

Doc. 300.1.2

Higher Education Institution's Response

Date: *Date.*

- **Higher Education Institution:**
American University of Cyprus (AUCY)
- **Town:** Larnaca (Virtual)
- **Programme of study
Name (Duration, ECTS, Cycle)**

In Greek:

ΛΟΓΙΣΤΙΚΗ

In English:

ACCOUNTING

- **Language(s) of instruction:** Language(s)
- **Programme's status:** Choose Status
- **Concentrations (if any):**

In Greek: Concentrations

In English: Concentrations



The present document has been prepared within the framework of the authority and competencies of the Cyprus Agency of Quality Assurance and Accreditation in Higher Education, according to the provisions of the “Quality Assurance and Accreditation of Higher Education and the Establishment and Operation of an Agency on Related Matters Laws” of 2015 to 2021 [L.136(I)/2015 – L.132(I)/2021].

A. Guidelines on content and structure of the report

- *The Higher Education Institution (HEI) based on the External Evaluation Committee's (EEC's) evaluation report (Doc.300.1.1 or 300.1.1/2 or 300.1.1/3 or 300.1.1/4) must justify whether actions have been taken in improving the quality of the programme of study in each assessment area.*
- *In particular, under each assessment area, the HEI must respond on, without changing the format of the report:*
 - *the findings, strengths, areas of improvement and recommendations of the EEC*
 - *the conclusions and final remarks noted by the EEC*
- *The HEI's response must follow below the EEC's comments, which must be copied from the external evaluation report (Doc.300.1.1 or 300.1.1/2 or 300.1.1/3 or 300.1.1/4).*
- *In case of annexes, those should be attached and sent on a separate document.*

1. Study programme and study programme's design and development

(ESG 1.1, 1.2, 1.7, 1.8, 1.9)

Areas of improvement and recommendations

The committee recommends the introduction of three modules in the BSc in Accounting that will integrate the program. Those are

1) Management Accounting where students will be taught Budgeting, Cost Accounting, Analysis and interpretation of financial statement, Variance Analysis for Materials, Labour and Overheads and Accounting Treatment of Variances etc.

2) Research Methods (in Accounting and Finance): *This would aim to help students to develop an understanding of the research process and to undertake research leading to successful completion of their dissertation. It would enable students to conduct research independently and provide them with the knowledge, skills and understanding required to develop their proposal for their dissertation. The students would be able to identify their area of research and develop research questions to be answered or hypotheses to be tested in the industry context relevant to their course of study. The module would covers ideas, techniques, and methods relevant to different stages of the research process, stressing the interdependence of each stage in conducting effective, coherent and rigorous research. By covering the fundamentals of research methods and research methodologies, this module will enable students to conduct research independently and provide them with the knowledge and understanding needed to do a dissertation.*

3) Topics in Accounting: *This is going to be a research oriented module in accounting where each of the 10 lectures will include one of the top 10 research themes in the discipline. This can include disclosures, earning management, climate change. Further ideas can be found below*

- Earnings Quality – Earnings Management
- Accounting and Politics, Political Careers
- Corporate Disclosure
- Analysts Role and Estimates, Analysts and Anomalies
- Auditors, Audit Quality, Audit Fee, Audit Choice
- Loan Loss Provision, Loan Quality
- Corporate Tax Rate (Policy), Tax Base Avoidance
- Employee Wistblowing
- Innovations, Patents, Trademarks
- Executive Compensations, Regulation of Compensation
- Board Directors
- Exchange Traded Funds
- Financial Misreporting

It would be good to have a list of administrators who can be contacted in relation to typical student queries. This list may exist already but it would be useful to have to easily accessible to all students.

Response:

We would like to thank the committee for the recommendations and suggestions. The committee recommends some courses that can further improve our program, for which we are also very thankful. These courses are:

Management Accounting – this course was offered as ‘Managerial Accounting & Costing I’ in our program. We understand the concern of the committee, therefore, we changed the title of the course to ‘Management Accounting & Costing I’. We also changed the title of the course Managerial

Accounting & Costing II to Management Accounting & Costing II (the latter course will be offered in the 5th semester due to the redesign of the structure of the program to add the below courses).

