GAE 2007
Trends in Global Accounting Education

Editors
Prof. Dr. John T. Ahern Jr, CPA
Prof. Dr. J.G. Kuijl, RA
Prof. Ian F.Y. Marrian, MA, CA

Principal Investigator
Prof. Dr. Gert H. Karreman
GAE 2007
Trends in Global Accounting Education

Editors
Prof. Dr. John T. Ahern Jr, CPA
Prof. Dr. J.G. Kuijl, RA
Prof. Ian F.Y. Marrian, MA, CA

Principal Investigator
Prof. Dr. Gert H. Karreman

Center for Global Accountancy Education, Benchmarking and Research
Leiden University, Center for Business Studies
DePaul University, School for Accountancy & MIS
To all committed experts and staff
who were willing to share their expertise
and the support of their organisations.
Their contributions made the project
possible, their friendship made it
worthwhile!

Gert Karreman
Introduction

A research study into “The Impact of Globalisation on Accountancy Education” was published in 2002 (International Accounting Standards Committee Foundation, London). Considering the important developments over the last five years, a Global Accountancy Education (GAE) 2007 Research Update was conducted. Preliminary results were already discussed at a GAE panel during the World Congress of Accounting Educators in Istanbul, November 2006.

Major areas of change were identified, including education standards and regulation; multinational approaches and recognition; and, competence based assessment. Over thirty professional bodies of accountants and auditors around the world participated in this research update. The majority of the professional bodies indicated developments over the whole range of initial education, training and assessment and in regard to mandatory continuing professional development. The developments are consistent with the requirements of the IFAC International Education Standards and promote recognition of professional qualifications of accountants and auditors between countries.

The GAE 2007 Research Publication is the combined responsibility of a group of authors who have worked together over the last decade on the global development of the professional qualification, education and training of accountants and auditors. Their combined expertise covers both professional and academic matters.

We trust that the combined efforts of the authors based on a review of developments and made possible by respondents from 32 professional bodies in 25 countries are of interest to all who share our commitment for the global development of accountancy education.

We thank Royal NIVRA and the Scottish Chartered Accountants Trust for Education for their financial support, which made this publication, that was initiated by the Center for Global Accounting Education, Benchmarking and Research, possible.

The Center was officially established by the School for Accountancy & MIS of DePaul University in mid 2006. In 2007 the Centre for Business Studies of Leiden University joined the Center. The Mission of the Center is to contribute to transparency and accountability in transition and developing countries by supporting the development of the accountancy profession with special focus on accountancy education, benchmarking and research. In order to keep in close touch with global developments an International Advisory Board has been established with leading experts from the profession and from academe.

We consider the present publication a fine example of the kind of international cooperation in which the Center wants to participate.

John Ahern, Executive Director of the Center at DePaul University, Chicago, USA
Hans Kuijl, Director of the EU Branch of the Center, Leiden University, The Netherlands
Ian Marrian, former Chair of the International Advisory Board of the Center, University of Edinburgh, United Kingdom
Acknowledgements

Editors

Prof. Dr. John T. Ahern Jr. CPA, DePaul University, United States of America
Prof. Dr. J.G. (Hans) Kuijl RA, Leiden University, The Netherlands
Prof. Ian F.Y. Marrian MA, CA, University of Edinburgh, formerly Institute of Chartered Accountants of Scotland, United Kingdom

Principle Investigator

Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, formerly Royal NIVRA, The Netherlands

Co-authors

Prof. Dr. John T. Ahern Jr. CPA, DePaul University, United States of America
Prof. C. Mark Allison, MA, CA, Institute of Chartered Accountants of Scotland, Robert Gordon University, United Kingdom
Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, formerly Royal NIVRA, The Netherlands
Prof. Dr. J.G. Kuijl RA, Leiden University, The Netherlands
Prof. Ian F.Y. Marrian MA, CA, University of Edinburgh, formerly Institute of Chartered Accountants of Scotland, United Kingdom
Prof. Dr. Belverd E. Needles,  DePaul University, United States of America
R. William Phelps, CPA, CFE, MSc, CARANA Corporation, United States of America

Sponsors and Contacts

Institute of Chartered Accountants of Scotland (ICAS), Prof. C. Mark Allison, United Kingdom
Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA), Gert Smit, The Netherlands
Scottish Chartered Accountants Trust for Education (SCATE), David Wood, United Kingdom
Professional Bodies

Australia, CPA Australia, Ann Johns
Australia, Institute of Chartered Accountants in Australia (ICA Australia), Sheena Frenkel
Canada, Certified General Accountants Canada (CGA-Canada), Lynda Carson
Canada, Canadian Institute of Chartered Accountants (CICA), Tim Forristal
Canada, Society of Management Accountants of Canada (CMA-Canada), Richard Benn
Czech Republic, Chamber of Auditors of the Czech Republic (CACR), Prof. Bohumil Kral
France, Ordre des Experts-Comptables (Ordre), Hélène Michelin
Germany, Institut der Wirtschaftsprüfer in Deutschland (IDW), Wolfgang Böhm
Hong Kong, Hong Kong Institute of Certified Public Accountants (HKICPA), Georgina Chan
Hungary, Chamber of Hungarian Auditors (CHA), Fekete Katalin
India, Institute of Chartered Accountants of India (ICA India), Ashok Haldia
Japan, Japanese Institute of Certified Public Accountants (JICPA), Yoichi Ota
Kenya, Institute of Certified Public Accountants of Kenya (ICPAK), Caroline Kigen
Malaysia, Malaysian Institute of Accountants (MIA), Ho Foong Moi
Malaysia, Malaysian Institute of Certified Public Accountants (MICPA), Tan Shook Kheng
Mexico, Instituto Mexicano de Contadores Públicos, A.C. (IMCP), Salvador Ruiz de Chávez
The Netherlands, Royal NIVRA (NIVRA), Jeroen Buchel
New Zealand, New Zealand Institute of Chartered Accountants (NZICA), Bruce Bennett
Pakistan, Institute of Chartered Accountants of Pakistan (ICAP), Saira Nasir
Pakistan, Institute of Cost and Management Accountants of Pakistan (ICMAP), Noor Mohammad
Poland, Association of Accountants in Poland (AAP), Dorota Wyczołkowska
Poland, National Chamber of Statutory Auditors (KIBR), Maciej Chorostkowski
Russian Federation, Institute of Professional Accountants (IPA Russia), Oleg Moiseevich Ostrovski
Saudi Arabia, Saudi Organisation for Certified Public Accountants (SOCPA), Ahamad Almeghames
South Africa, South African Institute of Chartered Accountants (SAICA), Adri Kleinhans
Spain, Instituto de Auditores-Censores Jurados de Cuentas de España (ICJCE), Enric Vergés
Sweden, Föreningen Auktoriserade Revisorer, Sveriges Revisors Samfund (FAR SRS), Hans Andersson
Turkey, Union of Chambers of Certified Public Accountants (TURMOB), Yildiz Ozturk
United Kingdom, Association of Chartered Certified Accountants (ACCA), Clare Minchington
United Kingdom, Institute of Chartered Accountants in England & Wales (ICAEW), Mark Protherough
United Kingdom, Institute of Chartered Accountants of Scotland (ICAS), Prof. C. Mark Allison
United States of America, American Institute of Certified Public Accountants (AICPA), Beatrice Sanders.
Chapter 6 Programme Development

6.1 Introduction 39
6.2 Scope and Influence of IFAC IES 39
6.3 Final Examination Standards and Assessment 41
6.4 Professional Education and Entrance Requirements 41
6.5 Practical Experience 43
6.6 Continuing Professional Development 44
6.7 Developments in Key Areas 44
6.8 Conclusion 45
6.9 References 45

Chapter 7 Competence Education in Professional Accounting

7.1 Introduction 47
7.2 The Rise of Competence Education in Professional Accounting 47
7.3 Is there evidence of rapid and substantial change? 48
7.4 Areas of change 48
7.5 Competence 49
7.6 IES 2 Content of Professional Accounting Education Programs 49
7.7 IES 3 Professional Skills 50
7.8 IES 4 Professional Values, Ethics and Attitudes 51
7.9 IES 5 Practical Experience Requirements 52
7.10 IES 6 Assessment of Professional Capabilities and Competence 53
7.11 Continuing Professional Development (CPD) 54
7.12 Full systems of Competence Based Education and Training 54
7.13 Conclusion- The Future 54
7.14 References 55

Chapter 8 Accelerating Educational Change

8.1 Introduction 57
8.2 Global, Regional and Country Developments 57
8.3 From Guidelines to Standards 58
8.4 Trends in Accountancy 59
8.5 Conclusion 60
8.6 References 60

Country Overviews

Annex 1 Abbreviations

Annex 2 Literature
Standards, Guidelines and Directives
Development of Accounting Education

Annex 3 Biographies of the Authors
EXECUTIVE SUMMARY

Scope of the GAE 2007 Research Update

The GAE 2007 study is based on a review of general developments in accounting education and a survey to identify actual change that has happened in the countries represented in the original GAE 2002 study. The collected information is analysed from different perspectives. These can be summarised in two major areas. The first is more or less general and covers globalisation, coordination, convergence and recognition. The second is more specific and covers standards and regulation, programme development and competence based education.

Country Developments

On average professional bodies indicate developments in 6 out of 7 of the sectors that were identified. This is still true when professional bodies are distinguished by country characteristics (legal system, economic development). A possible explanation could be that while countries have different characteristics, the professional bodies in the GAE 2002 and 2007 research studies are in general well established with existing international connections. This is for example shown by the (expanding) mutual recognition of qualifications.

Influence of IFAC International Education Standards

Direct linkage between developments and IFAC International Education Standards (IES) is on average only apparent for four out of eight of the standards. There may be two general reasons for this conclusion. First as the IFAC IES logically expand on the earlier IFAC International Education Guidelines most or even all professional bodies in the research study probably have already implemented at least a large part of the requirements of the IFAC IES even before they became mandatory. Second IFAC IES and developments at professional bodies and universities are both based on general professional and business developments. As a result the perceived influence of the standards for the professional bodies in the study probably is lower than their actual significance for the codification of requirements. This can only be clarified if more professional bodies in developing and transition countries are considered.

Regulation of Accountancy Education, including Oversight

In general three out of four professional bodies indicate developments in regulation. This is still true when professional bodies are distinguished by country characteristics (legal system, economic development). Overall there are two major developments. The first is the drive to cover international standards. This is both government driven and based on initiatives of professional bodies to modernise their governance structure. In general there is a bigger government influence on auditor qualifications than on accountants qualifications. The second is the influence of public oversight on the accountancy profession, which also influences the regulation of professional qualifications. This is most clearly seen in North America and the European Union.

Qualification Standards for Accountants and Auditors

Almost all professional bodies in the study have changed or are changing their qualification standards during the first decade of the 21st century. The reasons for change vary but frequently include a focused approach to the relevance of the qualifications and compliance with international standards. On international standards International Financial Reporting Standards
and International Standards in Auditing are mentioned as least as frequently as the IES. The IFAC Code of Ethics is only mentioned in a limited number of cases as a driver of change. For accountants qualification and licensing for public practice gets increasing attention. Compared with the GAE 2002 study qualification and licensing requirements for auditors have gained importance, even for professional bodies of accountants. CPD requirements now are considered by many professional bodies as part of the qualification standards.

**Mutual Recognition of Professional Qualifications**

Overall mutual recognition of qualifications is developing rapidly. Almost always a two-tier approach is followed. Step 1 covers recognition of education and training requirements of the original qualification. Step 2 defines the additional requirements in the host country to become a member of the receiving professional body. Only the EU has a general system for the recognition of audit rights inside the Union but this does not necessarily include membership rights.

**Final Examination Standards and Assessment**

There is a general tendency to give more attention to international standards as part of the content of the final assessment. For auditors this is mostly EU driven. Internal and external quality control is often strengthened. Across the range of countries competence based assessment gets increasing attention, which for example is shown by the introduction or extension of case studies and the introduction of integrative and individual assignments. In order to promote efficient access to qualifications more professional bodies recognise university programmes by granting partial exemptions. There is evidence of increased use of computer based examinations to increase flexibility for candidates by the bigger professional bodies.

**Professional Education and Entrance Requirements**

In general developments seem consistent with the IES without following their more detailed requirements. Some particular aspects merit attention. Increasingly graduate entry for professional education is introduced, while at the same time relevant parts of university programmes are recognised. This creates room for a more integrated and competence based professional education programme. Case studies and work shops get a more prominent position in a number of programmes; at the same time the relation with practical experience before qualification is strengthened. International programme elements are added, sometimes with differentiation by area of future expertise (auditor, accountant in public practice, other services).

**Practical Experience**

Almost all professional bodies are engaged in developing their systems of practical experience in one or more of the following areas. First programme requirements are brought in line with international standards. Second programme content is redesigned to comply with competence requirements for accountants and/or auditors. Third recognition and supervision of employers as well as monitoring of trainees gets increased attention. Sometimes compliance with IFAC IES is given as the reason for activities that are undertaken. More often however developments in the profession and its business environment are indicated as leading.

**Continuing Professional Development**

CPD is the one sector where a majority of professional bodies gives compliance with IFAC IES as the most important driver of change. In the past period many professional bodies have
introduced or extended mandatory CPD, sometimes depending on employment sector. At least for accountants and auditors in public practice mandatory CPD is now usual. The content of CPD programmes increasingly reflects international developments and the need to identify the different areas of expertise for individual members. Most bodies still use an input based approach of CPD and set standards for the number of hours that is required in a certain period. Some professional bodies are moving to an output based approach of CPD.

Global Coordination of Accounting Education

The IFAC International Accounting Education Standards Board (IAESB) has developed a comprehensive set of consistent, high-quality standards for educating professional accountants. This effort stretching back a decade or more to the former IFAC Education Committee has strengthened the essential third leg, together with financial reporting and auditing standards, of a strong global accounting profession. Educational programs in compliance with these standards will undoubtedly produce high quality professional accountants. The process of uniformly implementing education standards globally is a challenging task. The Globalization Roundtables conducted by the International Association for Accounting Education and Research (IAAER) have pointed out many of the practical aspects of implementation. It is clear that implementation in many parts of the world is a multi-year undertaking, requiring communication, resources, training, and benchmarking progress. The IAAER as a global organisation brings together individual academics, academic associations, professional associations and standard-setting bodies in a unique way that has the potential to play a significant role in the implementation of IES and upgrading accounting education globally.

Globalisation and Convergence

Globalisation as a driver and convergence as a result are major issues for the continuing development of accounting education. The move from Guidelines to Standards, with a leading role for IFAC, makes global benchmarks available that can be used to identify the gaps with the present situation in a country. Coordinated action to help close these gaps is taking place in many countries. Participating institutes include donor agencies, regional organisations, major accountancy firms and professional bodies in both industrialised and developing countries. One of the results of international cooperation is an increase in the mutual recognition of the qualifications of accountants and auditors. The processes of convergence and recognition are an important contribution to the labour market mobility the accountancy profession needs in order to cope with the business demands in an increasingly global market environment.

Competence Education in Professional Accounting

A number of institutes have made strides towards greater understanding and application of competence and capability. There is still no evidence of an institute that has moved to a full system of competence based education and training, incorporating education, assessment, training and CPD. Change in approach comes from a number of factors. Sometimes a standard may have a wide impact, or it may be that one of the larger institutions is able to lead the way through access to resources and applied education research. The reporting of change seems to show that some industrialised common law countries have an almost constant review process in place, where benchmarks are set and then improved upon. In 2006 the IAESB issued “Competence Requirements for Audit Professionals” with an implementation date of July 2008. This is likely to lead to more benchmarking and change. The standard is based on the definition of Competence and it will be interesting to understand its effect on the training and education of auditors.
Accelerating Educational Change

The GAE 2007 publication shows an overall acceleration of change in accounting education. Major areas of change have been identified. These include the move from education guidelines to education standards, the introduction of a compliance regime, the general acceptance of the new regulation and, maybe the most important the professional academic partnerships that make the necessary change possible. Still this may not be enough.

Continuation with the developments that have been set in motion is certainly important. However, convergence of accounting education should be treated as a global phenomenon in which every one can participate. There is a drive for recognition from the developing countries. Initiatives on benchmarking and twinning discussed in the publication can develop into important tools but in this area we are at the beginning of new approaches. Emerging regions like China, India and Latin America do not yet play their potential roles in the development of the accountancy profession.

Two conclusions seem apparent: (1) accounting education as a pillar for global growth is developing rapidly; and, (2) there still is a lot of work to be done for which present and new structures are necessary.
Chapter 1  Scope of the GAE 2007 Research Update

Prof. Dr. Gert H. Karreman; DePaul University, United States of America; Leiden University, The Netherlands

Abstract

Chapter 1 gives an overview of the GAE 2007 research objectives and of the contents of the publication.

1.1 Introduction

The objectives of this Chapter are the following.

- To introduce the research objectives of the GAE 2007 Research Update
- To summarise the content of the publication to facilitate access to the material.

The publication consists of three parts. The first two chapters give an introduction. In chapters 3 – 7 specific developments in selected areas of interest are discussed. Finally in chapter 8 the increasing speed of change is subject of review.

1.2 Research Objectives

A research study into “The Impact of Globalisation on Accountancy Education” was published in 2002 (International Accounting Standards Committee Foundation, London). Considering the important developments over the last five years, a Global Accountancy Education (GAE) 2007 Research Update was conducted. Preliminary results were already discussed at GAE panels during the World Congress of Accounting Educators in Istanbul, November 2006 and the Congress of the European Accounting Association in Lisbon, April 2007.

Major areas of change were identified, including education standards and regulation; multinational approaches and recognition; and, competence based assessment. Over thirty professional bodies of accountants and auditors around the world participated in the research update. The majority of the professional bodies indicated developments over the whole range of initial education, training and assessment and in regard to mandatory continuing professional development. The developments are consistent with the requirements of the IFAC International Education Standards and promote recognition of professional qualifications of accountants and auditor between countries.

The GAE 2006 Research Publication is the combined responsibility of a group of authors who have worked together over the last decade on the global development of the professional qualification, education and training of accountants and auditors. Their combined expertise covers both professional and academic matters.

1.3 Research Content

In Chapter 2 a description of the GAE 2007 Research Method is given. This is followed by the Chapters 3 – 7 in which trends in global accounting education are discussed. Finally Chapter 8 looks into the overall phenomenon of accelerating change of global accounting education in all considered areas of interest. Each Chapter is preceded by an abstract, starts with an introduction and ends with conclusions and references. Additional information can be found in the annexes to the report.
• **Chapter 2, Research Method**

This Chapter addresses the research method for this study into trends in global accounting education. It is shown that by necessity an approach has to be chosen in which participants are directly consulted. The contribution from standard literature is in comparison limited. Authors with a wide range of professional and academic expertise provided an analysis from different perspectives.

• **Chapter 3, Global Coordination of Accounting Education**

Chapter 3 addresses the complex global environment of accounting education and focuses on the need for coordination, especially among accounting academics. It summarizes efforts of organizations globally, including the work of the International Accounting Education Standards Board (IAESB) and the technique of benchmarking to achieve this objective. Further, it highlights the work of the IAAER in coordinating accounting education globally, including the need for its increased role in the education of accounting professors in International Education Standards (IES).

• **Chapter 4, Standards and Regulation**

Chapter 4 addresses the statutory and legal framework of accountancy education. Global standards for the qualification of accountants and auditors are set by IFAC, the International Federation of Accountants. The European Union defines specific requirements for auditor qualifications. Country developments increasingly are aimed at compliance with the international standards. In addition Public Oversight becomes more and more important.

• **Chapter 5, Globalisation and Convergence**

Chapter 5 addresses the international convergence of accountancy education. Attention is given to the major efforts of international institutions to set standards and to promote convergence, to the actual increase of the recognition of professional qualifications between countries and to some specific projects that can accelerate compliance in developing and transition countries. The overall conclusion is that global convergence of accountancy education is actually happening much quicker than seemed possible for example ten years ago. This is of enormous importance for both the accountancy profession and the broader business community to ensure that the expertise necessary for the correct application of for example International Financial Reporting Standards and International Standards in Auditing becomes available in all countries.

• **Chapter 6, Programme Development**

Chapter 6 addresses the scope and influence of the IFAC International Education Standards in four key areas: final examination standards and assessment; professional education and entrance requirements; practical experience; and, continuing professional development. For qualification, education and training developments indicate global convergence in line with, but not necessarily as a direct result of the IES. CPD is the only area where the accountancy profession is leading on its own.
• **Chapter 7, Competence Education in Professional Accounting**

Chapter 7 addresses the question how professional institutes have changed or developed their thinking and application since IFAC issued definitions and standards of competences and capabilities. Research data suggest a significant, if not substantial, number of developments. Areas of change are identified, some of which can be tied to requirements of IFAC IES 1-6. In general, the development of skills is much more visible in common law countries than in civil law countries. Increasing attention is given to the relevance of experience requirements and to the final assessment of competence.

• **Chapter 8, Accelerating Educational Chance**

Chapter 8 as the final chapter of the GA 2007 study looks into some general issues. Who are the participants in global, regional and country developments? What is the meaning of the move from education guidelines to education standards? How is accounting education influenced by general trends in accountancy? Finally, what are the challenges for the future? The overall characteristic is the acceleration of educational chance.

1.4 Conclusion

The GAE 2007 study is based on a review of general developments in accounting education and a survey to identify actual change that has happened in the countries represented in the original GAE 2002 study. The collected information is analysed from different perspectives. These can be summarised in two major areas. The first is more or less general and covers globalisation, coordination, convergence and recognition. The second is more specific and covers standards and regulation, programme development and competence based education. The overall characteristic is the acceleration of educational chance.
Chapter 2  Research Method

Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, The Netherlands

Abstract

Chapter 2 addresses the research method for this study into trends in global accounting education. It is shown that by necessity an approach has to be chosen in which participants are directly consulted. The contribution from standard literature is in comparison limited. Authors with a wide range of professional and academic expertise provided an analysis from different perspectives.

2.1 Introduction

The objectives of this Chapter are the following.

- To describe the research objectives and method
- To explain the approach to data collection and review
- To give an overview of professional bodies in the project in relation to the country backgrounds.

The collection of information as described in this Chapter is the basis for the analysis in the next chapters.

2.2 Research Objectives and Method

A research study into “The Impact of Globalisation on Accountancy Education” was published in 2002 (International Accounting Standards Committee Foundation, London). Considering the important developments over the last five years a Global Accountancy Education (GAE) 2007 Research Update was conducted. Major areas of change were identified, including education standards and regulation; multinational approaches and recognition; and, competence based assessment. Over thirty professional bodies of accountants and auditors around the world participated in the research update. The majority of the professional bodies indicated developments over the whole range of initial education, training and assessment and in regard to mandatory continuing professional development. The developments are consistent with the requirements of the IFAC International Education Standards and promote recognition of professional qualifications of accountants and auditor between countries.

In a 1998 comparative study of the Institute of Chartered Accountants in Australia (Vision 2020) major drivers of change have been identified. Other publications strongly argue that changes in accounting education are necessary. In the early stages this discussion was driven by publications from the USA, notably the Bedford Committee Report (AAA, 1986), the Big Eight White Paper (1989), the Accounting Education Change Commission (AECC, 1990) followed by a critical review of the USA curriculum by Albrecht and Sack (2000). Increasingly IFAC now has taken the lead in the discussion about the future qualification, education and training requirements for accountants and auditors.
The specific objective of the GAE 2007 study is: (1) to analyse developments in qualification, education, training and in continuing professional education that took place at the Institutes that participated in the GAE 2002 study; (2) to identify trends in the development of accounting education worldwide; and, (3) to place the conclusions in the wider context of global coordination and convergence.

2.3 Data Collection and Review

The GAE 2007 publication is the responsibility of a group of authors who have worked together over the last decade on the global development of the professional qualification, education and training of accountants and auditors. Their combined expertise covers both professional and academic matters. The authors consider the data from different perspectives, they are responsible for the analysis in key areas. We have chosen a presentation in which each chapter except the last can be read more or less on its own. As a result there is some redundancy between chapters, for example in the frequent mentioning of IFAC International Education Standards.

Data have been collected from general sources and from a survey in which professional bodies participated. General sources include education standards, guidelines and directives; literature; and websites. In the references at the end of each chapter the authors refer to specific material. An overview of consulted information is given in the appendix.

For this study the most important general source of information are the education standards, guidelines and directives with directly related publications. There is not much comparative literature on global or regional developments in accounting education. This is probably not surprising as our study covers very recent developments in an area where international standards have only been in force for at most a few years. It is slightly disappointing that the subject also gets little attention in some leading journals that were considered. However, much information can be found on websites, many of which can be accessed in the English language.

Country respondents were asked to provide an analysis of important developments that have taken place in each participating country in the period 2000 – 2005 or that are expected to take place in the period 2006 – 2010. The following subjects were identified.

- Regulation of Accounting Education, including Oversight
- Qualification Standards for Accountants and Auditors
- Mutual Recognition for Accountants and Auditors
- Final Examination Standards and Assessment
- Professional Education and Entrance Requirements
- Practical Experience
- Continuing Professional Development.

All participating professional bodies gave an overview of developments that were taking place. However, in most cases developments were ongoing and a clear distinction between the periods 2000 – 2005 and 2006 – 2010 was not possible.

---

1 Accounting Education, an International Journal
   European Accounting Review
   International Journal of Accounting
   Issues in Accounting Education
   Journal of Accounting Education
2.4 Participating Professional Bodies

In the 2002 Global Accountancy Education classification study 34 professional bodies from 26 countries participated. The countries were selected to make comparisons possible between common law and civil law countries, and between industrialised and transition/emerging countries. The professional bodies from the original survey were approached again; 32 out of 34 actually participated. The country backgrounds are summarised in Table 2.1.

<table>
<thead>
<tr>
<th>Country Characteristics</th>
<th>Professional Bodies</th>
<th>Table 2.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential (actual) participants</td>
<td>34 (32) professional bodies from 26 (25) countries</td>
<td></td>
</tr>
<tr>
<td>Common law, industrialised</td>
<td>11 (11) professional bodies from 6 (6) countries</td>
<td></td>
</tr>
<tr>
<td>Common law, transition/emerging</td>
<td>9 (8) professional bodies from 6 (6) countries</td>
<td></td>
</tr>
<tr>
<td>Civil law, industrialised</td>
<td>6 (6) professional bodies from 6 (5) countries</td>
<td></td>
</tr>
<tr>
<td>Civil law, transition/emerging</td>
<td>8 (7) professional bodies from 8 (7) countries</td>
<td></td>
</tr>
</tbody>
</table>

The respondents answered survey questions which are discussed in the next paragraph and updated overviews of their systems for qualification, education and training. The overviews are included in the appendix to this report. The names of the professional bodies distinguished by country characteristics are given here.

- **Professional bodies in common law, industrialised countries**
  
  Australia, CPA Australia  
  Australia, Institute of Chartered Accountants in Australia, ICA Australia  
  Canada, Certified General Accountants Canada, CGA-Canada  
  Canada, Canadian Institute of Chartered Accountants, CICA  
  Canada, Society of Management Accountants of Canada, CMA-Canada  
  Hong Kong, Hong Kong Institute of Certified Public Accountants, HKICPA  
  New Zealand, New Zealand Institute of Chartered Accountants, NZICA  
  United Kingdom, Association of Chartered Certified Accountants, ACCA  
  United Kingdom, Institute of Chartered Accountants in England & Wales, ICAEW  
  United Kingdom, Institute of Chartered Accountants of Scotland, ICAS  
  United States of America, American Institute of Certified Public Accountants, AICPA

- **Professional bodies in common law, transition/emerging countries**

  India, Institute of Chartered Accountants of India, ICA India  
  Kenya, Institute of Certified Public Accountants of Kenya, ICPAK  
  Malaysia, Malaysian Institute of Accountants, MIA  
  Malaysia, Malaysian Institute of Certified Public Accountants, MICPA  
  Pakistan, Institute of Chartered Accountants of Pakistan, ICAP  
  Pakistan, Institute of Cost and Management Accountants of Pakistan, ICMAP  
  Saudi Arabia, Saudi Organisation for Certified Public Accountants, SOCPA  
  South Africa, South African Institute of Chartered Accountants, SAICA
• Professional bodies in civil law, industrialised countries

France, Ordre des Experts-Comptables, OEC
Germany, Institut der Wirtschaftsprüfer in Deutschland, IDW
Japan, Japanese Institute of Certified Public Accountants, JICPA
The Netherlands, Royal NIVRA, NIVRA
Spain, Instituto de Auditores-Censores Jurados de Cuentas de España, IA-CJCE
Sweden, Föreningen Auktoriserade Revisorer, Sveriges Revisors Samfund, FAR SRS

• Professional bodies in civil law, transition/emerging countries

Czech Republic, Chamber of Auditors of the Czech Republic, CACR
Hungary, Chamber of Hungarian Auditors, CHA
Mexico, Instituto Mexicano de Contadores Públicos, A.C., IMCP
Poland, Association of Accountants in Poland, AAP
Poland, National Chamber of Statutory Auditors, KIBR
Russian Federation, Institute of Professional Accountants, IPA Russia
Turkey, Union of Chambers of Certified Public Accountants, TURMOB

For this research study, five years after the original GAE study, the country characteristics and the selection of countries was not changed. This should probably be reconsidered if new research on this subject is conducted. The distinction in common law and civil law countries is probably stable, although regional developments for example in the EU can bring them closer together. The classification of countries in the survey in industrialised compared with transition/emerging has to be reconsidered as a result of global economic development. It also has to be recognised that important regions like China, India, Russia and Latin America get little or even no attention. The later is also true for emerging countries in for example the Europe/Eurasia region and in Africa.

2.5 Conclusion

Research on the global development of accounting education must start with the collection of information as basis for the subsequent analysis. Most developments for the identified areas of change, both in standard setting and in implementation, are quite recent. As a result the selected research method for this project is one in which the participants are directly consulted. In comparison the contribution of a review of more general literature is by necessity limited.

2.6 References

AECC, (1990), Objectives of Education for Accountants, Accounting Education Change Commission, Position Statement N° 1, September 1990
Albrecht W.S., Sack R.J., (2000), Accounting Education: Charting the Course through a Perilous Future, Accounting Education Series, Vol. 16
ICAA, (1998), Vision 2020, Institute of Chartered Accountants in Australia
Chapter 3  Global Coordination of Accounting Education

Prof. Dr. Belverd E. Needles,  DePaul University, United States of America

Abstract

This Chapter addresses the complex global environment of accounting education and focuses on the need for coordination, especially among accounting academics. It summarizes efforts of organizations globally, including the work of the International Accounting Education Standards Board and the technique of benchmarking to achieve this objective. Further, it highlights the work of the International Association for Accounting Education and Research in coordinating accounting education globally, including the need for its increased role in the education of accounting professors in International Education Standards.

3.1 Introduction

The objectives of this Chapter are the following:

- To demonstrate the need for global coordination of accounting education
- To summarize efforts of organizations globally, including the work of the International Accounting Education Standards Board (IAESB) and the technique of benchmarking to achieve this objective
- To highlight the work of the IAESB in coordinating accounting education globally, including the need for its increased role in the education of accounting professors in International Education Standards.

The elements of a global infrastructure as specified in 2000 by the US Securities and Exchange Commission (SEC) are:

- Effective, independent and high-quality accounting and auditing standard setters
- High-quality auditing standards
- Audit firms with effective quality controls worldwide, profession-wide quality assurance
- Active regulatory oversight.

Not mentioned by SEC is the element high quality accounting education to provide trained accountants to carry out the SEC elements. Currently, there is great variability in the curriculum, qualifications of faculty, and assessment of accounting education around the world. This paper addresses the current and potential efforts to bring more coordination to global accounting education and at the same time improve its quality.

Sound professional judgment is fundamental to the application of international accounting and auditing standards. The factors affecting the judgment of professional accountants in the application of these standards include the accountant’s education, experience, and culture. Cultural background derives mainly from one’s native upbringing and professional influences. Education is obtained through the educational programs that the future professional accountants complete. Experience is gained through application of knowledge in a professional setting. This chapter is concerned primarily with education.
3.2 The Complex Environment of Accounting Education

Educational programs do not operate in a vacuum. In fact, accounting education programs and educators operate in a very complex environment that is at once deeply rooted in local concerns and also affected by outside influences and international movements. Professional accounting education programs are particularly sensitive to the educational requirements graduates of accounting programs must meet to become qualified accountants. The factors influencing these qualifications are regulation through the requirements for membership set by law or by professional bodies, by the criteria set by academic organizations such as accreditation bodies to judge the quality of accounting programs, and by hiring standards set by professional alliances such as international accounting firms and associations of accounting firms.

The global coordination of accounting education takes place at the national, regional, and international levels. At the national level most countries have a national association of academics who meet regularly to present and discuss research and curricular issues. Examples are the British Accounting Association (BAA), the Southern African Accounting Association (SAAA), the Japanese Accounting Association (JAA) among many others. In recent years, regional groups have become more important both at the academic and professional levels including, for example, the European Accounting Association (EAA) and the European Federation of Accountants (FEE). At the global level, the academic body International Association for Accounting Education and Research (IAAER) and the professional body the International Federation of Accountants (IFAC), especially through the IAESB, is having an increasingly positive impact globally.

3.3 Global Forces for Change in Accounting Education

In spite of the complex environment described and perhaps because of it, accounting education can be quite resistant to change. However, there are powerful global forces for changes in accounting education. Karreman (2002) has identified these as:

- Unrelenting Competitive Pressure
- Impact of Information and Communication Technologies
- Globalization of Business
- Focus on Fair Value Accounting
- Demand for New Knowledge and Skills
- Demand for improvements in corporate governance and ethics.

3.4 Global Assumptions Underlying The Need for Change

Karreman (2002) goes on to postulate a set of assumptions that can underlie the development and improvement of accounting education globally:

- A Profession’s Only Real Capital is its Human Capital
- Nationally-Based Education Systems Must Reflect the Global Dimension
- The Modern Professional Needs Both Broad Knowledge and Specialized Skills
- Professionals Must Continually Acquire New Knowledge and Skills
- Future Accountants Need Training in Ethics and Objectivity.
If one accepts these assumptions, then the case for a global movement to improve and bring more conformity in accounting generally to international accounting education standards cannot be denied.

3.5 Accounting Education in Developing Economies

One of the challenges facing a global accounting education is the quality of education of accountants in developing economies. A roundtable of accounting academics from Africa and around the world held in South Africa (Needles, 2005) identified weaknesses in students, education and post-graduate practice. The students coming from emerging economies are often not adequately prepared and do not always reflect the diversity of the population. Also, they face serious economic and health issues. The following weaknesses of prequalification education were identified as follows:

- The quality of academic education for pre-qualification needs improvement
- There is too much emphasis on bookkeeping in the accounting curriculum, instructors lack knowledge of international standards and practices
- There is a lack of adequate resources for higher education
- Professional ethics is not taught as a separate subject.

Post-graduate education displays the following weaknesses in developing countries:

- Professional examinations do not always represent good international practice
- Training requirements in practice are weak and inconsistent
- Continuing education requirements do not always exist in emerging economies.

