

SEPTEMBER**2020****RESULTS OF A SURVEY OF
MEMBERS OF****PROFESSIONAL
ACCOUNTANCY****ORGANIZATIONS IN
GEORGIA**

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1. Introduction

Members of professional accountancy organizations (PAOs) in Georgia completed a survey in early 2020, answering a series of questions online. 377 responses were received from members of both of the leading PAOs in Georgia, which together represent the large majority of professional accountants in Georgia.

The survey is undertaken in the context of the challenging and wide reforms to financial reporting, accountancy and audit that have been ongoing in recent years in Georgia. The PAOs have played a leading role in many of the successes in implementing of these reforms and will be at the forefront of addressing the many challenges that remain in fully implementing the reforms.

The results of the survey are presented and analyzed in this report.

2. Executive summary

The key findings are described below together with some possible conclusions from each finding. The report then considers a range of implications that can be inferred from the findings.

The report sets out a number of next steps that may be taken to address the conclusions and implications of the survey.

The conclusions and implications in this report are not definitive but rather reflect the responses to the survey summarized by the authors and reviewers of the report.

A. Key findings and conclusions

1. The very positive answer to the final question, on whether members would recommend (agree) that colleagues join the PAOs, indicate that as whole members are supportive of their PAOs and see the value of being a member.
2. Communications was an area highlighted as very important to members across many of the questions. E-mail communication was seen as key, and seen to be working well. By contrast, communication via the website and social networking were seen as less successful and was highlighted as areas that could be improved upon.
3. Members appeared generally positive about the amount of information that the PAOs provide in technical areas, while at the same time making suggestions for improvements.
4. Face to face meetings and trainings were identified as important by members and generally there was a positive view of how the PAOs have been conducting them. Some members highlighted the need to continue to keep the trainings offered relevant and up-to-date. The benefits and challenges of moving both communications and training online where possible were mentioned by members in a number of places in the survey.
5. On CPD, there were positives responses on the quality of lecturers and materials. However, members highlighted that improvements can be made in the level of interaction in courses, and in addressing the difficulties in scheduling courses.

6. Responses to the question on transparency and efficiency of the management of the PAOs highlighted some areas where PAOs could seek to make further improvements as part of their ongoing commitment to transparency and best practice governance.

B. Possible implications of the survey findings

Successes to build on

Areas where members generally gave positive feedback and where the PAOs should seek to build on their success include:

- E-mail communication
- Communication through meetings
- Providing technical information, e.g. on reforms and standards
- The key aspects of CPD delivery – high quality lecturers and materials

Challenges to work on

A number of challenges were highlighted by members where the PAOs should seek to address to continue to meet members' expectations in the future. These include:

- Provision of on-line trainings and meetings
- Improvements to some communication channels, in particular via the website
- Continuing evolution of the transparency and efficiency of the management of the PAOs. This is a challenge shared by all PAOs internationally in the fast-changing world today.
- Keeping CPD relevant and up-to-date, and meeting the challenges of scheduling (the second is possible only to a limited degree).

The PAOs may wish to review the more detailed findings of the survey and seek to address findings where they are justified and can be addressed within the limited capacity of the PAOs.

C. Next steps and actions

The following next steps and actions are indicated by the results and conclusions drawn from the survey.

The PAOs should:

1. Undertake a review of communications, to build on successes and identify the challenges and opportunities.
2. Transform and evolve PAO communications (email, website, meetings etc.) to respond to the rapid changes in modern communication media.

Action: The PAOs may wish to seek expert assistance in this area, and should add the necessary skill set in their staff, management and governance capacity to meet this challenge.

3. Review options for increasing the use of online training, meetings and webinars and explore cost-effective solutions.

Action: As with communications, the PAOs may wish to seek expert assistance and enhance their PAO-wide capacity to further develop online training, meetings and webinars.

4. Work with the governance and committees of the PAOs, with members of all ages, and with support from IFAC, international peer PAOs and international organizations, to identify and meet the challenges of continuously improving the transparency and efficiency of the management of the PAOs.

Action: PAOs should benchmark their systems and processes to international best practices and add capacity at Board and management levels to drive ongoing evolution of the PAOs' management and operations.

5. Continuing the ongoing process of keeping CPD up-to-date and relevant, and keeping it as accessible to all as possible.

Action: The PAOs should continue to collaborate closely with leading CPD providers.

D. Matters to take into account when interpreting this survey

There are a number of factors that must be taken into account in interpreting the results of this survey. The results give an interesting snapshot of the views of almost 400 members of the two leading Georgian PAOs. However, they are not definitive or necessarily representative of all members and should be viewed with a certain amount of caution. The following factors are relevant:

1. Only a proportion of members responded to the survey and the views may not be representative of all members' views. However, 377 responses is a significant number and some reliance can be placed on the results.
2. 70% of the responses came from GFPAA members and 30% from GFAAFM. Responses can only be taken as general across both PAOs and will not reflect the differing characteristics of the two PAOs. However, where results are clear with responses above 60% or below 40%, then the result can be assumed to be supported by a material number of respondents from both PAOs.
3. Approximately 10% of respondents were part of the governance structure of the PAOs, and can be expected to answer positively on aspects of the PAOs services that they may be responsible for. This effect may mean that some results are slightly biased in a positive direction.

3. Detailed findings

This section sets out the context, results and conclusions for each of the 11 questions in the survey.

