

HEAD OF THE SARAS

Order N 13

August 18, 2017

Tbilisi

On Approving the Continuous Education Standard

Pursuant to Article 11 (1) of the *Law of Georgia on Accounting, Reporting and Auditing I order:*

Article 1

Approve the enclosed Continuous Education Standard.

Article 2

The present Order, except for Article 5(6), Articles 7, 9, 11 and 12 of the standard approved under it, shall come into force upon its publication.

Article 3

Article 5(6), Articles 7, 9, 11 and 12 of the standard approved under the present order shall come into force upon publication and apply to legal relations emerged after January 1, 2017.

Yuri Dolidze

Head of the SARAS

Continuous Education Standard

Article 1. Scope of Regulation

The present standard, for maintaining certified accountant's qualification, shall define the continuous education program and legal grounds for its implementation and recognition.

Article 2. Legal Grounds of the Standard

The present standard is based on the Georgian Constitution, international agreements and treaties of Georgia, the Law of Georgia on Accounting, Reporting and Auditing (hereinafter the Law), and corresponds to EU directives and international education standards set by the IFAC.

Article 3. Definitions of Terms

1. For purposes of the present standard, the following terms shall have the following meanings:

- a) **Certified accountant** – a natural person who is certified by the Professional Organization of Accountants or/ and Auditors in accordance with professional certification standards set by the SARAS, subordinated agency of the Ministry of Finance of Georgia, or is recognized as certified accountant under the Law, and after certification proves his/her qualification in accordance with the continuous education standard;
 - b) Continuous education- the process of maintaining professional competence and development by a certified accountant after obtaining the status of certified accountant;
 - c) Continuous education program – set of training courses (syllabuses), which includes program goals, outcomes, training units (hours), characteristics of the training process.
2. The terms used herein for the standard purposes except for paragraph 1 of this Article shall be defined in accordance with the Law and the other legal acts regulating this area.

Article 4. Purpose of Continuous Education

The purpose of continuous education shall be:

- a) Maintaining and development of already acquired professional competence by a certified accountant, which is required for provision of respective professional services by a person and raising degree of public confidence in the profession;
- b) Acquiring and development of professional competence for fulfillment of a new role, which is expressed in perfection of technical competence, professional skills, professional values, ethics and attitudes at an appropriate level.

Article 5. Conducting Continuous Education Process

1. Continuous education process is ensured by professional organizations.
2. Professional organizations shall monitor continuous education of their member professional accountants and keep respective records.
3. Professional organization shall have its internal policy, systems and procedures, which ensure meeting requirements with respect to continuous education of its member certified accountant. The system provided for in this paragraph implies the set of processes/procedures, which ensure achieving the goals set under this standard.
4. Recognition of continuous education program and evaluation of its compliance against rules set by SARAS and law requirements shall be ensured by the SARAS.
5. Certified accountant shall be authorized to engage in a continuous education program of another professional organization, which is recognized by SARAS.
6. In the event provided for in Paragraph 5 of this Article, professional organization is entitled to consider respective training unit (hour) for its member certified accountant as fulfilled based on a certificate proving that the continuous education was undertaken.

Article 6. Continuous Education Requirement

1. Certified accountant shall meet continuous education requirement annually and after certification confirm his/her qualification.
2. Certified accountant, in order to meet the continuous education requirement, shall undertake continuous education of at least 120 hours (or its equivalent training units) during every 3 (three) uninterrupted years.
3. Counting the uninterrupted three-year period, referred to in paragraph 2 of this Article, starts from the calendar year, following the one when the status of a certified accountant is assigned.
4. Certified accountant shall undertake at least 30-hour verifiable continuous education (or its equivalent training unit) within 3 three uninterrupted years.
5. Professional organization, when necessary, is entitled to increase the number of training hours defined in Paragraph 2 of this Article, that are mandatory for continuous education of all or some of its members. Such need may arise out of monitoring results, diagnostic report or survey findings performed by a professional organization, or due to significant changes introduced to legislation, standards or audit industry.
6. 90 hours out of undertaken hours specified in Paragraph 2 of this Article shall be verifiable, while 30 hours non-verifiable, according to procedure set under the Article 7 of this Standard.
7. Professional organization shall ensure availability of information needed for continuous education of its member certified accountant, and training resources, if any.
8. Professional organizations shall be entitled to cooperate for meeting continuous education requirements, creating respective environment and its permanent improvement.

