

Core Model of Accountancy Education and Initial Professional Development in University - Level Programs in Albania

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Abstract

Factors affecting accounting education Accounting is not developed uniformly around the world because it is influenced by factors such as social, cultural, political, economic and legal development, which are different in different countries. Although, there is still a large-scale diversification, in the second decade of our century there is an increasing trend towards convergence between different accounting systems in the world. University-level programs may be recognized by statute or law, but they may not be recognized and evaluated by market demands or other bodies. Recognition and evaluation of undergraduate programs can focus on their content, duration, and quality. Analyzing the data collection in Albania.

Keywords: International education standards, business organizations, study programs, Initial professional development

Introduction

Globalization, international trade, and legislation have greatly influenced the convergence of IESs to regulate the profession by regulatory bodies and consequently to the creation of an adapted set of generally accepted ethical norms, which are internationally recognized.

The study conducted by the Institute of Global Accounting Development and by the research group of the University of Tilburg in the Netherlands has identified the main characteristics of accounting education, based on the characteristics of countries that regulate the profession through the acceptance and implementation of IESs. Factors that have been considered as influential in a successful and unified accounting education in those countries where they are applied are:

- **General characteristics of the country** - determine the context in which accounting education takes place, such as legal system, economy, location, and region where included, culture and traditions, etc.

- **Professional characteristics**, such as professional regulation and recognition of a country's qualifications affect the application of international accounting standards.
- **The competencies of accountants and auditors are considered factors that affect the qualification of professionals** (rights and obligations of each professional accountant and auditor, international recognition of qualifications).

IESs and regulatory framework

Universities and professional accounting bodies play an important role in the global convergence of accounting regulation. Global convergence requires the design by international accounting bodies of high quality and internationally accepted standards, their consistent adaptation and implementation by governments, institutions and regulatory bodies, as well as the establishment of regulatory criteria globally and based on cooperation and mutual recognition.

The regulation of the accounting profession includes a number of issues such as the requirements for entry into the profession, for licensing and education, for the monitoring of the professional conduct of accountants, as well as for the drafting of standards to be applied. Like other professions, the sustainability and strength of the accounting profession depends on the quality of services provided by professionals and the capacity of the profession to respond effectively to the demands of the economy and society. The regulation of the profession aims to ensure a high quality and consistency in the quality of services.

Full package of IESs, Final Version

The mission of the Board of International Accounting Education Standards is to strengthen the accounting profession in all countries of the world through the development and improvement of education. Improving education through the development and implementation of International Standards for Education (IES) is expected to increase the competence of accounting professionals globally, contributing to increasing public confidence in the profession. IESs are standards designed and set for IFAC member bodies for initial professional development and continuing professional accounting development. The development and implementation of IESs can contribute to other desirable outcomes, such as: reducing the international differences that exist regarding the requirements to qualify and work as a professional accountant, facilitating the global movement of professional accountants. There are currently a total of 8 international standards, which are summarized below:

Accountancy Education	Standards and Implementation Guidance
<i>Conceptual Framework Pre-Qualification</i>	IAESB Framework for IES
Entry Requirements	IES 1 – Entry Requirements Professional Accountancy Education
Knowledge, Skills and Attitudes	IES 2 – Content of Professional Accountancy Education
	IES 3 – Professional Skills & General Education
	IES 4 – Professional Values, Ethics & Attitudes
	IES 5 – Practical Experience Requirements
<i>Practical Experience Assessment</i>	IES 6 – Assessment of Professional Capabilities & Competence
<i>Post-Qualification</i>	
Life-Long Learning	IES 7 – Continuing Professional Development
Specialization	IES 8 – Competence Requirements for Audit Professionals

IES 1: Entry Requirements Professional Accountancy Education

This standard sets out the requirements to enter an accounting education program of an IFAC member body. The standard suggests how qualifications are assessed and practical experience at the entry level of the program.

It is important that candidates, ranging from secondary to higher education, achieve a comparable level of knowledge of professional competence and qualification.

