Strengthening Auditing and Accounting Performance in Sub-Saharan Africa: the Education and Training Factors

In many countries in Sub-Saharan Africa (SSA), accounting and auditing performance has been unsatisfactory over the past many years. This is due primarily to a critical shortage of accountants at all levels, the lack of recognized and accepted accounting and auditing standards, and the inadequacy of accounting development. Given that resources are limited in Africa, it is vital that these are put to the best use, and are not lost through poor decision-making and inefficient financial management. Increasingly, accounting is providing the basis for performance evaluation of business entities, and the development of the accounting and auditing profession is important in achieving this. Training professional accountants is a slow process, and there are more vacancies than qualified personnel.

Numerous studies of accounting in SSA have concluded that sustained economic growth cannot be maintained without a sound accounting infrastructure and an appropriately trained accounting profession. The way in which accountants are educated and the sophistication of that education are critical to the ability of the profession to carry out its responsibilities. A 1993 UN global survey of accounting education found a positive correlation between the status of the profession, and the quality of accounting education. Attempts to improve accounting education are only likely to yield significant success when the quality and status of the profession are high. An educational program that prepares students for a low-status profession does not attract the best teachers and students, does not gain government and private sector funding, and does not offer a promise for a fulfilling career.
Africa Region Financial Accountability Program

This study, *Education and Training of Accountants in Sub-Saharan Anglophone Africa*, is the second output of the Africa Region's Financial Accountability Program (FAP). The first was the subject of *Findings No. 41*. The FAP has four components: Quality Review Schemes for Auditors; Education and Training of Accountants; Accounting and Auditing Standards; and Public Sector Financial Management. Each component of the FAP examines the problems facing the accounting profession and highlights best practice. The findings of these components provide examples of best practice in the field of financial management. When implemented the results at the country level are expected to be:

- improved accounting and financial reporting;
- impartial and independent audits;
- a regulatory framework for sound financial reporting and sound monitoring of such;
- national accounting bodies setting their own examinations supported by good training institutions; and
- improved public sector budgeting and accounting systems, and auditing.

Focus of the study

This study provides an overview of the accounting profession and the education and training of accountants in Sub-Saharan Anglophone Africa. It looks at:

- the profession;
- accounting examinations;
- accounting degrees;
- the education of accountants and accounting technicians;
- the training of accountants and accounting technicians; and
- continuing professional education (CPE).

The study found that there were good and poor examples of accounting education in Anglophone Africa. On the good side are colleges like the Zambia Centre for Accountancy Studies (ZCAS) and the Strathmore College in Kenya, which are providing quality accounting education. In contrast, Uganda fares somewhat poorly. It has only just established an accounting body, it has no national examinations, and the accounting training institutions are struggling to prepare students for overseas examinations.

External support for accounting education in Anglophone Africa has been reasonably successful, with donor-funded colleges such as ZCAS obtaining pass rates almost twice the worldwide average. Assistance however, is still required to help the profession develop. For countries such as Malawi, assistance is required to localize their examinations, for other countries such as Ethiopia, assistance is required to strengthen the national accounting body. The main findings and recommendations of the study are given here.

The Accounting Profession. Most of the countries in Anglophone Africa have an accounting body. The next step is for these bodies to *improve the level and quality of their services*. While
some bodies are fortunate to have financial assistance from their governments, they realize that this is a short-term solution. In the long-term, bodies need to finance their own activities. Many of them however, will continue to need assistance if they are to ensure the maintenance of professional standards.

**Regional Accounting Bodies.** Many bodies in Anglophone Africa are small, both in terms of staffing and members. For these bodies it is financially impossible to set accounting examinations and develop standards without external support. Regional bodies can play a role in helping the development of national accounting bodies. A long-term role for regional bodies could be to help design and run a regional accounting qualification. Individual bodies would take core examination papers from the regional body and supplement them with variant papers to examine their local laws and taxation. As well as being a cost-effective way of examining, it would also help with regional integration, and movement of accountants between countries. Regional bodies could also help with harmonizing standards. These bodies will need to be strengthened if they are to assist in this process. Such strengthening could be achieved through having regular, full-time staff and assured financial support.

**Examinations.** Almost all the accounting bodies in Anglophone Africa set examinations. These examinations may be set entirely in-country or with assistance from other accounting bodies. It is important for all countries to have a recognized national accounting qualification. It is not important however, for accounting bodies to set the examinations solely by themselves. Outsourcing some papers to an organization that is skilled in setting accounting examinations can be an efficient and effective way of testing students. The most important consideration is that countries have an accounting qualification of a sufficiently high standard to ensure that the public can have confidence in the services of their accountants.

**Accounting Degrees.** Accounting degrees in Anglophone Africa are very traditional in their approach to the subject matter. They place heavy emphasis on the techniques of accounting and auditing. Students do not learn to solve business problems, gain a good knowledge of how business works, or learn communication, interpersonal, and problem solving skills. Degree programs for students need to therefore change to focus on providing students with transferable skills, and a base upon which to build continued learning.

**Education.** Tuition for accounting is provided in a variety of colleges, from purpose-built colleges of accounting to vocational colleges. Students can study for the examinations by attending full- or part-time courses, undertaking distance learning courses or using textbooks. There are deficiencies in accounting education, especially for part-time courses: teaching staff may not be appropriately qualified; there is a lack of suitable teaching material; facilities are poor; and the curriculum is not meeting the needs of the users. Establishing a special accounting college is often regarded as the easiest way to increase the number and quality of accountants. However, assured financial support from government and donors is a prerequisite here.

**Accounting Technicians.** Given the need for adequately-trained support staff, technician-level qualifications should be promoted in all SSA countries. It is important that professional bodies provide examinations if accounting technicians are to be effective. An accounting body can
develop a technician qualification that helps to develop a cadre of persons to support the fully qualified accountant. This qualification can be an entry to a professional level qualification.

**Training.** Gaining relevant work experience is just as important as passing examinations. If the quality of accountants is to improve, so must the quality of training. For training to be effective, it needs to be monitored. Most accounting bodies have taken a first step in issuing students with training records for them to log their work experience. *The next step is for professional bodies to be more proactive, to accredit potential employers as trainers and monitor training.*

**Continuing Professional Education.** Provision of CPE is a neglected area. In an ever changing world however, *accountants need to keep up-to-date if they are to compete effectively.* Many bodies recommend CPE, but do not make it mandatory. Members should *undertake a minimum number of hours a year of structured and unstructured CPE.* Initially this can be regulated through members completing annual returns at the time of membership renewal. The next step for the accounting profession will be to monitor and *verify that members are actually undertaking the CPE* that they have recorded. Eventually, the accounting profession should *test the quality of CPE through undertaking quality review schemes.*