in the medium term since most professors are approaching retirement age.

The teaching norm is 180 hours per academic year (or six hours per week) and the teacher-student ratio is 1:54.

Professors' salaries are very low and not sufficient to keep current Faculty members and attract new staff. This may present a concern in the medium term as most professors are approaching retirement age.

The English language proficiency of the Faculty body is considered very good.

The Faculty body is involved in professional development activities such as accounting conferences and seminars, publishing articles, and exchange visits abroad.



7
Faculty members

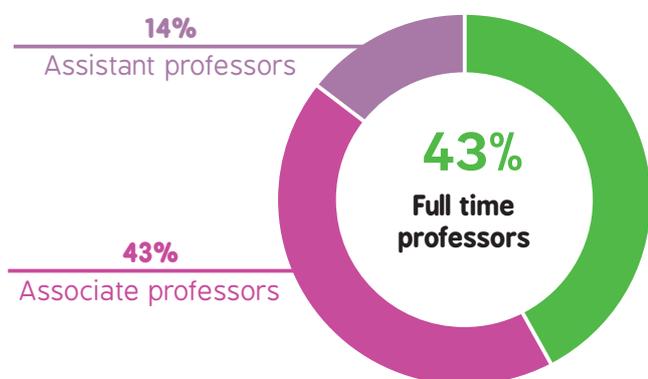


100%
Senior staff

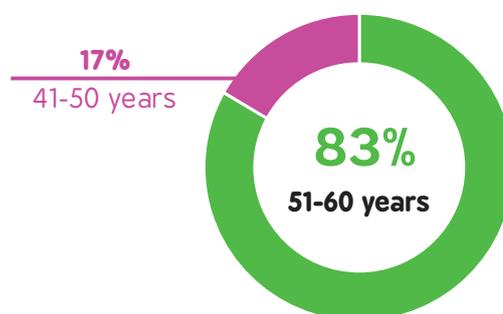


1:54
Teacher to student ratio

Faculty Profiles



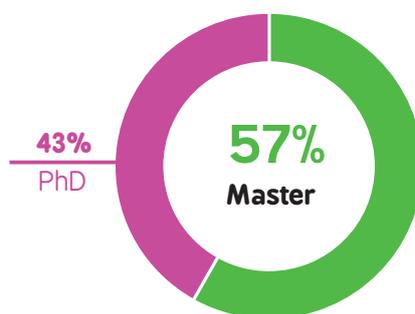
Members



Age



Gender



Qualifications

Student Body

Student demand for the accounting program is high and there has been an increase in the trend for accountancy education. The link with the corporate sector is good with students and businesses provided with ample opportunities to interact. A significant number of graduates (around 48 percent) find employment in the financial sector.

The demand for accounting education has increased by 10 percent annually, with approximately 30 percent of all students choosing to study the Accounting bachelor program.

The student drop-out rate is approximately 18 percent. On average, it takes six years to complete a degree. The employment rate six months after graduation is 70 percent. Sixty percent of all Accounting program graduates work in accounting and auditing related fields.

Students' English language proficiency is assessed as very good.

Linkages with the business sector

The Faculty engages actively with local accountancy firms, the business community, and with Professional Accountancy Organizations. Opportunities for students to interact with the cooperate world are also provided via career days, forums and corporate representation.



30%
Students choose accounting programs



10%
Annual increase in demand for accounting programs



70%
Students find employment within 6 months of graduation

Student Profiles



58%

Gender

Business community

12%

Accounting and auditing profession

15%

Government and not-for-profit

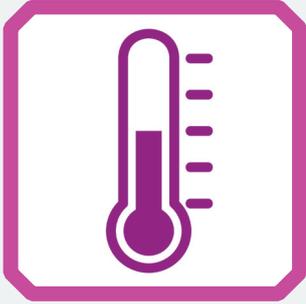
25%

48%

Financial sector

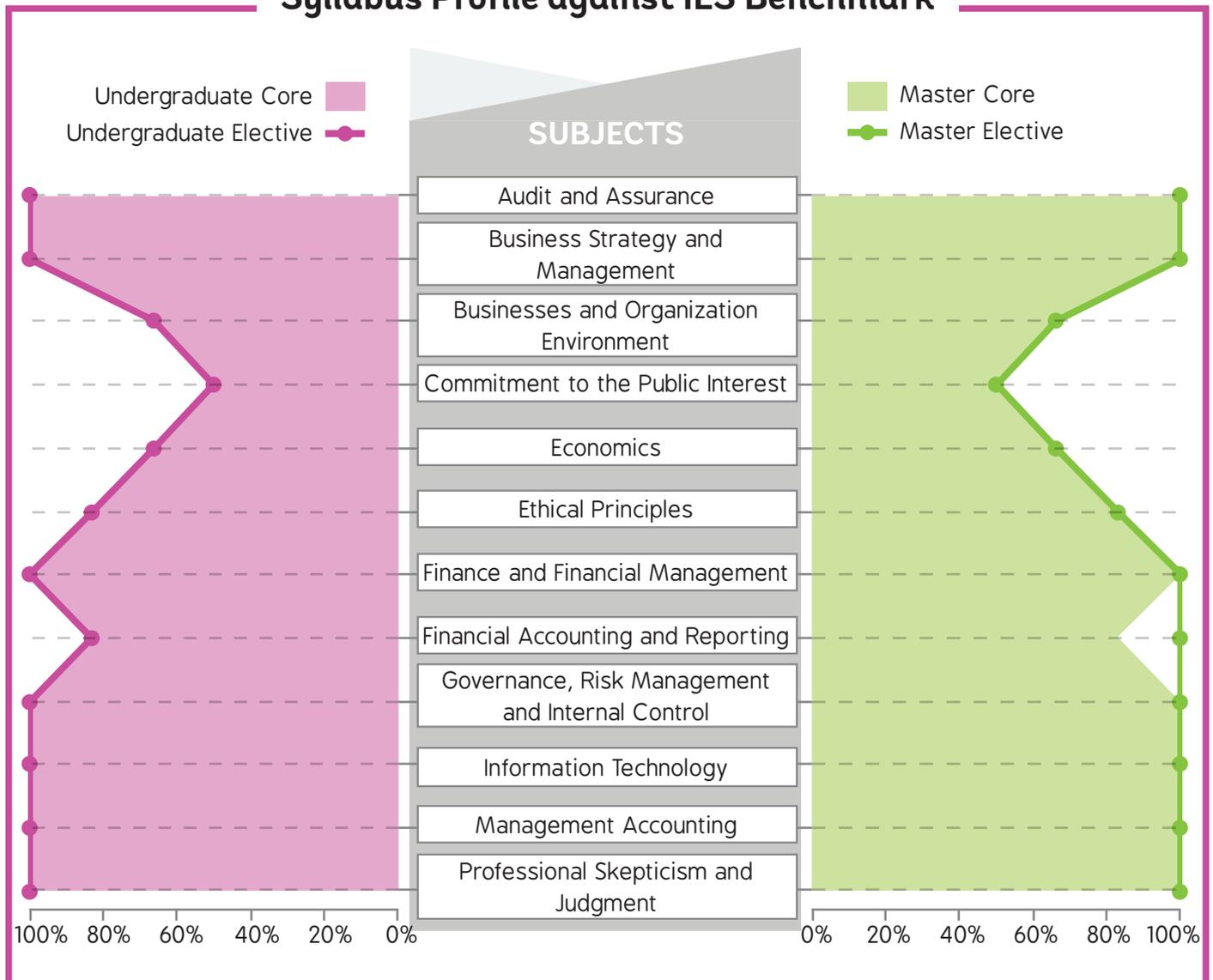
Graduates employment per sector

Benchmarking Results

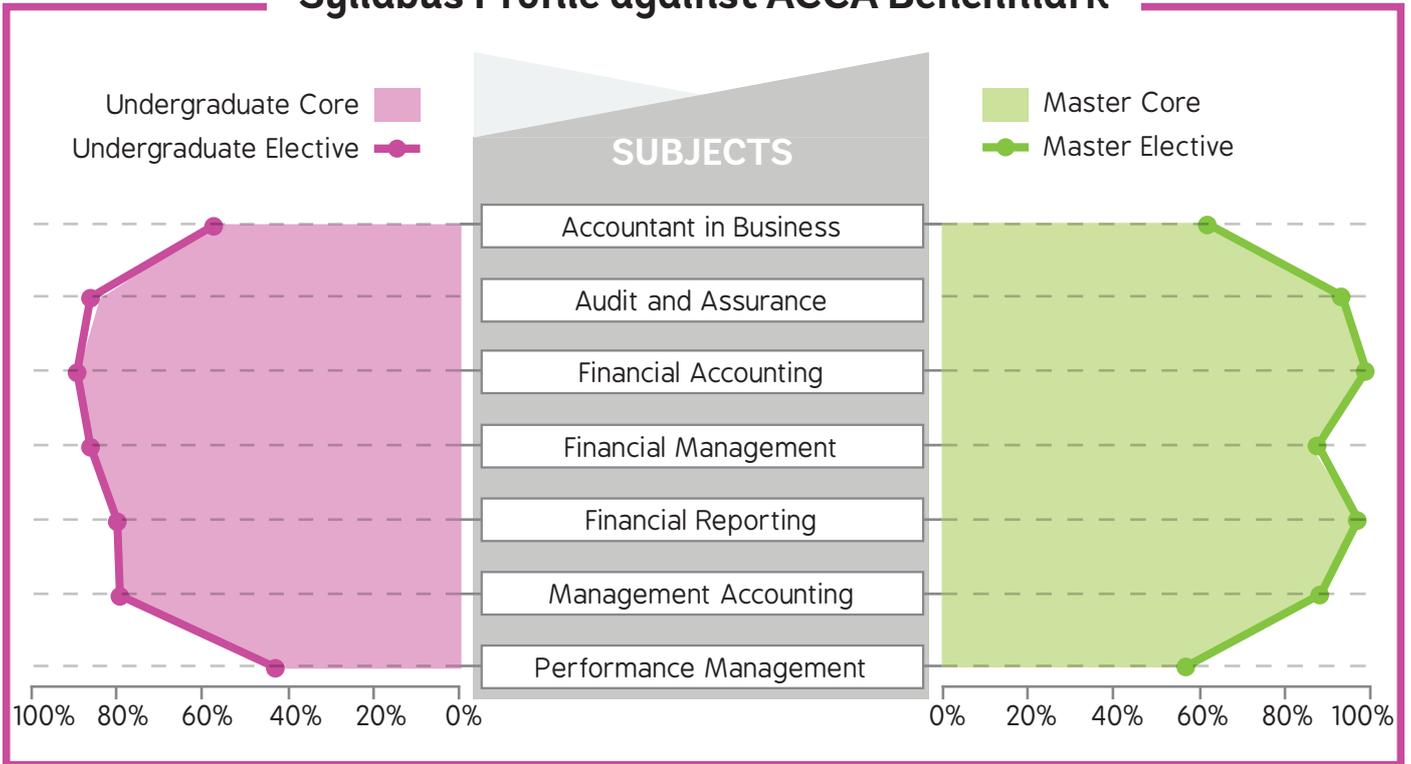


The accounting program scores relatively well at the undergraduate and master's level against the benchmarks. The program could benefit from a greater focus on Ethics and Commitment to Public Interest to improve alignment with the IES benchmark. Also, improvements in Performance Management, Business and Organizational Environment, and Economics courses would improve comparability with both the ACCA program and IESs.

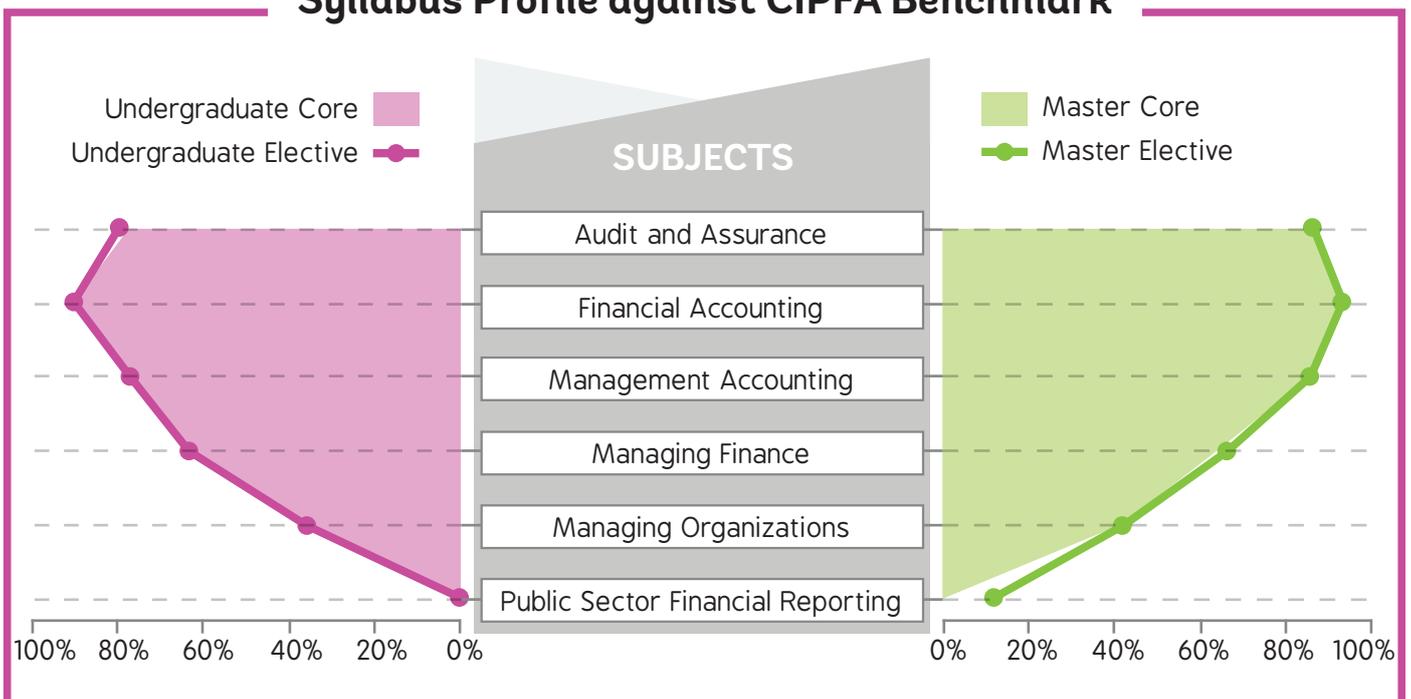
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



The Association of Accountants and Auditors of Republic Srpska (AAARS)

About the AAARS



The AAARS has been an IFAC member body since 2010. Most members are Certified Accountants and Certified Accounting Technicians. The AAARS has a modest budget per member, with the majority of funding sourced from CPD programs.

The AAARS was founded in 1996 as a not-for-profit organization, composed of 11 territorially distributed associations of accountants and auditors. According to the law, the AAARS has the delegated authority to perform the following activities: organize professional examination programs for certification of accountants and statutory auditors; deliver CPD and training; conduct quality control over member firms and practitioners; and issue certificates for membership and practicing licenses for Certified Accountants. Licenses for practicing auditors are issued by the Ministry of Finance.

The AAARS became a member of IFAC in 2010 and a member of the European Federation of Accountants (FEE) in 2015.

Members

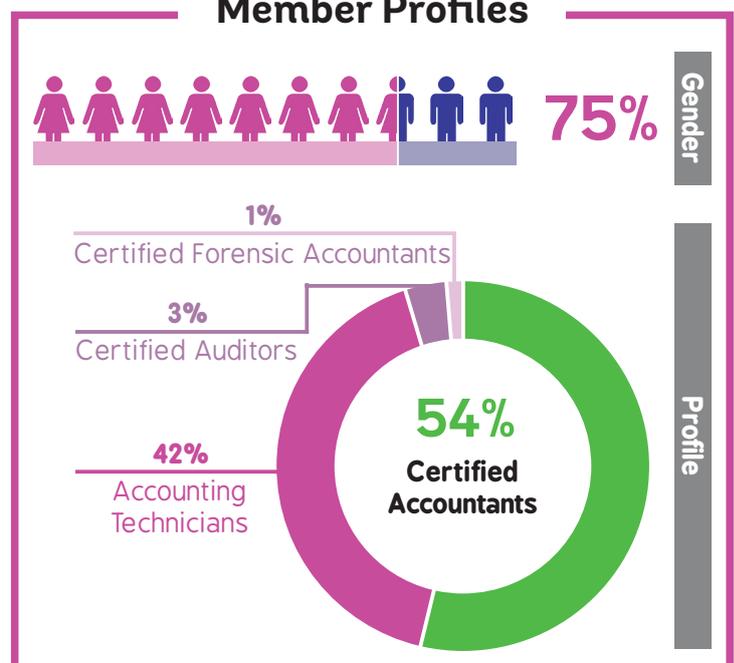
The AAARS has over 3,470 active members, the majority of whom are Certified Accountants and Accounting Technicians.

Resources

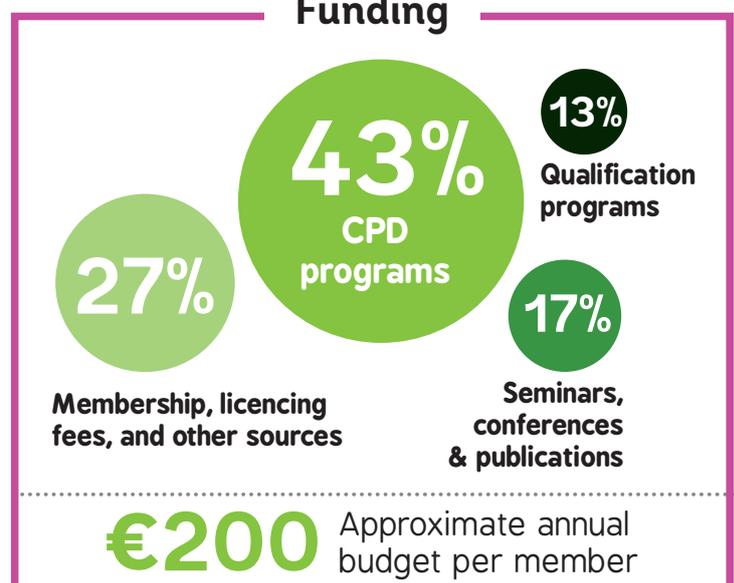
The AAARS does not have a formal strategic plan and all focus areas are defined in the AAARS Statute.

The available budget is about EUR 220 per active member.

Member Profiles



Funding



Governance

The AAARS Assembly is the ultimate governing body, composed of 32 elected representatives of the members. The Supervisory Board comprises five members while the Board of Directors consists of seven members including the President. There is also a Court of Justice composed of six members.

The President of the Board of Directors and the Executive Secretary are responsible for the management of AAARS. The President represents the PAO and chairs the Board of Directors, while the Executive Secretary is the administrator and manages AAARS operations.

The majority of the governance structures of AAARS are composed of men, and eight of the nine members of the Board of Directors are male. Practicing members dominate the governance bodies.

The Education Committee is responsible for conducting the professional education program for accountants and auditors. It works under the guidance and program developed by the Council for practical education composed of university professors.

Governance Bodies

89%

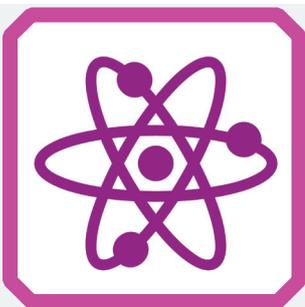
of Board of Directors members are male

Gender

Staff

AAARS has five full-time employees: two work on activities connected with the education and examination processes, one works on Quality Assurance and two provide administrative support. There are 63 outsourced functions, the majority of which are involved in education and training activities.

Education and Training Program



The education program follows a progression model with exit points at three levels based on an individual's career choice. Although practical experience requirements are in place, the program could be enhanced by prescribing learning outcomes and competencies for professional skills and professional values, ethics and attitudes.

Entry requirements

The AAARS offers three accountancy designations: Certified Accounting Technician, Certified Accountant and Authorized Auditor.

The education entry requirements for each designation are:

- Certified Accounting Technician (CAT): high school diploma.
- Certified Accountant: completed CAT designation or university degree (240 ECTS credits), or higher education degree (180 ECTS credits) or college education (120 ECTS credits).

- Authorized Auditor: applicants must complete the Certified Accountant exams and have three years of practical experience before entering the education program.

Demand

The demand for participation in the certification program has remained stable and high. There are around 500 admissions to the professional program every year, with the majority (around 78 percent) enrolling in the Certified Accountant stream.

Content

In order to progress to the Authorized Auditor level, all Certified Accountant exams need to be completed. The table below provides an overview of the examinations in each module:

Professional Education

Certified Accounting Technician	Certified Accountant	Authorized Auditor
Introduction to Financial Accounting	Commercial Law and Taxation	Advanced Management Accounting
Cost and Management Accounting	Management Accounting Applications	Advanced Auditing
Management and Communications	Financial Reporting	Advanced Financial Reporting
Information Technologies and Applications	Auditing and Internal Controls	Advanced Financial Management
	Financial Management Applications	Strategic Management

Curriculum updates and reviews

The program is periodically updated, with the last revisions having taken place in 2011. A more regular and structured process for curricula updates and reviews needs to be implemented.

Examinations

Exams are conducted twice a year (in May and November). The average number of candidates in one examination session is about 360 and the average pass rate over the past three years has been 65 percent. On average, 80 candidates successfully complete the education program for all designations every year.

Practical experience requirements

Upon successful completion of the education program, a candidate must achieve the following practical experience:

- Accounting Technician: between two and three years of practical experience depending on the level of specialization of its high school education. The requirement relates to performing accounting duties and being involved in preparing financial statements.
- Certified Accountant: between two and four years of practical experience, depending on the type of bachelor degree. The requirement relates to performing accounting duties and being involved in preparing financial statements.

- Authorized Auditor: three years of practical experience obtained after completing the Certified Accountant designation.

The input approach is used to measure practical experience. In order to verify the practical experience, the employer provides a signed certificate. The certificate is signed off by the supervisor and the Certified Accountant or Authorized Auditor.

All Certified Accountants and Authorized Auditors are eligible to act as approved employers for relevant practical experience. The practical experience supervisor is not obliged to perform any evaluation of professional skills acquired in the workplace, nor are the candidates required to maintain and complete a record or other form of documentation demonstrating the achievement of professional skills.

Learning outcomes for professional skills and professional values, ethics and attitudes are not formally prescribed by the AAARS. Some of the required learning outcomes relating to professional skills and professional values, ethics and attitudes are achieved within the education program and through the practical experience requirement. However, these outcomes are not formulated in a narrative style and documented.

Practice license

Upon successful completion of the examination program and the practical experience, Authorized Auditors can approach the Ministry for Finance to obtain a practice license, while Certified Accountants are licensed by the AAARS.

Recognition

Certificates issued by another professional organization in Bosnia are recognized by the AAARS. Candidates certified with other regional bodies which have signed recognition agreements with the AAARS, including the Serbian Association of Accountants and Auditors (SAAA) and the Institute of Certified Accountants of Montenegro (ICAM), are eligible to receive recognition of their qualifications.

Continuing Professional Development (CPD)



The CPD requirement for Certified Auditors is prescribed by law and AAARS has introduced equivalent requirements for all members.

Requirements

The CPD requirement is determined by law and consists of 120 hours of admissible CPD units for Certified Auditors. These units need to be achieved within a three-year period. The AAARS has imposed such a requirement for all members (CAT, Certified Accountants and Authorized Auditors), and has further specified that at least 20 verifiable hours of CPD need to be completed annually. The CPD requirements and benefits are communicated regularly to members, via website, newsletter, bulletins, and magazine.

The CPD activities recognize a variety of admissible units, including verifiable and non-verifiable methods.

Measurement methods

The measurement method for completion of CPD is an input-based approach and AAARS is responsible for monitoring members' compliance with the CPD requirement. Attendance at CPD courses organized by the AAARS records CPD attendance for each member in order to monitor compliance. Provided there is a shortfall, the practicing license of Certified Accountants is not renewed; for Certified Auditors, the Ministry of

Finance – as the licensing authority – requires proof that 120 hours of CPD have been completed within a three-year period. Names of members in breach of CPD requirement are published as a means of encouraging compliance.

CPD Program

The development of the CPD program starts with the Council for Practical Education, which comprises university professors. Together, they determine the scope of CPD while the Committee for Education develops the program content. CPD courses organized by the AAARS are usually lectures with large audiences, often numbering around 1,000. In order to deliver CPD, the AAARS engages outsourced part-time lecturers, practitioners and representatives of relevant institutions (e.g. university professors, representatives of the tax administration, supreme audit officers, etc.). The criteria for selecting trainers are not specified and a more structured approach is necessary in order to develop a register of CPD trainers who, beside technical knowledge and professional experience, also have the necessary soft skills to deliver training activities.



GOOD PRACTICE BOX

Offering a range of relevant admissible CPD activities

A good choice of accessible CPD supports members' compliance with requirements and reinforces the importance of maintaining professional competence. The AAARS has adopted a variety of ways that members can meet their CPD obligations, allowing members to engage with CPD in ways that suit their learning styles:

- ▶ Seminars, courses, workshops organized by AAARS (at least 20 hours);
- ▶ Academic conferences and workshops (up to 10 hours);
- ▶ Coaching and mentoring, provided or received (up to 7 hours);
- ▶ Networking (up to 8 hours);
- ▶ Self-directed and unstructured (up to 5 hours);
- ▶ Delivering and developing CPD courses in relevant areas (up to 7 hours);

- ▶ Writing articles, papers or books, both professional or academic (up to 5 hours);
- ▶ Research including reading of professional literature or journals (up to 8 hours); and
- ▶ CPD activity in the form of seminars, courses and workshops organized by regional PAOs with which AAARS has cooperation agreements is also admissible.

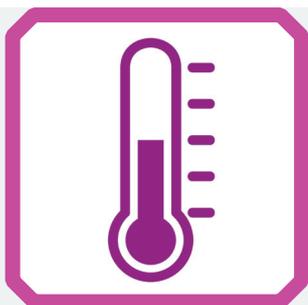
The AAARS CPD policy acknowledges that professional competence can be maintained in a variety of ways and that professionals can also learn effectively in less structured environments. There is a good balance between structured / verifiable and unstructured / unverifiable CPD activity.

CPD programs are mainly supply driven. Previous CPD programs were focused primarily on technical competence areas; less importance was given to other skills such as communication and interpersonal skills. Annual CPD programs include four hours dedicated to the Code of Ethics of the International Ethics Standards Board for Accountants® (IESBA®) and its requirements and related guidance. However, more participative approaches to learning and development of professional values, ethics and attitudes remain to be explored. A lack of competence maps and frameworks means that members are not trained in effective communication with team members, client management and governance structures. Mentoring and coaching skills necessary to assist professional career development of audit personnel have not been addressed by CPD courses. Finally, the CPD program is fairly general and no specialized training activities are developed to satisfy varying members' specialist needs.

CPD Courses

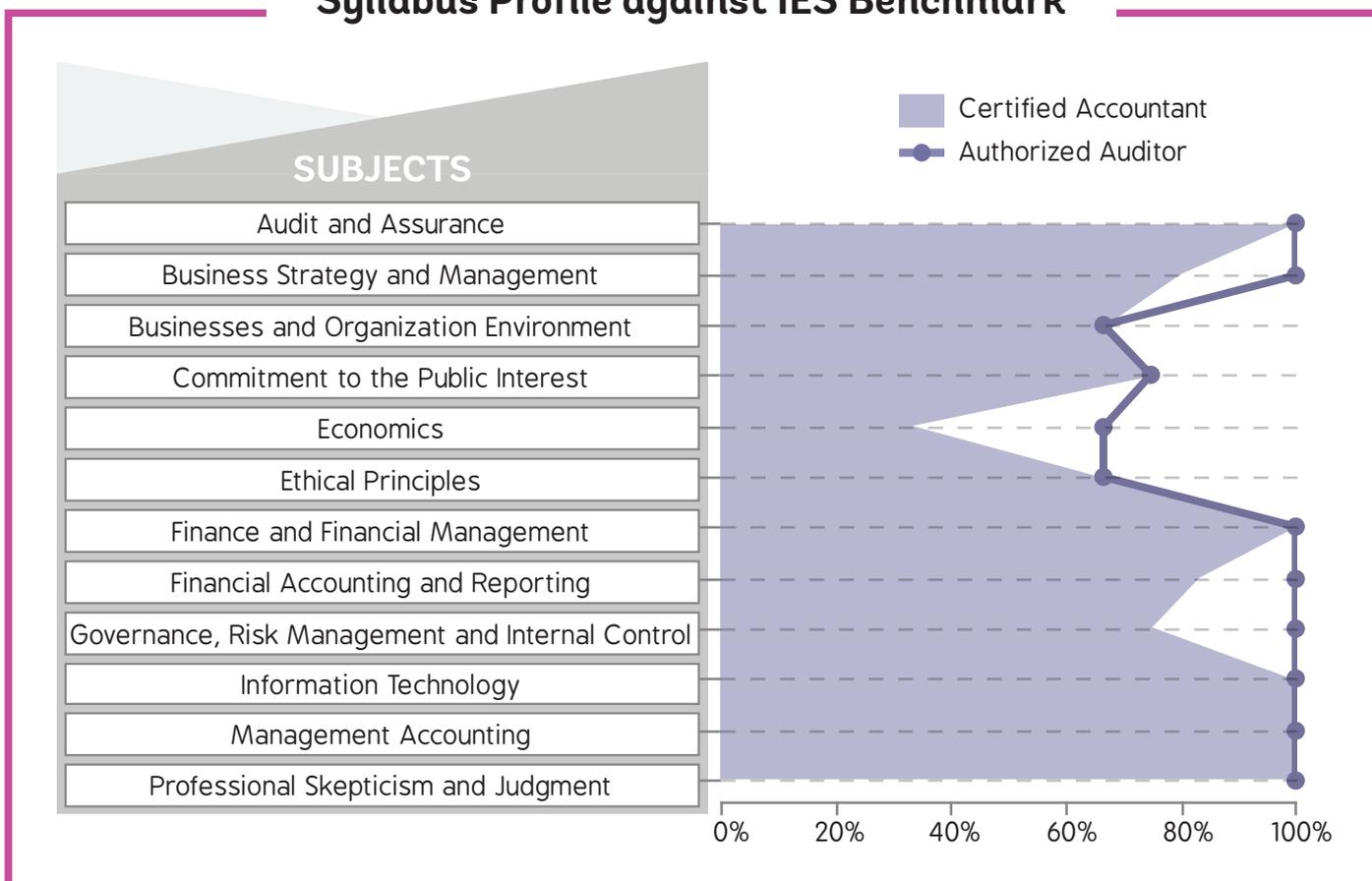


Benchmarking Results

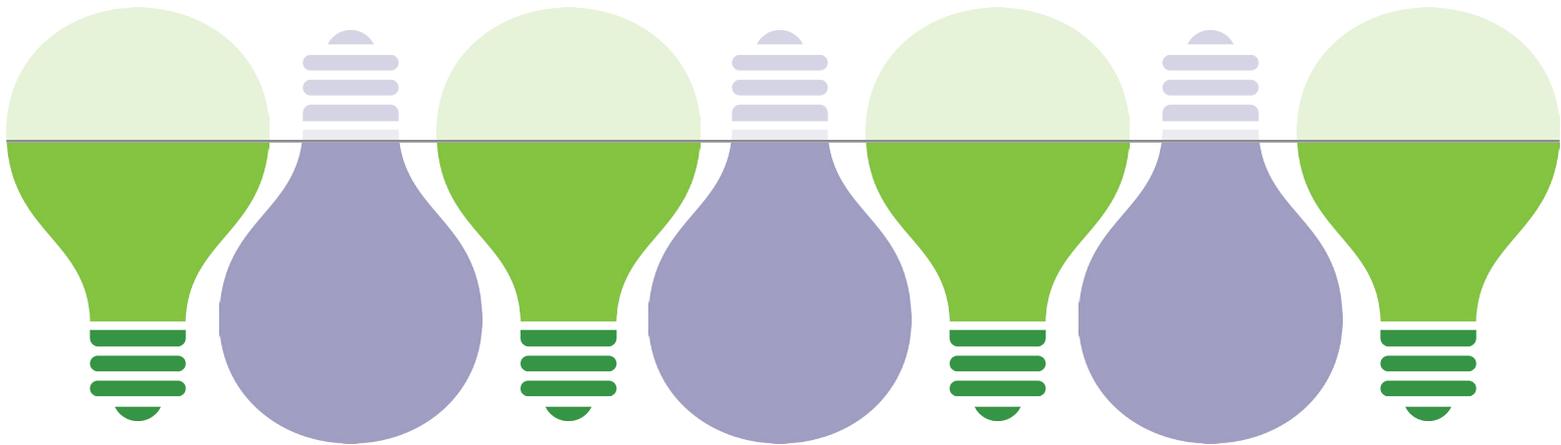
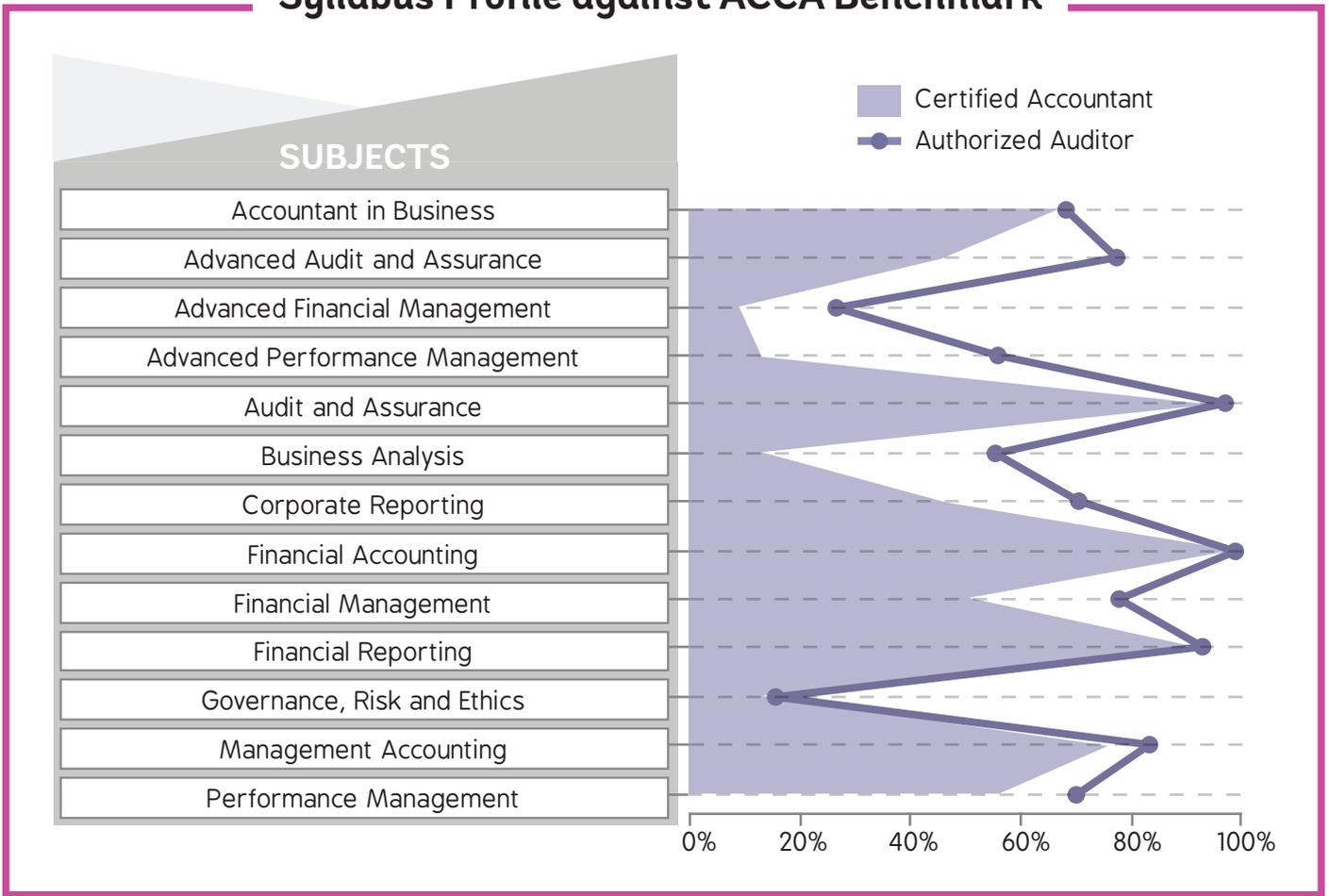


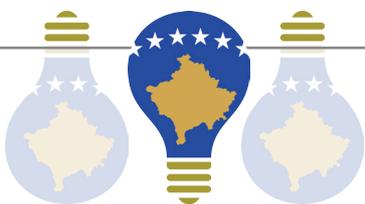
Improvements in several areas, including Governance, Risk Management and Internal Control, Economics, Business and Organizational Environment, Commitment to Public Interest and Ethics, could result in better alignment with the IES benchmark. There is lower coverage of advanced ACCA papers in the professional program.