Article 7. Forms of Continuous Education

1. Forms of continuous education shall be:
 - a) Verifiable continuous education;
 - b) Non-verifiable continuous education.
2. Verifiable continuous education shall be:
 - a) Participation in continuous education programs organized by a professional organization;
 - b) On-job training (within the audit firm policy framework);
 - c) Research of profession-related issues, publishing professional, technical or academic – type article/paper or publishing a book;
 - d) Passing repeatedly professional certification exams;

- e) Obtaining master's or doctor's academic degree in business administration, accounting, management, finance or/and economics;
 - f) Participation in continuous education program (being a lecturer, instructor);
 - g) Participation in conferences on profession-related issues.
3. Non-verifiable continuous education shall be:
- a) Participation in briefings or reviews with respect to profession;
 - b) Getting acquainted with professional literature or journals, which will help a person in fulfilling a professional role;
 - c) Assisting the other certified accountant in professional development or vice versa.

Article 8. Evaluation of the Continuous Education

1. In order for a certified accountant to achieve continuous education goals, professional organization shall be guided by approach based on training outcome. In addition, professional organization shall be entitled to use attendance –based approach.
2. In case of training outcome based approach, professional organization, for evaluating continuous education goals, shall be guided by documents presented by a certified accountant, which reflect achieved and maintained competence.
3. In case of an attendance-based approach, professional organization, for assessing achievement of continuous education goals, shall use attendance records for that educational event the volume (training units) and content of which are predetermined.

Article 9. Confirmation of Training Outcome

1. When continuous education goals are achieved through a training-outcome based approach, documents (certified by a competent person) submitted by a certified accountant shall clearly reflect the achieved professional competence.
2. In the event provided for in Paragraph 1 of this Article, documents submitted by a certified accountant may be:
 - a) Evaluation of a published material (paper) by a reviewer;
 - b) Test result;
 - c) Publishing results of a professional article or research paper;
 - d) Obtaining master's or doctor's degree.
3. Evaluation of attendance-based approach is conducted on the basis of time spent on training.
4. In case of a training-based approach, the following is used for confirmation purposes:
 - a) Program content and training materials;
 - b) Records that prove attendance of a certified accountant at training event/course;
 - c) Information proving participation of an instructor, employer, lecturer in the training process.

Article 10. Submission of Information of Fulfillment of Continuous Education Requirements

1. Certified accountant shall submit the information on fulfillment of continuous education requirement to a professional organization on an annual basis, by January 31 of the next year. Electronic or/and material form for submitting information provided for in this paragraph shall be set by the professional organization.
2. In the event professional accountant fails to prove fulfillment of a continuous education requirement, the professional organization shall be entitled to request additional information/documents from him/her.
3. Certified accountant who undertakes continuous education in the course of training organized by a professional organization, within the scope of continuous education, shall be relieved of the obligation specified in the Paragraph 1 of this Article.

Article 11. Exemption of Continuous Education Requirements

1. Certified accountant shall be entitled to get exemption for a continuous education requirement:
 - a) For maximum 30 verifiable training units (hours) during two successive years of student's active status period, for obtaining master's/doctor's academic degree in business administration, accounting, management, finance or/and economics;
 - b) For maximum 30 verifiable training units (hours) annually, in the capacity of a lecturer/instructor in the course of continuous education training program delivered by a professional organization in a provided subject (topic);
 - c) For maximum 40 verifiable training units (hours), if he/she published technical, professional or academic type articles, research paper or published a book or conducted a professional research and those are assessed by a reviewer;
 - d) For maximum 30 equivalent training units (hours), if a person repeatedly passed professional certification exam;
 - e) For maximum 10 training units (hours) if a person proves participation in a conference on profession-related issues;
2. Passing exam provided for in paragraph 1(d) repeatedly shall be deemed as a continuous education for a certified accountant if the period between passed exams is at least 3 (three) years.
3. The certificate confirming the information provided for in Paragraph 1 of this Article shall be issued by a respective person.
4. Apart from paragraph 1 of this Article, certified accountant is entitled to apply to a professional organization with request to consider training events undertaken in the employer audit firm.

Article 12. Counting the Training Events Undertaken in the Audit Firm

1. For the purpose of proving fulfillment of continuous education requirement, a person is entitled to submit respective documents/information to professional organization on undertaken training in an employer audit firm (training unit (hour), name of training event, number and content).
2. Professional organization shall be entitled to consider undertaken on-job training (within the scope of audit firm's policy) (training, seminar, e-learning and etc.) for a certified accountant as fulfilled continuous education requirement.
3. Training policy and procedures represent an integral part of audit firm's internal control system and should be documented respectively.