Question 1 – Membership of professional body

Context: The two leading PAOs in Georgia are the Georgian Federation of Professional Accountants and Auditors (GFPAA) and the Georgian Federation of Auditors Accountants and Financial Managers (GFAAM). A third PAO, the Georgian Association of Independent Accountants and Auditors (GAIAA) recently merged operationally with GFPAA.

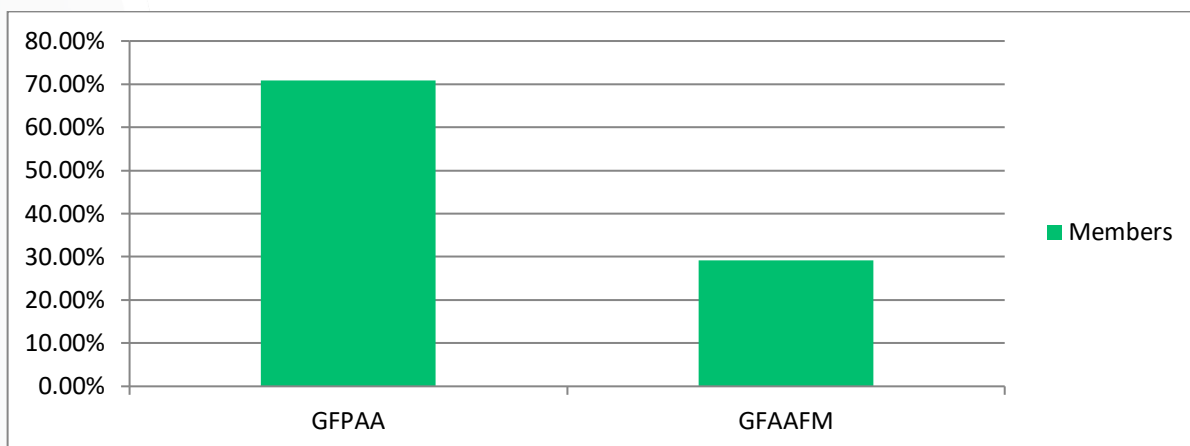
The survey was sent by both PAOs to their members.

Question: Of which professional organization are you a member?

Results:

- All of the 377 respondents answered this question.
- 267 (71%) are members of the GFPAA.
- 110 (29%) are members of the GFAAFM.

The results of the survey are set out in the diagram below.



Conclusion:

- The results of the remaining questions must be taken in the context of the nature of the respondents, in that just over two thirds are from GFPAA.
- For example, a question which received a 70% positive response could mean that 70% of respondents from both organizations give a positive response, or it could mean that all GFPAA members responded positively and all GFAAFM members were negative.
- Unless there is a specific attribute which only one PAO has, then responses can only be assumed to be general across the respondent group.

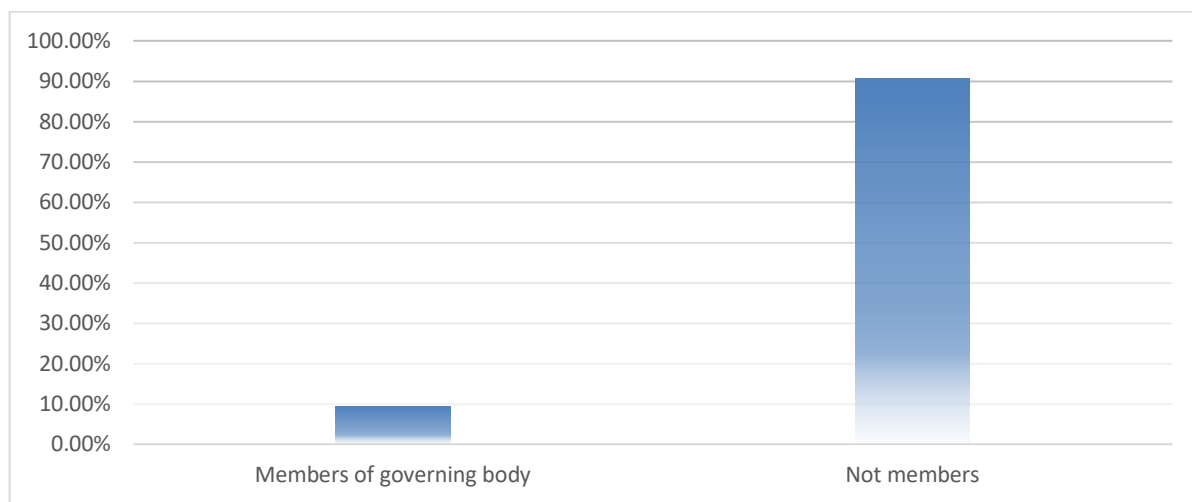
Question 2 – Membership of PAO governing body

Context: the PAOs have well-established governing bodies or committees. Many members of these bodies have been in place for many years and are very closely associated with the PAOs. As many of the questions deal with respondent's views on the PAOs services to members respondents who are members of PAO governing bodies can be expected to answer positively about aspects of the PAO for which they are directly or indirectly responsible. This may influence the proportion of responses which are positive.

Question: Are you a member of professional organization's governing body or committee?

Results:

- 371 of the 377 respondents answered this question – 6 did not answer the question
- Of these 371, 35 (9%) confirmed that they are members of the governing body of their PAO.



