

<p>Institution: Robert Gordon University</p>
<p>Unit of Assessment: 19 Business and Management Studies</p>
<p>Title of case study: Impact on Professional Accounting Training Internationally</p>
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>This case study details influence on professional accounting education, practice and policy on a global and national stage. The research team has undertaken a stream of research which has critically examined access to Chartered Accountancy training and subsequent assessment. Internationally, their work has underpinned the policy development of International Federation of Accountants (IFAC) in the education area. Nationally, the work with IFAC has led to further research for the Institute of Chartered Accountants of Scotland (ICAS) who have implemented a number of their recommendations. In this case we will focus on their influence on ICAS' policies for a) the development and assessment of non-technical skills in Chartered Accountants and b) the introduction of a school leaver route into the profession.</p> <p>2. Underpinning research (indicative maximum 500 words)</p> <p>Professor Elizabeth Gammie, Head of the Department of Accounting & Finance, leads a team of researchers that has conducted research in two areas relevant to this case study: assessment and access to professional training. Some of this work was undertaken within the global professional accounting qualification context while some was specific to ICAS.</p> <p>The first major output was the result of a project funded by the IFAC in 2003/04 on assessment methods, undertaken by Gammie and Professor David Lines, (Centre for Enhancement of Learning and Teaching, RGU). The resulting report (R1) highlighted the lack of constructive alignment between the learning outcomes set by global Professional Accounting Bodies and the methods chosen to assess these outcomes. The report recommended adopting a wider variety of assessment tools, including work based assessment, and ensuring the assessment was aligned with the contemporary skills and competencies required of an accountant in the 21st century.</p> <p>ICAS responded to this challenge by commissioning work in 2008 to evaluate critically their current approach to the development and assessment of non-technical skills within their initial education programme. This project was awarded to Gammie, Dr Susan Hamilton, (Lecturer in Accounting) and Erica Cargill (Research Assistant/Lecturer in Human Resources/Senior Lecturer in Management). The study (R2) mapped the ICAS assessment regime against the competences identified by IFAC, Common Content (a collaboration between premier accountancy bodies to unify standards), and CAGE (Chartered Accountants' Group of Eight – a global group of Chartered Accountancy bodies). The research team reported back to the Qualification Board with six recommendations.</p> <p>Following the ICAS project, the same team (Gammie, Hamilton and Cargill) were awarded a grant by the International Association for Accounting Education and Research (IAAER) and Association of Chartered Certified Accountants (ACCA) to undertake work intended to inform the standard setting agenda by searching for good practice in the development and assessment of non-technical skills in accountancy trainees. The resultant report (R3) was published on the IFAC website as a resource document for member bodies.</p> <p>In the 'Fast Forward to 2010' strategy document, ICAS Council suggested widening access for entry to school leavers in response to concerns about the impact of demographic changes on the pool of university graduates and increasing costs of university education. Gammie and Professor Linda Kirkham, Department of Accounting and Finance, evaluated a potential school leaver route (R4). The research concluded that the 2003 proposal to re-open access to school leavers was a retrograde step for an Institute wishing to position itself at the forefront of the accountancy profession.</p>

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The work presented here is part of a wider stream of research by this team that pertains to Accounting Education (See e.g. Gammie 1-4 and Hamilton 2 in REF2). For example, **Gammie** has written reports for ICAS on graduate selection (<http://icas.org.uk/home/technical-and-research/research-centre/research-publications/pre-selecting-graduates-who-succeed-in-passing-chartered-accountancy-examinations/>) and female career progression (<http://icas.org.uk/gammie/>). **Gammie** was recently invited by ICAS to undertake research to evaluate whether ICAS should develop e-learning as one of the delivery mechanisms for their education provision (funding from ICAS of £18,080).

Going forward, **Gammie** is currently undertaking further work for ICAS on female career progression (<http://icas.org.uk/projectsinprogress/>) and research jointly funded by ICAS and the UK Financial Reporting Council on auditor skills and competences (<http://icas.org.uk/technical-research/research-centre/joint-research-projects/FRC/>). Given the position **Gammie** holds within the profession and the track record of her team in influencing professional standards, guidelines and training, these projects will underpin IMAgeS impact strategy in the Accounting & Finance field for the next REF period.

3. References to the research (indicative maximum of six references)

R1. Lines, D., Gammie, E., 2004. *Assessment Methods Report*, International Federation of Accountants: New York. ISBN 1-931949-33-6.
Following an award of £25,000 in 2002/03 from IFAC (International Federation of Accountants).

R2. Gammie, E., Hamilton, S., Cargill, E., 2008. *Development of relevant non-technical skills in ICAS trainees*, ICAS: Edinburgh.
Following an award of £6,000 in 2008 from ICAS (The Institute of Chartered Accountants of Scotland).

