Hybrid Accounting Qualification

CAPSAP project Azerbaijan

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The project has three main components:

- Improving reporting in the corporate sector, including the implementation of IFRS in PIEs and improving the statutory framework and oversight of the audit function.
- Improving public sector accountability, through the introduction and implementation of international public sector accounting standards (IPSAS) and the implementation of a framework for external audit in the public sector through the Chamber of Accounts.
- Strengthening the capacity for accounting, auditing and financial management, through the development of training materials, courses and certification programs and the training of teachers.
Revisit the statutory framework pertaining to auditing
  - • Chamber of Auditors responsibilities
  - • Auditors’ responsibilities
  - • Audit regulatory function (QA, I&D)

Revisit the statutory framework pertaining to accounting
  - • Coordinated effort establish a single robust general-purpose system that would eventually come to treat disclosure and transparency as public goods available to all market participants

Sustainable standard translation process

Large scale pre-transition (IFRS) training program

Education
All qualifications must be:

- IN DEMAND
- RELEVANT
- AFFORDABLE
- DELIVERABLE and ACHIEVEABLE
- CONVERTIBLE
Actions taken up to January 2013

» Setting up of Financial Science Training Centre (FSTC)
» Development of Policy Documents
» Development of Regulations
» Creation of National Accounting Qualification
» Preparation of syllabuses
» Exams 100% MCQ with electronic marking
» A new Accounting Chamber to be established
FSTC Structure

» Supervisory Board
» Management
» Director
» Scientific Research and Economic Analysis Dept
» Attestation and Certification Dept
» Department for organising regional trainings
» Finance – Administrative dept
» Training co-ordinator
» Admitting students
» Approval and monitoring of accredited accounting education providers
» Organisation of an independent examination process
» CPD
» Quality of and Maintenance of diplomas
» National certification programme

» Accreditation of organisations active in accounting education

» Approval and development of accounting/auditing trainers

» Certification of auditing professionals
Level One

Fundamentals of economics
Financial Accounting 1
Financial Accounting 2
Managerial Accounting 1
Managerial Accounting 2
Management Information Systems
Level Two

Business Law and Taxation
Financial Reporting for the Private Sector

OR

Financial Reporting for the Public Sector
Audit and Assurance
Level Three

Governance, Risk and Ethics
Corporate Reporting
Financial Management
Review of Policies
Review of Regulations
Review of Syllabuses
Decision made to seek ACCA accreditation

A first meeting was held at which the point was made that only the level one papers could be 100% MCQ – arrangements were already in place to develop all exams as MCQ – this had to be changed.
A Matrix for each document was prepared:

- Each document was examined for consistency
- Each document was examined for relevance
- The documents were examined paragraph by paragraph
- An added issue was the setting up of the Association of Professional Accountants of Azerbaijan and clearly some of the documents belonged to that Association and not to the FSTC
Meetings were held to determine “ownership” of the documents
An accounting firm were contracted to develop the APAA
Immediate Issues

» Each syllabus had been written in isolation from the others
» There was no consistency of layout/format
» Some syllabuses consisted solely of chapters from textbooks
Meetings were held with the accounting firm which had been contracted to develop the syllabuses

A standard lay-out was presented to the syllabus writing team
Overall aim of the NAQ

For each course

- Aim of the course
- Teaching and learning methodologies
- Skill Level of the course
- Learning outcomes and specification grid (weightings)
- Course Content
Results at this stage

Syllabuses were re-worked in line with the template

Contact was made with the IAESB Senior Technical Manager to keep abreast of the changes being made to the revised IES and this contact was maintained throughout the process.
A meeting with ACCA was organised for early March

A meeting was organised for the same time with a university which was fully accredited by ACCA
A major issue was that of recognition by ACCA of FSTC. The FSTC was set up as a training organisation under charter by the Government of the Republic of Azerbaijan.

ACCA requested a translation of the charter and this was organised and sent to them.

