

Doc. 300.3.2

Higher Education Institution's Response

(Departmental)

Date:

- **Higher Education Institution:**
American University of Cyprus
- **Town:** Larnaca
- **School/Faculty:** Business Administration and Economics
- **Department:** Accounting and Finance
- **Programme(s) of study under evaluation**
Name (Duration, ECTS, Cycle)

Programme 1

In Greek:

ΛΟΓΙΣΤΙΚΗ

In English:

Bachelor of Science (BSc) in Accounting

Programme 2

In Greek:

ΧΡΗΜΑΤΟΟΙΚΟΝΟΜΙΚΑ ΚΑΙ ΕΠΕΝΔΥΣΕΙΣ

In English:

Bachelor of Science (BSc) in Finance and Investments

Programme 3

In Greek:

N/A

In English:

N/A

- **Department's Status:**



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.300.3.1) must justify whether actions have been taken in improving the quality of the department 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 deficiencies noted under the quality indicators (criteria)*
 - *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. 300.3.1).*
- *In case of annexes, those should be attached and sent on a separate document.*

1. Department's academic profile and orientation

Sub-areas

- 1.1 Mission and strategic planning
- 1.2 Connecting with society
- 1.3 Development processes

Areas of improvement and recommendations

- The EEC stressed the importance of high quality research for any successful university.
- The AUCY and the Department as a result make it explicitly clear to all that they aim at producing high-quality research. This is essential if their goal is to become a locally leading university. In this direction, AUCY established a Research Centre which is part of the AUCY and it will operate either autonomously or in co-operation with other entities is a clear step in this direction. The objectives of this Centre will be achieved through the creation of research units in each Faculty under the umbrella of the Centre. Moreover, there is the provision of research incentives for researchers who complete a project report and proceed into the publication of their results or present their results to international world-class conferences. The ECC recommended keeping going in this direction.
- The committee feels that more experienced and prolific academics in the rank of professor should be recruited.
- The head of Department should encourage members of staff to be actively on research, to attend and present in conferences and make efforts to publish their work
- . This will benefit the university.

Response:

The AUCY and the Department agree with the above recommendations. As we are a newly department at a start-up university, our concern is to build up a department with all the needs that are required to offer competitive degrees in the educational environment. For this reason, high quality research at a university will attract top academics in their areas as well as students with a mission and passion to study in the Accounting and Finance fields.

In terms of the recruitment and career advancement planning, AUCY will primarily collaborate, but not only, with the newly established AUCY Research Centre which is part of the AUCY and it will operate either autonomously or in co-operation with other entities, such as companies, research institutes, external researchers and academics. AUCY has already signed a Memorandum of Agreement with University of Massachusetts and CASS School of Management through which collaboration with the Research Centre will be achieved.

The department plans to hire academics at the ranks of Professors, Associate Professors, Assistant Professors in different disciplines in Accounting and Finance.

The head of Department is willing to collaborate with the faculty members on projects and present their work at local and international conferences.

2. Quality Assurance

Sub-areas

- 2.1 System and quality assurance strategy
- 2.2 Quality assurance for the programmes of study

Areas of improvement and recommendations

So far the institutions does not have any accreditations but in a forward looking strategy they should aim to achieve, AACSB and Equis.

At a later stage the department should seek collaborations with other leading departments in Europe..

Response:

Your suggestion is well noted and received. In our three-year strategic plan, we are aiming at applying for AACSB accreditation, Equis, and AMBA (for our MBA program). In order to accomplish that we must establish ourselves as a University with a number of accredited programs, hire high caliber faculty members who are competent researchers with quality research output and publications, furthermore, hire competent effective teachers who will motivate, inspire and encourage our students. The above resources are instrumental in pursuing this strategic plan and the university's administration is committed in this respect.

In the next 2-3 years, the department will seek collaborations with other leading university departments in Cyprus, Europe and elsewhere. Our faculty members' network will enable the department to accomplish this goal.



3. Administration

Areas of improvement and recommendations

In the current state, the EEC did not find any problem areas in administration. In the future and while the university starts operating and growing, the university must try to maintain the current enthusiasm of the administration staff.