Although these observations related mainly to sub-Saharan Africa, they can be applied to most developing economies of the world.

3.6 Benchmarking IES: A Promising Technique

A subsequent academic roundtable held in Istanbul in 2006 explored the benchmarking techniques, a promising technique for improving and coordinating accounting education globally, which is being applied across several countries in Southeastern Europe.

Karreman, who directed the project, summarized goals of benchmarking as follows:

- To support professional development by making available a benchmarking methodology
- To identify strengths and weaknesses in the professional qualification of accountants and auditors
- To measure progress over time towards sustainable institutional capacity.

Benchmarking methodology may be summarized as follows:

- Country experts with up-to-date knowledge of the present situation conduct the self assessment
- External and independent assessors validate the results of the self assessment to achieve internal relevance and external credibility and
- Multiple indicators mark the priorities for development.
The areas being benchmarked mirrored the IFAC IES of professional characteristics; education and training; accounting, finance and related knowledge; organizational and business knowledge; and skills, values, ethics and attitudes. The actual situation in each country was most critically benchmarked against international standards on accountancy education and examples of best practice elsewhere. Overall values were calculated for each area as well as a detailed analysis of the underlying elements.

In the benchmarking study, four major areas for future development have been identified:

- Development of internationally acceptable qualifications for the South East European Partnership on Accountancy Development (SEEPAD) member bodies leading to mutual recognition together with strengthening the examination infrastructure
- Development of programs and expertise for both initial professional education and continuing professional development
- Strengthening both core accounting and core business education and training
- Development of skills during practical experience in a suitable professional environment.

Starting from a difficult position, the countries have made significant progress towards the development of an internationally compatible accountancy profession. Benchmarking is a step toward regional harmonization and stability and progress towards EU integration.

3.7 Global Initiatives To Improve Accounting Education

Recent years have brought several important initiatives aimed at coordinating and improving accounting education globally. Among the most significant are the standard-setting efforts of the IAESB, the global involvement of accounting academics and professionals in the IAAER, and other regional initiatives.

3.8 International Accounting Education Standards Board (IAESB)

The most important development in global accounting education has been the increased role that the IAESB is playing in developing high quality standards and other guidance to strengthen accountancy education worldwide. The IAESB focuses on prequalification accounting education, practical experience and training, assessment, and the continuing professional education needed by accountants. The IAESB provides a global perspective on education with due process and public interest oversight.

Table 3.1 gives an overview of the standards and other guidance issued by the IAESB.

All IFAC members were required to comply with IES 1-6 by January 2005, IES 7 by January 2006, and IES 8 by July 2008. Compliance is required within the standards with “black” (bold faced) lettering. Commentary in “Gray” (plain faced) lettering is intended to explain or elaborate on the requirements in black letter. Compliance with black letter requirements is self-enforced by professional bodies. However, there is some national oversight as well as the involvement of third parties such as universities, employers, and commercial companies. An important objective of the IAESB and its IES is to “serve the public interest by the world-wide advancement of education and development for professional accountants leading to harmonized standards.”
<table>
<thead>
<tr>
<th>IFAC IES</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction Framework</td>
<td>Purpose, scope and development of IES</td>
</tr>
<tr>
<td>IES 1</td>
<td>Nature, scope and authority of IES and related documents</td>
</tr>
<tr>
<td>IES 2</td>
<td>Entry Requirements to a Program of Professional Accounting Education</td>
</tr>
<tr>
<td>IES 3</td>
<td>Content of Professional Accounting Education Programs; accounting, finance and related knowledge; organizational and business knowledge; and information technology knowledge and competences</td>
</tr>
<tr>
<td>IES 4</td>
<td>Professional Skills; intellectual skills; technical and functional skills; personal skills; interpersonal and communication skills; and organizational and business management skills</td>
</tr>
<tr>
<td>IES 5</td>
<td>Professional Values, Ethics and Attitudes; content, teaching and workplace learning</td>
</tr>
<tr>
<td>IES 6</td>
<td>Practical Experience Requirements; requirements, monitoring and control</td>
</tr>
<tr>
<td>IES 7</td>
<td>Assessment of Professional Capabilities and Competence</td>
</tr>
<tr>
<td>IES 8</td>
<td>Continuing Professional Development; requirements, approach, monitoring, and enforcement</td>
</tr>
<tr>
<td>ED</td>
<td>Competence Requirements for Audit Professionals</td>
</tr>
<tr>
<td></td>
<td>Approaches to Developing and Maintaining Professional Values, Ethics and Attitudes</td>
</tr>
</tbody>
</table>

3.9 **International Association for Accounting Education and Research (IAAER)**

There are many issues raised by standards for global accounting education. Some of the major issues faced by standard setters are how to instill the characteristics of lifelong learning in future professional accountants through accounting education, how to design and implement a program of accounting education that achieves the objectives of the prequalification education, and how to develop awareness of the need for improvement in accounting education and encourage the development of accounting education.

Another major issue surrounding global accounting education is research. There will need to be research into specifications of appropriate assessment methods, competencies, professional attitudes and ethics, variations in nationally-imposed requirements, and supply and demand for accountants and auditors who can produce and audit transnational accounts.

Furthermore, enforcement of education standards is a complex issue. Clearly, IFAC can work through member bodies to monitor compliance for candidates to membership, but this does not solve the problem in most countries where laws, regulations, traditions and curriculums must change.

To address these challenges, the academic community must be involved more fully than it has in the past. Heading the effort to accomplish this task globally is the IAAER, which was founded in 1984 in advance of the Kyoto Congress. The mission of the IAAER is to promote excellence in accounting education and research on a worldwide basis and to maximize the contribution of accounting academics to the development and maintenance of high quality, globally recognized standards of accounting practice. By 1989, IAAER incorporated both academic and professional organizations into its membership and governance structure, thereby becoming a hybrid federation of associations as well as an individual membership organization. It was granted representation on the IFAC education committee in 1992, and became a member of the consultancy group of the International Accounting Standards Committee (IASC) in 1995.
The IAAER is thus uniquely qualified to perform its mission because its membership consists of individual members, academic associations, and professional associations from around the world. As such, it is ideally situated to serve a coordinating function among academics and professionals worldwide on matters of accounting education. Among the coordinating functions it currently performs are the following:

- World Congresses of Accounting Education
- Regional Conferences on Accounting Education and Research
- Institutional Member Meetings
- Cooperative Conferences for Education and Research Directors of Professional Associations
- Implementation Guide for IEG no. 9
- Global Code of Ethics of Accounting Educators
- Globalization Roundtables.

Important ongoing initiatives for IAAER are organizing research conferences and world congresses, relations including research with standard-setting bodies and representation, and communication with accounting academics around the world. The IAAER provides communications through its website, www.IAAER.org and its semi-annual newsletter, the COSMOS Accountancy Chronicle. It also is officially associated with two academic research journals: the Research Journal of International Financial Management and Accounting (JIFMA) and Accounting Education: An International Journal. IAAER organizes conferences in cooperation with local accounting associations, annual research conferences, and the World Congress of Accounting Educators every four years. The ongoing IAAER Globalization Roundtables have over time brought the standards to three regions of the world thus far.

Each of the roundtables has pointed out the inconsistencies of current practice with the IES. The need for upgrading of accounting education is clearly demonstrated. It is time now to move up to a different level: the level of facilitating implementation of IES (Needles, 2007). A difficulty in implementing IES is that the IAESB’s primary line of communication is with IFAC member bodies, which often do not have good communication links with educators. It is not enough to communicate the standards to professional bodies and to the few accounting educators who attend national and international conferences.

The IAAER proposes to overcome this problem through its Project Athena, which is a targeted global faculty development program that will educate accounting faculty in development and emerging economies in International Education Standards (IES) and their implementation. The program will target key universities in each country and will invite department/program heads and key faculty to attend an intensive workshops. The workshops will be designed to help them change their curricula, teaching methods and research to incorporate a new global perspective that incorporates the thrust of IES, particularly IES 2-4, into their universities. Implementation of the spirit of these standards does not always require major structural changes, but it does require a commitment on the part of the faculty to implement their intent. For example, professional values, ethics, and attitudes can for the most part be integrated into existing courses if the faulty members have the knowledge, commitment, and tools to do it. This goal requires a targeted global faculty development program to educate and train accounting faculty in IES and their implementation.
Such a program might also include workshops conducted by IAAER-trained faculty for accounting educators on a country or regional basis specifically on IES and their implementation in the classroom. It could include country follow-up and consultancy, assessment and benchmarking, and periodic reporting. The program will have a multiplier effect to reach a large number of accounting teachers and students in each country. If 30 department/program heads and key faculty transfer their knowledge to an average of 10 staff per university who then further transfer their knowledge to an average of 25 students per 1 teacher the program will reach 330 staff (including the department/program heads) and 7,500 students in each country. If 10 countries are selected then the program will reach an estimated 3,300 staff and 75,000 students.

IAAER’s future role in global accounting education will be as a voice of accounting academics and coordinator of accounting education. It will also provide academic research on standards and faculty development. It will also have an important role in educating accounting educators through such initiatives as Project Athena.

3.10 Other Regional and Global Movements in Accounting Education

There are other encouraging developments around the world especially among organizations taking a global perspective. Here we summarize some of those efforts.

- **Common Content Project** – The Common Content Project is made up of eight European accountancy institutes that have developed proposals to unify their respective national professional entry-level qualifications while, at the same time, ensuring that those qualifications remain of high-quality and meet changing expectations. The institutes will agree to a common content that covers the greater part of the curricula of their national professional entry-level qualifications. The common content will be international, and each institute will identify a national content for its national qualification.

- **UNCTAD** – United Nations Conference on Trade and Development. UNCTAD produces the *Guidelines on National Requirements for Qualification of Professional Accountants*, which provides a global curriculum that draws heavily on IFAC International Education Guidelines and Standards. This is the benchmark for qualifications for professional organizations and assists with the mutual recognition of qualifications.

- **Global Accountancy Education Network (GAEN)** – GAEN promotes accountancy reform by quantitative assessment and progress monitoring of professional associations and qualifications requirements. It views the accountancy profession as a critical component of economic growth, and reform as a key factor for promoting transparency, accountability, ethics and professional values.

3.11 Conclusion

Several broad conclusions can be drawn from the current status of professional accounting education around the world. First, the need for upgrading of accounting education in many parts of the world has been clearly demonstrated by such mechanisms as the IAAER Globalization Roundtables. Second, the IAESB has developed a comprehensive set of consistent, high-quality standards for educating professional accountants. This effort stretching back a decade or more to the former IFAC Education Committee has strengthened the essential third leg, together with financial reporting and auditing standards, of a strong global accounting profession. Educational programs in compliance with these standards will undoubtedly produce high quality professional accountants.
Third, the process of uniformly implementing education standards globally is a challenging task. The Globalization Roundtables have pointed out many of the practical aspects of implementation. It is clear that implementation in many parts of the world is a multi-year undertaking, requiring communication, resources, training, and benchmarking progress. In many countries, accounting education is defined much more broadly than preparation for membership in IFAC member bodies. Accountants who become members of member bodies represent a minority of the accountants who graduate from educational institutions. In many countries, a minority of accounting educators are members of IFAC member bodies.

Fourth, the IAAER is a global organization that brings together individual academics, academic associations, professional associations and standard-setting bodies in a unique way that has the potential to play a significant role in the implementation of IES and upgrading accounting education globally.

3.12 References

Chapter 4 Standards and Regulation

Prof. Ian F.Y. Marrian MA, CA, University of Edinburgh, United Kingdom
Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, The Netherlands

Abstract

This Chapter addresses the statutory and legal framework of accountancy education. Global standards for the qualification of accountants and auditors are set by the International Federation of Accountants. The European Union defines specific requirements for auditor qualifications. Country developments increasingly are aimed at compliance with the international standards. In addition Public Oversight becomes more and more important.

4.1 Introduction

The objectives of this Chapter are the following:

- To give an overview of international standards on accountancy education
- To describe general developments in regulation and qualification standards
- To identify information about the actual situation in countries
- To discuss the influence of international education standards on developments.

In this Chapter a comparison is made between global drivers of change and the actual developments that take place in the countries that are considered in this research study.

4.2 International Standards on Accounting Education

International Federation of Accountants. Accountancy Education as defined in this publication covers the professional qualification, education and training of accountants and auditors. IFAC International Education Standards (IES) are now in force for professional accountants. Requirements for audit professionals will be added in 2008. Under the IFAC Statement of Membership Obligations 2 (SMO 2) all member bodies of IFAC have agreed to either implement the IFAC IES or, when the professional body is not directly responsible, to use their best endeavours to promote implementation. To support the implementation process IFAC has started a Compliance Programme in which IFAC member bodies report on compliance and develop country action plans in close cooperation with IFAC. As a result of the Compliance Programme the IFAC website now contains detailed information about the qualification programmes of the IFAC member bodies.

European Union. In the European Union (EU) a new EU Directive on Statutory Audit is now enforced. This Directive contains requirements for the examination, education and training of persons who are qualified to conduct statutory audits. The official scope of the Directive is the present EU. In practice however the influence of EU Directives, including the Directive on Statutory Audit, extends as a benchmark for development in the whole Europe and Eurasia region. This is discussed more fully in Chapter 6.

There are some interesting general developments in the EU that should be mentioned here as they are expected to influence the qualification of accountants and auditors in the near future. In addition to present mutual recognition facilities in the EU, which are part of Chapter 6, cross border provision of services, on a temporary and occasional basis and subject to host country discipline, will not depend on an aptitude test or compensation.
In practical terms this means that a professional accountant who has qualified in one EU Member State will be able to provide accounting and tax services in all other EU Member States as long as this is on a temporary and occasional basis. More far reaching is the intended establishment of a European Qualifications Framework. The objective of the Framework is to increase mobility and cross-border recognition and comparability of all qualifications – educational, professional and vocational. The Framework will be linked to national frameworks on eight levels of expertise; it will not depend on duration of study. Finally the European Qualifications Framework will tie in with the Bologna Agreement and the Dublin descriptors for academic levels of study (bachelors, masters, doctorate).

**IFAC International Education Standards.** IFAC IES can be used as benchmarks for the comparative analysis of national systems of accountancy education. International Accounting Standards by the IASB and International Standards in Auditing by IFAC directly influence accountancy education programmes. Their necessary coverage is included in the IFAC guidelines. The IFAC IES focus on the content of programmes for the qualification, education and training of professional accountants and auditors. Relatively little attention is given to regulation, structure, recognition and expertise.

The main elements of any system for the qualification of accountants and auditors should be a final examination of professional competence, supervised practical experience before certification and a programme of professional and general education. Emphasis in the requirements is shifting from knowledge to the intellectual, interpersonal and communication skills, professional values and competences that are necessary for a career as an accountant in an environment of constant change and life-long learning.

Competence according to IFAC is gained through a mix of study, work and training. During pre-qualification education teaching methods should focus on providing students with the tools for self-directed learning after qualification. Educators may need to be trained and encouraged to use a broad range of learner-centred teaching methods. Integration of education and practical experience can enable students to apply knowledge in work-based examples.

**Qualification Standards.** The main qualification objectives are accountant and auditor. The goal of accounting education and practical experience as defined by IFAC is to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. The education and practical experience of professional accountants should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enable them to continue to learn and adapt to change throughout their professional lives.

Qualification standards are defined as admission requirements to the profession. They usually include a final examination, professional education and practical experience. A formal final examination of professional competence is always part of the qualification requirements of countries in the GAE study. Professional education is always available in one form or another, mandatory or voluntary, post higher education or included in higher education. Practical experience is generally included in qualification or licensing requirements. There is however a clear distinction between professional bodies in either the requirement to have practical experience before the final examination or the possibility to finalise practical experience after final examination.
The EU Directive on Statutory Audit requires a final examination of professional competence for auditors organised or recognised by the State. The Directive states that an individual may be allowed to carry out statutory audits only:

- after having attained university entrance level
- then completed a course of theoretical instruction
- undergone practical training and
- passed an examination of professional competence of university, final examination level.

If the qualification objective is both accountant and auditor there can be a difference in admission requirements that effects the content of the final examination and the programme of professional education or the requirements on practical experience either before or after qualification as an accountant.

Adherence to IES will help significantly to achieve international recognition of the qualifications of accountants and auditors. Comparability of qualifications has also been addressed by the General Agreement on Trade in Services (GATS) and by the European Union. The GATS requires that all countries have procedures to verify qualifications of professionals from other countries. Though GATS is multinational in scope it does provide for bilateral implementation. The EU Directive on Statutory Audit sets out provisions for recognition of accountancy qualifications on the conditions that (1) the qualification is considered equivalent to that of the member state; and (2) possession of legal knowledge required in the member state is proved.

**Final Examination.** IES 6, Assessment of Professional Capabilities and Competence, states that it is the responsibility of IFAC member bodies to have in place assessment procedures that ensure candidates admitted to membership are appropriately qualified. A significant proportion of the final assessment should be in recorded form; the assessment should be reliable and valid, cover a sufficient amount of the whole range of professional knowledge, skills, values, ethics and attitudes. Further, the assessment should be conducted as near to the end of the pre-qualification program as practicable.

The final assessment of capabilities and competence is normally in addition to purely academic qualifications and is beyond undergraduate degree level. Professional accounting education may take place in an academic environment or in the course of studying for a professional qualification, but needs to be at least equivalent to degree level study. In considering the final examination and its objectives and methods, it is important to note that most countries follow a system of partial examinations leading to exemptions for the final assessment.

The EU does not give general requirements for the final examination, except the fact that it must be organised or recognised by the state. The EU Directive on Statutory Audit gives a list of subjects that should be included in the test of theoretical knowledge. Again, it must be kept in mind, that not all subjects have to be part of the final examination. In comparison with IFAC, the Directive does not specify requirements on professional skills, values and ethics. The theoretical subjects in themselves are comparable with the IFAC requirements for professional education with a specific focus on relevance for audit.

**Professional Education.** Requirements for professional education are formulated by IFAC in IES 2, Content of Professional Accounting Education Programmes; IES 3, Professional Skills; and IES 4, Professional Values, Ethics and Attitudes. There are no specific EU requirements on professional education other than the list of subjects mentioned under Final Examination.
IFAC stresses the importance of competence development and assessment. To demonstrate competence at work, professional accountants need to have a defined set of professional knowledge, professional skills, professional values, ethics and attitudes. Competence is gained through a mix of study, work and training. Integration of education and practical experience can enable student to apply knowledge in work-based examples. During pre-qualification education, learner centred teaching methods should focus on providing students with the tools for self-directed learning after qualification.

According to IFAC, professional accounting study should be a part of the pre-qualification programme. The study should be long enough and intensive enough to enable candidates to gain the professional knowledge required for professional competence. The professional accounting knowledge component of pre-qualification should consist of at least two years of full-time study (or the part-time equivalent). Students should pursue a degree in accounting, or a professional qualification, to gain this knowledge.

IES 2, Content of Professional Accounting Education Programmes, is explicit about the subjects that should be included in a programme of professional education. The three main categories are (1) accounting, finance and related knowledge; (2) organisational and business knowledge; and (3) IT knowledge. Accounting, finance and related knowledge provide the core technical foundation essential to a successful career as a professional accountant. It further develops and integrates the knowledge, skills, and professional values, ethics and attitudes from elsewhere into the subject areas all accountants need to study. This part needs to be delivered at least at the level of an accounting degree. Organisational and business knowledge provides the context in which professional accountants work. Specific guidance on the information technology knowledge and competences for professional accountants is set out in International Education Guidelines 11 (IEG 11), Information Technology for Professional Accountants.

IES 3, Professional Skills, distinguishes (1) intellectual skills, (2) technical and functional skills, (3) personal skills, (4) interpersonal and communication skills, and (5) organisational and business management skills. Intellectual skills enable a professional accountant to solve problems, make decisions and exercise good judgment in complex organisational situations. Technical and functional skills include numeracy and IT proficiency, decision modelling and risk analysis, measurement, reporting, and compliance with legislative and regulatory requirements. Personal skills relate to attitudes and behaviour. Interpersonal and communication skills enable a professional accountant to work with others in an organisation. Organisational and business management skills are important for the day-to-day management of organisations.

Last but far from least, according to IES 4, Professional Values, Ethics and Attitudes, the programme of professional accounting education should provide potential professional accountants with a framework of professional values, ethics and attitudes for exercising professional judgment and for acting in an ethical manner that is in the best interest of society and the profession.

Practical Training. Requirements for practical training are formulated by IFAC in IES 5, Practical Experience Requirements. The EU Directive on Statutory Audit requires that – in order to ensure the ability to apply theoretical knowledge in practice, a test of which is included in the examination – a trainee must complete a minimum of three years’ practical training in inter alia the auditing of annual accounts, consolidated accounts or similar financial statements. At least two-thirds of such practical training must be completed under a person approved under the law of the Member State in accordance with this Directive;
the Member State may, however, permit practical training to be carried out under a person approved by the law of another Member State in accordance with this Directive. Member States shall ensure that all training is carried out under persons providing adequate guarantees regarding training.

In IFAC IES 5 a distinction is made between practical experience requirements and the issue of monitoring and control. In comparison with the EU the IFAC requirements are more general and less focused on specific subjects. According to IFAC the period of practical experience in performing the work of professional accountants should be a part of the pre-qualification programme and should be a minimum of three years. A period of relevant graduate professional education with a strong element of practical accounting application may contribute no more than twelve months to the practical experience requirement.

4.3 Regulation of Accounting Education, including Oversight

*Developments in Regulation.* In general three out of four professional bodies indicate developments in regulation. This is still true when professional bodies are distinguished by country characteristics (legal system, economic development).

Number of institutes in study: 34  
Number reporting development in regulation 24 (71%)

For regulation including oversight two major developments have been identified.

The first is the drive to cover international standards. This aspect appears to be driven by governments and the professional bodies that want to update their governance structures. In general there is a bigger government influence on auditor qualifications than on accountants qualifications.

The second is the influence of public oversight on the accountancy profession, which also influences the regulation of professional qualifications. This can be seen particularly clearly in North America and the EU. In some cases the extension of public oversight, is combined with giving greater responsibilities to professional bodies for their qualification.

Some examples can be given to illustrate the general trend in developments:

- In Canada the Ontario Accountants Council has broadened access to the public accounting license to include not only Chartered Accountants but also Certified General Accountants and Certified Management Accountants
- In Germany the State has transferred the responsibility for examinations to the professional body Wirtschaftsprüfer Kammer
- In the United Kingdom an independent oversight body has been created to oversee the auditing profession. It has already had an effect on the education programmes of the auditing bodies.

*IFAC Compliance Data.* IFAC respects the statutory framework in which accountancy education operates. As a result in the area of education and training of future members of the profession it is not possible to identify a specific influence on the direction of developments. However, information about the statutory framework for education and training can be found in Section 7 of the IFAC Compliance Questionnaire Part 1 that is published on the IFAC website. The applicable subjects that are covered in Section 7 are given in Table 4.1.
4.4 Qualification Standards for Accountants and Auditors

Changes in Qualification Standards. Across the globe a majority of professional bodies reported changes in their qualification standards during the first decade of the 21st century.

Number of institutes in study: 34
Number reporting development of qualification standards: 25 (74%)

The reasons for change vary but frequently include a focused approach to the relevance of the qualifications and compliance with international standards.

Examples can be given as an illustration of present developments:

- As you would expect, many bodies reported that they were implementing the requirements of the IFAC IES 7 on Continuing Professional Development (CPD)
- In Malaysia IFAC requirements are monitored by the government
- The full coverage of IFRSs was reported by ICAP in Pakistan, SOCPA in Saudi Arabia and ICAS in Scotland
- In Poland the responsibilities for the audit have been transferred from the government to a Public Oversight Body
- Harmonisation of IFAC and EU requirements was cited by TURMOB in Turkey and by the ICAEW in England and Wales.

As expected International Financial Reporting Standards and International Standards of Auditing are mentioned as least as frequently as the International Education Standards. The IFAC Code of Ethics is only mentioned in a limited number of cases as a driver of change. Accountancy qualifications and licensing for public practice get increasing attention. This was reported from Japan, Kenya, Malaysia, Mexico and Russia to mention but a few. Compared with the GAE 2002 study, qualification and licensing requirements for auditors have gained importance, even for professional bodies of accountants. CPD requirements now are considered by many professional bodies as part of the qualification standards.
IFAC Compliance Data. Information about the qualification, education and training of accountants and auditors and about CPD can be found in Section 2 of the IFAC Compliance Questionnaire Part 2 that is published on the IFAC website. The main subjects relevant for qualification are listed below.

- Requirements for membership (professional accountancy education program; practical experience requirements; final assessment)
- Professional accountancy education programme (entry requirements; content; professional skills; professional ethics, values and attitudes)
- Practical experience (length; timing; application of professional education; monitoring)
- Final assessment (process, responsibility; format).

The IFAC website contains detailed information about the professional bodies that are included in the research study. Overviews for most professional bodies are included in Appendix 1.

4.5 Influence of IFAC IES on Developments

Key areas. The GAE 2007 Research Survey as described in Chapter 2 covers seven areas for which the participating Institutes have described developments that have occurred since the publication of the original GAE 2002 Classification Study.

- Regulation of Accountancy Education, including Oversight
- Qualification Standards for Accountants and Auditors
- Mutual Recognition of Professional Qualifications
- Final Examination Standards and Assessment
- Professional Education and Entrance Requirements
- Practical Experience
- Continuing Professional Development.

Developments in the first two areas have a general nature. They are described in this chapter. Mutual recognition is included in Chapter 6. The last four areas with a specific importance for qualification, education and training, and for CPD are discussed in Chapter 7. Finally in Chapter 8 specific attention is given to competence based education and training.

Influence of IFAC IES. It is interesting in the analysis to compare reported developments with the individual IFAC Education Standards. First it must be recognised that there are two sectors of the survey that are not covered by IFAC IES. Regulation falls outside the scope of Education Standards and IFAC recognises that as result there will be differences in standard setting around the world. Mutual recognition of professional qualifications becomes a lot easier to achieve now that international standards are mandatory, but it is not in itself a goal set by IFAC.

The other five sectors can however be related to separate IFAC Education Standards. The GAE analysis shows marked differences when the possible influence of IFAC Education Standards is considered. This is further discussed in Chapter 7.
4.6 Conclusion

Two key areas for the development of accountancy education have been discussed in this Chapter. The first, regulation and oversight, is not covered by international standards on accountancy education. The second, qualification standards, is covered by the standards but in many cases depends on local legislation. It is encouraging to observe that in general professional bodies work on the implementation of IES although they may not (yet) be mandatory.

4.7 References

EU, (2005), Towards a European Qualification Framework for Lifelong Learning, Working Document

IFAC, (2003), IES 1, Entry Requirements to a Program of Professional Accounting Education
IFAC, (2003), IES 2, Content of Professional Accounting Education Programs
IFAC, (2003), IES 3, Professional Skills
IFAC, (2003), IES 4, Professional Values, Ethics and Attitudes
IFAC, (2003), IES 5, Practical Experience Requirements
IFAC, (2003), IES 6, Assessment of Professional Capabilities and Competence
IFAC, (2004), IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence
IFAC, (2006), IES 8, Competence Requirements for Audit Professionals (Implementation 2008)
IFAC, (2006), SMO 2, International Education Standards for Professional Accountants and Other Guidance
Chapter 5  Globalization and Convergence

R. William (Bill) Phelps, CPA, CFE, MSc, CARANA Corporation, United States of America  
Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University,  
formerly Royal NIVRA, The Netherlands

Abstract

This Chapter addresses the international convergence of accounting education. Attention is given to the major efforts  
of international institutions to set standards and to promote convergence, to the actual increase of the recognition of  
professional qualifications between countries and to some specific projects that can accelerate compliance in  
developing and transition countries. The overall conclusion is that global convergence of accountancy education is  
actually happening much quicker than seemed possible for example ten years ago. This is of enormous importance  
for both the accountancy profession and the broader business community to ensure that the expertise necessary for  
the correct application of for example International Financial Reporting Standards and International Standards in  
Auditing becomes available in all countries.

5.1 Introduction

The objectives of this Chapter are the following:

- To discuss the concepts of globalisation and convergence
- To highlight the role of the International Federation of Accountants (IFAC) and the influence of the IFAC International Education Standards (IES) in supporting global convergence
- To place the development of accountancy education in the wider context of dedicated efforts of international donor agencies, like the World Bank (WB) and the United States Agency for International Development (USAID), to accelerate implementation of harmonised international standards, to close compliance gaps, and to foster global and regional alliances and the transfer of best practices.
- To illustrate the relevance of international recognition of professional accountancy qualifications which can be demonstrated by the increasing focus on trans-national instead of national objectives and cooperation, and on mutual recognition of qualifications between countries.
- To discuss the contribution to international development that can be generated by a multi-national approach to benchmarking and twinning as is shown in the Global Accountancy Education Benchmarking (GAEB) and Benchmarking International Standards on Transparency and Accountability (BISTA) projects.

A common denominator of the activities that are described in this Chapter is that they all contribute to international convergence, although there are a wide variety of approaches. This illustrates the importance of global development, whether standard driven, addressed on a regional scale or implemented on a country level.

5.2 Globalization and Convergence

Nationalistic fervour was the driving force for the first 70 years of the 20th century. Countries focused on protecting their own industries, professions, cultures and identity. Legal structures, educational norms, and trade protection were all powerful forces at work within each country.

As the age of computers and Internet began to capture the attention of business and consumers, nationalism gave rise to globalization, at first slowly then building rapidly to the end of the 20th century and now racing at incredible speed.
It is globalization and all the driving forces behind it that is pushing convergence of accounting and auditing standards and spotlighting the important role education plays in accelerating this convergence.

A quick search of Google on the topic of “international convergence” results in hundreds of “hits”, a sure sign of the importance of minimizing the differences, in all things global. Accounting education and technical standards are no exception. In fact, convergence of accounting standards is one the most published, discussed and possibly the most important of all convergence initiatives. Why? The needs of the capital markets to have cross border comparable financial information is paramount to efficient flows of global capital. Convergence facilitates the analysis and dissemination of important financial information in nearly real time speed. Equally important is the flow of human capital across borders and the ability of employers to judge the capabilities of those accountants and auditors.

Capturing the most press is convergence of U.S. and international accounting standards as outlined in the October 2002 (updated in 2006) Memorandum of Understanding between the Financial Accounting Standards Board and the International Accounting Standards Board. This convergence is accelerating toward substantial adoption by 2009 and is in part driven by the loss of listed companies to the New York Stock Exchange, as the U.S. standards are no longer the global “gold standard.”

Receiving less press but no less important is the international effort at converging accountancy education standards. It is well recognized that education is the foundation for international standards. Leaders in accountancy education includes IFAC, United Nations through the UN Conference on Trade and Development (UNCTAD), the World Bank’s REPARIS program, United States Agency for International Development’s BISTA program and the European Common Content project.

5.3 Convergence of Accounting Education

International Cooperation. Roughly speaking the last thirty years have shown an increased focus on global cooperation. In November 2007 IFAC has celebrated its 30th anniversary. The founding of IFAC in 1977 clearly marks the beginning of a process of international coordination in which the accountancy profession from the beginning played an important role. The WTO General Agreement on Tariffs and Trade (GATT) was later followed by the WTO General Agreement on Trade and Services (GATS). Effectively in the early stages the accountancy profession was the only profession with a global infrastructure. Regional organisations followed soon which for example can be shown by the establishment of the European Federation of Accountants (FEE) in 1987. Nowadays there is an important group of regional bodies operating in all continents. Almost all professional bodies in this study are a member of one or more of these organisations.

Guidelines and Standards. In the field of accounting education international cooperation was followed by first programme coordination and second programme harmonisation. In the last decade of the 20th century IFAC International Education Guidelines (IEG), although not mandatory, were established as benchmarks for country developments. For auditors the 8th Directive of the European Union (1984, but in most EU countries implemented in the nineties) defined general education and training requirements for auditors. During the first decade of this century IFAC IES not only were published but also became mandatory for IFAC member bodies.
The new EU Directive for Statutory Audit (2006) contained more precise guidance for auditor qualifications. By the way, it is interesting to remark that IFAC in its IES 8 sets more stringent requirements for auditors than the EU in the present Directive.

**Convergence of Accounting Education.** The term convergence itself has to be defined in the context of this study. In general terms “to converge” could be defined as “to approach (but not necessarily reach) a certain situation”. This raises a number of questions.

- **Is there a clear focal point for convergence?**

The answer to this question is more difficult than it would seem to be at first glance. IFAC has initiated the International Education Standards. These certainly must be the goal of convergence. However there are other standards, which can contradict the requirements of the IES. Examples are easy to find. The EU Directive for Statutory Audit sets education and training requirements for auditors. All EU Member States must implement these in national law. This of course is done differently between countries. Another example is the situation in the U.S.A. where the Uniform Accounting Act is not an Act but model legislation designed to provide a uniform approach to regulation of the accounting profession. However, the actual requirements are the responsibility of the State Boards of Accounting and as a result are different between jurisdictions. Moreover on a global scale the standards change over time as is shown in the chart below.
Can convergence be achieved or at least measured?

The answer to the first part of the question is clear. Due to the ongoing development of the standards and, at least for the time being, the differences between the standard setters it will almost be impossible to achieve convergence and even when convergence is reached at a certain moment of time it can be lost again sooner or later afterwards. Still there is hope. The gaps between the standards and the actual situation in a country can be measured by applying benchmarking methods. Once the gaps are known specific actions can be undertaken to lessen the gaps and to come closer to full compliance by achieving what is sometimes called substantial equivalence. The objective of this chapter is to consider some of the present activities to promote convergence and to show some of the results in the international recognition of professional qualifications of accountants and auditors.

5.4 Education

IFAC IAESB. The leading international institution for accounting education standards is the International Federation of Accountants (IFAC). It is worth noting, direct from IFAC website, the objective of the International Accounting Education Standards Board (IAESB):

“The International Accounting Education Standards Board develops and issues in the public interest standards, guidelines, and information papers on pre-qualification education, training of professional accountants and on continuing professional development and development for members of the accountancy profession. The IAESB also acts as a catalyst in bringing together the developed, developing, and emerging economies to assist in the advancement of accountancy education programs worldwide particularly where this will assist economic development.”

In summary, the IAESB is not only responsible for the International Education Standards; it also promotes the implementation of the IES. The IAESB Strategic and Operational Plan 2007 – 2009 highlights the following priorities:

- Establish standards and other statements reflecting good practice in pre- and post-qualification professional accountancy education and development
- Establish education benchmarks for IFAC compliance activities
- Foster international debate on emerging issues relating to the education and development of professional accountants
- Promote convergence to and implementation of IFAC IES
- Improve communication of IFAC IES and other IAESB communications.

IAESB projects with high priority are:

- Fundamental review of the Framework for the IES and of the separate IES
- Development of a benchmarking methodology to support measurable implementation of the IES.

The IFAC IAESB closely cooperates with the IFAC Compliance Programme and the IFAC Developing Nations Committee (DNC). For reference purposes the IFAC website contains information about the professional member bodies of IFAC including descriptions of their qualification, education and training.