The meeting appeared fruitful and productive, for example, it was clear that ACCA would not accept a unified tax and law paper but required separate exams for each of these subjects.
This meeting discussed a range of topics relevant to ACCA accreditation.

In particular quality assurance was dealt with in detail.

The university was very open and seemed eager to assist the FSTC.
Next stages in the accreditation process

» It was necessary to format the examinations so that they would meet the ACCA criteria for exemptions

» It was necessary to prepare pilot papers of the correct standard and in line with the weightings for each subject topic

» Over a period of months these were developed and technically reviewed

» It was necessary to define the areas for the FSTC and those of the APAA

» A chart showing these areas was developed
Decision to link FSTC to a partner institution
Turkey/Azerbaijan/UK

Then it was decided to partner with a UK university which had ACCA accreditation and a TOR would be prepared
Meetings were held with the Director of FSTC to discuss various issues in particular

- Confidentiality
- Security
- Exam preparation
- Marking of scripts
It was felt necessary to develop a set of regulations relating to the NAQ:
1. Statement of educational character of FSTC
2. Academic regulations for the NAQ
3. Aims and learning outcomes of the NAQ
4. Outline curriculum and structure
5. Disability/special needs
6. Admission to the NAQ
7. Applicants with criminal convictions
8. Entry requirements
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<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>The regulatory framework of the NAQ</td>
</tr>
<tr>
<td>10.</td>
<td>Rules for progression</td>
</tr>
<tr>
<td>11.</td>
<td>Course structure</td>
</tr>
<tr>
<td>12.</td>
<td>Assessment</td>
</tr>
<tr>
<td>13.</td>
<td>Students – acceptance of an offer of a place on the NAQ</td>
</tr>
<tr>
<td>14.</td>
<td>Procedures on examinations</td>
</tr>
<tr>
<td>15.</td>
<td>Methods of Assessment</td>
</tr>
<tr>
<td>16.</td>
<td>Notification to students</td>
</tr>
<tr>
<td>17.</td>
<td>Production of exam papers</td>
</tr>
<tr>
<td>18.</td>
<td>Role of invigilators</td>
</tr>
<tr>
<td>19.</td>
<td>Special examination arrangements</td>
</tr>
</tbody>
</table>
By August all was in place to produce the accreditation pack to present to ACCA. The pack consisted of

» Application Form for ACCA exemptions
» Charter setting up the FSTC as a training organisation (by the MOF)
» Structure of the programme
» Aims of the programme of study
Accreditation Pack

» Detailed Syllabus for each subject showing
  - Aims of the course
  - Teaching and learning methodologies
  - Skills level of each course
  - Learning outcomes and weightings
  - Course content

» Format of each exam

» Pilot papers demonstrating depth and rigour (including solutions and marking schedules)
Academic Regulations
Examination Manual
Other policy documents

The Pack was handed in to the ACCA offices in Glasgow.
ACCA had considered FSTC as if they were a professional body and not a training organisation.

This had to be rectified and a meeting was arranged in Glasgow with the Accreditations manager.

Following the publication of the TOR and an analysis of the EOI received - no institute met the criteria for partnering FSTC

A new plan had to be developed
The issue re FSTC was resolved – and they were to be dealt with as a training organisation and not a professional body (the professional body is the APAA)

ACCA now wish FSTC to be recognised by the MOE of Azerbaijan – this is not seen as a great problem and FSTC has had meetings with the MOE and are preparing to meet the MOE requirements for inclusion on their website -

TORs are being produced for:-

» Exam writers
» Technical reviewers
» Trainers to train local exam writers and markers

Other issues:-

» Auditing (internal and external)
» Education pathway
» Intellectual investment
The NAQ must be:

- IN DEMAND
- RELEVANT
- AFFORDABLE
- DELIVERABLE and ACHIEVEABLE
- CONVERTIBLE
Thank you