Conclusion:

- Having almost 10% of respondents being members of the PAO's governing body will bias the responses to subsequent questions as they can be expected to be consistently positive about PAO performance.
- It may be useful for readers to 'normalize' for this unintentional bias for subsequent consideration of question responses. For example, if 15% of respondents answer positively when asked if PAOs do a good job, then it may be that the un-biased response is between 5-10%.

Question 3 – Communication by PAOs to members

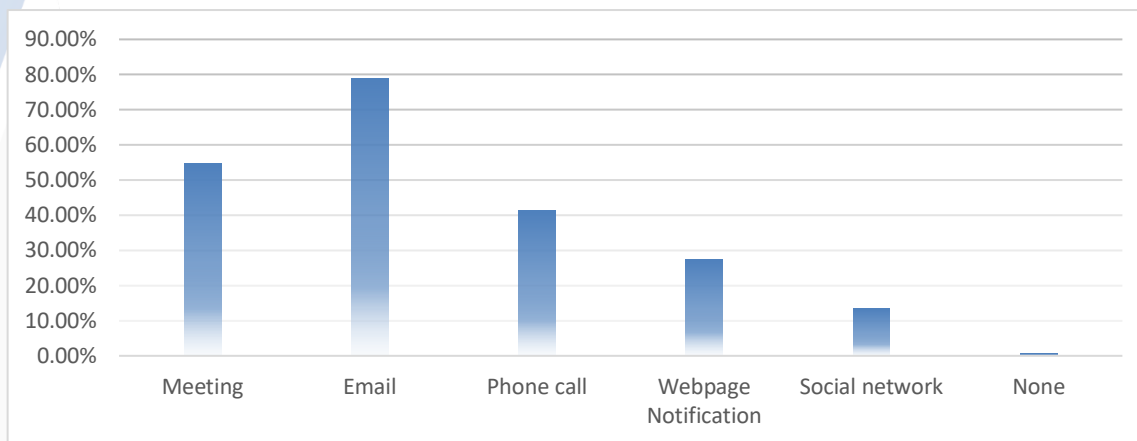
Context: PAOs use a number of mediums to communicate with members, and these evolve over time. Analyzing the strongest and most used mediums helps PAOs to focus on those that are more effective. However, the results are not correlated against the age of respondents, and it may be that younger respondents have different preferences compared to different age groups.

Question: Which means of communication are used by a professional organization are effective in communicating to you (several can be selected)?

Results:

Of 377 respondents, 373 answered this question.

The following chart shows the results.



- Email was the highest scoring option; almost 80% found that email was an effective way for PAOs to communicate.
- Meetings were found to be the next most effective way of communicating. The restrictions relating to the COVID-19 virus may have an effect on this going forward as many face-to-face meetings have had to move online.
- Only 27% responded that website notification was effective, which appears low.

Conclusion:

- The PAOs may have to consider how to make communication via their websites more effective.
- They will also have to consider whether online meetings may play a greater part in communications going forward.
- Noting that email is the most effective way of communication, PAOs must focus on the emails they send to maximize their impact. Training in this area may be beneficial.

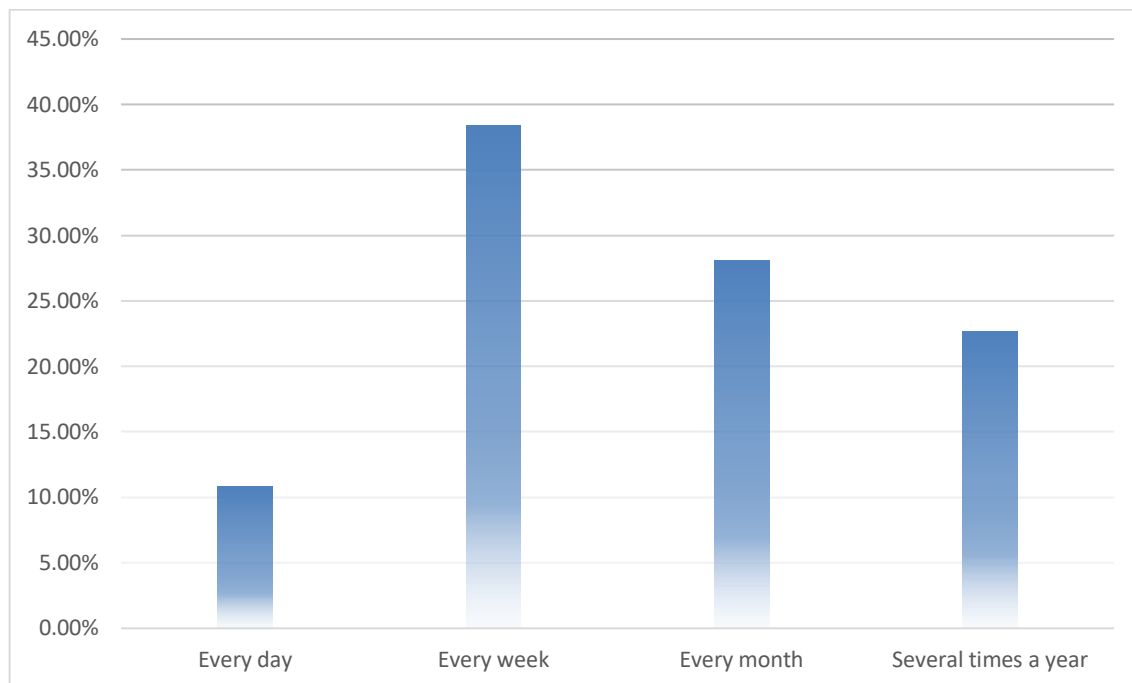
Question 4 – PAO website use

Context: Organizations’ websites have become an increasingly important source of information for members and others including the general public. Well-designed websites can enhance an organization’s reputation and can help members to increase the value they obtain from their organizations. However, websites can be poor and difficult to use, which can make them of little benefit to members and the public. How often members visit the website reflects the relevance and usefulness of the organizations’ websites.

