

# THE CONTINUOUS PROFESSIONAL DEVELOPMENT OF ACCOUNTING PROFESSIONALS AND THE IMPACT ON THE VALUATION OF ACCOUNTING INFORMATION

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## ABSTRACT

*In the accounting profession, continuous professional development and lifelong learning are essential if we consider the increasingly advanced demands of internal and external users of financial and accounting information. It is certain that professionals who do not have and do not constantly update their necessary general and specialized knowledge will no longer find their place in an increasingly competitive market. The paper highlights, based on bibliographic resources, the fact that national and international professional bodies implement training and professional development programs in accordance with the “International Education Standards” issued by the “International Accounting Education Standards Board”, an independent organization within the “International Federation of Accountants”. Using the selective research, we analyzed the interest of accounting professionals to develop professionally considering the need for continuous training in the conditions where accounting information is indispensable in the decision making process and the financial – accounting field is one that is constantly changing.*

## KEYWORDS:

*Professional development, professional accountants, financial-accounting teams, International Federation of Accountants, information, management*

## 1. Introduction. Literature review

“International Federation of Accountants”, by “International Accounting Education Standards Board” issued “International Education Standard 7 – Continuing Professional Development”, reviewed periodically. Its primary purpose is to implement the continuing professional

development necessary for professional accountants to maintain their skills at a professional level and to provide high quality services to clients, employers or other interested parties.

In view of the public role of the accounting professional, the standard provides for the mandatory implementation

by all member institutes of the “Continuous Professional Development Requirement” (DPC) (International Federation of Accountants, 2018). More, “International Federation of Accountants” developed in 2019 the Education Handbook which includes the IAESB’s suite of International Education Standards (IES) 1-8 (International Federation of Accountants, 2019).

In this context, the “*Body of Accounting Experts and Chartered Accountants from Romania (CECCAR)*”, a professional body in the field of accounting, initiated the “National Continuous Professional Development Program”, developed on the basis of art. 20 lit. f) from Government Ordinance no. 65/1994, republished, according to which “*supports training and professional development through appropriate training and professional development programs*”. The norms regarding continuous professional training are established by CECCAR through “Professional Standard no. 38 on the continuous professional development of professional accountants”, according to which “*the objective of continuous professional development is to help professional accountants develop a professional competence to be able to provide high-quality services in the public interest*”.

“*The training duration for the mandatory courses is at least 120 hours or equivalent continuous professional development units over a 3-year period, of which at least 20 verifiable hours per year*” (Body of Accounting Experts and Chartered Accountants from Romania, CECCAR, 2015). The topic of the training covers International Financial Reporting Standards, statutory audit, financial accounting, taxation, economic-financial evaluation, doctrine and professional ethics, etc.

“*The Chamber of Financial Auditors of Romania (CAFR)*”, professional body for the financial auditor profession in Romania, also adopted International Education Standard 7. Thus, according to the OUG no. 75/1999, republished, the “Chamber of

Financial Auditors from Romania” issued Decision no. 98 of December 19, 2018 approving the Norms for continuous professional training of financial auditors. According to it, “*the objective of continuous professional training for financial audit activity, other than statutory audit, (PPCADAS) is to maintain and develop the professional competence of financial auditors in order to carry out financial audit activities, other than statutory audit, provided in art. 3 para. (3) letter b)-e) of GEO 75/1999, according to the requirements of professional standards, regulations, norms and rules in the field*” (CAFR Decision no. 98/2018). Within PPCADAS, financial auditors must annually carry out 40 hours of structured professional training (participation in mandatory annual professional courses, organized by CAFR based on PPCADAS, approved annually) and unstructured (participation in specific congresses/conferences/organized in the country or abroad, participation in courses organized by professional bodies in the field, participation in postgraduate/master/doctorate studies in the field, publication of a book in the field, activity carried out as an internship supervisor, participation in the elaboration of studies/researches/reports/specialized legislation) (Norms approved by CAFR Decision no. 98/2018).

