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The European Union for Georgia



WORLD BANK GROUP

**EU - World Bank Georgia Financial Inclusion and Accountability
Technical Assistance Project**

A benchmarking analysis and review of accountancy education in

GEORGIA
**curricula, teaching,
assessment and governance**

Tbilisi, October 2020

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The review was conducted through a participatory process involving the World Bank Country Office in Georgia and in-country stakeholders, including the Service for Accounting, Reporting and Auditing Supervision (SARAS), the Georgian Federation of Professional Accountants and Auditors (GFPAA), Ivane Javakhishvili Tbilisi State University, Ilia State University, International Black-Sea University and other stakeholders. The World Bank team would particularly like to thank Yuri Dolidze, Head of SARAS, for the strong leadership of this initiative within Government.

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Main abbreviations and acronyms

ACCA	Association of Chartered Certified Accountants
BBA	Bachelor of Business Administration
BSc	Bachelor of Sciences
CFRR	World Bank Centre for Financial Reporting Reform
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance and Accountancy
CPD	Continuous Professional Development
EduCOP	Education Community of Practice
EU	European Union
GFPAA	Georgian Federation of Professional Accountants and Auditors
HEI	Higher Education Institutions
IAESB	International Accounting Education Standards Board
IBSU	International Black Sea University
IES	International Education Standards
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IPD	Initial Professional Development
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISU	Iliia State University
MBA	Master of Business Administration
MOF	Ministry of Finance
PAO	Professional Accountancy Organization
PIE	Public Interest Entity
SARAS	Service for Accounting, Reporting and Audit Supervision
STAREP	Strengthening Auditing and Reporting in the Countries of the Eastern Partnership
TSU	Ivane Javakhishvili Tbilisi State University

Executive Summary

1. This report benchmarks the curricula of three Georgian universities¹ with programs in accounting and audit against:

- a. International Education Standards (IES) for professional accountants; and
- b. the curricula of two internationally recognized accounting education providers (ACCA and CIPFA).

2. The recommendations arising from the benchmarking analysis for suggested improvements to the curriculum also incorporate corresponding recommendations on teaching, assessment and governance practices that are designed to support effective implementation of the recommendations.

Findings and Recommendations

3. The key findings identify and commend the developments in the curricula over recent years but suggest that closer alignment of university curricula to the skills required of modern professionals would represent a significant further enhancement. Major advances have been made in recent years in university teaching practices to incorporate a learning objectives approach. Further teaching improvements, aligned to the requirements of an enhanced curriculum, will reinforce this trend. The variations reported in assessment practices across universities indicate a need to upgrade assessment approaches to those required by IESs and to ensure a competency-based curriculum is accurately tested.

4. A further finding was the need for model procedures and guidance to cover all aspects of accounting education programs (curriculum, teaching and assessment). The SARAS certification requirements and views expressed by stakeholders both call for a model curriculum, standards for teaching practices and assessment procedures which will help to standardize practices in higher education institutions, including those that seek exemptions from professional examinations.

5. The benchmarking analysis uses a profiling tool to assess curriculum coverage. The benchmarking standard is based on accounting education good practice. The tool specifies the percentage coverage of the degree programs at each of the participating universities against the benchmarking standard over a number of key topic areas.

6. Overall, the benchmarking analysis identified good coverage in the curricula of the following subjects:

- bookkeeping
- recording of transactions and events
- audit and assurance
- audit testing
- financial reporting
- management accounting

¹ Ivane Javakishvili Tbilisi State University, Ilia State University and International Black-Sea University

7. However, the analysis found partial and uneven coverage in the curricula of:

- management and ethics
- financial management principles
- analysis and interpretation of financial statements
- management techniques
- public sector financial reporting

8. This report draws on the findings of key Georgian stakeholders from the World Bank's regional Education Community of Practice (EduCOP), updated through further recent stakeholder consultations. These findings:

- highlighted key areas for further curriculum development;
- supported improving continuing professional development for university teachers and improved textbooks;
- suggested the creation of model examination (assessment) procedures which meet professional standards;
- proposed a fully coordinated approach by all stakeholders to ensure that the suggested reforms are sustainably implemented.

9. Based on the result of this benchmarking and the updated EduCOP stakeholder findings, the following actions are recommended for universities, supported by regulators and PAOs, to further evolve to match international good practice, and to reach a sustainable high level of accounting education in Georgia:

- (i) Enhance the competency-based curriculum approach already generally applied to undergraduate/graduate programs by more closely aligning curricula with IES, internationally recognized benchmarks, and the evolving needs of the market and employers.
- (ii) Support improvement of competency-based university teaching and learning methods to respond to the evolving skills and competencies required of modern professionals by employers.
- (iii) Develop assessments that explicitly test the skills and competencies detailed in the competency-based curriculum by incorporating quality standards, such as those outlined in International Education Standard 6.
- (iv) Establish a Working Group (WG) of key stakeholders supported by new administrative and governance arrangements. The WG would coordinate the development and maintenance of a broadly accepted set of minimum educational standards (model curricula, teaching methods, assessment procedures) to implement the proposed reforms to accounting education in Georgia. Implementation of the standards should be supported by effective quality control.

Context to the report

10. This report is made in the context of reforms resulting from the Association Agreement with the EU signed by Georgia in 2014. Accounting education is one of the areas for reform and requires close cooperation between the Ministry of Education Science, Culture and Sports, universities, regulators, professional organizations, and other stakeholders.

11. The 2015 World Bank Report on the Observance of Standards and Codes (ROSC)² on Accounting and Audit in Georgia suggested narrowing the gap between accounting education and the needs of the accounting profession, as well as continuing other reforms to accounting, financial reporting and audit in Georgia. Improvements in accounting education can be achieved through benchmarking leading providers of accounting and audit education in Georgia against international standards, and assisting the implementation of actions to close the gaps identified.

12. This benchmarking report was developed under the Georgia Financial Inclusion and Accountability Technical Assistance Project, implemented by the World Bank in partnership with the European Union. Component 4 of this Project includes enhancement of accounting education in Georgia. Georgian counterparts benefiting from the work on improving the accounting education include: the University of Georgia School of Business, Management, and Administration; the Free University (ESM); the International Black Sea University; Ivane Javakhishvili Tbilisi State University; Caucasus School of Business; the Georgian Federation of Professional Accountants and Auditors (GFPAA), Georgian Federation of Accountants, Auditors and Financial Managers (GFAAFM), Georgian Society of Accountants, Auditors and Consultants, Georgian Association of Independent Accountants and Auditors, and Service for Accounting, Reporting, and Audit Supervision (SARAS).

² Georgia Accounting and Audit ROSC (2015) is available here:

<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/254551468189259272/georgia-report-on-the-observance-of-standards-and-codes-accounting-and-a-a-ros-c>

I. Introduction

1. Developing economies expend significant efforts to improve the business climate, increase and simplify access to finance, strengthen the financial sector and promote economic growth. This leads to creating jobs, generating income, producing social benefits and attracting investments. There is a widespread recognition that, for governments to be effective and accountable, markets need to function efficiently; for economies to grow, reliable and credible financial information is vital; and, a sound accounting education system is the foundation for the development of competent professional accountants necessary for the production of high quality financial information.

2. Advanced accounting education programs help develop technical competencies, professional skills, professional values, and ethical and professional attitudes through a holistic framework comprising university or college based accounting programs, Initial Professional Development (IPD) as part of a professional qualification and certification, and post-qualification Continuous Professional Development (CPD) to maintain standards. Such education programs are typically developed in line with IES and internationally recognized good practices.

3. Coordination between the various educational providers, as well as employers, is critical to ensure a holistic and well harmonized educational framework that responds to the country's development needs, and to meet the demands of the main stakeholders and the wider public interest. Each element of an educational pathway should build on previous components. Certification programs typically offer exemptions for learning objectives met through other pathway components such as university level education. Similarly, a monitoring and evaluation system is an essential element of a holistic accounting educational framework to ensure consistency, maintenance, and the development of standards. The framework should be updated and revised as needed with, for professional purposes, detailed reviews typically undertaken every 3 to 5 years.