Syllabus Profile against IES Benchmark

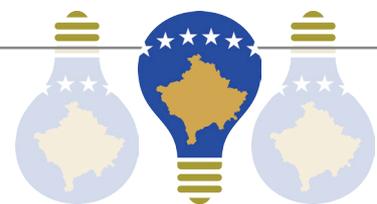


Syllabus Profile against ACCA Benchmark





Kosovo at a glance



University of Pristina, Faculty of Economics

About the Faculty: The Faculty is funded primarily by the state and to a lesser extent by student fees. It has partial autonomy in setting the curricula.

The undergraduate **accounting program** was introduced in 2010 with the assistance of a USAID program. Mutual recognition and exemptions with the local PAO are in place. The program does not require practical experience or internships to graduate. There is informal engagement between the Faculty and local and regional PAOs.

Demand for accounting education is high, particularly for the master's program where admissions are higher than for the undergraduate program.

Faculty resources: Balanced mix of tenured professors and teaching assistants and low teacher-student ratio compared to the university in general.

Benchmarking results: There could be benefits in improving curricula in Financial Accounting and Reporting, Auditing and Assurance, Ethics, IT and Public Sector Financial Reporting.

About SCAAK: A member of IFAC since 2009. SCAAK offers qualification programs in both the public and private sector. Education programs are the primary source of funding. SCAAK cooperates with the Netherlands Institute of Chartered Accountants and other regional PAOs.

The **professional education and training program** has been designed based on the ACCA curriculum and candidates benefit from a number of exemptions to the ACCA program. SCAAK has established strong relationships with higher education institutions in the country and attracts a high number of potential candidates.

The **CPD requirement** for Certified Auditors is prescribed by law and is subject to monitoring. Certified Accountants and Certified Accounting Technicians complete CPD on a voluntary basis.

Benchmarking results: The professional program's score is high when benchmarked against IES. There has been good progression in proficiency levels between the Certified Accountant and Certified Auditor qualifications.

The Society of Certified Accountants and Auditors of Kosovo (SCAAK)

Key survey facts



Auditing and Accounting ROSC Update: Main Findings and Recommendations Relating to Accountancy Education

Reports on the Observance of Standards and Codes – Accounting and Auditing (ROSC A&A) form part of a joint World Bank/International Monetary Fund initiative to review the quality of implementation of internationally-recognized core standards which are relevant to economic stability and private sector development. A 2012 ROSC A&A update assessed financial reporting and auditing practices in Kosovo.

The ROSC A&A update found that there had been some progress in integrating accounting education in the universities with professional qualifications. However, it also noted that more effort was needed in this area. One of the recommendations of this

assessment was that there is a need to promote integration between university and professional education.

The ROSC A&A also found that further updates and enhancements are required to the quality of tertiary-level accounting education. It also encouraged the Society of Certified Accountants and Auditors of Kosovo (SCAAK) to share its resources with the universities and recommended that, at a minimum, part of the training program for accounting technicians should be devolved to universities.

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University of Pristina, Faculty of Economics

About the Faculty



The Faculty of Economics is the largest unit within the University of Pristina and offers degrees at all three levels of education: undergraduate, master's and doctoral programs. The most significant portion of the funding is from the Government, which contributes 70 percent of the overall budget.

The Faculty of Economics is part of the public University of Pristina. It was originally established in 1961 as the Faculty of Law and Economics. It operated under the Faculty of Economics in Belgrade until 1969 when the University of Pristina was established. In 1971, the Faculty of Economics separated from the Faculty of Law and initially the teaching process was conducted simultaneously in both Albanian and Serbian. Since its establishment, approximately 30,000 students have graduated from the Faculty and today it is the largest faculty within the University of Pristina. The University's Statute provides the governance and other frameworks for the Faculty's operation.

Sources of funding

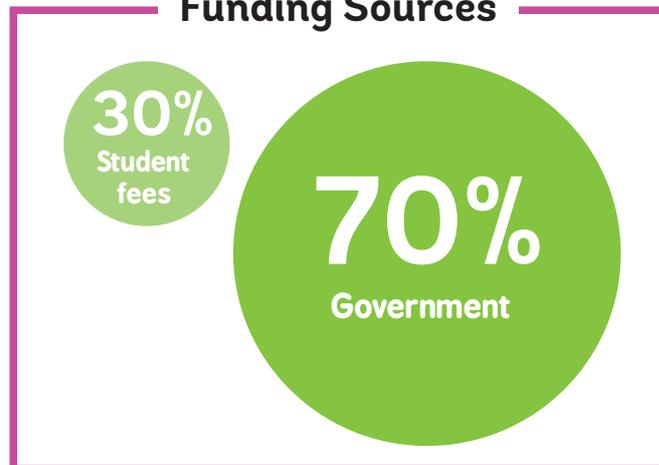
The main source of funding is the Government (70 percent). Student fees account for around 30 percent of the overall budget.

Level of autonomy

Academic policies, financial matters, and capital and operating investments are managed at the University Senate (Rectorate) level. The Faculty can initiate new programs subject to approval by the University Senate (Rectorate) and the Kosovo Accreditation Agency. The curricula, type of course as well as the number of hours per academic year are also subject to approval by the University Senate (Rectorate).

Establishing academic partnerships with other institutions are centralized and conducted through the Senate Office for International Relations.

Funding Sources



Education programs

There are currently six active undergraduate programs offered by the Faculty, of which five are in Albanian (Banking, Finance and Accounting; Management and Informatics; Marketing; Economics; and Accounting), and one is in English (Applied Economics and Business Management). The Faculty currently offers five master's programs and five doctoral programs, of which one (Economics) is offered in English.

All undergraduate programs last for three years (six semesters and 180 ECTS). Master’s programs are for two years (120 ECTS). Both undergraduate and master’s programs comprise compulsory and elective courses.

The overall number of students admitted in the Faculty is determined by annual quotas set by the Ministry of Education based on proposals from the Faculty.

Accreditation

All programs are accredited at the national level.

The Accounting Program



The Undergraduate Accounting program was established in 2010 with the assistance of a USAID program. There is a mutual recognition system in place with SCAAK (the professional body of accountants and auditors). None of the accounting programs require practical experience or an internship for graduation.

Type of degrees

The Faculty offers an undergraduate degree in Accounting (introduced in 2010 with the assistance of a USAID Program) and a master’s degree in Finance and Accounting (offered since 2004). A doctoral program in Finance and Accounting is also available. There are plans to offer a new master’s program in Accounting in the near future.

Curriculum

The undergraduate program in Accounting is for six semesters (180 ECTS credits, 23 mandatory courses and 13 elective courses). The table below shows the core and elective accounting and auditing courses in the program:

Undergraduate

First Year	Second Year	Third year	
Accounting I	Financial Accounting	Cost Accounting	Advanced Accounting
	Management Accounting I	Financial Reporting II	Auditing and Control Systems
	Management Accounting II	Financial Statement Analysis	Financial Institutions Accounting
	Public Accounting	Tax Accounting	
	Financial Reporting	Two elective courses: <ul style="list-style-type: none"> Professional Ethics for Accountants and Auditors International Accounting Financial Management Small Business Accounting 	

The master's program in Finance and Accounting consists of four semesters (120 ECTS credits, six mandatory courses and three elective courses). The table below shows the accounting and auditing core and elective courses in the master's program:

Master

First Year	Second Year
Advanced Financial Accounting	Auditing and Assurance Services
Management Accounting II	Advanced Corporate Finance
Risk Management II	Elective course:
Elective courses: <ul style="list-style-type: none"> • Advanced Finance • Quantitative Methods in Finance • Financial Statement Analysis II • Public Sector Accounting 	<ul style="list-style-type: none"> • International Finance II • Accounting for Financial Institutions



GOOD PRACTICE BOX

Building partnerships to modernize university accountancy education

In 2008, five students from the University of Pristina participated in the USAID Transformational Leadership Program which enabled them to study for 12 months on the master's program in Accounting at Arizona State University. This USAID program aims to develop capacity by facilitating opportunities for advanced education via university scholarships, partnerships, and student and faculty exchanges.

The program conditions included a commitment by the University of Pristina to retain those individuals on their return to Kosovo as members of the Accounting Department. After returning to Kosovo in 2009, these individuals, supported by

the partnership with the University of Arizona and assisted by the Society of Certified Auditors and Accountants of Kosovo (SCAAK), devised a modern accountancy three-year undergraduate accounting program. The five Kosovo scholars also translated six seminal accounting textbooks from English into Albanian and remained as full-time lecturers at the University of Pristina and Prizren.

By collaborating to transform accountancy education at the University of Pristina, this partnership between Arizona State University and the University of Pristina is helping to prepare the next generation of accountants.

Linkages to professional qualification

The following exemptions are available for graduates:

- For graduates of the bachelor or master's degree in both Accounting and Finance and Accounting, the ACCA offers exemption from four foundation papers in: Accountant in Business, Management Accounting, Financial Accounting and Corporate and Business Law.

- The Society of Certified Accountants and Auditors of Kosovo (SCAAK) signed a Memorandum of Understanding (MOU) with the Faculty. This MOU is the basis for a mutual recognition protocol according to which all accounting graduates are exempt from the Accounting Technician Qualification papers.

Practical experience

None of the programs (undergraduate, master's or PhD programs) require practical experience or internships to graduate.

Curriculum updates and reviews

Updates to curricula are usually performed in three-year cycles when all programs are subject to re-accreditation by the National Accreditation Agency. The Faculty is currently preparing a new master's program in Accounting which is expected to be available in the near future, subject to receiving national accreditation.

Program evaluations

The quality of academic and administrative activities is assessed by gathering data through three types of evaluation instruments: a questionnaire for academic staff; a questionnaire for administrative staff; and questionnaire for students. Each course in the undergraduate program is evaluated through analysis of the feedback from the questionnaires. In addition, individual professors are assessed on an annual basis based on the professional development activities, number of articles published in journals with international review, and participation in scientific conferences locally and internationally. Data on pass rates, mid-term exams and duration of studies is also analyzed and evaluated during these assessments.

Teaching materials

The quality and availability of materials can be improved for certain subjects (Auditing, Advanced Accounting, Corporate Governance and Ethics). The Faculty body considers that textbooks are quite affordable, while the cost for manuals is deemed to be unaffordable. Further, there are insufficient computer stations at the Faculty, especially stations with internet access. There is modest use of English language materials, mainly as supplementary materials. The university library is equipped with Albanian translations of IFRS Standards, the SMEs Standard, ISA and the Code of Ethics. However, no English versions are available.

IT technologies are used modestly in the teaching process and mainly to communicate with students. PowerPoint and other visual presentations are used predominantly during course lectures. Teaching methodologies incorporate short case studies, in-class exercises, group and individual project assignments.

Assessment methods

The assessment methodology is prescribed by the University Statute and consists of written and/or oral examinations, mid-term examinations, seminar papers, professional practice and practical testing. For most courses the assessment is based on written exams conducted at the end of the semester. All exams (final and interim) are written, comprising a combination of short exercises, case studies or open-ended questions. Interim tests account for about 30 percent of the overall grade and final tests for 50 percent of the overall course grade. Other in-class activities score up to 20 percent toward the overall grade.



GOOD PRACTICE BOX

High student retention rates

Kosovo is Europe's youngest country in terms of demographics – the average age of the population is about 26 years, with about 38 percent of the total population under the age of 19. However, youth unemployment rates are high and 30 percent of youth have no job, education, or training. One of the country's priorities is to improve the quality and relevance of the education system at all levels.

In this respect, it is encouraging that student drop-out rates for the entire Faculty of Economics are quite low at about 1.5 percent. Furthermore, students complete Accountancy undergraduate and

master's degrees, on average, in relatively short periods: the average time required to complete the master's degree in Finance and Accounting is three and a half years, while students take an average of three years and eight months to complete the Accountancy undergraduate program.

Higher quality education is expected to provide greater opportunities for youth to acquire the skills that private sector employers are seeking in order to create a young and competent work force that can help attract investment and increase employment opportunities.

Faculty Body

Balanced mix of qualified tenured professors and teaching assistants and a low teacher-student ratio compared to the university as a whole.

The teaching norm is 180 hours per academic year (six hours per week) for professors and 300 hours per academic year (10 hours per week) for teaching assistants.

The teacher-student ratio of 50 students per professor is significantly below the average ratio for the entire Faculty which is about 150 students per teaching staff.

Professors' salaries are sufficient to retain current members of the Faculty and attract new members.

Three Faculty members hold a local professional certification from SCAAK (two hold the designation of Certified Accountant and one has the designation Certified Auditor). The English language proficiency of the Faculty body is considered good.

The Faculty body is involved in professional development activities such as participating in accounting conferences and seminars and publishing books and articles in accredited journals. Additional efforts are required to engage in exchange visits abroad.



13
Faculty members

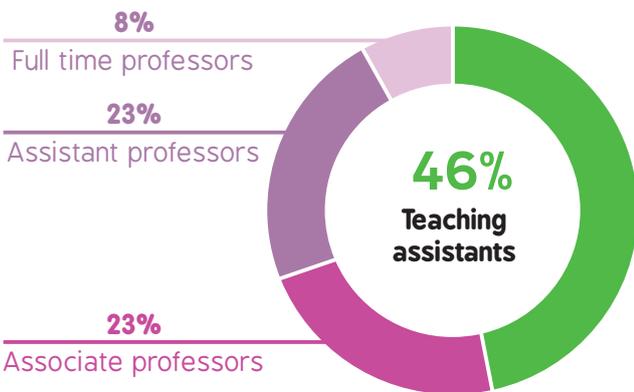


54%
Senior staff

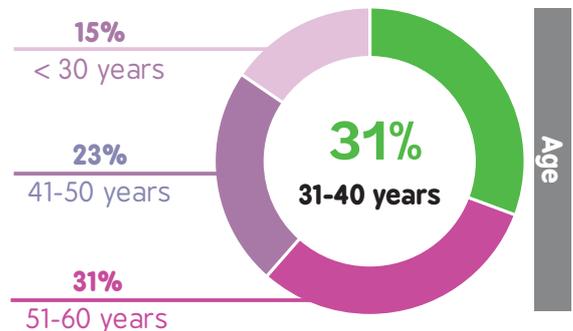


1:50
Teacher to student ratio

Faculty Profiles



Members



Age



Gender



Qualifications

Student Body

One in ten students choose the Accounting program. The number of students admitted to the Master's Finance and Accounting program exceeds the undergraduate admissions. The Faculty has limited interaction with the corporate world, maintained through informal cooperation with professionals and the business community.

The demand for accounting education at the Accountancy program has remained stable and high over the past few years. It is estimated that about 10 percent of all students of the Faculty choose the Accountancy undergraduate program. Around 150 students per academic year are admitted to the undergraduate accounting program, while 200 students are admitted to the master's in Finance and Accounting.

Students' proficiency in English is assessed as quite good.

The average number of years required to complete the master's in Finance and the Accountancy degree is 3.5 years, while students take on average three years and eight months to complete the accounting undergraduate program. Student drop-out rates for the entire Faculty are about 1.5 percent.

Linkages with the business sector

The Faculty has some engagement with the business community, local and international auditing companies and PAOs. The cooperation is informal and between individual professors. There is very little interaction between the Faculty and the corporate sector.

The Faculty has not developed a tracking system to record alumni employment. It is estimated that between 25 and 30 percent of graduates take up accounting and audit related positions. Further, it is estimated that between 20 and 30 percent of students find employment upon graduation.



1 in 10
Students choose accounting programs

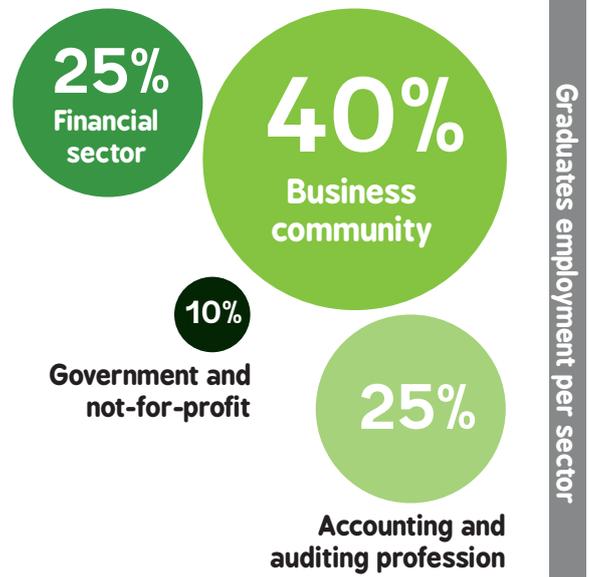


3.5 years
Average time to complete Master's program



30%
Students find employment at graduation

Student Profiles

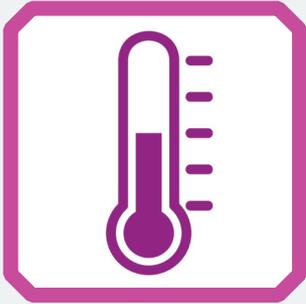


Graduates employment per sector



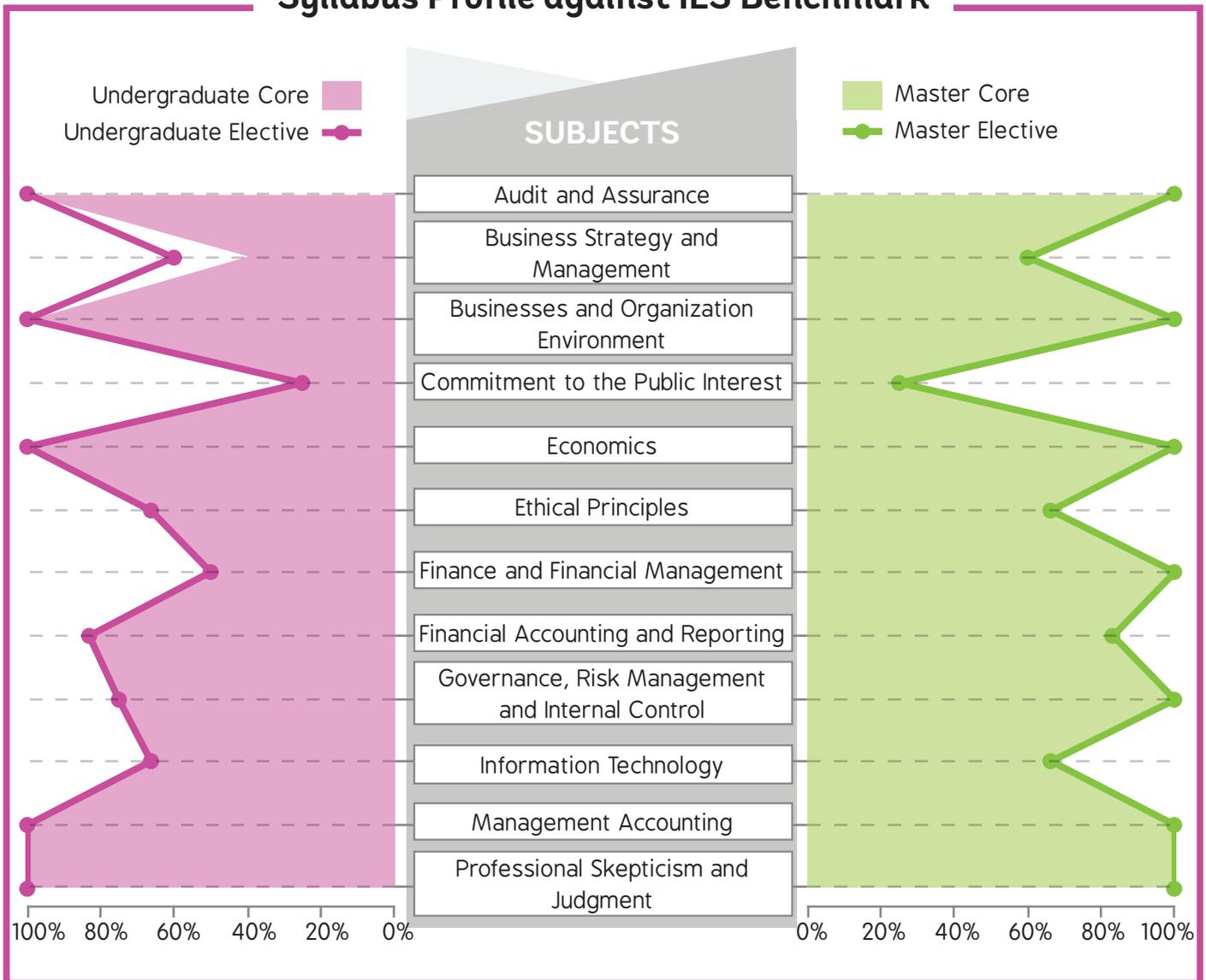
Gender

Benchmarking Results

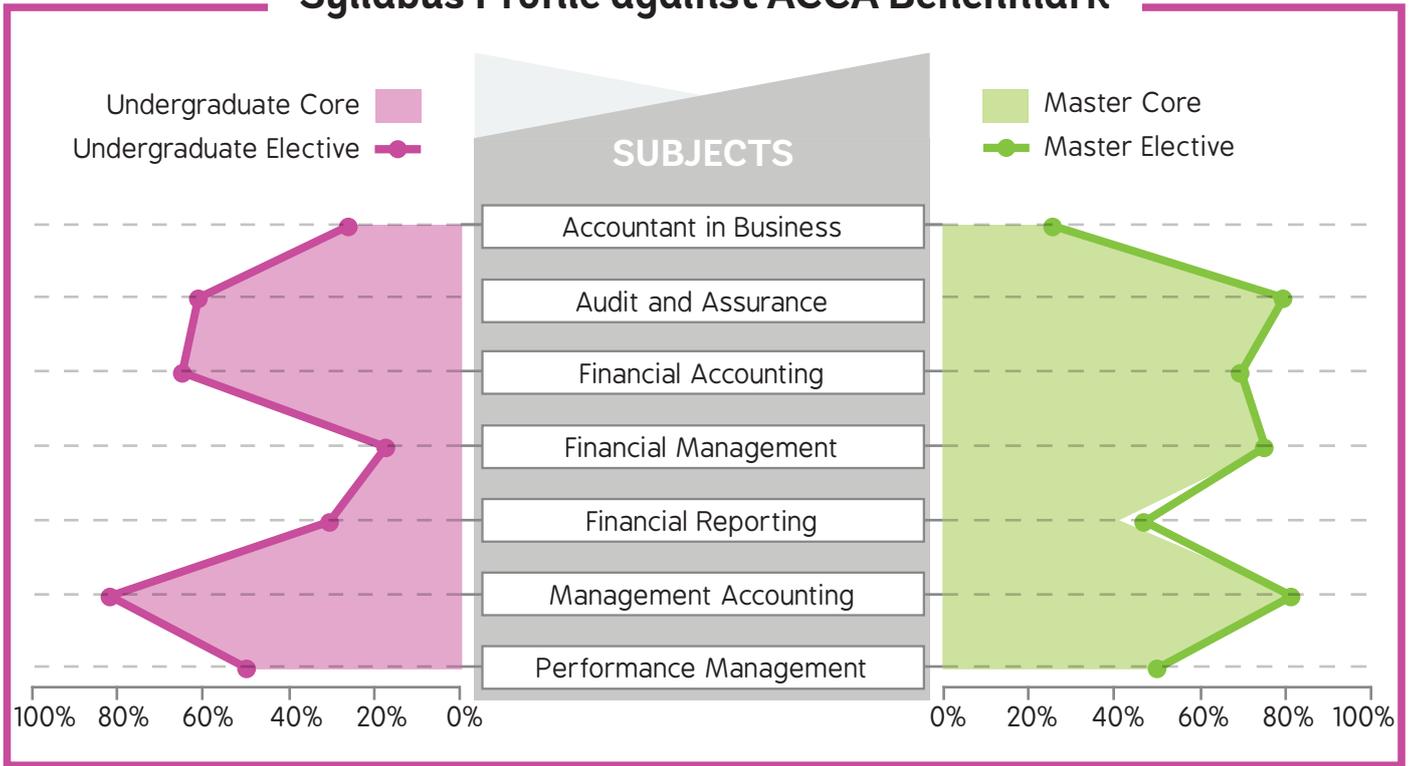


There is low coverage of Public Sector Financial Reporting in both the undergraduate and master's programs. Compared to the IES and ACCA benchmarks, strengthening the curricula in Financial Accounting and Reporting, Financial Management, Auditing and Assurance, Commitment to Public Interest, Ethics and IT could result in higher benchmarking scores.

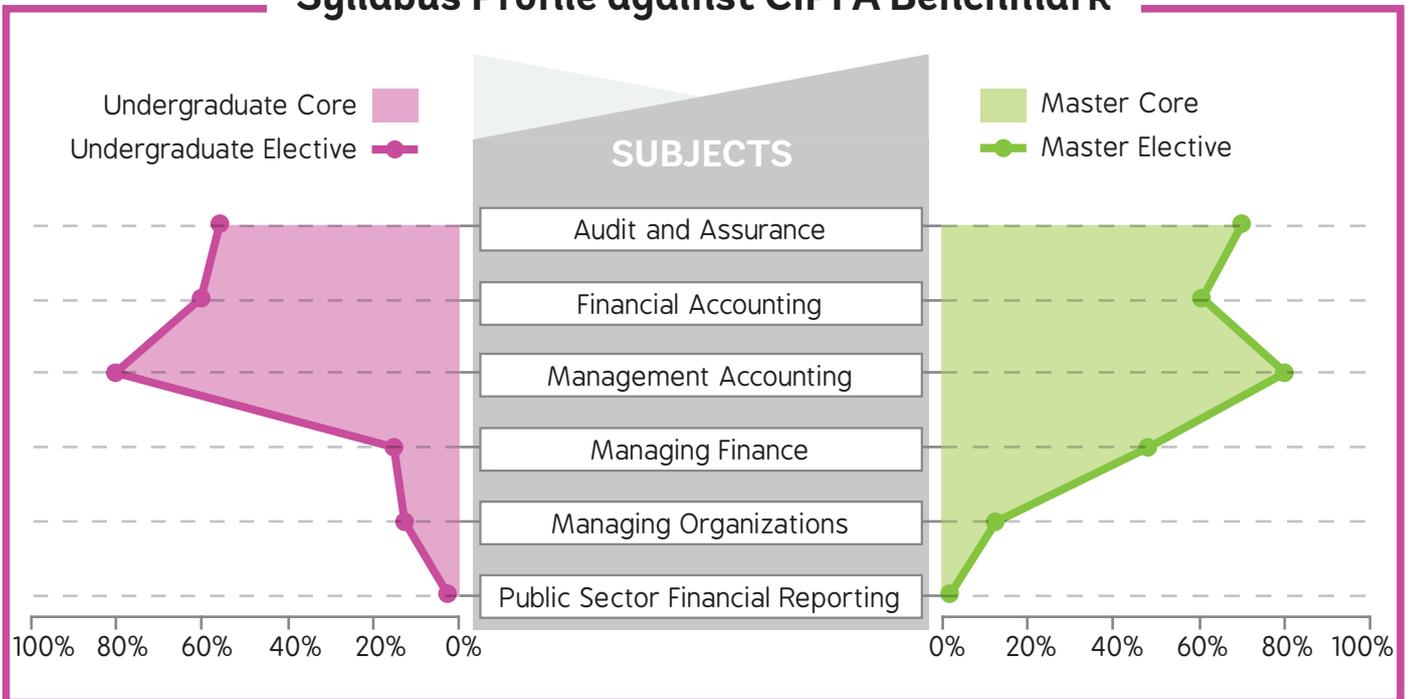
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



The Society of Certified Accountants and Auditors of Kosovo (SCAAK)

About SCAAK



SCAAK is a modern PAO with a clear mission to serve the public interest. Beside its private sector certifications, SCAAK has also developed a public sector stream to build the capacity of accountants in their public sector roles. Income from qualification programs is the most significant part of SCAAK's budget as well as an important funding source.

SCAAK was founded in May 2001 by a group of 14 professionals (including international advisors) as a not-for-profit, nongovernmental organization. SCAAK's mission is to serve the public interest by establishing and enforcing standards that ensure qualified professionals in accounting, financial reporting, auditing, and financial management fields.

SCAAK became an associate member of IFAC in 2003, proceeding to full membership in 2009. A Twinning Arrangement is in place with the Netherlands

Institute of Chartered Accountants (NBA) under which considerable guidance has been received, mainly in the area of developing a quality assurance system. With the support of the international donor community, SCAAK has evolved into a modern professional body.

SCAAK cooperates closely with the Institute of Authorized Chartered Auditors of Albania (IEKA), especially in terms of using common resources to translate IFAC materials and guides and to organize joint CPD training sessions.



The Profession

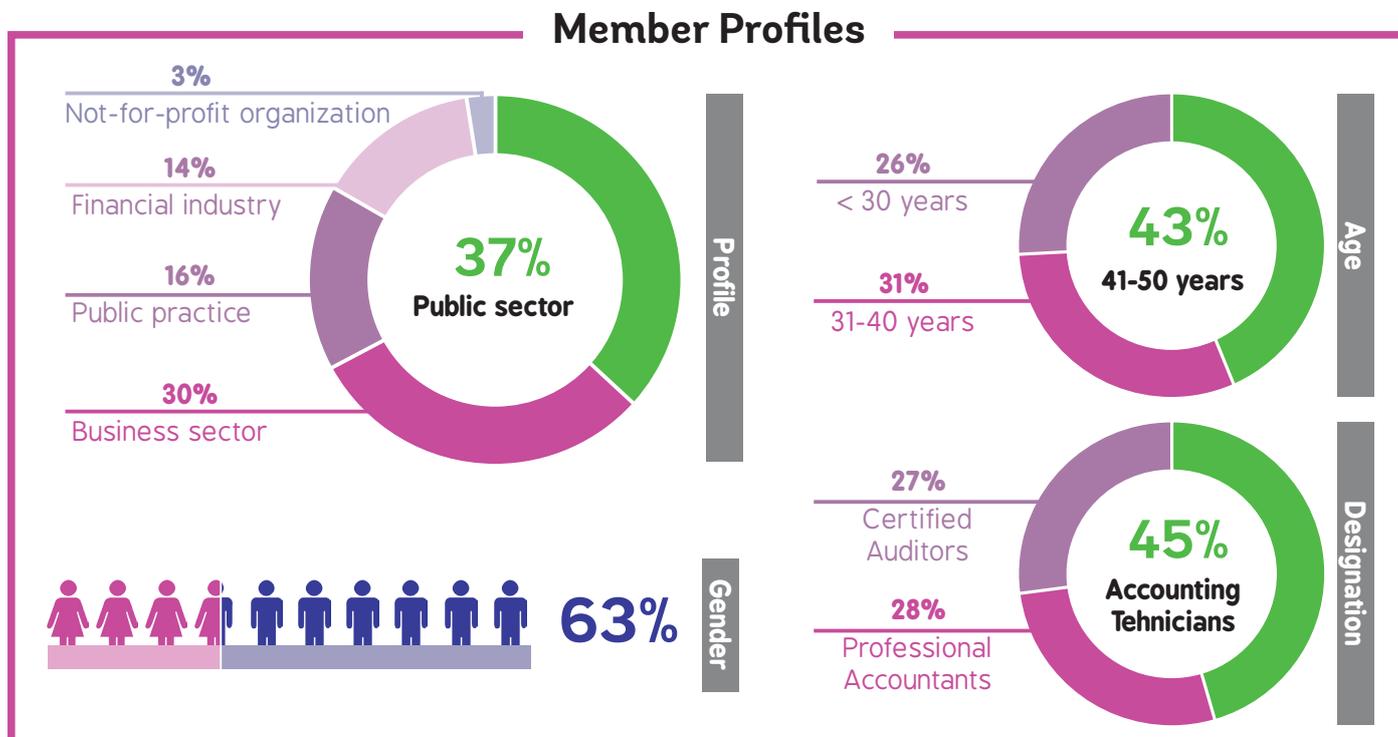
The accounting and auditing profession in Kosovo is regulated by the Law on Accounting, Financial Reporting and Auditing. The Kosovo Financial Reporting Council (KFRC) acts as a regulator and has been assigned a wide range of duties by the Law (i.e. the KFRC is designated as the standard-setter for accounting, auditing, ethics and professional audit education, as well as regulator, and enforcer). Organizationally, the KFRC has no financial autonomy and is effectively part of the Ministry of Finance. Its main funding source is the Kosovo budget, supplemented by a small income which is raised through licensing fees. In

essence, the KFRC is composed of: (i) a Board of seven experts including representatives from the Central Bank, universities, Ministry of Finance and PAOs headed by a Chairman; and (ii) a Secretariat of seven staff within the Ministry of Finance who support the Board of Experts.

Two professional bodies have been approved by the KFRC as eligible to provide initial professional development for auditors: The Society of Certified Accountants and Auditors of Kosovo (one of the oldest and well recognized bodies in the region with a vast membership representing different sectors and institutions in Kosovo) and the recently formed IKAF – Instituti per Kontabilitet Auditium Financa.

Members

SCAAK represents 1,060 active members engaged in different sectors. Its members are from key Institutions in Kosovo, including the Central Bank, Supreme Audit Institution, not-for-profit and government sector as well as the business community and accountancy profession.

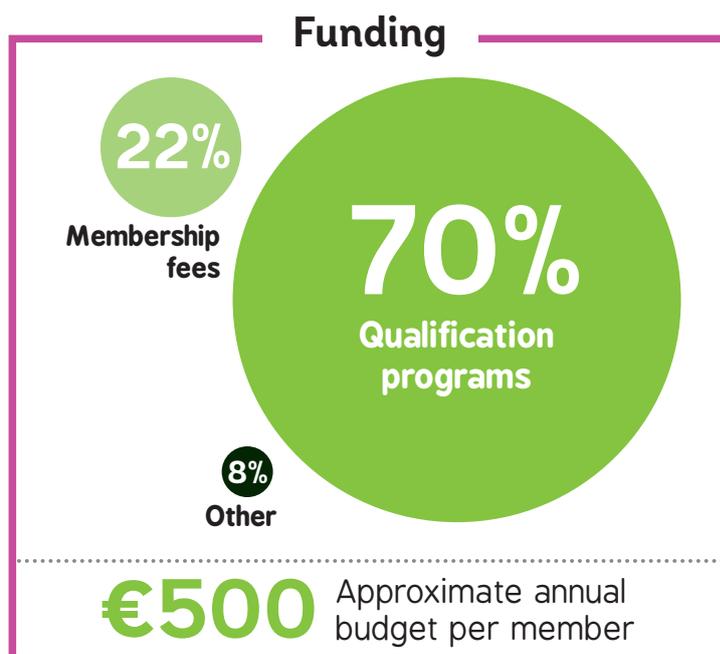


Resources

Qualification programs are the main source of income for SCAAK and there is a low dependency on membership fees in the overall budget structure. The annual budget is approximately EUR 500 per member.

SCAAK monitors performance by analyzing several key financial ratios and also evaluates the market demand through the number and percentage of new students for each training and certification program offered.

SCAAK's strategic plan includes several objectives: (i) increasing the reputation of private sector professionals by cooperating closely with higher education institutions; (ii) developing a sustainable system of Quality Assurance; (iii) building the capacity of professionals in the public sector at the national and regional level; and (iv) offering specialized training in areas of relevance to the accounting and audit profession, particularly the establishment of an internal audit certification and training program.

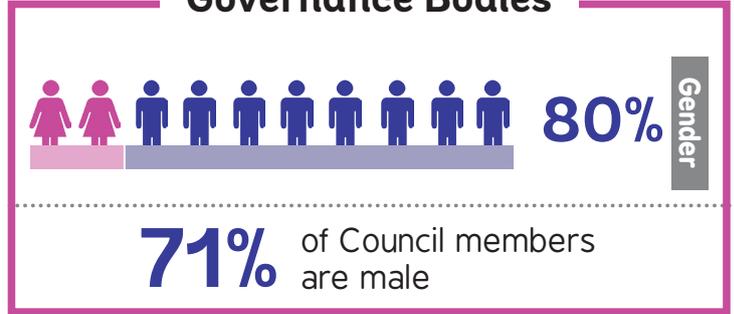


Governance

The Assembly of Members is SCAAK's ultimate governing body, which elects Council members at its annual meetings. The Council is composed of seven members who are volunteers, with the primary role of overseeing the work of the Executive office. The Council is responsible for developing by-laws and operating regulations, electing SCAAK's President and Vice-President, appointing committee members, and electing the Executive Director. Council members cannot exceed two consecutive terms in office of two years each. Two of the seven Council members are female and three are practitioners.