---

2 International Accounting Education Standard Board is a standard setting body designated by, and operating independently under the auspices of, the International Federation of Accountants.
The majority of countries generally embody in their accounting, auditing and / or company laws, rules and regulations, and, national accountancy education requirements. Many countries are adopting the IAESB standards, however, implementation and compliance gaps exist. These gaps are greatest in the developing countries for obvious reasons of shortages in resources - human and funding, cultural and the sophistication of business. However, empirical and anecdotal evidence indicates that the gaps are closing at an accelerated rate even as the standards themselves are undergoing change.

The IFAC Developing Nations Committee (DNC) is engaged in supporting the accountancy profession in developing countries, again with a strong emphasis on education. The strategic objectives of the IFAC DNC, like the ones mentioned below, are supported by specific priorities, actions and projects.

- Obtain and capture information on the status of the profession in different countries
- Identify the development activities underway in different regions
- Work with the IFAC member body compliance programme and regional organisations to assess the needs of members and potential members
- Identify countries requiring assistance and make recommendations for further actions IFAC and other organisations may take to assist the development of the profession.

Through its structured approach the IFAC DNC generates important input for specific development projects.

5.5 Compliance and Implementation Gaps

The Global Accounting Education Benchmarking (GAEB) Pilot Project of 2005 provided valuable information about gaps existing in developing countries in Eastern Europe. Anecdotal evidence suggests that the major findings of this study are similar in nature to most other developing countries.

Closing the compliance and implementation accounting education gaps is another way of defining convergence. The nature of the gaps can be traced to the following:

- Accountancy education standards are necessarily broad and, in some cases, difficult to understand and implement
- Standards are promulgated in the English language and translation issues frequently lead to difficulties in understanding or implementation
- Entrenched national views or interests create barriers to full acceptance of international standards
- Resources, measured in both funding and human and institutional capacity, are not available to accelerate adoption
- The low level of economic and/or capital market development is such that the demand for accountants and auditors is low.

The GAEB pilot project found that the higher education institutions where not providing the leadership role necessary to close the accounting education gaps in a timely fashion. Not surprising, the vary nature of higher education systems in many countries requires much time and funds to change curriculum and train faculty. However, many professional accounting bodies, while generally lacking in resources, were taking a leadership role in improving accounting education.
Recognizing the importance of restoring the trust of important stakeholders in the work of accountants and auditors in the post Enron era, international standard setters, donor agencies, and professional bodies have increased their effort to reach out to better explain, to open dialogue, to provide resources and, in general, place more emphasis on pre-qualification education, practical training and lifelong learning of accountants and auditors. Providing a not so gentle push has been the creation of Public Accounting Oversight Boards, which are playing a larger and more powerful role in regulating the profession.

In general, the GAEB study found gaps in the following broad areas:

- At higher education institutions, curriculum needed to expand to more thoroughly cover general business courses especially in corporate governance, international trade, strategic planning, organizational development, marketing and information and communication technology
- Accounting and audit core courses where not always offered and when offered suffered from outdated content and/or translation problems
- Modern teaching tools and techniques were lacking.

5.6 Leading International Development Agency Activities

Private Sector Accounting Reform For several years, donor agencies focused on private sector accounting reform. In the 1990’s, as the former Soviet Union launched economic reforms, privatization and capital markets development created the need to transform national prescribed accounting standards to international accounting standards to facilitate foreign direct investor analysis and stock exchange listings. This transformation began at the enterprise level to reconcile differences in standards for financial statement purposes. From this effort the opportunity was created to work with existing professional accountancy bodies to build human and institutional capacity and to improve the final assessment regime. These were private sector initiatives that began the wider recognition of the importance of convergence.

Donor agencies continued to support the development of the accountancy profession into the 21st century albeit with a different focus. While a question of degree, the focus has moved from bilateral to regional programs of transparency, accountability, ethics and values, convergence, education and public sector accounting. The World Bank and United States Agency for International Development are two examples of leading international development agencies that recognize the importance of accelerating the pace of accounting reform.

World Bank. Major programs for the World Bank are the Reports on Observation of Standards and Codes (ROSC) and the REPARIS program (Road to Europe: Program of Accounting Reform and Institutional Strengthening). The ROSC program on Accounting & Auditing includes an assessment of a country’s system of accounting and auditing regulation. These assessments are an important tool in identifying gaps in International Financial Reporting Standards and International Standards on Auditing and to help develop funded assistance to close the gaps. Additionally, the ROSC program is instrumental in developing the REPARIS program. REPARIS “... is a regional program aimed at creating a transparent policy environment and effective institutional framework for corporate reporting within South Central and South East Europe.

The REPARIS program is designed around the introduction, implementation, and effective enforcement of relevant portions of the EU acquis communautaire with a view to contribute to foreign direct and portfolio investment, foster private and financial sector developments,
improve the business environment and investment climate, and facilitate potential integration into (or harmonization with) the European Union”.

USAID. The United States Agency for International Development (USAID) has for a decade launched programs to assist the development of the accountancy profession. Leading the way was the development of the CIPA (Certified International Professional Accountant) program in Central Asia. This fully IFAC compliant, Russian language professional accountancy certification is a prime example of a regional program promoting mutual recognition.

As result of donor agency funding over the last decade, the dual questions of what was accomplished and what remains where frequently asked. As mentioned above, USAID funded a program to develop a quantitative analytical tool to measure compliance with international accounting education standards. This benchmarking pilot project called “Global Accounting Education Benchmarking” (GAEB), selected the countries in the Balkans to test the methodology. The results of the project, ending in 2006, led to the “Benchmarking International Standards of Transparency and Accountability” (BISTA) project. This project will develop an array of new compliance tools including model twinning alliances, compliance action plans, monitoring and evaluation frameworks, and quantitative benchmarking methodologies — including a watershed Accounting Development Index that will measure regional progress in complying with international standards of financial transparency and accountability.

The shift from accounting reform at the enterprise level with a focus on technical transformation to regional institutional building is not surprising given the global demand for comparable financial information. In addition, the shift in focus spotlights the need for improved public sector financial management. IFAC’s International Public Sector Accounting Standards (IPSAS) is moving to the forefront of new initiatives by the World Bank and increased attention by development professionals.

UNCTAD. The United Nations Conference on Trade and Development (UNCTAD) published in 1999 (and updated in 2003) developed a global curriculum for the professional education of accountants. This model curriculum provides educators, professional bodies and trainers with a description of the technical subject areas that a student must master to become a professional accountant.

Common Content. The Common Content project brings eight of Europe’s leading accountancy Institutes together to converge professional qualifications. Crucial to the Common Content project is the identification of the learning outcomes that entry-level professional accountants need to achieve and the knowledge, skills and attributes they need to acquire in order to provide services that meet international standards.

A quick review of recent donor initiated accountancy projects include:

- Public sector financial assistance with focus on IPSAS, education and training
- Support to developing countries professional accountancy bodies to build human and institutional capacity and close the compliance gaps
- Benchmarking accountancy education standards and identifying gaps
- Strengthening the final assessment regime
- Improving governance where full disclosure and accountability are hallmarks of the accountant and auditors work in the public interest.
5.7 Intermediate Results of Development Activities

While too early to declare convergence complete, encouraging progress is being made. Global awareness of the importance of an ethical and competent accountancy profession has never been higher albeit generated by the international scandals and collapse of Enron and others. International standard setters are developing new strategies, resetting priorities and engaging new alliances to close gaps and assist developing nations. Through the BISTA project the leading Dutch professional accountancy body, Royal NIVRA, has a Memorandum of Understanding with SCAAK in Kosovo, ACAP in Moldova and IEKA in Albania, to provide assistance to improve institutional governance and educational and CPD programs, and provide training and trainers. This mentoring/twinning program is one model for overcoming the resource shortage of developing nation’s professional bodies. IFAC is focused on twinning as an important initiative. Other professional bodies are twinning or engaged in discussions to twin.

Measuring gaps and, more importantly, showing the way to close these gaps, is being addressed through USAID’s funding of benchmarking and development of an Accounting Development Index that is a proxy for transparency and accountability. Indices are being relied upon with greater importance as a means to allocate international development funds to target specific interventions. As more donor funds are being allocated to health, failed nations and humanitarian crisis, it is imperative that better means are developed to target funds to the private sector. An index to measure transparency and accountability is one of these means.

The capacity constraints facing multi-national accounting and auditing firms is causing these firms to further contribute to advancing training and education programs in selected developing nations especially in the Balkans. Practice mobility and substantial equivalence is taking on new importance, as global demand requires rapid shifts in supply and demand of accountants and auditors who can work effectively across borders.

5.8 Recognition of Professional Qualifications

Mutual Recognition of Qualifications. Overall mutual recognition of qualifications is developing rapidly. Almost always a two-tier approach is followed. Step 1 covers recognition of education and training requirements of the original qualification. Step 2 defines the additional requirements in the host country to become a member of the receiving professional body. Only the EU has a general system for the recognition of audit rights inside the Union but this does not necessarily include membership rights.

Consideration of the research data strongly suggests that there has been a significant increase in mutual recognition agreements.

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of institutes in GAE 2002 study:</td>
<td>34</td>
</tr>
<tr>
<td>Number of institutes reporting recognition developments</td>
<td>25</td>
</tr>
<tr>
<td>Number of institutes reporting no recognition developments</td>
<td>6</td>
</tr>
<tr>
<td>Number of institutes who did not supply information</td>
<td>3</td>
</tr>
</tbody>
</table>

It is reasonable to assume that there is a positive influence of the IFAC IES but there is no proof. The Institute of Chartered Accountants in Australia nicely summarised the reasons for change in a way that reflects the arguments mentioned by other institutes: “In a global business environment and to meet member and organisations’ needs, ensuring open and free flow of professional (chartered) accountants across boarders became a strategic focus”.

Regions. It can be argued that mutual recognition will develop most easily on a regional and maybe even cross border level. The professional bodies who supplied information for this study reported on the development of their mutual recognition agreements over the past period. This can be compared with the regions that were distinguished in the GAE 2002 classification study and with the classification characteristics of the countries.

- North and Middle America: Canada and USA have a common law background; Mexico has a civil law background. All three countries are members of the North American Free Trade Association (NAFTA).

AICPA from the USA, the Canadian Institute of Chartered Accountants and CMA Canada as well as IMCP from Mexico all report a trilateral mutual recognition agreement between their three countries. CMA Canada reports development of mutual recognition with professional bodies from the United Kingdom.

- European Union: The United Kingdom has a common law background; France, Germany, the Netherlands, Spain and Sweden have a civil law background.

The majority of the professional bodies reported development of EU auditor recognition. Developments in Spain are consistent with third country auditor recognition. The English speaking bodies of Chartered Accountants reported on the extension of mutual recognition agreements with sister bodies in other regions of the world. ACCA specifically mentioned the effects of the revised EU Directive on Statutory Audit.

- Central and Eastern Europe: The Czech Republic, Hungary, Poland, the Russian Federation and Turkey have a civil law background. Since the original GAE publication in 2002 the Czech Republic, Hungary and Poland have become members of the EU.

The Czech Republic, Hungary and Poland reported on the effects of EU recognition of auditor qualifications. IPA Russia mentioned a mutual recognition agreement with the Eurasian Council of Certified Accountants and Auditors. Russia has also recognised ACCA and CPA qualifications on the condition of additional examinations in Russian taxation and business legislation. TURMOB from Turkey established a partnership agreement with ACCA.

- Africa: Kenya and South Africa have a common law background. In South Africa this is combined with a strong civil law influence.

ICPAK from Kenya and SAICA from South Africa mentioned CA reciprocity participation.

- Middle East: Lebanon has a civil law background and Saudi Arabia has a common law background.

SOCPA from Saudi Arabia reported that for candidates with AICPA, ICAEW and CICA fellowships the SOCPA examination is limited to the subject of professional standards.

- Asia: India, Malaysia, Pakistan and Hong Kong have a common law background; Japan has a civil law background.
All professional bodies in the region have extended mutual recognition agreements, in general with professional bodies from the UK and North America, sometimes with Australia and New Zealand.

- Australia and New Zealand: both countries have a common law background.

All three professional bodies mentioned renewal or extension of mutual recognition agreements with English speaking professional bodies in other regions.

5.9 Conclusion

Globalisation as a driver and convergence as a result are major issues for the continuing development of accounting education. The move from Guidelines to Standards, with a leading role for IFAC, makes global benchmarks available that can be used to identify the gaps with the present situation in a country. Coordinated action to help close these gaps is taking place in many countries. Participating institutes include donor agencies, regional organisations, major accountancy firms and professional bodies in both industrialised and developing countries. One of the results of international cooperation is an increase in the mutual recognition of the qualifications of accountants and auditors. The processes of convergence and recognition are an important contribution to the labour market mobility the accountancy profession needs in order to cope with the business demands in an increasingly global market environment.

5.10 References


IFAC, (2007), Member Body Compliance Program, *Strategic and Operational Plan 2007 – 2010*

UNCTAD, (1998), *Global Curriculum for the Professional Education of Professional Accountants*
UNCTAD, (1998), *Guideline for a Global Accounting Curriculum and Other Qualification Requirements*

Chapter 6  Programme Development

Prof. Ian F.Y. Marrian MA, CA, University of Edinburgh, United Kingdom
Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, The Netherlands

Abstract

This Chapter addresses the scope and influence of the IFAC International Education Standards in four key areas: final examination standards and assessment; professional education and entrance requirements; practical experience; and, continuing professional development. For qualification, education and training developments indicate global convergence in line with, but not necessarily as a direct result of the International Education Standards. Continuing Professional Development is the only area where the accountancy profession is leading on its own.

6.1 Introduction

The objectives of this Chapter are the following:

- To analyse the scope and influence of the IFAC IES
- To compare actual developments in four key areas with the requirements of the IES
- To highlight areas of potentially high and low compliance.

The observations are based on developments in a sample of (x) professional bodies in (y) countries. As in the original GAE 2002 Classification Study the countries have been selected to represent different legal and economic background. In general there are no major differences in the direction of observed developments when compared with country classifications.

6.2 Scope and Influence of IFAC IES

Scope of IFAC IES. IFAC, the International Federation of Accountants, has issued Statements of Membership Obligations (SMO) to identify requirements for IFAC Member Bodies. SMO 2 covers International Accounting Education Standards (IES) and other guidance by the IFAC International Education Standards Board (IAESB). Under SMO 2 IFAC Member Bodies should use their best endeavours:

- to incorporate the essential elements of IES in their national education and development requirements for the accountancy profession, or
- when third parties are responsible for the requirements, to persuade those responsible to incorporate the essential elements of IES in those requirements.

For benchmarking purposes the IFAC IES set the global standard for the qualification, education and training of accountants in a country, whether the professional body is directly responsible or not. The IFAC IES cover the whole range of requirements for the professional qualification, education and training of accountants and auditors and for continuing professional development. The specific requirements are put into context in the Introduction and the Framework. The text of the IFAC IES is available on the IFAC website. An overview of IFAC IES is given in Table 6.1.
<table>
<thead>
<tr>
<th>IFAC IES</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Purpose, scope and development of IES</td>
</tr>
<tr>
<td>Framework</td>
<td>Nature, scope and authority of IES and related documents</td>
</tr>
<tr>
<td>IES 1</td>
<td>Content of Professional Accounting Education Programs; accounting, finance and related knowledge; organizational and business knowledge; and information technology knowledge and competences</td>
</tr>
<tr>
<td>IES 2</td>
<td>Professional Skills; intellectual skills; technical and functional skills; personal skills; interpersonal and communication skills; and organizational and business management skills</td>
</tr>
<tr>
<td>IES 3</td>
<td>Professional Values, Ethics and Attitudes; content, teaching and workplace learning</td>
</tr>
<tr>
<td>IES 4</td>
<td>Practical Experience Requirements; requirements, monitoring and control</td>
</tr>
<tr>
<td>IES 5</td>
<td>Assessment of Professional Capabilities and Competence</td>
</tr>
<tr>
<td>IES 6</td>
<td>Continuing Professional Development; requirements, approach, monitoring, and enforcement</td>
</tr>
<tr>
<td>IES 7</td>
<td>Competence Requirements for Audit Professionals</td>
</tr>
<tr>
<td>IES 8</td>
<td></td>
</tr>
</tbody>
</table>

**Influence of IFAC IES.** For the analysis in this chapter four main areas are distinguished. These are linked with the requirements of the IFAC IES.

- Final Examination Standards and Assessment (IFAC IES 6)
- Professional Education and Entrance Requirements (IFAC IES 1 - 4)
- Practical Experience (IFAC IES 5)
- Continuing Professional Development (IFAC IES 7).

For auditors consideration has to be given to IFAC IES 8 and the EU Directive on Statutory Audit. IES 8 (re competences for Audit Professionals) was only issued in July so, as expected, we got little comment. At present the development of audit qualifications, both for common law and civil law countries, is mostly EU driven. Direct requirements for audit professionals by IFAC and the EU are comparable but there is an important difference in their approach. IFAC treats the auditor as a specialised accountant whereas the EU treats it as a stand alone profession. This difference may need to be resolved by IFAC as there is no indication of the EU moving.

Overall there are marked differences in the number of times that specific IES are mentioned in relation to developments reported by professional bodies.

Number of institutes in study: 34
Number reporting development related to IES 1: 9 (26%)
Number reporting development related to IES 2: 15 (44%)
Number reporting development related to IES 3: 13 (38%)
Number reporting development related to IES 4: 4 (12%)
Number reporting development related to IES 5: 22 (65%)
Number reporting development related to IES 6: 23 (68%)
Number reporting development related to IES 7: 23 (68%)
Number reporting development related to IES 8: 14 (42%)

In general the research data suggest that there is a limited influence of IES 1 on entry requirements, while programme development focuses on IES 2 and IES 3 with less attention for ethics as prescribed in IES 4. The real concentration is on IES 5, practical experience, IES 6, assessment and IES 7, CPD all reflecting core activities of most professional bodies.
6.3 Final Examination Standards and Assessment

*Trends in Assessment.* There is a general tendency to give more attention to international standards as part of the content of the final assessment. For auditors this is mostly EU driven. Internal and external quality control is often strengthened. Across the range of countries competence based assessment gets increasing attention, which for example is shown by the introduction or extension of case studies and the introduction of integrative and individual assignments. In order to promote efficient access to qualification more professional bodies recognise university programmes by granting partial exemptions. There is evidence of increased use of computer based examinations to increase flexibility for candidates by the bigger professional bodies.

- CGA Canada reported introduction of online quizzes; integrative assignments; term marks for courses and examination blueprints. Each course taken through the CGA comprises modules with corresponding self-test questions and assignments
- The Malaysian Institute of CPA’s undertook a major review of its examination structure and training programme during 2000 – 2002. The revised CPA programme, implemented at end of 2002, is consistent with the requirements of the International Education Standards for Professional Accountants, although these Standards were only issued by the International Accounting Education Standards Board of IFAC in October 2003
- In Spain the access examination has been reorganised and now is conducted by the three professional bodies together, under the chairmanship of the regulatory body of the profession
- For the USA the AICPA reported its computerised uniform CPA examination.

**IFAC IES 6.** With regard to IES 6 on Assessment 80% of the respondents mentioned changes. In general the development of assessment techniques gets more attention in common law countries than in civil law countries. Most of the changes related to developments of integrated case study exams.

6.4 Professional Education and Entrance Requirements

*Programme Development.* A main stream of developments in professional education can be identified that is not directly linked to the requirements of the separate IES. In general developments seem consistent with the IES without following their more detailed descriptions. Some particular aspects merit attention.

Increasingly graduate entry requirements for professional education are introduced, while at the same time relevant parts of university programmes are recognised. A lot of work was reported on improving the interface between university education and that at the professional education level.

- In Germany exemptions were agreed to reduce redundancy for areas already examined at university level
- In New Zealand they have a revised academic policy with more freedom of academic choice
- In South Africa they have revised their accreditation and monitoring of higher education providers.

It is also interesting to note in the case of bodies such as ACCA not requiring graduate entry that the number of graduates becoming students is rising fast and in the case of ACCA is now the majority.
These developments create more room for a more integrated and competence based professional education programme. Case studies and work shops get a more prominent position in a number of programmes.

- The Certified Public Accountants in Australia reported a full case study final exam
- The Chartered Accountants in India reported an emphasis on case studies in their final exam.

At the same time the relation with practical experience before qualification is strengthened.

- In South Africa, SAICA reported a review of technical and functional skills
- In Spain they reported a development to allow their trainees to obtain some of their practical experience abroad
- ACCA, in the UK, reported the development of a competence framework
- ICAS, from Scotland, reported the implementation of competence based achievement log.

International programme elements are added, sometimes with differentiation by area of future expertise for example auditor, accountant in public practice and other services. Specifically:

- The Certified Public Accountants in Australia mentioned Business Strategy and Leadership
- The Certified General Accountants in Canada mentioned Strategic Financial Management.

**IES 1.** IES 1 on Entry Requirements is only mentioned by on average 1 in 3 of the professional bodies participating. Generally the requirements exceed the university entrance level required by IES 1 and mostly require university exit level. This tendency was already apparent in the 2002 study as a majority of the professional bodies already had a majority of entrants with a graduate degree. Since 2002 more professional bodies in common law countries have introduced a degree requirement as the base for their qualification. This apparently one-sided development is because most civil law countries, both industrialised and transition, have a long history of graduate entrance. So if you like, the common law countries, without the US, are catching up.

As exceptions to these developments ICAS reported that it was keeping an open eye on the relevance of non graduate entry. In Japan they have abolished the requirement for graduate entrance.

**IES 2.** IES 2 on Programme Requirements was mentioned by 50% of the bodies. Most of the developments identified were for Accounting, Finance and related knowledge which reflects the main responsibilities of the professional bodies. Organisational & Business Knowledge followed next although in many cases it is probably perceived as the primary responsibility of the universities. Programme requirements in IT Knowledge & Competencies are hardly mentioned.
We don’t know why but can surmise as follows:

- The bodies believe that IT is integrated in education at all levels and in the practical experience
- Possibly, and we say this with some trepidation, IT requirements are just too difficult for the majority of the present generation of teachers
- Possibly it is felt that IT at the required level would simply take up too much time.

In this area there is no marked difference visible between industrial countries on one hand and emerging and transitional countries on the other.

IES 3. IES 3 on professional skills is only mentioned by 40% of the respondents. According to the analysed information the reason could be that skills development is often integrated into programme requirements for professional education and/or the competencies that are included in structured practical training. In general the development of skills is much more visible in common law countries than in civil law countries. This may be because the common law countries, with the exception of the US, have a tradition of professional bodies training for qualification with more emphasis on skills than knowledge. We suspect in this area the civil law countries will have to catch up.

IES 4 on Professional Values, Ethics and Attitudes is disappointingly only mentioned as a separate issue by 25% of the respondents. In general the development of values, ethics and attitudes gets highest attention in industrialised common law countries. This may be the effect of the accountancy scandals which have in particular hit the US early in this century.

6.5 Practical Experience

Approaches to Practical Experience. Again almost all professional bodies are engaged in developing their systems of practical experience in one or more of the following areas.

First programme requirements are brought in line with international standards. Second programme content is redesigned to comply with competence requirements for accountants and/or auditors. Third recognition and supervision of employers as well as monitoring of trainees gets increased attention. Sometimes compliance with IFAC IES 5 is given as the reason for activities that are undertaken. More often however developments in the profession and its business environment are indicated as leading.

- The Institute of Chartered Accountants in Australia reported candidate access to online e-portfolio to record and reflect upon learning experiences in program and workplace according to professional CA attributes they were developing; development of employer learning and assessment guide to assist greater understanding and support of CA Program candidates in the workplace; pilot of structured, competency based Practical Experience program and resources.
- The Hong Kong Institute of CPA’s introduced the AE/AS Practical Experience Framework to ensure that its prospective members have acquired the prescribed type and level of practical experience under a structured training environment and achieved the technical and generic competencies required of a CPA such that the Institute would only admit members of the highest quality. The Practical Experience Framework complies with the IFAC International Education Standard 5.
Royal NIVRA from the Netherlands announced that beginning in 2007 starting with the first year of practical training shall only be possible after following at the same time the theoretical study at the level of a university master programme or after having completed a master programme in Accountancy or Business Economics.

Since 2002 Saudi Arabia has established a comprehensive quality review programme to ensure that CPA's comply with the professional and regulatory requirements.

IES 5. IES 5 on Practical Experience Requirements is mentioned on average by 80% of the professional bodies. However, in the civil law, transition and emerging countries this drops to 50%. It is however noticeable that all the Eastern European countries are working on the development of practical experience requirements. This of course is driven by EU requirements.

6.6 Continuing Professional Development

Influence of the Profession. CPD is the one sector where a majority of professional bodies gives compliance with IFAC IES 7 as the most important driver of chance. In the past period many professional bodies have introduced or extended mandatory CPD, sometimes depending on employment sector. At least for accountants and auditors in public practice, mandatory CPD is now usual. The content of CPD programmes increasingly reflects international developments and the need to identify the different areas of expertise for individual members. Most bodies still use an input based approach of CPD and set standards for the number of hours that is required in a certain period. Some professional bodies are moving to an output based approach of CPD.

- The Canadian Institute of Chartered Accountants mentioned adoption of IES 7 as the standard for CPD for CAs in Canada and continued growth in six main competence areas – Risk Management, Assurance, Financial Reporting, Information Technology, Taxation and Finance
- The Chamber of Hungarian Auditors has increased its CPD training requirements
- In Japan CPD which had been initially introduced as a voluntary programme has become mandatory for CPA’s since April 2002
- In Kenya CPD is mandatory for all members of ICPAK and the number of hours required per year has been increased.

IES 7. In regard to IES 7 on Continuing Professional Development (CPD) some 80% of the respondents cited it as a driver of change. It is perhaps relevant to note that, along with practical experience, this is the only area where the accountancy profession is leading on its own, that is, without pressure from the regulators and governments.

6.7 Developments in Key Areas

Four key areas for the development of accountancy education have been discussed in this Chapter.

In assessment there is an increased focus on competence based approaches. Workplace learning and integration with theoretical education is not mentioned frequently. Developments mostly take place in the traditional context of written examinations. There can be some doubt whether this is enough to achieve adequate assessment of the higher level competences and capabilities that are increasingly required.
Graduate entry to professional education increasingly becomes the actual standard, at least for the countries that are considered in this study. This does however not mean that IES 1, requiring university entrance level, becomes obsolete. Many developing countries do not yet have access to well developed university systems and can not afford to neglect non graduate entrance. Considering labour market developments and the perceived global shortage of accountants and auditors this may even be true for developed countries.

Programme development still seems to be concentrated on theoretical content with less, or maybe too little, visible attention for skills, values, ethics and attitudes. There probably is also reason to consider the further implementation of IT competences in the accountancy curriculum.

On CPD the accountancy profession is leading in programme development. This is an important observation for accountancy education in three ways. First, many CPD courses cover new topics which can be gradually implemented in the accountancy curriculum. Second, by taking responsibility for CPD the accountancy profession also retains its broader expertise in education and training. Third, now that CPD is mandatory in most countries it will become possible to redesign pre-qualification programmes as basis for post-qualification differentiation and specialisation.

6.8 Conclusion

On average professional bodies indicate developments in 6 out of 7 of the sectors that were identified in the questionnaire. This is still true when professional bodies are distinguished by country characteristics (legal system, economic development). A possible explanation could be that while countries have different characteristics, the professional bodies in the GAE 2002 and 2007 research studies are in general well established Institutes with existing international connections. This is for example shown by the (expanding) mutual recognition of qualifications.

The situation is less clear when the possible influence of IFAC IES 1 – 8 is considered. Direct linkage between developments and IES is on average only apparent for 4 out of 8 IESs. There may be two general reasons for this conclusion. First as the IFAC International Education Standards logically expand on the earlier IFAC International Education Guidelines most or even all professional bodies in the research study probably have already implemented at least a large part of the requirements of the IFAC IES even before they became mandatory. Second IFAC IES and developments at professional bodies and universities are both based on general professional and business developments. As a result the perceived influence of the IES for the professional bodies in the study can be lower than their actual significance. This can only be clarified if more professional bodies in developing and transition countries are considered.

6.9 References

IFAC, (2003), IES 1, Entry Requirements to a Program of Professional Accounting Education
IFAC, (2003), IES 2, Content of Professional Accounting Education Programs
IFAC, (2003), IES 3, Professional Skills
IFAC, (2003), IES 4, Professional Values, Ethics and Attitudes
IFAC, (2003), IES 5, Practical Experience Requirements
IFAC, (2003), IES 6, Assessment of Professional Capabilities and Competence
IFAC, (2004), IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence
IFAC, (2006), IES 8, Competence Requirements for Audit Professionals (Implementation 2008)
IFAC, (2006), SMO 2, International Education Standards for Professional Accountants and Other Guidance
Chapter 7  Competence Education in Professional Accounting

Prof. C. Mark Allison, MA, CA, Institute of Chartered Accountants of Scotland, Robert Gordon University, United Kingdom

Abstract

This Chapter addresses the question how professional institutes have changed or developed their thinking and application since IFAC issued definitions and standards of competences and capabilities. Research data suggest a significant, if not substantial, number of developments. Areas of change are identified, some of which can be tied to requirements of IFAC International Education Standards 1-6. In general, the development of skills is much more visible in common law countries than in civil law countries. Increasing attention is given to the relevance of experience requirements and to the final assessment of competence.

7.1 Introduction

The objectives of this Chapter are the following:

- To consider the rise of competence based education and training
- To identify areas of change in professional accounting education programs
- To discuss the influence of IFAC IES on present developments.

Based on the analysis of the present developments some suggestions are given for future research.

7.2 The Rise of Competence Education in Professional Accounting

Competence Based Education and Training. Competence based education and training is not a new phenomenon in business life. A number of occupations have been applying the principles of competency for over 20 years. In accountancy there is evidence of professional institutes using the word competence in the mid 1980’s to describe some elements of their professional programs. Early use of the word competence was not consistent, some professional institutes applying competence to examinations, and others applying competence to training records.

IFAC. IFAC in IEG 9 “Prequalification Education, Assessment of Professional Competence and Experience Requirements”, first issued in 1991, attached competence primarily to assessment in an examination context, mirroring the more common usage of some of its member bodies. As professional institutes began to research and understand the usage of competence in other fields they began to adopt a more formalised and technical understanding of the word. This was reflected in a paper from IFAC in 1998, rewritten and updated in 2003 “Towards Competent Professional Accountants” (IEP2).

In 2003 International Education Standards 1-6 were issued containing for the first time a Glossary of Terms. The glossary comprised a collection of defined terms, with special meanings. They were to be used within the IFAC Education Committee (now International Accounting Education Standards Board – IAESB) standards and guidelines. Included within the glossary, and used throughout IES 1-6 was the term competence and its linked term capability. The IFAC approved definition came from general education and sociological research and usage.
**GAE Comparative Research.** The issue of IFAC regulation and guidance in 2003 using competence is particularly relevant to this, the second piece of GAE comparative research. Earlier GAE research was based on survey data in 2001 before the IFAC definitions and new standards were issued. This raises two interesting questions. How have professional institutes, who in the earlier research were applying competence in one way, changed or developed their thinking and application? Have other professional institutes made changes following the issue of IES 1-6?

### 7.3 Is there evidence of rapid and substantial change?

An initial consideration of the research data suggests that there has been a significant, if not substantial, number of developments in designing and applying competence based education and training systems.

Number of institutes in study: 34
Number reporting competence development: 14 (42%)

The institutes reporting development are largely from an English speaking country (12 out of 14), all of which have a common law background. Only organisations from the Czech Republic and Russia report competence based developments from a different language and legal background (for the purposes of this research institutes in Canada and Hong Kong, are considered to be principally English language based as that is the language of business in the majority of the country). At least half of the English speaking institutes were actively using the word, if not the defined term, competence at the time of the last GAE research.

All of these institutes have made developments in their approach.

### 7.4 Areas of change

The 14 institutes that reported development did so in the following areas:

- Case study at final level of assessment: 8
- Practical experience: 7
- Integrative assignments and assessment: 4
- Soft skills in examinations: 3
- Ethics: 3
- Competency based marking: 1
- Competency standards: 1

Some of these changes can be reasonably closely tied to the requirements of IFAC IES 1-6. Other factors may have had a greater influence. These factors can be complex and inter-related and since 2002 the institutes reporting change have variously been impacted by the following:

- Independent educational research
- Competition locally and internationally for students
- Advancing application of technology
- Learning from other disciplines
- Greater understanding of employer needs
- Developing an understanding of the meaning of competence and capability
- Other regulatory pronouncements e.g. IES 7, 8.
With 14 institutes reporting development one must not lose sight of the evidence suggesting that 20 other institutes in the study are reporting no change. The reasons for nil responses in this area can be complicated and may be linked to longer processes of change, language interpretations or to self-categorisation. It seems likely however that there are other institutes making, or considering change.

7.5 Competence

Competence is defined in the IFAC Framework for International Education Standards as

“being able to perform a work role to a defined standard, with reference to real working environments.”

Explanation:

Competence refers to the demonstrated ability to perform relevant roles or tasks to the required standard. Whereas capability refers to the attributes held by individuals that give them the potential to perform, competence refers to the actual demonstration of performance. Competence may be assessed by a variety of means, including workplace performance, workplace simulations, written and oral tests of various types, and self-assessment.

In the purest sense therefore competence is directly tied to a work role, with reference to real working situations. The IFAC Education Standards use the term in a number of the standards. These applications by IFAC have been identified directly by some respondents and indirectly by others as a force for change.

Workplace training has historically had a greater emphasis in common law countries than in civil law countries. It is therefore not surprising that competence developments have happened at a faster pace in those countries than in countries where the theoretical (academic) learning approach has a greater hold. The European Union Directive on Statutory Audit made practical experience mandatory in Continental EU countries, typically classified as civil law countries, creating a consistent approach with at least some workplace assessment in audit qualifications. None of these countries have reported development in the period under review towards competence assessment in the workplace. The revised Directive on Statutory Audit issued in 2006 made small changes in the requirements for audit experience and it will be interesting to assess over the next number of years whether professional bodies change their approach as a consequence.

7.6 IES 2 Content of Professional Accounting Education Programs

The standard has a competence requirement in three particular areas (paragraph 28 c, d and e) connected to the Information Technology component. This requires:

- general knowledge of IT
- IT control knowledge
- IT control competencies
- IT user competencies and
- one of, or a mixture of, the competencies of, the roles of manager, evaluator or designer of information systems.
Guidance on this application is given in IEG11 “Information Technology for Professional Accountants”. It is interesting to note that only Chamber of Auditors of the Czech Republic (CACR) and Institute of Professional Accountants Russia (IPA Russia) report changes as a result of this requirement. The Canadian Institute of Chartered Accountants (CICA) have made positive reference to their competency review, which led to “no major changes in information technology”. It is likely that other institutes felt they met the original IEG11 (first issued in 1995, revised 1998 and 2002), and that the standard had little or no impact.

