



The South East Compact for Reform, Investment, Integrity and Growth Under the EU Stability Pact - Working Table II



**2<sup>nd</sup> Working Group Meeting of the**  
**THE SOUTH EASTERN EUROPEAN**  
**PARTNERSHIP ON ACCOUNTANCY DEVELOPMENT**

on  
**“Professional Education, Training and Certification Programmes  
for Accountants and Auditors in South Eastern Europe”**

*- Draft -*  
*Background Paper on Professional Education,  
Training and Certification Programmes  
for Accountants and Auditors in Moldova*

**Prepared by the Association of  
Professional Accountants and Auditors of Moldova**

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## **BACKGROUND PAPER ON PROFESSIONAL EDUCATION, TRAINING AND CERTIFICATION PROGRAMMES FOR ACCOUNTANTS AND AUDITORS IN MOLDOVA**

### **ACAP PROFESSIONAL TRAINING** **(resources: ACAP Training Guide, ACAP Business Plan 2000).**

ACAP has conducted training in the fields of accounting, taxation, auditing, National Accounting Standards, computer skills, as well as other business-related subjects, since 1996. Our program of professional studies is continuously evolving to incorporate the knowledge and skills accountants and auditors will need as business advances and accounting and auditing in Moldova becomes compatible with the needs of the international community. Over the past four years ACAP provided hundreds of thousands of hours of training to the accounting and auditing community. Training efforts of the Association contribute to its efforts to significantly influence improvements in accounting and auditing in Moldova, and enhance its status as the authoritative source for these disciplines in the Republic.

The Association's market for training encompasses all sectors of the Moldovan economy including corporate, government, non-profit and others.

Training courses are offered both to members and non-members at an acceptable fee taking into consideration the current economic conditions in Moldova. ACAP members are given 10 - 20% discounts off the training fee.

The Association has been successful in identifying corporate, government, and institutional clients for its training courses. It works closely with prospective clients to identify specific training needs and prepares and delivers customized programs of training as needed. The Association has conducted a membership survey to determine the specific training needs of the current membership. The systematic identification of precise training needs that exist within specific segments of the community, together with the identification and acquisition of the professional resources required to address those needs, will help the Association increase both the number and variety of courses offered.

Courses and seminars are developed and taught by highly experienced ACAP instructors working. They are practicing accountants and auditors, and understand the professional challenges accountants and auditors face every day.

ACAP has found that Participants in training programs offered by commercial vendors generally have no reliable assurance that the instructors delivering the course material meet an acceptable level of instructional expertise - both from the standpoint of their subject matter knowledge and their competence in delivering the subject matter in an academic setting. The Association therefore is initiating a program for certifying instructors of accounting and accounting-related subjects. This program will help clients determine whether instructors of courses and seminars they plan to attend meet Association standards for instructors. This program is in the planning stages and has not yet undergone a pilot execution. The Training and Education Committee and the Standards Committee plans to develop standards for instructors, as well as a process for reviewing and certifying/accrediting instructors' credentials. The steps the Committees plan to take to systematize and implement this certification/accreditation program after it is pilot-tested include:

- assembling a program structure including operating procedures, standards and criteria,
- compiling program information literature,
- isolating and identifying a universe of training of vendors as well as instructors that have an interest in the Association's instructor certification/accreditation program,
- publicizing and distributing certification/accreditation program information to training vendors and potential instructors, and
- encouraging interested vendors and instructors to contract for Association certification/accreditation services.

ACAP Course participants are provided with methodological materials, developed by leading Moldovan specialists in the field of accounting and auditing. The cost of all training materials is included in the course fee.

ACAP has developed strategic alliances with leading academic institutions and private sector entities to add educational and technological value to the program of professional studies. ACAP has developed and is offering manuals and training materials to academic institutions and private sector entities which are providing practical training.

Programs of instruction which are currently being offered at Moldovan academic institutions have been developed under the auspices of the Association and are taught by academics who are members of the Association. Many of the academics have been trained to teach these courses in Association training programs.

There is no formal system in Moldova that can provide assurance that accounting and auditing related training provided by independent training vendors meets a minimum acceptable level of quality. The Association is initiating a program for certifying/accrediting instructional materials used for this training. In keeping with the Association's mandate, this program will help assure the quality and consistency of accounting-related instruction, the timeliness of the accounting-related information being disseminated, and help clients assure that instructional materials used by commercial vendors in their programs complies with national accounting standards. This program has not yet undergone pilot testing. The Association held a number of meetings with organizations as well as individuals expressing an interest in having their training materials certified/accredited. The Publications and Public Relations Committee, working with the Training and Education and Standards Committee, plans to continue these meetings and through them, ultimately develop a system for reviewing and certifying/accrediting instructional materials. The Association plans to have systematized the program and executed a pilot with at least five vendors and certify/accredit no less than 10 sets of training materials.