SCAAK's committees have been established to cover relevant areas and tasks as determined in SCAAK annual and strategic plans, according to existing work plans for each committee. There are currently seven committees: (i) Nomination Committee; (ii) Disciplinary Committee; (iii) Professional Standards Committee; (iv) Quality Assurance Committee; (v) Professional Education Committee; (vi) Tax Sub-Committee; and (vii) Insolvency Sub-Committee. Non-practicing members dominate the committees, except for the Professional Standards Committee in which practitioners comprise the majority.

Governance Bodies



Staff

SCAAK's Executive Office has 14 full-time employees: one Executive Director, one Deputy Director, three staff working on education and examination duties, one dealing with Quality Control and Assurance and eight providing administrative support. About 20 part-time consultants, most of whom are contracted as lecturers and examiners, support SCAAK's operations. The majority of the 14 full-time staff are female (9 out of 14). The Executive Office is led by the Executive Director who reports to the Council. The Executive Director's primary responsibility is to implement SCAAK's strategic plan, organize the training programs, maintain relationships with existing and prospective donors, liaise with the media, and implement decisions, by-laws, regulations, etc.

The Executive Office is functionally divided into the following five departments: (i) Department of Education and Professional Standards; (ii) Quality Assurance Department; (iii) Finance Department; (iv) Department of Legal and Procurement Matters; and (v) Department of Administration and Human Resources.



GOOD PRACTICE BOX

Being responsive to the different needs of professional accountants

One of the strategic goals of SCAAK is to offer programs tailored to specific market needs and institutions in Kosovo in order to build and increase capacity in all areas related to financial reporting and auditing. After establishing the private sector certification, SCAAK engaged in the development of new certification programs including:

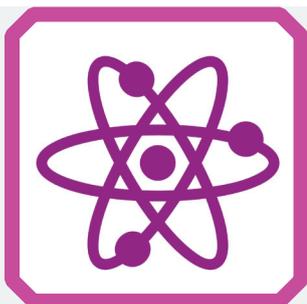
- Public Sector Certification Program, a professional title made possible through shared implementation with the Center for Excellence

in Finance in Slovenia and developed by the UK Chartered Institute for Public Finance and Accountancy (CIPFA);

- Insolvency Specialist Certification Program, a program developed with the assistance of an EU funded project between 2009 and 2011.

Furthermore, it is expected that a new Internal Audit certification program which is currently under development will be offered from late 2017.

Education and Training Program



SCAAK's professional education and training program is based on the ACCA's program, with successful candidates offered a high level of exemptions. SCAAK has a well-developed career development strategy in order to attract high caliber candidates to the profession, and also cooperates closely with higher education institutions in the country.

Entry requirements

SCAAK offers three designations for accountants in the private sector. Each designation has the following entry requirements:

- The Certified Accounting Technician (CAT) designation has the same entry requirements as universities and is available to all candidates with a high school diploma;
- The Certified Accountant designation is available to candidates who have a university degree in economics or business related fields as well as candidates who have successfully completed the CAT designation;
- Certified Auditor designation entry requirements are prescribed by law and candidates must have a university degree in economics or business-related fields.

The entry requirements are not considered excessive and allow candidates to enter the programs with a reasonable chance of completion.

Demand

The demand for participation in the certification program has remained stable and high over recent years: on average, there are between 15-20 new applicants for the Certified Auditor designation every year, of which about 10 complete the program. There are between 100 and 130 new admissions to the Certified Accountant designation, with 20 completing the program each year. There are also between 350 and 400 new CAT admissions annually, of which 90 complete the program.

Content

The current education program is based on the ACCA examination structure. SCAAK has signed an agreement with BPP Professional Education in the UK, one of the leading providers of professional accounting and auditing education materials in Europe, for the use and translation of its training materials. These examination materials are well established and include learning outcomes, examination methodology and related competences.

The education modules follow a progression model with exit points at three levels, based on an individual's career choice. In order to progress to the Certified Auditor level, all Certified Accountant exams need to be completed.

Professional Education

Certified Accounting Technician	Certified Accountant	Certified Auditor
Financial Accounting	Financial Reporting	Advanced Financial Reporting
Cost and Management Accounting	Auditing	Advanced Auditing and Assurance
Accountant in Business	Financial Management	Business Analysis
Kosovo Tax and Law	Management Accounting Applications	Professional Practice



GOOD PRACTICE BOX

High quality and up to date teaching materials

SCAAK's teaching materials and textbooks are well established and include learning outcomes, examination methodology and related competences. Each textbook is accompanied with exercise kits and mock exams simulating examination condition problems, designed for candidate practicing purposes. The study materials are kept up to date and are refreshed on an annual basis.

SCAAK has implemented a few good practices to maintain the high quality of its teaching materials:

- ▶ SCAAK has entered into an agreement with BPP

Professional Education in the UK, for the use and translation of its training materials. These materials are refreshed on an annual basis to ensure that they are up to date with changes in accounting and auditing developments.

- ▶ SCAAK collaborates with professional audit and accountancy firms on aspects relating to updates of the syllabus content in areas such as tax and law in Kosovo. Necessary changes are made to the education program and teaching materials are updated on an annual basis.

The general content of the professional examination program is published on the SCAAK website, including information about programs, examination methodology, previous exams and pass rates. Classroom training sessions for candidates are available and are delivered by a pool of internal and external trainers.

Curriculum updates and reviews

BPP Professional Education provides annual updates to the materials, which are incorporated into SCAAK's curricula. The Kosovo Tax and Law examination is the only exam that is not supported by BPP Professional Education training materials. These materials are reviewed annually and necessary regulatory updates are incorporated into the education program and teaching materials.

Examinations

Candidates are assessed via three-hour written examination papers, for which the pass mark is 50 percent. Examination questions for most exams are based on four or five case studies and real world

problems. All questions are mandatory. SCAAK has implemented detailed procedures for examination preparation and marking. Appropriate controls are embedded in the process to ensure quality and confidentiality (e.g. procedures are in place for training exam markers, auditing the quality of the marking process, re-marking examinations, selection of examination questions and approval of the examinations, appeals, etc.)

In 2015, the average pass rate for all exams ranged between 30 and 40 percent. On average, candidates require two or three sittings to successfully pass each exam.

Practical experience requirements

A combination of an input- and output-based approach is used to assess practical experience. There are no preconditions for any professional experience upon entering SCAAK education programs. Upon successful completion of the education program and passing the exams, a candidate must also obtain the following:

- At least one year of relevant accounting experience for the CAT designation;
- Three years of relevant verifiable accounting experience for the Certified Accountant designation within the last five years; and
- Three years of relevant verifiable accounting and auditing experience for the Certified Auditor designation, of which 600 hours in the last 12 months must be in audit and assurance and must be confirmed by a Certified Auditor. Practical experience gained during the Certified Accountant stage is recognized for the Certified Auditor stage and practical experience can be obtained pre- or post- examinations.

The current practical experience requirement is derived from a competence-based approach. For a Certified Auditor, this consists of eleven key competences from eight areas that need to be verified by a supervisor. For a Certified Accountant, there are eight key competences from seven areas which also need to be verified by a supervisor. Members document their

practical experience in formal records which are signed off by their supervisors. The SCAAK Members' Department may request additional documents from candidates, such as employment contracts or job descriptions. It is also entitled to audit the information provided for accuracy by contacting the supervisor directly. The verifying supervisor must support candidates' individual development in the workplace and review their progress. Currently, only Certified Auditors and Accountants and members of SCAAK or other IFAC member bodies can act as supervisors. However, plans are in place to implement an approved employer scheme.

Practice license

Upon successful completion of the examination program and the practical experience requirements, the successful candidate can approach the KFRC and apply for an audit license. This is normally granted upon provision of proof of professional indemnity insurance and payment of the licensing fees.



GOOD PRACTICE BOX

Promoting the important public interest role of the accountancy profession

SCAAK undertakes a number of activities to promote the importance of the profession in protecting the public interest. It does so by bringing together the business community and government stakeholders and engaging in various promotional and public relations activities, including:

- ▶ Participating actively as a member of various chambers of commerce;
- ▶ Serving as a member in the Business Community Office established by the President of the Assembly of the Republic of Kosovo;
- ▶ Acting as a consultant for the General Director of the Tax Administration of Kosovo; and
- ▶ Cooperating with public and private universities

and delivering presentations to their students on the importance of professional specialization in accounting and auditing.

SCAAK celebrated its 15th anniversary in June 2016 with a forum on "Professional Specialization – Essential for Economic Development". The forum successfully brought together policymakers, institutions, academia, the profession, the workforce and businesses to discuss the needs and best ways to create adequate professional training curricula in accordance with labor market needs. The event also raised awareness among the general public regarding the role of accountants and the importance of using accountancy professionals in all sectors of the economy.



GOOD PRACTICE BOX

Implementing security, timeliness and quality control procedures during examination marking

The process of examination marking is critical to ensure fairness toward aspiring candidates. SCAAK has implemented a number of security, timeliness and quality control processes to ensure that good practices are implemented during examinations:

- ▶ All examinations are marked at one location – SCAAK’s offices – in order to achieve greater control and security over the process;
- ▶ The authors of the examination questions prepare a marking guide that is reviewed by staff of the SCAAK Professional Department. This review is an important step in the process because it independently evaluates the fairness of the author’s expectations of the candidates;
- ▶ SCAAK’s Professional Department is responsible for selecting exam markers who are sufficiently independent as well as knowledgeable about matters covered by the examination. Before the actual marking begins, the selected markers are provided with adequate training;
- ▶ The identity of candidates should not become known to the markers. Should a candidate identify himself/herself in any way in the paper (i.e. by first or last name), the paper is forwarded to the Professional Department which has the authority to stop further marking;
- ▶ SCAAK’s Professional Department audits the marking process to ensure that marks have been awarded according to the marking guide. This department relies on statistical reports to determine scripts subject to audit (e.g. reports on the distribution of marks; comparison of average marks; and a comparison of the marks awarded for a particular question by one marker to those awarded by other markers for the same question, etc.);
- ▶ Papers may be remarked as part of the audit process. All marginal papers are automatically re-marked. If there is a discrepancy, the paper is marked by a third marker or it is reviewed by the marking supervisor or another senior-level person;
- ▶ SCAAK’s Executive Director approves the marks after reviewing relevant reports and statistical data on the current and past examinations; and
- ▶ Markers prepare a report on the examination papers marked, no later than five days after the publication of the examination results via SCAAK’s web page. This report aims to provide candidates with a general overview of their performance and serves as guidance to new candidates who are sitting the examination for the first time.



GOOD PRACTICE BOX

Providing tools and guidance to meet practical experience and professional skills requirements

In order to encourage and guide students to develop relevant skills and competencies in the workplace that will equip them for a successful career as a professional in accounting and related areas, SCAAK has developed several resources and guides. These include:

- ▶ SCAAK's practical experience and skills policy, which is a comprehensive document that candidates and students are required to use while documenting their work and to match such work with the competencies determined in SCAAK's policy. The policy provides details regarding the practical experience requirement and also elaborates on the professional skills that successful candidates should have attained by completion, including technical, leadership and general managerial skills;
- ▶ In a profession which is still considered "new" in Kosovo, selecting an appropriate supervisor can be challenging due to the size of the profession and because the supervisor's role is not always understood. SCAAK's guidance is also used as a tool for supervisors to understand the requirements when signing off on a candidate's competencies; and
- ▶ Practical experience forms and templates are provided to help candidates document the practical experience that they have attained.

SCAAK is presently developing requirements for an approved employer's scheme. This process is to be launched soon through a new practical experience guidance policy.

Recognition

Candidates qualified under an education scheme of another IFAC member body may have their qualifications recognized if they successfully pass the tax and business law exams.

ACCA offers the following exemptions:

- CAT holders are exempt from the paper in Financial Accounting, Management Accounting and Accountant in Business;
- Certified Accountants receive exemptions from papers in Financial Accounting, Management Accounting, Accountant in Business and Financial Management; and
- Certified Auditors receive exemptions from papers in Financial Accounting, Management Accounting, Accountant in Business, Financial Reporting, Audit and Assurance and Financial Management.

SCAAK also concluded a Memorandum of Understanding with IEKA Albania for mutual recognition of qualifications.

Further, SCAAK has a mutual system of recognition with CIPFA for the public sector designation:

- Existing SCAAK Certified Auditors with five years or more post-qualification experience in the public sector in Kosovo are offered full CIPFA membership and are exempt from all CIPFA exams.
- Successful candidates who undergo the SCAAK-CIPFA jointly accredited public finance management qualification will be exempted from all CIPFA courses and will receive full CIPFA membership upon completion of at least three years of relevant practical experience.

Continuing Professional Development (CPD)



CPD obligations for Certified Auditors are prescribed by law and are monitored by the Kosovo Financial Reporting Council (KFRC). There are voluntary CPD requirements for Certified Accountants and CATs. Although SCAAK often reminds members of their CPD obligations as well as the importance of CPD, stronger monitoring and non-compliance measures should be implemented.

Requirements

The CPD requirement for statutory auditors is mandatory and set in law. The KFRC is responsible for supervising the system for CPD and only professional bodies licensed by the KFRC are allowed to provide CPD training for their members. SCAAK has put in place the following voluntary CPD requirements:

- For Certified Auditors: 120 hours of CPD training each rolling three-year period (of which 78 must be verifiable), and minimum 40 hours of CPD training per year (of which 24 hours must be verifiable).
- For Certified Accountants: minimum 40 hours of CPD training per year (of which 18 hours must be verifiable).

The following development activities are considered eligible CPD units:

- Verifiable CPD: seminars and courses organized by SCAAK, IFAC member bodies and other internationally recognized accountancy training providers.
- Non-verifiable CPD: attending academic conferences, formal education (master's, PhD, specialization, and other relevant professional qualifications), practical experience in a new professional role, coaching and mentoring, networking, developing and delivering CPD in relevant areas, writing articles, research and publishing books.

The average number of attendees for each CPD event organized by SCAAK is around 100-150 SCAAK members. There are between six and seven annual CPD events.

SCAAK communicates the importance of CPD to members through webpage notices which are disseminated to members. SCAAK also promotes CPD opportunities through its membership with Business support organizations.

Measurement methods

CPD is measured using an input-based approach. SCAAK keeps a log for each member to record and track CPD hours. Statutory auditors need to file a statement signed by SCAAK with the KFRC to confirm that the annual CPD requirement has been met, detailing the number of CPD hours achieved and listing the CPD topics. If such a statement is not provided, then a Statutory Auditor's license will not be extended. Since CPD requirements for Certified Accountants are voluntary, non-compliance is not sanctioned by SCAAK.

With IES 8 coming into force in July 2016, output-based measurement systems for CPD for Statutory Auditors will need to be put in place. This will require that audit partners demonstrate the achievement of the learning objectives required by the revised IES 8.

CPD program

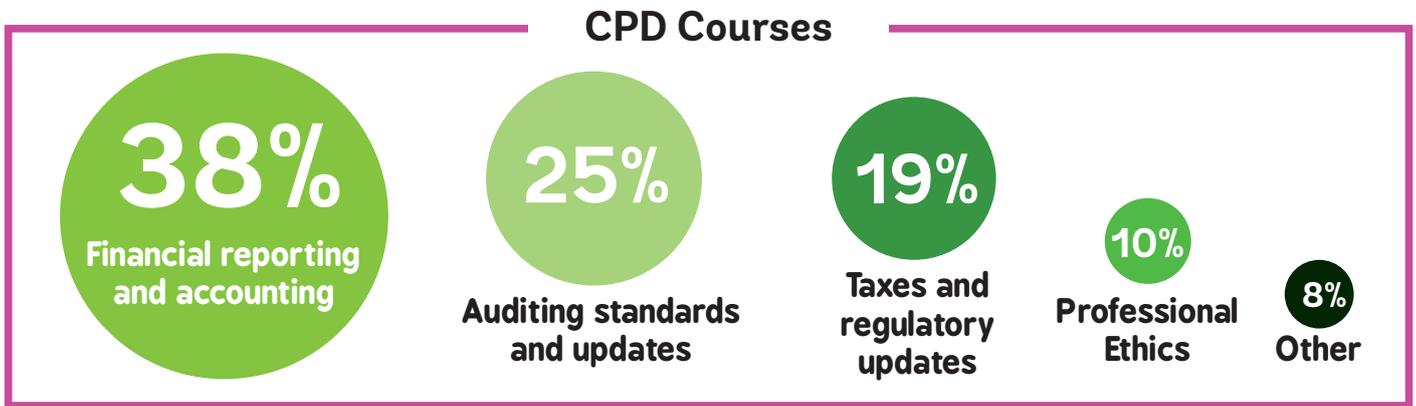
SCAAK's Professional Department initiates the development of the CPD program content, ensuring that the program covers relevant competence areas and desired learning outcomes sufficiently. The annual CPD program is also approved by the Education and Professional Standard Committee.

SCAAK is equipped with surveying software to improve communication with its members and identify their professional development needs. CPD feedback is also collected via this tool and used to develop or enhance future CPD offerings.

Members assess which CPD content is relevant to them, based on their work and/or specialization.

There is no separate CPD stream for Certified Auditors. There is sufficient coverage and an equal division between topics covering financial reporting requirements (IFRS Standards and the SMEs Standard), auditing standards (ISA and ISQC 1) and taxes and business legislation. Professional ethics is also covered each year.

Other training courses include some specialized industry training (e.g. contract costing for construction companies). However, more efforts are required to introduce training on soft skills (coaching, mentoring, leadership, communication skills training) and specialized offerings for accountants who operate in specialized sectors and industries.



GOOD PRACTICE BOX

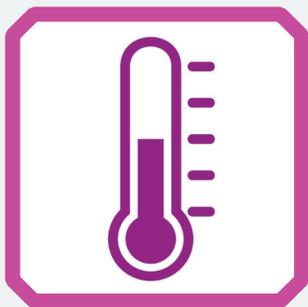
Maintaining a CPD lecturers' database

SCAAK has a group of internal CPD trainers with adequate technical and soft skills to deliver CPD training. In addition, a contact database is maintained of external experts and practitioners who specialize in different topic and fields, as well as recognized members of academia.

The criteria used to select CPD trainers include: (i) relevant work experience; (ii) professional

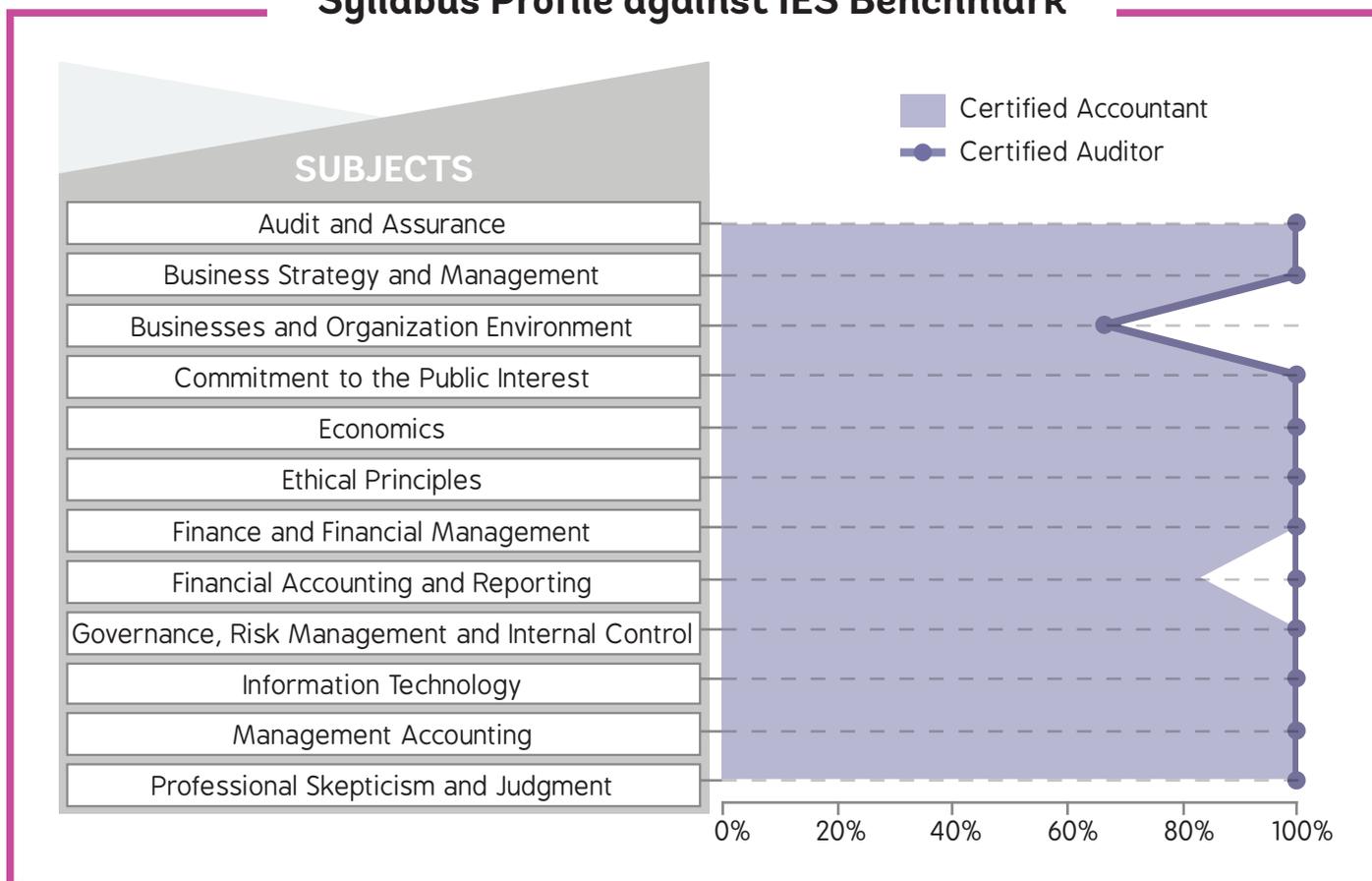
reputation; and (iii) teaching experience. For ISA CPD courses, SCAAk usually contracts experts from international audit firms who have practical as well as teaching experience. The CPD speakers are usually the same as those who prepare the CPD content. SCAAk also organizes joint CPD events with IEKA and benefits from sharing experiences and CPD sessions through regional cooperation.

Benchmarking Results

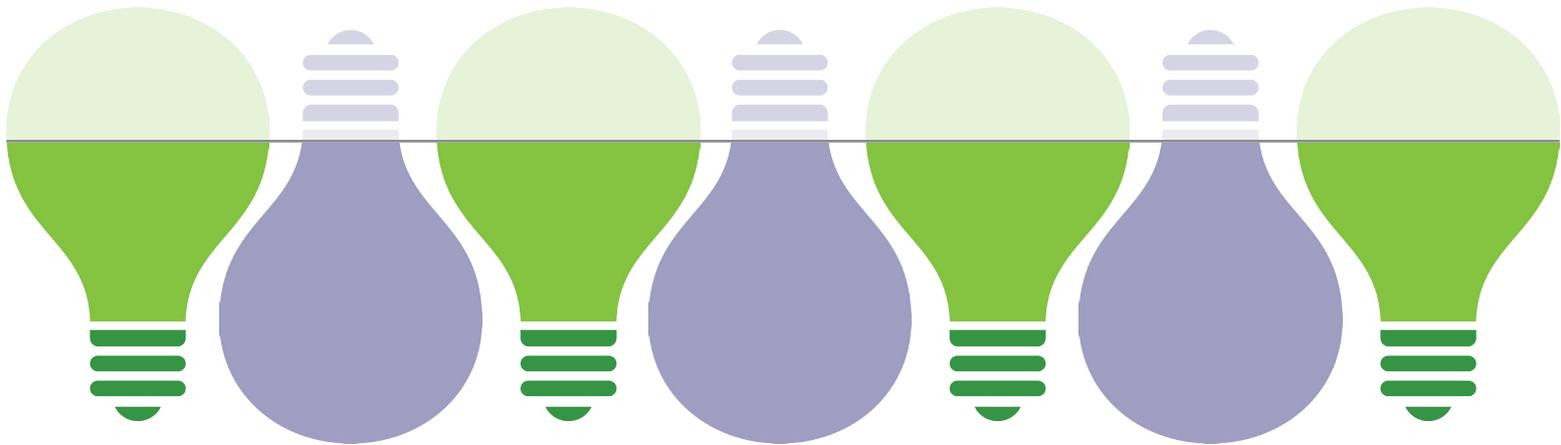
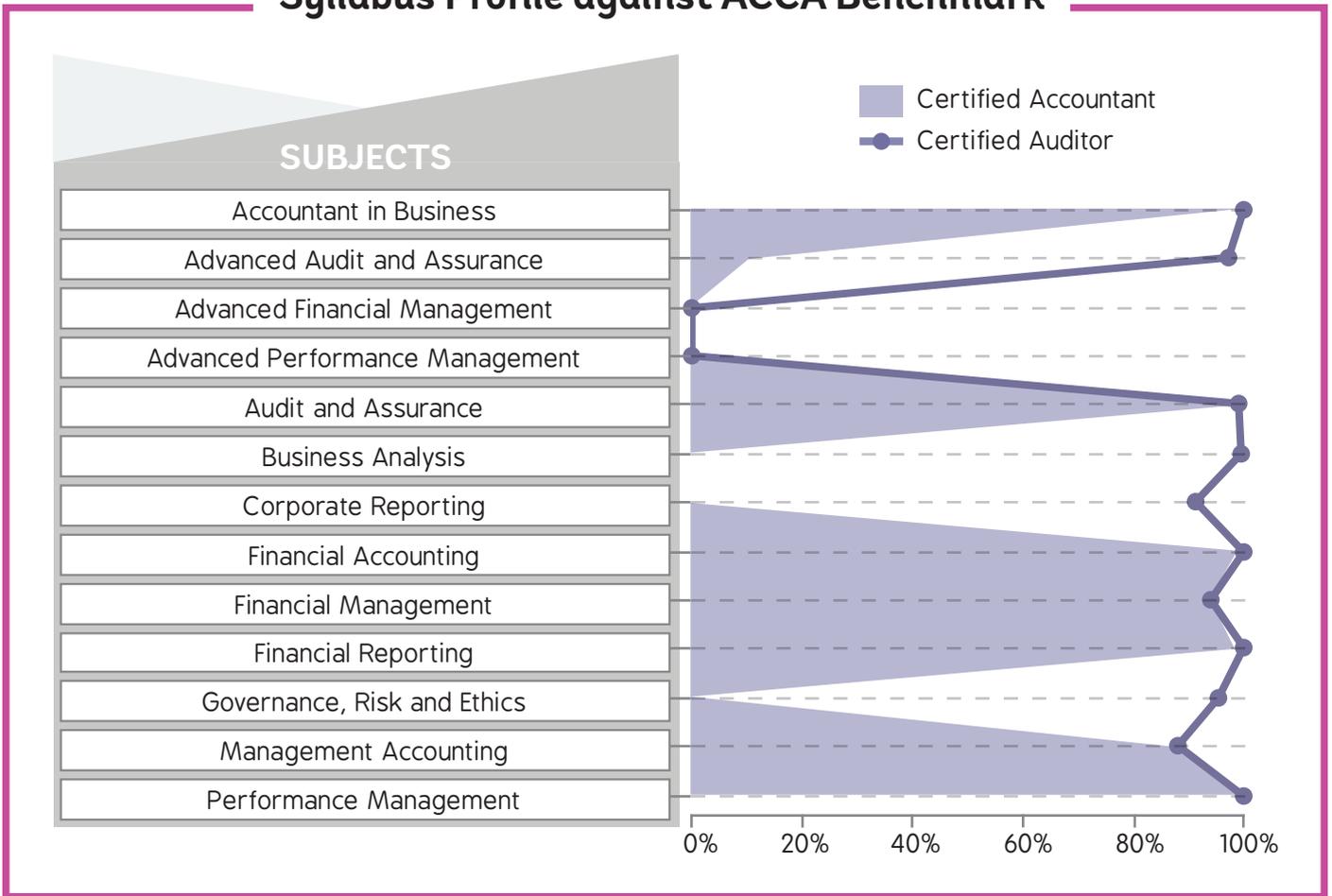


The SCAAK education program scores well against the IES benchmark, with a few improvements required in the area of Business and Organizational Environment and Financial Accounting and Reporting to fully meet all learning outcomes. Progression between the Certified Accountant and Certified Auditor qualification in terms of proficiency levels is quite good.

Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark





Macedonia FYR at a glance



Ss Cyril and Methodius University in Skopje, Faculty of Economics-Skopje

About the Faculty: The Faculty is partly autonomous and relies primarily on student fees for funding. The Faculty offers a wide range of programs at the undergraduate, master's and doctoral levels. Its programs are nationally accredited.

The **Accounting program** should be reviewed in shorter review cycles. There are internship and practical experience requirements for completion of the undergraduate program and some exemptions to the ACCA program apply.

Demand for accounting education is stable and approximately 20 percent of undergraduates at the University enroll in Accountancy programs; Master's programs in Accountancy are also popular with students.

Faculty resources: Staff at the Faculty are highly qualified and engage with the local profession. There is a high teacher-student ratio and a high concentration of teaching hours by few professors. Approvals for new staff are not planned.

Benchmarking results: Master's programs achieve very high scores when benchmarked against IES. Improvements in financial accounting and reporting and IT learning outcomes would result in further alignment. Both undergraduate and master's programs would benefit from additional courses on Public Sector Accounting given the relatively lower scores compared to the CIPFA syllabus.

About ICARM: this professional body of auditors has been an IFAC member since 2013. Half of its members are in public practice, and nearly one quarter are engaged as internal auditors in the financial sector. ICARM is predominantly funded by membership fees. Other revenue sources are fees from professional qualification and CPD.

The **professional education and training program** is based on the ACCA curriculum. Teaching materials are well developed. However, learning outcomes for professional skills and professional values, ethics and attitudes, are not prescribed. Implementing a more structured and regular process for updates of the syllabi is necessary. Practical experience is met purely based on the length of time employed with an audit firm.

CPD requirements are prescribed by law and ICARM is currently the only accredited provider. CPD is provided in classroom-based sessions at set times during the year. Adopting an output-based approach aligned to the requirements of IES 8 is necessary.

Benchmarking results: The program achieved high scores compared to IES, particularly on Auditing and Financial Accounting topics. Introducing more advanced papers with an advanced level of proficiency could align the program better with the ACCA benchmark.

**Institute of Certified Auditors of the
Republic of Macedonia (ICARM)**

Key survey facts



2

Respondents



3

Educational Programs



235

Students



Auditing and Accounting ROSC Update: Areas for Consideration Relating to Accountancy Education and Training

The 2014 Accounting and Auditing ROSC Update (ROSC A&A) proposed several areas for further consideration concerning accountancy education and training, including the following:

- ▶ Universities need further resources to improve their curricula and materials, and to update the knowledge of professors. Syllabi incorporate all the relevant topics but they fall short in providing the necessary materials to familiarize students with the practical implementation of the applicable standards;
- ▶ Universities need more flexibility to draw on additional resources, such as donor-funded projects or twinning projects. Faculties currently seem to be somewhat restrained from initiating such liaisons in a timely manner by the Law on

High Education;

- ▶ The Institute of Certified Auditors of the Republic of Macedonia (ICARM) and universities should cooperate in promoting the profession among students. ICARM could play a more prominent role in the design of the undergraduate and graduate courses proposed by universities and accredited by the Ministry of Education. Furthermore, ICARM could collaborate with universities on the design and delivery of CPD programs; and
- ▶ Collaboration between universities and the business community should be enhanced to create an accounting and auditing workforce to better meet the needs of the market in the medium- term.

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Ss Cyril and Methodius University in Skopje, Faculty of Economics-Skopje

About the Faculty



Student fees are the dominant source of funding, contributing 74 percent of the university's overall budget. Degrees are provided at undergraduate, master's and doctoral levels. All programs are accredited at the national level only.

The Faculty of Economics is part of the public Ss Cyril and Methodius University in Skopje established in the 1950. The Faculty is the first national higher education institution in the country in the field of Economics and Business. Since its establishment, 58,600 students have joined the Faculty and 20,885 have graduated. The Law on Higher Education and the Statute of the Ss Cyril and Methodius University in Skopje provide the governance and other frameworks for operation of the Faculty.

Sources of funding

Student fees are the main source of funding and contribute 74 percent of the university's available budget.

Funding Sources



The University Segment

The Higher Education System in the country is represented by five public and eighteen private universities.

Public universities dominate the higher education system and provide education to 87 percent of all enrolled students in 2014/15. The largest and most dominant university in the country is Ss Cyril and Methodius University in Skopje, which accounts for 43 percent of all enrolled undergraduate students in the country.

Undergraduate and master's programs with a significant accountancy component are offered at several public universities: University Ss Cyril and Methodius in Skopje; University Ss Kliment Ohridski; UGD; Stip; Bitola; and the University of Tetovo.

Level of autonomy

The Faculty is free to design new curricula and introduce new programs, subject to the approval of the Faculty's Board for Cooperation with the Public as well as the State Board for Accreditation and Evaluation of Higher Education. The number of teaching hours per program is defined according to the Law on Higher Education. The assessment methodology is decided by the Faculty, consistently applied across all courses, and provides for oral and written examination formats as defined by the regulation. The Faculty is independent in establishing academic partnerships with other faculties and universities in the country and abroad. If it wishes to participate in consortia for the purposes of applying for EU-funded projects, approval is needed from the central University Head Office.

The overall number of students admitted to the Faculty is determined by annual quotas set by the Ministry of Education and Science and approved by Government Decision. In 2014, the annual student quota was increased from 150 to 210 students and the Accounting and Auditing program fulfils approximately 90 percent of this quota.

All candidates with a high school diploma can enroll in the undergraduate program and there is no entry exam. If the number of applicants exceeds the quota, candidates are ranked according to their high school grades and state graduation exam scores.

The master's program in Accounting and Auditing admits approximately 53 students annually and has about 13 graduates.

Education programs

There are seven active undergraduate programs: (i) Accounting and Audit; (ii) Economics; (iii) Financial Management; (iv) International Trade; (v) Management (all established in 1998); (vi) Marketing (established during 1992) and (vii) E-business (introduced in 2002). The Faculty also has 11 master's programs, most of which were introduced between 2002 and 2008. The oldest program in Marketing was established in 1972. There are four active doctoral programs, which were all introduced in 2012.

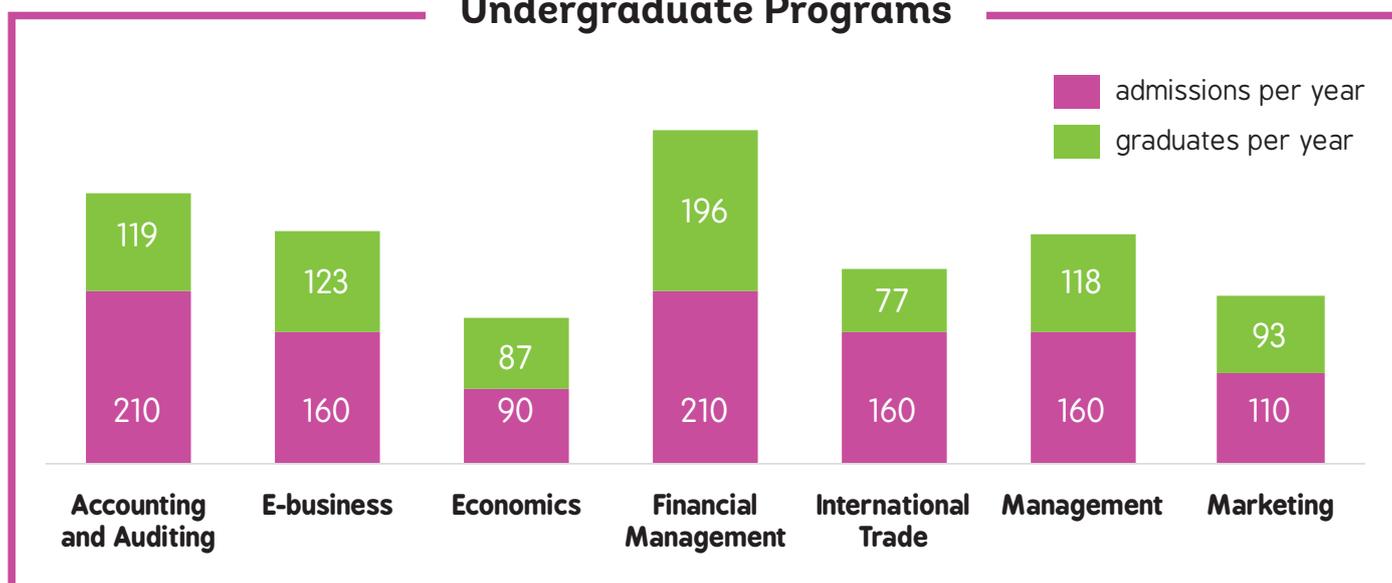
All undergraduate programs last for four years (eight semesters and 240 ECTS). Master's programs are of both one and two year durations. Undergraduate programs consist of compulsory and elective courses. The composition of master's programs varies, with some comprising compulsory and elective courses, while others only offer core courses.

