

V. Accounting and Auditing Training

This chapter describes accounting and auditing education and training and is structured as follows:

- 1 – Introduction – introduces accountancy education and training in the Fiji Islands.
- 2 – International Standards and Guidance on Accountancy Education – describes international standards and guidance in relation to accountancy education and training.
- 3 – University of the South Pacific (USP) – discusses USP’s activities and courses.
- 4 – Fiji Institute of Technology (FIT) – describes FIT’s course offerings.
- 5 – Fiji National Training Council (FNTC) – discusses the accounting education role of FNTC.
- 6 – Foreign Training Institutions – describes the presence and activities of foreign training institutions within the Fiji Islands.
- 7 – Government Accountant Service Examinations – outlines the nature and contents of the civil service examinations for government accounting personnel.
- 8 – Government Training Activities and Initiatives – describes government plans to improve the skills and qualifications of accounting personnel.
- 9 – ADB Experience with Pacific Capacity Building – identifies lessons that ADB has learned about capacity building in the Pacific.
- 10 – Issue Synopsis: Accounting Education and Training – summarizes the issues identified in this chapter.

1. Introduction

Fiji Islands has the strongest accountancy education infrastructure in the South Pacific. In particular, the University of the South Pacific (USP) compares well with many Australian and New Zealand higher education institutions. The Fiji Institute of Technology (FIT) complements USP with its more practically oriented education programs. As with USP, FIT compares well with other regional training bodies.

There is high and increasing demand for accountancy education—particularly since the events of May 2000. Among other things, this reflects: (i) well-paying employment positions that emigrants have vacated; and (ii) the international acceptability of accountancy qualifications.

On the supply side, a number of foreign (particularly Australian and New Zealand) education providers have established operations in the Fiji Islands. These institutions offer technician-level accountancy qualifications. These qualifications are extremely attractive given the inherent emigration possibilities. However, it is not the purpose of this study to comment on the public policy aspects of these arrangements.

In the public sector, the Government appears committed to strengthening the qualifications and skills of accounting personnel. To this end, the MOFANP has established a Training Committee, developed a Training Policy, and is in the process of strengthening its Training Department.

2. International Standards and Guidance on Accountancy Education

The international community has issued a variety of guidance on accountancy education. These materials are extremely relevant to Fiji Islands' efforts to introduce professional examinations, and includes:

- *Quality Issues For Internet and Distributed Learning in Accounting Education.* This IFAC Education Committee discussion paper discusses the environment that encourages the design, development and delivery of high-quality Internet and distributed learning in global accounting education. It offers recommendations for assessing the quality of Internet education and distributed learning.⁶²
- *Discussion Paper on Assistance Projects in Accountancy Education and Development.* This IFAC Education Committee discussion paper, which is based on the experiences of 15 IFAC member organizations, looks at some of the common aspects of successful aid and assistance projects and the impediments that can derail the process. It is meant to be of assistance to accountancy organizations and consultants involved in aid projects for the development of accountancy education, as well as potential donors.⁶³
- *International Education Guideline 9: Accounting Education and Experience.* This IFAC guideline sets out high-level curriculum expectations.⁶⁴

⁶² IFAC. 2000. *Quality Issues For Internet and Distributed Learning in Accounting Education.* New York: IFAC. Education Committee. www.ifac.org

⁶³ IFAC. 2000. *Discussion Paper on Assistance Projects in Accountancy Education and Development.* New York: IFAC. Education Committee. www.ifac.org

⁶⁴ IFAC. 1996. *International Education Guideline (IEG) 9: Accounting Education and Experience.* New York: IFAC.

- *Guideline for a Global Accounting Curriculum and Other Qualification Requirements*. This United Nations Conference on Trade and Development (UNCTAD) report sets out (i) requirements for the qualifications of professional accountants; and (ii) a guideline for national systems for the qualifications of professional qualifications.⁶⁵
- *Global Curriculum for the Professional Education of Professional Accountants*. This UNCTAD report sets out curriculum requirements including: (i) organizational and business knowledge; (ii) information technology; and (iii) accounting and accounting-related knowledge.⁶⁶

3. University of the South Pacific (USP)⁶⁷

Introduction

Established in 1968, USP has 12 member countries: Cook Islands, Fiji Islands, Kiribati, Marshall Islands, Nauru, Niue, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu. It offers undergraduate and postgraduate study programs; including teaching, tourism, journalism, agriculture, science and environmental management, technology, computing and information systems, banking and finance, public administration and management, counseling and social services.