7.7 IES 3 Professional Skills

The standard sets out a number and range of skills required by professional accountants. The skills “are part of the set of capabilities required by professional accountants to demonstrate competencies.” The term “capability” has an important meaning and is defined as “the professional knowledge; professional skills; and professional values, ethics and attitudes required to demonstrate competence”.

Explanation:

Capabilities are the attributes held by individuals that enable them to perform their roles, whereas competence refers to the actual demonstration of performance. The possession of capabilities gives an indication that an individual has the ability to perform competently in the workplace. Capabilities include content knowledge; technical and functional skills; behavioural skills; intellectual abilities (including professional judgement); and professional values, ethics and attitudes. They are sometimes referred to in other literature, as competencies, capacities, abilities, key skills, core skills, fundamental skills and values, attitudes, distinguishing characteristics, pervasive qualities, and individual attributes.

There is evidence that a number of institutes have embraced the concept of capability in their reported changes. It is also evident that the same institutes have been influenced to a significant degree by the precise requirements of IES 3. This is often identified by responses linked to the final examination but is essentially intertwined with IES 3.

The Institute of Chartered Accountants of India (ICA India) illustrate their purpose in moving to case studies in the final examination as allowing the institute to determine whether candidates:

- have an ability to apply technical knowledge in an analytical and practical manner
- are able to extract from various subjects the knowledge required to solve multiple topic problems
- can identify information relevant to a particular problem by distinguishing the relevant from the irrelevant in a given body of data
- are able, in a multi-problem situation to identify the problems and rank them in the order in which they need to be addressed
- appreciate that there can be alternative solutions and understand the role of judgement in dealing with these
- have an ability to integrate diverse areas of knowledge and skills
- can communicate effectively to the user by formulating realistic recommendations in a concise and logical fashion.
The American Institute of Certified Public Accountants (AICPA) reporting on the computerised CPA examination have reviewed the overall objective of the assessment:

“To admit individuals into the accounting profession only after they have demonstrated the entry-level knowledge and skills necessary to protect the public interest in a rapidly changing business, financial and technological environment. The examination measures higher-level cognitive skills, the ability to conduct research electronically and to demonstrate professional judgement and communication skills in real-world situations.”

The Institute of Chartered Accountants of Scotland (ICAS) reporting on the research into changes in their competence based training log state:

“In the period 2006 - 2010 the Achievement Log will be extended to incorporate more reflective statements, commentaries on ethics experienced in the workplace, development of capabilities and competencies in a number of personal skills, and will be compared against the requirements of both the Common Content Project and benchmark standards set by other sister Chartered Accountancy bodies.”

Other organisations are reporting regular reviews as in the case of the South African Institute of Chartered Accountants (SAICA):

“Regular (every two years) review of academic syllabus (technical knowledge) and workplace competency requirements. Review of technical and professional skills requirements applicable to the workplace to ensure currency and relevance of knowledge and skills requirements.”

From the Canadian Institute of Chartered Accountants (CICA):

“Qualification standards are now competency-based rather than syllabus based – education, examination and experience requirements are all based on or refer to competencies that the entry-level CA is expected to demonstrate. There have been no major changes in the areas of competence expected of an entry-level CA: Ethics and Professionalism, Personal Attributes, Professional Skills, Organisational Effectiveness.”

There is clear evidence that skills requirement, aside from knowledge, are being reviewed and where appropriate enhanced. Assessment strategies are closely linked. In general, the development of skills is much more visible in common law countries than in civil law countries, and all 14 of those reporting developments have some mention of skills.

7.8 IES 4 Professional Values, Ethics and Attitudes

The standard received little attention when it was issued, and it does not explicitly refer to competence. Traditionally, education of professional accountants has treated ethical regulation and guidance as a rule-based, knowledge assessed subject. Some institutes have been successfully integrating ethics with other technical subject matter for a number of years. IES 4 discusses workplace learning in the context of ethics education and IFAC have in 2007 issued a wide ranging discussion paper and resource centre to try to assist the process of change. A number of respondents have set out the results of their own research, and it appears as if this will be an area where more organisations will be reassessing their approach.
Changes in this area are reported by 8 institutes with more detailed mention by the Association of Chartered Certified Accountants (ACCA) and Institute of Chartered Accountants in England and Wales (ICAEW).

ACCA will be adopting a “unique three-pronged focus on ethics through:

- a dedicated and holistic postgraduate-level examination
- tailored practical experience requirements, and
- a unique online module which will present students with challenging real-life ethical dilemmas”.

ICAEW report that the focus on ethics will increase substantially. The Case Study “which crowns the qualification will be retained and developed yet further to increase the focus on technical skills and excellence whilst retaining the development of the business adviser and making ethics education and assessment a constant theme.”

7.9 IES 5 Practical Experience Requirements

The Practical Experience expected of an entry level professional accountant must be sufficient to allow an assessment of a candidate’s capability to perform with confidence throughout their career. There is evidence that a number of organisations have made changes to both meet, and develop ahead of, the requirements of the standard.

CPA Australia established the Practical Mentor Program in 2002 to require three years supervised or mentored practical experience within a framework of competencies and skill sets. Technical, communication and soft skills require to be demonstrated and signed off. This will ensure student members (Associates) achieve a recognised level of workplace skill and knowledge which is internationally recognised, and complies with IES 5.

The Institute of Chartered Accountants in Australia (ICA Australia) have introduced a new IFAC compliant competency-based Practical Experience Framework and resources for new candidates from October 2006.

ACCA (UK) report that in consultation with employers and members worldwide, a new competence framework has been devised. Trainees will be required to participate in annual reporting of work experience records, rather than on completion of their practical experience requirement.

ICAEW (UK) state that a new work-based learning model is currently being developed for implementation in 2007. The new approach to work-based learning will be aligned more closely with the principles of training environment authorisation and also CPD for members. This will promote common high standards of skill development whilst accepting that work environments for students vary.

There are a number of initiatives which are giving increasing attention to the relevance of experience requirements, to the recognition and supervision of employers, as well as the monitoring of trainees.
7.10 **IES 6 Assessment of Professional Capabilities and Competence**

The standard sets a challenge to institutes having a tradition of theoretical unitary based examinations. IES 6 paragraph 12 states that the final assessment of professional capabilities and competence should:

- require a significant proportion of candidates’ responses to be in recorded form
- be reliable and valid
- cover a sufficient amount of the whole range of professional knowledge, professional skills, and professional values, ethics and attitudes for the assessment to be credible and
- be made as near as practicable to the end of the pre-qualification program.

Many of the organisations reporting change are carrying out the change in the area of the final assessment of competence. A number of themes are emerging including the move to integration, use of case studies in teaching and assessment and in some cases further enhancement of existing multi-disciplinary approaches.

The Certified General Accountants Canada (CGA Canada) report on “the introduction of online quizzes, integrative assignments, term marks for courses and examination blueprints. The examinations are written four-hour capstone examinations. They assess the competencies required for a newly-certified CGA, such as integrating and applying academic and technical knowledge as well as ethics to the professional practice of accounting and related fields of management activity. Technical knowledge already examined in the subject examinations will not be re-examined in specific detail in these examinations; however, the examinations will test the integration and application of that knowledge.”

CPA Australia have developed a full case study examination at the final examination stage.

The Hong Kong Institute of Certified Public Accountants (HKICPA) have developed a Final Professional Examination consisting of practical case questions. It is intended to “draw together all fields of competency”.

The Institute of Chartered Accountants of India (ICA India) will be “introducing more emphasis on case studies at the final examination level whereby the student is tested in respect of his/her practical training”.

The Institute of Certified Public Accountants of Kenya (ICPAK) will be increasing the use of case studies and scenario based questions in the final examination to make it as practical as possible and to ensure compliance with IFAC standards and enhance the profile of the qualification.

The New Zealand Institute of Chartered Accountants (NZICA) is shifting to a 6 hour integrative case study.

ICAEW have increased emphasis on the Advanced Case Study providing information ahead of the examination to simulate real working problems.
IES 6 allows, and indeed can be interpreted to expect, an assessment of competence in the workplace as part of the final assessment. Few professional institutes apply IES 6 in this way. Nearly all institutes reported change in respect of case study (simulation) approaches. To adequately assess competence and skills case study simulations need to be practical and comparable to real life situations. Unless these simulations adequately assess competence and skills then they are failing to provide one of the primary assessments of a qualifying accountant.

7.11 Continuing Professional Development (CPD)

The requirement of IES 7 (2004) for mandatory CPD which was required to be monitored, brought about reconsideration of approaches by professional institutes. For many it was an opportunity to re-launch a system based on input based hours. For others, principally in the UK, it was an opportunity to move to a competence format in an output based system. The comparison of the two systems, particularly the development of output based approaches will be an important topic for research in the years ahead. The IAESB have commissioned comparative research of output approaches and a discussion paper is expected in 2008.

7.12 Full systems of Competence Based Education and Training

A number of institutes have made strides towards greater understanding and application of competence and capability. There is still no evidence of an institute that has moved to a full system of competence based education and training, incorporating education, assessment, training and CPD. In education and assessment, CICA (Canada) have perhaps gone furthest to date in both their final assessment and its marking.

CICA report that “the Uniform Evaluation has moved from a syllabus based examination to an evaluation of competence. CICA has developed a sophisticated competency based marking system with supporting software to assess whether students are demonstrating the competencies expected of an entry level CA. Marking changes were made in response to the change in the overall process to evaluating what a student is able to do (competence based) rather than what they know (knowledge based). The introduction of computers is consistent with the competency approach and the way students work today as well as allowing the Board of Evaluators to introduce additional efficiencies and effectiveness.”

The lessons from this approach will be of wide interest.

7.13 Conclusion – The Future

Change in approach comes from a number of factors. Sometimes a standard may have a wide impact, or it may be that one of the larger institutions is able to lead the way through access to resources and applied education research. The reporting of change seems to show that some industrialised common law countries have an almost constant review process in place, where benchmarks are set and then improved upon. In 2006 the IAESB issued “Competence Requirements for Audit Professionals” with an implementation date of July 2008. This is likely to lead to more benchmarking and change. The standard is based on the definition of Competence and it will be interesting to understand its effect on the training and education of auditors.

A number of European professional institutes are taking part in the European Common Content project. None of the responding institutes have identified this as a force for change in the period under review. In 2008 some of these institutes are going to submit their qualifications for independent review.
This will compare qualifications against a system of competencies, skill requirements, and syllabus knowledge material. The joining together of 8 individual institutes from common law and civil law backgrounds is likely to bring about changes in approach as these institutes seek harmonisation in their qualifications.

The European Qualification Framework (EQF) has set common standards for qualification requirements throughout the European Union. The framework is written to incorporate vocational, professional, and academic qualifications. In many countries the decision for a professional qualification to be governed by the framework will be one for the private sector and market to decide, whereas most academic qualifications and some vocational qualifications will be required to join by national policy. The EQF has the potential to drive change and convergence in accounting and finance qualifications.

7.14 References

IFAC, (2003), Framework for International Education Standards
IFAC, (2003), IEP 2, Towards Competent Professional Accountants (First issued 1998; revised 2003)
IFAC, (2003), IES 1, Entry Requirements to a Program of Professional Accounting Education
IFAC, (2003), IES 2, Content of Professional Accounting Education Programs
IFAC, (2003), IES 3, Professional Skills
IFAC, (2003), IES 4, Professional Values, Ethics and Attitudes
IFAC, (2003), IES 5, Practical Experience Requirements
IFAC, (2003), IES 6, Assessment of Professional Capabilities and Competence
IFAC, (2004), IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence
IFAC, (2006), IES 8, Competence Requirements for Audit Professionals (Implementation 2008)
Chapter 8 Accelerating Educational Change

Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, The Netherlands

Abstract

Chapter 8 as the final chapter of the GA 2007 study looks into some general issues. Who are the participants in global, regional and country developments? What is the meaning of the move from education guidelines to education standards? How is accounting education influenced by general trends in accountancy? Finally, what are the challenges for the future?

8.1 Introduction

The objective of this final chapter is to discuss the acceleration of change in accounting education, evidence of which is given in the previous chapters. This change can be placed in the context of the development of the accountancy profession with globalisation as one of the primary drivers. Some particular characteristics of the evolution process can be identified. This approach leads to interesting questions about expectations for the near future. The authors of the GAE 2007 study hope that this publication will not only contribute to an understanding of the present statutes of accounting education but will also stimulate professional and academic contributions to its further development.

8.2 Global, Regional and Country Developments

WCOA. In November 2006 Istanbul was the venue for the World Congress of Accountants (WCOA). Expertise and education, whether initial or continuing, were major parts of the agenda. This can be illustrated by a small sample of examples from the abstracts.

- International Education Standards for Professional Accountants – The Implementation Challenge
- The Competencies and Skills for the Auditor of the Future
- Developing Accounting Skills around the World through Cooperation and Sharing

WCAE. Just before the WCOA the World Congress of Accounting Educators (WCAE) took place. The WCAE considered in its plenary sessions demands accounting education must face to support the global development of the accountancy profession.

- Challenges and developments in the global implementation of IFRS
- Quality of application of international accounting, auditing, ethical and education standards
- Challenges in achieving global acceptance of the IFRS

Academic Associations. Increasingly academic associations like the American Accounting Association (AAA) and the European Accounting Association (EAA) operate on a regional or even global scale. This is reflected in their mission statements and in strong academic professional linkage.

- AAA, promote worldwide excellence in accounting education, research and practice
Regional Professional Organisations. Most professional bodies in the GAE study are members of regional professional organisations like the ones mentioned below.

- AFA, ASEAN Federation of Accountants
- CAPA, Confederation of Asian and Pacific Accountants
- ECCAA, Eurasian Council of Certified Accountants and Auditors
- ECSAFA, Eastern, Central and Southern African Federation of Accountants
- FEE, European Federation of Accountants
- FIDEF, Fédération Internationale des Experts-Comptables Francophones
- SAFA, South Asian Federation of Accountants
- SEEPAD, South East European Partnership on Accountancy Development

Many of these organisations are already well established. Others are emerging with positions that reflect their region. All of them can be a catalyst for regional development.

Professional Bodies. Professional bodies themselves often have global or regional objectives.

- ACCA, global professional qualification with local programme elements
- AICPA, provide resources, information and leadership
- CGA Canada, international presence in Bermuda, Caribbean, China and Hong Kong
- CPA Australia, concentration on South East Asia
- ICAS, education and research for professional development around the world
- ICAEW, increase international footprint

Future research in the development of accounting education should consider the role of multilateral organisations in global and regional development.

8.3 From Guidelines to Standards

It is a major step from guidelines to standards, both in regard to content and in regard to influence. This can be demonstrated by comparing the IFAC International Education Guideline 9 (IEG 9) with the Framework for the IFAC International Education Standards (IES).

Content of IFAC IES. The IFAC IES are the logical successors of IFAC IEG 9 although there are major differences in content.

- IEG 9 General Knowledge: arts, sciences, humanities for the development of general knowledge, intellectual skills and communication skills; two years of four year degree (or equivalent)

IFAC IES 1 addresses university entrance level. IES 2 states that the professional accountancy knowledge component of prequalification education should consist of at least two years of full-time study (or the part-time equivalent). Students should pursue a degree in accounting or a professional qualification to gain this knowledge. Professional skills were mentioned in IEG 9 and are now addressed in IES 3. In addition IES 4 covers values, ethics and attitudes.

- IEG 9 Organisational & Business Knowledge: economics, quantitative methods and statistics for business, organisational behaviour, operations management, marketing and international business
Additional subjects in IES 2 are business environment, corporate governance, business ethics, financial markets, management and strategic decision making, globalisation.

- IEG 9 IT Knowledge

The programme requirements for IT in IES 2 have considerably changed, overall the subject areas and competences are comparable to those in IEG 9.

- IEG 9 Accounting & Accounting Related Knowledge: financial accounting and reporting, management accounting, taxation, business and commercial law, auditing, finance and financial management

Additional subjects in IES 2 are assurance, professional values and ethics.

- IEG 9 Practical Experience: Prior to recognition a minimum of three years approved and properly supervised practical experience primarily in the function concerned and in a suitable professional environment.

In IES 5 the same approach to practical experience is followed but with specific guidance on how to actually achieve the intended results.

- IEG 9 Assessment: Final examination of professional competence assessing theoretical knowledge and the ability to apply that knowledge competently in a practical situation.

More specific guidance on assessment is given in IES 6 with a more or less traditional focus on written and reproducible examinations. Competences and capabilities are mentioned but get limited attention in assessment methods.

**Influence of IFAC IES 1 – 6.** Guidelines are recommendations, standards are mandatory. IFAC has taken responsibility for implementation by starting a compliance action plan for all IFAC member bodies. The encouraging and amazing observation is that this actually works. Encouraging because this means progress in the international convergence of accounting education towards the requirements of the IES. In the previous chapters of this study a wide range of examples is made available that illustrate the point. The speed and scope of the developments are also amazing because many professional bodies around the world have only partial responsibility for the content of their qualification. Still there is a general and growing acceptance of the IES even from governments and universities that could neglect their requirements. In stead there are important professional – academic partnerships around the world that contribute to the professional qualification, education and training of accountants and auditors.

**8.4 Trends in Accountancy**

Comparable with many other professional bodies, Royal NIVRA in the Netherlands has just published its third annual review of trends in accountancy (November, 2007). Although this publication addresses developments in the Netherlands, some of its conclusions have a wider significance.
• Enterprises in the Netherlands increasingly operate on an international scale. This is even true for small and medium sized enterprises: 100,000 out of 685,000 SME’s export.
• Outsourcing is not yet an important issue for the Dutch accountancy profession.
• Lack of qualified accountants and auditors in China is a problem for the bigger firms.

There is one common denominator, the need for qualified professionals. In the Netherlands the work force demand exceeds the actual supply. This is more and more perceived as a global problem. In order to interest young people in a career in the accountancy profession it is important to strengthen the international component of education and training and to promote the portability of qualifications between countries. Until recently this was seen as a problem for bigger companies and firms. Recent developments illustrate the wider significance of this topic.

8.5 Conclusion

The GAE 2007 publication shows an overall acceleration of change in accounting education. Major areas of change have been identified. These include the move from education guidelines to education standards, the introduction of a compliance regime, the general acceptance of new regulation and, maybe the most important the professional academic partnerships that make the necessary change possible. Still this may not be enough.

Continuation with the developments that have been set in motion is certainly important. However, convergence of accounting education should be treated as a global phenomenon in which every one can participate. There is a drive for recognition from the developing countries. Initiatives on benchmarking and twinning discussed in the publication can develop into important tools but in this area we are at the beginning of new approaches. Emerging regions like China, India and Latin America do not yet play their potential roles in the development of the accountancy profession.

In our view the ongoing development of accounting education should be placed in the wider context of global change.

• Qualifications should be “fit for purpose”, which raises questions of differentiation and specialisation
• Practice mobility must be addressed to answer global work force demands
• Regulation by oversight bodies will increasingly govern accounting education

Building on the past there is still a lot of work to be done to address the challenges of the future. The growing international cooperation in the field of accounting education is an important condition to achieve the results that are necessary for the global business community.

8.6 References

IFAC, (2003), Framework for International Education Standards

WCAE, (2006), WCAE 2006 Istanbul, The 10th World Congress of Accounting Educators, Abstract
## GAE 2007  COUNTRY OVERVIEWS

For each professional body under consideration an overview is given in the next pages.

<table>
<thead>
<tr>
<th>Country</th>
<th>Professional Body</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>CPA Australia</td>
<td>CPA Australia</td>
</tr>
<tr>
<td>Australia</td>
<td>Institute of Chartered Accountants in Australia</td>
<td>ICA Australia</td>
</tr>
<tr>
<td>Canada</td>
<td>Certified General Accountants Canada</td>
<td>CGA Canada</td>
</tr>
<tr>
<td>Canada</td>
<td>Canadian Institute of Chartered Accountants</td>
<td>CICA</td>
</tr>
<tr>
<td>Canada</td>
<td>Society of Management Accountants of Canada</td>
<td>CMA Canada</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Chamber of Auditors of the Czech Republic</td>
<td>CACR</td>
</tr>
<tr>
<td>France</td>
<td>Ordre des Experts-Comptables</td>
<td>OEC</td>
</tr>
<tr>
<td>Germany</td>
<td>Institut der Wirtschaftsprüfer in Deutschland</td>
<td>IDW</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Hong Kong Institute of Certified Public Accountants</td>
<td>HKICPA</td>
</tr>
<tr>
<td>Hungary</td>
<td>Chamber of Hungarian Auditors</td>
<td>CHA</td>
</tr>
<tr>
<td>India</td>
<td>Institute of Chartered Accountants of India</td>
<td>ICA India</td>
</tr>
<tr>
<td>Japan</td>
<td>Japanese Institute of Certified Public Accountants</td>
<td>JICPA</td>
</tr>
<tr>
<td>Kenya</td>
<td>Institute of Certified Public Accountants of Kenya</td>
<td>ICPAK</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Malaysian Institute of Accountants</td>
<td>MIA</td>
</tr>
<tr>
<td>Malaysia</td>
<td>The Malaysia Institute of Certified Public Accountants</td>
<td>MICPA</td>
</tr>
<tr>
<td>Mexico</td>
<td>Instituto Mexicano de Contadores Públicos, A.C.</td>
<td>IMCP</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>Royal NIVRA</td>
<td>NIVRA</td>
</tr>
<tr>
<td>New Zealand</td>
<td>New Zealand Institute of Chartered Accountants</td>
<td>NZICA</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Institute of Chartered Accountants of Pakistan</td>
<td>ICAP</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Institute of Cost &amp; Management Accountants of Pakistan</td>
<td>ICMAP</td>
</tr>
<tr>
<td>Poland</td>
<td>Accountants Association in Poland</td>
<td>AAP</td>
</tr>
<tr>
<td>Poland</td>
<td>National Chamber of Statutory Auditors</td>
<td>KIBR</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>Institute of Professional Accountants</td>
<td>IPA Russia</td>
</tr>
<tr>
<td>Saudi-Arabia</td>
<td>Saudi Organisation for Certified Public Accountants</td>
<td>SOCPA</td>
</tr>
<tr>
<td>South Africa</td>
<td>South African Institute of Chartered Accountants</td>
<td>SAICA</td>
</tr>
<tr>
<td>Spain</td>
<td>Instituto de Auditores-Censores Jurados de Cuentas de Espana</td>
<td>ICJCE</td>
</tr>
<tr>
<td>Sweden</td>
<td>Föreningen Auktoriserade Revisor</td>
<td>FAR SRS</td>
</tr>
<tr>
<td>Turkey</td>
<td>Union of Chambers of Certified Public Accountants</td>
<td>TURMOB</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Association of Chartered Certified Accountants</td>
<td>ACCA</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Institute of Chartered Accountants in England &amp; Wales</td>
<td>ICAEW</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Institute of Chartered Accountants in Scotland</td>
<td>ICAS</td>
</tr>
<tr>
<td>USA</td>
<td>American Institute of Certified Public Accountants</td>
<td>AICPA</td>
</tr>
</tbody>
</table>
Overview CPA Australia

Professional Body: CPA Australia
Professional Title: CPA
Respondent: Ann Johns, Director - Education
Country: Australia
Website: www.cpaonline.com.au (English)

Australian requirements on accounting rules are based mainly on the IFRSs and Corporations Law. The accountancy sector in Australia is regulated by law and by professional self-regulation. CPA Australia is recognised as a regulatory body and a disciplinary body. CPA Australia is a member of IFAC, CAPA and AFA.

Members of CPA Australia work in public practice, industry and commerce, government and in other areas. Professional body membership is not mandatory in Australia. Continuing professional education is mandatory for all members (Associates, CPAs and FCPAs) and is regulated and audited by CPA Australia (IES 7 compliant).

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and mentored practical experience. CPA Australia conducts its own CPA Program education course and examinations for CPA status. The admission requirement to Associate membership is an accredited undergraduate degree. Associates must then complete the CPA Program (6 subjects i.e. 18 hours of examination) plus three years supervised or mentored experience prior to being advanced to CPA status.

International standards: CPA Australia follows IFAC International Education Standards

International recognition of qualifications: Recognition of the CPA Australia qualification in other countries: USA 3 year degree plus CPA Program including Auditing and 3 years relevant practical experience; HK, Malaysia and Singapore 3 year degree plus CPA Program and 3 years relevant practical experience; NZ and some UK bodies as above. CPA Australia recognises members of AICPA (US), ICAEW, ICAS, ICAI (UK, Ireland), NZICA (NZ), HKICPA (HK new QP grads only) if they hold a relevant degree, have passed the professional exams and have permanent residence in Australia.

Final examination core programme: Reporting and Professional Practice, Corporate Governance and Accountability and Business Strategy and Leadership plus 3 electives.

Case based final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; ICT applications; professional values.

The professional body is the provider of the final examination. CPA Australia examinations are subject to external review. CPA Australia sets the examinations and they are moderated by members, academics and/or practitioners. Questions are written by subject matter expert members. Necessary expertise and resources are available from CPA Australia membership and university academics.

Admission requirements cover professional education, practical training and general education.

Admission requirements for professional education. The acceptable bachelors degrees are those Australian University degrees which meet the joint CPA Australia and ICAA accreditation guidelines. The professional bodies expect to see a balanced curriculum, which covers more than technical content. An accredited course leading to an undergraduate degree must:

- include an accounting major or stream/sequence;
- include at least 60% of studies within the accounting and business-related curriculum areas;
- be sufficiently flexible to provide the opportunity for students to complete a minimum of 25% of studies within the general education curriculum area in disciplines other than accounting and business-related curriculum areas;
- integrate the generic skills and ethical issues within the course.

CPA Australia is the provider of the professional education. Necessary expertise and resources are available. The CPA Program is a distance education course with on-line support and voluntary workshops. Candidates are expected to spend 120 hours of study on each of the 6 subjects. Candidates are expected to study one subject each semester for 6 semesters. Some take less and others take longer. Minimum 18 months, Maximum 5 years allowed. Every 3 years there is a major program review. All courses are updated every semester as necessary.

Practical training content. Three years supervised or mentored experience. Requirement to complete a competency development log book.

CPA Australia expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training.

   Regulation of the profession: more self regulation.
   Professional qualification requirements: broader base and deeper knowledge.
   Professional education: increased use of technology.
Overview ICA Australia

Professional Body: Institute of Chartered Accountants in Australia (ICA Australia)
Professional Title: Chartered Accountant (CA)
Respondent: Sheena Frenkel, General Manager, Chartered Accountants Program & Admissions, ICA Australia
Country: Australia
Website: www.icaa.org.au (English)

Australian requirements on accounting rules are based mainly on the Corporations Law and the standards of the Australian Accounting Standards Board and Abstracts of the Urgent Issues Group. The accountancy sector in Australia is co-regulated by professional bodies. The Institute of Chartered Accountants in Australia (The Institute) is recognised as a regulatory body and a disciplinary body for its membership. The Institute is a member of IFAC and CAPA.

Members of the Institute work in public practice, industry, commerce, government and in other areas. For Institute members it is mandatory to use the CA title. Continuing professional education is mandatory for members and is regulated by the Institute. There is no legislative requirement that restricts use of the title "accountant", however, membership of the Institute is required to use the designation "Chartered Accountant".

Admission requirements for membership of the Institute include a prescribed program of professional education coupled with practical on-the-job training supervised by an experienced Chartered Accountant and a formal examination of professional competence. The professional body has responsibility for the standard setting for the professional qualification, which is fully compliant with IFAC standards and is accredited as the Graduate Diploma of Chartered Accounting in Australia. Government has control over the regulation and registration of auditors and tax agents.

International standards: The Institute follows IFAC International Education Standards.

International recognition of qualifications: Reciprocal recognition agreements with the Chartered bodies of England & Wales; Scotland; Ireland; Canada; South Africa; and New Zealand as well as Hong Kong Certified Public Accountants and the US IQAB. These require company and tax law only. Many other countries also recognise the Institute’s qualification; however no formal agreements are in place.

Final examination core program: The test of professional competence includes examination and non-examination components. The broad range of knowledge skills and values developed are assessed using a variety of different tools. The examination component for any one of the five modules is 50%.

Objective final examination: To test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional value. Each of the five modules has a final examination. The examination papers are closely aligned to the syllabus of each of the five modules. Across the five modules the core discipline of accounting is developed as well as the attitudes, values and ethics expected for admission to membership. This includes use of ICT applications.
The professional body is the provider of the final examination. The Institute examinations are subject to external review. The Institute through its Academic Board has full control over the education and assessment process. Examinations are developed by panels of experts, who are guided by the Institute staff. Panel members remain anonymous. The Academic Board comprises seven senior academics at professorial level from Australia’s leading universities.

Admission requirements cover professional education, practical training and general education. Graduates with a general university degree are required to complete a conversion course prior to entering the post graduate qualifying education program. Qualifications lower than degree level are not accepted.

Professional education core programme: The Chartered Accountants Program consists of five modules: Audit & Assurance, Management Accounting & Analysis, Financial Accounting & Reporting, Taxation and CA Integrative which will be replaced with Ethics and Business Application in early 2007. The Chartered Accountants Program is a minimum of 2 years part time. Candidates are required to be in employment whilst undertaking the Chartered Accountants Program. Candidates are advised that a minimum study commitment/workload of 140 hours is required per module/per semester.

Admission requirements for professional education: To be eligible to enter the Chartered Accountants Program, applicants must have completed a relevant degree including coverage of required accounting and business related areas. The Institute currently identifies six core knowledge areas in accounting and business to be covered by graduates during their university studies as prerequisites for undertaking the Chartered Accountants Program. These areas are: Financial Accounting, Management Accounting, Finance, Auditing, Australian Commercial & Corporate Law and Australian Taxation Law.

It is important to note that the core areas listed above do not necessarily correspond to individual subjects. To have adequate prerequisite knowledge in some of these areas students need to complete more than one subject within their degree. Non-relevant degree holders can undertake a conversion course or sit for the Entrance Examination (introduction from mid 2007) to satisfy requirements. The undergraduate program is a minimum of 3 years.

The Institute is the provider of the professional education and is well funded and resourced to design, develop and deliver a high quality Post Graduate program. Universities provide the undergraduate education. The professional body accredits universities as suitable to provide the undergraduate education. The professional body provides the professional qualifying program, the Chartered Accountants Program. The Institute places a high priority on the education of new members as a result, significant expertise and resources are dedicated to the process. In member satisfaction surveys members rate the maintenance of high entry standards as an important activity of the Institute. Universities provide information on their degree programs on an annual basis and are subject to a full accreditation review every 5 years. The Chartered Accountants Program is reviewed each year and the curriculum updated to ensure rigour and technical relevance.

Practical training content: Three years relevant experience, mentored by an Institute member (or member of another recognized professional body) either in public practice or an accredited organisation in commerce, industry, government or academia. A major review of practical experience has now been completed and will be implemented from October 2006. The majority of the candidates are in full time employment, however, a few work part time provided it is at least 17.5 hours per week and full time equivalence is used to calculate the 3 years.
Overview CGA-Canada

Professional Body: Certified General Accountants Association of Canada (CGA-Canada)
Professional Title: Certified General Accountant (CGA)
Respondent: Lynda Carson, Vice-President Education and Operational Affairs, CGA-Canada
Country: Canada
Website: www.cga-canada.org (English)

Canadian requirements on accounting rules are based on the standards issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants. The accountancy sector in Canada is regulated by law and by professional self-regulation. The Certified General Accountants Association of Canada (CGA-Canada) is recognised as a regulatory body and a disciplinary body. CGA-Canada is a member of IFAC, CAPA, ICAC, FIDEF.

Members of CGA-Canada work in public practice, industry and commerce, government and in other areas. CGA-Canada membership is mandatory for all members. Continuing professional education is mandatory and is regulated by CGA-Canada.

Admission requirements as member of CGA-Canada include a formal final examination of professional competence, prescribed programmes of professional education and practical training. Admission requirements and responsibility differ for each province. Quebec government regulation; other provinces professional body.

International standards: CGA has incorporated aspects of IES 1-6 in its education program and practical experience requirements and IES 7 in its Continuing Professional Development (CPD).

International recognition of qualifications: The CGA-Canada qualification is recognised in the following countries outside Canada: Barbados, Trinidad, Bahamas, Bermuda, Belize (CA), Chile (SA), Belgium (EU), Hong Kong, China. The conditions, Examinations, Practical Experience, are exactly the same as for the CGA-Canada Canadian Program. Foreign students on a student or work visa may enroll in the CGA program. Admission to membership as a CGA requires Canadian citizenship or landed immigrant status. Other qualified Canadian accountants or qualified foreign accountants for example US CPAs or UK ACCAs and CIMAs, may enter the CGA program with advanced standing and complete a special program of studies.

Final examination core programme: The certification level of the Program of Professional Studies requires a candidate to pass four (4 hour) final examinations for a total of 16 hours. These consist of Financial Accounting 4, Professional Applications 1 and 2 other Professional Application and Competence Evaluation (PACE) level courses from a course selection offered from one of four career options. The career options include: corporate / small-medium enterprises, information technology, government, not-for-profit and public practice. The course selection offered in these career options include: Finance 2, Management Auditing 1 or Auditing 2, Taxation 2, Management Information Systems 2, and Public Sector Financial Management. The objective of the professional examinations is to assess whether a candidate has met the established standards of knowledge, skills, and professional values required for certification as a professional accountant, is competent to provide reliable service to a professional level to the public.
Objectives final examinations: To test theoretical knowledge; the ability to apply knowledge in practice; intellectual skills; professional values. The four certification examinations are designed to assess the knowledge, skills, and abilities at the advanced levels of the major subjects in the Program of professional studies; Financial Accounting, Finance, Auditing, Taxation, Management Auditing and Management Information Systems. The examinations test the ability to integrate and apply information across subject areas.

The professional body is the provider of the final examination. CGA-Canada examinations are subject to external review. The CGA-Canada Education committee is responsible to set and maintain the certification examinations. These are reviewed by primary review and supplementary review committee’s which include: academics, professionals, practitioners and recently certified members. On occasion, there will also be an academic review. CGA-Canada contracts with University or College professors and public practitioners for the position of Examiner. In-house staff provide content expertise in editing to Examiners. CGA-Canada contracts the services of consultants to provide advise on test and measurement issues.

Admission requirements cover general education: Each certification examination has prerequisite courses that are required from the Education level of CGA’s Program of Professional Studies.

Professional education core programme consists of Foundation Studies and Advanced Studies.

**Foundation Studies**

LEVEL 1: Financial Accounting 1, Economics 1, Law 1;
LEVEL 2: Financial Accounting 2, Quantitative Methods 1, Management Accounting 1, Communications 1;
LEVEL 3: Financial Accounting 3, Finance 1, Management Information Systems 1, Business Case 1;

**Advanced Studies**

LEVEL 4: Management Accounting 2, Accounting Theory 1, Auditing 1, Taxation 1;
Business Case Certification.
(PACE) LEVEL: Financial Accounting 4 and Professional Applications 1 and two Electives selected from Finance 2, Auditing 2, Management Auditing 1, Management Information Systems, Taxation 2 and Public Sector Financial Management.