“*The Authority for the Public Supervision of the Statutory Audit Activity (ASPAAS)*” it is a public institution, having legal personality, operating under the Ministry of Public Finance (ASPAAS Organization and Operation Regulation), having the capacity of competent authority responsible for the authorization of financial auditors and audit organizations audit according to the provisions of Law no. 162/2017. Also, ASPAAS organizes continuous training programs (PFPC) (Norms approved by the ASPAAS Order no. 90/2018) for authorized financial auditors and registered in the electronic public register of financial auditors and

audit organizations, having ultimate responsibility for this activity. PFPC is developed in accordance with “International Education Standard 7 – Continuing Professional Development” and with “International Education Standard 8 – Professional Competence for Engagement Partners Responsible for Audits of Financial Statements”, revised in 2019 (International Federation of Accountants, 2019).

In 2022, following the delegation received from ASPAAS, CAFR organized the continuing professional training courses, in accordance with the PFPC approved by ASPAAS. The program involves the completion of 28 hours of classes, after which technical skills are obtained in three areas:

- “*technical skills (auditing, accounting, corporate governance, risk management, business environment, taxation, information technology, civil law and business legislation, finance and financial management)*”;
- “*professional skills*”;

– “*ethical values and professional attitude*” (Authority for Public Supervision of Statutory Audit Activity, 2022).

In this context, professional bodies in the field in Romania have understood the need for professional training of financial-accounting personnel, issuing regulations in this regard and developing training programs/continuous professional development, in accordance with international education standards.

## 2. Selective research methodology

Starting from the previous aspects, the paper further analyzes the interest of accounting professionals to develop professionally considering the use of accounting information in decision-making.

The research was carried out on the basis of a questionnaire on a sample of 301 organizations from the central region. The research objectives and hypotheses are presented in Table no. 1.

**Table no. 1**  
*Objectives, hypotheses and variables of the research*

Main objective	Main hypothesis	Secondary objective	Secondary hypothesis	Variables
Q <sub>1</sub> Analysis of the interest of accounting professionals to develop professionally from the perspective of the impact on the utilization of accounting information for management.	IP <sub>1</sub> Accounting professionals are interested in developing professionally and bear the related expenses in the conditions where the entities have, to an average extent, a high-performance financial-accounting team.	QS <sub>1</sub> Analysis of the interest of accounting professionals to develop professionally by the category of organizations and the organization of accounting.	IS <sub>1</sub> The interest of professional accountants for professional development varies according to the category of organizations and the organization of accounting.	v <sub>2</sub> Multiple choice / Closed with a single answer
		QS <sub>2</sub> Analysis of the influence of the category of entities and the way of organizing accounting on having a high-performing financial-accounting team.	IS <sub>2</sub> As the size of the organizations increases, so do the shares of those who believe they work with high-performing teams.	v <sub>10</sub> Multiple choice / Closed with a single answer
			IS <sub>3</sub> For the internalized organization, the share of those who consider that they do not have a performing team is reduced.	v <sub>37</sub> Multiple choice / Closed with a single answer v <sub>38</sub> Multiple choice / 5 point Likert Scale

### 3. Results and conclusions of the selective research

What is the situation for accounting professionals in the field of training and professional development? Does their preparation generate a limit or is it an opportunity from the perspective of

capitalizing on accounting information? In order to answer these questions, we formulated the operational variable v37 in the questionnaire, the objective of which is to analyze the interest of accounting professionals to develop professionally. The collected data are centralized in Table no. 2.

**Table no. 2**

*The interest of accounting professionals to develop professionally*

	Percent	Valid
Yes, they are interested and participate whenever they request	13.95	13.95
Yes, they are interested and participate periodically, according to the allocated budget	18.60	18.60
Yes, they are interested and participate, but the organization does not bear the related expenses	46.84	46.84
They are not interested in participating in such courses	20.60	20.60
Total	100.00	100.00

(Source: statistical processing)

Analyzing the information, in the opinion of 46.84% of the respondents, accounting professionals are interested in and participate in specific professional development programs without the organizations bearing the related expenses, while only 18.60% claim that they have access to programs depending on the allocated budget. Although there is still a 20.60% share of those who believe that professional accountants are not interested in training, we note the majority interest of professional accountants in continuous

professional development, especially with their bearing the related expenses, realizing thus the need for lifelong learning.

We believe that these conclusions are not sufficient, which is why we formulated the specific objective  $QS_1$  – *Analysis of the interest of accounting professionals to develop professionally according to the category of organizations and the organization of accounting*, associating v37 with v2 – Table no. 3, and v37 with v10 – Table no. 4.