4. This diagnostic report was carried out within the joint EU-World Bank Georgia Financial Inclusion and Accountability Technical Assistance Project. The assessment included a benchmarking analysis that compares the accounting curricula of three selected nationally recognized universities to International Education Standards in addition to established curricula of two internationally recognized accounting bodies: the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Public Finance and Accountancy (CIPFA). The diagnostic was supplemented with: i) a review of the national legislative requirements for professional accounting education and in further meetings with SARAS and PAOs; and ii) reviews of, and discussions concerning teaching, assessment and governance arrangements in the three universities that participated in the study.

5. The overall purpose of the assessment was to: (i) identify strengths and weaknesses of the existing university-level accounting curricula as well as and teaching, assessment and governance arrangements in Georgia within the context of the broader accounting education framework; and (ii) to determine the readiness of graduates to enter the workforce. The objective was to identify and assess measures needed to strengthen the educational framework through a focus on university accounting education provision and thereby strengthen the capacity of accountancy professionals to complete financial reporting in accordance with international standards and best practice.

II. Methodology

6. The diagnostic assessment of curricula was conducted using the “Undergraduate Accounting Program Profiling Tool” (‘profiling tool’) developed by the World Bank Center for Financial Reporting Reform (CFRR) of the World Bank’s Governance Global Practice. The profiling tool is a model that compares university accounting curricula against selected international benchmarks. The selected international benchmarks are the International Education Standards (IESs) and the curricula of the ACCA and CIPFA professional qualifications. IES 2 *Initial Professional Development – Technical Competence* was the main benchmark as it contains competency requirements for a range of subject areas identified as relevant to accountancy education. A wider benchmarking against IES 3 *Initial Professional Development – Professional Skills* and IES 4 *Initial Professional Development – Professional Values, Ethics and Attitudes* was conducted to enable consideration of professional skills and values as practical features of accounting education programs and suggested reforms. The ACCA program was selected as it is a globally recognized qualification that is applied in many countries and has existing links to academic accountancy programs. The CIPFA program was used as the principal benchmark for public sector accounting education and given its international recognition. A brief outline of the International Education Standards is added as Annex 3 to this report.

7. Benchmarking is a diagnostic tool which demonstrates, in this case, to what extent the learning objectives of a university curriculum compare to a predetermined set of learning objectives derived from the benchmarks in the profiling tool.

8. Three Georgian universities were selected to participate in the assessment:

- Ivane Javakishvili Tbilisi State University (<https://www.tsu.ge/>),
- Ilia State university (<https://iliauni.edu.ge/ge/>), and
- International Black Sea University (<http://www.ibsu.edu.ge/ge/>).

9. The benchmarking analysis considered the curriculum content of the Bachelor of Science (BSc) accounting programs of all three universities, their learning objectives, and their proficiency levels, to identify the degree of compliance with the benchmarks. Masters program curricula of two out of the three universities were additionally considered and included in the analysis.

10. The assessment process took place over three stages: 1) preliminary analysis of the universities’ materials and an initial mapping of the curricula using the profiling tool; 2) meetings with university staff to present the profiling tool and initial mapping of their respective curricula followed by discussions and joint work on the benchmarking; and 3) self-diagnostic by universities using additional university materials aimed at finalizing the benchmarking process leading to a presentation of the results. The diagnostic analysis covered all modules in the degree programs, including electives.

11. In the course of the meetings with university staff, information on the teaching, assessment and governance of management of the accountancy framework for accountancy programs at each university were discussed in some detail. As a result, findings and recommendations relating to each of these three areas are presented, in addition to those related to curricula.

III. Country and Institutional Context of Accounting Education in Georgia

12. Since 2004, the Government of Georgia has introduced sweeping reforms to the education system in an effort to modernize. Education is mostly publicly provided with over half a million students enrolled in the system. Education in Georgia is mandatory for all children aged 6–14. The school system is divided into primary (6 years; age level 6–12), basic (3 years; age level 12–15), and secondary (3 years; age level 15–18), or alternatively vocational studies (2 years). Students with a secondary school diploma have access to higher education.

13. Georgia has a three-tier higher education system including bachelor, master and doctoral levels. Higher education in Georgia is regulated by the framework of two main laws: the Law on "Higher Education" and the Law on "Education Quality Enhancement"; as well as other legislative and regulatory acts. Currently, there are 71 higher education institutions operating in Georgia, including 34 public and 37 private institutions.

14. Despite the focus that the government of Georgia has placed on education, budget spending on education remains low compared to countries with similar per-capita incomes and relative to both the shortage of human capital and the country's ambitions. Additionally, even though teacher salaries are one of the lowest among public employees in Georgia, teacher and administrator salaries account for more than 70 percent of the education sector budget, leaving little space for expenditures directed at curriculum improvements, training, grants for research and development, scholarships for disadvantaged students and capital investments to enhance school facilities.³

15. Georgians enjoy relatively wide access to education, but there remain only loose links between education and employment. Enrollment figures suggest that whilst secondary and tertiary enrollment could improve, access to education is high. About 35 percent of the population aged 25–64 years old have completed tertiary education, which compares well with high-income European countries. Gender parity has generally been achieved at all levels of education enrollment. At the same time, as many as 40 percent of Georgia's unemployed have a higher education degree. According to the 2017-18 Global Competitiveness Report, an "inadequately educated workforce" is the single most problematic factor for doing business in Georgia. Like most former socialist countries, Georgia's population is highly literate. Thus, the main issue for employers is not a lack of candidates with diplomas and formal certificates, but a lack of professional skills: the problem is not about access to education per se, but access to relevant education and training.

16. There are 43 higher education institutions in Georgia that deliver accounting programs at Bachelor level: 10 universities and 33 colleges. Records of students undertaking accounting-related programs are not complete and hence it is difficult to establish how many students are graduating at Level 6 in accounting programs.⁴ It is estimated that approximately 800 students graduate each year in accounting related disciplines. Colleges educate up to Level 5 and successful students are awarded a diploma. Students with such diplomas are not included in the annual estimated number

³ World Bank (2014): *Georgia Public Expenditure Review: Strategic Issues and Reform Agenda (Volume 1)*: <http://documents.worldbank.org/curated/en/779561468275119198/pdf/781430GE0v10RE0Box0385291B00PUBLIC0.pdf>.

⁴ Georgia's National Qualification Framework (<https://eae.ge/eng/static/125/education-system/national-qualifications-framework>) is based on the European Qualifications Framework (EQF) 2018. The level descriptors are based on a hierarchy of two components: knowledge and skills: (<https://ec.europa.eu/ploteus/en/content/descriptors-page>).

of graduates. Moreover, students with such diplomas are not entitled to professional exemptions under SARAS regulations.

17. Accounting curricula are approved by each university individually. The Ministry of Education does not explicitly set the requirements for an accounting curriculum at a university level. Similarly, there is no accounting education standard approved at a national level. Whilst there is no common national curriculum for accounting education at the university level, some universities use ACCA papers as the basis for developing their curricula on key accounting disciplines.

18. Several leading universities have their accounting education programs accredited by the local professional organizations, including GFPAA. However, none of the leading universities have been accredited by international professional organizations, thus linkages with the profession and opportunities to update the curricula and teaching materials based on recent global developments in the profession and local business needs are limited.