Question: How often do you visit professional organization’s webpage?

Results:

- 370 of the 377 respondents answered this question.
- The option with the highest number of responses (38%) is that they visit every week. A further 28% visit every month.



Conclusion:

- The fact that approximately 50% of respondents confirm that they visit at least once per week, which indicates quite a high level of engagement with the website.
- However, in the previous question, only 27% find the website to be an effective means of communication, which indicates that improvements can be made to enhance the effectiveness of the websites for communicating information.

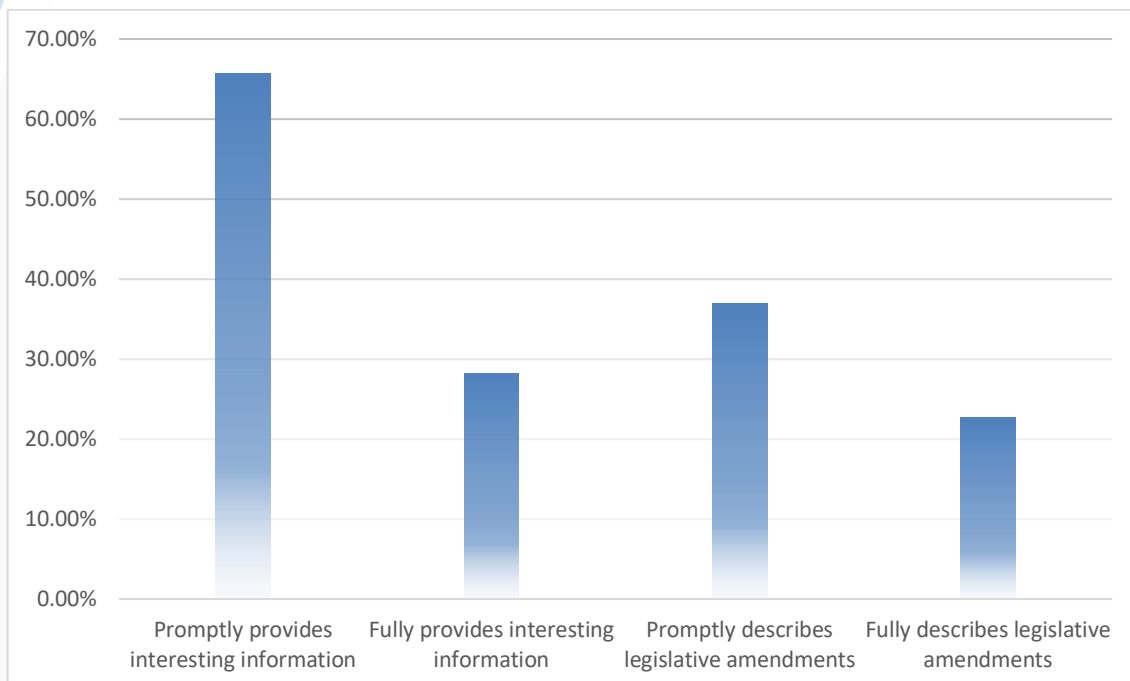
Question 5 – Information about reform

Context: Georgia continues to push forward with reform in many areas, including in financial reporting and audit. Many of these reforms bring changes to the day-to-day work of auditors in particular, including the establishment of inspection programs. Accountants and auditors rely on professional bodies as one important source of information about this ongoing reform and for assistance in meeting the challenges it brings.

Question: How satisfied are you with the support of the professional organization regarding the timing and quality of information about the course of reform and changes?

Results:

- 344 of 377 respondents answered this question – roughly 10% (35) did not answer.
- The results are shown in this diagram:



- The responses mix positive and less positive views. Over 60% note that the PAOs give interesting information on reforms promptly. This confirms that the PAOs make a reasonable effort to communicate with members on reforms
- However, the responses to all the other questions are less than 40% positive. If you take the number of board members of PAOs who likely gave positive responses, then the number of those who agree that PAOs fully describe reforms and legislative amendments is in the region of 20% and 15% respectively.

Conclusion:

- The low responses to all except the first question indicate that there is considerable room for improvement in improving the effectiveness of the communications by PAOs on reforms and legislative amendments.