**Table no. 3**

*The interest of accounting professionals to develop professionally depending on the category of the organization*

Participate	Category* %				Total %
	micro	small	medium	big	
Yes, at the expense of the organization whenever requested	4.05	13.10	38.46	29.41	13.95
Yes, according to the allocated budget	4.05	29.76	25.00	70.59	18.60
Yes, at their own expense	77.03	22.62	15.38	0.00	46.84
They are not interested	14.86	34.52	21.15	0.00	20.60
<b>Total %</b>	100.00	100.00	100.00	100.00	100.00

\* Depending on the average number of employees

(Source: statistical processing)

**Table no. 4**

*The interest of accounting professionals to develop professionally depending on the accounting organization*

Participate	Accounting organization %			Total %
	internalized	externalized	mixt	
Yes, at the expense of the organization whenever requested	26.21	0.00	13.64	13.95
Yes, according to the allocated budget	51.46	0.00	2.73	18.60
Yes, at their own expense	10.68	100.00	38.18	46.84
They are not interested	11.65	0.00	45.45	20.60
<b>Total %</b>	100.00	100.00	100.00	100.00

(Source: statistical processing)

By processing the data, it can be observed that in the case of the majority of large organizations (70.59%), accounting professionals are interested in professional development according to the allocated budget and for the difference of 29.41 %, participation in specific professional development programs can be done whenever is requested, the related expenses being borne by the organizations. In the case of medium-sized organizations, we notice the appearance of a 21.15 % share of respondents who declare that accounting professionals are not interested in professional development, and we wonder what is the reason why they continue to be kept in the team? How many times do we heard expressions like “he/she has a little more until retirement”. Without having any negative intention, we believe that regardless of age, continuous professional development must continue especially in this changing field of accounting.

In the case of the majority of micro-entities (77.03 %), accounting professionals develop professionally on their own, the organizations not being willing to bear the related expenses, which, moreover, does not produce any surprise, considering that the field of accounting is very often seen as something that must exist due to regulations, in order not to get fines, and not something necessary for the success of the organization.

The accounting activity can be organized in various forms (internalized,

outsourced and mixed), which can have effects from the perspective of continuous professional development. Based on the information obtained, we conclude that in the case of all organizations that outsource accounting, professional development is carried out by professionals on their own account. The majority of those who internalize this activity prefer that participation be done according to the allocated budget (51.46 %) and in the case of 26.21 % of these organizations participation is allowed whenever requested.

The conclusions drawn from the associations lead to the confirmation of the secondary hypothesis *ISI – The interest of accounting professionals for professional development varies according to the category of organizations and the organization of accounting*. Perhaps the data collected regarding the professional development interest of accounting professionals are not very accurate (the answers may undergo changes due to the way accounting is organized), but we believe that they can provide an overview very close to the realities in our country.

A last operational variable introduced in the questionnaire to achieve the objective is v38, through which we sought to evaluate the degree to which the organizations possess a performing financial-accounting team from the perspective of capitalizing on the accounting information for management, the information obtained

being presented in Table no. 5. We emphasize that this variable did not take into account the performance of the

team from the perspective of recording supporting documents in accounting.

**Table no. 5**  
*We have a high-performing financial and accounting team*

	Percent	Valid
very small extent	1.99	1.99
small extent	9.63	9.63
neutral	40.20	40.20
large extent	26.25	26.25
great extent	21.93	21.93
Total	100.00	100.00
<b>Scor 3,56</b>		

(Source: statistical processing)

It is found that the majority of respondents (40.20 %) appreciate that the organizations do not have, to a small or large extent (medium level), a high-performance financial-accounting team from the perspective of capitalizing on accounting information for management, but we also note the share of 48.18 % of those who consider that they have performing or very performing teams. Only 11.62 % of the organizations forming the sample are not satisfied with the professionals they work with from the perspective of leveraging information for management.

The score obtained is 3.56, which highlights that, according to the scale used, the organizations have a high-performing financial-accounting team. However, we

note that the value of this score is very close to the average level and therefore we consider that the team we work with may represent a limit in the capitalization and usefulness of accounting information for management.

To detail the conclusions, we formulated the specific objective  $QS_2$  – *Analysis of the influence of the category of organizations and the way of organizing accounting on having a high-performing financial-accounting team from the perspective of capitalizing on accounting information for management*, within which we associated  $v38$  with  $v2$  – information presented in Table no. 6;  $v38$  with  $v10$  – information shown in Table no. 7.