IES 2: Content of Professional Accountancy Education

This standard describes the knowledge content of accounting profession education programs that candidates must acquire to qualify as professional accountants. The purpose of this standard is to ensure that candidates for IFAC membership have sufficient professional accounting knowledge to enable them to competently perform their duties as a professional accountant in an increasingly complex and changing environment. The content of the university program of the profile "Accounting" should consist of the following subjects:

- Financial accounting, finance and similar knowledge;
- Knowledge of business organizations;
- Knowledge and competencies for information technology. In the following, their contents are treated in more detail.

Financial accountant, finance and related knowledge should include the following areas: accounting and financial reporting; management accounting and control; taxation; law on accounting and companies; audit and security services; financial management; professional values and ethics.

The organizational and business knowledge component should include the following areas: economics; business; corporate governance; business ethics; financial markets; quantitative methods; organizational behavior; strategic management and decision making; marketing; international Business.

The information technology component should include the following areas and competencies: general knowledge of IT.

- IT controls knowledge;
- IT controls competencies;
- Competencies of IT users;
- Or a combination of competencies, such as the role of information systems manager, evaluator, or designer.

IES 3: Professional Skills & General Education

Intellectual skills include: the ability to make decisions, the ability to use, understand and organize information from human resources, the ability to record information electronically, the ability to search for data, to study and think logically and analytically, mastery of reasoning and critical analysis competencies and the ability to identify unstructured problems and provide solutions in case they occur in unfamiliar environments.

Technical and functional skills include: arithmetic skills (mathematical and statistical applications) and IT skills, decision modeling and risk analysis; measurement; reporting and compliance with legal requirements and rules.

Personal skills include: self-government; initiative, independent study, ability to select and prioritize within limited resources and to organize work within set deadlines, ability to anticipate, adapt and change, taking into account professional ethics and values, decision- making attitudes and professional skepticism.

Interpersonal and communication skills include the ability to work in groups, to deal with and resolve potential conflicts, interacting with people of different cultural and intellectual levels; the ability to discuss acceptable solutions and agreements in certain professional situations; the ability to work effectively in a complex environment, to present, discuss, report and defend views effectively through formal, informal, written and spoken communication, to listen and read effectively, including an empathy to cultural and linguistic differences.

Organizational and business management skills include strategic planning, project management, human resource management and decision making, the ability to organize and delegate tasks, motivate and develop staff; sharp professional guidance and judgment.

IES 4: Professional Values, Ethics and Attitudes

This standard describes the professional and ethical values as well as the professional attitudes that accountants should acquire during the study program that lead the latter towards qualification. The approach of any program leading to the learning of professional values, ethics and attitude will reflect on the respective national and

cultural objectives and environment. Minimally all programs should include the nature of ethics, details based on rules, their advantages and disadvantages, compliance with basic principles of ethics, integrity, objectivity, commitment to professional skills, confidentiality, professional conduct, compliance with technical standards, concepts of independence, skepticism, credibility and public expectation, ethics and profession, social responsibility, ethics and law including relations between laws, rules and public interest, consequences of unethical behavior towards the individual, profession and society in general, ethics related to business and good governance, individual professional credibility, alerting to violations, conflict of interest, ethical dilemmas and their solutions.

Basic models of implementation and enforcement of accounting education standards Currently, the role of accounting professionals has been strengthened; collaborations have further increased, better realizing their purpose in the development of the accounting profession. In this part of the chapter, after giving an overview of the development of international standards of accounting education, their evolution through the study of literature, are shown the efforts made for the implementation of IESs and the basic models of their implementation. The final model of accounting education, which has gone through several stages being finalized with a global model designed to be adapted and applied, serves as a starting point in the relevant guidelines to be followed by different countries for the regulation of accounting education. The Global Accounting Education model is considered a useful tool which describes the basic components of accounting education systems worldwide. This stage is called Initial Professional Development and also contains professional practice, which helps students to get acquainted with supporting documents, registration of economic transactions and the accounting system. The model has evolved and every researcher follows strict guidelines for implementing the model in order to ensure consistency and compatibility with the specific national requirements of the country.