19. Accountancy education may be continued at a professional level via qualification with one of the professional accountancy organizations in Georgia. Currently there are two PAOs whose certification programs are recognized by SARAS: the Georgian Federation of Professional Accountants and Auditors (<http://gfpaa.ge/site/index.php>) and the Georgian Federation of Auditors, Accountants and Financial Managers (<http://gfaafm.ge/>). According to the registries of accountants and auditors published on the website of SARAS, as of August 1, 2020, there are 467 auditors and 804 certified accountants currently operating in Georgia.⁵

20. There is a strong demand for qualified accountants in Georgia. The country's economy grew from USD 10.77 bn (2010) to USD 17.74 bn (2019). According to the Business Register, at the end of 2019, there were 183 thousand active business entities in Georgia, with 47-50 thousand new business entities registering annually. The total number of registered business entities was 765,000 at the end of 2019.⁶

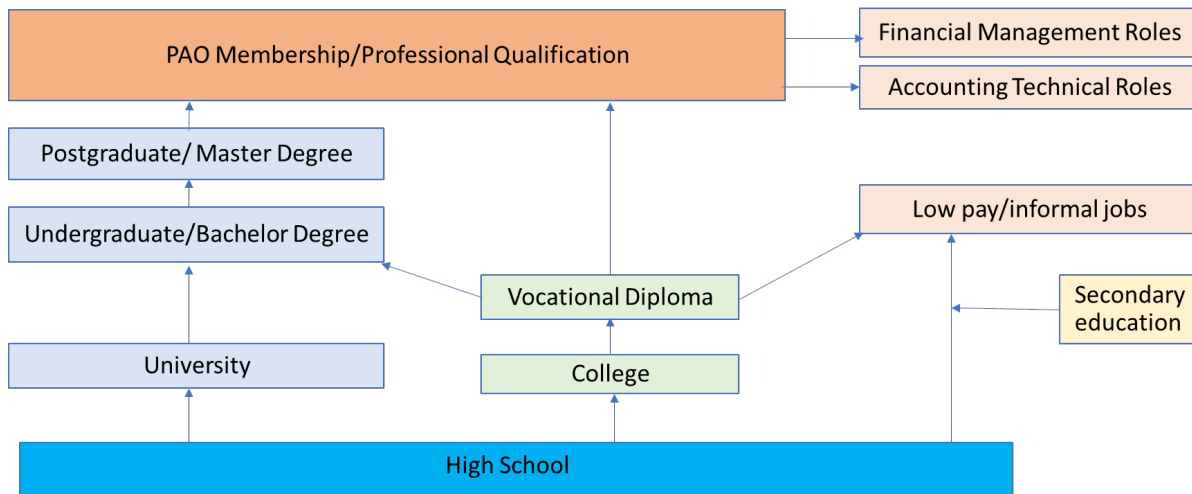
21. As this report was being finalized, the world is enduring the impact of the COVID-19 pandemic. It is clear that the outbreak has put entire business sectors, including the accounting profession, under extraordinary stress. The private sector is experiencing reductions in demand in services and goods, a drop in revenues, and other pressures that lead to cuts in the work force. The precise effect of COVID-19 on the accounting profession is as yet difficult to estimate, though it is unlikely that the demand for accounting professionals would drop significantly while the private sector adjusts to the "new normal" and the public sector continuously requires strong accounting specialists.

⁵ <https://saras.gov.ge/en/CertifiedAccountant>

⁶ <https://www.geostat.ge/en/modules/categories/64/business-register>

22. The route into PAO membership is dealt with in the SARAS Procedure for Recognition of the Professional Certification Program. The following diagram illustrates possible paths.

Graph 1: Accounting Education in Georgia



Summary of information on participating universities

23. **Tbilisi State University (TSU)** offers both Bachelor's and Master's programs for aspiring accountants. The university has an online platform www.lms.tsu.ge, supporting communications between students and professors. The platform has an online registry (journal), in which student attendance is recorded, along with corresponding assessment of student activity during the relevant semester, and results of intermediate and final exams. Using this platform, teaching materials may be communicated either to a group of students or individually. In addition, the database available on the online platform, includes student study cards, containing information on the students' academic performance. The accounting and audit Department of the University has a teaching laboratory, which is equipped with 40 computers, enabling the teaching and testing of students using specialized accounting and audit software.

24. **Ilia State University (ISU)** offers BBA and MBA programs in which there is significant accounting content. The university uses an online program called "argus" (www.argus.ge), which is used for communications between professors and students, providing additional resources and communicating exam results. The University has an accounting lab, which is equipped with computers and is used for teaching accounting and audit software products.

25. **The International Black-Sea University (IBSU)** has a Bachelor program for accountants. The university uses two online platforms: 1) SMART- a platform, based on the Moodle system, which supports communications between lecturers and students by way of uploading study materials, creating forums, discussions, conducting different exams, quizzes etc.; and 2) SIS (Student information System) - a university online database in which students' evaluation and overall academic performance is recorded and presented. The university also has multifunctional labs, where students may use computers and virtually attend different lectures, including in accounting. The Program delivers an accounting information system course named ORIS, which is a Georgian accounting software used by most small and medium-sized companies in Georgia.

Currently the university is introducing a new discipline to teach an accounting-logistic program, Balance, which is used by the large Georgian companies.

27. The following table shows information on the student numbers, resource availability, and professional recognition.

Table 1: Student numbers and summary resource profiles

	Tbilisi State University		Ilia State University		International Black Sea State University	
	Bachelor Program	Master`s Program	Bachelor Program	Master`s Program	Bachelor Program	Master`s Program
Number of students, graduating in 2017-2019, yearly average (000s)	50	65	209	33	20	n/a
<i>Availability of online platforms for information exchange</i>	Yes		Yes		Yes	
<i>Availability of the accounting "lab"</i>	Yes		Yes		Yes	
<i>Availability of international professional accreditation</i>	No		No		No	

IV. Analysis, Key Findings and Challenges

Progress and the foundations of this study

26. The findings presented below show the significant progress that the selected universities have achieved in strengthening the accounting curricula and quality of accounting education. In particular, there is a willingness and enthusiasm to engage with reform to support the development of accounting education in Georgia. The introduction by universities in Georgia of learning objective (competency-based) curricula has been an important step that places universities in a situation where further progress can take place. In this respect, any proposed reforms in this report are building on a foundation that already recognizes the importance of modern approaches to accounting education and the importance of linkages to the profession.

27. In addition to the work undertaken by universities, significant developments have already been put in place by SARAS, the PAOs and other key individuals and organizations.

28. This report also uses the findings from a regional program organized by the World Bank's Center for Financial Reporting Reform. Part of this program, the STAREP Education Community of Practice (EduCOP), brought together education stakeholders from across the region to discuss reform. Georgian members of the EduCOP developed jointly their findings and views on necessary reforms to accounting education. These findings were reconfirmed through meetings with regulators, professional bodies and universities in the course of preparing this report. They form a key part of the findings and recommendations arising from this report.

Benchmarking analysis and findings

29. Of the three Georgian universities which participated in the benchmarking process, TSU and ISU are state universities and IBSU is a private university. Both TSU and ISU provide programs with accounting and audit as majors for Bachelor and Master's levels, while IBSU provides a program at the Bachelor level only. Most of the key accounting disciplines are included in the Bachelor program of IBSU whilst they are spread over both the Bachelor and Master program for TSU and ISU. For this reason, the analysis incorporated both the Bachelor and Master programs at TSU and ISU.

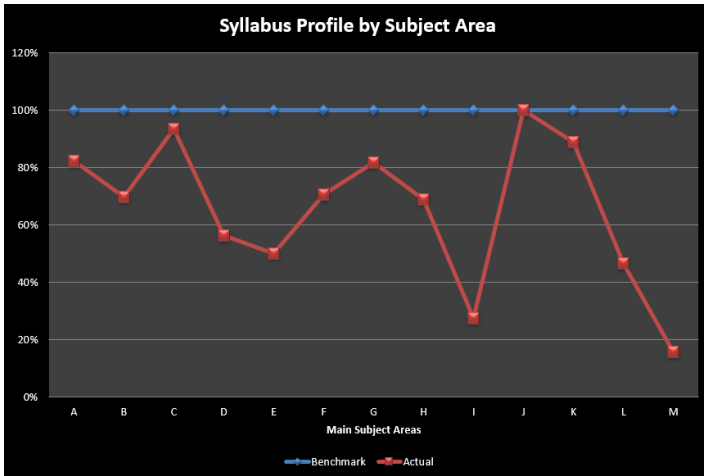
30. The benchmarking analysis covered all syllabus disciplines, including electives, and applied the same weighting to all of them depending on the coverage of topics indicated in the profiling tool. However, some disciplines such as ethics are core given the public's needs and expectations of the profession. These should arguably be made compulsory topics. This is not reflected in the profiling but will be reflected in reviews of the curricula that may follow from the recommendations.