**Table no. 6**  
*We have a high-performing financial and accounting team depending on the category of the organization*

Opinion	Category* %				Total %
	micro	small	medium	big	
very small extent	4.05	0.00	0.00	0.00	1.99
small extent	13.51	9.52	1.92	0.00	9.63
neutral	37.16	48.81	44.23	11.76	40.20
large extent	28.38	16.67	30.77	41.18	26.25
great extent	16.89	25.00	23.08	47.06	21.93
<b>Scor</b>	3.41	3.57	3.75	4.35	3.56
<b>Total %</b>	100.00	100.00	100.00	100.00	100.00

\* Depending on the average number of employees

(Source: statistical processing)

**Table no. 7**

*We have a high-performing financial and accounting team depending on the accounting organization*

Opinion %	Accounting organization %			Total %
	internalized	externalized	mixt	
very small extent	0.00	6.82	0.00	1.99
small extent	4.85	27.27	0.00	9.63
neutral	37.86	35.23	46.36	40.20
large extent	30.10	12.50	33.64	26.25
great extent	27.18	18.18	20.00	21.93
<b>Total %</b>	100.00	100.00	100.00	100.00

(Source: statistical processing)

Analyzing the information obtained by associating v38 with v2, we can again see the dependence of v38 on the size of the organizations. Thus, as the size of organizations increases, so do the shares of those who believe they work with high-performing teams (from 45.27 % for micro-entities to 88.24 % for large organizations). It is also noted that none of the small, medium and large organizations consider that the financial-accounting team is underperforming. Thus, the specific hypothesis *IS<sub>2</sub> – As the size of organizations increases, the shares of those who believe they work with high-performing teams also increase*, is confirmed.

Regarding the analysis according to the way of organizing the accounting, we can conclude that in the case of 57.28 % of the organizations that resort to internalization there is a performing team, the weight being reduced to 53.64 % for those that opted for the option mixed and at 30.68 % for those that outsource accounting. It should be noted that for the mixed and internalized version,

the share of those who believe that they cannot rely on the team of financial-accounting professionals from the perspective of capitalizing on accounting information for management is almost non-existent.

*The collected data lead to the confirmation of the secondary hypothesis according to which IS<sub>3</sub> – For the internalized organization of accounting, the share of those who consider that they do not have a performing team is reduced.*

#### 4. Final conclusions

The work approached the accounting profession from the perspective of ensuring the quality of accounting information and its utilization, addressing the need for continuous professional training from the perspective of the need to provide qualitative and useful financial-accounting information in decision-making.

Based on the data collected and the conclusions drawn following the processing, the situation of hypothesis validation is presented in Table no. 8.

**Table no. 8**

*Research hypotheses – validation situation*

Main hypothesis	Stage	Secondary hypothesis	Stage
<b>IP<sub>1</sub></b> Accounting professionals are interested in developing professionally and bear the related expenses in the conditions where the entities have, to an average extent, a high-performance financial-accounting team.	<i>Validated</i>	<b>IS<sub>1</sub></b> The interest of professional accountants for professional development varies according to the category of organizations and the organization of accounting.	<i>Validated</i>
		<b>IS<sub>2</sub></b> As the size of the organizations increases, so do the shares of those who believe they work with high-performing teams.	<i>Validated</i>
		<b>IS<sub>3</sub></b> For the internalized organization, the share of those who consider that they do not have a performing team is reduced.	<i>Validated</i>

From the selective research, we noted the majority interest of accounting professionals for continuous professional development, especially with their bearing the related expenses, thus realizing the need for lifelong learning. The interest of professional accountants for professional development varies according to the category of organizations and the organization of accounting.

Regarding the degree of possession of a team of performing accounting professionals, the general conclusion is that organizations believe that they have such a team to a large extent. However, the value

of the obtained score (3.56) is very close to the average level and therefore we consider that the team we work with may represent a limit in the capitalization and usefulness of accounting information for management.

The analysis based on associations between the variables revealed that as the size of the organizations increases, the weight of those who consider that they work with high-performing teams increases, and for the internalized organization of accounting, the weight of those who consider that they do not have a high-performing team is reduced.

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