Core Model of Accountancy Education

Global Financial Infrastructure	Accountancy Profession	Standard Setters and Regulators
Professional expertise of accountants and auditors is a necessary condition for the functioning of the global financial infrastructure	IAESB IES for Qualifications of Professional Accountants and Auditors and IFAC Compliance Program for Professional Accountancy Organizations	International, regional and country standard setters are responsible for IFRS, ISAs and comparable standards that regulate the functioning of the global financial infrastructure

Accounting in the public interest	Characteristics of accountancy education	International cooperation
<p>Stakeholder approach to accountancy education</p> <ul style="list-style-type: none"> • Standard setters • Professional accounting and auditing bodies • Government agencies • Regulators • Donors • Educators • Investors <p>Cooperation between stakeholders is a necessary condition for accountancy education that is relevant on the country level and compliant with international standards</p>	<p>Certification requirements: professional accountancy education, practical experience, final assessment, CPD</p> <p>Providers: professional accountancy organizations, universities and education institutes, government</p> <p>Responsibility: government, government with the profession, professional accountancy organization, universities</p> <p>Licensing: academic study, practical experience, licensing examination, CPD and/or re-examination</p>	<p>Global and regional initiatives</p> <ul style="list-style-type: none"> • IAAER academic and professional partnership • UNCTAD capacity building initiative • Regional academic associations • Global accountancy firms and professional associations • Twinning <p>International networks play an important role in achieving comparability and progress</p>

Figure: The first version of the model

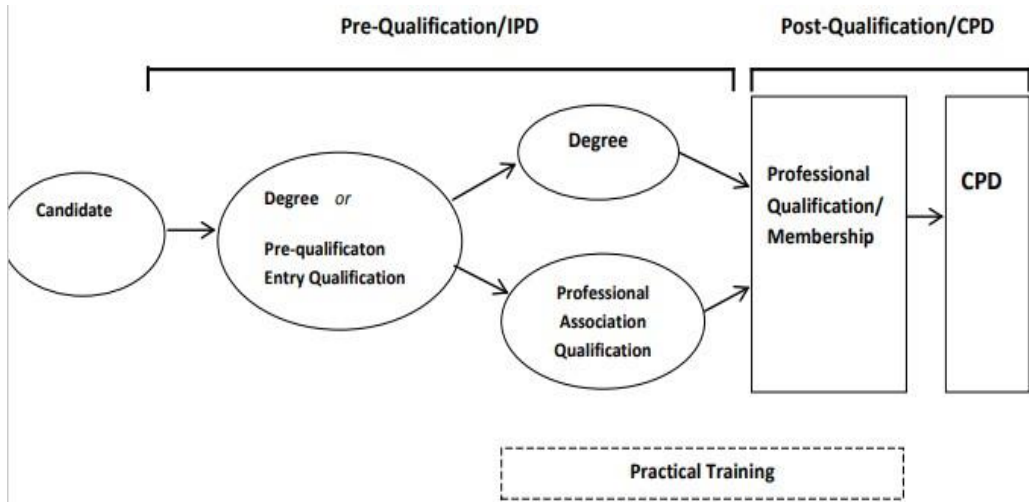
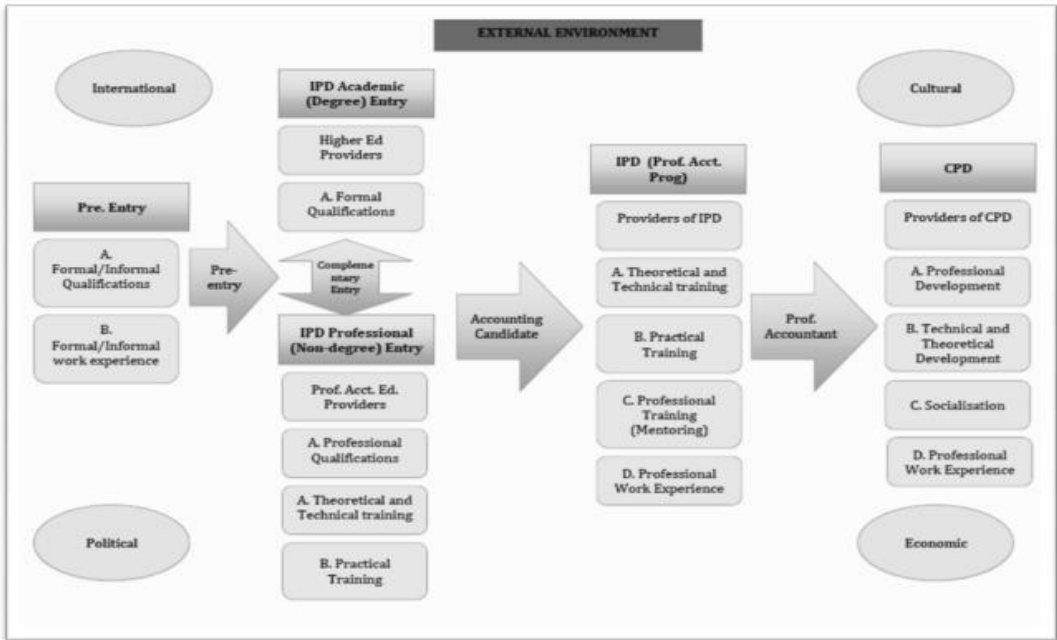
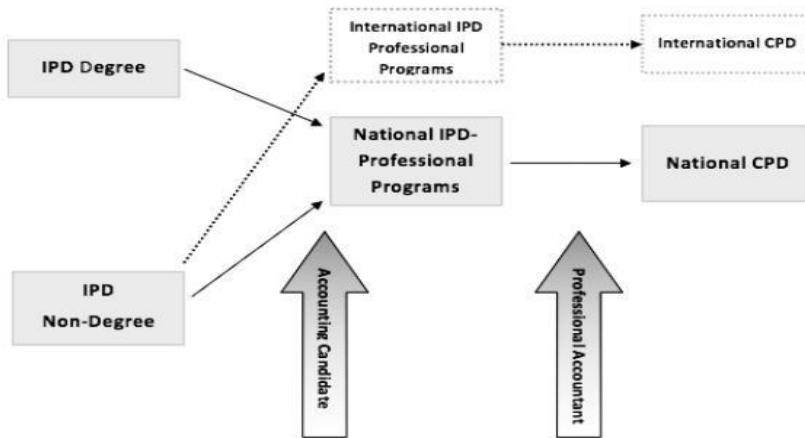