31. The following charts and tables report the profiling results for Bachelor degrees when benchmarked, first against the full Syllabus Profile covering IESs, ACCA and CIPFA (figure 1 table 2), then against ACCA (Figure 2 and Table 3), and lastly against CIPFA (Figure 3 and Table 4). Figure 4 and Table 5 show the results of benchmarking for Masters degrees again against the full Syllabus Profiles; Figure 5 and Table 6 show the benchmarking results against ACCA, and Figure 6 and Table 7 show the same for CIPFA.

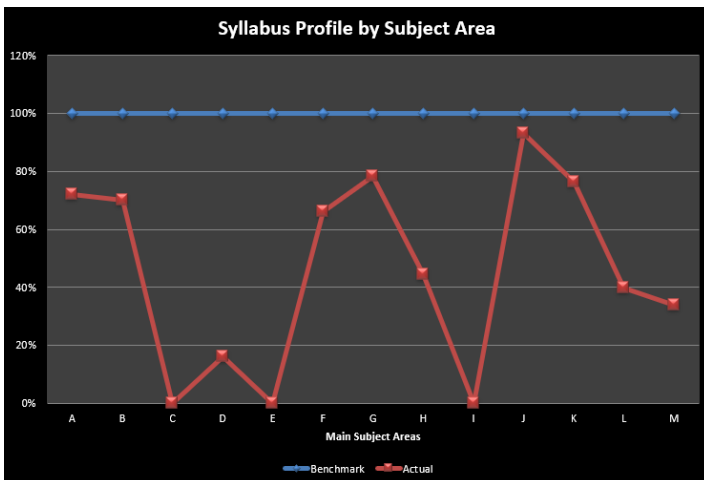
32. The highlighted areas in the tables indicate relatively low percentages of compliance with the curriculum benchmark.

Figure 1. Full Syllabus Profile as per profiling tool (based on IESs, ACCA and CIPFA benchmarks) at the Bachelors level.

TBILISI STATE UNIVERSITY



ILIA STATE UNIVERSITY



INTERNATIONAL BLACK SEA UNIVERSITY

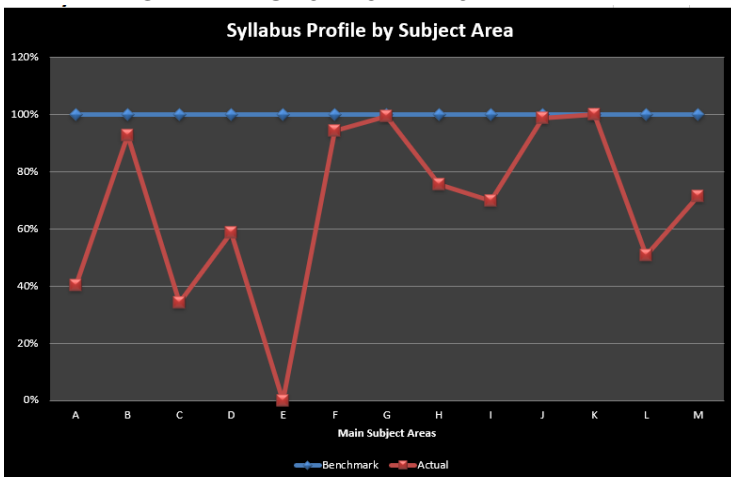
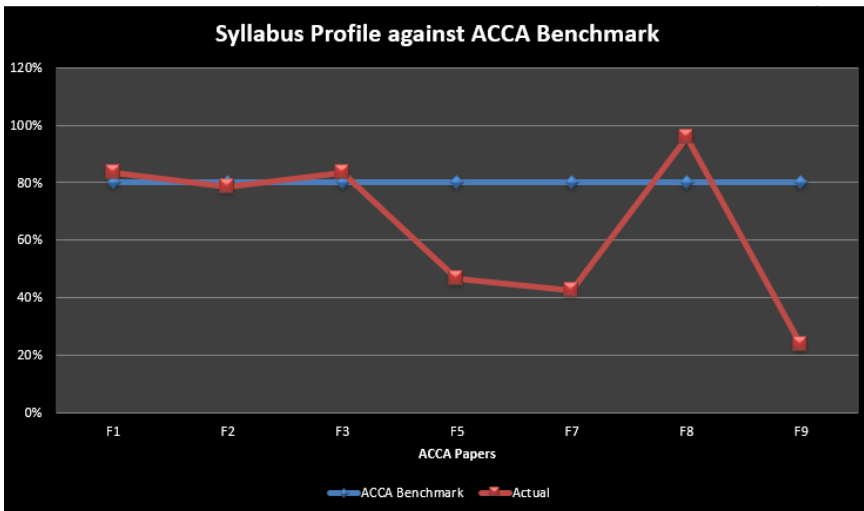


Table 1. Full Syllabus Profile as per profiling tool (based on IESs, ACCA and CIPFA benchmarks) at Bachelor`s level.

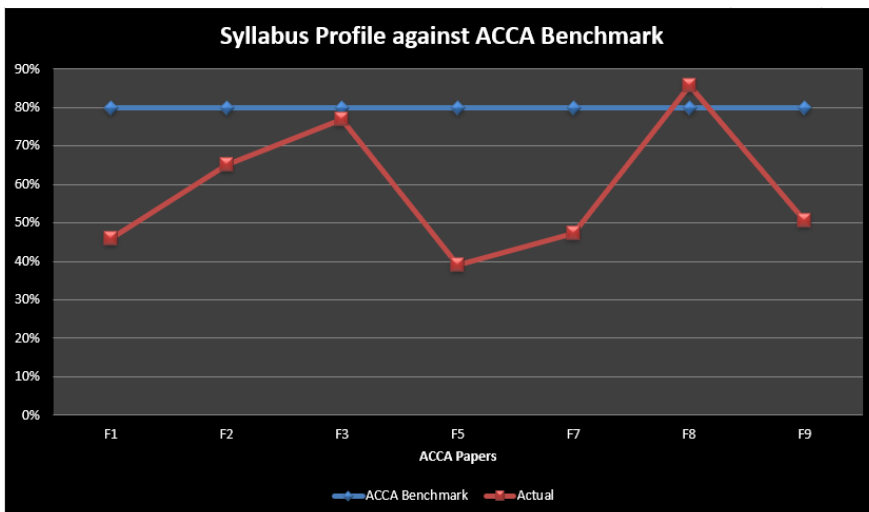
#	Area	# of topics	TSU	ISU	IBSU		Reference
A	Management and Accounting	159	82%	72%	40%	100%	
B	Management Accounting Techniques	135	70%	70%	93%	100%	
C	Management and Ethics	84	93%	0%	34%	100%	
D	Performance Management and Decision Making	76	56%	16%	59%	100%	
E	Management Techniques	11	50%	0%	0%	100%	
F	Financial Accounting Concepts	71	70%	66%	94%	100%	
G	Recording Transactions and Events	147	82%	78%	99%	100%	
H	Preparation of Financial Statements	86	69%	45%	76%	100%	
I	Analysis and Interpretation of Financial Statements	27	28%	0%	70%	100%	
J	Audit and Assurance Engagements	87	100%	93%	99%	100%	
K	Audit Testing and Reporting	88	89%	76%	100%	100%	
L	Principles of Financial Management	31	47%	40%	51%	100%	
M	Financial Management Techniques	99	16%	34%	71%	100%	
	TOTAL	1,101	66%	51%	70%	100%	