There are three main components of the Association training - off-the-shelf, certification preparation, and continuing professional education. Most courses and seminars are completely practice-oriented. The Association provides on-site customized training on a contractual basis with private organizations and government agencies. Instructors have the experience and skills to develop training courses that speak to the unique issues affecting the organization.

The Association's current inventory of of-the-shelf training course offering include instruction in the following topics:

1. Basic Accounting Principles
2. Financial Accounting
3. Financial Statement Preparation and Analysis
4. Accounting and Financial Statement Analysis for Enterprises
5. Accounting and Financial Statement Analysis for Tax Auditors
6. Procedures for Preparation of the Annual Financial Statements, VAT and Income Tax Declarations
7. Tax Legislation of the Republic of Moldova
8. Financial Accounting for Income Tax
9. Practical Recommendations on the Implementation of the Tax Legislation of the Republic of Moldova
10. Managerial Accounting
11. Professional Ethics of Accountants and Auditors
12. Specific Features of Accounting and Taxation in Trade Enterprises
13. Specific Features of Accounting and Taxation in Individual Enterprises
14. Specific Features of Accounting and Taxation in Agricultural Enterprises
15. Specific Features of Accounting and Taxation in Small Businesses
16. Essence and Importance of the Accounting System for Enterprise Managers
17. Introduction to Business Law
18. Introduction to Internal and External Audit
19. Computer Skills (Windows 95, Word 97, Excel 97)
20. Accounting Software (Program 1C: Accounting 7.7.)
21. Preparatory Courses for Certification Examination of Accountants and Auditors in:
  - Economics
  - Business Law
  - Information Technology
  - Tax Accounting
  - Financial Statement Preparation and Analysis
  - Financial Management
  - Audit
  - Ethics
  - Accounting

A comprehensive continuing education program based on the requirements of the Certification Program has been assembled. The program is in the process of implementation. It requires that in order for accountants and auditors that have been certified by ACAP to renew that certification, an applicant for renewal must demonstrate that sixty hours of continuing education have been completed in a two-year period. Acceptable education has been defined by the Committee as that which has contributed to an individual's general professional competence in accounting and auditing. The Association expects that this continuing education program, as the number of Moldova's professional Certified Accountants increases, will grow accordingly.

**ACAP CERTIFICATION PROGRAM**  
**(resources: ACAP Policy Guide, ACAP Study Guide, ACAP Business Plan 2000).**

The Board of Directors of the Association of Professional Accountants and Auditors of the Republic of Moldova (Asociatia Contabililor si Auditorilor Profesionisti or ACAP), approved a certification program for accountants and auditors, who are members of ACAP. This program was developed around the requirements of the prestigious International Federation of Accountants IFAC IEG # 7 "Education and Training Requirements for Accounting Technicians" and IFAC IEG # 9 "Prequalification Education, Assessment of Professional Competence and Experience Requirements of Professional Accountants".

This certification program has to make the identification and selection of a highly qualified accountant or auditor easier for both the Moldovan and international communities.

Certification programs of this type are common among professional associations all over the world. Certification from a professional non-government association generally means that the person certified has met the standards established by the association as an indication of superior knowledge and skills.

The Certification Program of the Association has the following objectives:

- to measure the level of professional and technical proficiency of individual accountants and auditors;
- to establish nationally recognized benchmarks of performance and competency recognition;
- to encourage accountants and auditors to develop their theoretical knowledge and practical skills;
- to provide an opportunity to ACAP members for recognition and professional development;
- to strengthen the role of ACAP and attract membership as the certification-conferring body for accountants and auditors in the Republic of Moldova;
- to strengthen self-regulation of the accounting and auditing profession;
- to establish and maintain an internationally recognized certification program for accountants and auditors, and
- maintain its associate membership in the International Federation of Accountants (IFAC) and eventually qualify for full membership.

#### **ACCOUNTANT AND AUDITOR CERTIFICATION PROGRAM DESIGN**

The certification program for accountants and auditors consists of an examination, educational and experience requirements, and ACAP membership.

##### ***Certification Program***

The ACAP certification program for accountants and auditors is designed to confer the designation of Professional Certified Accountant on successful candidates. A candidate is issued such a certificate by the Association once he or she passes all of the tests that comprise the comprehensive examination and meets the other program requirements.