Figure: Second version of the model



The following figure presents the final version of the global model of accounting education. The final version of the model comes as a combination of the two initial versions making the adaptation of external environmental factors such as political, cultural, economic and international ones. This is the basic model addressed by Institute of Global Accounting Development and IFAC for regulating the accounting profession in developed and developing countries. Also, countries that are full members of IFAC must regulate the accounting profession through IESs. The eighth directive of the European Union in the fourth component requires the implementation of IESs for countries which accede to being members of the EU.

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In studies conducted by different authors several models of accounting education are presented, one of the basic models is described below.

Country Characteristics	Accountancy Education	International Developments
Differences between countries <ul style="list-style-type: none"> • Cultural background • Legal system • Economic position • Higher education Country characteristics define the regulatory environment and the structure of accountancy education in a country	Core elements of accountancy education <ul style="list-style-type: none"> • Professional qualification objective and standards • Final examination of professional competence • Professional education • Practical experience • General education 	Codification based on international developments <ul style="list-style-type: none"> • Standards • Guidelines • Directives IES of the IAESB can be used as benchmarks for international comparability and recognition of qualifications

The model places the essential elements of accounting education in the context of relevant country characteristics, basic elements of education and international standards. The model describes each characteristic, such as the country's cultural environment, applicable legislation, and economic development.

Accounting education consists of several basic elements, which are combined with International Education Standards, guidelines and guidelines by regulating the accounting profession and enhancing the competencies of professionals.

The competencies of professionals benefiting from accountants are described in the IES package. Prequalification knowledge is treated in IES-1, IES-2, IES-3 and IES-4 standards. Experience and practical skills are dealt with in IES 6 and IES 7. Continuing professional development (postgraduate) is dealt with in IES 7 and IES 8.