Figure 2. ACCA Profile at Bachelor level

TBILISI STATE UNIVERSITY



ILIA STATE UNIVERSITY



INTERNATIONAL BLACK SEA UNIVERSITY

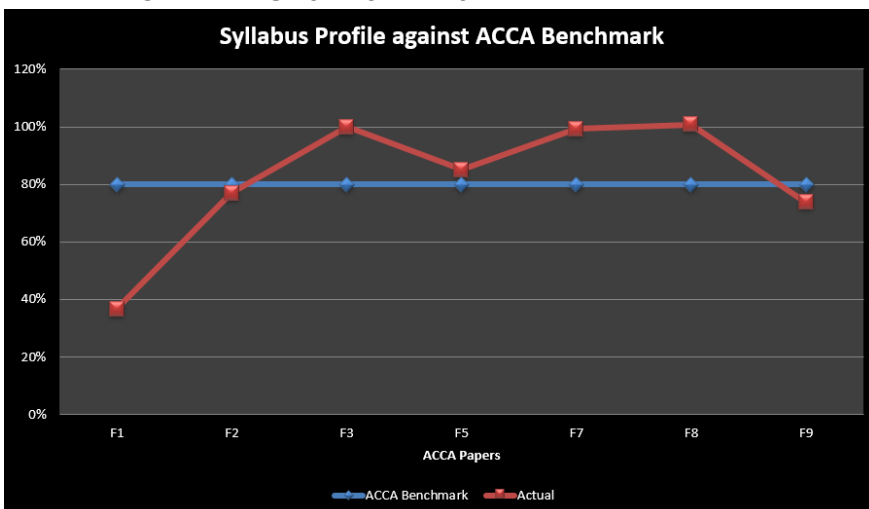
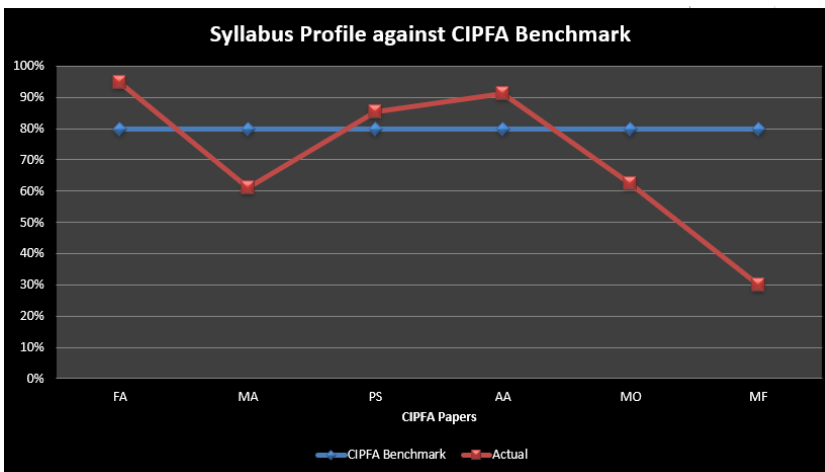


Table 2. ACCA Profile at Bachelor level

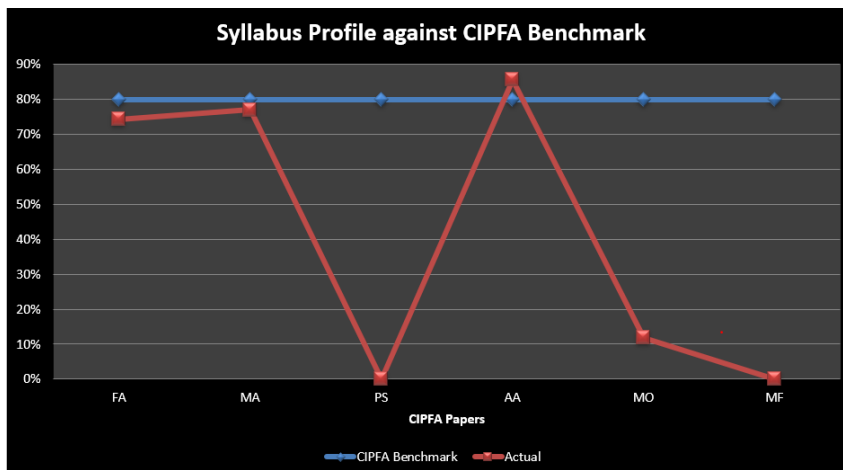
#	Area	# of topics	TSU	ISU	IBSU	Reference
F1	Accountant in Business	207	84%	46%	37%	80%
F2	Management Accounting	144	79%	65%	77%	80%
F3	Financial Accounting	191	84%	77%	100%	80%
F5	Performance Management	76	47%	39%	85%	80%
F7	Financial Reporting	127	43%	47%	99%	80%
F8	Audit and Assurance	139	96%	86%	100%	80%
F9	Financial Management	116	24%	51%	74%	80%
	TOTAL	1,000	67%	59%	78%	

Figure 3. CIPFA Profile at Bachelor level

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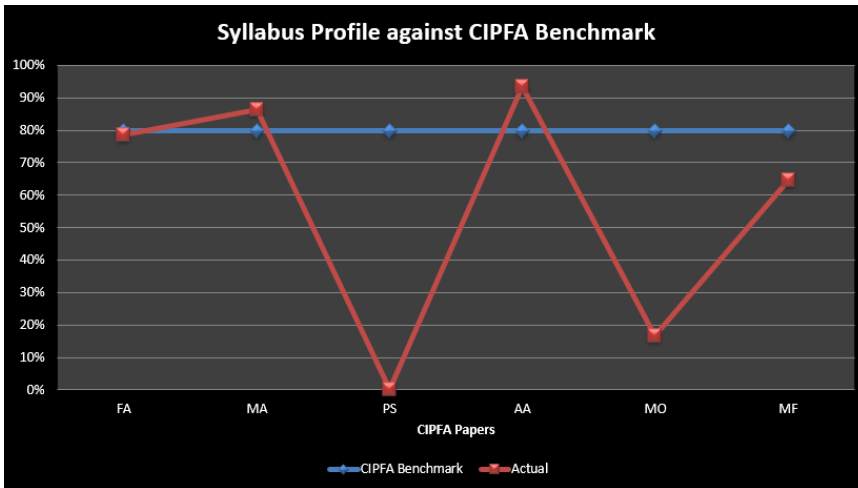


Table 3. CIPFA Profile at Bachelor level

#	Area	# of topics	TSU	ISU	IBSU	Reference
FA	Financial Accounting	206	95%	74%	79%	80%
MA	Management Accounting	117	61%	77%	86%	80%
PS	Public Sector Financial Reporting	-	85%	0%	0%	80%
AA	Audit and Assurance	163	91%	86%	93%	80%
MO	Managing Organizations	59	62%	12%	17%	80%
MF	Managing Finance	84	30%	8%	64%	80%
	TOTAL	629	70%	57%	67%	80%

Figure 4. Full Syllabus Profile as per profiling tool (based on IESs, ACCA and CIPFA benchmarks) at the Master`s level.

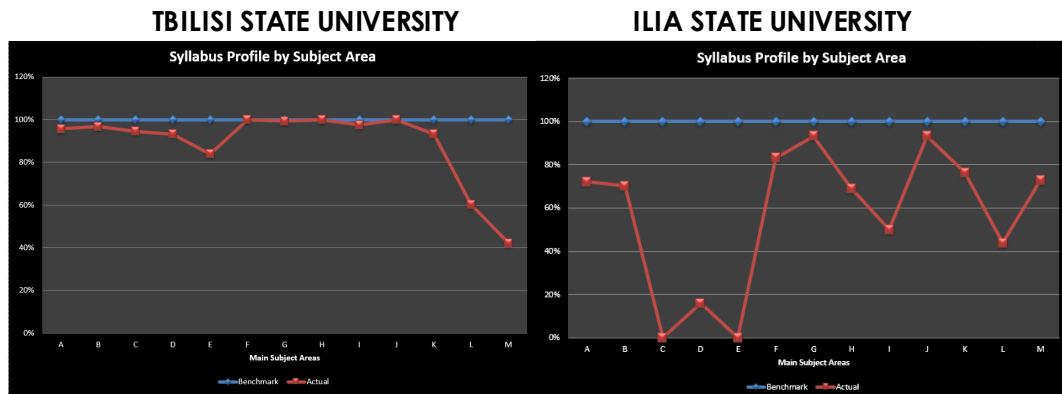


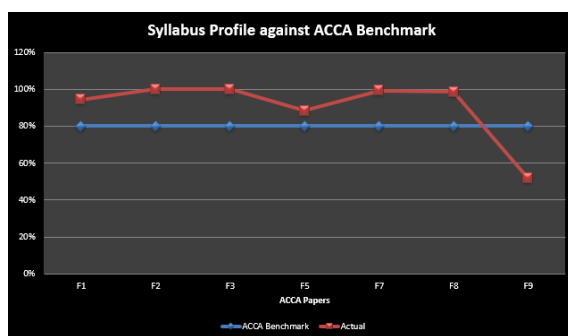
Table 5. Full Syllabus Profile as per profiling tool (based on IESs, ACCA and CIPFA benchmarks) at Master`s level

#	Area	# of topics	TSU	ISU	Reference
A	Management and Accounting	159	96%	72%	100%
B	Management Accounting Techniques	135	97%	70%	100%
C	Management and Ethics	84	95%	0%	100%
D	Performance Management and Decision Making	76	93%	16%	100%
E	Management Techniques	11	84%	0%	100%
F	Financial Accounting Concepts	71	100%	83%	100%
G	Recording Transactions and Events	147	99%	93%	100%
H	Preparation of Financial Statements	86	100%	69%	100%
I	Analysis and Interpretation of Financial Statements	27	98%	50%	100%
J	Audit and Assurance Engagements	87	100%	93%	100%
K	Audit Testing and Reporting	88	93%	76%	100%
L	Principles of Financial Management	31	60%	44%	100%
M	Financial Management Techniques	99	42%	73%	100%
	TOTAL	1,101	87%	62%	100%

33.