Admission requirements for professional education: Foundation studies and Advanced studies (or equivalent) are required for admission to Professional Application and Competence Evaluation (PACE). A bachelors degree is required prior to receiving the CGA designation.

Professional body provides professional education. Necessary expertise and resources are available.

Practical training content: Students on the CGA Program must attain a minimum of two years of acceptable practical experience before receiving certification as a CGA. This experience may be attained in any sector of the economy; industry, government, public practice, commerce, not-for-profit, basically anywhere that accounting and financial work is done. This enables students of the CGA to begin directing their careers into the areas of their choice before they have even completed their studies. Practical experience can start immediately but is reviewed for relevance.
Overview CICA

**Professional Body:** Canadian Institute of Chartered Accountants (CICA)

**Professional Title:** Chartered Accountant (CA)

**Respondent:** Tim Forristal, Vice President Education, CICA

**Country:** Canada

**Website:** www.cica.ca (English)

Authority Canadian accounting, auditing and assurance standards are issued by two standard-setting bodies – the Accounting Standards Board and the Auditing Standards Board - supported by the Canadian Institute of Chartered Accountants. The CICA is a member of IFAC.

The accountancy sector in Canada is regulated by provincial law and by professional self-regulation. The 10 Provincial Institutes and 2 Territorial Institutes in Canada (herein referred to as the Provincial Institutes) are recognised as regulatory and disciplinary bodies. Chartered Accountants are admitted to the profession through their Provincial Institutes, which are responsible for establishing and administering the qualification process, admission criteria and performance standards within their jurisdictions.

Admission requirements to become a CA include entrance requirements re: academic study, prescribed programmes of professional education, a formal final examination of professional competence and practical training. Chartered Accountants work in public practice, industry and commerce, government and in other areas. Membership in a Provincial Institute is mandatory to promote oneself as a Chartered Accountant. Continuing professional education is mandatory and is regulated by the Provincial Institutes.

International standards: CICA is compliant with IFAC’s International Education Standards

International recognition of qualifications: The CICA’s International Qualifications Appraisal Board (IQAB) is responsible for assessing the admission standards of foreign accounting bodies and recommending to the Provincial Institutes whether and under what conditions members of these bodies may be admitted to the Canadian CA profession. The CA Reciprocity Examination examines candidates on their knowledge of Canadian accounting and assurance standards, the rules of professional conduct, Canadian taxation and Canadian business law. Mutual recognition agreements are in place with Australia, Belgium, England & Wales, France, Hong Kong, Ireland, Mexico, New Zealand, Scotland, South Africa, and the United States.

Final examination core programme: All CA candidates must sit the profession’s Uniform Evaluation or “UFE”. The purpose of the UFE is to assess whether candidates have acquired the competencies required of an entry-level CA. Taken as a whole, the three papers must meet the requirements laid down by the profession with respect to competency map coverage and simulation type. The UFE comprises a balance of comprehensive and multi-subject simulations, which are both essential and effective in evaluating the candidates with regard to their readiness to practice public accounting. The first paper is a five-hour paper consisting of a single, comprehensive simulation. The second and third papers are four-hour papers each consisting of three simulations. The UFE is the capstone evaluation of a continual process of developing and assessing the knowledge, skills and professional values required of a CA. Candidates have to demonstrate their professional competencies by responding to business simulations of the kind likely to be faced by the newly qualified CA. Both the CA competencies, and the level of proficiency expected of the newly qualified CA are set out in the CA Candidates’ Competency Map. This Map is updated each year.
The Board of Evaluators of the CICA sets and marks the Uniform Evaluation on behalf of the Provincial Institutes. The examinations are subject to external review by teams from the provincial bodies. Other requirements for admission to the profession are set by each province. These include entrance requirements re: a university degree and completion of specified courses, completion of a core professional education program and practical experience requirements.

Professional education core programme: The professional education programme for a CA in Canada will vary between Canada’s four regions but each programme has the same objective - to prepare the candidates to be professional accountants as defined nationally by the CA Candidates’ Competency Map and to understand their professional responsibilities. The competency requirements of the entry level CA are established by the CICA in the CA Candidates’ Competency Map: pervasive qualities and skills which include ethical behaviour and professionalism, personal attributes and professional skills; assurance; organizational effectiveness, control and risk management; information and information technology; performance measurement; taxation; and finance. Pre-qualification education is delivered regionally, through one of four systems across Canada: Atlantic Canada (which includes Bermuda), Québec, Ontario, and Western Canada (which includes the Territories). These regions provide the professional education. Necessary expertise and resources are available. Regional professional programmes offer graduate-level courses to ensure all candidates acquire the competencies they will need as a CA. These programmes are designed to complement a CA student’s on-the-job practical experience.

Admission requirements for professional education: An undergraduate degree from a Canadian university, or the equivalent from an out-of-country university, is required for admission to an Institute as a student. There are some exceptions. For all Institutes except Québec, university degree equivalent provisions allow persons without an undergraduate degree to enroll as students under specified conditions. The compulsory university courses vary somewhat by Institute, but generally comprise ten subject areas: financial accounting, management accounting, auditing, taxation, information technology, quantitative methods, finance, economics, law and management. Because of differences in the content of university courses and in Institute requirements, the number of half-courses required by each provincial/territorial institute varies from 12 to 17. (A half-course is defined as a university course which meets three hours per week for one semester.)

Practical training content: All candidates must register with their Provincial Institute while completing practical experience. Uniform standards for practical experience have been established by the profession to ensure the quality of practical experience for all candidates across Canada. Admission after completion of an undergraduate degree (bachelors, 4 year university). Candidates must generally complete 30 months (exclusive of study time) in an Approved Training Office (generally public accounting firms); must complete a total of 2,500 chargeable hours of which 1,250 hours must be assurance service work including 625 audit hours (in most provinces); 100 hrs of tax experience is also required. Approved Training Offices must meet national standards for practical experience – set nationally but administered by the Provincial Institutes.

Highlights of the practical experience requirements - supervision by a CA with 2 years immediate full time public accounting experience; suitable premises and appropriate working environment re: ethics and code of conduct; diversity of clients; progressive experience over the required period; training in workplace processes and procedures; commitment to ongoing learning; experience to be provided in competencies required by a CA student per the CA Candidates’ Competency Map; written evaluation of student performance.
Overview CMA-Canada

Professional Body: Society of Management Accountants of Canada (CMA-Canada)
Professional Title: Certified Management Accountant (CMA)
Respondent: Richard Benn, Vice President, Knowledge & Program Development, CMA-Canada
Country: Canada
Website: www.cma-canada.org (English)

Canadian requirements on accounting rules are based on the standards issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants. The accountancy sector in Canada is regulated by professional self-regulation. The Society of Management Accountants (CMA Canada) is recognised as a regulatory body and a disciplinary body. CMA Canada is a member of IFAC.

Members of CMA Canada work in public practice, industry and commerce, government and in other areas. Membership of CMA Canada is mandatory. Continuing professional education is mandatory in the majority of provinces; ultimately it will be mandatory across the country. CPE is regulated by the provincial bodies.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training under the responsibility of the professional body. CMA Canada is self regulatory and sets the standards for professional qualifications which is approved by a National Board of Directors.

International standards on accountancy education are followed. The programme covers IFAC International Education Standards with the exception of audit. Key skills are part of the programme.

International recognition of the CMA qualification in other countries. CMA Canada has establishing agreements with two accounting organisations for mutual recognition of, and member eligibility for, professional designations.

Final examination core programme: Syllabus includes: Financial Management, Corporate Finance, Operations Management, Information Technology, Strategic Management, International Business, Human Resources, Marketing, Taxation, Internal Control. Objectives: to indicate the cognitive skills and learning objectives to be tested for each topic and subtopic in the syllabus. The cognitive skill level expectations are based on Bloom's Taxonomy of Educational Objectives. Cognitive skills tested are: Knowledge, Comprehension and Application.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. Interpersonal skills are tested by means other than the examination.

CMA Canada is the provider of the final examination. CMA Canada examinations are not subject to external review. Necessary expertise and resources are available. Graduates and professional educators are used in the process. Staff involved are all trained to administer and evaluate exam results.
Admission requirements as a CMA cover professional education, practical experience and general education. Entrance to the profession requires a 4 year 120 hours accounting or comparable degree. University degree required with minimum of 17 pre-requisite courses in accounting and business. Many business degrees qualify. General degrees must be supplemented with additional courses to meet pre-requisite course requirements. Candidates must attend university programs and graduate prior to applying to CMA Canada.

Professional education core programme: Core Program: Strategy, Management, Management Accounting, Operations Management, Marketing, Information Technology. Objectives: To shape CMAs as financial and strategic management professionals to lead successful enterprises. Content, structure and delivery designed to hone strategic leadership capabilities and ensure they bring integrating perspective to organizational decision making. Two-year program of distance education plus interactive sessions taken on a part time basis.

Admission requirements for professional education: Entrance to the profession requires a 4 year 120 hours accounting or comparable university degree and passing of the Entrance Examination. It verifies that candidates have gained a sound technical knowledge through university studies and measures their integrative, judgemental, analytical, strategic thinking and written communication skills. The following topics are covered: Management Accounting, Corporate Finance, Operations Management, International Business, Human Resources, Marketing, Financial Accounting, Taxation and Internal Control.

CMA Canada provides professional education. Necessary expertise and resources are available. Education staff plus outside consultants are used and are readily available. Recognition by CMA-Canada Regularly review by National Certification Board of CMA Canada. For the Entrance Examination CMA-Canada accredits university programmes.

Practical training content: Two years of experience in operational and management roles which are pre defined. At least six months of the two-years must be at a managerial level. Practical training is on the job training. Candidates must be working full time. There is a more than sufficient number of jobs available for candidates. Admission requirements before the start of practical training: pass entrance examination. Practical training takes place in industry and commerce and in government The professional body assesses practical training for each candidate based on reports provided by employers.

CMA Canada expects for the near future major developments in professional qualification requirements. CMA Canada expects that mutual recognition of professional qualifications internationally will become a priority.
Overview CACR

Professional Body: Chamber of Auditors of the Czech Republic (CACR)
Professional Title: Auditor
Respondent: Professor Bohumil Král, Chairman of the Pre-qualification Education and Exam Committee, CACR
Country: Czech Republic
Website: www.kacr.cz (English and Czech)

Czech requirements on accounting rules are based mainly on the Business Act; the Act on Accounting; the Edicts of Ministry of Finance; and Czech Accounting Standards.

Accountancy sector in the Czech Republic is regulated by law and by professional self regulation. The Chamber of Auditors of the Czech Republic (CACR) is recognised as a regulatory and disciplinary body. CACR is a member of IFAC and a corresponding member of FEE. CACR has been established on the base of legal requirement and also substantial part of its activities is regulated by Act on Auditors. The parts that are not regulated by law are regulated by internal professional directives of CACR.

CACR members work in public practice and – according to Act on Auditors – they can’t serve in other work activities besides university teacher. CACR membership is mandatory. Continuing professional education is mandatory according to internal professional regulations and is regulated by the profession. Each member must complete at least 40 hours or equivalent learning units.

The professional title 'Auditor' is protected by Act on Auditors. The Chamber keeps the List of Auditors.

Professional accountancy education program of CACR is governed by the requirements of Act on Auditors. The basic pre-requisite of the entrance to the profession of auditor is general university – 3 year Bachelor degree. The general standards and the Exam Order are also stated by Act on Auditors and by Edict of Ministry of Finance. The Chamber of Auditors specify the structure, content and other requirements for the passing the exams.


Admission requirements to profession of auditor include: Examination of professional competence, prescribed program of practical training and requirement to follow the Code of Ethics of CACR.

Examination of Professional Competence: The principle objective of the final examination is to test theoretical knowledge, to verify the adepts’ ability to apply knowledge in practice, to verify their ability to use effectively ICT systems and applications and to develop their professional values. Theoretical knowledge is verified in all areas of exams. Ability to apply the knowledge in practice mainly in the exams from Auditing, Corporate Finance, Financial and Management Accounting and Business Combinations and Consolidated Accounts. ICT Applications mainly in the sixth written exam. Knowledge and practical experience are incorporated into all below stated areas. The final examination consists of 9 written and a final oral exam.
The written exams take from four to six hours and they include the following subjects or groups of subjects: Macro- and Microeconomics, Financial Accounting, Management Accounting, Business Combinations and Consolidated Accounts, Business Law, Civic Law, Work and Social Insurance Law, Financial Law (Taxation), Corporate Finance, Quantitative Methods and Information Technology and Auditing. Requirements for successful passing of written exams are specified in manual which is issued by the CACR and which is updated annually. The written exams are reviewed, but only on request of an applicant.

CACR runs its Institute of Education which organises – especially with the experts from the University of Economics, Prague - preparatory courses for above stated exams. However, courses are not obligatory and knowledge necessary for successful passing the exams can be obtained with another training provider.

Regarding the final oral exam, it includes a list of 100 oral questions; each of them comprises six examined areas mentioned in the Act on Auditors – Economics, Accounting, Business, Civic, Work and Social Insurance Law, Taxation, Information Technology and Auditing. CACR started to prepare general structure of the oral questions this year; these structures will be available to adepts as well as the exam committee members so that the knowledge requirements are harmonised.

Auditors from other countries and especially auditors practising in other EU countries must pass so called "Differential Exam" whose aim is to verify the adepts` knowledge in the areas of legal requirements for financial accounting, Czech Tax system and Business, Civic, Work and Social Insurance Law.

In the light of the IFAC International Education Standards the CACR Education Committee would like to prepare conditions to extend the auditors` knowledge by interpersonal and communication problems, and by auditing techniques in the ICT environment.

Government, professional body and university co-operate in the final examination. CACR examinations are subject to external review. The written exams are prepared by teams from academia and practice. The oral exam runs in front of Exam Committee in which participate two members from the Ministry of Finance (one of them is chairman of the committee) and two members either from academia or from auditors.

Programme of practical training: Regarding prescribed program of practical training, Act on Auditors requires any new member to work as assistant auditor for three years. This general practical experience requirement is specified by the CACR Guideline of the Chamber that concretises the content of so called "Managed Practice". There are no admission requirements before the start of practical training. Practical training takes place in public practice. Necessary expertise and resources are available with auditing firms and auditors that are looking for future employees, partners or collaborators.

The main target connected with effectiveness of the managed practice was to prepare detailed list of practical skills and experience that would create the basis of traineeship in the auditing companies and that would be also verified by CACR on more concrete basis. This list was finished this year. Its fulfilment is verified by the CACR department of supervision.

Practical experience is mandatory but it does not have to be finished before the final examination; it is not required by Act on Auditors. There is one of the suggestion of CACR to update the Act so that the managed practice is finished before the final oral exam.
Overview OEC

Professional Body: Ordre des Experts-comptables (OEC)
Professional Title: Expert-comptables
Respondent: Hélène Michelin, Director of Education
Country: France
Website: www.experts-comptables.fr (French)

French requirements on accounting rules are based on the Code de Commerce, company law and decrees, the Plan Comptable Générale (General Accounting Plan) and interpretations of the Comité d’urgence (Urgent Issues Committee) as applying to consolidated financial statements. The accountancy sector in France is regulated by law and by professional self-regulation. The Ordre is recognised as a regulatory body and a disciplinary body. The Ordre is a member of IFAC and FEE.

Members of the Ordre work in public practice, industry and commerce, government and in other areas. Membership of the Ordre is mandatory to use the title. Continuing professional education is mandatory and is regulated by the Ordre.

Admission requirements as member of the Ordre include a formal final examination of professional competence, prescribed programmes of professional education and practical training. The different accounting diplomas (preliminary, intermediate and higher levels) needed to access to the three-year training period and, in the end, to the final diploma of expertise comptable, are organised and delivered by the Ministry of Education. The professional body is involved in standard setting for the different stages of the curriculum and for the final examination.

The Ordre follows EU Directives and IFAC International Education Standards. The French curriculum complies with the Eighth European Directive and with the IFAC IEGs. The whole syllabus is in accordance with the 8th European Directive concerning statutory auditors. The level of practical training is in line with the standards of IFAC and EU. International recognition of qualifications: Recognition through EU mutual recognition directive and with the French speaking countries. In general a special examination is required.

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice. Final examination core programme: The final examination includes 3 tests with no possible exemptions: (1) A thesis on a subject related to the professional domain; (2) A written test on the statutory and contractual auditing of financial statements; (3) An oral test related to the traineeship and covering professional knowledge in general. The government is the provider of the final examination. Examinations are subject to external review. The Ministry of Education provides the final examination. The professional body co-manages with the Ministry of Education the examination syllabus for the whole curriculum. Professionals sit on the Examination Boards. External review is supervised by the Ministry of Education.

Admission requirements to the final examination cover professional education and practical training. To access to the final examination, candidates must obtain the higher accounting studies diploma, « Diplôme d'études supérieures comptables et financières », DESCF, and complete there theoretical education with the three-year training period. The full studies focus on accounting, auditing, law, tax, economics, business administration, information technology.
Professional education core programme: The professional education core programme (before the three-year training period and the final examination) has been totally revised. The new syllabus (implementation in September 2007 and first examinations in June 2008/bachelor level and September 2008/master level) is now organised in two cycles: Bachelor level: diplôme de comptabilité et de gestion, DCG; Master level: diplôme supérieur de comptabilité et de gestion, DSCG. The whole curriculum requires a learning period of 8 years, including the three-year training period.

Core programme of professional education: DCG (Bachelor's degree, three years); total of 14 tests (12 written + 1 oral + 1 optional): 1/ Introduction to business law, 2/ Companies law, 3/ Business law applied to HRM, 4/ Taxation, 5/ Economics, 6/ Corporate finance, 7/ Management, 8/ Information Technology, 9/ Introduction to financial accounting, 10/ Advanced financial accounting, 11/ Management control, 12/ Business English, 13/ Practical experience assessment (oral), 14/ Optional test of foreign language (except English). DSCG (Master's degree, two years); total of 8 tests (6 written + 1 oral + 1 optional): 1/ Business law, 2/ Finance, 3/ Management and management control, 4/ Accounting and auditing, 5/ IT and internal control, 6/ Economics (oral test in French/English), 7/ Practical experience assessment (written & oral test on the practical experience), 8/ Foreign language (except English).

Admission requirements for professional education: Baccalaureat level (final exam of the high school normally taken at the age of 18). Students don't need any specialised education and training background to be admitted in a professional education institute.

Universities and private schools provide professional education. Necessary expertise and resources are available. The leading professional education institute for the professional accounting examinations is the « Institut national des techniques économiques et comptables », INTEC. The main centers are located in Paris, regional centers provide courses throughout the country and abroad. Business schools offer also courses. Many accountants and auditors specialists in subject matter teach at the INTEC, business schools or private centers. The Ordre is represented at the board of INTEC. The professional body does not provide professional education. The professional body is in charge of the three-year training period.

Practical training content: Candidates must obtain the higher accounting studies diploma, DESCF, (5 years after the Baccalaureat) before registration as trainee. This includes the six-week practical training period necessary for the DESCF. Full – time three year traineeship (part time in a few circumstances). Two years at least in a professional accountancy or audit firm located in France or in EU. Monitoring by a qualified professional (mentor). Trainees typically work on a variety of accounting, auditing and taxation assignments. Half of these seminars focus on technical matters, the other half deal with ethical rules and professional standards.

The French Accountancy Profession and the Ministry of Education are working on a reform of the pre qualification studies (bachelor and master degrees) before the three-year practical experience and the final diploma. This reform has just been implemented (in September 2007) and the first exams will be organised in June 2008 (bachelor degree) and in September 2008 (master degree).
**Overview IDW**

<table>
<thead>
<tr>
<th>Professional Body:</th>
<th>Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Title:</td>
<td>Wirtschaftsprüfer (WP)</td>
</tr>
<tr>
<td>Respondent:</td>
<td>Wolfgang P. Böhm, Special Advisor to the Executive Board, IDW</td>
</tr>
<tr>
<td>Country:</td>
<td>Germany</td>
</tr>
<tr>
<td>Website:</td>
<td><a href="http://www.idw.de">www.idw.de</a> (German)</td>
</tr>
</tbody>
</table>

German accounting requirements are based mainly on the Commercial Code (HGB). In addition, the standards of the German Accounting Standards Committee published by the Ministry of Justice represent Principles of Proper Accounting for consolidated financial statements.

The accountancy sector in Germany is regulated by law and by professional self-regulation. In the Wirtschaftsprüferordnung (Law Pertaining to the Profession of Wirtschaftsprüfer), the government has established the Wirtschaftsprüferkammer (WPK) to meet the oversight, professional examination and enforcement requirements of the profession (both Wirtschaftsprüfer and vereidigte Buchprüfer) as a whole and to monitor the fulfilment of professional obligations. The Institut der Wirtschaftsprüfer (IDW), as a private organization, does not have official government sanction, but the IDW does issue professional standards that are considered to be generally accepted by the profession. Both the IDW and the WPK are members of IFAC; the IDW (but not the WPK) also of FEE. A law recently issued by government establishes a new public interest oversight body (APAK, or Statutory Financial Statement Auditor Oversight Commission) to ensure that the public interest is taken into account in the oversight and enforcement processes of the profession.

The accountancy profession is divided into a number of separate professions from a legal point of view. Wirtschaftsprüfer (WP) are allowed to perform statutory audits of all kinds of entities of all sizes and also to provide public tax advice, accounting services and limited legal advice. Vereidigte Buchprüfer (vBP) are allowed to perform statutory audits of only mid-sized GmbH’s and also to provide public tax advice, accounting services and limited legal advice. Steuerberater (StB) are allowed to provide public tax advice and accounting services. Rechtsanwälte (RA) may also provide public tax advice and accounting services in addition to all kinds of legal advice. Professional accountants in industry and public sector are not organized into a profession, but accounting technicians in industry (Bilanzbuchhalter) are. WP, vBP and StB are all in public practice, they may not engage in a commercial business, nor be an employee of a commercial business or a government. Government accountants are a separate profession under government regulation. The same applies to auditors in the Rechnungshöfe (Auditors General) of the federal and state governments.

Full membership in the IDW is limited to Wirtschaftsprüfer, hence all full members of the IDW work in public practice. IDW membership is not mandatory; however the membership of WPK is mandatory. Continuing professional education is mandatory for all members.

Admission requirements include a university degree, practical training and a formal final examination of professional competence. The entrance requirements for the qualification are fixed by law in the Wirtschaftsprüferordnung.

International standards: the education and training requirements set by law meet the requirements of the EU 8th Directive; processes are currently being established to determine compliance with the IFAC International Education Standards.
The IFAC International Education Standards have therefore not been officially implemented yet, but this does not mean that the requirements in Germany do not comply with these Standards, only that no formal process to determine compliance has been completed yet. International recognition of qualifications: Recognition of the professional qualification from Germany under the 8. EU Directive in other EU member states is by means of a mutual recognition examination. The recognition of the corresponding qualification from all other EU member states is also achieved by a mutual recognition examination.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. Communication skills are tested as part of the oral examination. Final examination core programme: Accounting, Financial Statement Audit, Other Audits, Business Administration, Economics, Business Law, Tax Law. The government regulates the final examination, which is set and administered by an Examination Commission under the administrative competence of the WPK. Examinations are not subject to external review. The Examination Commission comprises Wirtschaftsprüfer, university professors, civil servants, and a representative from industry.

Admission requirements to the final examination cover practical training and general education. Professional education core programme: A university degree in business administration or law recognized in Germany (e.g. Diplom-Kaufmann, etc.) and the final examination are required. The legally required minimum duration for the university is eight semesters (four years), but the majority takes ten to twelve semesters (five to six years). Alongside this one-tier system, a two-tier system leading to a Bachelor after 3-4 years and a Master after another 1-2 years has been recently introduced. The degree need no longer be in business administration or law.

There are no additional professional educational programs required. The additional examination tutoring usually requires an additional one to two years of part-time study during the period of practical work experience. The IDW and commercial companies provide professional education (tutoring). Necessary expertise and resources are available. Private organizations offer professional education in preparation for the WP-Exams in addition to the IDW. In addition, many accounting firms offer examination preparation courses to their employees, with varying time commitments. The period of time varies according to the nature of the programme. Professional bodies and most of the commercial organizations have the necessary expertise and resources available.

Practical training content: A candidate with a university degree must complete at least three years of practical experience (two of which in a Wirtschaftsprüfungsgesellschaft primarily in the area of statutory financial statement audit before being admitted to the final examination. The Wirtschaftsprüfungsgesellschaften have the expertise and resources to provide the practical training required. The WPK recognizes the Wirtschaftsprüfungsgesellschaften.

Priorities for future development: A new law has strengthened the required CPD for members. Qualification standards and higher education: The main priority of the IDW is to help ensure that qualification standards for entry into the profession maintain high quality. To this effect, model curricula are being developed for degree programmes in business administration leading to entry into the profession. Examination, education and training: Current priorities include the amendment of the examination requirements so that some credit is given for courses completed at universities in general business administration and law. Furthermore, the content of the examinations has recently been updated to include international standards.
Overview HKICPA

Professional Body: Hong Kong Institute of Certified Public Accountants (HKICPA)
Professional Title: Certified Public Accountant (CPA) and CPA (practising)
Respondent: Georgina Chan, Executive Director, HKICPA
Country: Hong Kong Special Administrative Region, China
Website: www.hksa.org.hk (English)

Hong Kong requirements on accounting rules are based on the Companies Ordinance, standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants and the Listing Rules of the Stock Exchange of Hong Kong Limited. The accountancy sector in Hong Kong is regulated by law and by professional self-regulation. The Hong Kong Institute of Certified Public Accountants (HKICPA) is recognised as a regulatory body and a disciplinary body. HKICPA is a member of IFAC.

Members of HKICPA work in public practice, industry and commerce, government and in other areas. HKICPA membership and practising certificate are mandatory for practising public accountancy in Hong Kong. Continuing professional development is mandatory since 1999. Under the prevailing CPD requirements all members, irrespective of whether he/she is in practice or not, have to complete a minimum of 120 hours of CPD in each rolling three-year period, of which 60 hours should be verifiable. Of these 120 hours, a minimum of 20 hours has to be taken each year. These requirements are in compliance with the IES 7 issued by IFAC.

A member of the HKICPA is designated as a Certified Public Accountant (CPA). A Certified Public Accountant (Practising) (CPA (practising)) is a person holding a Practising Certificate eligible to practise public accountancy (sign statutory audit) in Hong Kong.

Admission requirements as member of HKICPA include a formal final examination of professional competence, a prescribed programme of professional education and specified practical experience. HKICPA is the only statutory licensing body of accountants in Hong Kong responsible for the regulation of the accountancy profession. The HKICPA Qualification Programme (QP) is the only official professional qualifying programme for the accountancy profession in Hong Kong.

International standards: HKICPA follows IFAC International Education Standards.

International recognition of qualifications: HKICPA's QP is recognised by chartered accountancy bodies in: the United Kingdom, Canada, Australia, Ireland, New Zealand, South Africa and Zimbabwe, as well as CPA Australia and the Chinese Institute of Certified Public Accountants. All recognition arrangements with these bodies are mutual/reciprocal.

Final examination core programme: Main objective of the final examination is to develop professional judgment and integrative skills of all accountancy sub-disciplines, using multi-disciplinary case studies. It builds on competencies developed through the QP modules and provides formal verification that candidates can demonstrate a competent practitioner level of performance.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values, ethics and attitudes.
The final examination tests the ability of candidates to deal competently with professional-type situations, involving the drawing together and application of knowledge and skills from any part of the HKICPA QP module syllabuses, across all fields of competency. The final examination comprises practical case questions and essay type questions.

The professional body is the provider of the final examination. HKICPA examinations are subject to external review. Necessary expertise and resources are available. HKICPA assumes full responsibility to ensure the standard and quality of its professional examinations are comparable to those of other reputable accountancy bodies around the world, and place itself in a better position to negotiate with other professional accountancy bodies for mutual recognition of membership. Our Examinations Board oversees the policies and operation of HKICPA's QP and professional examinations. The Board is made up of professionals with expertise in different areas of accounting from both academic and industry.

Admission requirements cover professional education.

Professional education core programme: The objective of the QP modules is to provide candidates with the opportunity, through the different modules of the programme and under the guidance of workshop facilitators, to develop the necessary application skills and competencies, which are essential for a professional accountant. The QP comprises 4 modules: Financial Reporting, Financial Management, Auditing and Information Management, Taxation. Each of the 4 modules requires 15 weeks' self-study and attendance in four 3-hour to 3.5-hour workshops. The modules may be taken in any order and up to 2 modules can be taken at any one time.

Admission requirements for professional education: Recognised accountancy degree holders. A recognised accountancy degree from any Hong Kong tertiary institution or an overseas degree or academic qualification accepted by the HKICPA as being of comparable standard. Programme requirements include generic skills, contextual skills and understandings and accounting skills and understandings in the areas of auditing, ethics, external reporting, financial management, management accounting, taxation and tax planning. No exemptions based on general education. Combination of professional experience with practical experience is required.

HKICPA provides professional education. Necessary expertise and resources are available. Our Examinations Board oversees the policies and operation of HKICPA’s professional programme. The Board is made up of professionals with expertise in different areas of accounting from both academic and industry. The programme is reviewed periodically with the assistance of scholars and experts in different areas of accounting.

Practical training content: Specified type and level of practical experience of 3 years for approved degree holders, 4 years for approved accountancy diploma holders and 5 years for holders of other academic qualifications, acquired under structured training by employers/supervisors authorised by HKICPA and complying with the competency-based Practical Experience Framework requirements. HKICPA expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical experience. Implementing changes to the self-regulatory system to enhance the regulation of audits of listed companies by establishing the Financial Reporting Council. Review the structure, competencies and delivery mode of the QP and other aspects of the qualifying process, including university accreditation and practical experience requirements, as well as expanding the offer of the programme to Mainland China. Introduce compliance monitoring and quality assurance mechanism for the Practical Experience Framework.
Overview CHA

Professional Body: Chamber of Hungarian Auditors (CHA)
Professional Title: Registered Auditor (HRA)
Respondent: Fekete Katalin, Vice-president of CHA
Country: Hungary
Website: www.mkvk.hu (English and Hungarian)

Hungarian accountancy sector has been regulated by detailed law since 1991 (current law was accepted in 2000). The law contains both principles and regulations. According to the Act on Accounting, governmental decrees regulate the accounting details of special enterprises (banks, Stock Exchanges, insurance institutions, foundations, pension funds, etc.). Hungarian accounting regulation is to be changed, Standard Committees were established in 2004, and the developing of IAS/IFRS based Hungarian accounting standards begun in 2005. The first three exposure drafts of the standards are already completed. New, uniform material is being prepared for teaching IFRS. These books will be used at economic universities, colleges. Furthermore, it will be part of the program of auditors’ training courses and the obligatory continuous professional training (CPD).

Statutory audit is required according to the act on accounting and the company act. Statutory audit as well as licenses, operation and membership of CHA, conditions of education and qualification of auditors and the independence of auditors is regulated by the Act 55 of 1997 on the Chamber of Hungarian Auditors and auditing activities, which is based on EU’s 8th directive. The Act declares CHA as a self governing regulatory body. Due to the implementation of EU’s 8th Directive this Act will be renewed – possibly at the beginning of 2007 – and it would come into effect in 2008.

CHA is a member of IFAC and FEE, its regulations (regarding ethics, admission, quality control etc.) harmonise with the international requirements. New Hungarian Standards on Auditing were introduced in 2001 adopting ISAs, these standards are regularly updated according to the changes of ISA. Application and knowledge of these standards is supported by the CPD training.

Members of CHA work in public practice, industry and commerce, government and in other areas. CHA membership is mandatory. It means that only registered auditors are allowed to perform statutory audit, only as a full time job. Those, who are not working as auditors, but either employed by other non-audit firms or work in public sector are suspended members of CHA-, and are not allowed to perform statutory audit.

Continuing professional education is mandatory for all members (including suspended members) and is regulated by CHA. CPD education consists of 32 learning hours a year of which 16 learning hours are organised by CHA’s Education Committee, the remaining 16 hours must be fulfilled by taking part on professional conferences, training - within the frameworks of a credit system.

The membership terms of CHA is also regulated by Chamber Act of 1997. In order to become a member of CHA one must qualify as an auditor, then obtain three-year professional experience as an auditor assistant, in the framework of the mentor system of the Chamber. Only a natural person can become a member of the chamber, but CHA registers audit firms as well. Audit firms are allowed to conduct statutory audit only after registering to CHA.
The pre-qualification system is controlled by the OKKB (Qualifying Committee of Chartered Accountants), of which members are appointed by the Minister of Finance. The subjects of pre-qualification program are stated in the Chamber Act. CHA is responsible for the examinations, exams consist of oral and writing parts.

For the entrance to the auditor education program university or college degree of business, accounting and finance is required, followed by at least three-year experience in the field of accounting or finance. The pre-qualification program consists of the following subjects: Law, Organisation and Management, Finance and Management Accounting, IT, Auditing and Controlling. The subject-matters will be harmonized as well according to the 8th Directive. The total education program consists of 520 hours and lasts about two years.

Professional bodies, universities and training companies provide professional education. CHA invites tenders for providers. It is the duty of the OKKB to control the education.

Summarising the requirements in Hungary for becoming a registered auditor:

- University or College degree
- Three years of professional experience
- Participation in three-year education program, qualifying as an auditor
- Three years of practice within our mentor system following the auditor’s qualification

The system requires no special changes because of the 8th Directive, but the procedure will be regulated in the new Act on Chamber according to the 8th Directive.

Possible ways of development in the field of education are:

IFAC's Education Standards have been translated into Hungarian. The IES are taken into consideration while developing our education system. The subjects of auditors’ education is renewing and developing continuously. The obligatory teaching of IFRS will be a significant improvement. While adopting EU’s 8th directive and renewing the Chamber Act the requirements and subjects of professional auditors’ education must be harmonised with the directive where necessary.
Indian requirements on accounting rules are mainly based on the Companies Act 1956, on regulations of the Company Law Board and on standards issued by the Institute of Chartered Accountants of India. In addition, listed companies must follow the rules, regulations and releases issued by the Securities and Exchange Board of India.

The accountancy sector in India is regulated by law and by professional self-regulation. The Institute of Chartered Accountants of India (ICA India) is recognised as a regulatory body and a disciplinary body. ICA India is a member of IFAC, CAPA and SAFA.

Members of ICA India work in public practice, industry and commerce, government and in other areas. ICA India membership is mandatory to use the designatory title. Continuing professional education is mandatory for those in public practice of accountancy.

Admission requirements as member of ICA India include a formal final examination of professional competence, professional education and practical training. A candidate can apply for membership of ICA India as a Chartered Accountant after practical training has been completed, the Final Examination has been passed and a programme on general management and communication skills and computer course has been followed. Specialisation comes in the form of CPE only after attainment of the basic Professional Qualification. There are different post qualification courses like – Management Accountancy, Tax Management, Corporate Management, Information Systems Audit, Insurance and Risk Management, Trade Laws and WTO.

International standards: ICA India follows IFAC International Education Standards.

