



ELSEVIER



CrossMark

Available online at www.sciencedirect.com

ScienceDirect

Procedia - Social and Behavioral Sciences 191 (2015) 550 – 553

Procedia
Social and Behavioral Sciences

WCES 2014

Continuing Professional Development of Accounting and Auditing: Russian Experience and Challenges

Rosa Kaspina ^{a*}^a *Rosa Kaspina, Kazan (Volga Region) Federal University, 18 Kremlyovskaya, Kazan 420008, Russia*

Abstract

High quality continuing professional development of accountants and auditors is seen as an enhancement of corporate reporting. It is contended that the continuous professional development of accountants promotes the formation of high-quality corporate reporting. Compliance with continuing professional educational requirements by the auditors and accountants can enhance the accuracy and reliability of corporate financial and management reporting. Among the most important areas of need in terms of workforce development are the training of accounting personnel, the improvement of training programs for accountants and auditors, the updating of the training process for regulatory bodies involved in corporate reporting. It is also advisable to provide continuing professional development not only for chief accountants, but also for the younger accounting staff. A strategic plan for staffing, building high-quality corporate reporting and organizing the monitoring of its implementation is of primary importance.

© 2015 Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Selection and peer-review under responsibility of the Organizing Committee of WCES 2014

Keywords: Corporate reporting, Integrated reporting, Continuing Professional Development.

1. Introduction

The question under discussion involves identifying the major trends and challenges in continuous professional accounting education which meets the needs to educate accounting professionals who can prepare, disseminate, and interpret financial information.

Continuous accounting education is a professional development activity based on the continuity of training as well as the creation of conditions for preparation and certification of highly qualified experts oriented to prolong their education. Accounting professionals most engage in life-long learning.

Continuous accounting education can be an effective tool to identify the requirements of professional competence for accountants, their level of special training, skills and experience required in their area of

* Rosa Kaspina. Tel.: +7-917-299-59-93
E-mail address: rosakaspina@yandex.ru

specialization. Their absolute willingness to comply with the standards of professional ethics should be also taken into account.

Current conditions are characterized by the fact that the system of accounting education and its component, namely additional professional accounting education, are undergoing radical changes. Under these conditions the unresolved issues are as follows:

- Collaboration of key agencies involved in accounting education, their coordination and coherence (e.g., with the Ministry of Education and Science of Russia and the Methodological Council of Universities), so that the programs could always suit modern challenges;
- Shortage of qualified professional accountants and bookkeeping staff;
- Upgrading programs both at universities and in professional organizations to meet the latest international trends and challenges; Further institution building in the field of accounting education;
- Further institution building in the field of accounting education;
- The need for Training the Trainers to shape, use, and control corporate reporting.

2. Progress to date: the Russian experience

At present there are 3.5 million working accountants in Russia due to the increase in the prestige of the accounting profession and the needs of the business community. The accountant has become one of the key figures in the management of the economic activities.

It should be also noted that the features of the former Soviet accounting education were academism, unitarianism and authoritarianism. Academicism used to be necessary to examine a number of important items extending the students' horizons, unitarianism was understood as the unity of the educational process and the unity of the content of all disciplines in the country, and authoritarianism presupposed the subordination of the educational process to the authority of the teacher.

In connection with Russia's joining in 2003 the Bologna process and its current transition on the 2-level education (Bachelor, Master), the requirements for the entire system of education as well as for the quality of training have been significantly changed, the latter being especially in demand. The competence approach including the ability of the individual to be ready for the profession and to adapt to rapidly changing conditions started to be employed. Since 1988 the Methodological Council of Universities (MCU) in Russia, which is the major center of the state educational standards development in the area of accounting, finance and global economy, has been functioning in the Russian Federation.

To develop accounting standards the working groups of the leading Russian professors, functioning as a part of the Methodological Council of Universities (MCU) on accounting, analysis and audit, have been set up. State educational standards are based on a systematic approach providing interconnection, consistency and continuity of the educational process as a whole. As for the educational standards, the national-regional and university components which guarantee the freedom of universities to take into account the possibilities of region-specific and industry structure should be particularly stressed. Currently, the educational standards in Russia are undergoing constant changes that contribute to the process of the European Higher Education Area formation (UNCTAD, 2011). At the moment the already developed Federal State Educational Standard of higher education in "Accounting, analysis and audit" aimed at preparing "bachelors" and "masters" is being widely used at Russian Universities in accordance with the international educational standards. Model curricula and programs are being approved by the RF Ministry of Education and Science (Federal Law On Education in the Russian Federation, 2012).

The MCU associate members include the economics universities in the Ukraine, Belarus, Uzbekistan, Moldova, Kazakhstan and Kyrgyzstan. The RF Ministry of Finance, the Bank of Russia, the Audit Chamber of Russia and other organizations actively participate in the EMC sessions.

One of the active MCU members is Kazan (Volga Region) Federal University (Kazan Federal University, 2014). In 1999 it was one of the first Universities in Russia which accepted the two-level system of the accounting personnel training, offering both Bachelor's and Master's degree. So, it is natural that in the conditions of the transition to the two-level system of training, the importance of academic and vocational education coordination has increased dramatically.

It should be also noted that the creativity and innovative thinking are sometimes best developed within the framework of project-based teaching method, sometimes called the “Case method” The project approach allows the faculty member to direct effectively the learning activities of students at acquiring necessary professional skills required in the labor market.