Response:

The AUCY University and the Department of Accounting and Finance really appreciate the great comments of the external committee for our administration staff.

4. Learning and Teaching

Sub-areas

4.1 Planning the programmes of study

4.2 Organisation of teaching

Areas of improvement and recommendations

The department must invest in research. The current academic staff must make research a primary goal. This will add significant value to the new department. Moreover, student participation in this research would be an asset, especially to fourth-year students. High-quality research will attract quality staff and students in the future.

The department should consider organising a leading academic conference in Accounting or Finance in the future. This will provide visibility and will improve its international status.

Response:

The members of the Department aim to submit at least one paper to a recognized academic journal (ABS 3* and above) in the fields of Accounting and Finance every year. Undergraduate and postgraduate students will have the opportunity to work in various research projects along with their instructors that can enhance their research abilities and prepare them for further postgraduate studies or even to more research-oriented jobs in the relevant industry. Furthermore, the Department plans to organize international academic conferences in the field of accounting and finance in collaboration with leading 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 international conferences and some others in collaboration with other colleagues from other universities, i.e., Georgetown University, University of Southampton, etc.

5. Teaching Staff

Areas of improvement and recommendations

The EEC recommends the teaching staff to involve more into research. This is the main criteria for promotions in the Western World.

Response:

Our teaching staff is informed about the promotion criteria. The Dean and the Head of the Department of Accounting and Finance encourage the faculty members to be actively involved in the research. In this respect, our teaching staff that is also active researchers with substantial results will be supported by the Department in various ways such as fewer teaching hours.

6. Research

Areas of improvement and recommendations

- The EEC advises the importance of research for any successful university.
- Producing high-quality research is the most essential ingredient for a new university and department.
- The publication record of a future candidate faculty member must be heavily weighted in the final decision for employment.
- We recommend a lighter teaching load for staff members that publish regularly.
- We recommend two types of academic faculty:
 - o Research-oriented staff that has proved their potential to produce high-quality research. These will be assigned with a light teaching load.
 - o Teaching-oriented staff, in which case a comparatively heavier teaching load is expected. In this case, these individuals will be hired and subsequently assessed primarily by teaching excellence.
- The university must provide grants -as much as this is possible- to academic staff to participate in quality international conferences especially in the early stages of operation of the university.
- Establish a series of internal research seminars. In these, the faculty can present their ongoing research to the faculty and students. This is important to create a research culture within the department. These can be monthly and later weekly seminars lasting a maximum of 45-60 minutes where audience participation and exchange of ideas must be encouraged.
- Use the comparative advantage of the location of the department in Cyprus to attract even for short (1-2 weeks) periods international researchers to present their work in seminar sessions in the department. These must be attended by all staff and perhaps students. The discussions and questions both formally within the seminar and informally after that may spark ideas for the Department/AUCY staff and possible collaborations between the invited researchers and resident staff.
- Applying for research grants from various EU and national sources is important.
- These provide opportunities for new collaborations with researchers and other institutions.
- The department must focus on the quality and not in the quantity of the research work produced. Nonetheless, it is important that the potential and willingness for research are present.

Response:

The strategic plan of the Department Accounting and Finance is preparing and will be submitted to the School of Business Administration and Economics. Our strategic planning will include, among others, the following targets:

- Supporting Research Activities of the faculty members through internal and external research seminars
- Optimal workload allocation (research-oriented staff and teaching-oriented staff)
- Creation of the Department's Research Centre that will include among others a state-of-the-art simulation/trading room
- Organizing seminars and/or conferences,
- Possible collaborations,
- Prepare the ACCA/ACA applications,
- Prepare the CFA Affiliation application,



- Gaining access to various databases (e.g., WRDS: CRSP and Compustat, Datastream, Eikon, etc.), either directly or indirectly through our collaborated universities
- Hiring new faculty members with a strong research profile
- Research plan to gain various research grants



7. Resources

Areas of improvement and recommendations

N/A

B. Conclusions and final remarks

The EEC has completed its evaluation of the proposed department and everything has gone according to the plan.