International recognition of qualifications: The Institute is in dialogue with accounting bodies of Australia, Canada, England & Wales and Singapore for mutual recognition of qualifications. ICAI is extending technical cooperation to Nepal for whollistic components of education, training, examinations, peer review; and assistance to ICA Sri Lanka for information system courses. It has agreed MOU with CERT, UAE for development of accountancy profession in United Arab Emirates.


Objectives of final examination: To test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. ICA India is the provider of the final examination. The examinations are subject to external review. All the examiners who examine the answer papers are outside examiners who are drawn from the members of the profession as well as other sister professions and academic community.

Professional education core programme: Professional Education Course-1 (PE-1): Fundamentals of Accounting, Mathematics and Statistics, Economics, Business Communication and

Practical training content: Three years of full time practical training is mandatory. Conditions for admission to articleship: not less than 18 years of age, having passed the PE-2 examination, having successfully completed the computer training programme specified by the Council. Practical training takes place in public practice and in industry and commerce. The candidate has an option to go for Industrial Training during the third year of his Practical Training, under a member of the Institute serving in Industry, for a period which may range from 9 – 12 months. Regulations for practical training include training contract and reports on Practical Training as required in Chartered Accountants Regulations, 1988 and in recent amendments.

ICA India expects for the near future major developments in regulation of the profession, professional qualification requirements and professional education. There is a Code of Ethics for members of the Profession and a Code of Conduct for articled clerks undergoing practical training. Professional Education Examinations under the new syllabi have started from November 2002 which requires compulsory attendance in the course on General Management and Communication Skills before applying for membership and compulsory computer training for students before joining practical training. The new curriculum for the Professional Education Course as well as the Final Examination, with its emphasis on Information Technology, Communication Skills and coverage of contemporary developments within the scope of the syllabi for various papers is bound to produce more technology knowledge and better informed professional accountants. Introduction of new post-qualification courses such as Information Systems, Audit, WTO and Trade Laws is perceived to improve the technical competence of members and their ability to cope up with the changing environment both in public practice and industry. The Training Guide governing practical training is expected to be revised shortly. Practical Training will be more concentrated and the quality of the entrants joining for practical training will also be superior and more matured. There will be more focussed emphasis on qualitative aspects of Practical Training.

Proposed Levels in Chartered Accountancy Course: The entry level test is named as Common Proficiency Test (CPT) which is designed in the pattern of entry level test for engineering, medical and other professional courses. It will be a test of 4 hours duration comprising of two sessions. The test will comprise of objective type questions only with flexible negative marking for choosing wrong options. This will replace existing Professional Education (Course I). The Professional Education (Course II) is being replaced by newly designed Professional Competency Course with an upgraded syllabus. The last leg of the Chartered Accountancy is Final Course, designed to impart expert knowledge in financial reporting, auditing and professional ethics, taxation, corporate laws, system control, strategic finance and advanced management accountancy. Updated syllabus is benchmarked to chartered accountancy courses available around the globe and is fully compliant to International Education Standards issued by International Federation of Accountants.

Overview JICPA
Japanese requirements on accounting rules are based on the Corporation Law, the Securities and Exchange Law, the Accounting Standards for Business Enterprises that had been issued by the Business Accounting Council in the Financial Services Agency, Accounting Standards and Implementation Guidance issued by the Accounting Standards Board of Japan and Practical Guidelines issued by the Japanese Institute of Certified Public Accountants.

The accountancy sector in Japan is regulated by law. The Japanese Institute of Certified Public Accountants (JICPA) is recognised as a disciplinary body. JICPA is a member of IFAC and CAPA.

Members of JICPA work in public practice. JICPA membership is mandatory to use the designatory title. Continuing professional education is mandatory for members in public practice and is regulated by the professional body and the CPA Law. In Japan almost all members are expected to be in public practice.

Admission requirements for taking CPA Examination:

- Previous examination system until 2005
  In Japan, the entry requirement to pass the government-managed national CPA examinations is stipulated in the Certified Public Accountants Law (CPA Law). No admission into a university is required to take the government-managed examination in order to attract individuals with a wider background. Until 2005, the first stage of examination is waived for university graduates or those who have completed university liberal arts courses.

- New examination system beginning 2006
  University degree is not required to take the examination under the new examination system. Those who satisfy certain requirements, successful candidates of certain other professional examinations and people who are qualified professionals are exempt from taking certain subjects in the CPA examination.

Unless otherwise specified by law or regulation, JICPA have incorporated the requirements of International Education Standards issued by IFAC in its professional accountancy education program.

International recognition of qualifications: JICPA is not in a position to award exemption to members of any foreign accountancy body.

Examination and final assessment core programme: The new CPA examination consists of the multiple-choice tests and essay tests (Article 8 of CPA law). The multiple-choice tests consist of financial accounting, managerial accounting, auditing, and business law. Candidates who have passed the multiple-choice tests are allowed to take the essay tests, and are tested on the following subjects: accounting, auditing, business law, tax laws, and one elective subject, selected by applicants in advance, from business administration, economics, the Civil Code, or statistics. The first final assessment will be provided in December 2006 for successful candidates who have passed the second stage of the examination in 2003 or before 2003. They will be tested for two full days on the following subjects covered by the accounting education program: theory and
practice of accounting and auditing, business management, information technology, professional ethics, rules and regulations related to public accounting practices, and other matters deemed necessary by JICPA.

Objective final assessment: To assess for technical competence in professional judgment required for CPAs. The government is the provider of the examination. Final assessment is provided by JICPA. The examination is conducted by the Certified Public Accountants and Auditing Oversight Board (CPAAOB), an advisory body to the Financial Services Agency, whereas the final assessment after completion of the three year professional accountancy education program is provided by JICPA in order to be awarded a CPA qualification. For the examination, the Prime Minister appoints the examiners from scholars and CPAs, on the recommendation of the CPAAOB. For the final assessment, Chairman and President of JICPA appoints the assessors from CPAs, on the recommendation of Executive Board of JICPA.

Qualifying for Final Assessment: Successful candidates who have passed the CPA examination are qualified to enter a professional accountancy education program. All candidates who have passed CPA examination are required to take three year professional accountancy education program, two year practical experience, which can be taken before taking the examination or taken in parallel with the professional accountancy education program, and to pass the final assessment to be provided by JICPA in order to be acknowledged as CPAs.

Providers of professional education. Necessary expertise and resources: JICPA provides successful candidates of the CPA examination with three-year long professional accountancy education program. Director of Junior CPA Training School appoints instructors from members of the JICPA and external experts, in accordance with training plan authorized by Practice Study Council of JICPA. Practice Study Council is adequately budgeted to operate the professional accountancy education program.

Practical training content: Practical audit experience at an accounting firm or specific practical experience in industry.

Overview ICPAK

Professional Body: Institute of Certified Public Accountants of Kenya
Kenya requirements on accounting rules are based on International Accounting Standards and local Company Law. The accountancy sector in Kenya is regulated by law and by professional self-regulation. The Institute of Certified Public Accountants of Kenya (ICPAK) is recognised as a regulatory body and a disciplinary body. ICPAK is a member of IFAC and ECSAFA.

The accountancy profession in Kenya is regulated through the Accountants Act, Chapter 531 of the Laws of Kenya. The Act was enacted in 1977 and brought into being three bodies, namely: Institute of Certified Public Accountants of Kenya (ICPAK); Kenya Accountants and Secretaries National Examinations Board (KASNEB); Registration of Accountants Board (RAB). The three bodies operate autonomously, are governed by separate Boards, and perform different functions. The Certified Public Accountants certificate (CPA) is the ultimate qualification that entitles one to use the CPA(K) designation and to practice accountancy (but only after due licensing by the RAB).

Members of ICPAK work in public practice, industry and commerce, government and in other areas. ICPAK membership is not mandatory. Continuing professional education is mandatory for all members and is regulated by ICPAK. IFAC IES 7 has been implemented by ICPAK and the number of hours required per year has been increased to 40. ICPAK provides for the maintenance of competence by updating members’ knowledge through publications and the conduct of Continuous Professional Education programmes.

Admission requirements include a formal final examination of professional competence and a prescribed programme of professional education. Those wishing to engage in independent accountancy practice are required to have acquired the prescribed practical training.

ICPAK is responsible for the standard setting for the qualification but examinations are the responsibility of KASNEB. The RAB deals with registration and licensing of persons who have qualified to become CPAs after completion of the examinations of KASNEB. Qualified CPAs are initially registered only as such without conferment of any special privileges. Those who desire to practice are required to obtain a special license issued by the Board. ICPAK nominates three members to the Board of RAB. ICPAK also nominates two members to the Board of KASNEB.

International standards on accountancy education are followed. KASNEB is currently reviewing the CPA syllabus to be in full compliance with the requirements of IFAC IES 2 – 6. The implementation of IFAC IES 1 is still under consideration. Future compliance with IES 8 is under preparation.

International recognition of qualifications. Recognition of the ICPAK qualification in other countries has been achieved especially within Eastern and Southern Africa. Exemptions have been granted by CGA-Ontario in Canada and also by the ACCA in the UK. Recognition of qualifications from other countries by ICPAK is granted on a selective basis but foreign accountants are required to sit papers in local law and taxation. ICPAK intends to pursue further mutual recognition with countries such as Australia, Canada, the UK and the USA.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. Increased use will be made of case studies and scenario based questions in the final examination to make it as practical as possible.

KASNEB provides the final examination, which is subject to external review. The Kenya Accountants and Secretaries National Examinations Board (KASNEB) administers qualifying examinations for both Accountants and Company Secretaries.

Admission requirements cover general education. Minimum High School at C+ grade, followed by academic course of instruction.

Professional education core programme: Financial Accounting, Business, Management & Finance, Auditing, Information Technology & Systems

Professional body and commercial companies provide professional education. Necessary expertise and resources are available. Providers of professional education are recognised by the government and the professional body.

ICPAK has established the Kenya College of Accountancy (KCA), in 1999 as a means of providing a benchmark for excellence in accountancy training. KCA is now a leading trainer for the CPA qualification in addition to providing other education relevant to business management.

Practical training. Practical training is required for those intending to obtain license for public practice. An ongoing review of the CPA examination syllabus proposes to introduce practical experience requirements as a pre-condition for qualification and to introduce requirements for providers of training services as means of ensuring quality delivery. There are also plans to implement a Practice Review programme.

ICPAK expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training.

There are moves in progress to amend the statute that governs accountancy in Kenya that will give ICPAK greater control over licensing requirements and thereby help in enforcing professional and education requirements.
Overview MIA

<table>
<thead>
<tr>
<th>Professional Body:</th>
<th>Malaysian Institute of Accountants (MIA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Title:</td>
<td>C.A.(M)</td>
</tr>
<tr>
<td>Respondent:</td>
<td>Ms. Ho Foong Moi, Executive Director</td>
</tr>
<tr>
<td>Country:</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Website:</td>
<td><a href="http://www.mia.org.my">www.mia.org.my</a> (English)</td>
</tr>
</tbody>
</table>

Malaysian requirements on preparation of financial income statements by companies are based on the Companies Act 1965 and on the approved accounting standards issued by the Malaysian Accounting Standards Board. The Malaysian Accounting Standards Board uses IFRs as the basis for developing the approved accounting standards.

The accountancy sector in Malaysia is regulated by law and by professional self regulation. The Malaysian Institute of Accountants (MIA) is recognised as a regulatory body and a disciplinary body. MIA is a member of IFAC, CAPA and AFA. The members of MIA are allowed to call themselves Chartered Accountants of Malaysia C.A.(M) as defined in the 2001 Amendments to the Accountants Act 1967. MIA is not a professional body; it is a regulatory body. Membership of MIA is through qualification of members from various professional bodies and graduates from local universities. Regulated by law in that only members of MIA are allowed to call themselves an accountant. To be able to practise as an auditor an accountant needs to be a member of the MIA. Professional bodies also regulated their members through their individual articles. Under the Act members of MIA can be disciplined for wrongdoings in public practice.

Members of MIA work in public practice, industry and commerce, government and in other areas. MIA membership is mandatory. Continuing professional education is mandatory under the By-Laws of the Act in Malaysia. Membership in MIA is mandatory if you want to continue to practice in public practice or hold a position with the title “accountant”.

Admission requirements are based on professional and academic qualifications. MIA is a regulatory body as such admission to MIA is based on the members qualification in recognized professional bodies or graduates with degrees from a local recognised university or have passed the MIA Qualifying Examination with the prerequisite working experience. The various professional bodies providing the professional education and practical training are located in Malaysia and as such they provide their necessary expertise and resources for their students. Government has a National Accreditation Board to accredit local universities. Local universities then have to apply to MIA to be accepted as one of those accredited universities for the Government to incorporate into the Act.

International standards: MIA follows IFAC International Education Standards.

International recognition of qualifications: No recognition of the MIA membership qualification in other countries. This is mainly because MIA is a regulatory body and thus its membership qualification is recognised currently in Malaysia only. Qualifications from other countries are recognised in Malaysia, for example Australia - achieve the CPA exam and become a full member of CPA Australia; UK - achieve the ACCA / CIMA / ICAS / ICAI/ ICAEW exams and become a full member of the respective bodies; other countries like India and New Zealand.
MIA expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training. In Malaysia, the regulatory body, MIA, will take on a more visible role in its attempts to enhance the economic environment in Malaysia due to the Governments call for greater transparency and corporate governance in the market place by placing the main responsibilities on these areas on the accountants' shoulders. There will be an increasing need for accountants to enhance their qualifications. The Listing Requirements of Bursa Malaysia has made it mandatory now for only qualified accountants to be authorised to sign financial accounts presented and the requirement for at least one qualified accountant to sit on the respective boards of plcs.

Professional education will take account of the current development in ICT and other respective local requirements. The recognition by the public on the wider role that an accountant actually plays will help to develop future professional educations. The emphasis on corporate governance has taken centre stage highlighting that the auditors role in any company is not limited to an annual evaluation of the performance of the organisation. The need for a more wholesome accountant is emphasised in Malaysia. Practical training will involve exposure to ICT and new local statutory requirements.
Overview MICPA

Professional Body: The Malaysian Institute of Certified Public Accountants (MICPA)
Professional Title: Certified Public Accountants (CPA)
Respondent: Tan Shook Kheng, Executive Director, (MICPA)
Country: Malaysia
Website: www.micpa.com.my (English)

Malaysian requirements on accounting rules are based on the Companies Act 1965 and on the standards of the Malaysian Accounting Standards Board. The accountancy sector in Malaysia is regulated by law and by professional self regulation. MICPA is recognised as a regulatory body and a disciplinary body. MICPA is a member of IFAC.

Members of MICPA work in public practice, industry and commerce, government and in other areas. MICPA membership is mandatory. Continuing professional education will be mandatory with effect from January 1, 2007.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training under the responsibility of MICPA. Admission requirements: (a) a recognised degree or diploma at the tertiary level; (b) pass the MICPA professional examinations within the prescribed period; (c) undergo 3 years of supervised practical training in an approved training organization in public practice, commerce, industry or the public sector.

International standards: education, examination and training are consistent with IFAC IES.

International recognition of qualifications: The Malaysian CPA qualification is recognised by the Institute of Chartered Accountants in England & Wales (ICAEW). Members of MICPA as well as students of MICPA who have completed the MICPA examination (under the structure introduced in 2002 / 2003) are eligible for membership of ICAEW upon passing an Aptitude Test in UK standards, tax and law and the Advanced Stage examination of ICAEW, and satisfying the practical experience requirements. Recognition of the qualification from other countries by MICPA: (i) Australia (ii) Canada (iii) New Zealand (iv) United Kingdom (v) USA. Requirements for admission to MICPA: (a) a recognised degree; (b) having passed the professional examinations of the major accountancy body in the country in which the degree qualification originates; (c) having passed the MICPA Admitting Examination in revenue law and regulatory and financial reporting framework of Malaysia; (d) having obtained not less than 3 years of relevant work experience.


Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; ICT applications; professional values. The final examination aims to equip students with the necessary technical knowledge and business skills to become effective CPAs and business advisors with a good understanding of the core subjects of financial accounting, auditing, taxation and business management, the professional skills of analysis of information, evaluation and action planning, as well as the professional values of objectivity and integrity. The examination aim to test candidates' ability to apply knowledge in a
situation provided. The professional body is the provider of the final examination. MICPA examinations are not subject to external review. Necessary expertise and resources are available. Professional education core programme: Professional Stage Examination Module A: Financial Accounting & Taxation, Business & Company Law, Management Information & Control; Module B: Financial Reporting, Auditing & Assurance, Business Finance & Management. Advanced Stage Examination Module C: Advanced Taxation; Module D: Advanced Financial Reporting; Module E: Advanced Auditing & Assurance; Module F: Advanced Business Management & Integrative Case Study. The programme is offered part-time. The minimum amount of time required to adequately prepare for the CPA examination is 2 years.

Admission requirements for professional education: The minimum entry qualification is an approved degree (3 - 4 years of full-time study) or a diploma at the tertiary level (2 - 3 years of full-time study after high school education). Candidates with general education will be required to undergo a conversion course, to gain appropriate foundation in accountancy and related subjects, before they are eligible for admission to the CPA examination.

Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available. Providers are recognised by the government and the professional body. Public universities and colleges of advanced education are regulated and administered by the Ministry of Education. Private sector providers of general and professional education must obtain the prior approval of government. MICPA undertakes the evaluation of courses provided by both public and private education institutions for purposes of admission or exemption from the CPA examinations.

Practical training content: Practical training is normally 3 years full-time employment under the supervision of a member of MICPA or an approved professional body in an approved training organization in public practice, commerce, industry or the public sector. Practical experience must include accounting/auditing and at least two of the following categories: Taxation, Financial Management, Insolvency, Information Technology. Admission requirements before the start of practical training are the same as for admission to professional education. Practical training is constantly monitored by the principal or training supervisor. Details of the training are to be submitted with the application for admission to membership for MICPA’s evaluation.

MICPA expects for the near future major developments in professional qualification requirements. MICPA undertook a major review of its examination structure and training programme during 2000 – 2002. The revised CPA programme, implemented at the end of 2002, consists of two levels of examinations. The first level, the Professional Stage Examination (consisting of 6 papers), covers the principles and concepts which underpin accountancy in all its disciplines. This is followed by the Advanced Stage Examination, consisting of 3 advanced papers, in taxation, financial reporting and business management. A new basis of assessment was introduced for the Advanced Stage Examination. It consists of two assessment components - assessment in workshops (30%) and in final examination (70%).

Greater flexibility is also introduced in meeting the practical experience requirements. In recognition of the significant changes in the environment, MICPA undertook a review of the Advanced Stage Examination in 2005. Apart from updating the examination syllabus and education programme to take into consideration new accounting, financial reporting and auditing standards and changes in the regulatory framework, the Advanced Stage Examination is structured into four modules from the existing three modules. The new examination structure will take effect from the November 2006 examination. The MICPA plans to undertake a comprehensive review of its education and training programme in 2008.
Overview IMCP

Professional Body: Instituto Mexicana de Contadores Publicos (IMCP)
Professional Title: Contador Publico (CP)
Respondent: Salvador Ruiz-de-Chavez, Accounting Examinations Director IMCP
Country: Mexico
Website: www.imcp.com.mx (Spanish)

Since October 2002, Mexican requirements on financial reporting standards are issued by the Mexican Council for Research and Development of Financial Reporting Standards (Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, CINIF). Previously the accounting rules were issued by the IMCP. The CINIF board includes the Mexican Securities and Exchange Commission (Comision Nacional Bancaria y de Valores, CNBV) and the IMCP among other members.

The accountancy sector in Mexico is regulated by law and by professional self-regulation. IMCP is recognised as a regulatory body and a disciplinary body. IMCP is a member of IFAC and of the Asociacion Interamericana de Contabilidad.

Members of IMCP work in public practice, industry and commerce, government and in other areas. IMCP membership is mandatory. Continuing professional education is mandatory and is regulated by IMCP.

Contador Publico (CP) and Licenciado en Contaduria (LC) are the professional titles. When an accounting student graduates he or she receives the professional certificate from the university and also the professional licence from the Ministry of Education. Public accountancy is one of the professions that requires a professional title in Mexico, as stipulated in the Law Regulating Article 5 of the Constitution (LRA5), concerning the practice of professions in the Federal District. The Directorate-General of Professions, of the Ministry of Education (SEP) is the department responsible for registering titles and issuing the appropriate professional certificates. The professional title is the document issued by the State of decentralized bodies and by officially recognised private bodies to a person who has completed the requisite studies and demonstrated the necessary skills in accordance with the above-mentioned law and other applicable provisions.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training.

International standards: IMCP follows IFAC standards.

International recognition of qualifications: The Mexican Committee of International Accountancy (COMPIC), in the framework of the NAFTA, reached in 2002 a mutual recognition agreement with its counterparts in the United States and Canada considering mutually acceptable standards and criteria for issuing licences and certificates (education, ethics, examination, professional experience). Initiation of negotiations with other countries, particularly those with which Mexico has signed free trade agreements, is also under examination. Foreigners are subject to compliance with the requirements set out in Mexican law, including revalidation of studies, completion of social service and possession of the qualification, together with reciprocal treatment for Mexicans at the applicant's place of residence.
Foreign qualifications are recognised by the process of the revalidation of studies, on the basis of Article 15 of the LRA5, in which the qualifications obtained in another country, particularly those which have signed agreements on recognition of educational qualifications, are taken into account.

Final examination core programme: Since 1999 the IMCP implemented a 12 hours uniform accounting examination, in order to certify those accountants that already have an accounting certificate issued by the university and also the professional licence issued by the Ministry of Education. The examination includes Financial Accounting, Taxation, Business Law, Finance, Auditing, Ethics and Managerial Accounting.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual skills and professional values. The professional body is the provider of the final examination. The examinations are subject to external review. The IMCP is cofounder along with the Ministry of Education and other organizations of the National Center of Evaluation for Higher Education (CENEVAL). CENEVAL is in charge of the technical development of the uniform accounting examination and also of its administration under adequate security conditions.

Admission requirements cover professional education, practical training and general education. In order to take the uniform accounting examination, the candidates are required to have finished their practical experience, which can start after professional education at the universities.

Professional education core programme: Accounting, Managerial (Cost) Accounting, Taxation, Business Law, Auditing, Economics, Information Technology, Quantitative Methods and Statistics for Business, Organisational Behaviour and Operations Management. A degree course in public accountancy studies is required, with an average of 4.5 years at higher education establishments registered with the Ministry of Education's Directorate-General of Professions. At most higher education establishments, the requirement on completion of studies is the preparation of a thesis and an oral examination, or credits for courses requiring a term or semester more as an alternative in order to obtain the professional title.

Admission requirements for professional education: university entrance level. Mexican universities provide professional education, which starts in the first semester. Necessary expertise and resources are available.

Practical training content: In order to take the uniform accounting examination, the candidates are required to have at least 3 years of practical experience under the supervision of a Certified Public Accountant. Practical experience can start after the candidates get the accounting certificate from the university and the professional licence from the Ministry of Education.

IMCP expects for the near future major developments in regulation of the profession and in professional qualification requirements. The certification process will be compulsory for any accountant working in public practice (Auditing), but will remain voluntary for all other accountants.
Overview NIVRA

**Professional Body:** Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)

**Professional Title:** Registeraccountant (RA)

**Respondent:** Jeroen Buchel, Secretary of Education NIVRA

**Country:** The Netherlands

**Website:** www.nivra.nl (English and Dutch)

Dutch accounting and auditing requirements can be found in the Civil Code as amended by EU Directives and in Guidelines of the Council for Annual Reporting. The accountancy sector in the Netherlands is regulated by law and by professional self-regulation. The ‘Koninklijk Nederlands Instituut van Registeraccountants’ (Royal NIVRA) is recognised as a regulatory body and a disciplinary body.

NIVRA’s duties and responsibilities are set down in the Dutch Registeraccountants Act. Part 1. of the Act stipulates that the duties of NIVRA are to advance the proper practice of the profession by registeraccountants and to foster their joint interests. These duties and responsibilities are aimed at achieving a high quality of audit and accounting, which is embedded in good governance and is of benefit of society at large. NIVRA is a member of IFAC and FEE.

Members of NIVRA work in public practice, industry and commerce, government and other areas. NIVRA membership is mandatory to use the title registeraccountant (RA). Continuing professional education is mandatory and is regulated by NIVRA. New legislation regarding Accounting Firms is expected to come to force in 2007. The Accounting Firms (Supervision) Act will serve to introduce independent supervision over the accounting profession in the Netherlands. In the opinion of NIVRA this new Act will be an essential supplement to the existing regulations governing the Profession, which are based on the Registeraccountants Act.

Admission requirements as member of Royal NIVRA include a formal final examination of professional competence, prescribed programmes of professional education and practical training. The Government is responsible for legal standards as regulated in the Act on the Registeraccountants.

Due to the Accounting Firms (Supervision) Act also a change of the education chapter of Act on the Registeraccountants will come to force in 2007. The Examination Board will be replaced by a Committee On Exit Qualifications for the Accountancy Programmes, an independent executive body just like the current Board. In the new situation NIVRA no longer bears direct responsibility for the theoretical education but will get full responsibility for the practical training part of the accountancy programme for future members.

International standards according to education requirements: Compliance with EU 8th Directive and IFAC-IAESB International Education Standards and Guidelines.

International recognition of qualifications: Recognition inside the EU according to EU Directives and for other countries on an individual bases. USA – Dutch RA’s with a university degree have a masters degree and followed more than 150 hours of education, so they can sit for the CPA Examination.

Accountants from EU countries (and non EU countries that have signed the Treaty of Oporto on the European Economic Area - Norway, Iceland and Liechtenstein) must submit evidence
that they are authorized to carry out audits in their own country in accordance with the requirements of the Eighth EU Directive. Accountants from countries outside the EU must possess an accountancy qualification that is equivalent to the Dutch Registeraccountant qualification. The foreign accountant who fulfills the first condition can take a Special Examination (in Dutch!). This examination tests the knowledge of the candidate in Dutch civil law with special regard to accountancy. i.e. company law; Dutch fiscal law; Dutch accounting rules as laid down in the law; Dutch professional rules and rules of conduct.

Final examination core programme: The final examination consists of a theoretical and a practical part. For both parts a separate thesis must be written and defended.

Objective final examination: to test theoretical knowledge; the ability to apply (professional) knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. NIVRA examinations and examinations by universities with a postgraduate accountancy programme are subject to external review by the Examination Board. After the new legislation (as mentioned before) comes to force the examination of the theoretical part of the programme shall be a responsibility of the universities, which must be accredited by the Dutch and Vlamish Accreditation and Validation Council and by the Committee on Exit Qualification for Accountancy Programmes.

Admission requirements cover professional education, practical training and general education. Preparation for the theoretical part of the final examination can start after all the required subjects of professional education have been passed. Preparation for the practical part of the final examination can start after admittance to the third year of practical training.

Professional education core programme: Main areas of accountancy: Financial Accounting and Reporting, Management Accounting and Control, ICT and Accounting Information Systems, Corporate Governance and Auditing. The majority of the students start after a four year degree education at a university (masters degree in accounting or business economics). There is also a eight year part time university programme that starts directly after secondary education.

Admission requirements for professional education: Possession of a university or higher education degree in accounting or (business) economics.

Professional body and universities provide professional education. Necessary expertise and resources are available. Royal NIVRA in co-operation with Nyenrode University offers a complete programme of accountancy education. Six other universities in the Netherlands also offer complete programmes of accountancy education. In general these programmes are divided in a graduate part (bachelor and master) and a postgraduate part, which is combined with practical experience. Professional education is offered by a combination of university staff and practicing accountants and auditors.

Practical training content and admission requirements: Candidates for membership require a minimum of 3 year's practical experience. Experience can be obtained after possession of a university or higher professional education degree in accounting or economics or a diploma of the bachelor programme of NIVRA-Nyenrode. The areas of practical training are specified in relation to statutory audit. Practical training can be followed in public practice or related fields on the condition that the actual work is comparable to and relevant for statutory audit.
Overview NZICA

Professional Body: New Zealand Institute of Chartered Accountants (NZICA)
Professional Title: Chartered Accountant (CA)
Respondent: Bruce Bennett, General Manager Admissions, Standards & Quality Assurance
Country: New Zealand
Website: www.nzica.com (English)

New Zealand requirements on accounting rules are based on the Financial Reporting Act 1993 and accounting standards issued by the New Zealand Institute of Chartered Accountants.

The accountancy sector in New Zealand is regulated by law and by professional self regulation. NZICA is recognized as a regulatory body and a disciplinary body. NZICA is a member of IFAC, GAA and CAPA. The Institute of Chartered Accountants of New Zealand has recognized legal status. The Institute has three membership colleges: Chartered Accountants, Associate Chartered Accountants and Accounting Technicians. The premium qualification is Chartered Accountant, the responses relate to this qualification.

Members of NZICA work in public practice, industry and commerce, government and in other areas. NZICA membership is mandatory for use of the CA title. Continuing professional education is mandatory for all CAs and is regulated by NZICA.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training under the responsibility of NZICA. The Institute awards the professional qualifications for all three colleges, determines the admissions requirements and the academic study requirements, accredits tertiary education institutions to deliver recognized programmes, determines the experience requirements and accredits employers to deliver these. The Institute runs its own professional competence programme (professional accounting school and examinations) in accordance with its own policy specifications.

International standards: NZICA follows IFAC IES 1 to 8.

International recognition of qualifications: The Institute currently has reciprocity arrangements with Institutes in Scotland, Ireland, England & Wales, Australia, Canada, Hong Kong and South Africa. Institutes in other countries may recognize the Institute by offering exemptions from their own qualifying requirements. In addition, the New Zealand Government permits certain persons from overseas to act as an auditor of NZ companies. Specific professional bodies recognized for this purpose by the NZ government include the Institutes of Chartered Accountants in Australia, England & Wales, Scotland, and Canada. Also recognized for this purpose are CPA Australia, ACCA, and AICPA.

Final examination core programme: The Professional Competence Programme is required to develop within candidates a range of relevant attributes covering knowledge; technical skills; organisational skills; personal skills; interpersonal skills; analytical and constructive cognitive skills; synthetic, appreciative, and judgemental cognitive skills; and professional values.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values.
Because the emphasis in the academic programme is on the essential theoretical and technical accounting knowledge and skills (as well as business and general education), the Professional Competence Programme concentrates on developing the higher level professional skills.

The professional body is the provider of the final examination. NZICA examinations are subject to external review. The final examination is delivered by Advanced Business Education Limited (ABEL), a subsidiary company of the Institute set up for this purpose. The entire Professional Accounting School and final examination (PCE 2) are moderated externally. Further, the processes are subjected to the scrutiny of an Academic Board. As an added quality assurance measure, the professional competence programme is subject to regular review (academic audit) by an independent panel appointed for that purpose.

Admission requirements cover professional education, practical training and general education. To sit the final exam candidates must have completed the academic requirements, have over two years of experience and have completed the first professional exam (PCE 1) followed by success at the professional accounting school (PAS). The last year of professional education coincides with the third year of practical experience.

Professional education core programme: Academic study covers financial accounting, management accounting, auditing, taxation, business finance/treasury, information technology/accounting information systems, economics, organisational management, commercial law and statistics. At least 15% of the required four years of bachelor's degree level study must be in (non-specified) general studies. The professional programme deals with the structure and authority of the profession, professional ethics, current non-technical topics relevant to the profession, professional skills, business environment, compliance (i.e. external reporting, audit, taxation), financial management and business strategy.

Admission requirements for professional education: To sit PCE 1, candidates must have completed a recognized four-year academic programme and one year of experience. To sit PCE 2, candidates must have passed PCE 1, completed over two years of experience (including over one year of tightly specified experience) and passed the Professional Accounting School.

Professional body and universities provide professional education. Professional Accounting School (PAS) is delivered by the Institute. For the CA College, general and professional education programmes are provided by Institute-approved universities.

Practical training content: The first year of experience is not specified and can begin at any time. The (minimum) two years of specified experience cannot begin until the Institute’s academic requirements have been satisfied. Candidates must cover three areas of accounting out of six (external reporting, management accounting, audit (internal or external), taxation, finance/treasury, and insolvency/reconstruction). The practical experience and training programmes are provided by Institute-approved employers and supervised by an Institute-approved mentor.
Overview ICAP

Professional Body: Institute of Chartered Accountants of Pakistan
Professional Title: Chartered Accountant (CA)
Respondent: Saira Nasir, Director Education & Training, ICAP
Country: Pakistan
Website: www.icap.org.pk (English)

Pakistan statutory requirements on accounting rules are based on the Companies Ordinance 1984, regulations issued by the Securities and Exchange Commission of Pakistan (SECP) and those IASs adopted by the SECP for listed companies only.

The accountancy sector in Pakistan is regulated by law and by professional self-regulation. The Institute of Chartered Accountants of Pakistan (ICAP) is recognized as a regulatory body and a disciplinary body. ICAP is a member of IFAC, CAPA and SAFA. As a member of the mentioned bodies ICAP professional practices are compliant with the international standards on accountancy education. The Institute has also become a member of the International Innovative Group.

Members of ICAP work in public practices, industry and commerce, government and other areas. Once an ICAP member, the professional is required to regularly upgrade his knowledge through Continuing Professional Development (CPD). The CPD activities are conducted by the Institute and it is mandatory for members in all areas.

Admission requirements: Entry at the Institute is a two step process – The Pre-entry Proficiency Test (PPT) and registration at the Institute after either passing PPT or exemption from it. The Institute encourages admissions to various academic levels such as Intermediate/ ‘A’ Levels (12 grades), Graduation and Post Graduation.

ICAP follows international standards on accountancy education.

International recognition of qualification: Qualification by ICAP is recognized by the Institute of Chartered Accountants of Bangladesh. The Institute has also signed a Memorandum of Understanding with the Institute of Chartered Accountants of England and Wales for recognition of ICAP qualification.

Candidates who have completed Chartered Accountancy from the Institutes of England Wales, Ireland, Scotland, Australia and Canada are treated as equivalent to the examinations and training prescribed under the Chartered Accountants Bye-Laws 1983 for the purpose of membership of ICAP. Provided that if such members desire to start practice as Chartered Accountants, they will have to pass the papers of "Advanced Taxation" and "Corporate Laws" of the Final examination and also undergo training with a firm in practice in Pakistan for one year if their training did not involved at least 50% training with a firm / in practice.

Examinations and Training: All new entrants have to undergo the following examination levels unless otherwise exempted under ICAP exemption policy:

1. Foundation Stage (Modules A & B) – 5 papers
2. Intermediate Stage (Modules C & D) – 7 papers
3. Final Stage (Modules E & F) – 8 papers
Exemptions: Exemptions are available to bright and intelligent minds from the Pre-entry Proficiency Test (PPT) and relevant papers of the Foundation stage Examinations.

Exemptions from Modules A to D examinations are available to candidates who have passed all papers of ACCA, CIMA or ICMAP. CPA qualification is also offered exemptions on a case to case basis.

ICAP is the provider of the final examination with recognition by the government. Examinations are not subject to external review. ICAP examiners are Chartered Accountants and academics.