Figure 5. ACCA Profile at Master`s level

TBILISI STATE UNIVERSITY



ILIA STATE UNIVERSITY

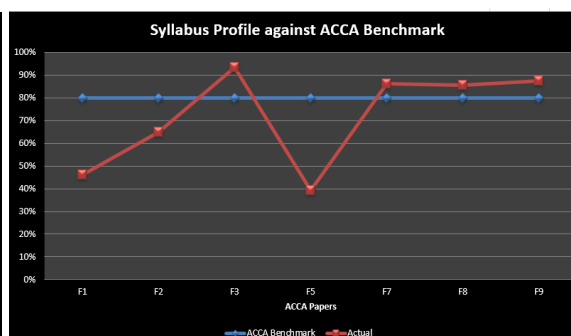


Table 6. ACCA Profile at Masters level

#	Area	# of topics	TSU	ISU	Reference
F1	Accountant in Business	207	95%	46%	80%
F2	Management Accounting	144	100%	65%	80%
F3	Financial Accounting	191	100%	93%	80%
F5	Performance Management	76	88%	39%	80%
F7	Financial Reporting	127	99%	86%	80%
F8	Audit and Assurance	139	99%	86%	80%
F9	Financial Management	116	52%	87%	80%
	TOTAL	1,000	90%	72%	

Figure 6. CIPFA Profile at Master`s level

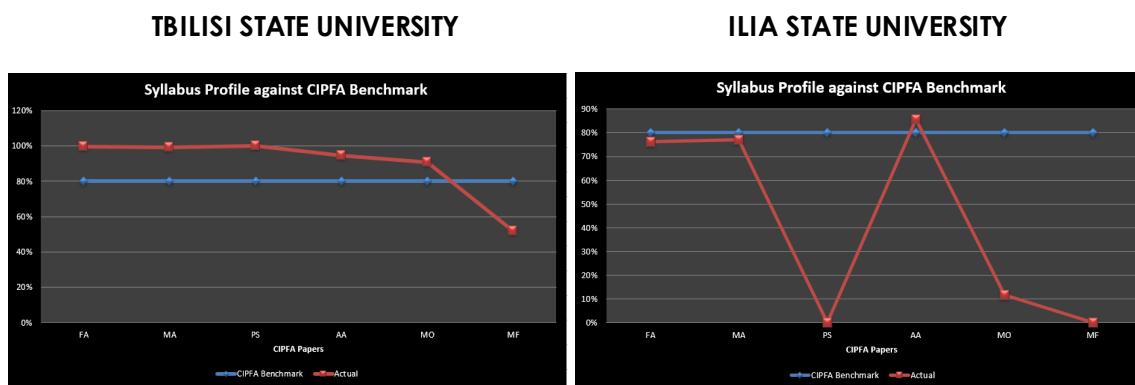


Table 7. CIPFA Profile at Master`s level

#	Area	# of topics	TSU	ISU	Reference
FA	Financial Accounting	206	100%	76%	80%
MA	Management Accounting	117	99%	77%	80%
PS	Public Sector Financial Reporting	-	100%	0%	80%
AA	Audit and Assurance	163	95%	86%	80%
MO	Managing Organizations	59	91%	12%	80%
MF	Managing Finance	84	52%	8%	80%
	TOTAL	629	87%	57%	80%

35. Overall, the curriculum benchmarking of the three universities demonstrated between 51% and 72% compliance with the benchmarks at Bachelor level, and between 62% and 87% at Master's level.

36. For both Bachelor and Masters programs, there is a degree of variability of coverage, although, as might be expected, compliance is higher for Masters programs that build on and extend the subject content of the Bachelor programs.

37. The degree of variability also indicates a lack of a common view on the curriculum with some key areas not represented at all, or with very little representation. SARAS⁷ have now indicated an outline curriculum for professional certification, consistent with IESs that should be fulfilled if professional certification is to take place. Additionally, the WG has called for a common curriculum for accounting education.

38. Specifically, all three universities demonstrated a high level of compliance in:

- bookkeeping
- recording of transactions and events
- audit and assurance
- audit testing and reporting
- management accounting.

39. The following subject areas were identified as least covered:

- management and ethics (IBSU and ISU)
- financial management principles and techniques (TSU and ISU)
- analysis and interpretation of financial statements (ISU and TSU)
- management techniques (IBSU and ISU)
- public sector financial reporting (0% - for IBSU and ISU)

40. International Public Sector Accounting Standards (IPSAS) and accrual accounting as applied in the public sector are not covered in the IBSU and ISU accounting curricula.

41. Where international recognition is an aspiration, the inclusion of public sector accounting in the curriculum will help to benchmark to international standards and help in achieving such recognition.

42. As detailed above, a group of stakeholders in Georgian education convened during the World Bank Regional Education Community of Practice (EduCOP) meetings. They developed findings and actions to support continuing progress and development in accounting education in Georgia. These findings were updated in the course of preparing this report through meetings with a range of stakeholders. They underpin the conclusions and recommendations of this report.

⁷ Procedure for Recognition of the Professional Certification Program

43. Both teaching and assessment practices were identified by the EduCOP group as areas where development is needed. Specifically, the introduction of high-quality textbooks would support teaching practices and student learning and the introduction of model examination procedures would help HEIs to implement a reformed curriculum based on learning objectives where the demonstration of competencies by students is central to the teaching and learning approach.

44. It was recognized by the EduCOP group that a coordinated effort to reform would enable universities and PAOs to achieve progress in positioning universities to obtain professional exemptions, create opportunities for twinning arrangements with leading universities in other countries, and to meet more closely the expectations of the professional community. Quality standards in curriculum and assessment, such as those set by IESs, are called for by the EduCOP group, in addition to a set of translated textbooks that reflect new curriculum requirements. Coordination of this type would require new governance or administrative arrangements to ensure consistency where a common approach is needed and to avoid the duplication of effort.

Next steps and challenges

45. This benchmarking study and the key input of the EduCOP group suggest the following four areas of reform that provide a focus for the recommendations and the corresponding activities in the Action Plan:

- Curriculum development to build on the work already achieved to modernize accounting education.
- Enhanced teaching practices to support student learning.
- Improved assessment approaches to demonstrate the achievement of improved learning objectives.
- New governance arrangements to support the coordination of universities, PAOs, and SARAS to achieve common objectives in education reform.

46. In detail, the four key areas identified for the further development of accounting education in Georgia are as follows.

Curriculum:

- (i) universities should further evolve their current curricula to address the areas identified in the benchmarking where compliance was relatively low and to respond to the need to align curricula with internationally recognized professional programs and IES requirements. The development of a model common syllabus for universities would assist with this.
- (ii) university programs should continue to evolve to meet the market requirements and employers' needs. A stakeholder perspective from those who employ accounting graduates would, for example, help universities to reflect current and future accounting practices, particularly with respect to the skills required of modern professionals; and
- (iii) a significant advance can be made in university accounting and auditing education programs by more closely integrating the curricula with professional certification programs recognized by SARAS in accordance with the International Education Standards (IES) and EU directives.