A distance education program delivers academic courses to almost half of USP's total student body throughout the 12 member countries, supported by University Centers (see Table 15). Other students study full or part-time at the University's three major campuses in Fiji (Laucala), Vanuatu and Samoa. Smaller University Centers in each member country offer academic, administrative and communications technology support to distance-education students enrolled through University Extension. Ninety-five percent (4,643) of USP's internal students were studying at the Laucala (Suva) campus during 2000. Unfortunately, the May 2000 events affected USP's Laucala campus operations (see Box 3).

⁶⁵ UNCTAD. 1999. *International Accounting and Reporting Issues: 1999 Review*. New York: UN.

⁶⁶ Ibid.

⁶⁷ Primary Sources:

- University of the South Pacific (USP). 1998. *USP Strategic Plan*. Suva: USP.
- www.usp.ac.fj

Box 3: Samoa's Graduate Numbers Fall, Fiji Coup Blamed⁶⁸

The number of Samoan graduates has fallen by 15 percent from last year, Assistant Secretary of the Public Service Commission Valovalu Tusani confirmed.

Mr Tusani, who heads the Commission's Human Resource Management division, said the main reason was the 2000 coup in Fiji, where many Samoans undertake tertiary education.

"The majority of Samoan students had to return to Samoa," he said, "Students who could afford it went to universities in New Zealand to complete their studies."

He said numbers are expected to pick up again at the end of this year.

"With the proviso Fiji doesn't face any more political instability," he explained.

USP's 1998 *Strategic Plan* identifies good governance as important. However, the disciplines necessary to strengthen good governance are not obvious amongst the plan's five priority programs: (i) agriculture; (ii) sustainable development and environmental management; (iii) marine studies; (iv) teacher education; and (v) tourism.⁶⁹

USP Department of Accounting and Financial Management

The objectives of the Department of Accounting and Financial Management, within the School of Social and Economic Development, are: (i) to meet the region's needs for personnel in accounting and banking at the professional and paraprofessional level; and (ii) to undertake applied research and consultancy in the fields of accounting, finance and banking. USP offers undergraduate and postgraduate degrees in accounting and financial management (see Appendix 9 and Appendix 10, respectively, for course details).

⁶⁸ Reported by the Pacific Islands News Association (PINA). January 2002. www.pinanius.org

⁶⁹ University of the South Pacific (USP). 1998. *USP Strategic Plan*. Suva: USP. pp. 4-5.

Table 15: USP Student Statistics 2000⁷⁰

Country	Enrolled Students			FTEs Studying Accounting and Finance
	Internal	External	Total	
Cook Islands	28	74	102	4.3
Fiji	3,814	2,851	6,665	533.4
Kiribati	140	234	374	14.3
Marshall Islands	7	72	79	0.5
Nauru	7	38	45	0.3
Niue	11	34	45	1.4
Samoa	215	185	400	23.1
Solomon Islands	268	163	431	16.3
Tokelau	4	1	5	0.1
Tonga	114	262	376	18.9
Tuvalu	81	65	146	6.5
Vanuatu	134	199	333	11.5
Others	91	26	117	4.8
Total	4,914	4,204	9,118	635.4

The Department is currently engaged in dialogue with the FIA to establish a graduate professional orientation program. Moreover, the postgraduate Diploma in Banking was established to promote specialist skills within the banking community.