The certification program is post-graduate level and entirely self-study, allowing candidates complete flexibility in structuring study time. The examination tests are prepared for those who are ready to commit themselves to post-graduate level study.

##### ***The Examination***

The comprehensive examination consists of three tests and is given twice a year on dates established by the Certification Committee. The three tests comprising the comprehensive examination are conducted during three consecutive days over a six-(6) day period. Each test is taken in one sitting. Each test is taken on a separate day.

To prepare for the examination, a study guide is made available by ACAP for use by candidates. The guide is providing the candidates with learning outcomes for each test.

##### ***Length of the Examination***

Each of the tests that comprise the comprehensive examination requires about 8 hours to complete.

##### ***Period for passing all parts of the Examination***

To be awarded the certificate, the candidate must pass all three tests comprising the examination within a two-year period. In the event of extenuating circumstances, an individual may apply to the Certification Committee and request that an extension is granted.

### ***Content of the Examination***

The following subject areas are covered by the comprehensive examination and focus on the topics indicated

#### **TEST #1**

**Economics**- macroeconomics, microeconomics, basics of corporate finance, cash and liquidity management, basic statistics and sampling, quantitative methods time value for money, general organizational development.

**Business law**-legal entities, corporate structures, bankruptcy, contracts, insurance, debtor/creditor relations, property, security commission rules and regulations.

**Information technology**- use of computer technology, hardware/software, data base management, and internal controls surrounding computerized security systems, (section 36 of the rules).

#### **TEST #2**

**Tax accounting** - personal, corporate, property, VAT, local income tax.

**Financial reporting and analysis** - requirements for financial reporting, presentation techniques, ratio analysis, financial analysis.

**Financial management** - using financial information for decision making, including budgeting, cash flow, break-evens, costing, pricing, cost of capital, forecasting, performance indicators.

#### **TEST #3**

**Auditing** - IFAC requirements, international standards of auditing, National Auditing Standards

**Ethics** - ACAP's code of ethics, IFAC code of ethics, professional standards of practice, ACAP Cod of Professional Conduct and accountants and auditors.

**Accounting** -national accounting standards, financial accounting, management accounting, cost accounting.

The areas and topics listed above may undergo revision as circumstances require.

### **Award of Designation**

Examinees who pass the comprehensive examination and demonstrate compliance with the other certification requirements will be awarded the designation "Professional Certified Accountant" (Contabil Profesionist Certificat, CPC in romanian).

### **Examination Registration Requirements**

To be admitted to the examination a candidate must:

- have a university degree in accounting, auditing, or business related subjects, or a college degree in accounting with at least six years of practical experience in accounting /auditing,
- be an ACAP member in good standing, - complete and submit the required registration form, and
- pay the required examination fee.

### **Requirements for Certification Designation**

To be awarded the designation Professional Certified Accountant the candidate must pass all parts of the comprehensive examination and demonstrate with appropriate and verifiable documentation, that he or she has met the following requirements:

- **Education** - University degree in accounting, auditing, or business related subjects, (Exception: If the candidate does not possess a university degree, the candidate may qualify by possessing a college degree in accounting, and have at least six years practical experience in accounting / auditing.)
- **Experience** - For university graduates, three years of practical or teaching experience in accounting, auditing, or other business related subjects (limited to: finance, business consulting, management, and economics). Candidates with a college degree as described above, must have at least six years practical experience in accounting/ auditing.

A candidate who successfully passes the comprehensive examination must comply, within three years, with the experience requirements described above. If a candidate does not meet the experience requirements within three years after passing the comprehensive examination, the candidate must retake the entire examination--all tests-- and fully comply with all other requirements then in effect.

- **Membership** - The candidate must be a member in good standing of the Association of Professional Accountants and Auditors of the Republic of Moldova at the time the candidate registers for the comprehensive examination.

### **Grading the Examination**

The Board of Examiners is responsible for establishing the grading standards, including setting the minimum passing score for each test. The Board of Examiners, in determining the appropriate minimum passing score for each test, assumes the additional responsibility for assuring that the integrity of the certification program is maintained.

Examination results are reported to the candidate as "pass or fail". Candidates are notified of their results by regular mail, not later than 60 days after the completion of the test.

The Board of Examiners has to provide the Certification Committee with draft notification letters to be sent to all candidates.