Accreditation

The country joined the Bologna process in 2003 and has been a member of the European Higher Education Area since then.

All programs are accredited at the national level. The university's programs are focused on the local market without any strategic ambitions to expand regionally or internationally. There have been no attempts to apply for programs accreditation abroad. University management views international accreditation as costly when taking into consideration the resources that are available.

Undergraduate Programs



The Accounting Program



Annual updates and improvements are incorporated into the syllabus while an overall review of the curricula is performed in 10-year review cycles. The teaching materials are well established for most subjects and could be enhanced by introducing additional practical exercises and case studies. Practitioners are only occasionally involved in the teaching process.

Type of degrees

The Faculty offers an undergraduate degree in Economics with a specialization in Accounting and a master's degree in Accounting. A doctoral program was introduced in 2012 which offers a PhD in Organizational Science (Management) with a specialization in Accounting and Auditing.

Curriculum

The table below shows the core and elective courses in the undergraduate Accounting and Auditing program:

Undergraduate

First Year	Second Year	Third year	Fourth Year
Principles of Accounting	Financial Accounting	Corporate Financial Reporting	International Financial Reporting
	Cost Accounting	Auditing	Government Accounting and Accounting for Not-for-Profit Organizations
		Financial Management	Internal Auditing
		Managerial Accounting	Financial Statement Analysis

Elective courses:

- Accounting Control Systems;
- Accounting for Banks and Other Financial Institutions;
- Strategic Management Accounting;
- Performance Management.

The table below shows the core and elective courses in the master's Accounting and Auditing program:

Master

Academic Year	
External Reporting	Elective courses: <ul style="list-style-type: none"> • Financial Management • Accounting Information Systems and Technologies • Performance Measurement • Fraud Examination
Auditing	
Financial Statements Analysis	
Strategic Management Accounting	

Linkages to professional qualification

There are no exemptions for graduates when applying to join the professional examination program offered by the PAOs.

The ACCA offers exemptions from some basic papers, as follows:

- Bachelor or master's degree in Accounting and Auditing – students are exempt from the following ACCA papers: Accountant in Business, Management Accounting, Financial Accounting and Corporate and Business Law.
- Bachelor or master's degree in Financial Management – exemption from ACCA papers in: Accountant in Business, Management Accounting and Financial Accounting.
- Bachelor or master's degree with concentrations in other areas are offered an exemption from the ACCA paper in Accountant in Business only.

Practical experience

The undergraduate program has a requirement for an internship of 30 days annually for each of the four years of the program. The master's and PhD programs do not have any practical experience requirements. Involvement of practical experts in the teaching process is rare and limited to occasional short lectures by guest speakers.

Curriculum updates and reviews

The structure, content and curricula of the undergraduate and master's programs were last updated in 2012. Syllabi are updated annually when a need is detected by the coordinator. In the past, overall review of curricula were completed in 10-year cycles. An update is planned for 2016/2017 in order to meet the requirements of the new Law for Higher Education.

Program evaluations

Each course in the undergraduate program is evaluated through a student satisfaction survey. Students are asked to evaluate the quality of the teaching in the following ways: (i) understandability of materials; (ii) the professor's ability to deliver quality lectures; (iii) the professor's availability for additional consultations; (iv) the appropriateness of communication, practical exercises and their usefulness; (v) the degree of difficulty of the examination process; and (vi) the appropriateness of the exam format and assessment methods. The results of the evaluation and the annual assessment report, which are prepared on the basis of the survey, are published online. There is no evaluation of the teaching process at the master's level.

Teaching materials

The overall quality of materials is good. However, the quality and availability of materials for some courses could be improved. Some textbooks are outdated and others need to be enhanced with supplementary questions and exercise kits in order to make the subject matter more understandable for undergraduate students. Since materials and textbooks are considered to be expensive, the accountancy library materials could be significantly updated and more copies of the materials made available. There is some use of English language materials, mainly for case studies, project assignments or in-class exercises.

IT technologies are used by some professors mainly to communicate with students, distribute course materials and disseminate announcements. PowerPoint and other visual presentation techniques are used predominantly during course lectures.

Assessment methods

Course assessments are through written examinations: mid-term tests (contributing between 50 and 60 percent of the overall grade) and final exams. Group project assignments contribute between 20 and 30 percent of the overall grade and in-class assignments and activities account between 10 and 20 percent toward the final grade.

Faculty Body

The Faculty body is well qualified and engaged in professional development activities. Factors that do not favor a high quality learning environment include a high student to teacher ratio and the lack of sufficient professors and administrative support.

The teaching norm ranges between 90 to 270 teaching hours per semester. Actual teaching hours are 270 to 360 annual hours for full-time professors and between 180 and 240 annual hours for assistant professors. High actual hours compared to the teaching norm result from a lack of sufficient professors.

The teacher-student ratio in the final year of study is quite high (120 students per professor) which is not conducive to achieving a quality learning environment. The Faculty body is of the opinion that the number of accounting professors in the department is insufficient and the administrative assistance for teaching staff is inadequate.

Professors' salaries are sufficient to retain current members of faculty and attract new members, however no approvals of new Faculty hires are expected.

All Faculty members have a doctorate in Accounting. One assistant professor is an ACCA affiliate and two full-time professors have a local (Certified Auditor) qualification. The English language proficiency of the Faculty body is considered average.

The Faculty body is involved in professional development activities such as delivering accounting conferences and seminars as well as publishing books and articles in accredited journals. Additional effort is required to engage in exchange visits abroad, publish manuals and be more engaged in attending CPD events.



5
Faculty members

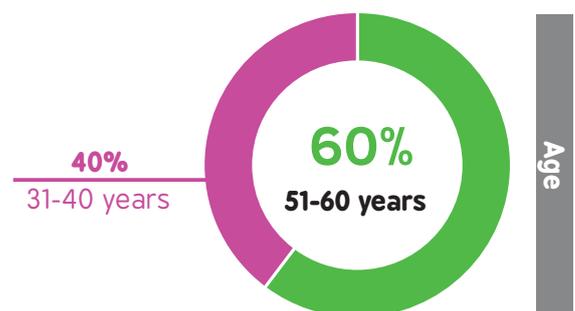
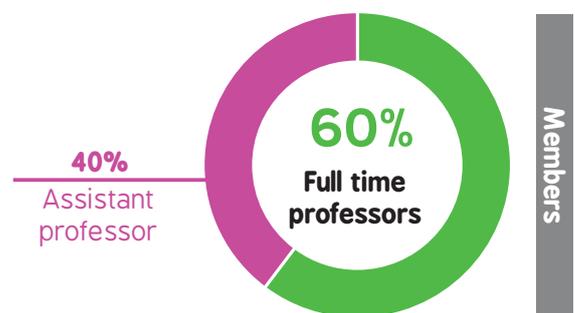


100%
Senior staff



1:120
Teacher to student ratio

Faculty Profiles



Student Body

The demand for accounting education has been stable and moderate, with 55 percent of students able to find work within six months of graduation. Accounting students are provided with good opportunities to network with the corporate world.

The demand for accounting education remains stable and moderate. The number of students admitted in the 2014 undergraduate accounting program was 173 students. Master's accounting programs are also in demand, with 26 students enrolling in 2014. Approximately 20 percent of the Faculty's students choose the Accountancy undergraduate program.

Students' English language proficiency is assessed as good.

Student drop-out rates are low and average about 3.5 percent.

The average time required to complete a degree is four years and eight months for all graduates, while for accounting students it is four years and five months.

Linkages with the business sector

The Faculty has an active engagement with local and international audit networks as well as with the Professional Organization of Auditors (ICARM) and the business community. The strategic plan of the Faculty includes several activities to enhance cooperation with the corporate sector including: (i) the development of an alumni network; (ii) partnerships with companies to foster internship programs; (iii) consulting with business professionals when developing new programs and curricula; and (iv) involving professionals (executives, practitioners) more frequently in the teaching process.



20%
Students choose accounting programs



25%
Students find employment in the public sector



55%
Students find employment within 6 months of graduation

Student Profiles



Graduates employment per sector



Gender

The Faculty has not yet developed an alumni network and has poor tracking of its graduates. It is estimated that over 60 percent of graduates take accounting and audit related positions after graduation. This figure rises to 90 percent for master's program graduates. Around 30 percent of students find employment upon graduation, with 55 percent finding employment within six months of graduation.

There are some activities that provide links with the corporate world, including:

- The Faculty Career Center, which acts as a link with the business sector. A few events are organized every year with the companies that collaborate with the Faculty (e.g. Open day – every April, First Academic Class – official beginning of the academic year, etc.);
- Career days, which are organized jointly with the student organization AIESEC;

- Macedonian Youth to Business Forum, which is organized jointly with the student organization AIESEC;
- Free of charge workshops organized in cooperation with the American Chamber of Commerce (AmCham) to help students enter the labor market by developing their presentation and communication skills, team work, and fostering effective job search skills, etc.;
- Workshops, initiated and moderated by students;
- Promotion of the Program for Young Bankers (ProCredit Bank Skopje); and
- Conclusion of bilateral agreements by the Faculty with over 35 companies for student internship programs.



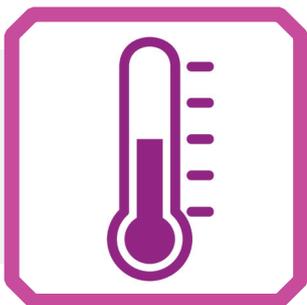
GOOD PRACTICE BOX

Supporting the student learning process and talent recruitment through partnerships

The Faculty of Economics, in cooperation with an international accounting firm, is implementing a program to develop young potential. The program looks at how a business case competition can help students learn, make the profession more attractive to multidisciplinary students, and help international accountancy practices identify and recruit young professionals. The program was launched in 2013 and includes a case study scenario competition, where accounting, finance and business law students work in groups to develop a solution to simulated professional practice problems. The results of their group work are presented during

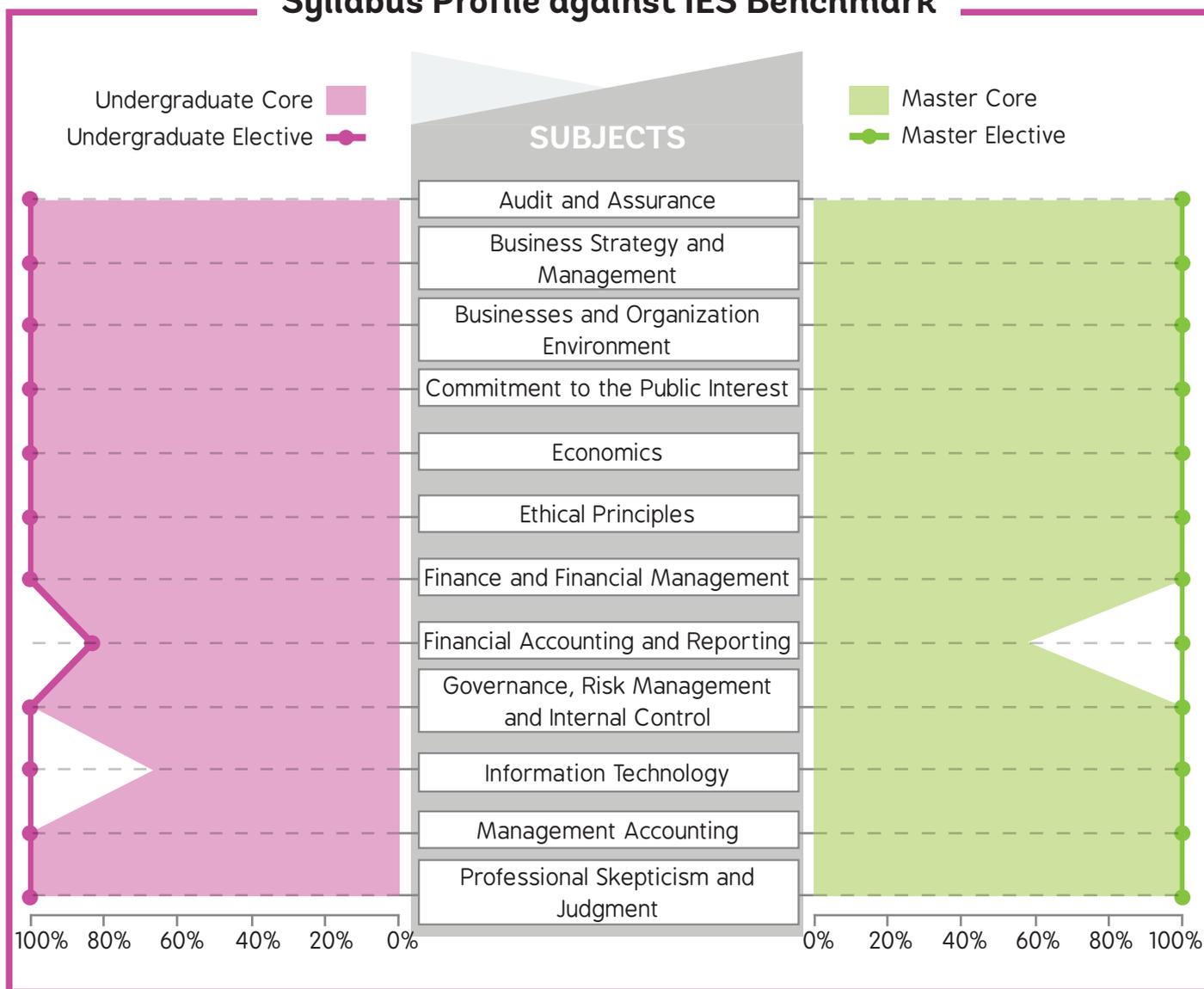
a public dissemination event. The best performing students are awarded certificates as well as winning internship and employment opportunities with the international accounting firm. The program has been evaluated as a great success both from the students' perspective and by the international accounting firm. Students are provided with a good insight into professional accounting practice and develop their initial career skills. The international accounting firm also benefits from increased good publicity, social responsibility and a more structured recruitment process.

Benchmarking Results

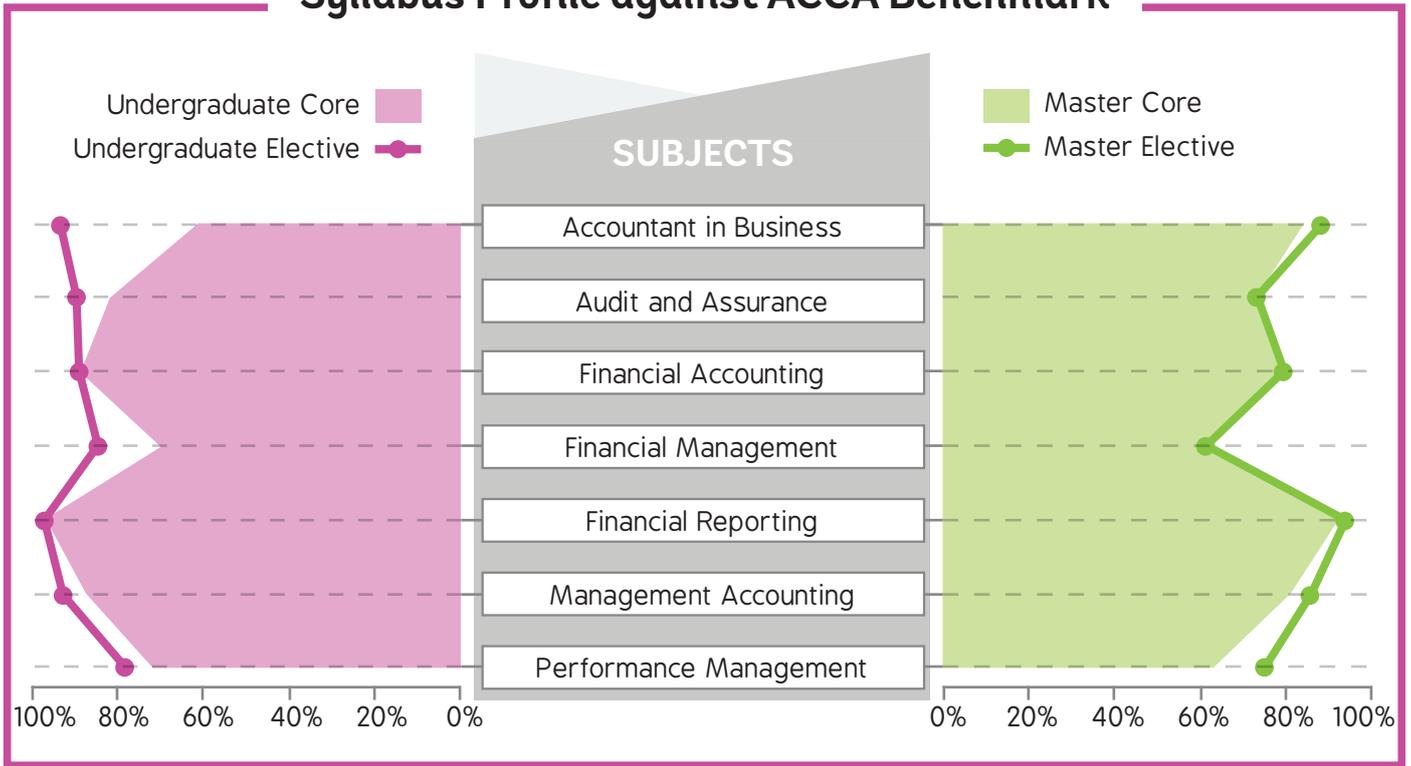


The master's program with all electives scores 100 percent against the IES benchmark. Scores at both the master's and undergraduate levels against the CIPFA syllabus could be improved by introducing accruals based accounting topics.

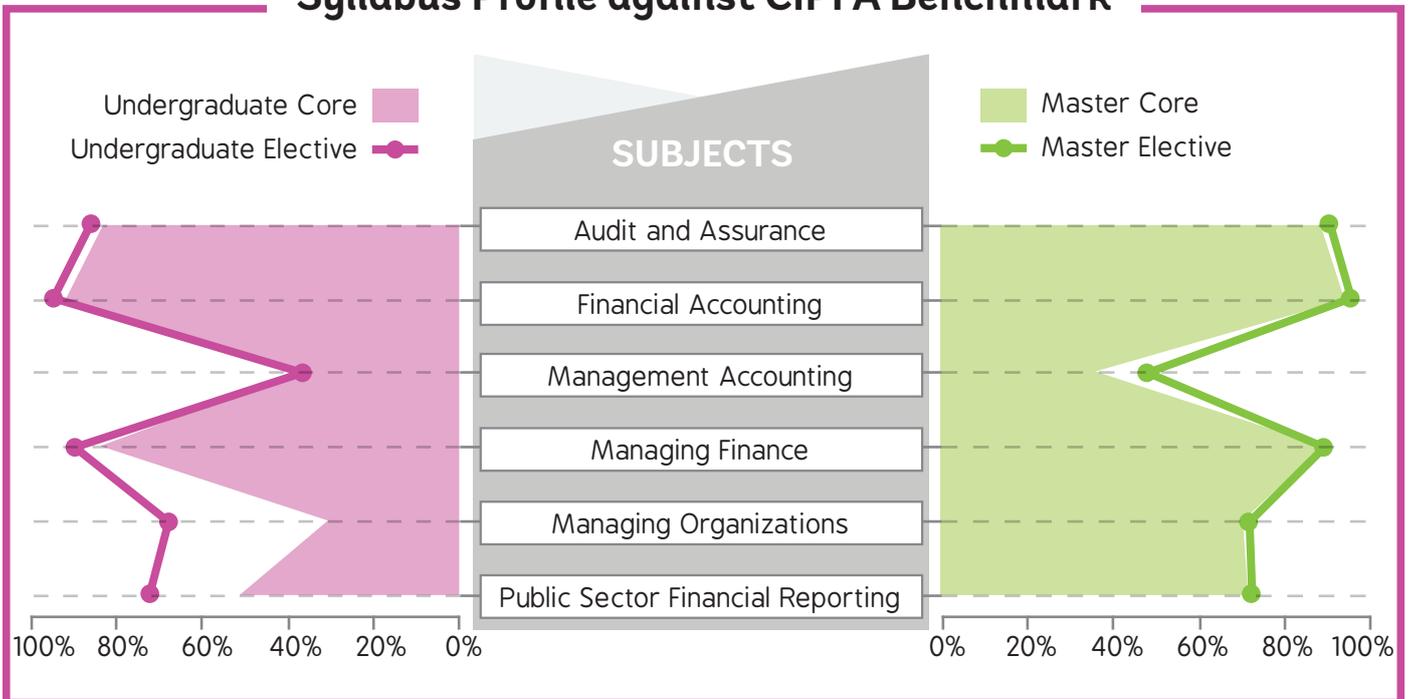
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



Institute of Certified Auditors of the Republic of Macedonia (ICARM)

About ICARM



ICARM is a professional body of auditors with a mandate provided by law. It has been a member of IFAC since 2013. ICARM has a well-developed system of quality control and professional education. Its main sources of income are membership fees, and fees from qualification programs and CPD.

ICARM was founded in May 2006 and has the legal authority to: (i) organize professional education and examination programs for certification of statutory auditors; (ii) determine CPD requirements and provide CPD training to its members; (iii) perform quality control over member firms and practitioners; (iv) conduct disciplinary investigations of Statutory Auditors; and (v) translate ISA and the IESBA Code of Ethics.

ICARM became an associate member of IFAC in 2010 and proceeded to full membership in 2013.

Members

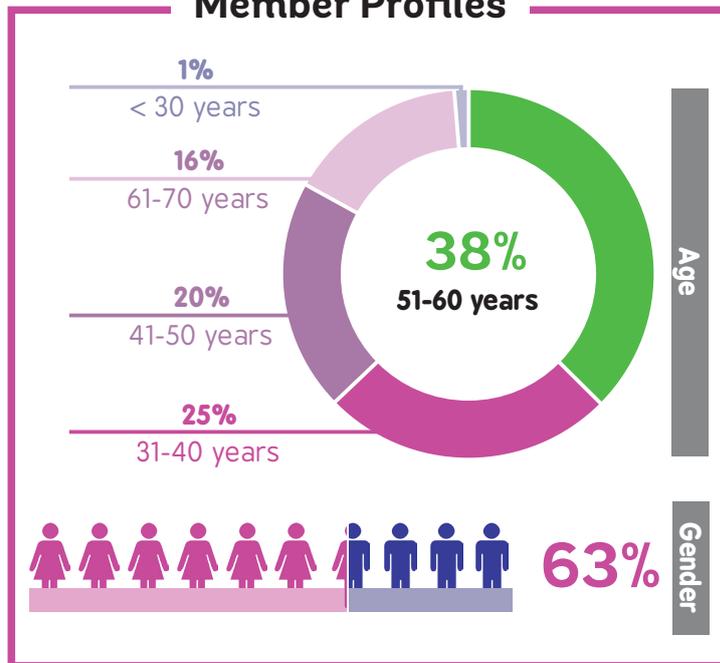
ICARM is a professional body of auditors only. It represents 198 members, 25 audit firms and 13 sole practitioners. Half of the members are engaged in public practice as statutory auditors. A significant number of members (24 percent) are engaged in the financial sector as internal auditors.

Resources

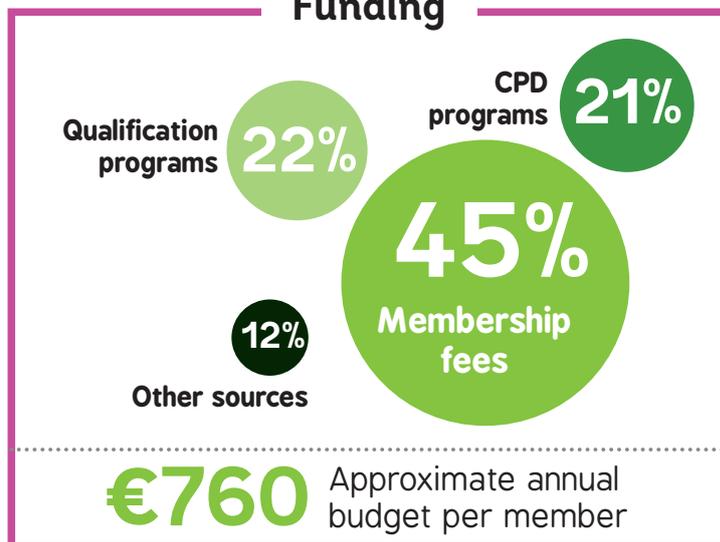
In the absence of a formal strategic plan, ICARM prepares annual plans that focus on short-term activities to be achieved in a 12-month period. A simple and tight budgetary process is implemented to monitor implementation. Membership fees are the main source of income for ICARM and the annual budget is around EUR 760 per member.

Given its limited resources, it presents a major challenge for ICARM to maintain the quality of the professional education and examination process, update the syllabus, upgrade the CPD system, and maintain a quality assurance system.

Member Profiles



Funding

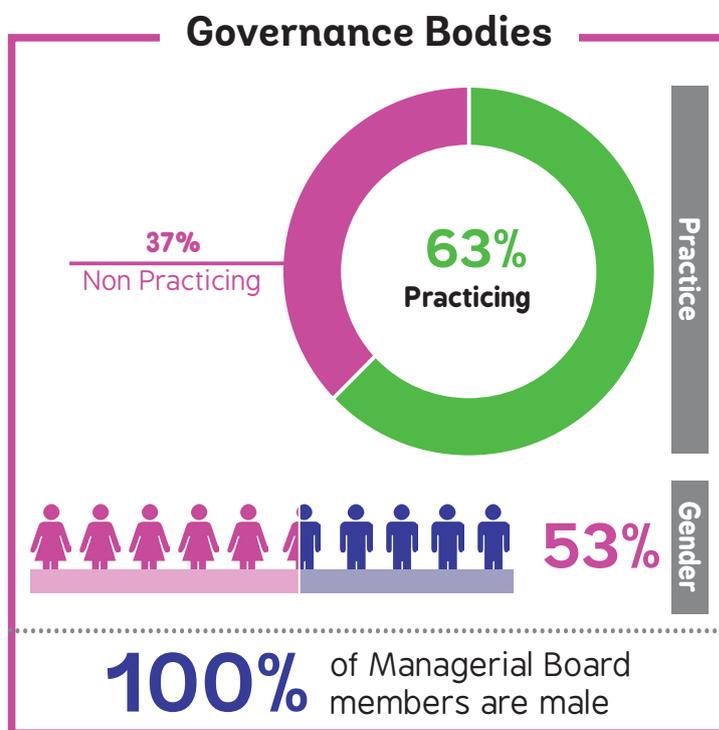


Governance

The Assembly is the ultimate governing body. It is composed of all members and meets at least once a year. The Assembly appoints all other board and committee members and also approves operating plans, financial statements, internal policies and procedures. The Supervisory Board comprises five members appointed for three year terms with the possibility of consecutive appointments and is charged with overseeing the governance and legality of ICARM’s operations. The Managerial Board is ICARM’s executive body. It is chaired by a President and includes nine members elected for three years, with the possibility of consecutive appointments.

Committees comprise five to seven members. There are currently eight committees: (i) Auditing Standard Committee; (ii) Accounting Standards Committee; (iii) Disciplinary Committee; (iv) Committee for Education, Training and Publications; (v) Examination Oversight Committee; (vi) Examination Committee; (vii) Registration Committee; and (viii) Quality Control Committee.

All nine members of the Managerial Board are male practitioners. There is a relatively even representation of the Big 4 companies, international network members and local small- and medium-sized practices (SMPs) in ICARM’s governing bodies, including on its Management Board.



Staff

ICARM has four full-time employees: the General Secretary, one Administrative Assistant and two Quality Assurance Inspectors. All ICARM staff are female. The members of the Committees, Supervisory Board, Management Board, including the President and Vice President, are paid honorary fees based on meetings attended. In practice, the President and many Committee members are more heavily involved and support ICARM’s operating activities on a non-remuneration basis.



The Profession

The Accounting and Auditing profession is regulated by two distinct laws: The Law on Audit and the Law on Performing Accounting Services. The IPD of auditors as governed by the Law on Audit is delegated to ICARM. The IPD for accountants, as per the Law on Performing Accounting Services, is delegated to a body of professional accountants i.e. the Institute of Accountants and Certified Accountants (IACA). Although it was formed in 2012 with mandatory membership by law for chief accountants and accountants in public practice, IACA is yet to develop and implement an education program.

The Council for Advancement and Oversight of Audit acts as the independent public oversight body and

is the executive arm of the Ministry of Finance, retaining ultimate responsibility for the Public Oversight System in the country.

The 2014 ROSC A&A Update noted that there are considerable overlaps in the professional and educational requirements for accountants and auditors. Given the size of the domestic market and resource constraints, there seem to be potential benefits in developing close co-operation between ICARM and IACA. ICARM’s professional education and examination infrastructure has already been established; it should therefore collaborate with IACA to achieve economies of scale. Merging both institutions into one body or merging overlapping activities could be another option for the medium-term.



GOOD PRACTICE BOX

Twinning arrangements and partnerships with developed PAOs

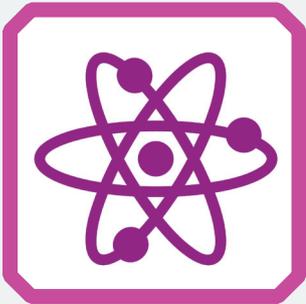
In 2010, ICARM and two French professional bodies – Compagnie Nationale des Commissaires aux Comptes (CNCC) and Conseil Supérieur de l'Ordre des Experts Comptables (CSOEC) – entered into a twinning project designed to support:

- ▶ ICARM application for IFAC membership;
- ▶ Development of the quality assurance process and providing assistance with practical coaching / mentoring of quality assurance reviewers; and

- ▶ Cooperation and exchange of experiences and knowledge.

Partnership and cooperation between these PAOs continues today and ICARM benefits from the knowledge sharing and expertise provided by the French profession.

Education and Training Program



The professional education program syllabi are based on the ACCA syllabus. Most of the study materials are well developed and are supplemented by practical examples and case studies. The examination process is well established with safeguards to enable exam integrity. However, a more structured process is necessary for regular and timely syllabi reviews and updates. Learning outcomes for professional skills, and professional values, ethics and attitudes, are not formally prescribed and the practical experience requirement is met purely based on the length of time spent employed in an audit firm.

Entry requirements

The entry requirements to the professional education program are prescribed by law and require prospective candidates to have obtained an appropriate higher education degree (i.e. a four-year bachelor degree of 240 ECTS credits) in the field of Economics, Law or another appropriate Business major. Other entry requirements include literacy in Macedonian and not having received any sanctions.

Demand

ICARM offers one designation – Auditor. The demand for participation in the certification program has increased over the past few years and on average there are 40-60 new applicants to the certification program each year and between four and nine graduate annually. ICARM has not engaged in the development of promotional materials nor conducted many outreach activities to attract new talent to the profession, mainly because its mandate is stipulated by law.

Content

The education program consists of two levels with four exams at each level. A candidate must pass all exams in one level to proceed to the next:

Professional Education

Level 1	Level 2
Management Accounting	Financial Management
Financial Accounting	Auditing 2
Auditing 1	Financial Reporting
Tax and Business Law	Corporate Governance and Ethics

The current education program was established in 2009 through the national REPARIS program and supported by a team of consultants, including the ACCA whose internationally recognized practice was used as the main benchmark. Thirty-two new candidates have graduated since 2009. Before ICARM was founded in 2006, all certification and education was delivered by the Ministry of Finance. Existing Certified Auditors were grandfathered into ICARM's initial body of membership upon its establishment in 2006.

Translated BBP Professional Education learning media books are used as official text books for the following ACCA-based ICARM exams: Auditing 1; Auditing 2; Financial Accounting; Management Accounting; Financial Management; and Financial Reporting. These examination materials are well established and include learning outcomes, examination methodology and expected competences. For the remaining exams (Tax and Law and Corporate Governance and Ethics) the textbooks are not so well developed and sample questions are used to demonstrate the learning outcomes, proficiency levels and examination methodology. ICARM should develop these textbooks further and enhance materials with learning outcomes.

Due to the lack of student interest, ICARM does not organize training classes for candidates who consequently revert to self-study learning methods.

The general content of the professional examination program is published on ICARM's website. However, access to the text books is required to gain a better understanding of the learning outcomes, examination methodology and expected competencies.

Curriculum updates and reviews

The education program has been revised on an ad hoc basis since it was developed in 2009. Updates took place in 2012 and again in 2014 to incorporate ACCA's revised exam materials for Financial Accounting, Financial Reporting, and Auditing 1 and 2. The last update of exam materials for Business Law and Taxation exam was completed in 2013. Changes in national and international professional standards and legislation have not yet been reflected in the exam materials. ICARM needs to bring the curricula up to date and enhance the quality of the textbooks.

Examinations

All exams are written and conducted in sessions twice a year (in June and December). ICARM examination practices can be regarded as sound, with appropriate safeguards for examination objectivity, confidentiality and integrity. Each exam script and candidate is marked independently twice by two experienced graders. Any major differences that might occur with the marking results are investigated and reconciled. The examination process uses a random code for each candidate's script to secure anonymity. The Examination Committee reviews the results of the grading process and formally informs candidates of the results. Candidates can request a detailed report and re-assessment of the grading of their script and have the right to file a complaint. The Level 1 exams consist of multiple choice questions or a combination of multiple choice questions and case studies, while Level 2 exams comprise case study questions. Practice exams and sample questions are available to candidates.

Exam statistics (i.e. pass rates, list of successful candidates) are not shared publicly but are reported to the Management Board and exchanged with the Oversight Body. Overall pass rates are about 56 percent. Additional supporting guidance should be provided to candidates (e.g. more practice questions) for some competence areas. Statistical information on pass rates, articles on the examiner's approach, scoring the scripts and common mistakes, can be published as additional guidance to candidates.

Candidates are not charged an annual subscription nor administrative fee. The fee for sitting a single exam is EUR 150.



GOOD PRACTICE BOX

Introducing a system of independent oversight to ensure the integrity of the professional examinations

Various committees and stakeholders are involved in the professional education and examination program. Their role is to ensure that the adequate separation of roles and responsibilities is in place and that appropriate oversight is built into the system to enhance the integrity of the examination process. These bodies include:

- ▶ The Committee for Education, Training and Publications which consists of seven ICARM members. Among other duties, it is responsible for developing and updating the program for professional certification and recommending the annual CPD program.
- ▶ The Examination Committee comprising five members, including a representative from the Oversight Council. It organizes and delivers the exams for the professional certification program and develops the rules for the manner and procedures regarding the professional examinations.
- ▶ The recently established Examination Oversight Committee comprising five members, including two from the Ministry of Finance as well as the ICARM President. The role of this Committee is to oversee the operations of the Examination Committee and ensure the integrity of the professional examinations.

Practical experience requirements

Upon successful completion of the education program, a candidate must also obtain three years of practical experience, two of which must be under the supervision of a Certified Auditor and member of ICARM. The practical experience requirement can be attained before, during or after completion of the education program.

The input approach is used to measure practical experience. In order to confirm their practical experience, candidates are required to provide:

- A letter of confirmation of the work experience from the audit firm where the candidate practiced; and
- Official employee records approved by the Agency for Employment confirming the length of employment and name of employer.

All registered audit firms and audit practitioners are eligible to act as approved employers for relevant practical experience. The supervisor is not obliged to

perform any evaluation of professional skills acquired at the workplace, nor are the candidates required to maintain and complete a record or other form of documentation demonstrating achievement of professional skills. Only the length of time engaged in practice is evaluated, rather than the level, appropriateness and variety of skills obtained.