The case of Albania

The implementation of IESs aims to strengthen the educational process in order to ensure an effective distribution of resources throughout the university and professional sector and to encourage links with the education system as a whole. Measuring, understanding and evaluating a country's progress towards international best accounting practices is important as this progress can increase the effectiveness of the flow of economic flows between countries, as well as the ability of management and investment to identify sources for projects successful.

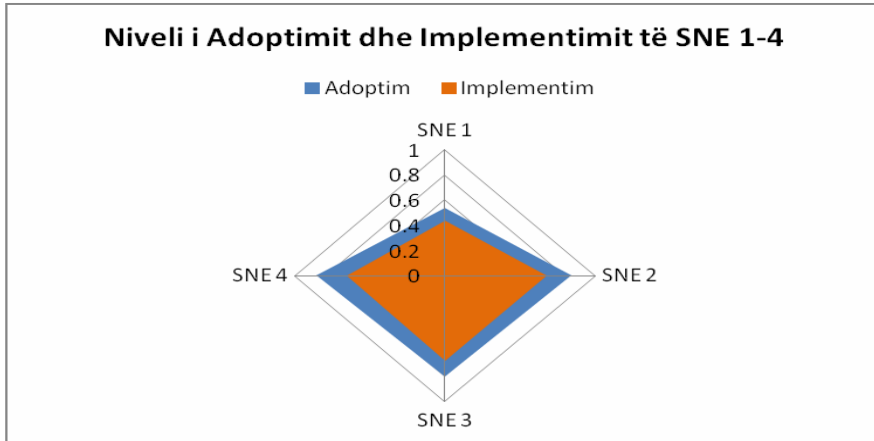
Statistical testing was also applied to the question of how they were informed or respondents have heard about SNEs. Test results showed no connection between the university whose staff the respondents are part of and how they are informed or have heard about SNEs (p -value >0.05 , in all tests).

The test results show that there is no connection between the university he is a part of academic staff the respondent and the fact whether he has heard, seen or read before SNEs, whether or not you know the content of SNEs (in all cases p -value >0.05).

Adoption and implementation of IES1-4

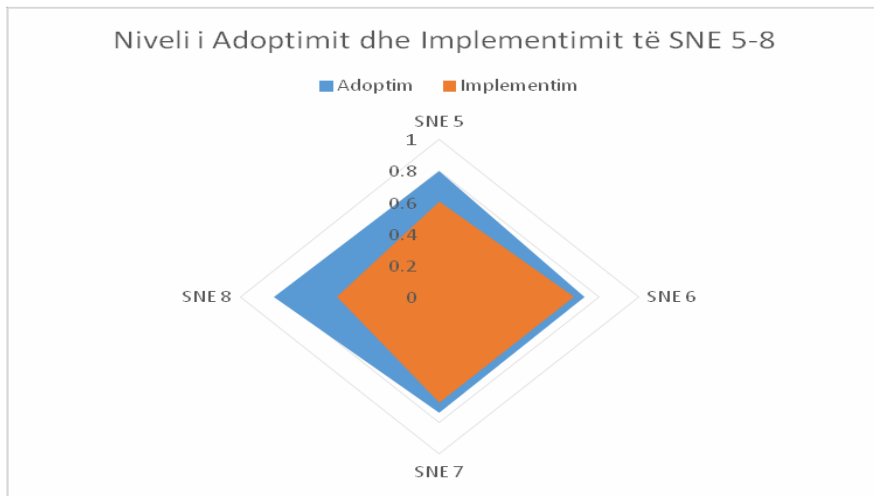
Adoption and Implementation after analyzing the collected data we conclude in a graphical representation of the Adoption and Implementation of IES 1-4.