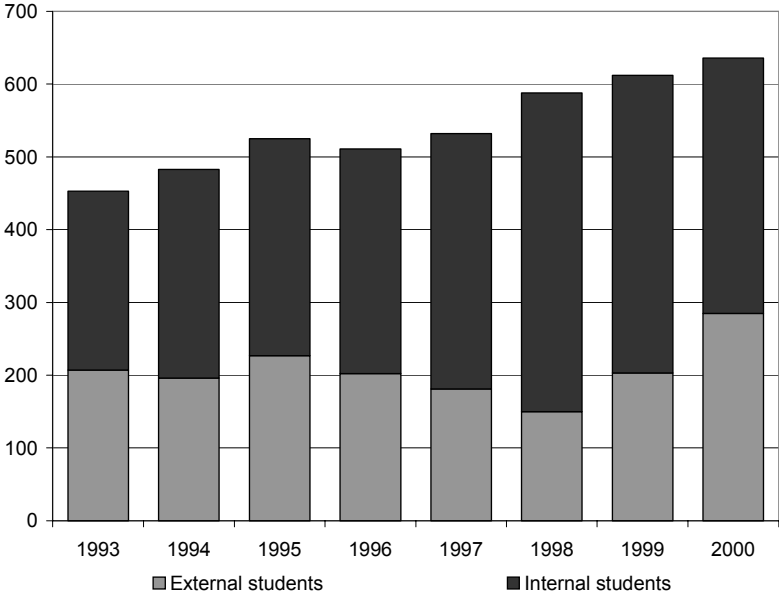
The number of students being taught by the Department is increasing rapidly (see Figure 3). At the same time, the Department is facing problems filling vacancies (in 2000 the Department had 13 staff of whom 10 were based in the Fiji Islands). The net effect is that the Student-Staff ratio deteriorated from 31.4 in 1999 to 43.9 in 2000. Despite this, the Department is recognized for its high academic standards:

“Universally there (was) considerable praise for the accounting graduates with one practitioner indicating that he thought USP graduates might be better than certain internationally-trained Fijian students.”⁷¹

⁷⁰ Primary Source: www.usp.ac.fj

⁷¹ External Reviewer’s Report in Respect of the Department of Accounting and Financial Management within the School of Social and Economic Development. The University of the South Pacific, 2001.

Figure 3: USP Accounting and Financial Management Department, FTE Students 1995–2000⁷²



4. Fiji Institute of Technology (FIT)

FIT provides technical and vocational education and training at post-secondary school level. Its programs range from trade certifications to advanced diplomas. The New Zealand Qualifications Authority (NZQA) recognizes many of FIT’s programs.

Among other things, the Institute’s School of Commerce offers the following relevant courses of study:

- Certificate in Business (Accounting).
- Certificate in Customs (Tariff Studies).
- Diploma in Business Studies (Accounting).
- Diploma in Customs (Tariff Studies).

The School of Commerce had around 1,700 Equivalent Full-Time Students (EFTS) in 2001. There has been a significant increase in the number of public sector accountants undertaking courses in the past four years.

The FIA recognizes the FIT Diploma in Business Studies (Accounting) for admission as an Affiliate Accountant.

⁷² Source: www.usp.ac.fj

5. Fiji National Training Council (FNTC)

The Fiji National Training Act established FNTC in 1973. The Council, which is responsible under the Act to the Minister for Labor and Industrial Relations, is a tripartite body, comprising representatives from government, employers and employee unions. FNTC is predominantly funded by employer levies.

FNTC contracts training providers—such as Western Sydney Institute of Technology of NSW—to provide accounting courses, including:

- Fundamentals of Business Accounting
- Advanced Business Accounting
- Certificate III in Accounting
- Certificate IV in Accounting
- Diploma in Accounting
- Advanced Diploma in Accounting

6. Foreign Training Institutions

A plethora of foreign (mainly Australian and New Zealand) education providers have established operations in the Fiji Islands (see Table 16). These Institutions offer technician-level accountancy qualifications. While the quality of education offered by some of these institutions has been questioned—given their small size and limited resources (for instance, library materials)—their qualifications are extremely attractive due to the inherent emigration possibilities.