- **Research Methods in Accounting and Finance** – the recommendation of the external committee is reasonable. We added this course in our program (semester 7). This course is replaced with the compulsory course ‘Advanced Managerial Accounting.’ The course Advanced Managerial Accounting will not be offered in the program as mandatory and will be an elective. Also, we redesigned the syllabus of the courses Undergraduate Thesis and Internship I & II to avoid an overlapping content problem (these courses were developed to offer workshops how to write a report, download and analyse data, etc).
- **Topics in Accounting** – this course added as a compulsory course (semester 8) and will cover the contemporary research issues in Accounting. Faculty members and guest speakers will present their work in a simpler way so that it is understandable to our undergraduate students. We slightly redesign the structure of the program to add this course. The International Financial Management course is replaced with the compulsory course Topics in Accounting. The International Financial Management will be offered in the 3rd year (semester 6) and not the 4th year (semester 8) as in the BSc in Finance and Investments program. Therefore, the Organizational behavior module will be offered in the undergraduate program as an elective course. This is because we want to avoid inconsistencies in the core requirements courses in Accounting and Finance (see Annex 1).

For more details see the word file ‘structure-program-updated-Accounting’.

List of administrators: Students can contact and seek assistance about a number of issues from the following two administrators:

1. Ms. Athina Vasila, Administrative Assistant to the Deans
2. Ms. Gaelle Namieh, Digital Marketing Officer

2. Student – centred learning, teaching and assessment (ESG 1.3)

Areas of improvement and recommendations

As expected for a new University the library is not fully equipped with all the required material (i.e. especially journals) that will be requested at a latter stage. On a positive note there are efforts for international collaborations (Notre Dame University in Lebanon) which will give access to more online material to the students.

There is one aspect which perhaps could be further strengthened, relating to the details provided on how research influences the students' learning experience and the particular research skills acquired.

Discussions with students and staff reassured as that the expertise and resources available are of the highest level, and students had a clear understanding of the value of various research methods and criteria. Given this, it would be good to make this more prevalent in the descriptors for each module. We suggest this to be made explicit since it presents an additional indicator of quality for this degree.

Students also reported that they would like to see an increase in practical, applied activities, in particular visiting corporations, face-to-face networking and shadowing internal business processes. This request is probably owed to the current Covid19 situation, during which physical site visits and interactions need to be limited for safety purposes. We feel that the general provision of hands-on experiences for this programme has been adequate and is sufficient as long as it retains the original format once it becomes safe to do so again.

Response:

We understand the concern of the committee about how students will relate the fundamental knowledge of finance to the research aspect. This is also our concern and one of the priority goals we set in our program. Students that will graduate from this program should be familiar with the following:

Fundamental knowledge of Accounting and current trends – e.g., ESG, etc.

Statistical programs – e.g., STATA.

Understand the importance of research in this field. Students will gain research skills and interpret the findings using accounting theory and techniques. To accomplish this task, instructors should:

- Show the findings of papers and explain the results and methodology (for example by the end of each chapter),
- invite guest speakers (academics and industry experts) who are specialized in specific topics,
- encourage students to participate in internship programs to gain industry experience. By the end of the internship period, students will prepare an internship report by describing in detail their work experience and identify the advantages and disadvantages of the firm that they work for and providing scientific solutions.
- Encourage students to choose undergraduate thesis as elective. Students will gain research skills and will become familiar with a research topic in Accounting by preparing a literature and a research proposal. Also, we will encourage our instructors to work with students on projects (e.g., students can work on a specific analysis of a project such as doing a robustness test and preparing a literature review of a specific topic).



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Therefore, we agree with the suggestion of the committee. This is also something that we will emphasize to our instructors.