Professional body and commercial companies provide professional education. Necessary expertise and resources are available. Teachers are Chartered Accountants for core subjects and Masters for support subjects. Syllabi are reviewed by a standing Task Force on a continuous basis. Study material is updated on a yearly basis.

Professional education is mostly full time and consists of a Modular Full Time Course (2 year duration), a Private Study Course in which classes are not mandatory for candidates (2 years for examinations) and Final Private study (4/5 years). Refresher Courses are organised by the Institute and private education providers. Chartered Accountants are teachers for the core subjects and Masters with 5 years teaching experience for the support subjects.

The CA program tests candidates in English, Mathematics Logic, General Knowledge before a student can enter for CA education and training. Such education is given at schools and colleges. There are also special schools which prepare students to complete their general education requirements for entrance tests of ICAP.

It is mandatory for all ICAP entrants to complete prescribed period of training in various fields (such as Audit and Accounting Application, Taxation, IT and Corporate Secretarial etc.) for 3-5 years, depending on the academic level of entry, with any one of the ICAP Training Organization as per the Training Regulations. A trainee at a public practice may request for secondment for training in industry. This is approved by the Council subject to certain specified conditions being met by the industrial/ commercial concerned.

Future Goals of ICAP: tutorial classes for final level students; extensive implementation of the Training Regulations; course and study material development; establishment of students’ forum; conduction of mock examinations; offer paper solutions; introduction of further exemptions; work on international affiliations.
Overview ICMAP

Professional Body: Institute of Cost and Management Accountants of Pakistan (ICMAP)
Professional Title: Associate / Fellow Cost and Management Accountant (ACMA / FCMA)
Respondent: Noor Mohammad, Acting Executive Director, ICMAP
Country: Pakistan
Website: www.icmap.com.pk (English)

Pakistan requirements on accounting rules are based on the Companies Ordinance 1984, regulations issued by the Securities and Exchange Commission of Pakistan (SECP) and those IASs adopted by the SECP for listed companies only. The accountancy sector in Pakistan is regulated by law and by professional self-regulation. ICMAP is recognised as a regulatory body. ICMAP is a member of IFAC, CAPA and SAFA.

Members of ICMAP work in public practice, industry and commerce, government and in other areas. ICMAP membership is mandatory to use the title. Continuing professional education is mandatory for members and is regulated by ICMAP.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training. There are six stages of examinations. Exams are held every six months. Three years practical training is required before admission as Associate member. Membership applications have to be supported by three members. The Institute (ICMAP) sets its own standard for education and examination.

International standards: ICMAP follows IFAC IES's.

International recognition of qualifications. The ICMAP qualification is recognised by CIMA, ACCA, SMA and others. ICMAP recognises – CIMA, ACCA, ICAP, SMA and others.

Final examination core programme (see professional education core programme and syllabus).

Institute examinations and courses cover Stage 1, 2, 3, 4, 5 and 6. Levels of competency are defined for all course outlines with a distinction between general education, conceptual and theoretical knowledge, specialized knowledge and skills, professional knowledge and skills.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values.

The professional body is the provider of the final examination. ICMAP examinations are not subject to external review. Necessary expertise and resources are available. External examiners are experts from universities and the profession who prepare and evaluate the papers – such as senior fellow members in industry, well equipped computer labs, own buildings and libraries.

Admission requirements cover practical training and general education.
Professional education core programme:

<table>
<thead>
<tr>
<th>Stage / Subjects</th>
<th>Stage-1</th>
<th>Stage / Subjects</th>
<th>Stage-2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S-102 Business Economics</td>
<td></td>
<td>S-202 Management and Marketing</td>
</tr>
<tr>
<td></td>
<td>S-103 Business Laws</td>
<td></td>
<td>S-203 Business Mathematics &amp; Statistics</td>
</tr>
<tr>
<td></td>
<td>S-104 Business English</td>
<td></td>
<td>S-204 Introduction to Information Technology</td>
</tr>
<tr>
<td>Stage-3</td>
<td>S-301 Financial Accounting</td>
<td></td>
<td>S-401 Advanced Financial Accounting &amp; Analysis</td>
</tr>
<tr>
<td></td>
<td>S-302 Business Taxation</td>
<td></td>
<td>S-402 Integrated Management</td>
</tr>
<tr>
<td></td>
<td>S-303 Cost and Management Accounting – Performance Appraisal</td>
<td></td>
<td>S-403 Corporate Laws &amp; Secretarial Practices</td>
</tr>
<tr>
<td></td>
<td>S-304 Presentation &amp; Communication Skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>S-502 Management Accounting -Decision Making</td>
<td></td>
<td>S-602 Information Systems and I.T. Audit</td>
</tr>
<tr>
<td></td>
<td>S-503 Risk Management and Audit</td>
<td></td>
<td>S-603 Management Accounting - Business Strategy</td>
</tr>
</tbody>
</table>

Admission requirements for professional education: To qualify for enrolment as a student of the Institute, the candidate shall have to take an entry-test or qualify for exemption from the test. The basic qualification required for appearing in the entry-test is Bachelor's Degree (B.Com, B.Sc, B.A).

The professional body provides professional education. Necessary expertise and resources are available.

Practical training content: Three years working experience in public practice, industry, commerce or government job relevant for accountants under supervision of a qualified professional accountant as a condition for membership. Exemptions based on previous experience outside Pakistan are possible under the supervision of the professional body. There are no exemptions possible based on previous experience inside Pakistan. Members of the professional institutes are working in all fields and are available for training.

ICMAP expects for the near future major developments in professional education and practical training. It is planned to shift all tests on computers and make maximum use of the latest Information technology. Presentation and communication skill, case studies and panel discussion; practical experience during on the job training and specially designed courses will be introduced.
Overview AAP

Professional Body: Accountants Association in Poland (AAP)
Professional Title: Accountant
Respondent: Dorota Wyczółkowska, Manager
Country: Poland
Website: www.skwp.org.pl (English and Polish)

Polish requirements on accounting rules are based on the Commercial Code, the Law on Accounting and decree on consolidation rules. The format of the financial statements and disclosure for public companies are regulated by the Polish Securities and Exchange commission.

The accountancy sector in Poland is regulated by law and by professional self-regulation. AAP is recognised as a reference umbrella organisation and a disciplinary body for its members. It has the statutes which regulates conduct of its members. AAP also prepared draft of the Code of Ethics which in more detail describes relevant duties of our members and accountants generally (now as exposure draft and still to be approved by AAP as binding document)  AAP is a member of IFAC and EFAA.

Members of AAP work in public practice, industry and commerce, academia, government and in other areas. Membership is not mandatory. The title of ‘accountant’ is not regulated and its use is not restricted to any particular group of people. Continuing professional education is not mandatory.

Admission requirements are based on professional qualifications. Entrance regulations of the Accountants Association in Poland are set out in our Articles of Association. According to them our body can be joined only by individuals possessing appropriate qualifications in the field of accounting and finance. It is recognised that this requirement is fulfilled by employees of financial and accounting departments; employees of accounting data processing departments; auditors, chartered accountants, accountants and others responsible for financial and business control; lecturers and academics specialising in finance, accounting, data processing, economics and similar areas; bank employees; tax authorities officers and tax advisors. Membership can be also obtained by employees of organisational units of the AAP, students of finance, accounting and related disciplines. Admittance of an ordinary member is subject to submitting a declaration supported by two ordinary members. This is a sort of measure to prevent people from outside the profession joining the Association. Admittance of an ordinary member is decided by the regional board of the AAP. It is possible to appeal against its decision to the Main Board of the AAP.

International standards: AAP follows IFAC International Education Standards on a voluntary basis.

International recognition of AAP qualifications has not been achieved.

Final examination core programme, professional education core programme and practical training are not applicable for AAP members. They however have plenty of possibilities to upgrade and develop their professional skills by means of attending to variety of trainings and courses offered by AAP to its members.
AAP expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training. Regulation of the profession: While regulating the professional qualification requirements, the profession should be recognized as a liberal profession. Professional qualification requirements: As the minimum requirements for the admission to the profession there should be: 1. at least secondary school (A Level) education, 2. three years of practical experience, 3. final examination. Professional education: Already existing voluntary forms of education should be made mandatory. Practical training: 3 years of practical experience should be obligatory.
Overview KIBR

Professional Body: National Chamber of Statutory Auditors (KIBR)
Professional Title: Auditor
Respondent: Maciej Chorostowski, International Development
Country: Poland
Website: www.kibr.org.pl (English and Polish)

Polish requirements on accounting rules are based on the Commercial Code, the Law on Accounting and decree on consolidation rules. The format of the financial statements and disclosure for public companies are regulated by the Polish Securities and Exchange commission.

The accountancy sector in Poland is regulated by law and by professional self-regulation. The National Chamber of Statutory Auditors (KIBR) is recognised as a regulatory body and a disciplinary body. KIBR is a member of IFAC since November 2001 and of FEE since December 2002.

Members of KIBR work in public practice, industry and commerce, government and in other areas. KIBR membership is mandatory. Continuing professional education is mandatory for all members and is regulated by KIBR.

Admission requirements as a member of KIBR include a formal final examination of professional competence, prescribed programmes of professional education and practical training. Admission to the final exam will be granted only to those candidates who meet the general requirements, who have passed all the professional exams and who have successfully finished a three-year practice in Poland, including at least two years of practice under an auditor’s supervision which has been approved by Examinations Committee.

International standards: KIBR follows the EU 8th Directive and other EU regulations, if applicable. International recognition of qualifications: Registration on the roll of Statutory Auditors may be obtained by auditors - Polish citizens or, on the basis of mutual recognition, not Polish citizens - who are in possession of qualifications to practise as an auditor granted abroad, recognised by member countries of the European Union or of the European Free Trade Association (EFTA) - a party of the Agreement on the European Economic Area (EEA), after having passed the Polish Economic Law exam before the Examinations Committee, in the Polish language.

No recognition has been achieved of the KIBR qualification in other countries. Qualifications gained in the UK (ICAEW, ICAS, ACCA), in Denmark (Beskikkelse Som Statsutoriseret Revisor), in Netherlands (NIVRA) have been recognised in Poland. Candidates had to pass the Polish Economic Law exam (in the Polish language).

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values.

Final examination core programme: The final exam is an oral exam and tests the experience gained during practice as well as theoretical knowledge in the areas of financial accounting, economics and management, civil law, labour law, economic law, tax law, finance, cost accounting and management accounting, financial statements and analysis of financial statements, auditing and other services rendered by auditors.
The professional body is the provider of the examination. KIBR examinations are not subject to external review. Final examination is organised by Examinations Committee (established by National Council of Statutory Auditors). Professional education core programme: The core programme of professional education includes 10 subjects: financial accounting - part 1; economics and management; civil law, labour law, economic law; tax law - part 1; finance; tax law - part 2; financial accounting – part 2; cost accounting and management accounting; financial statements and analysis of financial statements; auditing and other services rendered by auditors.

Admission requirements for professional education: In order to be allowed to take professional exams candidates must have a university degree. Exemptions are possible from the following subjects included in the core programme of professional education: financial accounting - part 1; economics and management; civil law, labour law and economic law; tax law - part 1; finance; cost accounting and management accounting. The candidate must have presented his/her exemption request application, passed the university exam or equivalent with at least the mark ‘good’ and the Examinations Committee must have approved the curriculum as containing all important professional education curriculum issues; the exams must have been written and marked anonymously. The period between passing an exam and presenting the application is not longer than 3 years. In exemptions matters, the National Council of Statutory Auditors signs agreements with particular universities, after having consulted the Examinations Committee. KIBR has signed such an agreement with Warsaw School of Economics so far.

Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available.

Practical training content: Candidates must have three years of practice in Poland, including at least a two-year practice under an auditor’s supervision. They can start the first year of practical experience straight away; practice under supervision of an auditor can be started only after a candidate has finished the first year of practical experience and after he/she has passed 7 out of 10 professional exams. The first year of practical training includes independent book-keeping, computerised system of book-keeping in accordance with the Accounting Law regulations, knowledge of internal regulations. The two-year practice includes reviewing audit documentation with regard to the documentation’s completeness, correctness and consistency; technical work and selected audit work together with audit documentation and preparing lists of documents; participating in auditor’s activities connected especially with audit planning, choice of methods and sampling, analysis of company’s equity, company’s financial and income position and checking whether the company acts in compliance with law regulations; participating in auditing of at least two annual financial statements and independent documenting of all activities assigned to the candidate by auditor, preparing proposals of audit report and of auditor’s opinion; full audit of an annual financial statement under supervision of an auditor, preparing complete audit documentation, preparing proposals of auditor’s opinion, audit report and letter to management of the company audited.

KIBR expects for the near future major developments in regulation of the profession, professional education and practical training. Better training and education; globalisation issues. Preparing better quality training materials for candidates for auditors; including international and globalisation issues. The major developments are expected when the modernised 8th EU Directive is implemented. Therefore, amendments to Polish regulations will be made in compliance with new requirements.
Overview IPA Russia

Professional Body: Institute of Professional Accountants of Russia (IPAR)
Professional Title: Professional Accountant
Respondent: Oleg M OSTROVSKY, General Manager IPAR
Country: Russian Federation
Website: www.ipbr.ru (English and Russian)

Russian requirements on accounting rules are based on the government conception of development of accounting and reporting in Russian Federation for medium-term outlook (adopted 2004). Russian requirements for commercial non-banking companies are based on the Civil Code, Law on Accounting, some other laws, and incorporate accounting regulations and standards of the Ministry of Finance of the Russian Federation.

The accountancy sector in Russia is regulated by law and by professional self-regulation. IPAR is a full member of the IFAC and the Eurasian Council of Certified Accountants and Auditors (ECCAA). ECCAA is a regional member of IFAC since 2005.

IPAR members work industry, commerce, government, and academe. IPAR membership is not mandatory. Continuing professional education is mandatory for members and is regulated by IPAR.

Admission requirements as a member of IPAR include a formal final examination of professional competence, a prescribed programme of professional education and practical experience. In 1994 a new three-staged system of higher education was adopted. The duration of each stage is two years. In order to be a student of the second or third stage it is obligatory to graduate from the previous stage. The first stage is completed by passing state exams. The second and third stage are completed by passing state exams and by defending a special thesis. A successful graduate is awarded a bachelors degree (after 4 years) or a masters degree (after 6 years). For accounting education the first stage has a purely practical orientation and its graduates would be professional bookkeepers, the second stage allows graduates to occupy positions in business demanding comprehensive knowledge of accounting, financial analysis and auditing and knowledge of planning and control aspects, the third stage allows graduates to occupy top management positions in businesses as well as any position in auditing firms.

International standards on accountancy education are followed. IPAR education standard was developed on the basis of IES and adopted in November 2005. IPAR and ECCAA mutually recognize professional qualification of each other.

IPAR recognises professional qualification of ACCA, CPA under condition of passing successfully two qualification exams in Russian: on taxation and business legislation.

Final examination core programme: Required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc), professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc), professional values, ethics, and attitudes are assessed during the final assessment. The final assessment is conducted through both recorded and oral response formats. Approximately 75% of the final assessment requires candidates' responses to be in recorded form. Multiple choice questions, case studies, technical questions are used in conducting the final assessment.
IPAR is the provider of the examination. Admission requirements for IPAR membership cover professional education, practical experience and general education. University diploma (diploma of secondary economical education) with experience in economic specialties (or in managing positions requiring knowledge of accounting) not less than three (five) years, or the diploma of candidate (doctor) of economic sciences with experience in economical activity (or in managing positions requiring knowledge of accounting) not less than three years. The certificate of additional professional training according to the program of certification and training of the professional accountants (IPA). Practical experience (three or five years).

Professional education core programme: accounting, economic analysis, law, taxation. The accountancy curriculum at the universities follows four educational cycles: 1) Humanities and social Disciplines 2) Mathematical and general naturally-scientific disciplines 3) General professional disciplines 4) Special disciplines. The 'special discipline cycle' is the professional training of a student, which reflects the specifics of a particular branch and its advanced training. It assumes professional activity of the specialist in different areas of the economy. Only institutions authorized by the State can give a special graduation diploma to their graduates. These diplomas are: Diploma of higher education, given after graduation from any institute if higher education (university, academy, institute); Diploma of professional secondary education in bookkeeping, given after graduation from a college; having earned this diploma a graduate has the right to take the entrance exam to the third year of a university program; Diploma of professional secondary education given after graduation from a vocational training school; this diploma is ranked lower because it gives the right to take the entrance exam to the first year of a university program

Admission requirements for professional education: university diploma. Among the providers of the professional accountancy educations for IPAR members are Training Methodological Centers (TMC) that are accredited with IPAR, universities and other organizations (audit firms, non-governmental non-educational institutes). Necessary expertise and resources are available.

IPAR recognizes all practical experience in the position of chief (deputy chief) accountant according to records in a work-book irrespective of employers.

The required length of pre-qualification practical experience is three years (five years if candidate has university diploma out of economic field).

IPAR doesn’t have providers or employers that are approved to provide practical experience for candidates. Certification of the professional accountant: not less than 5 years of practical experience in economical functions (not less than 3 years for the candidate (doctor) of economical sciences). Auditor certification: not less than three years out of the last five years as either an auditor, specialist of an auditing organization (auditing firm), accountant, economist, inspector, manager of an enterprise, member of staff of a scientific body, or teacher in an economics field.

IPAR expects for the near future major developments in professional qualification, professional education and practical training.

- Professional qualification: toughening requirements to examinations
- Professional education: implementation of the new training programs
- Practical training: development of a program on accreditation providers of practical experience for auditors.
### Overview SOCPA

<table>
<thead>
<tr>
<th>Professional Body:</th>
<th>Saudi Organization for Certified Public Accountants (SOCPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Title:</td>
<td>Certified Public Accountants (CPA)</td>
</tr>
<tr>
<td>Respondent:</td>
<td>Ahmad Almeghames, Deputy Secretary General (SOCPA)</td>
</tr>
<tr>
<td>Country:</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Website:</td>
<td><a href="http://www.socpa.org.sa">www.socpa.org.sa</a> (English and Arab)</td>
</tr>
</tbody>
</table>

Saudi Arabian requirements on accounting rules are based on governmental Regulations for Companies and on accounting standards issued by the Saudi Organization of Certified Public Accountants (SOCPA). At present, there are only a limited number of accounting standards issued by SOCPA and they, on their own, do not constitute a comprehensive basis for accounting.

The accountancy sector in Saudi Arabia is regulated by law and by professional self-regulation. The Saudi Organization of Certified Public Accountants (SOCPA) is recognised as a regulatory body and a disciplinary body. SOCPA is a member of IFAC.

Members of SOCPA work in public practice, industry and commerce and in government. SOCPA membership is mandatory. Continuing professional education is mandatory for full members and in public practice; CPE is regulated by SOCPA. Since the year 2002 SOCPA has established a comprehensive quality review program to ensure that CPAs comply with the professional and regulatory requirements.

Admission requirements as a member of SOCPA include a formal final examination of professional competence, prescribed programmes of professional education and practical training.

The government will issue the certificate to practice the profession and professional body will conduct the CPA exam which is mandatory to pass to apply for certificate of practicing. The certificate will be not active if the holder does not meet the condition of SOCPA.

International standards on accountancy education are not followed.

International recognition of the SOCPA qualification in other countries has not been achieved. SOCPA general rules for fellowship examination give candidates who have the AICPA, ICAEW, and CICA fellowship certificates, the right to replace the accounting and auditing subjects - which is required by others (12 hours exam) - by subject titled "The Professional Standards". (Only 2 hours exam). The Object of this subject is to test the competence of candidates with respect to knowledge of professional standards adopted in the kingdom and also with respect to the realization of professional responsibility and the ethical attributes that SOCPA members should have.

Final examination core programme: The exam consist of five subjects: 1- Accounting (all areas); 2- Auditing; 3- Tax and Zakah (Islamic due); 4- Commercial laws; 5- Figh almamalat (how to conduct operation in Islam). SOCPA fellowship examination rules include professional, practical and scientific aspects of the audit profession and applicable regulations.
Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. With respect to SOCPA fellowship examination candidate may retake the examination in any subject if do not obtain the required passing score. If the candidate did not pass all subjects within a period of five years since the date of taking the examination for the first time, then he should retake all subjects including those he has already pass.

The professional body is the provider of the final examination. SOCPA examinations are subject to external review. Necessary expertise and resources are available.

SOCPA has a committee that is called Exam Committee in charge of administrating the exam (admission, making the exam, correcting the exam) and the committee is using many consultations in its process. SOCPA is using hundreds of experts in conducting its operation and this includes the exam.

Admission requirements cover professional education

The professional education has to be at least with 30 credit hours of accounting subjects covering accounting area, auditing and tax and it has to be on an university level.

Professional education core programme

SOCPA offers courses covering SOCPA fellowship examination. The aim of these courses is to enable the trainee to be acquainted with the theoretical and practical aspects of accounting and auditing and to apply it skilfully. Each course consists of a number of training materials and each training material covers one or more topics of SOCPA fellowship exam subjects, which include accounting, auditing, zakat and tax, jurisprudence and business law. Each training material includes a discussion of the objectives and elements of the topic, a sufficient explanation of each element, and the same is connected to the relevant professional standards. It also includes problems and application cases.

Admission requirements for professional education

The education has to be on a university level; the applicant has to have a four year undergraduate degree in accounting or any subjects with at least 30 credit hours in accounting subjects. Those who are holding a non-accounting degree from an undergraduate school can be admitted to the exam by providing finishing of 30 credit undergraduate hours of accounting courses.

Universities provide professional education. Necessary expertise and resources are available in the universities. Providers of professional education are recognised by the government. There is no periodic review of professional education.

Practical training content

To be a Certified Public Accountant one has to have an experience in CPA firms or commercial or governmental sectors with a job related to accounting or auditing. There is no requirement for the content of practical training but experience. Practical training takes place in public practice, industry and commerce and in government. Each sector has its own expertise. Providers of practical training are recognised by the government and the professional body as each practical training provider has to have a license.
Overview SAICA

Professional Body: South African Institute of Chartered Accountants (SAICA)
Professional Title: Chartered Accountant SA (CA(SA))
Respondent: Adri Kleinhans, Project Director: Training, SAICA
Country: South Africa
Website: www.saica.co.za (English)

The South African standard setter, the Accounting Practices Board, issues IFRS as Statements of Generally Accepted Accounting Practice (GAAP). No changes are made either to the body of the standards or to the implementation dates. Furthermore, in limited circumstances, the Accounting Practices Board issues standards on issues that are specific to South Africa, such as specific tax or other legislative requirements. So far, only 2 such standards have been issued. These local standards do not contradict IFRS.

The accountancy sector in South Africa is regulated by law and by professional self regulation. The South African Institute of Chartered Accountants (SAICA) is recognised as a regulatory body and a disciplinary body. SAICA is a member of IFAC and ECSAFA.

Members of SAICA work in public practice, industry and commerce, government and in other areas. SAICA membership is not mandatory. Continuing professional education is mandatory and is monitored, in line with the IFAC standard in this regard.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training. The professional body is solely responsible for the setting of the professional qualification process.

International standards: SAICA follows IFAC International Education Standards.

International recognition of qualifications: Recognition of the SAICA qualification in other countries: New Zealand, Australia, Canada, England and Wales, Scotland, Ireland and Hong Kong. Recognition of the qualification from other countries by SAICA: New Zealand, Australia, Canada, England and Wales, Scotland, Ireland. All have to write conversion examination. SAICA is working closely with the neighbouring countries in the Southern African region, and a number of reciprocity agreements have been put in place. Regional accreditation of education and training programmes continues to play an important role in the economic development of the region and to uplift and ensure the implementation of international standards.

Final examination core programme: Auditing, Financial Accounting, Taxation, Managerial Accounting & Financial Management, Information Technology. Other supportive courses, including company law, communication skills, human resource management, marketing, etc.

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual and communication skills; professional values. The examination is deemed to be a test of professional competence to the extent possible in a written examination.

The professional body is the provider of the final examination (SAICA sets the qualifying examination). Admission requirements cover professional education and practical training. The providers for the education qualification required for entry to the professional qualifying (final) examination are accredited for that purpose by SAICA. There is a shortage of adequately experienced, qualified lecturers at education institutions.

Admission requirements for professional education. The education institutions determine the admission requirements into the education programme.

Universities and commercial companies provide professional education. Necessary expertise and resources are available. Providers of professional education are recognised by the professional body (SAICA accredits the providers). The academic and training resources are generally available, but could be increased. Education and training providers submit to continuous and regular monitoring processes. Education and training providers are accredited by SAICA, and SAICA determines the syllabus to be covered during the education process. Coupled with the accreditation of universities offering the education component SAICA has registered the CA (SA) qualification on the national qualifications framework.

Practical training content: The same core areas as for education must be covered in the training period, which could be either 36, 48 or 60 months, depending on the level of education of the trainee. There are no admission requirements before the start of practical training. Regulations for practical training cover training contract with core experience hours, core work attendance hours, core experience topics and supervision. Since 2002, SAICA has been conducting conduct regular training office reviews through site visits. Of both public practice and commerce and industry providers.

SAICA expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training. The legislation regulating the profession in South Africa has been amended. We are in the process of revisiting our competencies, flowing from that our education and training requirements, as well as our accreditation and monitoring of education and training providers. As from 2003, SAICA will be introducing ‘limited source’ open book examinations. Candidates will be given access to copies of the relevant legislation and the Members’ Handbook for use during the examination.
Overview ICJCE

Professional Body: Instituto de Censores Jurados de Cuentas de España (ICJCE)
Professional Title: Auditor de Cuentas (Auditor)
Respondent: Enric Vergés, Technical Department, ICJCE
Country: Spain
Website: www.icjce.es (Spanish)

Spanish requirements on accounting rules are mainly based on the Code of Commerce, the General Accounting Plan, the Companies Act and on standards issued by the Official Institute of Accounting and Audit (ICAC). The methodology for evaluation of post-retirements benefits is governed by the Insurance Regulatory Authority (DGS).

The accountancy sector in Spain is regulated by law. The Instituto de Censores Jurados de Cuentas de España (ICJCE) is recognised as a disciplinary body. ICJCE is a member of IFAC and FEE.

The professional title of accountant does not exist in Spain. Accountancy is not a regulated profession. Since the Audit Law, a candidate has to be approved auditor to be a member of a professional body (that means comply with the requirements of 8th EC Directive and be a member of the Official Register of Auditors (ROAC-Public Register)). Members of the professional body are approved auditors and can practice as auditors. The ROAC is dependent of the Instituto de Contabilidad y Auditoria de Cuentas (ICAC), the regulatory body, also dependent of Ministry of Economy.

Members of ICJCE work in public practice, industry and commerce, government and in other areas. ICJCE membership is not mandatory. Continuing professional education is mandatory for members in public practice and is regulated by ICJCE. Further development of the rules applicable to CPD, in regard to number of hours and subjects.

The statutory rules include the compulsory formation for practising auditors only. When a not practising member wants to pass to the practising situation, he or she needs the justification of his formation about accounting and auditing matters in the previous years.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training.

Government (ICAC -see before) is the responsible for the rules of matters object of the education. The professional body organises, with the supervision of ICAC, the training courses.

International standards: IA-CJCE follows the EU 8th Directive.

International recognition of qualifications: Recognition of the IA-CJCE qualification in EU countries and recognition of qualifications from EU countries according to EU regulation. Changes are expected of access to the profession of third country auditors. The process to confirm the title of auditor from another EU country may become easier.

Final examination core programme: Exam about audit matters, for confirm: -practical experience- profitability of professional training.
Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; professional values.

The practical exam includes usually case studies about audit practice. It can also include open questions and multiple choice questions, for the person which needs to pass the theoretical exam also, in particular cases in which the formation is not recognised for direct access to practical exam.

The access examination has been reorganised and is now organised by the three professional bodies together under the chairmanship of ICAC as the regulatory body of the profession.

Admission requirements cover professional education, practical training and general education.

Professional education core programme: Accounting, Taxation, Legal, Audit. Lecture: 5 days per week/15 hours. Self: 10 hours per week. More or less three years for graduates.

Admission requirements for professional education

Depending on type of general education: Education in finance and business degree or graduation is more appropriate to comply easily with the requirements. The general programmes for education in the financial and business areas are designed by a period since 3 and 5 years.

Professional body and universities provide professional education. Necessary expertise and resources are available.

ICAC recognizes the education in accordance with its rules before the examination. Periodic review of professional education takes place in order to update the training objectives of the matters.

Practical training content

Three years full time or part time (200 days per year) in accordance with the possibilities and needs of the student and auditor or firm. No requirements on practical training content. No admission requirements before the start of practical training. Providers of practical training are recognised by the professional body by professional certificate of auditor, firm or company if appropriate.

Probably it will become possible to obtain part of the practical experience abroad.

IA-CJCE expects for the near future major developments in regulation of the profession, professional education and practical training.


Professional education: Increase in training time about engagements of non statutory audits.

Practical experience: Increase in time of experience. One year more on present three years.
Overview FAR SRS

Professional Body: Föreningen Auktoriserade Revisor Sveriges Revisors Samfund (FAR SRS)

Professional Title: Revisor

Respondent: Hans Andersson, chairman of training committee, FAR SRS

Country: Sweden

Website: www.farsrs.se (English and Swedish)

Swedish requirements on accounting rules are based on the Annual Accounts Act incorporating EU Directives and on the IFRS.

The accountancy sector in Sweden is regulated by law and by professional self-regulation. FAR SRS is recognised as a regulatory body. FAR SRS is a member of IFAC and FEE.

Almost all members of FAR SRS work in public practice, relatively few work in government. FAR SRS membership is not mandatory. Continuing professional education is mandatory for members and is regulated by FAR SRS.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training. There are two official qualifications: Auktoriserad Revisor or Authorised Public Accountant (advanced qualification) and Godkänd Revisor or Approved Public Accountant (basic qualification). The requirements for qualification as an Authorised Public Accountant or an Approved Public Accountant include both academic studies and a period of practical training. Approved Public Accountants and Authorised Public Accountants are qualified to carry out statutory audits for all companies. The Auditors Act states the minimum requirements. FAR SRS issues guidance as to the practical training.

International standards: FAR SRS follows primarily the EU 8th Company Law Directive.

International recognition of qualifications is based on EU regulation.

Final examination core programme:

*Approved Public Accountant:* Passing the examination of professional competence as approved public accountant (*revisorsexamen*) to ensure the necessary level of theoretical knowledge (to the extent that this does not follow from the academic degree) and the ability to apply the knowledge in practice.

*Authorised Public Accountant:* Passing the examination of professional competence as authorised public accountant (*högre revisorsexamen*).

Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; professional values.

The government is the provider of the final examination. Necessary expertise and resources are available.

Admission requirements for the final examination cover professional education, practical training and general education.
Professional education core programme in accordance with the EU 8th Directive. The basic qualification level consists of 3 years academic studies and 3 years of practical training. For the higher qualification the answer is 4 + 5 years. The theoretical studies up to graduation are full time. During practical training 350 hours of classes is recommended for the first three years and another 100 for the last two years to the higher qualification.

Basic qualification: Bachelor degree in finance and accounting (3 years). Advanced qualification: Master degree (4 years) or bachelor with 1 additional year of free subjects. Immediately after primary and secondary education or later in life under an adult education programme.

There are no specific admission requirements for professional education. As a rule, of course, firms will not accept students for practical training unless their theoretical degree will be sufficient for entering the final examination.

Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available. Providers of professional education are recognised by the government. The university degree must have been awarded by a publicly recognized university. Professional education is mostly provided by the accounting firms and the universities. Practical training is tested in the final examination; no questions are asked as to who provided it.

Practical training content and duration: Law requires individual training programs, containing at least 1500 hours of audit experience. Qualified investigations and experience of solving ethical problems must be included. FAR has issued supplementary guidance. Duration is three years for the basic level of qualification. For advanced qualification another 2 years are required. Part time work is possible, but then the time requirements must be converted pro rata, whereby full time is to be considered as at least 1600 hours per year.

Practical training takes place in public practice. Necessary expertise and resources are available. The large firms have their own training departments. FAR SRS has a separate entity, IREV, providing all sorts of training, both to students and as CPE to members. Providers have to hold a professional qualification, issued by the government. Minimum framework requirements are issued by the Government and supplementary guidance by FAR SRS. Auditors Act (SFS 2001:883) Auditors Ordinance (RNFS 1996:1).
### Overview TURMOB

**Professional Body:** Union of the Chambers of Certified Public Accountants of Turkey (TURMOB), Expert Accountants Association of Turkey (EAAT)

**Professional Title:** Certified Public Accountant (CPA) or Serbest Muhasebeci Mali Müşavir (SMMM)

**Respondent:** Recep Pekdemir, Professor of Accounting, Istanbul University

**Country:** Turkey

**Website:** www.turmob.org.tr (English and Turkish)

In Turkey, various laws and regulations govern financial reporting in a fragmented way, which leads to a multiplicity of stand-alone special purpose accounting requirements. The Tax Procedural Law of 1950—which has since been consolidated into the Tax Procedures Code—introduced detailed bookkeeping requirements. The Capital Markets Law of 1981 established the Capital Markets Board (CMB) with powers to regulate listed companies, other companies which have more than 250 shareholders, mutual and investment funds, and financial intermediaries. Banks are required to prepare and present legal entity and consolidated financial statements in accordance with the accounting requirements set out by the Banking Regulation and Supervision Agency (BRSA). The General Directorate of Insurance (GDI) of the Undersecretariat of Treasury is responsible for regulating leasing, factoring, insurance and reinsurance companies and for establishing their financial reporting regime.

The provision of accountancy services predates the formation of the Expert Accountants Association of Turkey (EAAT) in 1942. EAAT is a voluntary private organization without formal legal recognition or legal powers. It is a member of the International Federation of Accountants (IFAC). In 1989, Law 3568 gave legal recognition to the accountancy profession, established qualification requirements, and regulated the organizational structure of the profession. The organizational structure is supported by two distinct Chambers, the Chamber of Independent Accountants and Certified Public Accountants, and the Chamber of Sworn-In Certified Public Accountants, which together form TURMOB. TURMOB is the national umbrella for the local Chambers, and it alone is authorized to issue professional licenses and to set professional standards.

TURMOB is a member of IFAC and a well-resourced professional organization. There are two member bodies of IFAC: The Expert Accountants Association of Turkey (EAAT) and the Union of the Chambers of Certified Public Accountants of Turkey (TURMOB). The EAAT is one of the founding organizations of IFAC. The EAAT is a voluntary organization of expert accountants. The TURMOB is the regulatory professional body in accountancy, and also it is a member body of IFAC. The accountancy law was enacted in 1989. Therefore the accountancy sector in Turkey is regulated by law and by professional self-regulation. The answers in the overview concern the Union of the Chambers of Certified Public Accountants of Turkey (the TURMOB), as the regulatory professional body.

Members of TURMOB work in public practice, industry and commerce, government and in other areas. Membership is mandatory. Continuing professional education is not mandatory.