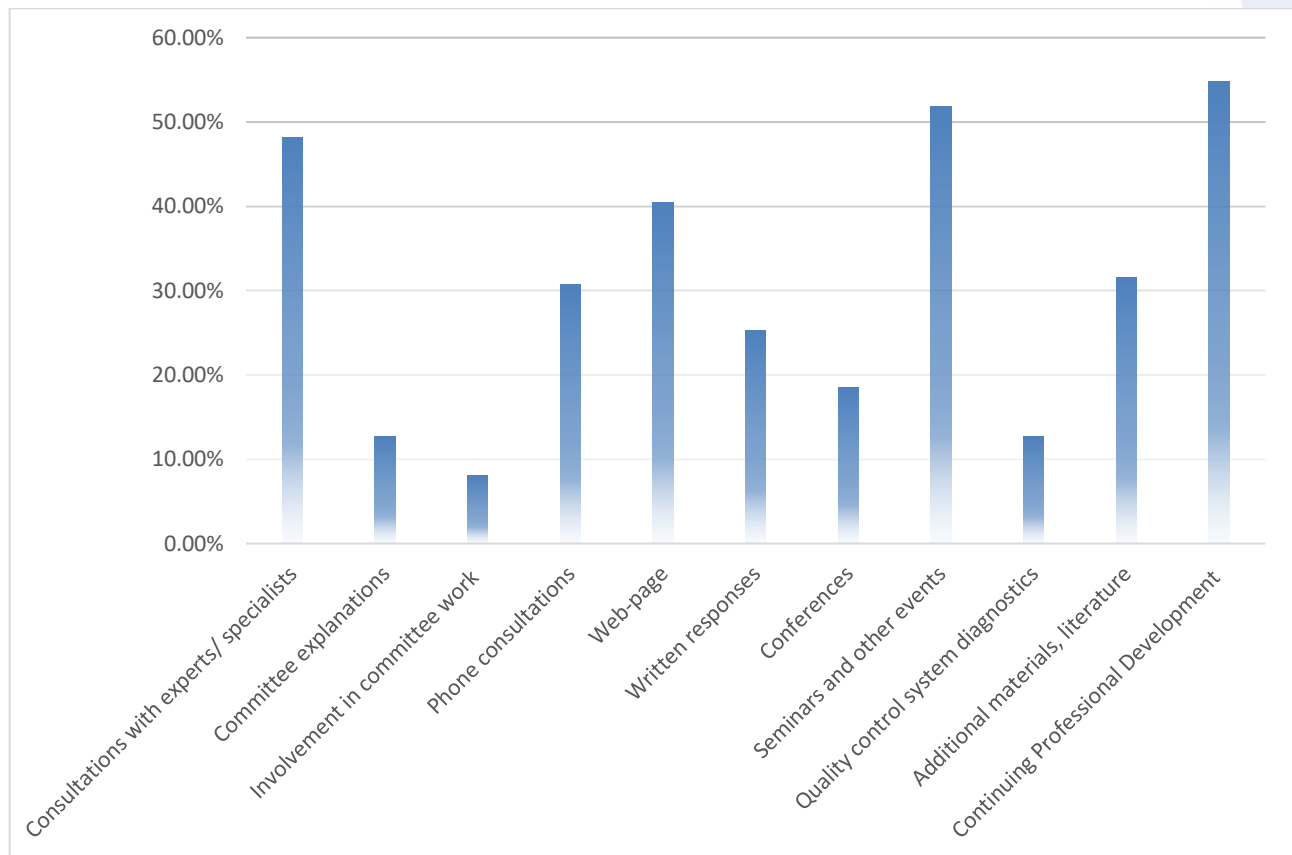
Question 6 – Sources of professional support

Context: Following from the previous questions, the Georgian PAOs seek to provide professional support for their members as a key service to members and to help raise the quality of accounting and audit in Georgia. Not all members will seek such support from their PAO, especially if they are members of wider company networks.

Question: Quality professional support from the PAO is available via following sources:

Results:

- 361 of 377 respondents answered this question.
- The results are shown in this diagram:



- 4 of the mentioned sources received 40% or more positive responses. These are Consultations with experts and specialists, the website, seminars, and CPD.
- Other options were identified much less as sources of professional support. Committee explanations and involvement in committee work are examples of low positive responses.

Conclusion:

- The number of respondents who identified four of the options is positive for the PAOs as it indicates that 40-50% of members engage with the PAOs for the provision of professional support.
- The PAOs may wish to focus on these avenues for improving the provision of such support.