Table 16: A Sample of Foreign Accountancy Education Providers

Institution	Description
New Zealand Pacific Training Center (NZPTC)	NZPTC offers diplomas from the Box Hill Institute of TAFE in Melbourne Australia. These include: Business Accounting Banking and Finance
South Pacific Education College (SPEC)	CPEC franchises courses from the Chisholm Institute TAFE (Victoria, Australia). Relevant courses include: Diploma in Business Accounting (DBA) Certificate in Business Accounting
Sangam Institute of Technology (SIT)	SIT offers the following TAFE-NSW courses: Certificate III in Accounting Certificate IV in Accounting

Table 16: A Sample of Foreign Accountancy Education Providers (continued)

Institution	Description
Central Queensland University (CQU)	Suva-based CQU offers a Bachelor of Business (Accounting) program. Relevant Courses include: ACCT11057 Principles of Accounting ACCT19061 Corporate Accounting ACCT19063 Contemporary Issues in Accounting ACCT20047 Strategic Cost Management ACCT20051 Accounting for Decision Making ACCT19066 Accounting Systems and Assurance ECON19031 Environmental Economics ECON19033 Macroeconomics FINC19011 Business Finance FINC19012 Investment Analysis and Risk Management FINC20006 Organizational Finance FINC20010 Capital Budgeting
Western Sydney Institute of Technology of NSW, Australia (in association with FNTC)	This institute provides training courses under contract to FNTC. The courses include: Certificate III in Accounting Certificate IV in Accounting Diploma in Accounting Advanced Diploma in Accounting

7. Government Accountant Service Examinations

Civil servants performing accounting duties must successfully complete public service examinations before their employment or promotion. This requirement is waived where the officer has a recognized academic qualification (for instance, an accountancy degree from USP). The examination syllabi differ from those for academic accountancy qualification (see Table 17).

Table 17: Civil Service Accounting Examinations

Examination	Syllabus Content
H(1)	The Examination H(1) syllabus was effective from 1993 and focuses on the key requirements of the <i>Finance Instructions and Regulations</i> .
H(2)	The Examination H(2) syllabus builds upon the H(1) syllabus by focusing upon the <i>Finance Act</i> and taking a more detailed look at the <i>Finance Instructions and Regulations</i> . The syllabus extends to the <i>Government Stores Instructions and Finance (Supplies and Services) General Regulations 1982</i> .

Table 17: Civil Service Accounting Examinations *(continued)*

Exami- nation	Syllabus Content
S	<p>The Examination S syllabus is divided into three papers:</p> <p>Paper A: English. Covers writing, comprehension and language study.</p> <p>Paper B: The State and the Public Service. Covers the functions of state institutions, ministries and departments, statutory bodies, committees and public service administration.</p> <p>Paper C: Government Accounting System. Covers the Finance and Audit Acts, budget and monetary spending, finance instructions and stores instructions.</p>
U	<p>The Examination U syllabus is divided into two papers:</p> <p>Paper A: English. Covers writing, comprehension and language study.</p> <p>Paper B: The Government Accounting System. Covers: Finance and Audit Acts, budgeting and monitoring, balance sheets and reports, finance Instructions, and stores instructions.</p>
E	<p>The Examination E syllabus is divided into three papers:</p> <p>Paper A: Machinery of Government, which covers the Legislature and Executive, the Judiciary, Service Commissions and the Ombudsman.</p> <p>Paper B: The Fiji Public Service.</p> <p>Paper C: Government Accounting System.</p>

8. Government Training Activities and Initiatives

Introduction

The Government recognizes that suitably skilled accountants will be required in the public sector, if its FMR program is to be successfully and sustainably implemented.

“Government has publicly declared that curbing corruption and other unethical behavior is an integral part of its effort to promote transparency, integrity and good governance. It has put in place a number of initiatives, including ... training workshops for all government accounting officers to reinforce the need for strict adherence to rules and regulations, procedures and requirements relating to financial management and control.”

– Prime Minister Laisena Qarase, January 2002⁷³

⁷³ Qarase, Laisenia (Prime Minister of the Republic of the Fiji Islands). 2002. A Pledge Honoured, and Promises Fulfilled. Newspaper advertisement published in the *Fiji Times*. 29 January.

Public Service Commission (PSC): Training Division

The PSC's Training Division contracts service providers to conduct specialist courses for the Senior Executive Service and for Middle Managers. These courses are offered on an annual basis and include a two-day financial management course.