R3. Gammie, E., Hamilton, S., Cargill, E., 2010. *Searching for good practice in the development and assessment of non-technical skills in accounting trainees – a global study*, IAAER.
Following an award of £14,000 in 2008 from IAAER (The International Association for Accounting Education and Research) and ACCA (The Association of Chartered Certified Accountants). The report is available from: [http://www.iaaer.org/research_grants/files/Gammie_Final_Report\[1\].pdf](http://www.iaaer.org/research_grants/files/Gammie_Final_Report[1].pdf)

R4. Gammie, E., Kirkham, L., 2008. Breaking the link with a university education in the creation of a chartered accountant: the ICAS story, *British Accounting Review*, 40, 4, 356 – 375.

4. Details of the impact (indicative maximum 750 words)

Early work by the research team on the questions around assessment standards underpinned publication of an International Education Paper (IEP) by IFAC (**E1**) and the future development of International Education Standards (IESs). The IEP was 'based entirely on the research report (**R1**) prepared by Professor Lines and Professor Gammie. In particular, comments on issues such as validity and reliability and the assessments of inherent validity and reliability are drawn directly from that report, as are the tables matching assessment methods to capabilities and competences' (**E2**, p8, see also p2). The work that was incorporated into IEP3 was published by IFAC in 2005 for dissemination to their 160 member bodies operating in 120 different countries. The IEP therefore led to recognition within the professional accounting bodies that there was a deficiency in standards and led to commissioning of research by national bodies to bridge that gap.

ICAS responded to the deficiencies highlighted in the IEP, by commissioning research from **Gammie, Hamilton** and **Cargill**. The subsequent report (**R2**) made six recommendations to ICAS regarding their current approach to the development and assessment of non-technical skills within their initial education programme. These recommendations were considered by the ICAS Qualification Board at their meeting in March 2008 and the Education Department were further

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tasked with implementing these changes. The ICAS Qualification Board subsequently accepted these changes at their meeting in August 2008. Each of these recommendations were accepted and have subsequently been addressed by ICAS in their education design during 2008/2009. Thus, the research has informed the education policy of a professional accounting body. (E3)

Further to this, the IAAER and ACCA report (R3) was one of four reports published on the IFAC website as a resource document for Professional Accounting Bodies to use in their quest to address non-technical skill development in their educational programmes. The purpose of the development and administering of this research by the IAAER, was to inform the International Accounting Education Standards Board (IAESB) on specific areas of their educational guidance and standards. Gary L. Sundem (IAAER President) and Mark Allison (IAESB Chair) commented on the applicability of the research in setting international education standards (E4, E5).

In their 2008 article (R4), Gammie and Kirkham argued that if ICAS were to pursue the school leaver initiative then the proportion of non-graduate trainees was likely to increase with consequential implications for the composition of the overall membership. In time, they suggested, this may serve to alter the absolute and relative educational profile of ICAS CAs.

These research findings were presented to the Qualification Board of ICAS in November 2006 and again in November 2007 and the decision was subsequently taken that the school leaver scheme was not at this particular point in time regarded as an attractive proposition either for students or indeed the firms (E6). Whilst the fundamental change to university fees introduced in 2012 once again brought the issue of school leavers back onto the ICAS agenda, resulting in the introduction of school leaver routes with the Big 4, the research published in 2008 underpinned the policy decision by ICAS not to pursue the route at that particular time.

Summary

Building on their academic outputs Gammie's team has won a number of competitive tenders for research that is funded by significant national and international bodies for the Accounting profession. Their research findings have been used by IFAC and ICAS to define best practice and formulate policy in the areas of access to training (ICAS) and assessment (IFAC and ICAS). Many of these findings have gone on to inform further academic papers in the Accounting Education field, closing the circle between the academic and professional worlds of Accounting.

5. Sources to corroborate the impact (indicative maximum of 10 references)

E1. Agenda item 4 from IFAC Education Committee meeting in Stockholm, 2004 to evidence the relationship between R1 and the subsequent International Education Paper (IEP3) Assessment Methods.

E2. International Education Paper (IEP3) Assessment Methods by IFAC
<http://www.ifac.org/sites/default/files/publications/files/iep-3-assessment-methods.PDF>

E3. Statement from Chief Executive, ICAS that:

- a) the recommendations made by Gammie, Hamilton and Cargill were considered by the ICAS Qualification Board at their meeting in March 2008;
- b) that the Qualification Board accepted the changes and tasked the Education Department with implementing these changes; and
- c) that ICAS accepted the recommendations and incorporated them into their education design 2008/2009.

E4. IAESB Press Release, 11 April 2011, New York, IAESB Welcomes Completion of Research Intended To Inform Its Standard-Setting Agenda, <http://www.ifac.org/news-events/2011-04/iaesb-welcomes-completion-research-intended-inform-its-standard-setting-agenda>

E5. President, IAAER, can be contacted for further comment on the impact of R3 on Accountancy standards worldwide.

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E6. Statement from Chair of Qualification Board, ICAS that:

- a) Gammie and Kirkham's research findings were discussed at the ICAS Qualification Board meetings in November 2006 and November 2007; and
- b) their research underpinned the decision taken not to reinstate the school leaver scheme at that time.