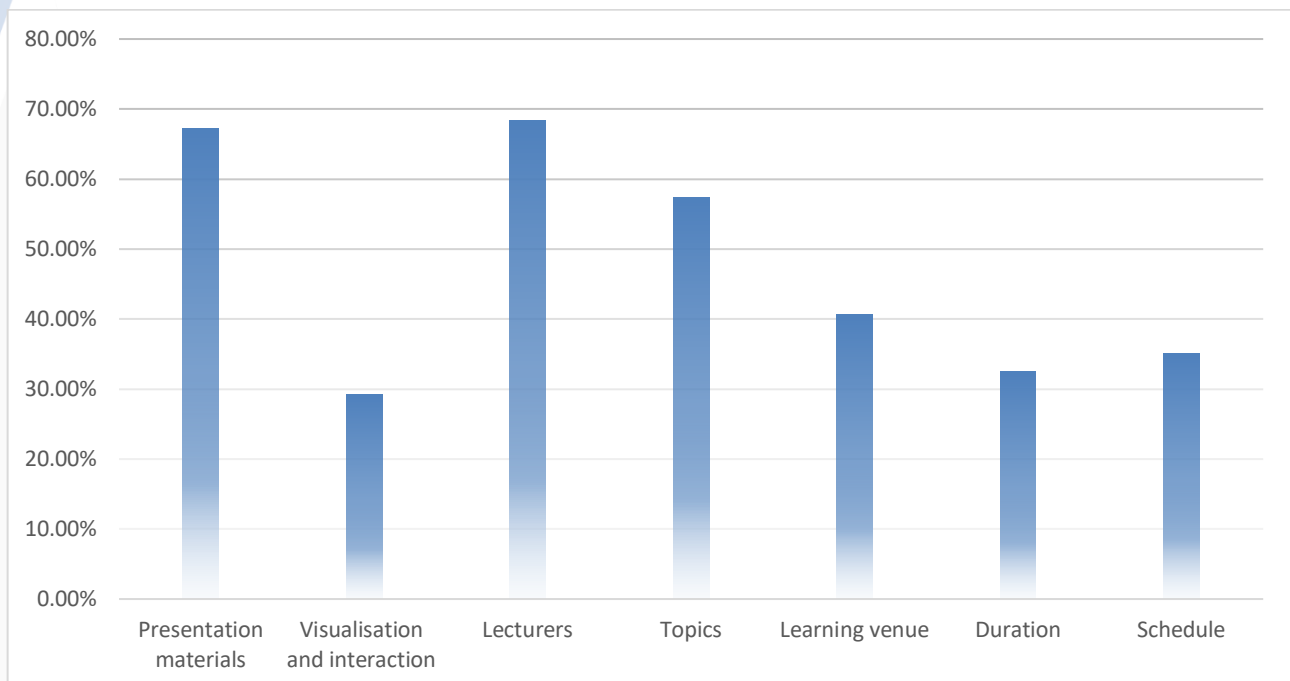
Question 7 – CPD

Context: Continuous Professional Development (CPD) was the highest-scoring option for the provision of professional support by PAOs in the previous question. All members are required to complete a given amount of CPD each year, so feedback on the quality of CPD provided by the PAO is important for the PAO to be able to improve the provision of this important service. Not all members will complete their CPD using PAO-provided courses, especially if members of wider networks of accountancy firms.

Question: I am satisfied with the quality of the following in relation to Continues Professional Development:

Results:

- 345 of 377 respondents answered this question. Almost 10% did not answer.
- The results are shown in this diagram:



- High levels of satisfaction at 60-70% on the materials and lecturers are contrasting to low levels of satisfaction at 30% on in the level of interaction, duration and scheduling of the courses

Conclusion:

- The PAOs can be commended on the quality of the materials and the lecturers, which can be considered the most important of the factors relating to CPD of those listed. High-quality lecturers teaching high quality materials are strong indicators of high quality CPD and satisfaction of participants.
- The PAOs may wish to consider further how the courses are scheduled and their duration, although it can be difficult to accommodate varied ideal timings for courses to meet the differing needs of members.

Question 8 – PAO efficiency and transparency

Context: As with any member organizations, members of PAOs like to know that their organization is organized in a transparent and efficient way. If these attributes are missing or only partially fulfilled then members are less likely to engage and be satisfied with their organization. The reputation of the PAO will also be negatively impacted, reducing its ability to lead the profession and influence policy makers in a way that enhances the profession.

Question: I would rate the work of the professional organization as transparent and efficient because:

Results:

- 326 of 377 respondents answered this question. Over 50 respondents, almost 14%, did not answer.
- The results are shown in this diagram:



- Satisfaction does not appear to be at very high levels with some aspects of the transparency and efficiency of the PAOs. If the possible effects of board members increasing the positive results are taken into account, then the positive responses to three options could be below 30%, with two below 20%. Quite a high proportion of respondents appear to have a concern about their votes or comments being taken into account.
- On the other hand, board member availability and respondents' awareness of the PAOs processes and strategy score relatively highly at more than 40%.

Conclusion:

- The PAOs may wish to take measures to continue to improve their transparency and efficiency in the areas identified. Responsiveness to Members' input seems to be an area where there could be improvements. Transparency of board nomination and appointment is crucial for legitimacy of the PAOs' governance and should also be prioritized.
- It seems that information on the PAOs' activities is quite widely seen by members.

- The PAOs may wish to work with support from IFAC, international peer PAOs and international organizations, to identify and meet the challenges of continuously improving the transparency and efficiency of the management of the PAOs.

Question 9 – Improvements needed

Context: Asking what aspects of an organization need to be improved is, by definition, going to receive suggestions which highlight gaps and areas that are not optimal for an organization, in the view of individual respondents. Answers cannot be generalized in any way and must be viewed in this context. It is not possible to identify of which PAO each individual respondent is a member, so no comment is specific to either PAO. The responses can be more seen as issues raised by Georgian accountants in general.

Question: What needs to be improved by the professional organizations?

Results:

Only 79 out of 377 respondents answered this question. Positive encouragement can be taken from the fact that 80% did not wish to recommend improvements.

The full list of responses and suggestions is in Appendix A.

Themes that emerge from the responses include:

- Members suggested improving communications with members, including online, via the website and 'e-communication'.
- Members asked for more targeted trainings and consultations with experts, including increased online training.
- Members requested help for smaller-sized audit firms, including a functional audit inspection program.

Conclusion:

The PAOs should consider the wide range of responses to this question and consider if any of the issues highlighted provide any guidance for areas they may wish to address.