Serbest Muhasebeci Mali Müşavir can be translated as Certified Public Accountant (CPA). Turmob distinguishes three levels: Level 1: independent accountant; Level 2: Certified Public Accountant; Level 3: sworn in CPA (State Auditors).
Accountants of level 2 and 3 can become member of EAAT by preparing and defending a colloquium paper. Answers in the questionnaire concerning qualification, education and training in general reflect the CPA Level. Due to a general assembly decision in 1999 mandatory CPE will start for all members of TURMOB in public practice and industry beginning June 2002.

Admission requirements include a formal final examination of professional competence, prescribed programmes of professional education and practical training. Professional body (TURMOB) and Ministry of Finance set standards together.

International standards: TURMOB follows IFAC IESs (not completely)

International recognition of qualifications: Recognition of the qualification from Turkey in other countries and of qualifications from other countries in Turkey has not been achieved, but it is possible on the basis of mutual recognition.


Objective final examination: to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; professional values.

The professional body is the provider of the final examination. Examinations are not subject to external Review. They are open to the juridical affairs (courts). An independent committee prepares the exam questions and a division of the member body provides the examination, but supported and audited by the Finance Ministry.

Admission requirements cover practical training and general education.

Professional education core programme: Accounting fields, Finance Fields, Law, Tax, Business Administration.

Admission requirements for professional education: Admission requirements for professional education are university graduate (4 years) and practical experience (2 years).

Professional body and universities provide professional education. Necessary expertise and resources are not (necessary) available. Providers of professional education are recognised by government agencies.

Practical training content: 2 year practical experience (on the job training) is required under the supervision of a member. There is an exam to start for practical experience. First, a 4 year university degree is required. Then an entrance exam is needed for the practical experience. After completing practical experience, the final exam is taken.

TURMOB expects for the near future major developments in regulation of the profession, professional qualification requirements and professional education. There is a draft regulation on the Parliament changing professional regulations and educational programs. Entrance requirements can be changed. CPD might be necessary.
Overview ACCA

Professional Body: Association of Chartered Certified Accountants (ACCA)
Professional Title: Chartered Certified Accountant (ACCA)
Respondent: Clare Minchington, Managing Director – Education, Learning and Development, ACCA
Country: Global with Headquarters in the United Kingdom
Website: www.accaglobal.com (English)

ACCA is the largest and fastest-growing international accountancy body with 260,000 students and 110,000 members in 170 countries. The ACCA qualifications are delivered in partnership with many organisations. We operate 21 joint examination schemes with national bodies around the world and work closely with 420 registered tuition providers and 7,500 employers of accountants and finance professionals.

UK statutory requirements on accounting rules are based on the Companies Act 1985, and comply with EU Directives. The Act states that disclosure should be made by large companies as to whether accounts have been prepared in accordance with applicable accounting standards. Accounting standards issued by the Accounting Standards Board and its Urgent Issues Task Force are applicable for the purposes of this Act.

The accountancy sector in the UK is regulated by law, by professional self-regulation and by an independent regulator. ACCA is recognised as a qualifying body and a supervisory body. ACCA operates under a Royal Charter granted by the Privy Council. This covers the holding of examinations. The examinations are also recognised under the Companies Act in respect of Registered Auditors (in other countries national statutes may apply). ACCA is actively involved in IFAC, FEE, CAPA, ECSAFA, IAAA, ICAC, CCAB, FCM, SEEPAD and AFA.

Members of ACCA work in public practice, industry and commerce, government and other areas. ACCA membership is mandatory to use the designatory titles ACCA and FCCA. Membership is also mandatory if candidates wish to be Registered Auditors and hold a Practising Certificate from ACCA. Continuing Professional Development (CPD) has been mandatory for practising certificate holders for many years and is regulated by ACCA. Mandatory CPD is being phased in between 2005 and 2007 for all active members in accordance with IFAC member body requirements.

Admission requirements as a member of ACCA include a formal final examination of professional competence, prescribed programmes of professional education and practical training. European law requires examinations for those wishing to become registered auditors to be of at least degree standard. ACCA in fact sets the same standard for all its members.

ACCA follows EU Directives and IFAC International Education Standards. ACCA is recognised under the European Union’s Mutual Recognition Directive. The ACCA qualification is also fully recognised in the legislation of many other countries around the world. ACCA recognises qualifications from other countries including EU Member States, Australia, Canada, Hong Kong and Singapore. Various conditions apply.

The objective of the ACCA qualification is to test theoretical knowledge; the ability to apply knowledge in practice; intellectual, interpersonal and communication skills; ICT applications; professional values. Key skills are examined as part of the written examinations and training programmes.
ACCA's membership qualification includes 14 written examinations divided into three parts. The final part consists of three core papers plus two papers chosen from four options. ACCA is the provider of the final examination. Examinations are subject to external review. All the examinations are organised by ACCA. ACCA's examiners sets the standards of the examinations on a uniform basis world-wide and assess all candidates on the same criteria.

Admission requirements to the final examination cover professional education, practical training and general education. To register as a student of ACCA's professional scheme a candidate must be at least 18 years of age and hold the minimum qualification for entry to a UK degree programme. Holders of higher qualifications may attract exemptions from some of ACCA's examinations (not for Part 3 - the final part of 5 papers).

The examinations papers cover the following: 1.1 Preparing Financial Statements; 1.2 Financial Information for Management; 1.3 Managing People; 2.1 Information Systems; 2.2 Corporate and Business Law; 2.3 Business Taxation; 2.4 Financial Management and Control; 2.5 Financial Reporting; 2.6 Audit and Internal Review; 3.1 Audit and Assurance Services; 3.2 Advanced Taxation; 3.3 Performance Management; 3.4 Business Information Management; 3.5 Strategic Business Planning and Development; 3.6 Advanced Corporate Reporting; 3.7 Strategic Financial Management.

Universities, colleges and commercial companies provide professional education. Necessary expertise and resources are available. Students study at public and private sector colleges, by distance learning, or by home study. ACCA publishes textbooks and distance-learning programme through two approved publishers. There are over 200 colleges which offer tuition for ACCA courses in the UK and a comparable number outside the UK. ACCA also has a virtual learning site at ACCAglobal.com. Tuition is provided by qualified academics. Outside the UK there are shortages of qualified teachers in some developing countries.

Candidates require a minimum of 3 year's practical experience. This can be obtained before, during or after the examinations and in any (combination of) employment sector - industry, commerce, public practice or the public sector. ACCA lays down standards of competence for membership in a Student Training Record. Assessments by supervisors are subject to a sample check by ACCA. For Registered Auditors 3 years experience in a company audit environment including 2 years after membership in an approved training office under a qualified principal is required (other national legislation may apply outside the UK). ACCA's Student Training Record covers: Financial Information, Business Analysis and Measurement, Taxation, Statutory Audit, Internal Review and Consultancy, Asset Management, Business Growth and Development, Manage Information Systems, Manage People. A separate Practising Certificate Training Record for Registered Auditors covers: Professional Conduct, Accounting, Business Advice, Development and Measurement, Taxation, Business Assurance and Internal Review, Management and Audit.

ACCA expects for the near future major developments in regulation of the profession, professional qualification requirements, professional education and practical training. There will be developments in all these areas mainly driven by market demand and the demands of regulators. The Public Oversight Board in the UK and the Compliance Advisory Panel within IFAC will lead to more independent regulation of the profession in the UK and more global regulation internationally. Market demand will lead to an expansion of accountancy qualifications to include both more generalist subjects as well as more specialist options but based on the traditional accounting core.
Overview ICAEW

Professional Body: Institute of Chartered Accountants in England and Wales (ICAEW)
Professional Title: Associate Chartered Accountant (ACA) or Fellow Chartered Accountant (FCA)
Respondent: Mark Protherough, Head of Operations, Learning and Professional Development Directorate
Country: United Kingdom
Website: www.icaew.co.uk (English)

The accountancy sector in the UK is regulated by law and by professional self-regulation. In some areas of accountancy in the UK there are legal barriers to entry, in others not. The Institute of Chartered Accountants in England & Wales (ICAEW) is a recognised regulatory body – for example for audit and insolvency – and a disciplinary body. ICAEW is a member of IFAC and FEE.

The ICAEW is the largest accountancy body in Europe with over 128,000 members and one of the most highly respected professional bodies in the world. Members of ICAEW work in public practice, industry and commerce, government and in other areas. ICAEW membership is mandatory to use the title and letters. Continuing Professional Development (CPD) has been mandatory for all ICAEW members from 2005 and was previously mandatory for several categories of members. Exemption from CPD is only open to a very small minority of members who meet strict exemption criteria.

Members of ICAEW are ACA after qualification, or after a minimum of 10 years’ membership in good standing, FCA.

Admission requirements as a member of ICAEW include a demanding diet of Professional and Advanced Stage examinations, culminating in an integrated Advanced Case Study admitting examination and practical training and work-based learning under the supervision of a qualified person within an authorised organisation. The ACA syllabus and overall qualification is subject to government oversight in the form of the Professional Oversight Board (POB), a division of the Financial Reporting Council. The arrival of POB has been a significant regulatory development for the main bodies of the profession in the UK and working in partnership with POB across the full range of education and training matters has been, and will continue to be, a very important programme of activity for ICAEW.

The ACA and the post-qualification provision thereafter are also fully compliant with IFAC’s International Education Standards 1 – 8.

All EU States recognize the ACA/FCA qualification under the relevant Directives.

Australia, Canada, New Zealand, South Africa and Zimbabwe recognize the ACA/FCA through reciprocal arrangements. Most other countries with developed accountancy professions recognize the ICAEW qualification through custom and practice.

All EU States, Australia, Canada, New Zealand, South Africa, Zimbabwe are recognized by ICAEW through Directive (EU) and reciprocal arrangements.
There is a special route to ICAEW membership for highly-experienced members of ACCA, CIMA and CIPFA.

The detail of the current 2006 programme is as follows:

Professional (First) Stage aims to provide knowledge and understanding of concepts and principles. Specific examination papers are: Accounting, Financial Reporting, Auditing and Assurance, Taxation, Business Finance, Business Management, Business and Company Law.

Advanced (Second) Stage provides an integrated approach to the giving of business and financial advice. There are two Tests of Technical Competence plus an Advanced Case Study that include Audit and Assurance, Financial Reporting, and Taxation.

There is an annual review by ICAEW of the syllabus and learning materials by a group which includes representatives of employers and tutorial organisations.

Minimum admission requirements are the same as for UK university entrance, although in practice almost 90% of trainees already have university degrees.

ICAEW produces learning materials for students. There are recognised tuition companies who are trusted by employers as providing the best available tuition in preparation for the examinations.

The normal duration of professional education is 3 years’ part time, integrated with work experience.

Practical training is normally 3 years under a training contract within an ICAEW authorized training organization. This involves a minimum of 450 days’ technical work experience.

Completing work-based learning and structured training in professional ethics are also requirements for qualification.

Please note that a major revision of the ACA qualification is currently underway and a new ACA will be introduced from September 2007. This new ACA will have a new syllabus, a new examination structure, new assessment procedures, new work-based learning and, within all of this, an even greater focus on professional ethics.
Overview ICAS

Professional Body:  Institute of Chartered Accountants of Scotland (ICAS)
Professional Title:  Chartered Accountant (CA)
Country Respondent:  Professor C. Mark Allison, Executive Director of Education, ICAS
Country:  United Kingdom
Website:  www.icas.org.uk (English)

UK requirements on accounting rules are based on the Companies Act 1985, as amended for EU Directives. The Act states that disclosure should be made as to whether accounts have been prepared in accordance with applicable accounting standards. Accounting standards issued by the UK and International Accounting Standards Board are applicable for the purposes of this Act.

The accountancy sector in the UK is regulated by law and by professional self-regulation. The Institute of Chartered Accountants of Scotland (ICAS) is recognised as a regulatory body and a disciplinary body organised under a Royal Charter. ICAS rules must be approved by the government of the UK. ICAS operate under bye-laws approved by the Council, representing the members; applying these rules. Responsibilities of the Professional Body include education provider, training organisation, examination setter. ICAS is a member of IFAC and FEE.

Members of ICAS work in public practice, industry and commerce, government and in other areas. ICAS membership is mandatory. Continuing professional development will be mandatory for all members from January 2006 and is regulated by ICAS.

Admission requirements as member of ICAS include a formal final examination of professional competence, prescribed programmes of professional education and practical training. A CA Student shall be eligible for admission to membership after completion of the prescribed period of approved service as a CA Student; fulfilment of his obligations under Rule 28; passed the various parts of the Institute's Examination; applied for admission within one year from the date of passing his final examination, or from the date of completion of service under Training Contract whichever is the later.

ICAS follows EU Directives and IFAC International Education Standards. International recognition of qualifications through reciprocal agreements with specific institutes in England, Ireland, New Zealand, Australia, Canada, South Africa, Hong Kong and through the EU Mutual Recognition Directive.

The objective of the final examination is to test theoretical knowledge and the ability to apply knowledge in practice (50% technical and 50% communicative in a case study format). Final examination core programme, see syllabus and past examination papers. ICAS is the provider of the examination. Examinations are subject to annual external review and consequent impact on examination approach. The examination must meet UK Company Law requirements for auditors.

Admission requirements to the final examination cover professional education, practical training and general education. Prospective CA Students will have established the Preliminary Qualification for registration to the satisfaction of the Council. They must produce evidence that they are: holders of a "fully-accredited" degree. There are exceptional entry routes for other applicants, but the numbers involved are less than 2% of the annual intake.
Professional education core programme: Attendance at compulsory ICAS classes and completion of the education programme. This requires a three/four year university degree plus a three year training contract during which students follow up to 26 weeks of full time ICAS classes.

Admission requirements for professional education: Qualifying Degree holders will be required to take the Institute's Test of Competence Course and Examinations during the first year of their Training Contract before proceeding to the Test of Professional Skills and Test of Professional Expertise. Exemptions will be given for individual Test of Competence Examination subjects accredited within the degree. Candidates may not attempt the Institute’s Examination unless they are serving under a Training Contract, or have completed their required service there under, in an Approved Training Organisation. Professional body, universities and commercial companies provide professional education. Necessary expertise and resources are available as all ICAS education is delivered by accountants. There is a three level system: At Level 1 education is offered by each of the professional body, university and commercial company. At Levels 2 and 3 education is only offered by the professional body.

Practical training content: At least 450 days experience excluding study holiday and administration. Achievement of competency standards in personal, IT, communication and technical areas per the Achievement Log. The minimum period of Approved Service shall be three years.

ICAS expects the following major priorities for development to continue to improve the relevance of the CA qualification:

- European Common Content Project involvement and integration of material.
- IFAC Education Standards and Guidelines particularly IES 8 (Auditing).
- Development of the work experience log (Achievement Log) integrating more personal, communication, and ethical competencies.
- The creation and development of a standalone ethics module for students.
- Modularisation of the major technical content at Level 1 and Level 2 allowing students to follow the subject matter in different orders.
The USA has a very detailed framework of generally accepted accounting principles (US GAAP), based on accounting standards and guidance of the Financial Accounting Standards Board, statements and guidance from the AICPA and consensus reached by the Emerging Issues Task Force. Listed companies must follow the rules, regulations and releases of the Securities and Exchange Commission (SEC.) The SEC’s Public Company Accounting Oversight Board (PCAOB) was created in 2002. Public companies and auditors must register with the PCAOB.

The accountancy sector is regulated by law and by professional self-regulation. AICPA is recognised as a disciplinary body for its members. AICPA is a member of IFAC. Licenses to practice are the responsibility of the State Boards of Accountancy in each of the 55 jurisdictions.

Members of AICPA work in public practice, industry and commerce, government, education and in other areas. AICPA membership is not mandatory. Continuing professional education is mandatory for all CPA’s and is regulated and monitored by the State Boards of Accountancy.

Admission requirements as a CPA include a formal final examination of professional competence, prescribed programmes of professional education and, in almost all jurisdictions, practical experience. Passage of the computerized uniform CPA examination and being licensed by one of the 55 jurisdictions. Admission to the CPA examination depends on possession of an academic degree recognised by the State Board of Accountancy. The Uniform Accountancy Act (UAA) recommends 150 semester hours (five years of education) with a focus on accounting, auditing, business and related subjects. Forty-eight of 55 jurisdictions have implemented this requirement. There is a formal requirement to have at least a bachelors degree. According to the UAA one year of practical experience is required; however many states require a minimum of two years of practical experience. States (jurisdictions), by law and rules, set the requirements, but all states (jurisdictions) have adopted the uniform CPA examination prepared by the AICPA.

International recognition of qualifications: NASBA uses the standard of substantial equivalency to facilitate interstate practice and free movement of practitioners between states. This standard is also used for foreign applicants on the condition of reciprocity and passage of a separate examination. IQAB (International Quality Assurance Board) has international reciprocity agreements with Australia (CA and CPA), Canada (CA), Mexico and Ireland.

Final examination core programme: The CPA examination consists of four parts: Auditing and Attestation, Financial Accounting and Reporting, Business Environment and Concepts and Regulation, including ethics and professional responsibility, taxation and business law.

Objective final examination: To test theoretical knowledge; the ability to apply knowledge in practice; to demonstrate intellectual, research and communication skills; ICT applications; professional values.
The examination tests application of knowledge by the use of case-based simulations and measures intellectual skills, communication skills (essays and reports) and ICT applications, particularly to research the authoritative literature. Ethics is part of the examination.

The government and the professional body are the providers of the final examination. The AICPA is responsible for preparation of the Examination. The preparation process is subject to external review by NASBA. State Boards of Accountancy set the requirements to sit for the examination in 55 jurisdictions (50 States, Washington D.C., Guam, Puerto Rico, US Virgin Islands and the Commonwealth of the Northern Mariana Islands.) The examination is recognised under State Law. The examination is administered at secure test centers. The AICPA Examination Team is responsible for preparation and grading of the examination. NASBA has an Examination Review Board that is responsible for oversight of the process.

Admission requirements cover professional education and general education. BS in Accountancy or its equivalent and an additional 30 semester hours; in total to include a minimum of 24 hours of 'upper' level accountancy and 24 hours of business, including business law.

Professional education core programme: Principles of Financial & Managerial Accountancy, Intermediate Financial Accountancy, Cost, Tax, Auditing, Accountancy Systems. AACSB requires that general education makes up 50% of an undergraduate accounting degree programme. Foundation knowledge also has to include basic financial and managerial accounting, behavioral science, economics, mathematics and statistics plus operations and technology management. The standards include coverage of written and oral communication. Specialised skills cover concepts of financial reporting, managerial accounting, information systems, auditing, attestation and taxation. Topics on not-for-profit/governmental accounting should also be covered.

Admission requirements for professional education: High school diploma, national college entrance examination required. Scores vary by selectivity of the academic institutions.

Universities provide professional education. Necessary expertise and resources are available. Most academic faculty are doctorally-qualified and have relevant experience. Part time or adjunct faculty teach while working full time.

Practical experience content: In States where practical experience is required the minimum for employment is usually a degree in accounting or equivalent. In most states the experience requirement is 1-2 years after degree. Licenses to audit can also require additional experience. Practical experience is gained on the job and provided by employers. The experience is in public accounting largely, some corporate, government and education allowed in most states. Degree and method of monitoring varies from state to state.

AICPA experienced major developments in regulation of the profession, professional qualification requirements and ongoing developments in professional education. Regulation of the profession: Creation of the PCAOB noted above and competence approach of CPE. Professional qualification: drastic change of the CPA examination to a computerised examination with higher level cognitive skills research requirements and application of technology The examination focuses on assessing the fundamental knowledge required for newly-licensed CPA’s and assessing the fundamental skills that newly-licensed CPA’s must demonstrate to be able to practice at entry-level competency. Professional education: Continuing integration of IT in accountancy education and of case-based materials with support for faculty development from AICPA, major accountancy firms and individual schools.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>American Accounting Association</td>
</tr>
<tr>
<td>AAP</td>
<td>Accountants Association in Poland</td>
</tr>
<tr>
<td>ACCA</td>
<td>Association of Chartered Certified Accountants</td>
</tr>
<tr>
<td>AECC</td>
<td>Accounting Education Change Commission</td>
</tr>
<tr>
<td>AFA</td>
<td>ASEAN Federation of Accountants</td>
</tr>
<tr>
<td>AICPA</td>
<td>American Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>BAA</td>
<td>British Accounting Association</td>
</tr>
<tr>
<td>BISTA</td>
<td>Benchmarking International Standards on Transparency and Accountability</td>
</tr>
<tr>
<td>CA</td>
<td>Chartered Accountant</td>
</tr>
<tr>
<td>CACR</td>
<td>Chamber of Auditors of the Czech Republic</td>
</tr>
<tr>
<td>CAPA</td>
<td>Confederation of Asian and Pacific Accountants</td>
</tr>
<tr>
<td>CGA-Canada</td>
<td>Certified General Accountants of Canada</td>
</tr>
<tr>
<td>CHA</td>
<td>Chamber of Hungarian Auditors</td>
</tr>
<tr>
<td>CICA</td>
<td>Canadian Institute of Chartered Accountants</td>
</tr>
<tr>
<td>CIMA</td>
<td>Chartered Institute of Management Accountants</td>
</tr>
<tr>
<td>CIPA</td>
<td>Certified International Professional Accountant</td>
</tr>
<tr>
<td>CIPFA</td>
<td>Chartered Institute of Public Finance Accountants</td>
</tr>
<tr>
<td>CMA-Canada</td>
<td>Society of Management Accountants of Canada</td>
</tr>
<tr>
<td>CP</td>
<td>Contador Publico</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>CPA Australia</td>
<td>Certified Public Accountants, Australia</td>
</tr>
<tr>
<td>CPAAOB</td>
<td>Certified Public Accountants and Auditing Oversight Board</td>
</tr>
<tr>
<td>CPD</td>
<td>Continuing Professional Development</td>
</tr>
<tr>
<td>CPE</td>
<td>Continuing Professional Education</td>
</tr>
<tr>
<td>CPT</td>
<td>Common Proficiency Test</td>
</tr>
<tr>
<td>DNC</td>
<td>Developing Nations Committee</td>
</tr>
<tr>
<td>EATT</td>
<td>Expert Accountants Association of Turkey</td>
</tr>
<tr>
<td>ECCAA</td>
<td>Eurasian Council of Certified Accountants and Auditors</td>
</tr>
<tr>
<td>ECSAFA</td>
<td>Eastern, Central and Southern African Federation of Accountants</td>
</tr>
<tr>
<td>EFAA</td>
<td>European Federation of Accountants and Auditors for SME’s</td>
</tr>
<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
</tr>
<tr>
<td>EQF</td>
<td>European Qualification Framework</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAR SRS</td>
<td>Föreningen Auktoriserade Revisorer Sveriges Revisors Samfund</td>
</tr>
<tr>
<td>FCPA</td>
<td>Fellow Certified Public Accountant</td>
</tr>
<tr>
<td>FEE</td>
<td>Fédération des Experts-Comptables Européens</td>
</tr>
<tr>
<td>(European Federation of Accountants)</td>
<td></td>
</tr>
<tr>
<td>FIDEF</td>
<td>Fédération Internationale des Experts-Comptables Francophones</td>
</tr>
<tr>
<td>GAAP</td>
<td>Generally Accepted Accounting Practice</td>
</tr>
<tr>
<td>GAEB</td>
<td>Global Accountancy Education Benchmarking</td>
</tr>
<tr>
<td>GAEN</td>
<td>Global Accountancy Education Network</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GATS</td>
<td>General Agreement on Trade in Services</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>HKICPA</td>
<td>Hong Kong Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>IAAER</td>
<td>International Association for Accounting Education and Research</td>
</tr>
<tr>
<td>IAESB</td>
<td>International Accounting Education Standards Board</td>
</tr>
<tr>
<td>IAS</td>
<td>International Accounting Standards</td>
</tr>
<tr>
<td>IASB</td>
<td>International Accounting Standards Board</td>
</tr>
</tbody>
</table>
IASC  International Accounting Standards Committee
IASCIF  International Accounting Standards Committee Foundation
ICA Australia  Institute of Chartered Accountants in Australia
ICAC  Institute of Chartered Accountants of the Caribbean
ICAEW  Institute of Chartered Accountants in England and Wales
ICAI  Institute of Chartered Accountants of Ireland
ICA India  Institute of Chartered Accountants of India
ICAS  Institute of Chartered Accountants of Scotland
ICAP  Institute of Chartered Accountants of Pakistan
ICJCE  Instituto de Auditores-Censores Jurados de Cuentas de España
ICMAP  Institute of Cost and Management Accountants of Pakistan
ICPAK  Institute of Certified Public Accountants of Kenya
ICT  Information Communication Technology
ICWAI  Institute of Cost and Works Accountants of India
IDW  Institut der Wirtschaftsprüfer in Deutschland
IEG  International Education Guideline
IES  International Education Standards
IFAC  International Federation of Accountants
IFRS  International Financial Reporting Standard
IMCP  Instituto Mexicano de Contadores Públicos
IPAR  IPA Russia
IPA Russia  Institute of Professional Accountants in Russia
IPSAS  International Public Sector Accounting Standards
IQAB  International Quality Assurance Board
ISA  International Standards in Auditing
JAA  Japanese Accounting Association
JICPA  Japanese Institute of Certified Public Accountants
JIFMA  Journal of International Financial Management and Accounting
KIBR  National Chamber of Statutory Auditors in Poland
LACPA  Lebanese Association of Certified Accountants
LC  Licenciado en Contaduria
MICPA  Malaysian Institute of Certified Public Accountants
MIA  Malaysian Institute of Accountants
NAFTA  North American Free Trade Association
NASBA  National Association of State Boards of Accountancy
NIVRA  Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)
NZICA  New Zealand Institute of Chartered Accountants
OECD  Organisation for Economic Co-operation and Development
OEC  Ordre des Experts-Comptables
POB  Public Oversight Board
QKKB  Qualifying Committee of Chartered Accountants
QP  Qualification Programme
RA  Registeraccountant
REPARIS  Road to Europe: Program of Accounting Reform and Institutional Strengthening
ROSC  Reports on Observation of Standards and Codes
SAAA  Southern African Accounting Association
SAFA  South Asian Federation of Accountants
SAICA  South African Institute of Chartered Accountants
SEEPAD  South East European Partnership on Accountancy Development
SEC  Securities and Exchange Commission
SME’s  Small and Medium Size Enterprises
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMO</td>
<td>Statement of Membership Obligations</td>
</tr>
<tr>
<td>SOCPA</td>
<td>Saudi Organisation for Certified Public Accountants</td>
</tr>
<tr>
<td>TURMOB</td>
<td>Union of Chambers of Certified Public Accountants in Turkey</td>
</tr>
<tr>
<td>UAA</td>
<td>Uniform Accountancy Act</td>
</tr>
<tr>
<td>UAE</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>UFE</td>
<td>Uniform Final Evaluation</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>VBP</td>
<td>Vereidigte Buchprüfer</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WCAE</td>
<td>World Congress of Accounting Educators</td>
</tr>
<tr>
<td>WCOA</td>
<td>World Congress of Accountants</td>
</tr>
<tr>
<td>WP</td>
<td>Wirtschaftsprüfer</td>
</tr>
<tr>
<td>WPK</td>
<td>Wirtschaftsprüferkammer</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
Annex 2  
Research Literature

- Standards, Guidelines and Directives
- Development of Accounting Education

Standards, Guidelines and Directives

EU, (2006), *Directive on Statutory Audits of Annual Accounts and Consolidated Accounts*

IFAC, (1992), *Specialisation in the Accounting Profession*, Discussion Paper
IFAC, (1994), *2000 and Beyond: A Strategic Framework for Prequalification Education for the Accountancy Profession in the Year 2000 and Beyond*, IFAC Education Committee
IFAC, (1998), *Advisory on Examination Administration*, Study
IFAC, (1998), *IEG 2, Continuing Professional Education* (First issued 1982; revised 1998)
IFAC, (2002), *Assistance Project in Accountancy Education and Development*, Study
IFAC, (2003), *Framework for International Education Standards*
IFAC, (2003), *IEP 2, Towards Competent Professional Accountants* (First issued 1998; revised 2003)
IFAC, (2003), *IES 1, Entry Requirements to a Program of Professional Accounting Education*
IFAC, (2003), *IES 2, Content of Professional Accounting Education Programs*
IFAC, (2003), *IES 3, Professional Skills*
IFAC, (2003), *IES 4, Professional Values, Ethics and Attitudes*
IFAC, (2003), *IES 5, Practical Experience Requirements*
IFAC, (2003), *IES 6, Assessment of Professional Capabilities and Competence*
IFAC, (2004), *IES 7, Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence*
IFAC, (2006), *IES 8, Competence Requirements for Audit Professionals* (Implementation 2008)
IFAC, (2006), *SMO 2, International Education Standards for Professional Accountants and Other Guidance*
IFAC, (2007), *Member Body Compliance Program, Strategic and Operational Plan 2007 – 2010*

UNCTAD, (1998), *Global Curriculum for the Professional Education of Professional Accountants*
UNCTAD, (1998), *Guideline for a Global Accounting Curriculum and Other Qualification Requirements*

Development of Accounting Education


AECC, (1990), Objectives of Education for Accountants, Accounting Education Change Commission, Position Statement No 1, September 1990


Albrecht W.S., Sack R.J., (2000), Accounting Education: Charting the Course through a Perilous Future, Accounting Education Series, Vol. 16


Birkett, (1993), Competency Based Standards for Professional Accountants in Australia and New Zealand


FEE, (1988), Training for the Profession, a Comparative Study, Fédération des Experts-Comptables Européens


ICAA, (1998), Vision 2020, Institute of Chartered Accountants in Australia


Paisey C., Paisey N.J., (2000), Comparative Study of Undergraduate and Professional Education in the Professions of Accountancy, Medicine, Law and Architecture, Institute of Chartered Accountants of Scotland

Annex 3 Biographies

Prof. Dr. John T. Ahern Jr CPA., DePaul University, United States of America

John Ahern is the Executive Director of DePaul University’s Center For Global Accounting Education Benchmarking and Research (CGAEBR). Currently, he also serves as the Vice-President-Administration of The International Association of Accounting Education and Research (IAAER). In May, 2006 he was elected to the Board of Directors of Hub International Limited, one of the leading insurance brokers in North America. From 1995 to 1996 he served as a Fulbright Scholar teaching at Kazan State University in the Russian Republic of Tatarstan. He has been a faculty member at DePaul University, Chicago, Illinois since 1973, where he has served for a time as Associate Dean (1979 – 1984), Director of The School of Accountancy and Management Information Systems (1986 – 1995), and as Executive Director of the Institute For Business and Professional Ethics (2000 – 2004).

Prof. C. Mark Allison, MA, CA, Institute of Chartered Accountants of Scotland, Robert Gordon University, United Kingdom

Mark Allison is the Executive Director of Education and International for the Institute of Chartered Accountants of Scotland (ICAS). Mark has been the Education Director since 1995 and during that time has led the ICAS syllabus, work experience and competency developments, and chaired ICAS Examination Boards and Committees. Mark is a Visiting Professor at Robert Gordon University, Aberdeen, Scotland, and served for seven years as technical advisor to the IFAC Education Committee (now IAESB). During his time at ICAS Mark carried out consultancy engagements in a number of countries; he is involved in the harmonisation projects in education through the European Common Content project, and through the English speaking CAGE group. Mark is a Chartered Accountant and a graduate of the University of Edinburgh.

Prof. Dr. Gert H. Karreman, DePaul University, United States of America, Leiden University, formerly Royal NIVRA, The Netherlands

Gert Karreman was Director of Education, Royal NIVRA (1979 – 1998) and Programme Director Royal NIVRA* Nyenrode University (1993 – 1998). Since then Gert has worked on international research into the global development of accountancy education. Based on this research, he was awarded a doctorate at Leiden University (2002). Gert was principal investigator for the Global Accountancy Education Benchmarking project, that was conducted by wCARANA and funded by wUSAID. In 2005 DePaul University (Chicago, USA) established a Center for Global Accountancy Education, Benchmarking and Research. Gert is Principal Investigator for the Center and Secretary of its International Advisory Board. In September 2006 he was appointed visiting professor for the Center.

Prof. Dr. J.G. (Hans) Kuijl RA, Leiden University, The Netherlands

Hans Kuijl occupies the full time position of Professor of Business Economics, Faculty of Law, Leiden University. He is founder and director of the Center of Business Studies of Leiden University. Over the last 20 years he has been responsible for academic research, for example showing in the regular stream of PhD-studies in the fields of economics, accounting and auditing. In addition, as a professional accountant, he has worked with Royal NIVRA for the development of accountancy education and CPD. Over the last 10 years he has been increasingly involved with the global development of accountancy education. Hans Kuijl had final responsibility for the study on The Impact of Globalization of Accountancy Education by Gert Karreman.
Prof. Ian F.Y. Marrian MA, CA, University of Edinburgh, formerly Institute of Chartered Accountants of Scotland, United Kingdom

Ian Marrian was trainee, qualified assistant, manager and partner with Deloitte Haskins & Sells in Edinburgh, Rome and London (1965 – 1984). From 1984 – 2004 Ian was Director of Education, Deputy Chief Executive and Chief Executive and Secretary of the Institute of Chartered Accountants of Scotland. In addition Ian is from 1990 to date Visiting Chair at the Management School and Economics Department of the University of Edinburgh. During his career Ian participated in international development and research projects in accountancy education. Ian acted as chair of the Steering Group for the Global Accountancy Education 2002 classification study and he was the first chair of the International Advisory Board for the Center for Global Accountancy Education, Benchmarking and Research at DePaul University, Chicago, USA.

Prof. Dr. Belverd (Bel) E. Needles, DePaul University, United States of America

Bel Needles is Ernst & Young Distinguished Professor of Accounting at DePaul University (USA). He has published in leading journals and is the author or editor of more than 20 books and monographs. His Principles of Accounting text was translated into Russian and is now the leading textbook in Russia on Western accounting. Bel is past-president of the International Association for Accounting Education and Research (IAAER). He served as the elected U.S. representative to the European Accounting Association, chair of the International Accounting Section of the American Accounting Association, director of continuing education for the American Accounting Association, and president of the Federation of Schools of Accountancy. He served as chair of the Academic and Career Development Executive Committee and on the Information Technology Executive Committee of the American Institute of CPAs. He served on the IFAC Education Committee and on the Consultative Group of the International Accounting Standards Committee (IASC).

R. William (Bill) Phelps, CPA, CFE, MSc, CARANA Corporation, United States of America

Bill Phelps is a Certified Public Accountant and Certified Fraud Examiner whose career moved from Senior Audit Manager of a former Big 5 accounting and audit firm to international economic development with CARANA Corporation as Executive Vice President for Global Operations. Having lived and worked in Russia, Romania and Egypt and managed development projects in over 20 countries, he has witnessed the development of the global accountancy profession, measured compliance gaps, and worked to accelerate change in the accountancy profession in developing nations. Mr. Phelps is currently Project Director for a USAID funded regional transparency and accountability project focused on several important initiatives to improve the accountancy profession throughout Europe and Eurasia. Accelerating global convergence of technical, ethical and education standards is one of the primary objectives of this important project.