Article 13. Postponement and Suspension of Continuous Education

1. Certified accountant, except for the other cases provided for in this Article or legislation, shall be registered in the registry of certified accountants of the professional organization.
2. If a certified accountant due to serious illness is unable to meet mandatory requirements of continuous education, he/she is entitled to apply to a professional organization with a request to postpone the hours required for undertaking continuous education in full for the next year and submit respective certificate/documents. In the event provided for in this paragraph, a person shall stay in the registry of professional organization and be subject to rules set by the professional organization.
3. If a professional organization, during the period defined under Article 10(1) of this standard, reveals that a certified accountant does not meet requirements of Article 6(6) of this standard and there is no ground defined for postponement of continuous education hours for the next year, professional organization shall ensure delisting of a certified accountant from the registry.
4. A person who is delisted from the registry of certified accountants on the basis of Paragraph 3 of this Article, shall be entitled to apply with a request for registration to any professional organization and submit to it documents proving undertaken maximum 120 hours (or its equivalent training unit) of respective continuous education for a suspended period (calendar year). In the event of meeting requirement of this paragraph, professional organization shall be entitled to list a certified accountant in the respective registry. A person after registration shall be subject to rules set by professional organization.

Article 14. Survey Required for Designing Programs

1. Professional organization conducts survey as needed to develop training programs required for continuous education of certified accountant.
2. Professional organization shall receive evaluation in an electronic or/and material form at the end of lecture course (including about syllabus and lecture) and consider survey findings in making future programs.

Article 15. Recognition of Continuous Education Program

1. Continuous education program submitted by a professional organization shall be recognized by SARAS based on its compliance with this standard.
2. For the purpose of recognizing the continuous education program, an application shall be submitted to the SARAS accompanied by a continuous education curriculum (program).
3. In the event of detecting gaps in continuous education program, in the course of its implementation or non-compliance with the other requirements, a professional organization shall ensure elimination of such gaps.
4. Professional organization shall submit an application to SARAS no later than September 1st of each year to recognize updated continuous education program.
5. For the purpose of ascertaining compliance of a program submitted by a professional organization with this standard and legislation, the SARAS shall invite experts of respective fields in the monitoring process.

Article 16. Continuous Education Program

1. Continuous education program shall cover novelties in the following sequence:
 - a) IESBA Code;
 - b) ISQC;
 - c) ISA and International Standards on Review, Other Assurance and Related Services approved by IAASB or its successor body;
 - d) Accounting and financial reporting standards;
 - e) Tax, business legislation and respective legal acts.
2. In addition to Paragraph 1, the program topics shall be complemented with outcomes of quality control system monitoring of auditors/engagement partners/audit firms, diagnostic report, survey findings and significant events occurred in the economy.
3. Training course syllabus shall include the following information:
 - a) Name and number of a training course;
 - b) Training course topics (in detail);
 - c) Format of program delivery;
 - d) Training outcomes;
 - e) Number of training units (hours)
 - f) Training literature and the other resources;
 - g) Training language;
 - h) Program author.
4. Full information about continuous education program, study materials and the other resources, if any, should be available for attendees prior to program commencement.

Article 17. Organizing the Training Process

1. Training process organized by a professional organization within the framework of a continuous education shall be delivered with review of lectures and practical cases. Duration of a lecture shall not be less than an hour.
2. Training program shall be developed and lectures delivered by highly qualified and reputable instructors/experts, who possess deep knowledge and sufficient practical experience in respective subject.
3. Lecturing process shall be interactive – lecturer/instructor/expert shall be clearly presenting the content of the program and trainees should be able to ask questions and receive responses.
4. Educational environment should be adequate and meeting modern requirements. Auditors shall be equipped with presentation equipment, as well as with the other required facilities.
5. There shall be records kept about lecture attendance and retained for the period of 6 years.
6. In order to monitor attendance and evaluate the training process the SARAS shall be entitled to attend lectures organized by professional organizations.

Article 18. Register

1. The SARAS shall keep the register of continuous education programs;
2. Upon registration in the registry the programs provided for in paragraph 1 of this Article are assigned an individual registration number.
3. The Registry shall include the following information on recognized programs:
 - a) Legal form, name, legal and actual address, web address, contact information and identification number of an organization, the programs of which are recognized;
 - b) Name of the program, date of recognition and validity period.

Article 19. Program Publicity

Professional organization, whose continuous education program is recognized by SARAS, shall publish its recognized program at its website.

Article 20. Transitional Provisions

1. Professional organization is entitled to count the undertaken number of training units (hours) after January 1, 2017 for a certified accountant in accordance with a standard.
2. Within 3 months following effective date of the standard, professional organizations shall ensure bringing continuous education program of 2017 into conformity with the SARAS requirements and recognition in accordance with SARAS procedures.
3. For recognition of continuous education programs of 2017 by professional organizations, detailed description of training topics and literature and the other resources in the syllabus provided for under Paragraph 3 ((b) and (g)), Article 16 of this Standard shall not be required.