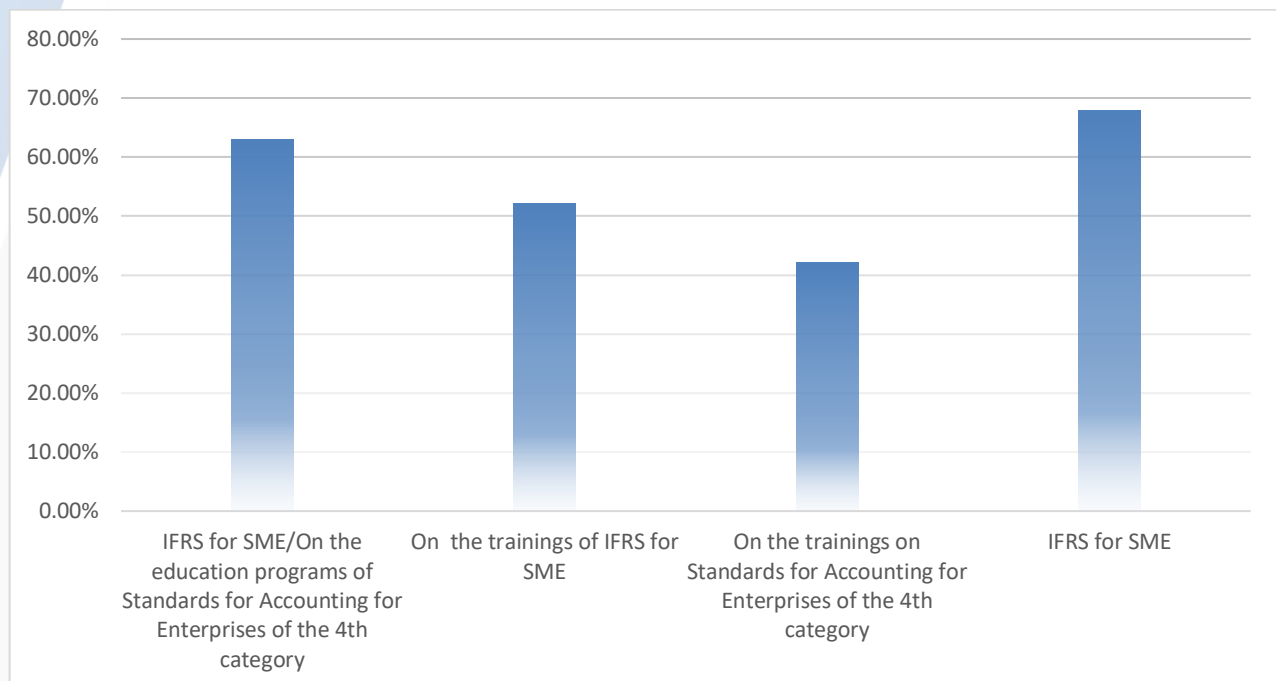
Question 10 – Information provided by the PAO

Context: As noted in many of the responses to previous questions in the survey, one of the key roles of PAOs worldwide is in helping members to stay up-to-date with developments relevant to their work. This is a service which many accountants rely on as they lack resources to monitor developments on their own and rely on the technical expertise and capacity of the PAO.

Question: (For Accountants) I am receiving full and quality information on time on the following issues:

Results:

- 230 of 377 respondents answered this question. This reflects that only accountants were asked to answer the question, and potentially may relate to the question being towards the end of the survey.
- The results are shown in this diagram:



- A high proportion of respondents, over 60%, respond positively that full and quality information is provided about IFRS for SMEs and the Standards for micro-enterprises.
- Slightly less are positive about information on trainings on the two standards, but the proportion is still over 40%.

Conclusion:

- Compared to some other questions, there is a relatively high level of positive responses about the provision of information on accounting standards. However, there is still room for improvement as approximately 40% did not respond positively.

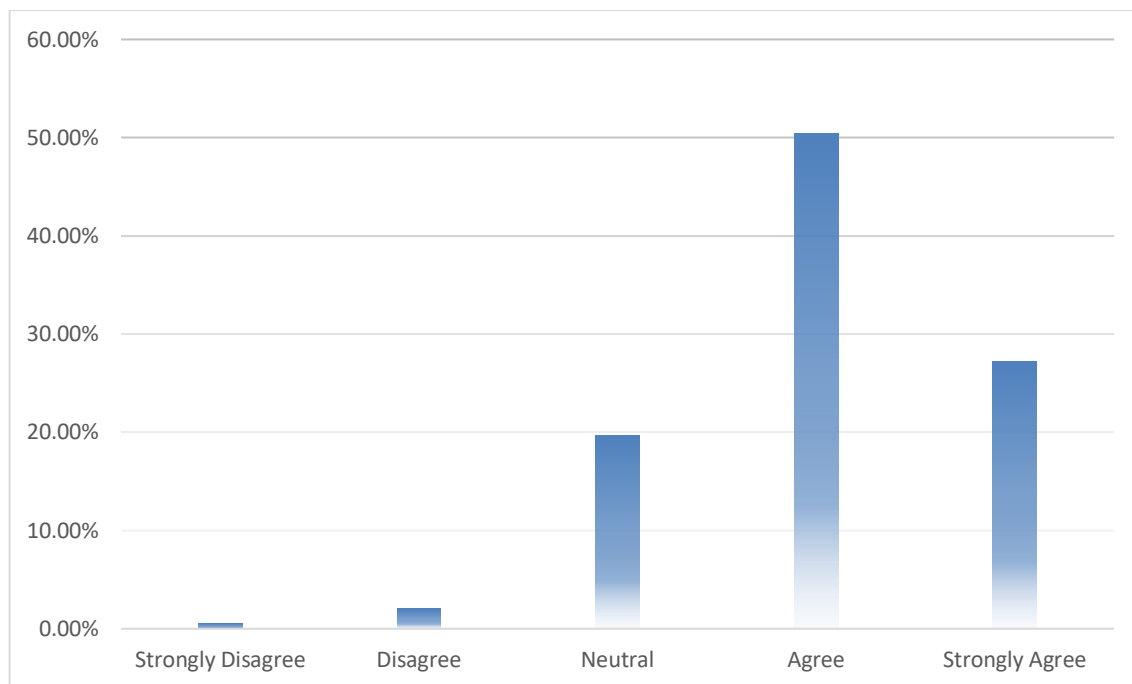
Question 11 – Recommending the PAO to a colleague