Teaching:

- (i) universities recognize the importance of applying the learning objectives approach in their existing curricula and should look to incorporate this approach in teaching and assessment practices, enabling students to acquire and demonstrate necessary competencies;
- (ii) it is widely recognized that the existing methodological support is limited - teaching materials, practical accounting and auditing applications, and manuals tailored to up-to-date national legislation, are largely not available from commercial sources, and teachers may not have incentives to develop such materials;
- (iii) the use of online platforms is growing but it is still early to see how digital interventions could help improve accounting teaching and learning, particularly if a common core curriculum is adopted; and
- (iv) there is no application of audit and accounting educational software that could improve students' digital skills. The growing use of technology in accounting and audit generates greater demand for graduates that possess digital skills.

Assessment:

- (i) modern best practice assessment procedures enable the full implementation of enhanced curricula, teaching and learning methods. The assessment practices in the three universities vary and there are challenges in achieving a fully integrated approach to student learning and assessment; and
- (ii) currently, one of the barriers to wider professional recognition in terms of accredited university programs is the need for consistent assessment practices from participating universities. These are needed if improvements in the curriculum are to be fully and consistently implemented.

Governance:

- (i) closer integration between universities to meet international standards will be needed and such coordination can be achieved from the introduction of quality control standards through enhanced governance procedures; and
- (ii) additional governance procedures in terms of new administrative arrangements to support a coordinated approach would require active management and quality control over curriculum development and implementation, teaching and learning standards, and assessment processes. A working group of stakeholders could coordinate these activities.

V. Recommendations

The following are recommendation for actions which universities might wish to undertake in the four priority areas:

- (i) **Curriculum:** enhance the competency-based approach to undergraduate/graduate programs and closer align the curriculum with IES, internationally recognized benchmarks, the needs of employers, and by introducing topics to support skill development in the public sector;
- (ii) **Teaching:** further develop competency-based university teaching and learning methods to support the realization of skills and professionally recognized competencies in students;
- (iii) **Assessments:** create assessments and develop quality standards that explicitly test the skills and competencies of accounting students they are supposed to achieve; and
- (iv) **Governance:** improve collaboration among key stakeholders including SARAS, PAOs, international professional bodies, and other universities locally and internationally to support sustainable development of the accounting profession.

In further detail, the recommendations are set out and explained below:

Curriculum:

Recommendation 1: A multi-stakeholder Working Group, when established (see Recommendation 12), should develop a model common curriculum for accountancy based on internationally recognized programs (e.g. ACCA, CIPFA) and the International Education Standards (IES) curriculum. In reflecting international good practice in approach and the development of key skills, the curriculum will position the education of accounting students on a par with good practice elsewhere. Modern standards of education reflect a competency-based approach that underpins recognition of university programs by national and international PAOs and peer universities. curriculum

Recommendation 2: The model curriculum should be focused on the skills required of modern accountants. Ensuring that key skills development forms a central part of the curriculum will provide assurances to the profession, regulators, employers and other interested groups that students undertaking the upgraded program will have the skills necessary for employment in high level accounting and audit jobs, both now and in the future. A wide-ranging stakeholder consultation can confirm the approach to educating students and promote stakeholder engagement, which will be vital for the sustainability of accountancy education.

Teaching:

Recommendation 3: Universities' teaching approach should further focus on competency development to support effective learning. The learning objectives approach incorporated in the existing curricula is not yet fully reflected in teaching and assessment practices. In further developing the teaching and assessment practices, an integrated approach to competency-based teaching will enable students to learn the skills that will make them successful accountants.

Recommendation 4: New teaching materials and approaches should be developed to help teachers with implementing the new curricula. New textbooks that support a competency-based teaching and learning approach will be needed to support both teaching and learning. Digital methodological support should be developed to create an engaged learning experience. An investigation into the feasibility of the adoption of digital teaching, learning and assessment can aid the implementation of the new curricula and raise teaching and learning standards.

Recommendation 5: Teacher skills should be enhanced to support the introduction of new teaching approaches. Methodological support is vital in translating a curriculum into effective classroom learning. There are a number of ways in which this can be achieved that all focus on the targeting of student attainment. Teacher skills will need enhancing and training should be provided.

Recommendation 6: Improvements to teaching should be measured to allow for careful management of change. Effective measurement that seeks to support teaching practice and learning outcome achievement might include reviewing student feedback, understanding the reasons for student performance in examinations, and ensuring that interventions take place when standards are not being met.

Assessment:

Recommendation 7: A consistent approach across universities to student assessment should be implemented to ensure that competencies in the upgraded curriculum are achieved. Assessment procedures should reflect the content and intentions of the competency-based curriculum and should ensure that students are tested fairly, properly, and in accordance with international standards.

Recommendation 8: An examinations guide should be developed to help teaching staff to meet the assessment standards expected of the new curriculum. New assessment standards are needed that reflect tests of competencies in an upgraded curriculum. The examinations guide will act as a reference point to all teachers of the new curriculum. The creation of an examinations guide can also reinforce learning and application of quality standards in assessment design. A set of common skills can be created across universities and underpin consistent standards.

Recommendation 9: A quality control guide to the development of assessments should be developed to help universities meet international benchmarks. Quality controls ensure that the development of assessment validly, fairly and consistently test student achievement. Consistent standards can support wider professional recognition in terms of accredited university programs in participating universities. The documentation of standards can provide a comprehensive guide to create assessments that meet international standards that are used and expected by leading international bodies.

Recommendation 10: Pilot examinations should be developed to serve as templates for teaching staff and to set expectations regarding the level at which the competencies will be assessed. Pilot examinations should be set for all modules in the upgraded core curriculum. Pilot examinations produce examples of best practice that provide benchmarks for future assessments and can be released to students to establish expectations.

Recommendation 11: A question bank that provides a common pool of examination questions should be developed to support the assessment of the competencies and learning objectives in a common core curriculum. A common assessment pool or question bank would ensure that the benefits of new assessment standards are shared by everyone. This can ensure consistent standards and sustainability and can be an efficient and effective means of raising assessment standards.

Governance:

Recommendation 12: A new Working Group of key stakeholders should be established to cooperatively develop a model curriculum, evolved teaching methods and a consistent assessment approach. The Working Group should establish and monitor standards and establish responsibilities. Establishing a working group of selected key stakeholders will encourage stakeholder engagement and support the establishment of an effective monitoring system during implementation of the curriculum and training/assessment approaches. The agreement on contributions and responsibilities of the working group members can support the successful implementation of the education reform proposals and underpin improved student performance.

Recommendation 13: A systematic plan is needed to achieve wider professional recognition. The sustainability of the changes needs to be reinforced through the creation of a quality control guide that details standards and processes that govern curriculum development, teaching standards, and assessments. The working group will need to continue its work after implementation as part of the governance and management framework that provides a forum for different key stakeholders and organizations to be involved with the education of accountants. One of the key aspects during the implementation of recommendations will be establishing a systematic communication with PAOs, universities, IFAC, and other international bodies to better connect Georgian academia into the international accountancy profession.

The priority areas reflected in these recommendations have been sequenced, summarized and prioritized into an Action Plan in Annex 1 and in an outline Project Plan in Annex 2.

Annex 1. Action Plan for Improving Accounting and Auditing Education

This Action Plan reflects the analysis, conclusions and recommendations of this report. It frames a proposed Project Plan for implementation of the recommendations, contained in Annex 2.