Graph below: Presentation of the level of adoption and implementation for initial professional development



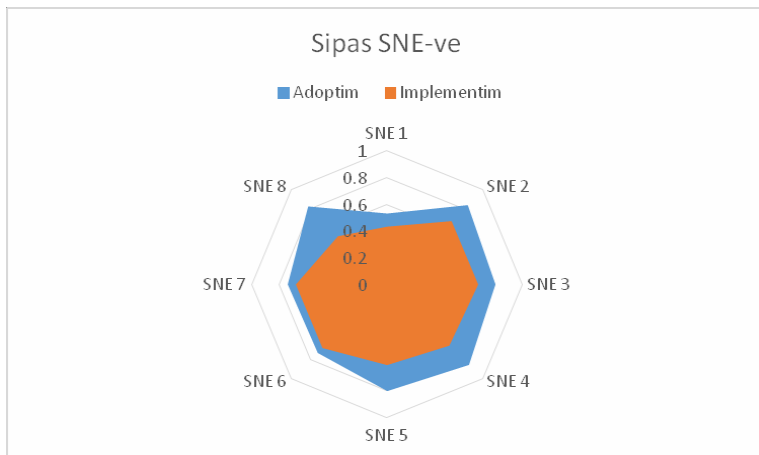
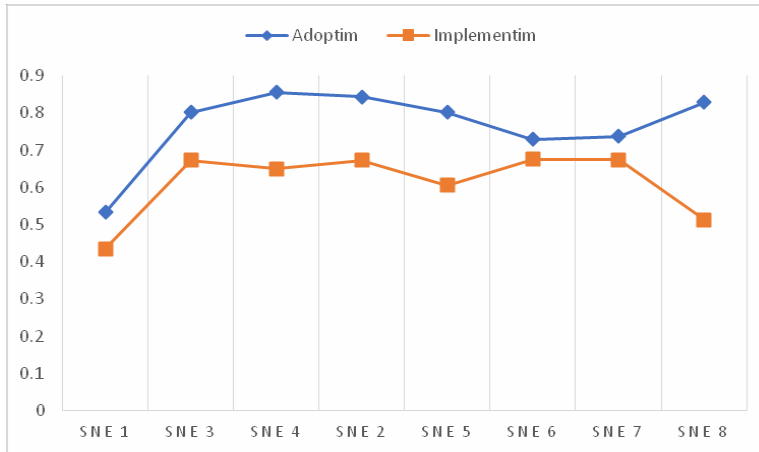
Adoption and implementation of IES 5-8

After analyzing the collected data we conclude in a graphical presentation of the adoption and implementation of IES5-IES8.



Conclusions of adoption and implementation according to the 4 main pillars

The following is a summary of the adoption and implementation of IESs divided into 4 main pillars. A table summarizes the characteristics of accounting education, which defines the initial, continuing development programs and the authorities that provide them.



In the graphs above we note that from the data collected from both questionnaires the level of adoption and the level of implementation for IESs 2, 3, 6, 7 is the same and the difference between them is not high. For IESs 1, 4, 5, 8 there are high differences between the two levels which indicate that a greater commitment from regulators is needed to fill this difference so that the difference is as small as possible. A low level of adoption of IES-1 is observed.

The analysis conducted in this material shows that the level of adoption and implementation of each IES in Albania is as follows:

For professional development, which includes IES 1, 3 and 4, the level of adoption is at an average level while the level of implementation is at a low level. The difference between them shows that a greater commitment from universities is needed to increase the level of implementation.

Vocational accounting education is the second pillar where accounting education is supported and addressed in IES 2. The analysis shows that this pillar has a high

level of adoption and an average level of implementation. These results reflect the work done by universities to implement the standards so that universities are given value and student results are recognized abroad.

Professional development is addressed in IES 5-7 and presents the requirements related to continuing professional development for accounting professionals. The level of adoption and implementation for this set of standards is average and there are no significant differences between them. These results show the good work and responsibility of professional associations in the country.

Competencies for professional auditors constitute the last pillar addressed in this paper. They are treated in IES-8. For this standard, there is a high difference between the level of adoption which is high and the level of implementation which is low. This difference indicates that training programs provide advanced knowledge, while the competencies and skills of auditors and accountants acquired through training are not high. This conclusion was reached from the assessments and data collected by respondents in the IES-8 analysis.

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