Learning outcomes for professional skills and professional values, ethics and attitudes, are not formally prescribed by ICARM. Some of the required learning outcomes relating to professional skills and professional values, ethics and attitudes, are obtained within the education program. For example, topics on professional ethics and the IESBA Code of Ethics are incorporated within the Auditing exams, while professional and business ethics are examined as part of Corporate Governance and Ethics. In addition, certain learning outcomes for professional skills form part of the curricula (e.g. case study scenarios through which candidates demonstrate professional judgment, critical thinking, problem-solving, evaluation of information from various sources, and recommending solutions to unstructured problems).

Practice license

Upon successful completion of the examination program and obtaining the necessary practical experience, successful candidates can approach the Oversight Body and apply for an audit license. Audit companies and sole practitioners apply for practicing licenses upon submission of proof of appropriate professional indemnity insurance. Audit licenses are issued indefinitely and are not subject to periodical renewals.

Recognition

Candidates certified with other international professional bodies may obtain recognition of their qualification after successfully passing the local Tax and Business Law exams. All candidates must have obtained an appropriate higher education degree (i.e. a four-year bachelor degree of 240 credits) in the field of Economics, Law or another appropriate Business major. They must also be fluent in Macedonian. So far, 13 members have received recognition of foreign professional designations, of which 12 are ACCA and one is a USA CPA.

ACCA only offers exemptions for a candidate who has successfully attained a professional qualification from ICARM's education program. Exemptions are from ACCA papers in: Accountant in Business, Management Accounting and Financial Accounting.

Continuing Professional Development (CPD)



The CPD requirement is mandated by law and the system in place is not very flexible. All CPD is verifiable. Access to CPD can be difficult because ICARM only provides CPD training a few times a year. There is a need to introduce an output-based CPD measurement system that would focus on the achievement of the learning outcomes by audit partners as required by the revised IES 8.

Requirements

The CPD requirement is determined by law. All Certified Auditors need to attend 120 hours of CPD training over a three-year period, and achieve a minimum of 30 CPD units annually.

The Law on Auditing also designates ICARM or other accredited relevant institutions abroad as eligible for organizing and providing CPD. The CPD system in place is not very flexible and access to CPD can be difficult for some members. This is because, in practice, ICARM is the only institution that organizes formal CPD events. No credits are approved to members for CPD activities or training carried out with other institutions or with employers – whether in-country or abroad – and only verifiable CPD is recognized. At present, seminars are

only organized three times per year, which together amount to 60 CPD hours. These events are usually lectures with an audience of between 80 and 140 members at one time.

Members on a career break (i.e. maternity leave) or those with employment abroad are exempted from full compliance.

ICARM is currently revising its CPD system to address some of these issues, including implementing an electronic-online system of verifiable CPD, organizing in-country regional workshops for smaller groups of participants, and exploring a more focused workshop style for the CPD events. It is also considering outsourcing training to, for example, large accounting firms and international experts.



GOOD PRACTICE BOX

Integrated CPD and Quality Assurance Review systems

ICARM's quality assurance review system was established with the support of the National REPARIS program and continued through a 2010 twinning project with the French professional bodies CNCC and CSOEC. Two qualified inspectors - full time employees of ICARM - perform quality assurance reviews and report the findings to the Committee on Quality Control. Recent quality review results indicate that the implementation of ISA remains a challenge for local Small- and Medium-Sized Practices (SMPs). Issues relating to deficiencies in audit methodology, internal quality control mechanisms, limited use of experts with appropriate specialized knowledge and inappropriate or insufficient documentation are frequently identified.

The findings of the quality assurance review have been integrated with the CPD system. This enables

the quality assurance review system to move toward a preventive system, rather than being purely detective. The following actions are being taken:

- ▶ Quality assurance review findings feed into the CPD annual program: frequent findings and assessment methodologies are shared with members and emphasis is placed on tailoring CPD annual sessions to areas where most findings are noted;
- ▶ Target audience to receive specific or additional CPD is identified during quality assurance reviews and additional CPD is made available for those SMPs; and
- ▶ More rigorous monitoring of CPD requirement is performed during quality assurance reviews for professionals auditing Public Interest Entities.



GOOD PRACTICE BOX

Resolving capacity constraints by outsourcing CPD delivery

One of the CPD challenges faced by ICARM is sourcing trainers with adequate relevant experience and knowledge to deliver CPD activities to its members.

ICARM is addressing this issue by taking the following actions:

- ▶ Outsourcing the delivery of CPD sessions to international network accountancy firms on topics such as ISA, IFRS Standards, the SMEs Standard; and
- ▶ Introducing international experts to provide

training opportunities to members. Through its partnership with the French professional bodies (CNCC and CSOEC), foreign practitioners delivered a five-day training session on French audit documentation tools through practical case studies.

Member satisfaction and feedback on such CPD opportunities has been highly appraised by the audience of practitioners, who had the chance to receive quality presentations on current professional topics.

Measurement methods

The method of measuring CPD completion is input-based. ICARM administrative staff record the hours completed by members by verifying their presence at CPD events. When members do not have enough CPD units, ICARM sends follow up emails and notifications emphasizing the importance of CPD and the legal requirement to comply. There is a need to introduce a more structured measurement approach which would focus on the achievement of the learning outcomes by audit partners, as required by the revised IES 8 which became effective in July 2016.

According to the Law on Auditing, if an auditor fails to comply with CPD requirements ICARM can temporarily exclude the auditor from membership for a period of up to three years. After this, the Oversight Council will revoke the auditor's license for the same period. ICARM's Management Board has the final authority to decide whether there is a case to start disciplinary procedures, as proposed by the Disciplinary Committee.

CPD program

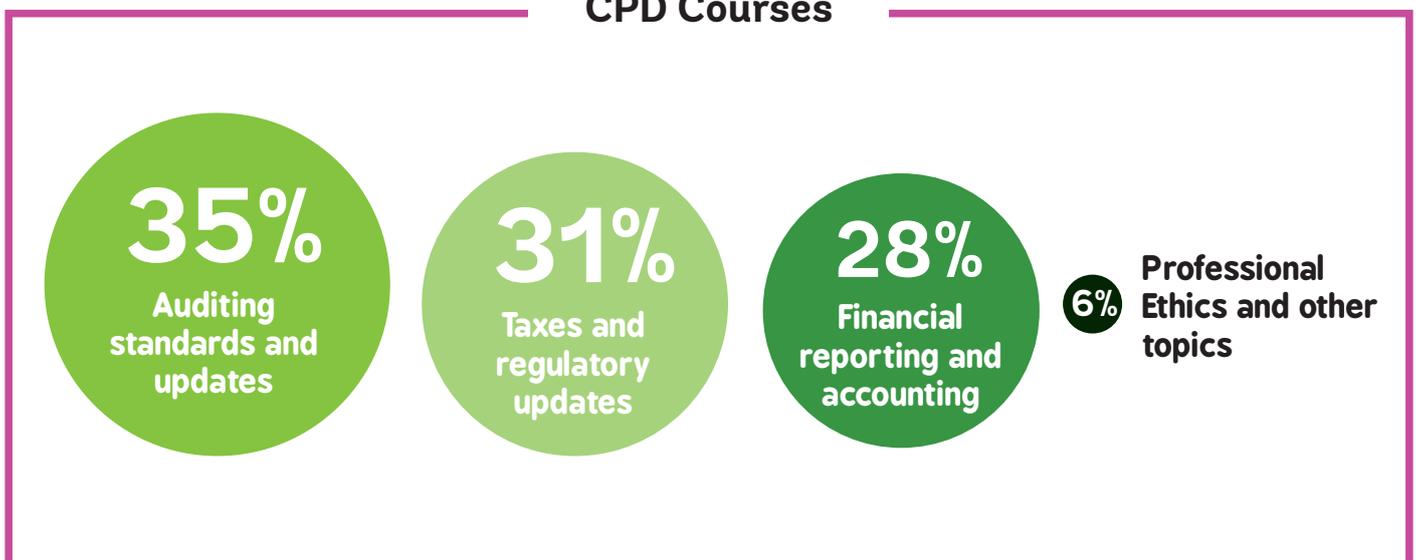
The development of the CPD program starts with the Committee of Education, Training and Publications. The Committee develops a proposal for the annual program in an intra-committee consultative process which takes into account: new updates in professional standards (IFRS Standards, ISA, IESBA Code of Ethics, National Legislation related to Accounting, Finance, Taxation, Business Law and Governance), results from the quality assurance review process, as well as feedback from members. The Education Committee submits its proposal to the Management Board for approval.

In order to deliver CPD, ICARM engages part-time lecturers. The criteria for such lecturers are not clearly specified. However, they are usually practicing auditors or – in cases of regulatory updates – professionals designated by their respective institution (e.g. Central Bank, Insurance Supervisor, Central Registry, Tax Authorities, the Office for Preventing Money Laundering and Financial Terrorism, the Security Exchange Commission, the Office for Financial Intelligence etc.). A more structured approach is necessary in order to develop a register of CPD trainers who, in addition to possessing technical knowledge and professional experience, also have the necessary soft skills to deliver training.

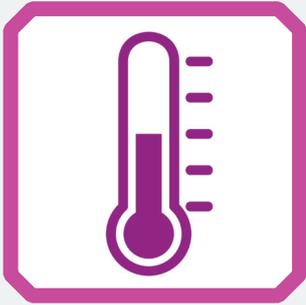
The CPD program offered by ICARM is mandatory for all members. It is tailored primarily to satisfy the needs of practicing statutory auditors and covers technical topics and developments in regulations.

Previous CPD programs included topics such as recent changes in professional standards, the legal framework related to financial reporting and auditing, and the quality control results and findings. Less importance was given to soft skills. Annual CPD Programs include four hours dedicated to the Code of Ethics and its requirements and related guidance, as well as examples of threats and safeguards. The absence of competence maps and frameworks results in members not being trained in effective communication with team members, promotion skills, client management and governance structures. Mentoring and coaching skills necessary to assist the professional career development of the audit personnel has also not been the subject of CPD training. Finally, no specialized training activities are developed to satisfy the different needs of the members (e.g. the needs of internal auditors or auditors practicing in specific industries).

CPD Courses

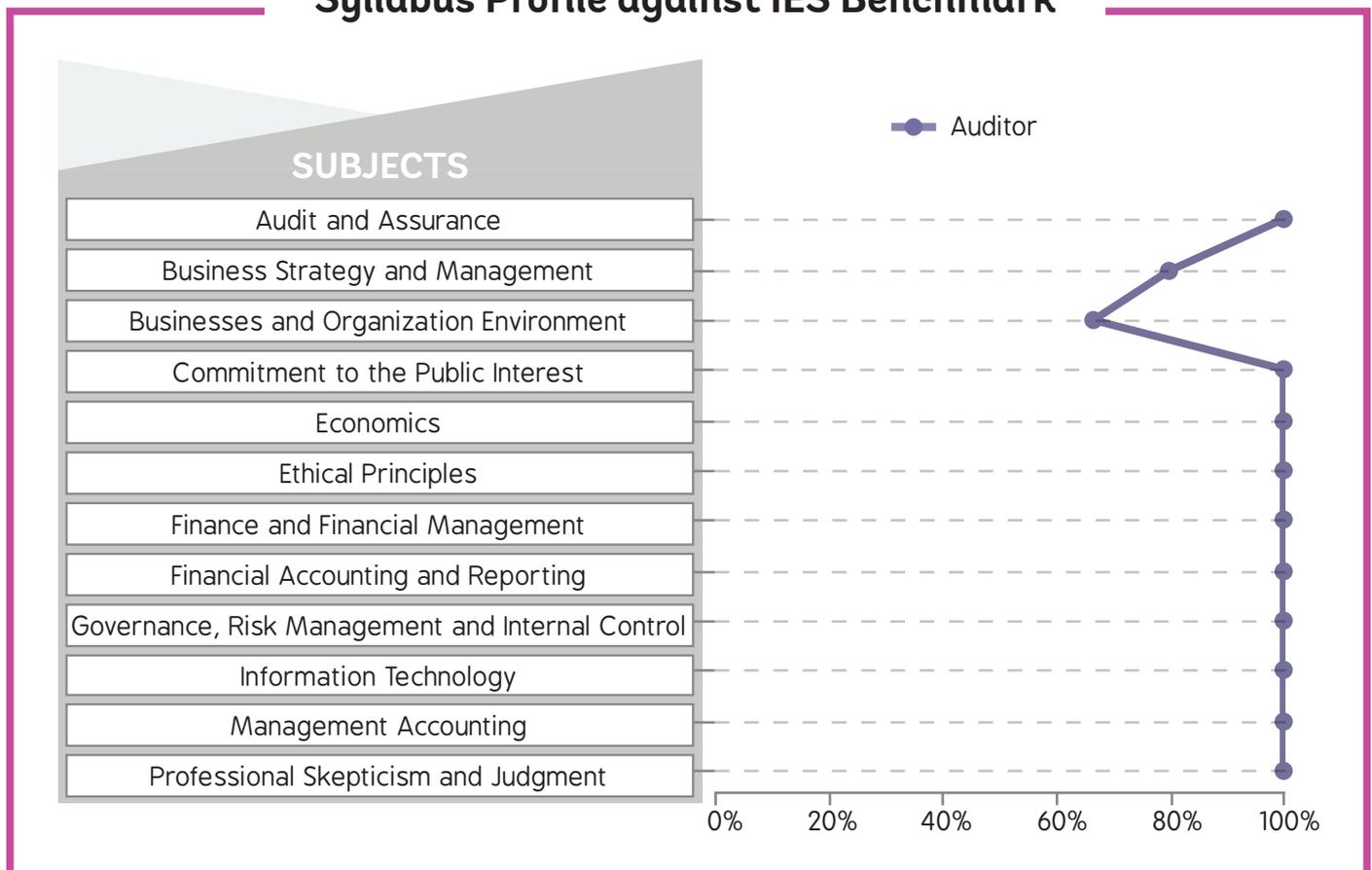


Benchmarking Results

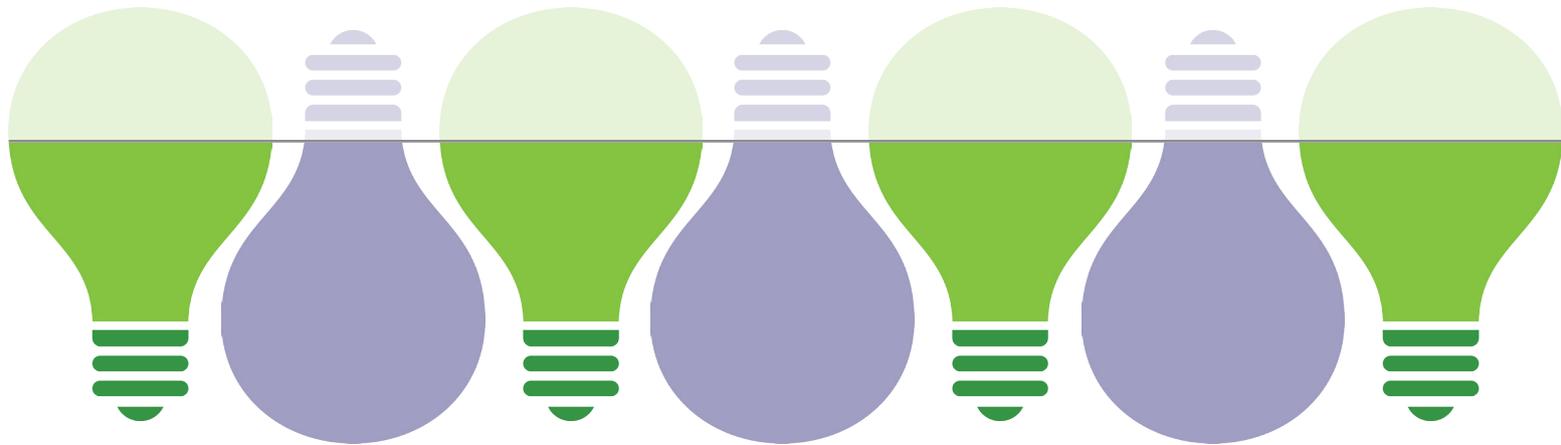
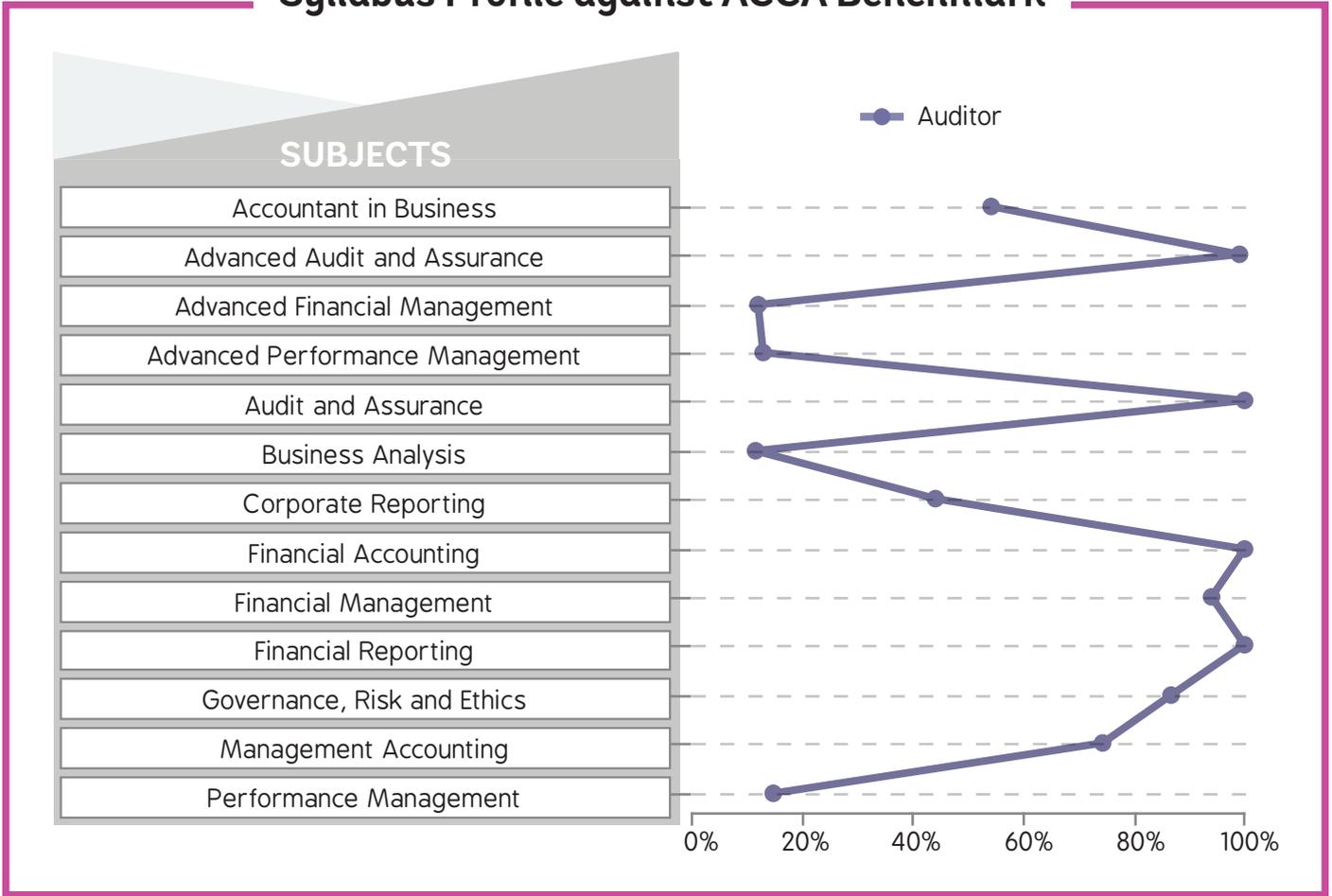


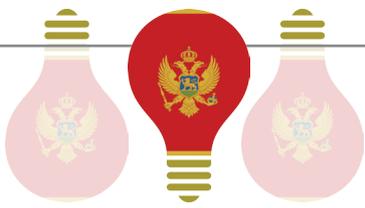
ICARM's education program offers very good coverage of Auditing and Financial Accounting topics and scores well compared to IES. Improvements in Business and Organizational Environment and Business Strategy and Management areas would further align the program to IES. Compared with the ACCA benchmark, the program could benefit from introducing more advanced level papers that provide candidates with an advanced level of proficiency in Corporate Reporting, Financial and Performance Management.

Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark





Montenegro at a glance



University of Montenegro, Faculty of Economics

About the Faculty: The Faculty is mainly funded by student fees with some state support and is partially autonomous in developing undergraduate and master's programs. All programs are accredited nationally.

Faculty resources: Professors are highly qualified and engage actively with the local profession. Teacher-student ratios are relatively high in the first three years of study but drop significantly in the final academic year.

The **Accounting program** offers undergraduate and master's degrees which benefit from some recognition and exemptions to local PAO education programs. Exemptions are also available for the ACCA program. Practical experience is not a requirement to complete accounting programs.

Demand for accounting education is stable. Almost a quarter of students at the university select a degree with a specialization in accounting.

Benchmarking results: master's and undergraduate programs compare well against IES benchmarks. For further alignment with ACCA improvements can be made in the areas of Ethics and Financial Accounting and Reporting. CIPFA scores are low, especially in the areas of Public Sector Financial Reporting.

About ICAM: An associate member of IFAC, ICAM offers three professional qualifications: Bookkeeper, Management Accountant and Certified Accountant. Subscriptions to the monthly magazine are the primary source of ICAM's funding. ICAM has established partnerships with regional PAOs in Serbia and Bosnia and Herzegovina - RS.

The **professional education and training program** is based on the Montenegrin Educational Standards and the 2007 ACCA curriculum. Structured review and update to the education program and the teaching resources is necessary.

CPD requirements are determined by ICAM, which is the only accredited provider of classroom-based training and seminars. CPD enforcement should be strengthened considerably.

Benchmarking results: The programs' scores against the IES benchmark could be improved to ensure greater alignment in areas such as Governance, Risk and Ethics, and Advanced Financial and Performance Management.

**Institute of Certified Accountants of
Montenegro (ICAM)**

Key survey facts



2

Respondents



4

Educational Programs



340

Students



Reforming the Accounting and Auditing Framework in Montenegro

The Government of Montenegro is engaged in a process of developing new legislation on Accounting and Auditing for the purpose of harmonizing requirements with the EU acquis. The reforms have been supported by a three-year World Bank-financed technical assistance and capacity building project, implemented between 2013 and 2016. New laws are expected to replace the 2005 Law on Accounting and Auditing and to significantly reshape and modernize the accounting legal framework.

The most significant amendments concerning accountancy education include:

- ▶ Introducing a requirement for mandatory CPD for certified auditors based on a program of professional training approved by the Ministry of Finance; and
- ▶ Allowing practical experience to be met during the professional education program and reducing the length of time required to become an accountant from approximately nine to six years.

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University of Montenegro, Faculty of Economics

About the Faculty



Student fees are the most significant source of funding and represent 74 percent of the available budget. Educational programs are accredited at the national level.

The Faculty of Economics is part of the public University of Montenegro. It was established in the 1960s and was part of the University of Belgrade until 1974. Since its establishment, 7,000 students have graduated, more than 400 have earned a master's degree and over 50 PhDs have been awarded.

Sources of funding

Student fees are the major source of funding, representing 74 percent of overall funds.

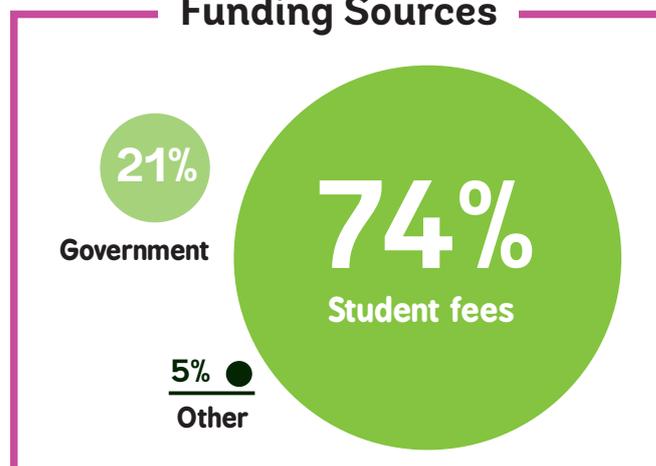
Level of autonomy

The Faculty is partially autonomous in developing new undergraduate and master's programs, subject to approval by the University Senate. The assessment methodology is decided autonomously at the Faculty level but examination formats are determined by law. The Faculty is independent in developing its own rules and policies regarding the examination format and methodology and methods of delivery of courses. The Faculty has autonomy in establishing academic partnerships with other faculties and universities in the country and abroad. The overall number of students admitted to the Faculty is determined by annual quotas set by the Government.

Education programs

The undergraduate program has ten modules in which students enroll in the fourth year of study: (i) Accounting; (ii) Management; (iii) Marketing; (iv) Entrepreneurship and Business; (v) Finance; (vi)

Funding Sources



International Business; (vii) Information Systems; (viii) Public Sector Economics; (ix) Quantitative Economics; and (x) European Economic Integration.

The overall number of admissions to the undergraduate program is 400 students; on average, 300 students graduate each year. All undergraduate programs last for four years (eight semesters and 240 ECTS). Master's programs are for one year and 60 ECTS (two semesters, of which one semester is devoted to a thesis). Undergraduate programs are composed of compulsory and elective courses while the master's program comprises only compulsory courses.

Accreditation

Montenegro has been a member of the Bologna process and the European Higher Education Area since 2007. All programs are accredited at the national level.

The Accounting Program



The program does not require practical experience or internships for graduates from the undergraduate and master's programs. Guest speakers from practice are occasionally involved in the teaching process.

Type of degrees

The Faculty offers an undergraduate degree in Economics and has also offered a specialization in Accountancy since 2010. The program was designed and introduced through a Tempus joint project with the University of Ljubljana, Slovenia, the University of Greenwich, UK, and Leon Kozminski Academy of Entrepreneurship and Management, Poland. A master's degree in accounting is also offered. All courses in the master's program are compulsory courses.

Curriculum

The table below shows the core and elective accounting and auditing courses in the undergraduate accounting program:

Undergraduate

Second Year	Third year	Fourth Year	
Accounting	Elective subject: Audit and Control	Financial Management	Financial Institutions Accounting
		Cost Accounting	Budgetary Accounting
		Advanced Financial Reporting	Corporate Management and Control

The master's program is a one-year program and includes three accounting and auditing core compulsory courses: Management Accounting, Corporate Finance and Auditing.

Linkages to professional qualification

There is a system in place for exemptions with the PAO.

The ACCA offers exemptions for graduates of the undergraduate and master's programs from the following papers in: Accountant in Business; Management Accounting; Financial Accounting; and Corporate and Business Law.

Practical experience

There is no internship or practical experience requirement for undergraduate, master's or PhD levels of education. Guest speakers from the accounting and auditing practice are occasionally invited to engage in the teaching process.

Curriculum updates and reviews

Curricula review cycles are usually performed every five years. Since the undergraduate program with an accounting specialization is relatively new (it was introduced in 2010), with the first two years considered as a pilot phase, the next review cycle is planned for 2017.



GOOD PRACTICE BOX

Fostering collaboration between the university and PAO on accounting programs

The lack of exemptions between university and PAO education can cause excessive delays for aspiring candidates to reach the point of qualification. For this reason, ensuring better integration between academic and professional accountancy programs is an important process that enables students to find a shorter route to qualification.

The Institute of Certified Accountants of Montenegro (ICAM) collaborates with the University of Montenegro to provide its students with exemptions from exams in the Management Accountant and Certified Accountant stream. All students with an undergraduate degree with an accounting

concentration are exempt from the following papers when entering the professional education system of ICAM:

- ▶ Preparation of Financial Statements
- ▶ Human Resources Management
- ▶ Information Systems
- ▶ Corporate and Business Law.

For students who have completed a master's degree in Accounting, there is an additional exemption from the paper in Financial Information for Management.

Program evaluations

Teaching quality and student satisfaction are evaluated through anonymous electronic survey questionnaires. The evaluation is prescribed by law and the University Statute. Survey results are used for:

- Teacher assessments and survey results form part of the professors' file and are taken into consideration for tenure.
- Feedback into the future curricula development process.

Teaching materials

Most accounting related textbooks are available in the local language. However, textbooks in Financial Management, Financial Reporting and Cost Accounting need improvement. The availability of materials in the Faculty library could be improved e.g. English or translated versions of up to date IFRS Standards, ISA

and other relevant pronouncements are not currently available, whereas IFRS Standards dating back to 2010 have been translated and are available. The use of English textbooks and materials is modest. All courses are currently only taught in the local language.

IT technologies have been modestly used for the teaching process and mainly to communicate with students. The usual course delivery methods include presentations, short case studies, in-class exercises, and group and individual project assignments.

Assessment methods

Students are assessed through written interim tests, final exams and also through class attendance. Questions are usually multiple choice, open-ended conceptual questions and case studies. Some courses also allow students aiming for higher grades to sit for an oral exam covering the entire syllabus.

Faculty Body

Professors are greatly involved in professional development activities, such as participating in conferences and publishing academic work. There is a need to expand the current staff levels as the teaching hours of most professors are excessive, and teacher-student ratios are quite high, except in the final year of study.

The teaching norm is a minimum of 240 hours per academic year (or 8 hours per week) for professors (full, associate and assistant professors) and 360 hours per academic year (or 12 hours per week) for assistants.

The staffing ratio is 50 students per professor (in the final year of study). In the second and third year, the ratio is much higher and averages about 300 students to each teacher.

Professors' salaries are sufficient to retain current members but it is difficult to attract new Faculty members. Most of the accounting professors have excessive teaching hours and the Faculty struggles to employ more junior staff to support the teaching process.

The English language proficiency of the Faculty body is considered very good.

The Faculty body is greatly involved in professional development activities such as participating in accounting conferences and seminars and publishing articles in accredited journals. However, additional efforts are required to engage more in exchange visits abroad.



9
Faculty members

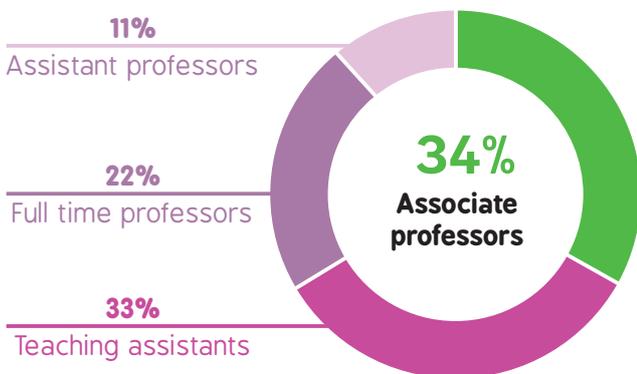


67%
Senior staff



1:50
Teacher to student ratio (in final year)

Faculty Profiles



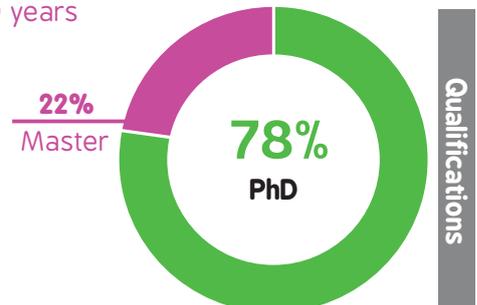
Members



Age



Gender



Qualifications

Student Body

There is no Career Center or equivalent department at the Faculty and there is limited interaction with the corporate segment. Links with the profession are maintained through individual relationships of certain professors.

The demand for accounting education has remained stable and moderate, with approximately 25 percent of overall students choosing to specialize in Accountancy. Around 20 to 25 students graduate annually from the accounting stream.

The student drop-out rate for 2014/2015 was 27 percent.

Students' proficiency in English is assessed as very good.

Linkages with the business sector

There is no formal policy or strategy for maintaining links with the corporate sector. Relations are maintained with some local and international accountancy firms in order to provide internship or employment opportunities for the students, or advance the teaching process through the occasional inclusion of a business expert as a guest speaker. Events are organized (once a year) to connect students with industry for recruitment purposes. Faculty forums also provide students with some exposure to industry.

The student body has international experience through the ERASMUS Exchange Program, the Trans European Mobility Program for University Students (TEMPUS) as well as other international mobility programs.

The Faculty has not established a career center nor a method to track graduates' employment. It is estimated that 80 percent of graduates take accounting and audit related positions upon graduation.



25%
Students choose accounting programs



80%
Female students



35%
graduates find employment in financial sector

Student Profiles

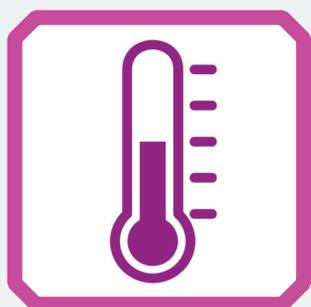


Graduates employment per sector



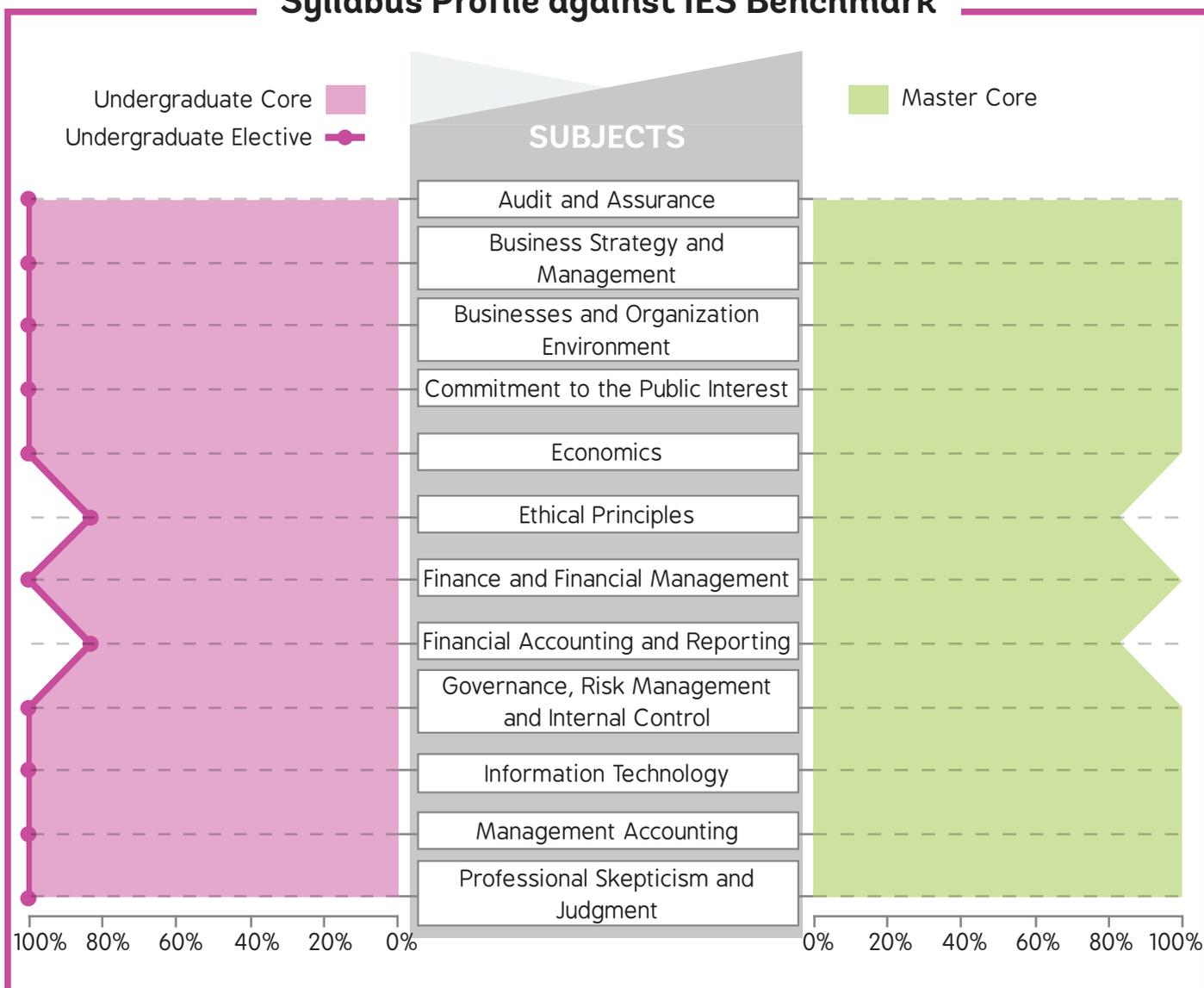
Gender

Benchmarking Results

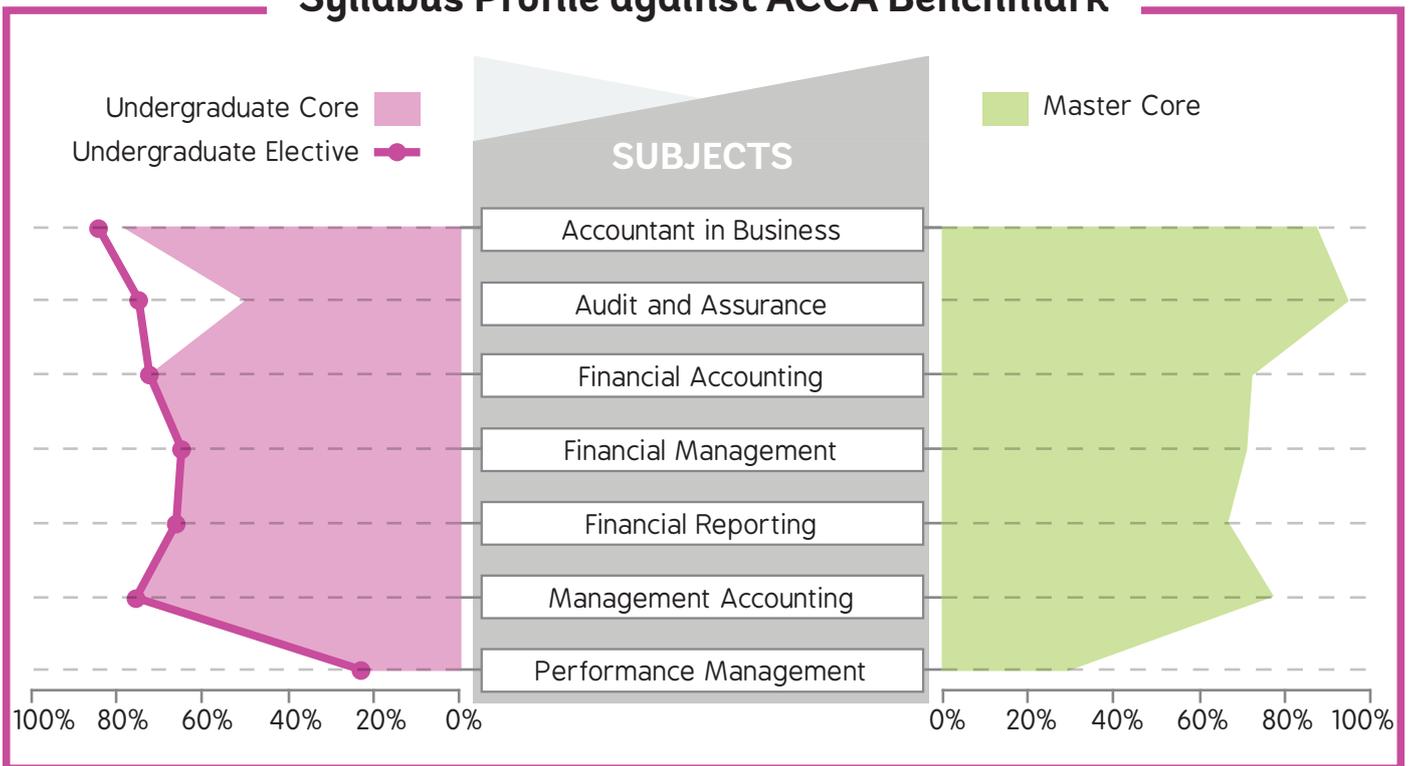


Both master's and undergraduate programs score well compared to the IES benchmark with some improvements needed in the areas of Ethics and Financial Accounting and Reporting to maximize scores. Performance Management and Public Sector Financial Reporting score less well and coverage of these topics is low when compared to ACCA and CIPFA benchmarks.