Ministry of Finance and National Planning (MOFANP)

In 2000, the Permanent Secretary for Finance established the MOFANP's Training Committee on the basis that "there is an urgent need to update the qualifications and skills of existing staff especially in view of the upcoming reforms, technological advancement and changing management needs. Strategically, they must be equipped with appropriate skills and basic qualifications to enable them to meet the challenges of professionalism with efficiency, effectiveness, innovation and independence."⁷⁴

Under existing arrangements, 10 civil servants are sent to FIT for training each semester. The MOFANP has advocated sending 10 additional officers per semester to pursue Diploma in Business Studies (Accounting). The public service does not currently sponsor officers to pursue Diploma in Accountancy studies at USP.

The Permanent Secretary for Finance chairs the Training Committee, whose primary focus is training existing staff in economics, management and accounting. The Committee's secondary focus is classroom training on accounting procedures and practices.

The MOFANP's Training Department is currently being strengthened—a Training Director is likely to be appointed soon. The Department's objectives are to: (i) develop, update and maintain a database in respect of all MOFANP-based staff as well as the accounting cadre to facilitate the conduct of training needs analysis; (ii) upgrade the qualifications and skills and improve the performance of MOFANP staff through training and development; (iii) develop and conduct training courses; (iv) cater for the national workforce requirements in the finance/accounting cadre through sponsorship of identified staff for further training and development through in-service training awards; and (v) ensure compliance with Section 140c of the Constitution that "men and women equally, and members of all ethnic

⁷⁴ MOFANP. 2000 March 27. Training of Accounting Staff. Memorandum.

groups, should have adequate and equal opportunities for training and advancement.⁷⁵

But the MOFANP recognizes that a thorough training-needs analysis must first be conducted to determine the training requirements in the following categories: (i) organizational needs; (ii) occupational needs; and (iii) individual needs.

9. ADB Experience with Pacific Capacity Building⁷⁶

The shortage of managerial and technical skills is a major development constraint. The human resources and institutional capacity in the PDMCs remain extremely weak, which is in large measure caused by the small labor market and limited local education opportunities. Weak human and institutional capacities are perhaps the most significant obstacle to achieving efficient social and economic systems.

Weaknesses range from the weak capacities of parliaments to debate policy issues and effectively oversee government administration, to the limited professionalism of the civil service, the weak capacity of sectoral agencies to regulate and manage critical public services, and the ability of the private sector to engage the necessary business and technical skills. The shortage of skills in the smallest and remotest PDMCs is to be expected, and there is no easy solution. However, while much effort has been expended in building skills in the larger PDMCs such as the Fiji Islands and the Melanesian countries, durable capacity is still lacking. The important lesson from capacity-building efforts in the Pacific so far is that it is a long-term task requiring sustained attention and investments. There are serious risks in being overly ambitious, given the weak base in most countries.

To some extent, providers of external assistance have contributed to the problem of low capacity. Multilateral and bilateral donors design complex projects and programs, and then field a battery of consultants to implement these because local capacity cannot cope. Capacity-building programs are often resourced by long-term consultants who often are technical rather than capacity-building specialists, and who end up doing the work themselves rather than transferring skills. Governments compound the problem by not adhering to a policy that allows trained

⁷⁵ MOFANP. 2001. *Training Policy*.

⁷⁶ ADB. September 2000. *A Pacific Strategy for the New Millennium*. Office of Pacific Operations. Manila: ADB. p. 11.

incumbents to stay in place over an adequate period of time to have an impact on institutional operations. Finally, while bilateral programs have devoted much investment to overseas education and training, these programs are plagued by the consequent emigration of trainees, seeking more attractive overseas employment opportunities.

10. Issue Synopsis: Accounting Education and Training

Chapter VIII – *Issues and Recommendations* – identifies and describes constraints, and proposes corrective actions. These include the following issues regarding accounting education and training in the Fiji Islands:

- The service examinations for civil servants performing accounting duties differ from those for academic accountancy qualifications.
- The Government—particularly the MOFANP—is emphasizing accountancy training within the civil service. Progress is being made with the establishment of a Training Committee, Training Policy and through strengthening of the Training Department. However, a comprehensive training-needs-analysis is yet to be undertaken to support the development of a training strategy and training programs.