Focusing on the latest educational technologies and following the innovative development (Edvinsson, 2000), KFU is implementing Master's programs in "Management Accounting and Controlling" as well as "Integrated Reporting", which, in our opinion, are much closer to the requirements laying claim to the training of professionals capable of forming a chain of corporate reporting. These programs offer courses such as "International Accounting and Reporting", "Management Aspects of IFRS ", and "Corporate Reporting Within Management Systems."

KFU has developed a cooperative program which educates graduates in close collaboration with several large regional employers to help students obtain entry-level positions. Each undergraduate is encouraged to develop their personal specific project which will be of the particular interest for the company. Thus, the undergraduates have an excellent opportunity to combine their master's course with their work assignments in the company they work for.

Active learning methods such as business games, presentation of course projects and master's theses are effectively and efficiently used together with the employers. Students while going their Masters Course can approve the research results obtained through various publications and presentations at conferences as well as can participate in commercial projects as team members, side by side with their faculty professors and post-graduate students.

Project-oriented approach is aimed at the development of masters' projects focused on the acquiring of relevant, unique and rare professional skills, such as creative thinking, for example. We agree with Cropley who argue that such approach towards creativity thinking should help to unleash the students' creative potential (Cropley, 2011).

3. Plans for the future

In the Russian Federation, according to the based-on-IFRS Accounting and Financial Reporting Development Plan for 2012-2015 (Ministry of Finance of the Russian Federation, 2012), the process of self-regulation is to be introduced into the accounting profession.

In order to accomplish this effectively and efficiently, it is necessary to implement the following:

- Stimulate step-by-step investments into human capital development;
- Establish a system of co-ordination of university programs and International Certification related to corporate reporting;
- Encourage the scientific community take part in the process of teaching and certifying qualified specialists who are in demand in business entities as well as their advanced training. The Resulting Certificates of the advanced training should be of such a high quality that they are accepted by both Russian and international organizations.

Corporate reporting entails fundamental reform of the entire economic information system of the business organizations (Kaspina & Shneydman, 2013). That is why management accounting major part of the mechanism of corporate reporting with further decision-making process on its basis, ensure the effectiveness of business and integrate accounting, analytical, planning and controlling functions of the internal information infrastructure of the enterprise. Under these circumstances the role of the accountant in managing the enterprise becomes vital to the success on the company.

The attitude to the accounting profession needs to change. Management accountants should be considered a key member of the management team responsible for the preparation and dissemination of high-quality accurate corporate reports.

Expert examination shows that to realize the potential of high-quality corporate reporting it is necessary to increase the quality of continuing professional education (CPE) of both managerial accountants who are university graduates from the universities, and chief accountants of socially important organizations in the following areas:

- International Financial Reporting Standards (IFRS)
- International Standards of Audit (IAS)
- Ecological Sustainability Reporting
- Business Social Responsibility Reporting
- Corporate Governance Reporting
- Key Performance Indicators

The guidelines for the staffing activities are: the advanced training of the accounting personnel; the development of educational programs for accountants and auditors, and the improvement of specialists training for the bodies regulating corporate reporting. It is also advisable to introduce continuing professional education requirements for chief accountants, as well as for junior accounting staff. It is also necessary to work out a strategic plan of staffing provision to guarantee qualitative corporate reporting and to arrange the monitoring of its implementation.

4. Conclusion

- Within the framework of continuous accounting education there has to be co-ordination between the higher school programs and advanced training ones as well as the possibility of obtaining the certificate at the University providing that the certified possess practical experience.
- Specialists training related to corporate reporting should be oriented to Master's programs via including special disciplines into curricula or employment of specific magistracy programs such as "Integrated reporting".
- For the purpose of stimulating step-by-step investments into the human capital development, "Training for the High-Quality Corporate Reporting" project is needed in order to let academics discuss the programs, curricula, teaching methods, general requirements for the diploma theses, and finally pass on their knowledge to students and professional bodies of accountants. With the assistance of such international organizations as IAESB (The International Accounting Education Standards Board, 2014), IFRS Education Initiative (IFRS Foundation, 2014), IASB (International Accounting Standards Board, 2014), IFAC (International Federation of Accountants, 2014), ACCA (The Association of Chartered Certified Accountants, 2014), Kazan Federal University (Kazan Federal University, 2014) might become the base institution for that.

References

- Cropley, A. J. (2011). *Teaching creativity*. In M. Runco & S. Pritzker (Eds.), *Encyclopedia of creativity. Two-Volume Set. (2nd ed.)*. (Vol.2, pp.435 – 445). Thousand Oaks, CA: Academic Press.
- Edvinsson, L. (2000). Some Perspectives on Intangibles and Intellectual Capital. *Journal of Intellectual Capital*, Vol. 1 Iss: 1, pp.12 - 16.
- Federal Law № 273 On Education in the Russian Federation, §2, 10th Article. (2012).
- IFRS Foundation. (2014). <http://www.ifrs.org/Use-around-the-world/Education/Pages/Education.aspx>
- International Accounting Standards Board. (2014). <http://www.ifrs.org>
- International Federation of Accountants. (2014). <https://www.ifac.org>
- Kaspina, R., & Shneydman, L. (2013). New approach to the oil companies corporate reporting. *Oil Industry*, № 9,14-17.
- Kazan Federal University. (2014). http://kpfu.ru/?p_sub=16
- Ministry of Finance of the Russian Federation. (2012). <http://www.minfin.ru/>
- The Association of Chartered Certified Accountants. (2014). www.accaglobal.com
- The International Accounting Education Standards Board. (2014). <http://www.ifac.org/Education/>
- United Nations Conference of Trade and Development (UNCTAD) Model Accounting Curriculum . (2011). -UNCTAD/DIAE/MISC/2011/1, GE.11-50279. Geneva.