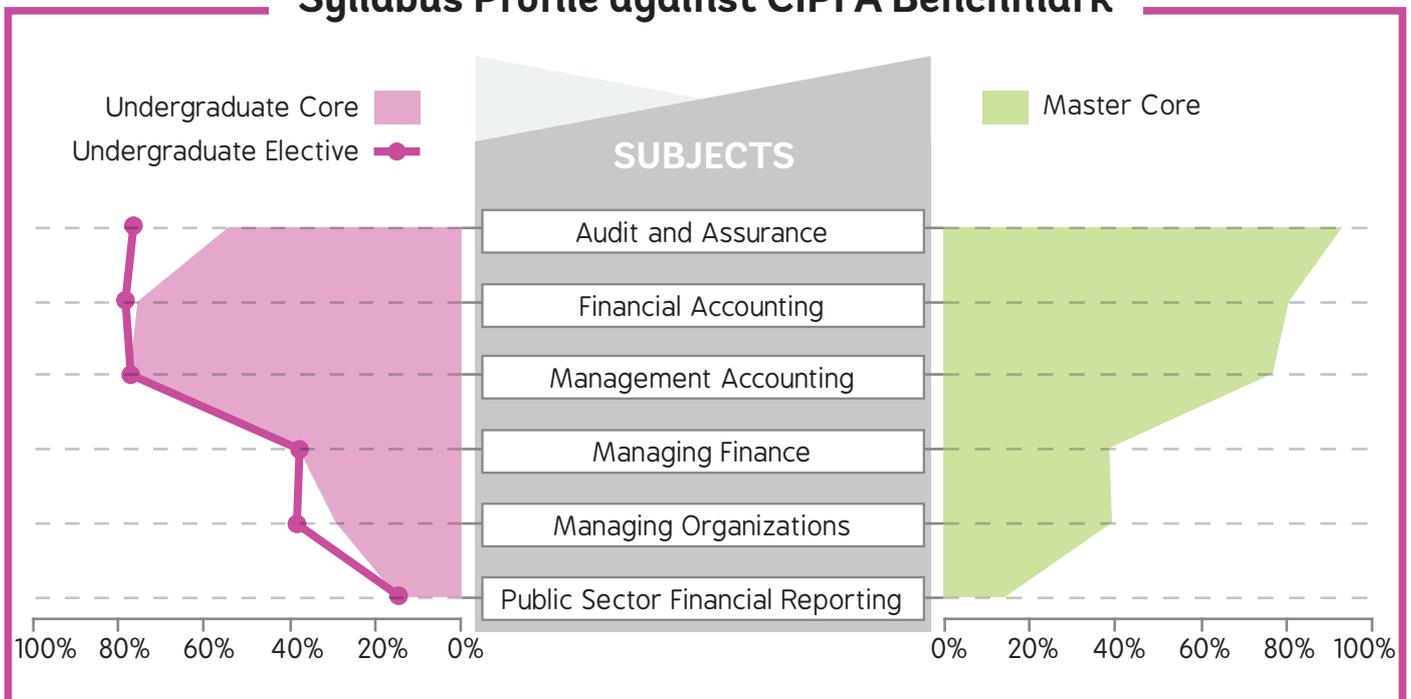
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



Institute of Certified Accountants of Montenegro (ICAM)

About ICAM



ICAM is leading a consortium that fulfills a number of regulatory delegated tasks, including organizing and conducting professional education. Building the infrastructure of ICAM is seen as critical for achieving longer term goals including, for example, full membership of IFAC.

ICAM was founded in 2006 by a Decree of the Government of Montenegro. In 2007, it became leader of a consortium established to fulfill a range of regulatory tasks in the field of accounting and auditing, including: (i) adopting, translating and publishing IFRS Standards, ISA and the IESBA Code of Ethics, including all updates; (ii) organizing and conducting professional certification, education and examination; (iii) monitoring and quality control; (iv) maintaining registers of certified accountants; (v) conducting professional education according to International Education Standards, (vi)

providing advice and issuing opinions regarding the application of accounting standards; and (vii) other publishing obligations (e.g. forms of financial statements, instructions, etc.).

ICAM has been an associate member of IFAC and the FEE since 2013.

ICAM cooperates closely with the Serbian Association of Accountants and Auditors (SAAA), especially in conducting joint education and continuing professional development activities.



The Profession

The Institute of Certified Accountants of Montenegro (ICAM) is the leader of a consortium (which includes the Economic Faculty of Montenegro and the Serbian Association of Accountants and Auditors - SAAA) with the delegated authority to provide a range of regulatory tasks, including conducting professional education, examinations and certification of accountants. Once candidates complete the professional education and practical experience requirements, the Ministry of Finance issues certificates entitling them to practice.

The Institute of Accountants and Auditors of Montenegro (IAAM) is an association of accountants organized as a voluntary professional organization without any regulatory powers and offering training and certification in the field of accounting and management.

Both ICAM and IAAM are associate members of IFAC.

Members

ICARM has 1,550 members. Almost 49 percent of its members are practicing accountants and auditors.

Resources

ICAM's financial budget is about EUR 190 per active member. Subscriptions to the ICAM monthly magazine "Accounting and Auditing" are a significant source of funding.

Building ICAM's infrastructure is seen as critical in securing longer term goals, including, for example, full membership in IFAC. The key to a sustainable business model will be to identify revenue streams that can meet the technical and administrative costs of delivering on ICAM's mandate, which includes: examinations, quality control, discipline, continuing professional development, registration and other key functions. One of the top priorities is to further develop a road map for accountancy education. ICAM is currently working on these and other priorities, as defined in its strategic planning documents.

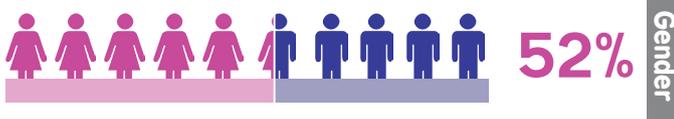
Governance

ICAM's bodies are the Assembly, the Board of Directors, the Steering Committee, the Secretary General and Commissions. All ICAM members are represented in the Assembly, with equal voting rights accorded to authorized representatives of branch offices.

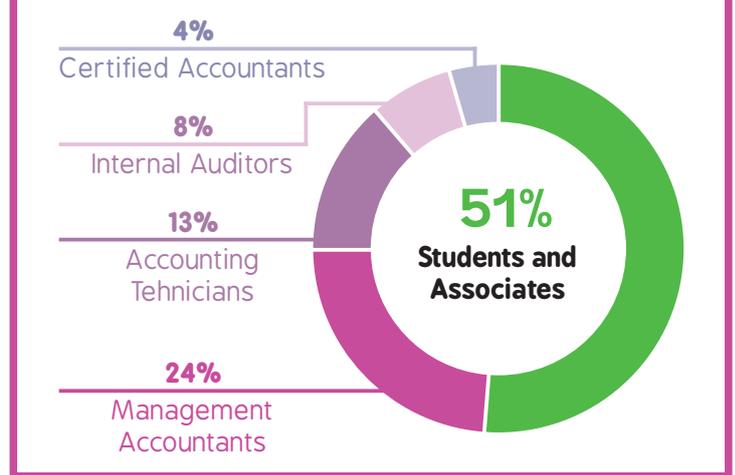
The nine members of the Board of Directors are appointed by the Assembly for a term of four years, with the possibility of re-election. Five members must be Certified Accountants, two are appointed by the Central Bank and the University of Montenegro.

The Steering Committee is a supervisory body comprising five members. Commissions are composed of three to five members. There are two permanent commissions: (i) the Commission for Membership and Validation of Title; and (ii) the Commission for Education, Training and Examination.

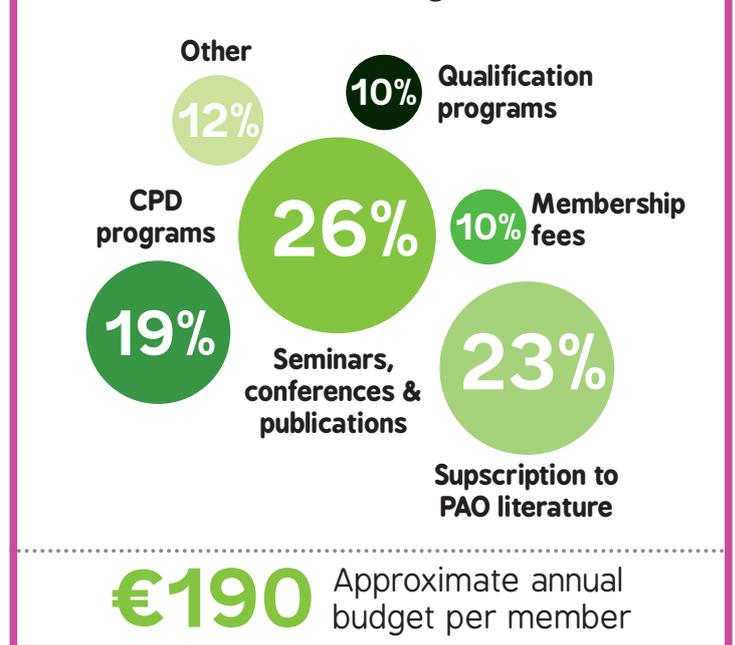
Governance Bodies



Member Profile



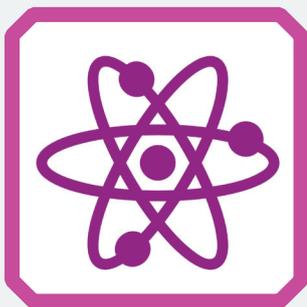
Funding



Staff

ICAM has eight full-time employees: the General Secretary; two Administrative Assistants; two employees responsible for professional education and examinations; two involved in publishing activities; and one responsible for financial matters. Many external consultants support the various governing bodies and ICAM's activities, with the majority of them engaged in the professional education and examinations system.

Education and Training Program



The present education curricula are based on the 2007 ACCA syllabus, national legislation in areas of taxes and corporate law, IFRS Standards and ISA. ICAM updates changes in national legislation, ISA and IFRS Standards on a regular basis but no structured reviews have taken place to the ACCA education program since 2007. At present, it takes around nine years to become a licensed auditor. Achieving the practical experience requirement is measured solely based on the length of time employed under the supervision of a Certified Accountant or Management Accountant.

Entry requirements

ICAM offers three professional designations: Bookkeeper, Management Accountant, and Certified Accountant. The education entry requirements for each designation are the following:

- Bookkeeper: candidates with a high school diploma are eligible to enter the program.
- Management Accountant: all candidates with university degree (240 ECTS credits), or higher education degree (180 ECTS credits) or college education (120 ECTS credits).
- Certified Accountant: a candidate must first pass all examinations in the Management Accountant stream and must also have met the practical requirements of the Management Accountant designation (i.e. a minimum of three years of practical experience in accountancy). The candidate must then pass the five exams at the Certified Accountant level and complete another three years of practical experience after acquiring the professional title 'Management Accountant'.

Demand

There are few admissions to ICAM's professional designation programs. Only 72 students applied in 2015 and from the 34 who graduated, the vast majority earned the Management Accountant designation. Despite the low entry numbers, the demand for accountancy education has been growing over recent years.

Content

The education program follows a progression model with exit points at three levels, based on an individual's career choice. In order to progress to the Certified Accountant level, candidates need to pass the nine Management Accountant exams and complete three years of practical experience in accountancy. The table below provides an overview of the examinations in each module:

Professional Education

Bookkeeper	Management Accountant	Certified Accountant
Preparation of Financial Statements	Preparation of Financial Statements	Auditing and Assurance Services
Tax System	Tax System	
Human Resources Management	Human Resources Management	Management of Performance
Information for Management Control	Financial Information for Management	Strategic Business Planning and Development
Recording of Financial Transactions	Financial Management and Control	
Cost Accounting	Information Systems	Complex Corporate Reporting
Implementation of Audit Procedures	Corporate Business Law	Strategic Financial Management
Compilation of Financial Statements	Financial Reporting	
Planning, Control and Management Performance	Audit and Internal Control	

Three specialized licenses are also offered: *Authorized Appraiser*, *Expert of Financial Reporting* and *Forensic Accountant*. Few courses are available that cover topics such as: Accounting Assistant, Excel for Accountants, and Banking Accounting.

ICAM has based its professional accountants' education and training model on the Montenegrin Educational Standard (a national education standard based on the IAESB's International Educational Standards), the IESBA Code of Ethics for professional accountants, and relevant EU Directives. All current professional qualifications are based on the 2007 ACCA syllabus, as translated into Serbian by the Serbian Association of Accountants and Auditors (SAAA). ISA, IFRS Standards and national legislation in areas of Taxes and Corporate Law are updated by ICAM on a regular basis. However, the ACCA curriculum has not been updated since 2007.

Curriculum updates and reviews

Some updates to the syllabus have been performed through monthly magazines issued by ICAM together with lists of recommended literature and handouts provided to candidates. These updates mainly address changes in national laws, IFRS Standards and ISA. ICAM should implement a sustainable and structured process for syllabus reviews and updates. It should also establish a process to periodically review and enhance the framework for accountants' education in line with good international practices, supported by adequate educational materials, tutors and other support available to candidates.

Examinations

ICAM organizes two regular examination sessions (in June and December), and one remedial session in September for candidates who failed the June session. Examinations comprise written papers with direct theoretical questions, which account for a maximum of 25 percent of the total questions. The remaining questions are based on the application of theoretical knowledge and international standards.

Pass rates are quite high compared to other regional PAOs (approximately 75 percent) and are regularly monitored by ICAM. Some reasons attributed to the high pass rates include the organization of high quality preparatory courses for candidates as well as the availability offered to students of occasional free one-to-one consultations.

Questions are prepared by the Examination Commission, which consists of three members (of which one is a representative of the profession, another is from academia, and the third member is ICAM's Manager for Education).

Exam candidates' anonymity is ensured by using bar codes on exam papers. Exams are moderated by the Examination Commission. Papers with scores near the pass mark are double-marked.

Practical experience requirements

The following practical experience requirements are in place for the three professional titles:

- Bookkeeper: at least three years of practical work experience in accounting;
- Management Accountant: three years of practical experience in accounting; and
- Certified Accountant: at least three years of practical experience after acquiring the professional title 'Management Accountant'.

The input-based approach is used to measure and verify the practical experience of candidates, who are required to provide as proof:

- A letter of confirmation from the employer confirming experience in accounting; or
- A copy of the employment records.

Under the current education and practical experience requirements, it takes approximately nine years to become a licensed auditor. Proposed amendments to the accounting and auditing legislation's by-laws would shorten this to six years because the practical experience requirement could then be met in conjunction with the Certified Accountant professional exams.

Learning outcomes for professional skills, and professional values, ethics and attitudes, are not formally prescribed by ICAM. Some of the learning outcomes that must be achieved upon completion of the education program and the practical experience requirement, are accomplished within the education program. However, further reform is needed to introduce a system that would recognize practical experience based on a competency framework rather than just relying on the length of time employed under eligible supervisors.

Practice license

Only Certified Accountants can apply and be awarded a license to practice as a statutory auditor. Audit licenses are issued by the Ministry of Finance and are valid indefinitely. In order to be eligible for practicing certificates, Certified Accountants need to complete three years of practical experience through employment with an audit firm, under the supervision of a Certified Auditor.

Recognition

Candidates certified with other relevant IFAC member professional bodies abroad can apply for recognition upon successfully passing the Tax and Business Law exams. There is also a mutual recognition agreement for professional designations of other regional bodies on the basis of comparable education programs (i.e. with SAAA and AAARS). In the past three years, nine members have received recognition of foreign professional designations.

Continuing Professional Development (CPD)



The CPD requirement is prescribed by ICAM, which is also the only recognized CPD provider for verifiable classroom trainings and seminars. There are a number of admissible CPD units. Improvements are necessary in the CPD enforcement mechanisms. It is expected that such improvements will be introduced soon through revised legislation.

Requirements

The CPD requirement is prescribed by ICAM. All professional accountants need to attend 40 hours of CPD training annually, of which 20 must be verifiable and completed via classroom training and seminars. Members who have legitimate reasons (e.g. illness, or a prolonged stay abroad) are allowed to complete 120 hours of CPD over a three-year period, of which at least 60 hours must be verifiable via classroom training and seminars. Members who do not comply with the CPD requirement in the three-year period must pass an exam which tests a body of knowledge from Accounting and Auditing, the IESBA Code of Ethics, Tax, ISA and IFRS Standards. Because professional titles, cannot be revoked or suspended according to legislation, licenses of professionals who do not pass such examinations are not revoked in practice. Changes are currently being proposed to the laws which would introduce a mandatory CPD requirement for licensed auditors to address this issue.

ICAM is the only recognized CPD provider for verifiable classroom training and seminars. Other non-verifiable CPD requirements include: practical experience in

a new professional role; coaching and mentoring (provided or received); self-directed and unstructured activities; developing and delivering courses and CPD sessions; writing articles, papers and books; and research, including reading professional literature or journals. Self-directed and unstructured CPD includes subscribing to professional magazines and literature approved by ICAM's Board of Directors (including ICAM's magazine) and may account for as much as 20 hours of non-verifiable CPD.

Measurement methods

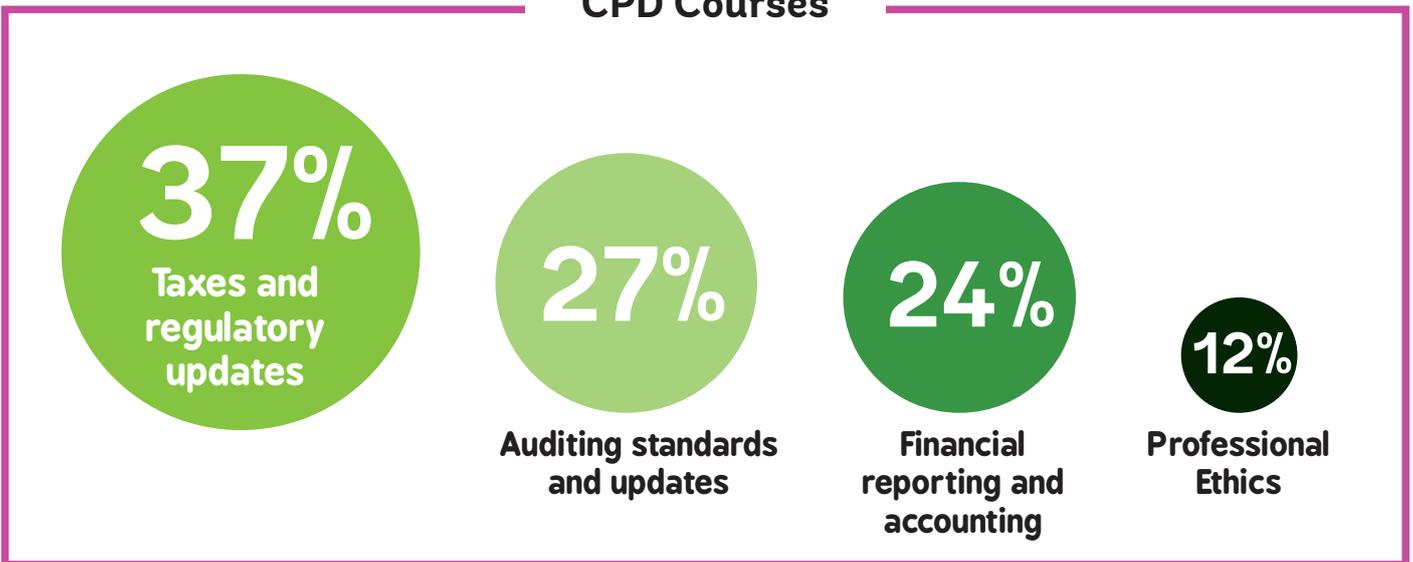
The method for measuring completion of the CPD requirement is input-based. Members are required to maintain their own records. ICAM also keeps its own records on CPD points. Members report annually to ICAM on the number of CPD hours completed and must provide declarations that the CPD requirement has been observed in order to renew their accounting certification. ICAM verifies the total hours and also checks the quality of the lecturers but does not perform sample checks or audits of the CPD activity reported.

CPD program

CPD events are usually organized in the form of lectures, forums or roundtables, which are often attended by over 150 members. CPD trainers are engaged on a part-time basis by ICAM. CPD lecturers are usually practitioners and academics with master's or doctorate diplomas. There is close cooperation with the SAAA when conducting joint CPD sessions.

Regulatory updates and tax training are the most significant topics covered in CPD programs. Annual CPD programs include five hours dedicated to the IESBA Code of Ethics and its requirements. The lack of competence maps and frameworks results in members not being trained in effective interpersonal and communication skills. Finally, no separate CPD stream is in place for practicing auditors.

CPD Courses



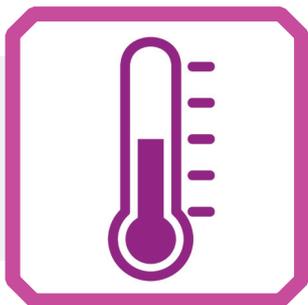
GOOD PRACTICE BOX

Providing members with useful guidance about CPD

It is important that CPD requirements are as clear as possible and that members can easily access the CPD policy for their reference in order to facilitate clear guidance to members on their CPD obligations. To achieve this, ICAM undertakes the following activities:

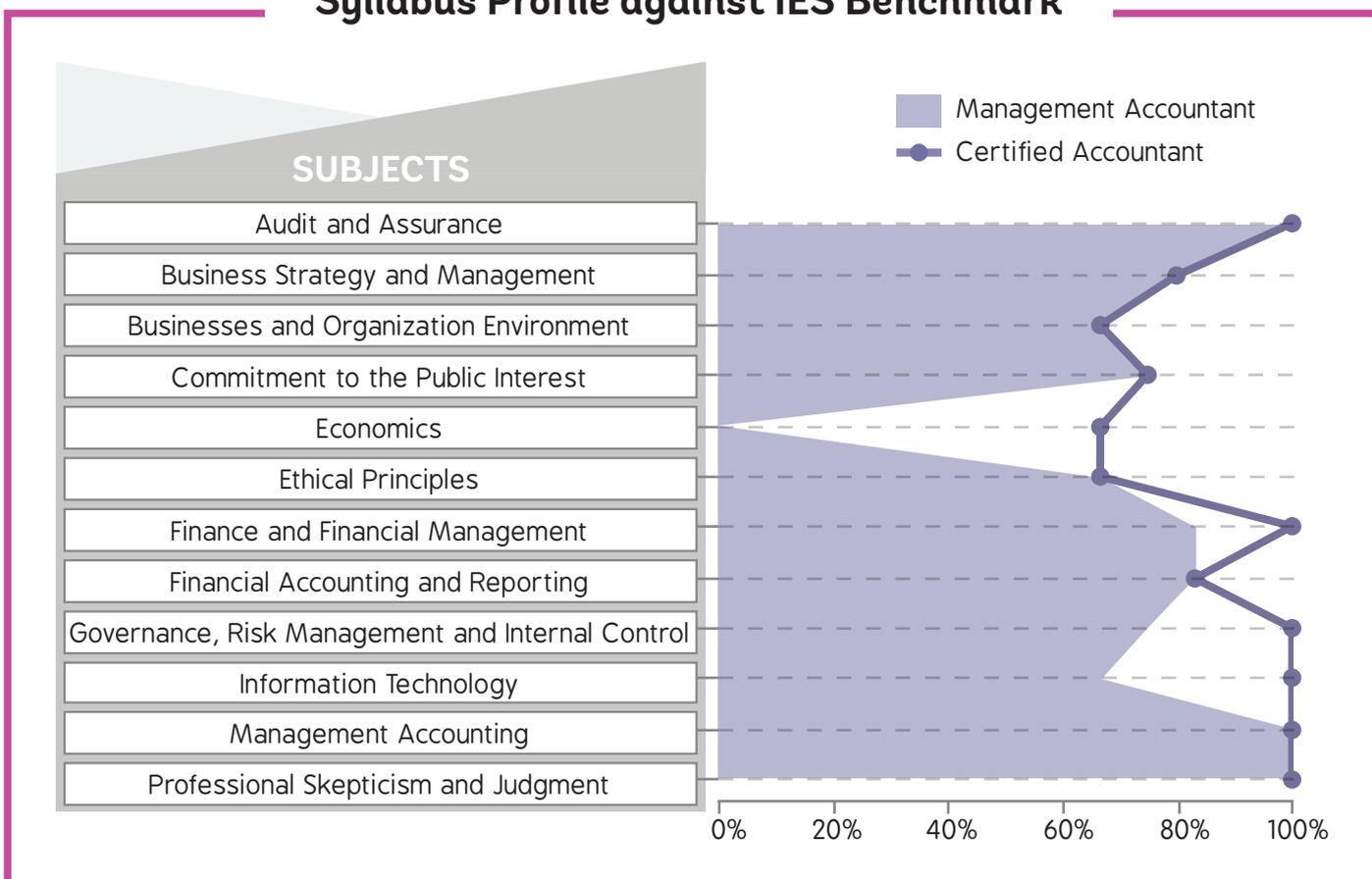
- ▶ Provides CPD guidance and publishes the CPD policy on its website; and
- ▶ Provides responses to frequently asked questions on CPD (i.e. phone help line).

Benchmarking Results

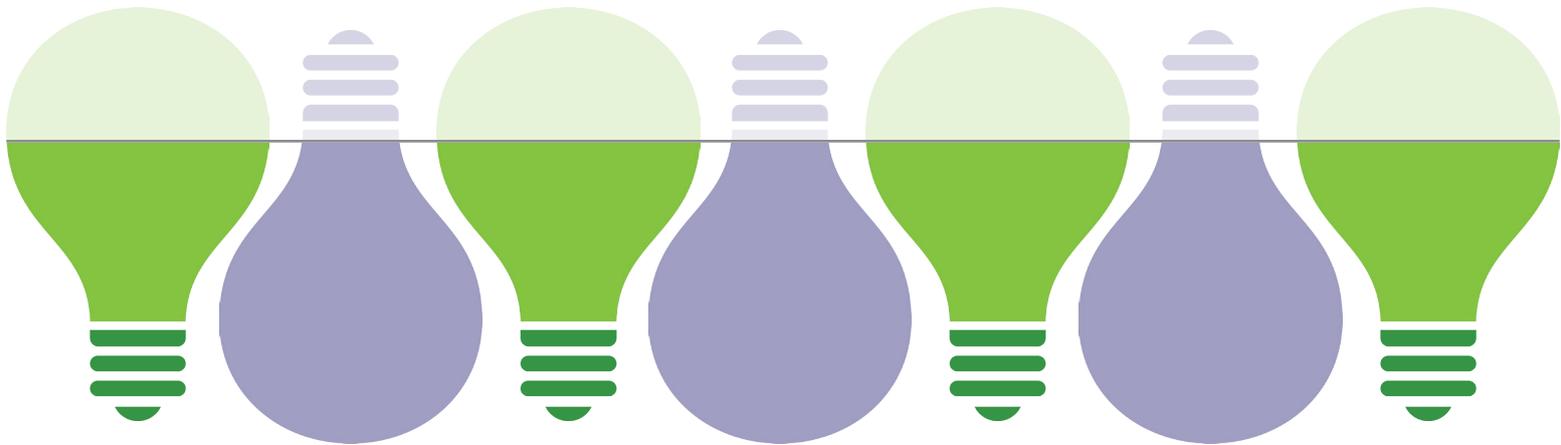
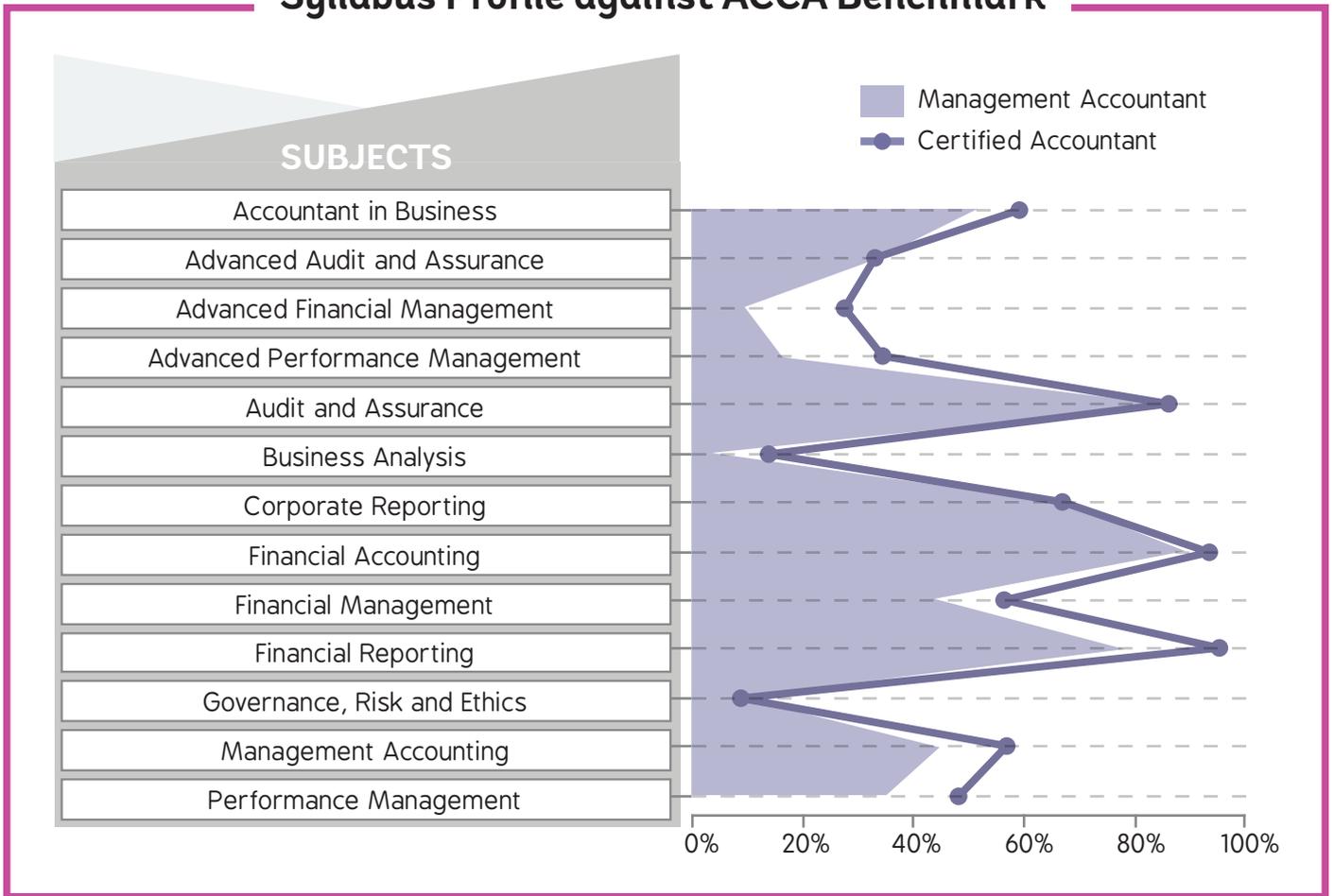


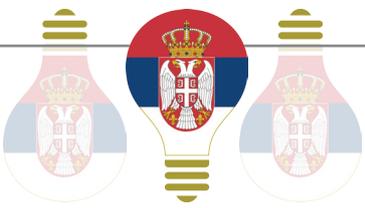
The education program scores well in several areas but there is a need to improve areas such as Governance, Risk and Ethics, Commitment to the Public Interest and Advanced Financial and Performance Management.

Syllabus Profile against IES Benchmark

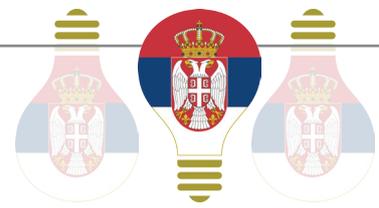


Syllabus Profile against ACCA Benchmark





Serbia at a glance



About the Faculty: The Faculty is principally funded by student fees and enjoys partial autonomy in developing new programs and in establishing international cooperation. Programs are all accredited at the national level.

Well-established accounting programs at the undergraduate and master's levels. Professional bodies provide recognition to graduates assessed on a case-by-case basis. Exemptions are available from the ACCA program. A structured and more frequent process for curricula review should be considered.

Demand for accounting education is high and continues to grow: nearly a third of university students are enrolled in accounting and auditing programs. Students benefit from careers support and networking opportunities.

Benchmarking results: Both master's and undergraduate programs score well against the IES benchmark. Programs could benefit from the inclusion of courses on Public Sector Financial Reporting.

**University of Belgrade,
Faculty of Economics**

Faculty resources: Highly qualified professors with active engagement in the local profession. Although salaries are at average levels, attracting young talent is not difficult because of the Faculty's high rating and reputation in the country.