3. Teaching staff (ESG 1.5)

Areas of improvement and recommendations

The best institutions in the world are those with the best research-oriented staff. This is a message that EEC has attempted to deliver on various ways. Currently there is significant window for improvement as the committee considers that the research output of the exiting full-time members of staff can be improved. We urge the Dean Professor Marios I. Katsioloudes to consider this specific comment seriously and build up the department making research-oriented appointments. He has been trusted with a very serious task and he will deliver it well, leaving a good era behind him or he will create a School of low level of international credibility.

To help towards this direction we recommend Professor Katsioloudes to have a look in the CVs of F.T. academics in the Department of Accounting and Finance in the University of Cyprus and Department of Shipping and Finance in Cyprus University of Technology.

The institution requires exposure to the western society. Thus we recommend to be more proactive in the appointments of new members of staff and look for academics that have completed their Doctoral Degree in the U.S., the UK and other Leading European Countries.

The committee realized that there has not been even a single F.T. academic in the Rank of Professor in the Accounting and Finance Department. Among the professors who are teaching one is specialized in the field of Strategy and another one belongs to the Engineering Department. The committee understands that in the beginning AUCY requires the necessary time to move forward but it considers critical the appointment of at least one Professor of Finance in order to lead an ambition department.

We consider the strategy of Visiting Faculty (in a small proportion) as good but again the focus should be on bringing academics from leading institutions in Europe and the U.S. to deliver short courses. This is an opportunity that should not be lost.

The committee realized that in the existing appointments the AUCY has not used all the required tools (i.e. Akadeus, jobs.ac.uk etc) in order to advertise its posts. We consider as critical to make this step forward in order to get a better pool of candidates and avoid the shortage that the accounting discipline is offering.

Leading universities in Europe in the case that they do not fill the posts they request the expertise of external academics to make sure that the right people will be deliver the teaching. This is a practice that can be followed as well in AUCY.

Specific standards should be set up in order FT academics to publish with the affiliation of AUCY in at least ABS 3*, ABS 4 and ABS 4* Journals in Accounting and Finance Discipline (mainly) once per year. This will contribute on the exposure of the department and will be credited by future committees that will visit the AUCY.

The University should not overload the F.T. member of staff with teaching and should give them the space to produce high quality research.

Response:

As we are a newly established university, our main goal is to build up a promising department in the region. The department is not working yet pending licensing from CYQAA (we plan to start in September 2022). The above recommendations of the external committee help us to set the following goals:

- FT faculty members should present their work at local and international conferences at least once a year,
- Submit and publish their papers in top journals in Accounting and Finance – at least ABS 3*, ABS 4 and ABS 4*.
- Research collaborations with other universities. The university has committed 150,000 Euros in research for the next three years. This is a substantial amount considering the fact that AUCY's status is a start-up. This will enhance the research activity of the AUCY faculty and under the mentorship and coaching of our full-time faculty and our visiting faculty, who are mostly seniors in their fields, will become more productive in conducting research and publishing. Already, we have faculty members, who have presented their work in conferences and some others in collaboration with other colleagues from other universities, i.e. Georgetown University, Southampton University, etc.
- The department will hire FT academics at different ranks – to do this we prepare a strategic plan to know the number of academics we will hire based on our needs.
- We also believe that the strategy of Visiting Faculty is good, and we will focus to bring academics from institutions in Europe and/or the U.S as recommended.
- Our university initially posted positions at a Cyprus website, www.ergodotisi.com . However, we agree with this recommendation, and we will proceed with this step forward in order to hire a better pool of candidates.
- FT faculty members will allocate their working time in terms of teaching, research, and any administrative duties. We are realistic and know that we need time to achieve this goal effectively, but it is something that we have in mind.

Overall, we are a new department that operates with passion and professionalism. These are also our concerns, and we thank the committee that helped us to set some goals.

4. Student admission, progression, recognition and certification

(ESG 1.4)

Areas of improvement and recommendations

According to the responses by the interviewed pupils, the social experience of students could be improved, but this cannot be realistically happened during the COVID-19 pandemic.

There is always the threat to receive applications by students that they would like to come to study in Cyprus for Visa Purposes. The institution should be careful and cautious on such cases.