	Action	Activities	Fulfillment Coordinator
Curriculum			
1.	Multi-stakeholder Working Group (WG), when established, to develop a model common curriculum for accountancy based on internationally recognized programs (e.g. ACCA, CIMA) and the International Education Standards (IES)	<ol style="list-style-type: none"> 1. WG to complete analysis of existing curricula and map out the areas to update (partially completed in this report); 2. Develop a model common curriculum for accounting education in Georgia to be approved by Ministry of Education as guidance for all higher education institutions; 3. Assist HEIs to apply the common curriculum in all HEI accountancy programs. 	Ministry of Education/SARAS/ PAOs/ Universities
Teaching			
2.	Support continuous professional development of teachers	<ol style="list-style-type: none"> 1. Design and implement regular train-the-trainer seminars on competency-based program design, teaching and evaluation for university teachers; 2. Introduce requirement for teachers to maintain and raise their professional competence e.g. by obtaining international certificates in accountancy. 	SARAS
3.	Equip HEIs with high quality textbooks covering the common curriculum in the Georgian language	<ol style="list-style-type: none"> 1. Conduct research of available materials, including internationally, that are relevant for the updated curriculum; 2. Establish an editorial commission to select, translate, review and edit relevant textbooks, with support from donors and partners; 3. Provide translated textbooks to universities. 	Universities

Assessment			
4.	Develop model examination procedures in line with the Regulator and PAO requirements, and good international practice	<ol style="list-style-type: none"> 1. WG to develop model examination procedures to ensure consistent assessment processes are used by HEIs which meet the expectations of regulators and potential exemption providers. 2. WG to assist in the setting of consistent high-quality examinations through developing examination question banks in relevant subjects. 	WG/PAOs/ Universities
Governance			
5.	Establish a Working Group of key stakeholders to strengthen and formalize cooperation among stakeholders of accountancy education, including HEIs, government, regulators, employers, students and the profession	<ol style="list-style-type: none"> 1. Develop a cooperation platform for education process participants e.g. SARAS, Ministry of Education, HEIs, PAOs and employers, to correlate competences in the common curriculum with international standards and the expectations of employers of graduates; 2. HEIs, PAOs and employers to develop a common vision of continuous professional development to support and raise the competence of professional accountants; 3. Accounting education providers to coordinate program updates to reflect recent changes introduced in IFAC Education standards. 	WG/ SARAS/ PAOs/ Universities
6.	Establish cooperation with leading international professional organizations to facilitate training of professional accountants (ACCA, CIPFA, CIMA, AICPA etc.)	<ol style="list-style-type: none"> 1. Identify organizations with relevant qualification, establish contact and cooperate on accreditation and recognition of university curricula for gaining exemptions. 	WG/PAOs, Universities
7.	Explore and seek twinning programs between the Georgian universities and leading universities in other countries	<ol style="list-style-type: none"> 1. Identify potential countries and universities and initiate contact; 2. Develop cooperation arrangements, continuous interaction and peer exchange. 	WG/Universities

Annex 2. Project Plan Visual

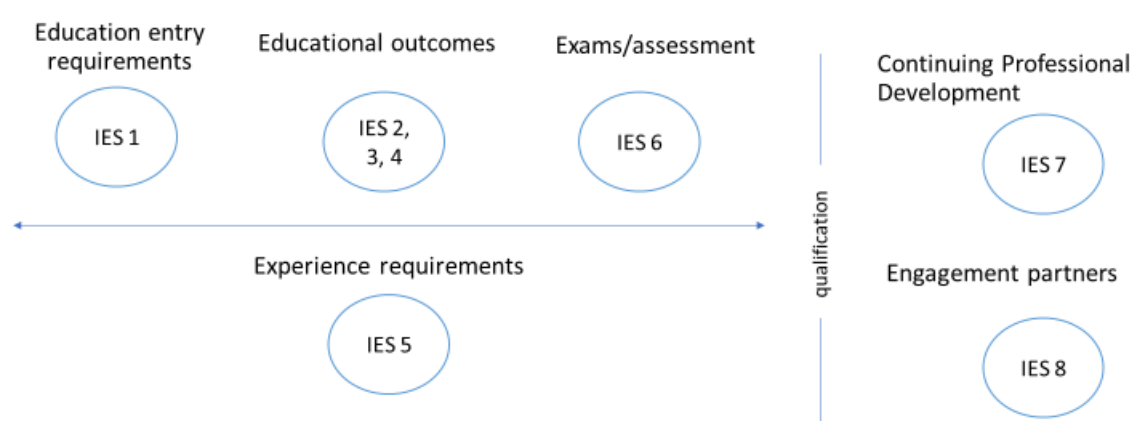
The Project Plan presented here is an outline implementation proposal of the recommendations arising in the report.

OUTLINE AND HIGHLIGHTS OF PROJECT PLAN		
COMPONENTS	KEY OUTCOMES	ACTIVITIES & SCHEDULING
Syllabus	<ol style="list-style-type: none"> 1. Skills focus 2. Common standards 3. Internationally benchmarked 4. Confirmed syllabus 	<ul style="list-style-type: none"> Field assessment of stakeholder skills requirements Confirm approach to syllabus development Create high level syllabus design to international standards Specify detailed competency and skills based syllabus
Teaching	<ol style="list-style-type: none"> 1. Outcomes based 2. Pedagogic skills 3. Student centred 4. Effective learning 	<ul style="list-style-type: none"> Specify teaching requirements to new syllabus Enhance teaching skills to develop pedagogic approach Create teaching resources to improve student engagement Detail teaching and learning achievements
Assessment	<ol style="list-style-type: none"> 1. Demonstrable achievement 2. Skills improvements 3. Rigorous tests 4. Pilot assessments 	<ul style="list-style-type: none"> Determine assessment approach to test competencies Deliver training to improve assessment standards Create quality control guide to improve standards Develop pilot assessments for all core modules
Governance	<ol style="list-style-type: none"> 1. Stakeholder engagement 2. Responsibility allocation 3. Sustainable improvements 4. Professional credibility 	<ul style="list-style-type: none"> Create a Working Group of key stakeholders Identify reporting lines for key activities and outcomes Develop a sustainability plan to enhance quality Obtain professional recognition and accreditations

Annex 3. Summary of the International Education Standards

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

International Education Standards



IES	Description
IES 1, Entry Requirements to Professional Accounting Education Programs (2014)	This IES establishes the principles to be followed when setting and communicating educational requirements for entry to professional accountancy education programs. Such programs should have suitable entry requirements which are neither too high by posing unnecessary barriers to entry, nor too low. Candidates should have a reasonable chance of successfully completing the program. For example, some programs require completion of a degree from a university or equivalent higher education institution.
IES 2, Initial Professional Development – Technical Competence (2021)	This standard prescribes the learning objectives for the technical competences that aspiring professional accountants should be able to demonstrate on completion of the program, which is often referred to as Initial Professional Development (IPD). These competence areas include essential accountancy knowledge (such as financial accounting and reporting) and other business disciplines (e.g., business strategy and management).

<p>IES 3, Initial Professional Development – Professional Skills (2021)</p>	<p>Another key element of IPD is the professional skills required to demonstrate competence as a professional accountant. These include achieving the requisite learning objectives for intellectual, interpersonal and communication, personal and organizational skills. For example, a learning outcome for intellectual skills is to recommend solutions to unstructured, multi-faceted problems.</p>
<p>IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes (2021)</p>	<p>This IES stipulates the professional values, ethics, and attitudes that aspiring professional accountants are expected to demonstrate. These include: learning objectives associated with professional skepticism and professional judgment; ethical principles; and commitment to the public interest. For example, a learning outcome of ethical principles is identifying ethical issues and determining which ethical principles to apply.</p>
<p>IES 5, Initial Professional Development – Practical Experience (2015)</p>	<p>This standard establishes the practical workplace experience that aspiring professional accountants should achieve during IPD under the supervision of appropriately qualified providers. This experience should reinforce the technical competence and other professional skills that candidates are expected to achieve. PAOs may adopt an input-based, output-based or combination approach to measure the achievement of practical experience requirements. If an input-based approach is used, the practical experience requirement should be for a minimum of three years.</p>
<p>IES 6, Initial Professional Development – Assessment of Professional Competence (2015)</p>	<p>As a prerequisite of completing IPD, this standard establishes the requirement for assessing the professional competence of aspiring professional accountants. The assessment should be based on verifiable evidence with high levels of reliability, validity, equity, transparency, sufficiency and may include a series of examinations, a single multidisciplinary examination, or a series of examinations and workplace assessments conducted throughout IPD.</p>
<p>IES 7, Continuing Professional Development (2020)</p>	<p>After completing IPD, professional accountants are expected to develop and maintain their level of professional competence through a program of continuing professional development (CPD). This can be done following an input-based, output-based or combination approach.</p>
<p>IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2021)</p>	<p>Professional accountants performing the role of Engagement Partners (referred to in some jurisdictions as the “signing partner” or “statutory auditor”) are expected to maintain and develop the professional competence to function in this particular role. This IES establishes the learning objectives for engagement partners. For example, a learning outcome for audit is to develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable.</p>



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