The Serbian Association of Accountants and Auditors (SAAA)

About the SAAA: an IFAC member since 1997 and one of the oldest professional bodies in the region. It is a voluntary organization of accountants and auditors with over 4,000 members. The SAAA works closely with other regional professional bodies.

The **professional education and training program** offers three qualification routes: Accountant, Certified Accountant and Certified Public Accountant. The programs benefit from mutual recognition with other professional bodies in the region as well as exemptions from the ACCA program.

The SAAA has introduced mandatory **CPD requirements** for its members and monitors compliance with these requirements. It offers a variety of CPD courses, including specialized training in both public and private sectors.

Benchmarking results: The Certified Public Accountant program is fully aligned with IES requirements. The Certified Accountant program is also well aligned with IESs but could be improved in areas such as Governance, Risk, Ethics and Corporate Reporting.

About the CAA: The CAA is a professional organization for auditors and an associate member of IFAC. It has a mandate established by law and its membership comprises 390 individuals and 63 audit firms.

The **professional training and education program** could benefit from adopting a learning outcomes-based approach consistent with IESs.

CPD is mandatory for statutory auditors and is prescribed by law. The requirements include attendance at workshops or seminars organized by the CAA. The program should introduce outcomes-based measurement approach as encouraged by the IES.

Benchmarking results: Audit and Assurance components of the program achieve high scores against the ACCA and IES benchmarks. The program needs to be improved by introducing learning outcomes in the areas of Ethics and Commitment to the Public Interest.

Chamber of Authorized Auditors (CAA)

Key survey facts



3
Respondents



5
Educational Programs



1,225
Students



Auditing and Accounting ROSC Update: Areas for Consideration Relating to Accountancy Education

The recent Report on the Observance of Standards and Codes, Accounting and Auditing (ROSC A&A) Update for Serbia of June 2015 provides several recommendations relating to accountancy education. These include focusing on the practical application of IFRS Standards and other financial reporting standards as well as introducing courses on the assessment and communication of deficiencies in internal controls.

The ROSC A&A Update also found that current university curricula do not assure adequate

preparation of accounting students in IFRS Standards, particularly at the undergraduate level and that teaching materials often neglect issues of practical application.

In 2016, a four-year project (STAR-CFR: Serbia Technical Assistance for Reform of Corporate Financial Reporting) was launched which also aims to strengthen accounting and auditing education. The project will be implemented by the Serbian Ministry of Finance.

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University of Belgrade, Faculty of Economics

About the Faculty



The Faculty was founded in 1937. It is one of the oldest and most prestigious higher education institutions in the country. It offers undergraduate degrees, master's and PhDs. Programs are accredited at the national level.

The Faculty of Economics is part of the public University of Belgrade. Originally the Faculty was established as the Economic-Commerce Higher Education School in 1937. It was transformed into the Faculty of Economics as part of the University of Belgrade in 1947. The Faculty established a Center for Economic Research in 1952.

Sources of funding

Student fees are the major source of funding, contributing to 53 percent of the available budget.

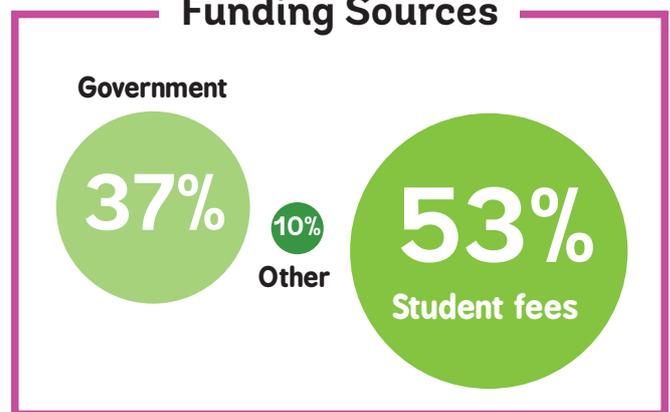
Level of autonomy

The Faculty is able to develop new undergraduate and graduate programs subject to approval by the University Senate. It decides autonomously on teaching and examination formats. Cooperation with higher education institutions from abroad is usually enacted by the University, based on the initiative of the Faculty. The Faculty may participate in international projects independently, for which no consent is needed from other institutions.

Admission quotas are decided by the Government of Serbia. The overall number of admissions to the undergraduate program is around 1,500 students, with 1,000 students on average graduating each year.

All undergraduate programs last for four years (eight semesters and 240 ECTS). Master's are one year programs and 60 ECTS (two semesters, of which one semester is devoted to a master's thesis). Both

Funding Sources



undergraduate and master's programs comprise compulsory and elective courses.

Education programs

The undergraduate program in Economics, Management and Statistics has 10 specialization modules in which students may enroll in their third year of study. These are: (i) Management; (ii) Statistics; (iii) IT and Quantitative Finance; (iv) Accounting, Auditing and Financial Management; (v) Economics Analysis and Policy; (vi) International Economics and International Trade; (vii) Retail Management and Marketing; (viii) Marketing; (ix) Finance Banking; and (x) Insurance and Tourism and Hospitality.

Accreditation

Serbia has been a member of the Bologna process and the European Higher Education Area since 2003. All programs are accredited at the national level.

The Accounting Program



Professional bodies provide recognition to graduates assessed on a case-by-case basis. Practical experience is not required to graduate from undergraduate and master's programs. There is a need to update some of the materials and textbooks, especially those relating to Auditing and Ethics. A more frequent and structured process should be considered for curricula reviews and updates.

Type of degrees

The Faculty offers an undergraduate degree in Economics with a specialization in Accounting, Auditing and Financial Management (since 1966). It also offers a master's program in Accounting, Auditing and Business Finance. Approximately 28 percent of overall annual admissions (around 420 students) choose the Accountancy specialization in the third academic year

of the undergraduate program. The master's program in Accounting, Auditing and Business Finance admits approximately 55 students annually and has about 20 graduates every year.

Curriculum

The table below shows the accounting and auditing related courses in the undergraduate program:

Undergraduate

First Year	Second Year	Third year	Fourth Year
Financial Accounting	Management Accounting	Cost Accounting	Special-Purpose Financial Statements
		Theory and Policy of Financial Statements	Accounting Information Systems
		Corporate Finance	Auditing
			Comparative Accounting
			Special Accounting
			Internal Accounting

The table below shows the core and elective accounting and auditing courses in the master's program:

Master

Academic Year	
Financial Reporting	One elective choice from Group 1 and Group 2: • Group 1: Company Valuation or Specific issues in Auditing of Financial Statements. • Group 2: Business Strategy, Strategic Marketing, Portfolio Management, EU Law, Financial Mathematics or Banking Management.
Company Income Policy	
Specific Problems in Corporate Finance	
Organization of Accounting Information Systems	



GOOD PRACTICE BOX

Facilitating professional networking opportunities for students

The Faculty supports several networking events and activities aimed at providing students with the opportunity to connect with the business community, including:

- ▶ Organizing focused workshops on job search strategies, CV writing, and preparing for job interviews;
- ▶ The Careers Center provides businesses and financial institutions with access to its databases which contain information on final year students,

master's students and graduates. The database is available online and represents a useful tool for connecting job seekers with employers;

- ▶ "Company Days", which feature workshops hosted by companies which are offering employment and internship opportunities; and
- ▶ EKOF ARENA "Business Case Study", which is a competition where students work together in groups on a business case study.

Linkages to professional qualification

The Serbian Association of Accountants and Auditors (SAAA) provides exemptions to students with an undergraduate degree in Economics and a specialization in Accountancy, which are assessed on a case-by-case basis.

The Chamber of Authorized Auditors (CAA) provides exemptions to graduates who have completed a degree in Economics with a specialization in Accountancy. These exemptions apply to up to nine exams of the total of twelve courses covered by the professional program in: Theory and Principles of Accounting; Financial analysis; Managerial Accounting; Risk Management and Internal Control; Audit Theory; Business Information Systems; Microeconomics, General and Financial Economics; Financial Mathematics and Statistics; and Financial Management of Undertakings.

The ACCA offers exemptions from papers in: Accountant in Business, Management Accounting, Financial Accounting and Corporate and Business Law.

Practical experience

There is no internship or practical experience requirement for undergraduate, master's or PhD levels of education.

Curriculum updates and reviews

Updates to the curricula for undergraduate studies are traditionally undertaken based on a self-assessment process. The current curricula were created in 2006, with minor changes introduced in 2013. Teaching staff continue to make regular annual updates to course syllabi, as required.

Program evaluations

All courses are evaluated by students through annual surveys carried out when students progress to their next year of study. The quality of teaching is evaluated for understandability, teachers' abilities to disseminate knowledge and provoke critical-thinking, and the quality of the teaching materials. Upon graduation, a survey is carried out of the students' assessment of the overall quality of the entire program and education experience.

Teaching materials

Accounting related textbooks available in local language have been rated as very good. However, textbooks in other areas including, notably, Auditing and Ethics, need improvement. A new textbook for Auditing was introduced at the end of 2015 which includes sections dealing with professional ethics based on the requirements of the IESBA Code of Ethics. The study materials for the course on Accounting Information Systems and Theory and Policy of Financial Statements are in the form of notes based on English textbooks.

The use of English textbooks and materials is modest. In addition, the most recent English or translated version of IFRS Standards, ISA and other relevant pronouncements are not available in the Faculty Library. All courses are taught only in the local language.

Technologies have been used modestly in the teaching process, mainly to assist in communicating with students. Course delivery methods include: presentations, short case studies, in-class exercises, as well as group and individual project assignments.

Assessment methods

The methods used to assess students at the undergraduate level vary for different courses. Class activities account for between 5 and 20 percent of the final score, interim exams for up to 30 percent, and final written and/or oral exam for up to 60 percent. The pass mark is 50 percent. Written exams comprise a combination of multiple choice questions, short theoretical and narrative questions and short case studies with narrative, or a combination of narrative and mathematical elements. Some courses, notably the course on the Theory and Policy of Financial Statements, require students to take an oral exam only.

Faculty Body

There is an increasing demand for accountancy education and specialization, with some professors requesting additional teaching staff. Current professors are well qualified. Although salaries are at average levels, attracting young talent is not difficult as a result of the high rating and reputation of the Faculty.

The teaching norm is between 120 and 180 hours per academic year (between four and six hours per week) for professors (including full, associate and assistant professors) and between 240 and 300 hours per academic year (between eight and ten hours per week) for assistants.

Although Faculty members' salaries are at average levels, attracting young talent is not seen as difficult as a result of the high rating and reputation of the Faculty.

The Faculty body is involved in many professional development activities, including participating in accounting conferences, publishing manuals, writing books and publishing articles in accredited journals, as well as engaging in exchange visits abroad.



14
Faculty members

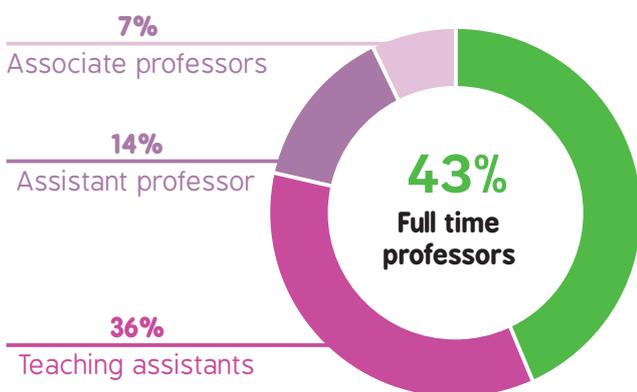


64%
Senior staff

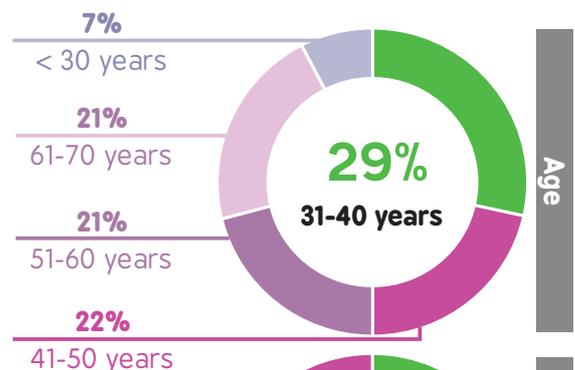


1:65
Teacher to student ratio

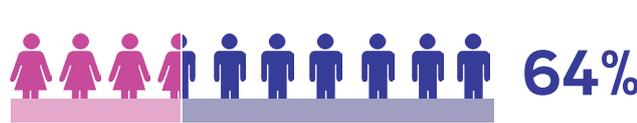
Faculty Profiles



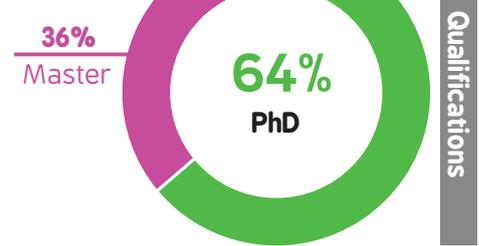
Members



Age



Gender



Qualifications

Student Body

There is a high demand for accountancy programs. The Faculty Career Center supports several activities and networking events which provide students with greater links to the corporate sector.

The demand for accounting education has been growing at about 7 percent annually, with approximately 30 percent of students choosing the Accounting and Auditing program.

The student drop-out rate is low at about 4.6 percent.

Students' English language proficiency is assessed as very good.

The average period of graduation for accounting students is four years and seven months.

Linkages with the business sector

The Career Center has been established at the Faculty to manage links with the corporate sector. There is some engagement with practitioners and Professional Accountancy Organizations. The Faculty's Strategic Plan 2015-2020 foresees a more focused collaboration with industry, through visiting lecturers, business simulations and case studies, as well as internship programs.

The Faculty monitors graduates' careers after they have left university through a survey. The survey provides data on various matters regarding student employment such as the time taken to find a job after graduation and the sector in which they are employed. On average, up to 60 percent of graduates are employed within six months of graduation.



30%
Students choose accounting programs



7%
Annual increase in demand for accounting programs

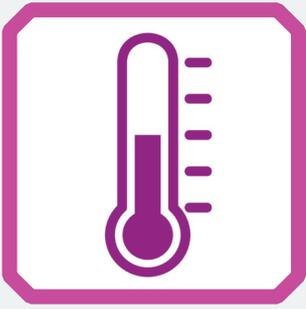


60%
Students find employment within 6 months of graduation

Student Profiles

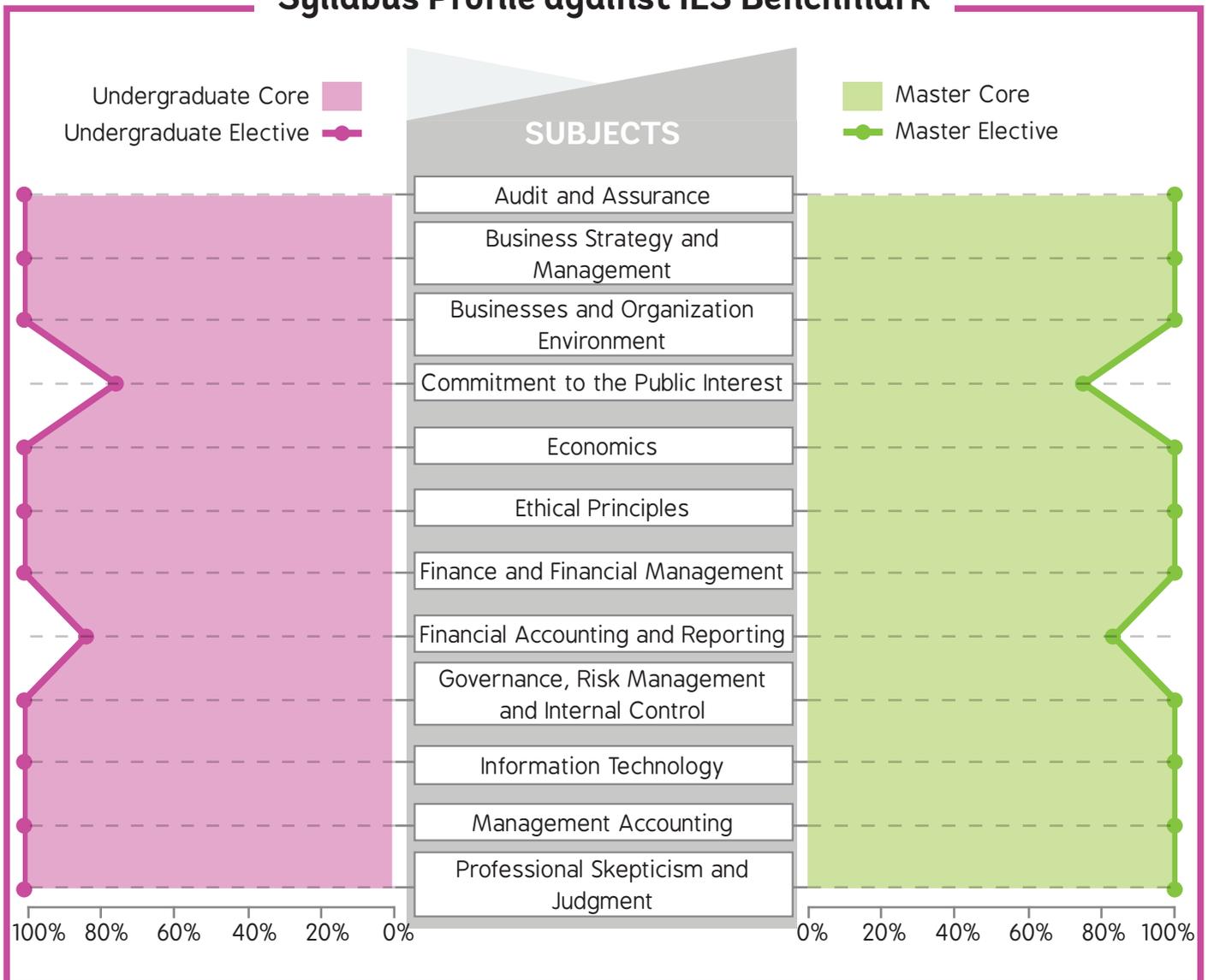


Benchmarking Results

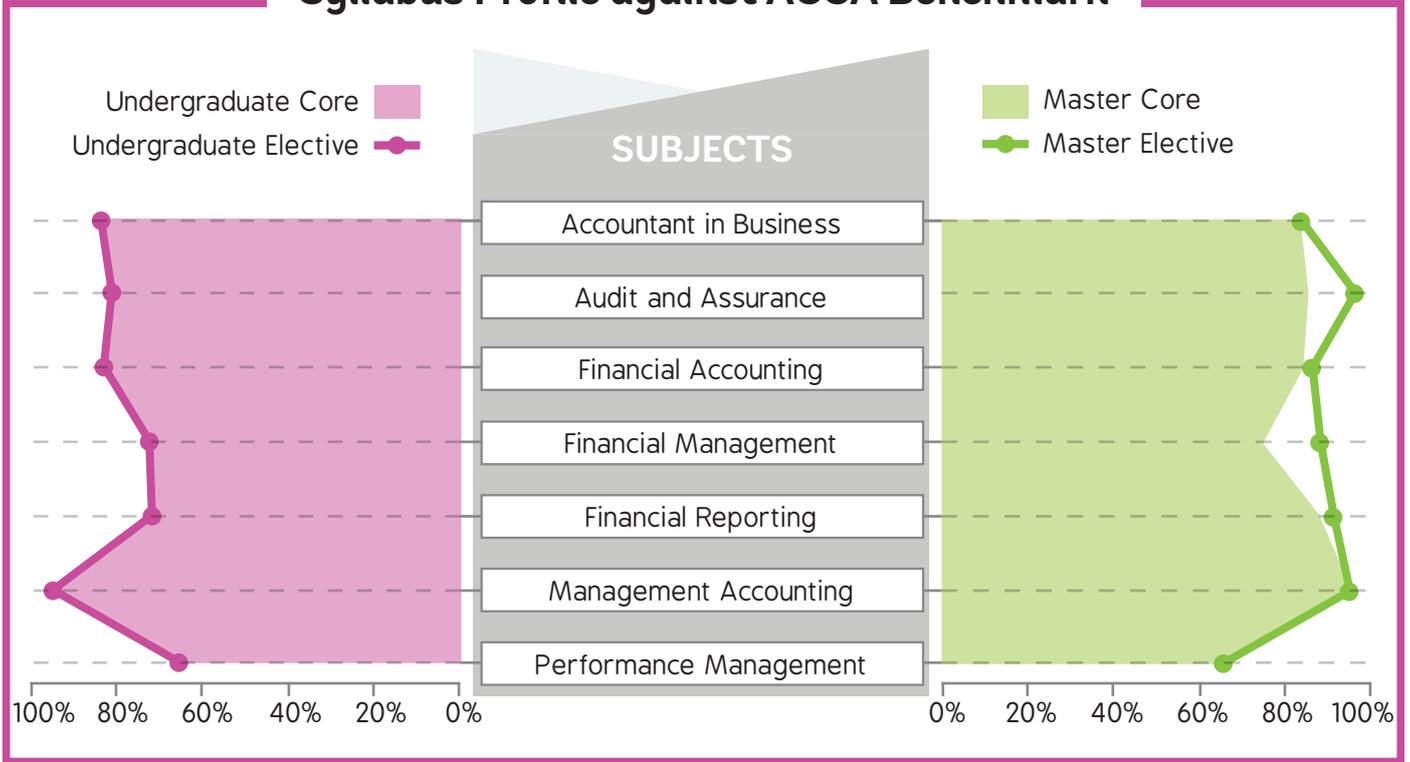


Both undergraduate and master's programs compare well against the IES benchmark with some improvements required in Financial Accounting and Reporting and Commitment to Public Interest. There is some room for improvement in Financial Accounting and Reporting and Performance Management courses. Public Sector Financial Reporting including IPSAS do not feature in the syllabi of either the undergraduate or master's programs.

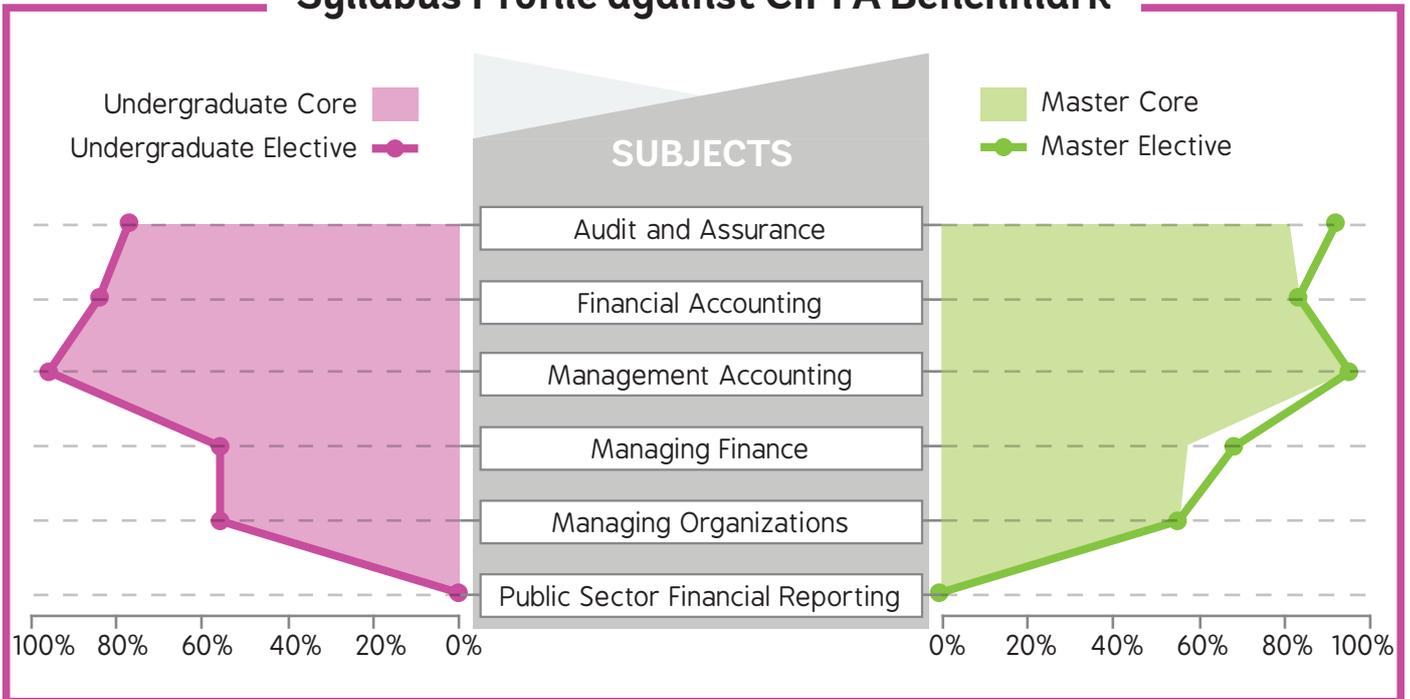
Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Syllabus Profile against CIPFA Benchmark



Serbian Association of Accountants and Auditors (SAAA)

About SAAA



The SAAA is the oldest PAOs in the region. It was established in 1955 and has a voluntary membership of both accountants and auditors. It has a large membership of over 4,000, most of which are Certified Accountants. The SAAA has been a member of IFAC since 1997 and the FEE since 2013.

The SAAA is a voluntary membership professional non-governmental organization for both accountants and auditors in Serbia. It was founded in 1955. The SAAA's activities mostly involve organizing professional certification, education and training of members, as well as organizing direct support for the application of these international standards in everyday practice and business operations. The SAAA has made a notable contribution to the application of global, high quality accounting standards and translates, publishes and promotes the implementation of IFRS Standards, the SMEs Standard and IPSAS among its members and the wider economy.

The SAAA has been a full member of IFAC since 1997 and became a member of the FEE in 2013.

The SAAA collaborates closely with other regional professional bodies such as the Institute of Certified Accountants of Montenegro (ICAM), the Association of Accountants and Auditors of Republic of Srpska (AAARS) and the Society of Certified Accountants and Auditors of Kosovo (SCAAK).

Members

The SAAA has over 4,000 members, most of whom hold the Accountant and Certified Accountant designations.

Resources

Key areas of the SAAA's focus include enhancing and maintaining a professional education and CPD system, as well as developing its member services and international relations. The annual budget is approximately EUR 64 per member.

Governance

The SAAA's governing bodies include: the Assembly; Oversight Board; Disciplinary Board; the Executive Board (led by the Chairman); the General Secretary; and the Commissions. The Executive, Oversight and Supervisory board members serve for a term of four years and are engaged on a voluntary basis.



The Profession

The Accounting and Auditing profession is regulated by the Laws on Accounting and Auditing. The

Chamber of Authorized Auditors enjoys statutory recognition. Its membership is mandatory for licensed certified auditors and all audit firms. The Chamber has other regulatory powers and

obligations, notably regarding quality assurance review and the promulgation of auditing standards adopted by the Government.

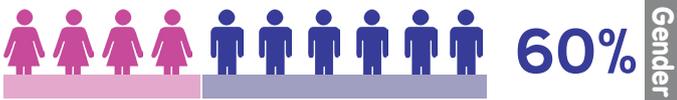
The Serbian Association of Accountants and Auditors (SAAA) is a voluntary membership organization for both accountants and auditors and is the oldest professional body in the region.

Funding



€64 Approximate annual budget per member

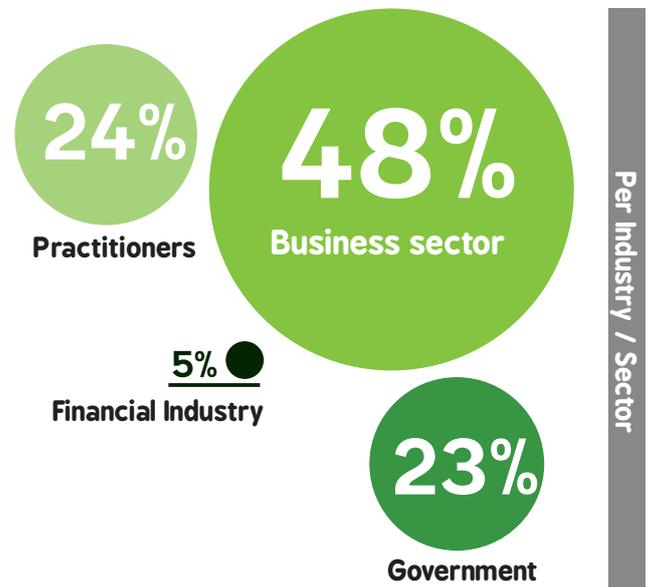
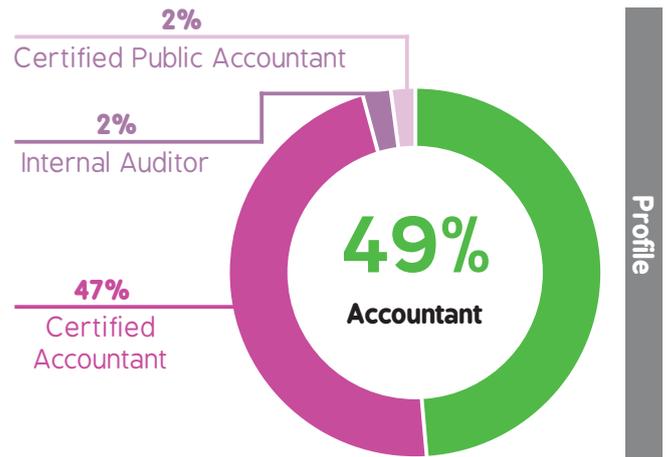
Governance Bodies



Staff

The SAAA has 11 full-time employees: the General Secretary, three Administrative Assistants, two staff engaged in publishing activities, two engaged in quality control and assurance, and three staff who perform education and examination tasks. Thirteen part-time consultants are engaged as support and outsourced technical staff.

Member Profiles



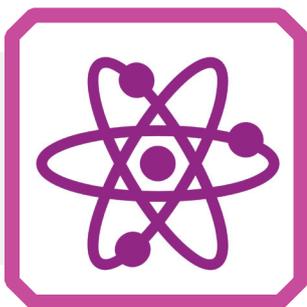
GOOD PRACTICE BOX

Monitoring PAO performance using Key Performance Indicators

The SAAA has developed a set of key performance indicators (KPIs) for different functions in order to monitor performance against set targets for key activities. The KPIs are comprehensive and include a combination of quantitative, qualitative and output indicators, by function:

- ▶ Professional qualification (number of candidates, pass rates, drop-out rates, success rates);
- ▶ Member services (number of contacts, rate of successful responses, time taken to answer members' queries, rate of occurrence of similar issues, members' satisfaction);
- ▶ CPD (number of participants, member compliance with CPD, feedback surveys); and
- ▶ International relations (a set of highly qualitative and output-based KPIs).

Education and Training Program



The demand for the education program has remained stable and moderate. There is a developed system of mutual recognition with other regional professional bodies as well as a system of exemptions with ACCA.

Entry requirements

The SAAA offers three professional qualifications: Accountant, Certified Accountant (CA) and Certified Public Accountant (CPA). Candidates are required to have the following education in order to enter the qualification programs:

- Accountant: high school diploma.
- Certified Accountant: university undergraduate degree (240 ECTS credits), higher education degree (180 ECTS credits), college education (120 ECTS credits), or have the Accountant professional designation.
- Certified Public Accountants: university undergraduate degree (240 ECTS credits) and hold the Certified Accountant professional designation.

Demand

The demand for the professional education programs has remained stable and moderate. There are about 700 admissions, of which more than half are for the Certified Accountant qualification. Around 230 candidates successfully complete the professional education programs annually.



GOOD PRACTICE BOX

Integrating professional ethics across the curriculum

Professional ethics, values and attitudes is an area that is of critical importance for the accountancy profession and is also a topic that often attracts significant attention by regulators. It is widely understood that teaching ethics in effective ways is inherently difficult but it is important that professional education includes adequate coverage of professional ethics as part of their syllabi.

The SAAA curricula do not have a separate course

on Ethics but the topics on professional values, ethics and attitudes, are integrated into other subjects. This approach allows both providers of education and recipients of ethics education to consider professional ethics as a skillset that is pervasive to the accountant's day-to-day role, rather than as a skill used only in particular situations.

The SAAA also provides pre-qualification courses on the IESBA's Code of Ethics.

Content

The table below shows the examinations for each qualification:

Professional Education

Accountant	Certified Accountant	Certified Public Accountant
Recording Financial Transactions	Preparing Financial Statements	Audit and Assurance Services
Information for Management Control	Financial Information for Management	Performance Management
Preparing Financial Statements	Managing People	Strategic Business Planning and Development
Cost Accounting	Information Systems	Complex Corporate Reporting
Audit Procedures	Corporate and Business Law	Strategic Financial Management
Tax System	Tax System	
Managing People and Systems	Financial Management and Control	
Financial Statements Compilation	Financial Reporting	
Planning, Control and Performance Management	Audit and Internal Review	

Other specialized licenses offered by the SAAA include: *Internal Auditor, Management Accountant, Tax and Financial Advisor, Forensic Accountant* and *Authorized Valuator*. There is a practical experience requirement of at least three years for each of these specialized licenses.

Examinations

There are two exam sittings per year (June and December). All exams are written and closed book, with questions including multiple-choice, essays, cases studies, computations, reports, and memos.

Curriculum updates and reviews

The SAAA syllabi are based on the ACCA's professional syllabus. Periodic reviews and comparisons with ACCA are performed by the Education Committee and syllabi are updated if needed. The most recurrent updates took place in January 2016 to reflect changes in tax regulations. Changes in tax and law as well as revisions to IFRS Standards and ISA are reflected in supplementary education materials.



GOOD PRACTICE BOX

Introducing external oversight in the professional examination process

The Education Board has overall responsibility for the professional education delivered by the SAAA. Among other duties, it is the body that decides on candidate appeals and potential second assessments.

The Central Examination Committee organizes and supervises the 14 Examination Committees responsible for preparation of the exams and marking schemes.

Exams are marked by a temporary working body appointed and supervised by the Central Examination Committee. Scores close to the pass mark (i.e. ranging between 46 and 52 percent) as well as a randomly selected sample of papers (10 percent of the total) are subject to second (double) marking. This is performed by members of the Examination Committee, as appointed by the Central Examination Committee.

Candidates' anonymity is secured by encrypted coding of candidates' data. Each candidate's paper is marked by an encrypted bar code which can only

be read by in-house developed software.

Candidates are informed about results via email or by post. Reports on examinations, including pass rates, drop-out rates, average scores and average length of studies, are presented twice a year by the Central Examination Committee to the SAAA Education Board. In turn, the SAAA Education Board submits an annual report to the SAAA Executive Board, the SAAA Oversight Board and the Assembly.

In order to enhance and ensure quality control over the integrity of the examination process, the SAAA has introduced the following oversight mechanisms:

- ▶ An external Certification Quality Control Committee which is an independent body that performs periodical reviews of the examination process and papers. It has one member from the UK, one from Greece and one from Serbia; and
- ▶ A Joint Supervisory Commission (exam supervisors) consisting of members from academia who monitor the integrity and quality of the examination process itself.



GOOD PRACTICE BOX

Regional cooperation and recognition of qualifications and CPD

Mutual recognition agreements are in effect with several regional professional bodies including:

- ▶ The Institute of Certified Accountants of Montenegro (ICAM);
- ▶ The Association of Accountants and Auditors of Republic Srpska (AAARS); and
- ▶ The Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (SRRF-FBH).

SAAA CPA members who have successfully completed the recognition process have the right to practice as statutory auditors in Montenegro and Bosnia and Herzegovina. In addition, members can fulfill their CPD requirements with any of the regional PAOs where mutual recognition agreements are in effect.

Practical experience requirements

The following practical experience requirements are in place for the three professional titles:

- Accountant: at least three years of practical work experience in accounting;
- Certified Accountant: between three and five years of practical experience in accounting and financial reporting depending on type of prior education; and
- Certified Public Accountant: at least three years of practical experience achieved within the Certified Accountant designation.

The practical experience required for all qualifications can be achieved before, alongside or after the study program.

A reduction in the practical experience requirement is possible for up to 15 months only for candidates with a background as educators and having substantial experience in the field of accounting and auditing (e.g. university professors and lecturers).

A combination of an input-based and output-based approach is used to measure practical experience. Guidelines are included in individual students' Practical Experience logbooks, which are used to record such experiences. Students record their experience in the specific technical competence areas (Audit, Financial Accounting and Reporting, Management Accounting

and Reporting, IT Accounting, Financial Management, Financial Analyses and Control, Taxation) as well as the type of work they have performed (ranging from supervised work to independent work). Professional skills are required that relate to Ethics and Professional Behavior. Declarations confirming the practical experience are provided by both the employer and the supervisor. Eligible supervisors are members in good standing or practitioners of other IFAC recognized member bodies. The SAAA Education Board verifies practical experience by auditing the declarations on a sample basis. There is no approved employer scheme in place.