The requirements for the Continued Professional Education (CPE) were developed and suppose that for renewal of a Certificate an applicant shall show that the applicant has completed sixty (60) hours of continuing professional education which contribute to the general professional competence in accounting and auditing of the applicant during a two year period, with a minimum of twenty (20) hours each year. The Certification Committee is to prescribe by Rule the content, duration and organization of continuing professional education courses that qualify for this requirement. Certificates shall be renewed every two years. The Certification Committee has to establish and charge a fee for each application for initial issuance or renewal of a Certificate.

On December 5-9, 1999 ACAP announced certification exams. The total number of the participants was 34, half of them – from regions.

Out of 17 participants that took part in all 3 test, 5 were nominated as Certified Professional Accountant (CPC, acronym in Romanian).

By the decision of the Certification Committee, such exams will take place twice a year- in June and November.

## Appendix: Answers to Questionnaire:

### **Subject A: Professional qualification and certification**

- ***Theme 1: Final examination of professional competence***

- *What are the existing qualifications for accountants and auditors?*

WE HAVE THIS IN OUR POLICY GUIDANCE

- *What are the final examination requirements?*

WE HAVE THIS IN OUR POLICY GUIDANCE

- *What is the level of the final examination compared with international standards?*

WE USED THE INTERNATIONAL STANDARDS TO DEVELOP OUR EXAMINATION

- *Does the final examination test theoretical knowledge and the ability to apply that knowledge in practice?*

YES IT DOES. WE HAVE THEORITICAL QUESTIONS AND QUESTIONS REQUIRING THE CANDIDATE TO SOLVE PROBLEMS.

- *Is there a periodic review process of the final examination?*

YES, WE EVALUATE THE TEST AFTER EACH TEST AND ELIMINATE THE EASY QUESTIONS AND THE QUESTIONS THAT NO ONE GOT CORRECT. WE ALSO HAVE AN EXPERT PANEL REVIEW THE QUESTIONS BEFORE THEY GO ON THE TEST.

- ***Theme 2: Admission requirements on education and training***

- *What are the admission requirements on professional and general education?*

WE HAVE EDUCATION, EXPERIENCE AND AN EXAMINATION THAT IS IN THE POLICY GUIDANCE.

- *What are the admission requirements on practical training?*

WE REQUIRE EACH CANDIDATE TO HAVE PRACTICAL EXPERIENCE BEFORE BEING CERTIFIED.

- ***Theme 3: Institutional responsibilities and expertise***

- *Which institutes are responsible for standard setting and examination; is the examination organized or recognized by the State? THE STATE SETS THE ACCOUNTING AND AUDITING STANDARDS, THE ASSOCIATION IS RESPONSIBLE FOR THE CERTIFICATION EXAMINATION. THE EXAMINATION IS NOT RECOGNIZED BY THE STATE BUT THE ASSOCIATION IS WORKING WITH THE STATE TO GET RECOGNIZED.*

- *What is the involvement of the professional bodies in the final examination?*

THE PROFESSIONAL BODIES DEVELOP AND CONDUCT THE EXAMINATION AND AWARD THE CERTIFICATION.

- *Are the necessary expertise and resources for the examination available?*

YES FROM AMONG THE MEMBERS.

- ***Theme 4: Output of qualified accountants and auditors***

- *What is the output of qualified accountants and auditors?*

THE ACCOUNTANTS AND AUDITORS ARE WORKING IN THE GOVERNMENT AND IN INDUSTRY AS WELL AS IN THE UNIVERSITIES.

- *What is the employment sector of qualified accountants and auditors?*

GOVERNMENT AND INDUSTRY AND UNIVERSITY.

- *Has national and/or international comparability been achieved?*

YES, BOTH IN THE ACCOUNTING AND AUDITING STANDARDS.

## **Subject B: Professional education**

- ***Theme 1: Core program of professional education***

- *What is the educational concept (full time/part time, competencies, modular)?*  
PROFESSIONAL EDUCATION IS BOTH FULL AND PART TIME.

- *What are the professional education requirements?*  
ACAP POLICY GUIDANCE

- *What is the core program of professional education?*  
THE INTERNATIONAL ACCOUNTING AND AUDITING STANDARDS

- *What is the level of professional education compared with international standards?*  
COMPARABLE

- *Is there a periodic review process of professional education?*  
ACAP DOES ITS OWN REVIEW, THE ACADEMIC COMMUNITY DOES ITS OWN REVIEW. ACAP MEMBERS ARE MEMBERS OF BOTH COMMUNITIES AND COORDINATE THAT REVIEW.