- The EEC received and read the department's application and all the supporting material in advance at the time they were supplied by the CQAA.
- Due to the current Covid-19 pandemic, we participated in an online meeting where the AUCY staff presented the Department, the course programmes, the faculty members, administration, and support staff. They described all the details to be useful for the evaluation process and all were at the EEC disposal throughout the meeting and seemed genuinely happy to assist us in this evaluation.
- All our questions and requests for additional information were directly addressed in an honest and thorough fashion.
- The documentation that was provided to the EEC by the department was of reasonable quality and sufficient in the depth of the detail covered.
- All people that we met during our visit were open and willing to listen to advice and ideas provided by the EEC members.
- The current faculty and staff seem adequate and experienced enough to successfully undertake the effort required by this endeavor. Also, their academic credentials are, in general, adequate and up to the task.
- We believe that the department must adopt as a priority the cultivation of the research culture. The EEC provided above in the report, specific ideas and recommendations in establishing and maintaining a fertile research environment that will benefit, the faculty, the students, the department, and the AUCY's reputation as a new university in the area.
- The main **strengths** of the department according to the information provided, the online conversations, and the opinion of the EEC members are: the memorandum of understanding with the University of Massachusetts – Dartmouth and the CASS School of Management, for the mutual exchange of students and faculty members, the faculty members with diverse backgrounds provide a stimulating context for both academics and students, the long business and academic experience of the founding team, the close connection with the key market players in the areas of Accounting and Finance increasing the students' employability, and the modern equipment and information technology infrastructure that is being already installed in the university. The observed **weaknesses** at this stage include the not clear (at least to the EEC) projected financial resources, so that there can be a specific student enrollment goal especially for the first 1-4 years of operation. As the University initiated its operations in October 2021, the reputable image is still under development.
- The **opportunities** include the lack of other high-quality universities in the local area, the opportunity of marketing the institution as "Europe's southeasternmost university", the ability to access research grants directly from the EU and also from the local community, the possibility to attract students from the greater region as Cyprus is an EU country with financial stability and a safe social and institutional environment. Although currently, the area around the facilities is sub-industrial, we were told that it will soon be re-designated for civilian use. The university is planning, according to the founding team, to purchase or lease some of the privately-owned lots adjacent to the main facilities for future expansion. The course program in Finance and Investments is the first undergraduate degree in Cyprus that is fully aligned with the CFA curriculum. The **threats** include the possibility of any new universities or colleges established in the area, the high concentration of higher education institutions with respect to the population in Cyprus, any future

withdrawal of the participating parties in some of the agreements currently made (e.g. the MoU with the UMass – Dartmouth, and CASS), and finally any adverse economic situation that may impact the ability of the founding team to finance the project especially in the near future where enrollment in the department will probably be below the medium-term goals, and/or the ability of either Cypriot and/or international students to pay the necessary tuition fees to attend the university.

- The people of the department aspire to see the university as a regional scientific and cultural hub that will attract people for classes, scientific events, and various cultural and athletic occasions organized by the AUCY.
- All the people of the department and especially the founding members of the team seem keen on providing a “different” and more student-oriented with personal touch approach to teaching and dealing with the students.
- The departmental officials and the faculty seem to grasp the gravity of various ethical violations in academics and the importance of intellectual property that should be safeguarded against plagiarism. In this respect, they have adopted the Turnitin plagiarism detection software.
- The EEC members recommend that the department establishes at this stage clear standards with respect to how research performance is assessed for the academic staff.

Response:

The Department of Accounting and Finance of the American University of Cyprus would like to thank the EEC (External Evaluation Committee) for their valuable comments and suggestions. The committee’s detailed feedback was much appreciated and give us the opportunity to set clearer goals to build up a promising Department in the region.

We take into consideration and adopt all the recommendations of the External Evaluation Committee by, among others, redesign the syllabus of the courses, add new courses, set goals, create a realistic strategic plan as well as a research culture. Overall, we believe that the recommended changes will improve the quality and recognition of the Department.



C. Higher Education Institution academic representatives

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

Date: Click to enter date