Context: Members' overall satisfaction across the whole range of issues discussed in this survey can be highlighted in a general question, such as whether they would recommend their colleagues to become a member of the PAO.

Question: I would agree my colleague to become member of my professional organization?

Results:

- 345 of 377 respondents answered this question.
- The results are shown in this diagram:



- 78% agreed or strongly agreed that they would recommend (agree) that a colleague become a member of their PAO.
- A further 29% were neutral on this. Only 3% would not recommend the PAO.
- This is a very positive response and suggests that, overall, members are happy with the services offered, and that the benefits of PAO membership exceed the costs

Appendix A – List of suggestions for improvements needed, Question 9

Question 9 asked ‘What needs to be improved by the professional organizations?’. The following is the selected commentary.

- Everything is good
- It is necessary to improve the learning environment
- I think more meetings and activities should be dedicated to the current changes in the field, people who are in this field must meet more often. The organization is at a very important stage of the development
- Financial support from relevant state agencies
- Sectoral trainings would be beneficial. As to continued development, it is not efficient to have trainings one after another
- More work on informing the members, hot line must be functioning
- Move to online trainings and seminars
- Who has time to think about this? It needs a thorough thinking to provide answer to this questions
- Closer relationship to supervision monitoring and more clarity with regards to objectivity of professional control mechanisms
- Membership fee
- Provision of recent, translated professional literature
- Everything is easily accessible
- Differentiation between topics for professional accountants and auditors
- More meetings with experts should be arranged by professional organization
- Relationships with regions, more information should be provided regarding changes
- Provision of information
- Requirements are not in compliance with current reality
- Communication
- Advertisement
- Support to members
- More meetings and consultations
- I wish more time was spent on IFRS for SMEs and accounting standards for category 4 enterprises
- Professional trainings in the regions
- Legislative initiatives
- Timely support from qualified specialist
- Trainings on all topics, including training programs for category 3 and 4 enterprises, discussion of annual declarations of these enterprises and synchronizing them with auditors' functions, in other words not separation but combining
- organizing additional non-mandatory trainings
- More working meetings
- Implementation of working audit inspection program
- Online classes would be very good
- Committee's work should be more active
- More communication with the members regarding innovations

- Better communication with the members
- Better communication and more activities
- Trainings, seminars and duration of trainings
- Infrastructure and transparency
- Frequency of trainings and meetings
- Active social media
- Trainings on all innovations
- Continued training classes
- Intensifying trainings
- Web-page
- Classification of problems and practical solutions, we can read theory in books ourselves :))
- Effective communication, continued learning program must be focused on practical cases, on more case studies, which must be discussed in detail in an interactive rather than passive mode. We must be able to have simple and easy communication with them, they should involve those members who are interested, into various programs to facilitate their professional development.
- I would offer members various cases, in case of interest of course
- Online availability of continued learning and other trainings
- More active work
- Uninterrupted provision of information about legislative changes to the members
- E-communication with the members
- Planning and implementing professional meetings and topical seminars
- More practical support must be provided to small audit companies, so that they are able to provide quality audit services
- Frequent meetings and discussions
- In certain cases, where state is too bureaucratic in tax, accounting and auditing fields, the position must be more active
- Protect the members' rights
- Provision of information
- Professional organization must not be oriented on profit only
- More active work in legislative activities, which will facilitate auditors' and accountants' work
- Communication with non-active members
- When you create a questionnaire the response are only positive, I could not find negative response options – please improve this in the first place. 2. Since I became a member of this organization, I cannot recall any attention, receiving of innovations, or any notification, therefore I cannot comment on what I would change, as I do not have an idea of this organization's work
- Improvements are needed with regards to continued professional development
- Orientation on innovations and the members' constant informing on innovations, frequent working meetings
- Frequent communication with the members, including members from the regions
- Please update the web-page so that the information is easily accessible and comprehensive. Unfortunately, format and visual of the provided information does not comply with requirements.
- The professional organization must provide more information, hold more meetings, and inform us about innovations. Unless we look for the information ourselves, there is little communication
- More help in implementing audit

- Better communication and provision of the information on innovations, consultations on disputed cases
- Development of the field and improvement of the knowledge quality
- In my opinion for the person employed in an international organization [PAO] cannot offer anything and it is generally not user-friendly. A strong professional organization will help a lot in establishing high standards in the field. Exams organized by the organization are held for the exams' sake and sometimes it prepares fake professionals who are not ready for the real competition on the labour market.
- Planning of trainings based on requirements.
- Continued professional development requires perfection of not only topics and trainers but also training infrastructure.
- Continued professional development activities, frequency
- Internet systems may be improved