- *What is the duration of professional education in years?*  
UNIVERSITY 4-5 YEARS

- ***Theme 2: Standard setting, examination and assessment***

- *What are the rules on standard setting, examination and assessment of skills?*  
GOVERNMENT SET STANDARDS FOR ACCOUNTING AND AUDITING, ASSOCIATION USES THESE STANDARDS FOR ITS EXAMINATION AND TRAINING PROGRAMS.

- ***Theme 3: Providers of professional education***

- *Which institutes provide professional education?*  
ACAP, UNIVERSITIES, ACADEMIES AND INSTITUTES

- *How are they recognized?*  
ACAP IS RECOGNIZED BY THE PROFESSIONAL BODY OF ACCOUNTANTS AND AUDITORS.  
THE INSTITUTES—by the special decision on accreditation of the educational institutions (“Law on Education of Republic of Moldova, # 547-XIII from July 21, 1995, article 37).  
Article 37. Accreditation of educational institutions

- (1) The State and private educational institutions are subject to obligatory accreditation. The accreditation process is made of two stages:

- a) Issuance of the permission (license), granting the right on foundation and temporary operation;

- b) The accreditation, granting all rights foreseen by the present law.

- (2) Accreditation is made after licensing for kindergartens and elementary schools - not later than in 4 years, for pre-secondary and high educational institutions - after the first final examinations of the proper educational stage.

- (3) The basic requirements for private educational institution accreditation are established in regards to the pedagogical staff, contents of education, material and technical base and the financial and economic activity.

- (4) In order to be accredited, the educational institution must: have not less than 60 percents of pedagogical staff from the established standard for the proper educational institution; to have a material and technical base in accordance to the state educational standards; during the term of temporary operation, to use not less than 25 percents of the incomes for the development of its material and technical base.

- *Does the professional body provide professional education?*  
ACAP PROVIDES PROFESSIONAL EDUCATION AS DOES THE UNIVERSITIES, ACADEMIES AND THE INSTITUTES.

- *What is the involvement of accountants and auditors in professional education?*  
AT ACAP PROFESSIONAL ACCOUNTANTS DEVELOP TRAINING AND DELIVER IT. AT THE UNIVERSITY ACAP MEMBERS ALSO DEVELOP AND DELIVER TRAINING

- Are the necessary expertise and resources for professional education available?

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- **Theme 4: Admission requirements to professional education**

- What are the admission requirements for professional education?

ACAP WE HAVE OUR STANDARDS FOR PROFESSIONAL EDUCATION AND GENERALLY ADMIT ALL ACCOUNTANTS AND AUDITORS TO TRAINING

- Are there exemptions based on general education?

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- What is the cost (time, money) and accessibility of professional education?

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- **Theme 5: Output of qualified candidates**

- What is the output of qualified candidates?

WORK IN GOVERNMENT AND INDUSTRY AND NON-PROFIT SECTOR.

- Has national and international comparability been achieved?

YES, IN THE STANDARDS AND IN THE ACAP EXAMINATION.

### **Subject C: Professional training**

- **Theme 1: Core programme of practical training**

- What is the training concept (supervision, contract, responsibility)

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- What are the practical training requirements

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- What is the core programme of practical training

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- What is the level of practical training compared with international standards?

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- Is there a periodic review process of practical training?

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- What is the duration of practical training in years?

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- **Theme 2: Standard setting and assessment**

- What are the rules on standard setting and assessment of skills?

THE GOVERNMENT SETS ACCOUNTING AND AUDITING STANDARDS

- **Theme 3: Providers of practical training**

- Which institutes provide practical training?

ACAP AND OTHERS

- How are they recognized?

ACAP-- BY THE PROFESSION

- Are the necessary expertise and resources for practical training available?

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- **Theme 4: Admission requirements to practical training**

- What are the admission requirements for practical training? --

- Are exemptions based on previous experience provided for? --

- What is the cost (time, money) and accessibility of practical training? --

- **Theme 5: Output of qualified candidates**

-What is the output of qualified candidates?

WORK IN GOVERNMENT AND INDUSTRY AND ACADEMIA

-Has national and international comparability been achieved? --

- What is the employment sector of candidates during practical training? --

#### **Subject 4: General Education**

- **Theme1: Core programme of general education**

- What is the general education concept? --

- What is the core programme of general education? --

- Is there a periodic review process of general education curricula? --

- What is the duration of general education in years? --

- **Theme 2: Standard setting and assessment**

- What are the rules on standard setting and assessment of skills? --

- **Theme 3: Output of qualified candidates**

- What is the output of qualified candidates? --