Recognition

The SAAA recognizes other qualifications which are either based on established Memoranda of Understanding or qualification programs offered by other IFAC member bodies, after candidates sit and successfully pass the Serbian tax and law examination. In the past three years, 60 members have received recognition of foreign professional designations.

Members holding the Accountant designation are awarded blanket exemption from seven ACCA Certified Accounting Technician papers.

Members holding the CA and CPA designation receive a blanket exemption from three ACCA papers and can apply for up to nine exams, subject to individual appeal for the ACCA qualification.



GOOD PRACTICE BOX

Active engagement on public sector accounting issues

Approximately 25 percent of SAAA members work directly or indirectly in the public sector. The SAAA is actively engaged in public sector issues. These include: promoting sound public sector accounting practices; providing CPD for public sector accountants; and organizing bi-annual three-day seminars for public sector accountants, State Auditors and auditors of public sector entities.

The SAAA recently established a Public Sector CPA designation and entered into a Memorandum of Understanding with CIPFA on a Joint Public Sector Qualification. This allows a fast-track route to CIPFA membership whereby CAs and CPAs with suitable experience in the public sector are exempt from CIPFA exams. This new designation has been very popular with members, as indicated by a large increase in the number of candidates to the program within the last year.

Continuing Professional Development (CPD)



The SAAA requires all members to achieve 120 hours of CPD in each three year rolling period. Members are reminded of the importance of CPD completion through various means and CPD completion is monitored by the SAAA. CPD activities include specialized trainings that meet the needs of both private and public sector members.

Requirements

CPD is mandatory for all SAAA members. All members need to attend 120 hours of CPD training in each three year rolling period, of which 60 hours must be verifiable and structured and at least 20 hours needs to be completed annually.

The SAAA provides most of the verifiable classroom training to its members. However, based on regional agreements on mutual recognition, it is possible for members to fulfill their CPD obligations with other regional PAOs. The importance of the CPD requirements are communicated to members through webpage announcements, bulletins and magazines. In addition, the SAAA regularly promotes a range of CPD opportunities and activities. Recognized CPD units include: attendance in academic conferences and workshops; formal education (master's, PhD); coaching and mentoring; delivering and developing CPD; writing articles and books; and research, including reading professional literature.

Measurement methods

CPD is measured through an input-based approach. Records of structured CPD units for members are maintained and updated by SAAA staff. There is no prescribed form for any unstructured CPD activity. Periodic reviews are performed to verify CPD activities and non-complying members are informed of their status and possible remedial courses of action. Further, non-compliance with CPD requirements results in disciplinary committee actions.

CPD program

CPD events are usually organized in the form of lectures, forums or roundtables with audiences of between 80 and 300 members. CPD trainers are either employees of the SAAA or engaged on a part-time basis. CPD lecturers are usually practitioners and academics with appropriate and relevant experience.

CPD programs include 28 hours per annum on the IESBA Code of Ethics and its requirements. Specialized fields of CPD trainings are available, such as Money Laundering Prevention and Fraud. The SAAA is primarily an organization of accountants and there is no separate CPD system for audit partners.

CPD Courses

42%

Financial reporting and accounting

34%

Taxes and regulatory updates

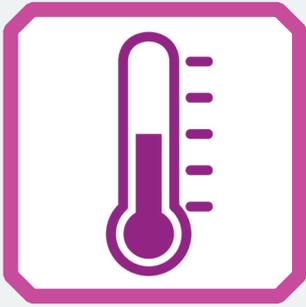
15%

Professional Ethics and other topics

9%

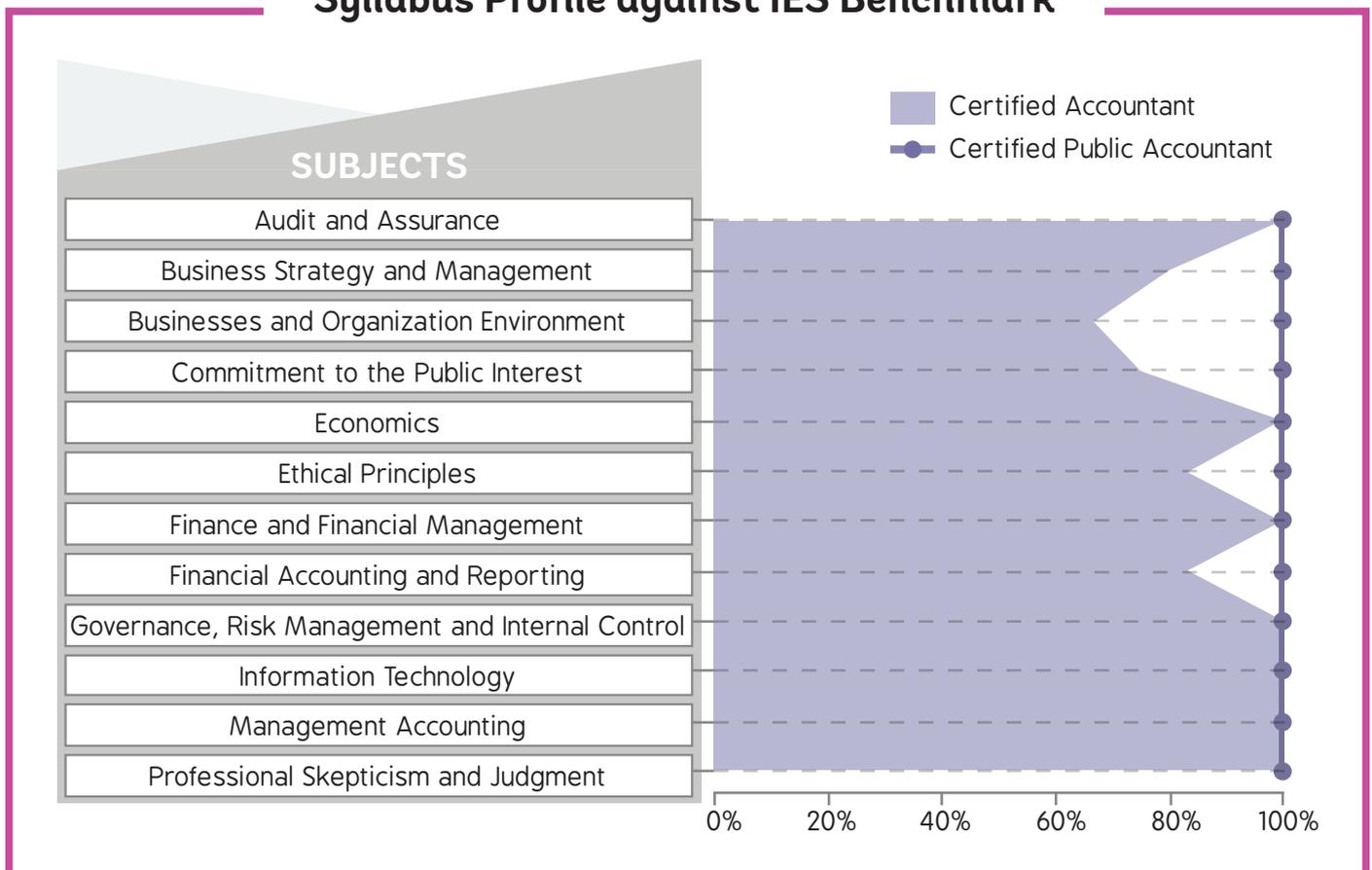
Auditing standards and updates

Benchmarking Results

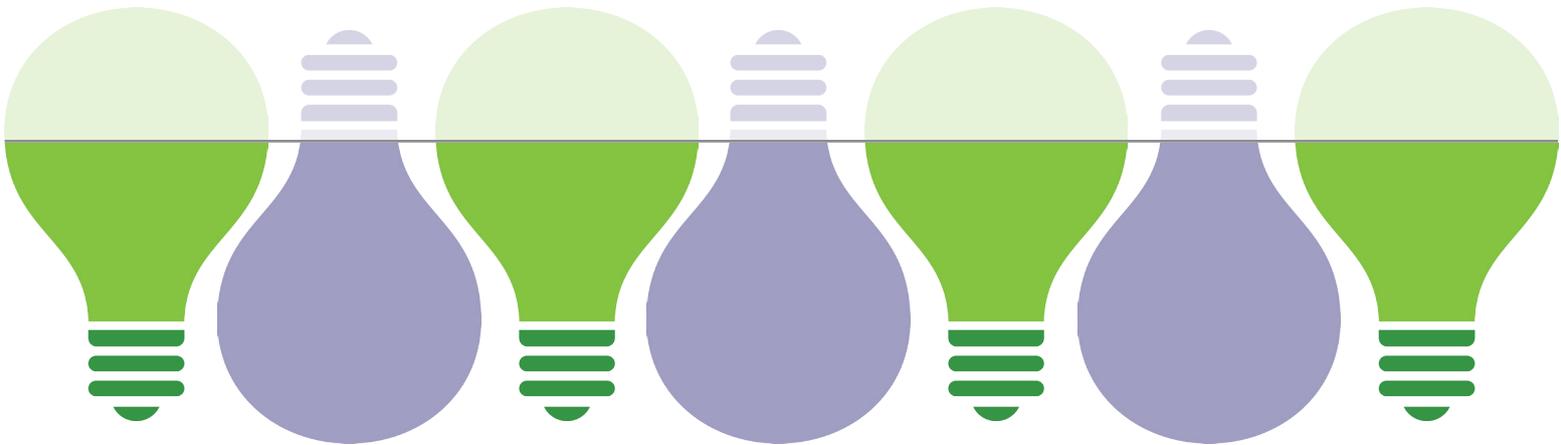
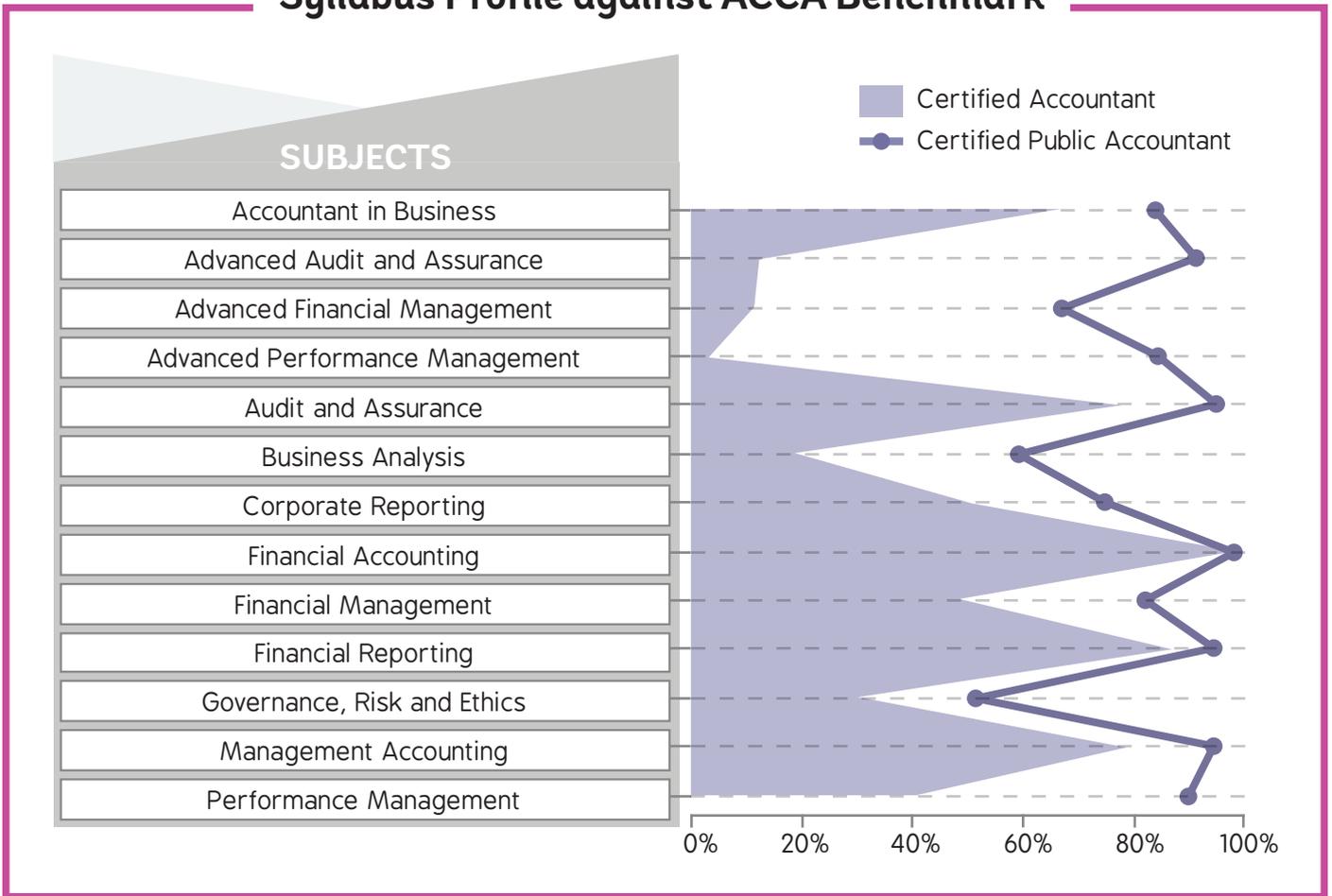


The CPA program complies fully with the IES benchmark. Some adjustments are needed to the CA program in order to align it better to IES and the ACCA benchmark, including areas such as Governance, Risk and Ethics, and Corporate Reporting. Proficiency levels of learning outcomes between the CA and CPA streams are well developed and follow a scale of progression.

Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



Chamber of Authorized Auditors (CAA)

About CAA



CAA is a professional organization of auditors recognized by the law. Its membership comprises 390 individual members and 63 audit companies. The CAA became an associate IFAC member in 2014 and aspires to full membership.

The CAA was established in 2006. This professional body of auditors recognized by law has the authority to: (i) prepare and conduct qualifying exams to certified auditors; (ii) prepare and organize CPD for licensed certified auditors; (iii) maintain the register of licensed certified auditors, audit firms and independent auditors; and (iv) perform quality assurance reviews of audit firms, independent auditors and licensed certified auditors.

The CAA became an associate member of IFAC in 2014.

Members

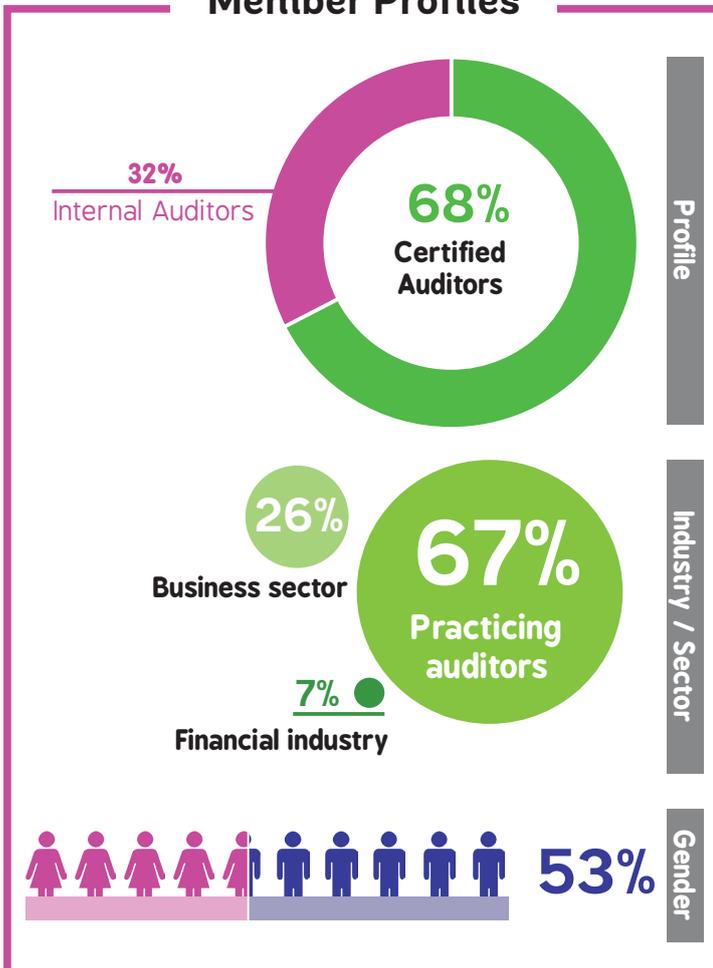
The CAA's membership comprises 390 individual members and 63 audit companies. The average age of CAA members is 46 years.

Resources

The available annual budget per member is approximately EUR 1,030.

The CAA's main areas of strategic focus include enhancing the CPD and qualification program as well as developing the quality assurance system.

Member Profiles



Funding

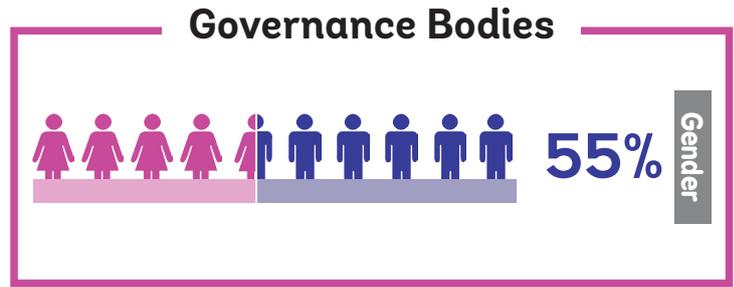


Governance

The Chamber’s governance bodies consist of the General Assembly, the Governing Council, the Supervisory Board, Secretariat, and three other Committees. The Governing Council is the executive body of the Chamber and has seven members, six of whom are elected by the Assembly and one member who is nominated by the Ministry of Finance. The Supervisory Board is the oversight body of the Chamber and comprises five members elected by the Assembly.

The Chamber currently has three other Committees: the Ethics Committee, the Quality Control Committee and the Committee for Examination, Training and Continuous Professional Development.

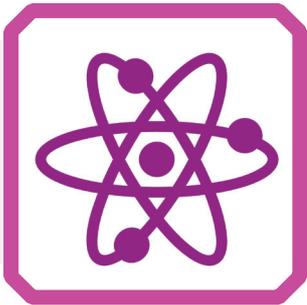
The Secretary General manages and organizes the day-to-day business of the Chamber. The Secretary General is appointed by the Assembly.



Staff

The CAA has nine full-time employees: the General Secretary, two Administrative Assistants, three employees responsible for professional education and examination, and a further three staff who are involved in quality control and assurance activities.

Education and Training Program



Enhancements to the professional education program are required. These could include specifying competencies which should be achieved through practical experience and prescribing learning outcomes and proficiency levels.

Entry requirements

All candidates who hold a university degree can enroll in the CAA examination program.

education has been increasing and currently stands at approximately 50 admissions per year, with 27 completing the program on an annual basis.

Demand

The demand for Certified Auditor professional

Content

The syllabus comprises the following courses:

Professional Education

Level 1	Level 2
Theory and Principles of Accounting	Law for Certified Auditors
Financial Reporting Framework and IFRS Standards	Tax Systems
Financial Analysis	Business Information Systems
Managerial Accounting	Microeconomics, General and Financial Economics
Risk Management and Internal Control	Financial Mathematics and Statistics
Audit Theory	Financial Management of Undertakings
Audit Methodology	



GOOD PRACTICE BOX

Implementing sound integrity procedures for professional examinations

The CAA has implemented a number of procedures in order to maintain sound examination integrity, including:

- ▶ Each exam paper is coded and no names are exchanged, thus protecting student anonymity;
- ▶ A double marking system applies whereby two examiners mark each exam paper independently;
- ▶ Candidates can enquire into the marking of their paper and file a complaint; and
- ▶ Pass marks are published on the CAA's website.

There is no prescribed order in which the exams must be taken. Professional Ethics is included under the Audit Theory course.

The examination syllabus provides information about the detailed subjects and the content of the subjects. Learning outcomes and proficiency levels are not prescribed.

The education program is self-study. Limited consultations are possible with examiners before the exams. There is a need to develop further study and practice materials to help candidates prepare better for the examinations.

The CAA also offers the following specialized license: *Internal Auditor*. Candidates should have an undergraduate degree and need to pass an examination, as well as have practical work experience of no less than three years of internal or external audit, or at least five years of experience in accounting.

Curriculum updates and reviews

Serbian Law prescribes the competencies subject to examination. There is limited flexibility from the CAA's side to introduce substantial changes other than providing some minor updates to courses.

Examinations

Pass rates are on average 62 percent and are published on the CAA's website. Two examination sittings are available annually.

Practical experience requirements

The law requires prospective statutory auditors to have three years practical audit experience in order to obtain an audit license, of which at least two years must be under the supervision of a statutory auditor. It is the Ministry of Finance rather than the CAA which monitors this practical experience requirement. This involves reviewing a signed statement by the supervising statutory auditor and audit firm confirming that a successful candidate has completed the necessary time in such a role.

Practice license

Successful candidates who have completed the examination program and the three years of practical experience requirement can apply to the Ministry of Finance for a practicing license.

Recognition

ACCA members can obtain recognition of their ACCA qualification upon successfully passing the Tax and Business Law exams.

There is a formal system for the recognition of other IFAC bodies' qualifications but candidates must provide evidence of the similarity between their IFAC body's exams and those of the CAA. Passing the Tax and Business Law exams is a requirement.

Continuing Professional Development (CPD)



The CPD requirement is mandatory for all statutory auditors and is prescribed by law. Half of all CPD must be met by attending workshops or seminars organized by the CAA. There is a need to introduce an output-based CPD measurement system that would focus on the achievement of the learning outcomes required by the revised IES 8.

Requirements

The CPD requirement is prescribed by law. Each practicing auditor is required to renew his/her license every three years by providing evidence of attaining 120 hours of CPD. Recognized CPD units include attending or delivering training programs, publishing research, and reading professional literature. Sixty hours of the required CPD must be achieved through attending workshops or seminars organized by the CAA. The remainder can be attained through participating in training programs provided by other relevant institutions (e.g. universities, other professional bodies, employers training programs).

Measurement

The method for measuring completion of the CPD requirement is an input-based approach. Members are issued a certificate of completion of CPD upon attending training sessions organized by the CAA. Members file these certificates with the Ministry of Finance when applying to renew their licenses. It is necessary to enhance the CPD system so that it focuses on the achievement of learning outcomes as required by IES 8.

CPD program

CPD Trainers are practicing auditors with not less than five years of practical experience. CPD programs offered by the CAA include training on ISA, ethics, and regulatory and tax updates. Although technical topics are covered, there is insufficient focus on developing soft skills and delivering industry-specific courses.

CPD Courses



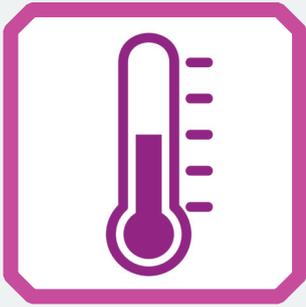
GOOD PRACTICE BOX

Mandatory ethics training as part of annual CPD

Considering the importance of professional ethics in the day-to-day work of professional accountants, annual CPD programs should have a mandatory ethics training update with a focus on ethical decision making.

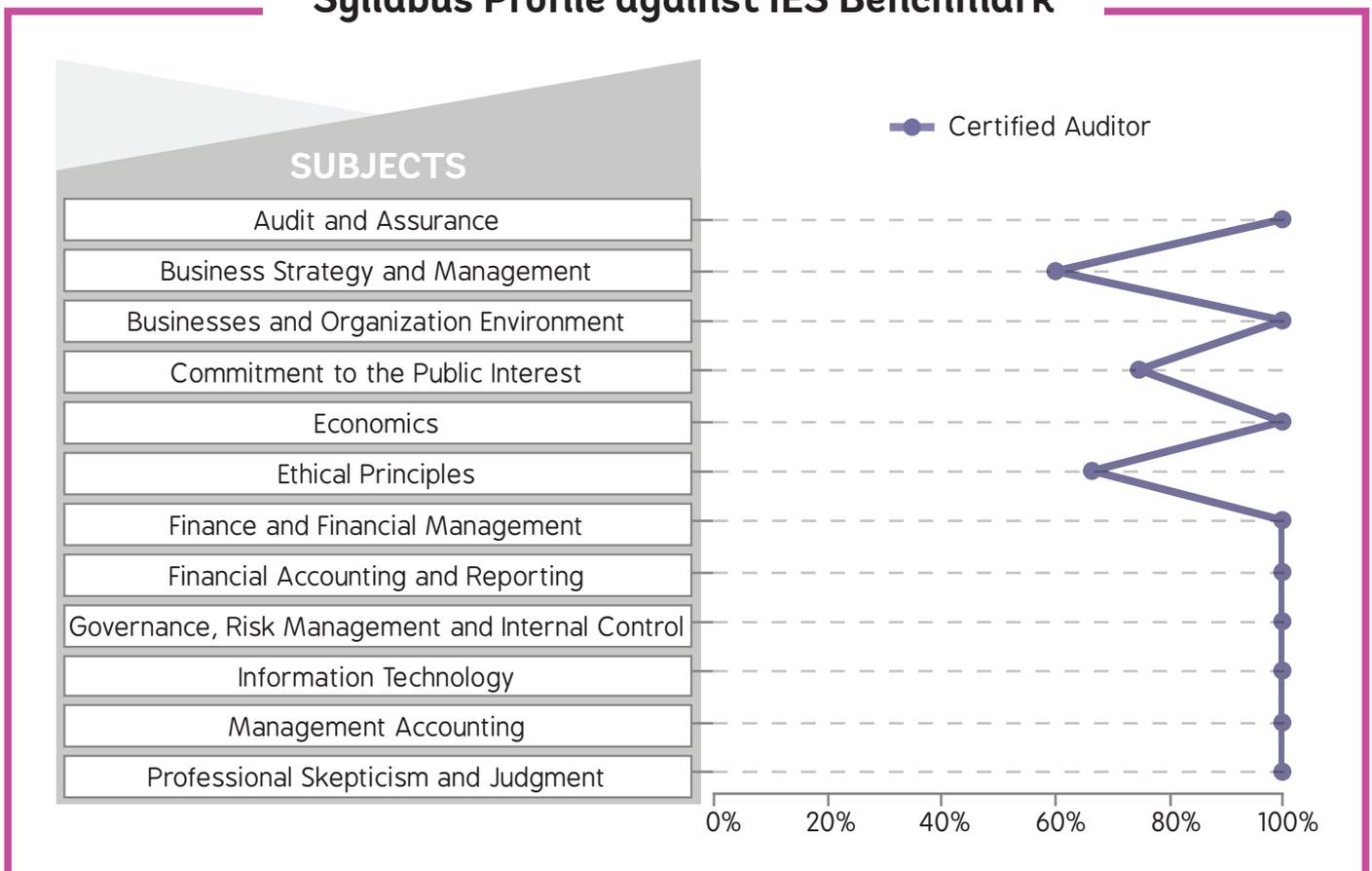
The CAA's annual CPD programs include a minimum of 15 percent dedicated to professional ethics training.

Benchmarking Results

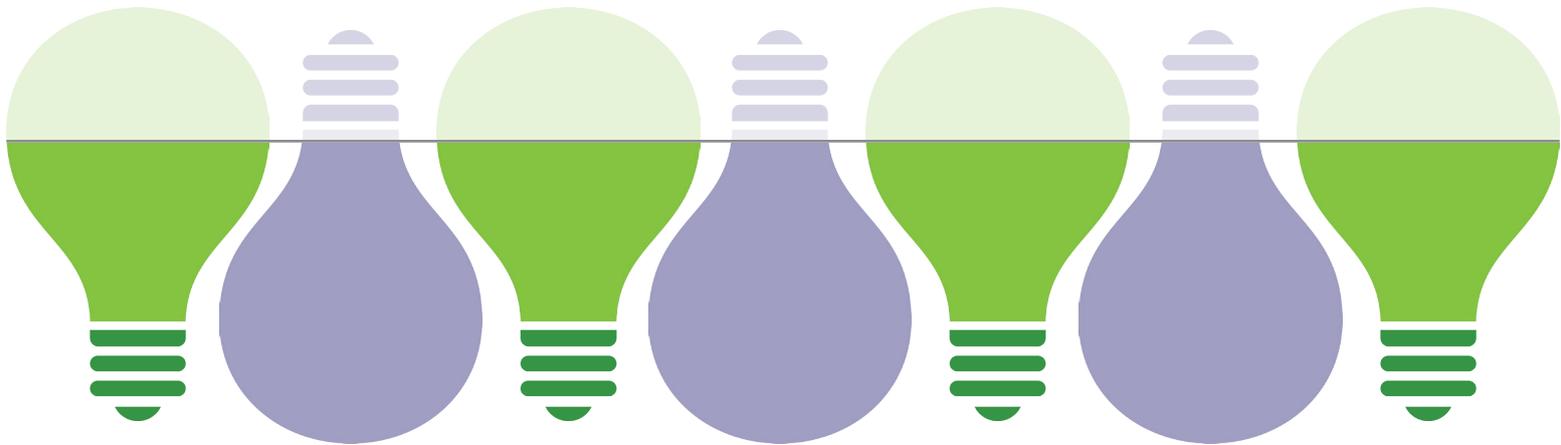
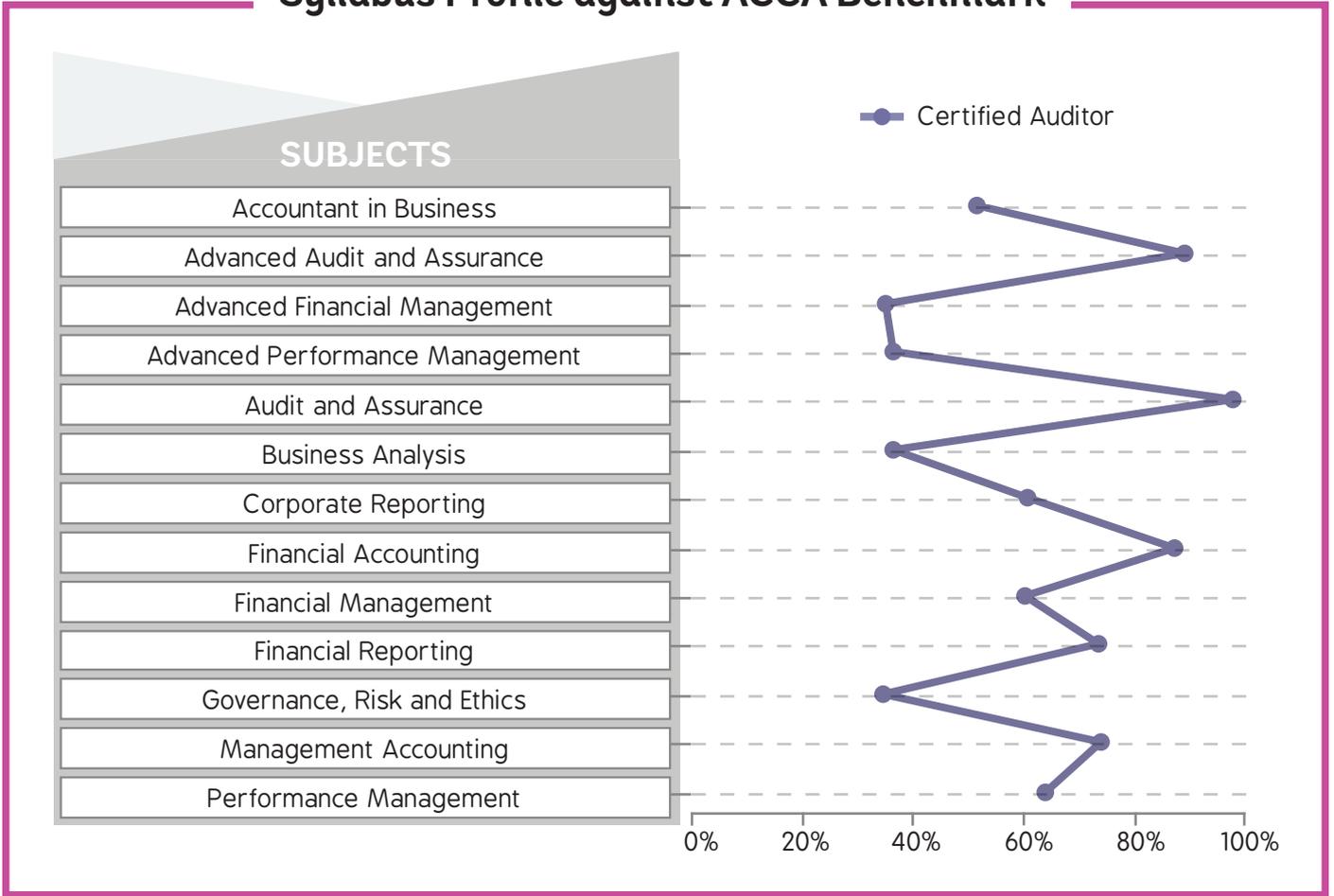


The education program could be further strengthened through the introduction of more learning outcomes relating to **Ethical and Professional Values and Commitment to the Public Interest**. Further, areas such as **Business Strategy and Management and Advanced Financial and Performance Management** can also be enhanced to improve alignment against the IES and ACCA benchmarks.

Syllabus Profile against IES Benchmark



Syllabus Profile against ACCA Benchmark



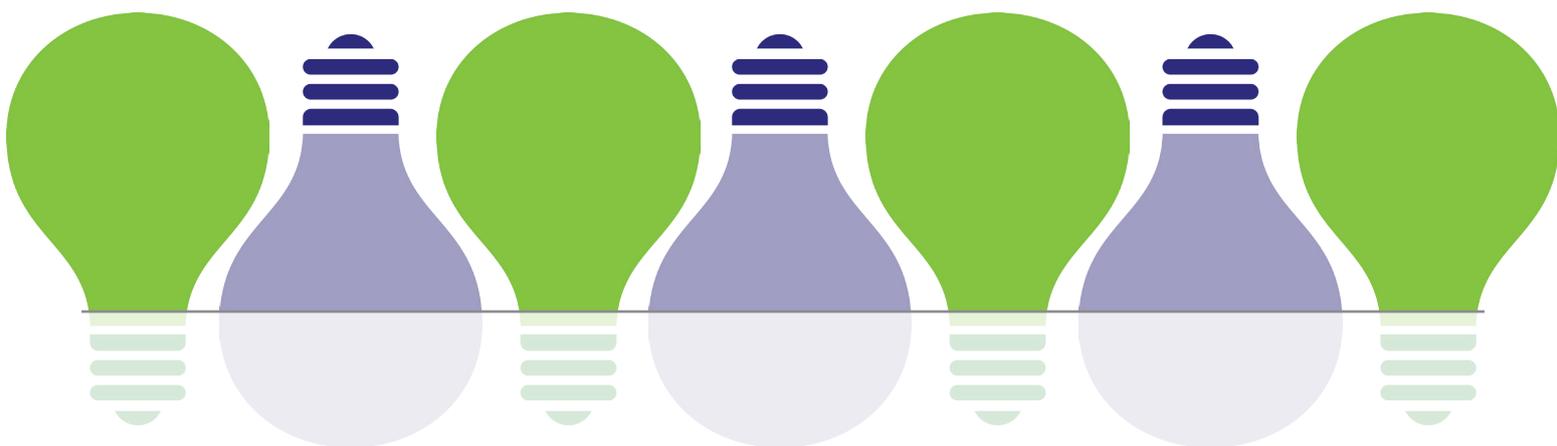
About the CFRR

The Centre for Financial Reporting Reform (CFRR) based in Vienna, Austria, is part of the World Bank's Governance Global Practice and leads the World Bank's corporate financial reporting agenda. The CFRR provides a range of knowledge, convening and capacity development services in support of financial reporting reform, institutional strengthening and the dissemination of good practice in the area of financial reporting and auditing. The CFRR supports global clients to adopt and implement high-quality financial reporting standards as a key element of strong corporate governance systems.

The CFRR provides knowledge services including

analytical and advisory services; learning and skill development; know-how and knowledge transfer; and technical assistance to strengthen existing institutions.

CFRR activities are focused on four areas of expertise: i) raising awareness of the importance of the corporate financial reporting reform agenda and contributing to legislative reform; ii) building institutional capacities by addressing knowledge gaps and offering tailored advice in areas such as public oversight and standards; iii) encouraging strong and engaged professional accountancy organizations; and iv) promoting the development of internationally compatible accounting education.



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