The University should issue Scholarships in order to attract excellent students which they will give value to the programs.

Response:

The University plans to organize many events, seminars, workshops but due to COVID-19 pandemic most of them are cancelled. We understand this concern and hope that by September 2022 the COVID-19 pandemic will end, and the social experience of students will improve.

Regarding the students that applicant for Visa Purposes, our admission team and the faculty members carefully investigate each application to avoid this issue.

AUCY will have a Scholarship Committee as to provide scholarships to students based on merits, financial needs, disabilities, siblings and sports. In particular, all students are eligible to submit a financial aid request, so AUCY proposes to have a generous Financial Aid program as follows:

- Scholarship grant
- Financial Aid
- Sibling Grant
- Sports Grant

We know that the current COVID-19 pandemic is a threat for our university (and our department) in many ways. However, we are convinced that we will succeed.

5. Learning resources and student support (ESG 1.6)

Areas of improvement and recommendations

The committee felt that there is no proper careers advisory service office which would support the students on findings a job after graduation. There is a necessity on appointing an officer who will lead the effort to bring the industry to the university.

Response:

As recommended, the department will request from the university to take this issue seriously. Students should be supported by the University, therefore, it's very important to bring the industry to the university. In this respect, AUCY has already established a number of links with various stakeholders, namely, the Municipality of Larnaca; the Center of Cyprus Studies; the Big Four accounting firms; the Chamber of Commerce; and some other entities abroad, i.e. Democritos in Greece. We have attracted guest speakers from some of the aforementioned organizations and we have already organized events in collaboration with the Municipality of Larnaca and the Center of Cyprus Studies. An upcoming event is co-organized with the two entities mentioned above, to celebrate the Women's Day.



6. Additional for doctoral programmes (ALL ESG)

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7. Eligibility (Joint programme) (ALL ESG)

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B. Conclusions and final remarks

Areas of improvement and recommendations

Major points:

A very vigorous learning process with identifiable links to the learning outcomes.

Experienced and committed staff eager to deliver the programme.

The programme is not well resourced and further steps are required to equip it with experienced academics.

The recent commitment to the online education further constitutes a major step in delivering high quality education.

There is clear correspondence with the EQF.

The suggested academic programs should be reviewed, and new modules should be added. The committee suggested module(s) on Management Accounting, Research Methods and Topics in Accounting (research-oriented module)

The suggested courses come in an already very competitive environment in the Cypriot Market and thus competitive advantages should be explored. The institution has not had in plan a strategy plan of the demand of this course in the Cypriot market. On a positive Note, the Dean knew how many students were following this course in the main competitive Universities of Cyprus and Cyprus University of Technology.

It appears that we live in an era where many new universities take accreditation to operate in Cyprus. This will increase the competition so any step forward should take place with great consideration.

We encourage the Dean, the Head of Department and the rest of members of faculty to have an eye on new opportunities and courses.

In conclusion, we have no reservations that the suggested programme will be an innovative and significant success in the Cypriot market.

Response:

In conclusion, we thank the External Evaluation Committee (EEC) for its valuable comments and constructive suggestions. Their comments are adopted and will help to improve the programme's quality.

The structure of the program has been modified based on the recommended changes of the committee.

We greatly appreciate your help and your comments that our programme will be an innovative and significant success in the Cypriot market. Your suggestions have helped us realize that we need a realistic strategic plan. This is important because (as you mentioned) Cyprus is an extremely competitive market in this era. Therefore, we prepare a strategic plan that will be able to:

- Understand the needs of the Cyprus market in this field,
- Investigate new opportunities and courses (as suggested),
- Provide a new asset to our students (CICA).
- Intensity our research and publication productivity amongst our faculty members, amongst the other departments at AUCY, other universities and businesses within Cyprus Furthermore, we will make a concerted effort to include our students in research projects.



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Overall, we have taken your suggestions seriously into consideration, and we are committed in working to build up a promising department and competitive undergraduate and postgraduate programs.



C. Higher Education Institution academic representatives

<i>Name</i>	<i>Position</i>	<i>Signature</i>
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