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SCAAK



# DEVELOPMENT STRATEGY

2020 - 2024

## THE SOCIETY OF CERTIFIED ACCOUNTANTS AND AUDITORS OF KOSOVO (SCAAK)

SCAAK is a non-governmental and non-profit organization, established in 2001 with the aim of implementing and promoting international standards and best practices for the accountancy profession, and assisting in economic development in the public interest.

In order to meet the needs of professionals, SCAAK offers high quality certification programs which are also recognized in the international market. Recently, SCAAK has started offering specialized programs to its members in order to meet the new demands arising from constantly evolving market .

As the first professional accountancy organization licensed by the Kosovo Council for Financial Reporting (KCFR), SCAAK represents about seven thousand professionals, who are engaged in various sectors, in key institutions of the Republic of Kosovo, such as the Office of The Prime Minister, Ministries, Central Bank, National Audit Office, Kosovo Customs, Tax Administration of Kosovo, Municipalities as well as businesses and audit firms.

As the only professional organization from Kosovo that is a member of the International Federation of Accountants (IFAC), the European Federation of Accountants and Auditors for SMEs (EFAA) the Federation of Mediterranean Accountants (FCM), part of the IFAC Committee for the Development of Professional Accountancy Organizations (PAODC) and IFAC Advisory Panel on Compliance, and part of the EFAA Accounting and Auditing Expert Groups, SCAAK represents the voice of Kosovo professionals in these global standard-setting organizations and plays an active role in developments of global profession.





This document presents the SCAAK Strategy for the period 2020 - 2024 and is compiled based on the mission and vision of SCAAK, the impact of the Organisation in society, the environment in which SCAAK operates and the latest trends affecting the accountancy profession.

The preliminary SCAAK strategy for the period 2015-2019, which has been fully implemented, has focused on building the reputation of private sector professionals, developing a sustainable Quality Assurance system, building the capacity of professionals in the public sector, and providing specialized trainings in the relevant fields of the accountancy profession.

With the achievement of the objectives of the preliminary strategy, the goal of SCAAK for the next five years is to advance the profession to best serve the public interest. We believe that a well-educated community, with the highest principles of personal and professional ethics, serves this aspiration. To achieve this, our next strategy focuses on three pillars:

1

**DEVELOPMENT OF THE FUTURE PROFESSIONALS**

2

**PROVIDING VALUE TO MEMBERS**

3

**CENTER OF EXCELLENCE FOR DEVELOPMENT**



## GOVERNMENTAL STATEMENTS

### MISSION

*Strengthen the accountancy profession [in the private and public sector] in Kosovo and the region by promoting the highest standards of ethics, education, and professional excellence for the benefit of society as the ultimate beneficiary.*

### VISION

*Leading SCAAK in advancing the profession of accounting, auditing and other specialized services, always offering the best choice for professionals.*

### PURPOSE

*Continuous development of the training program comparable to the programs of the most eminent professional accountancy organisations. Development and advancement of the membership, recognized for professional expertise and high ethical standards. Membership in international professional organizations.*

### VALUES

**Integrity** - We are committed to maintaining the highest ethical and professional standards to ensure trust and credibility with our colleagues, members and the public. We treat people fairly, and expect the same from others.

**Accountability** - We are accountable for our actions during our work.

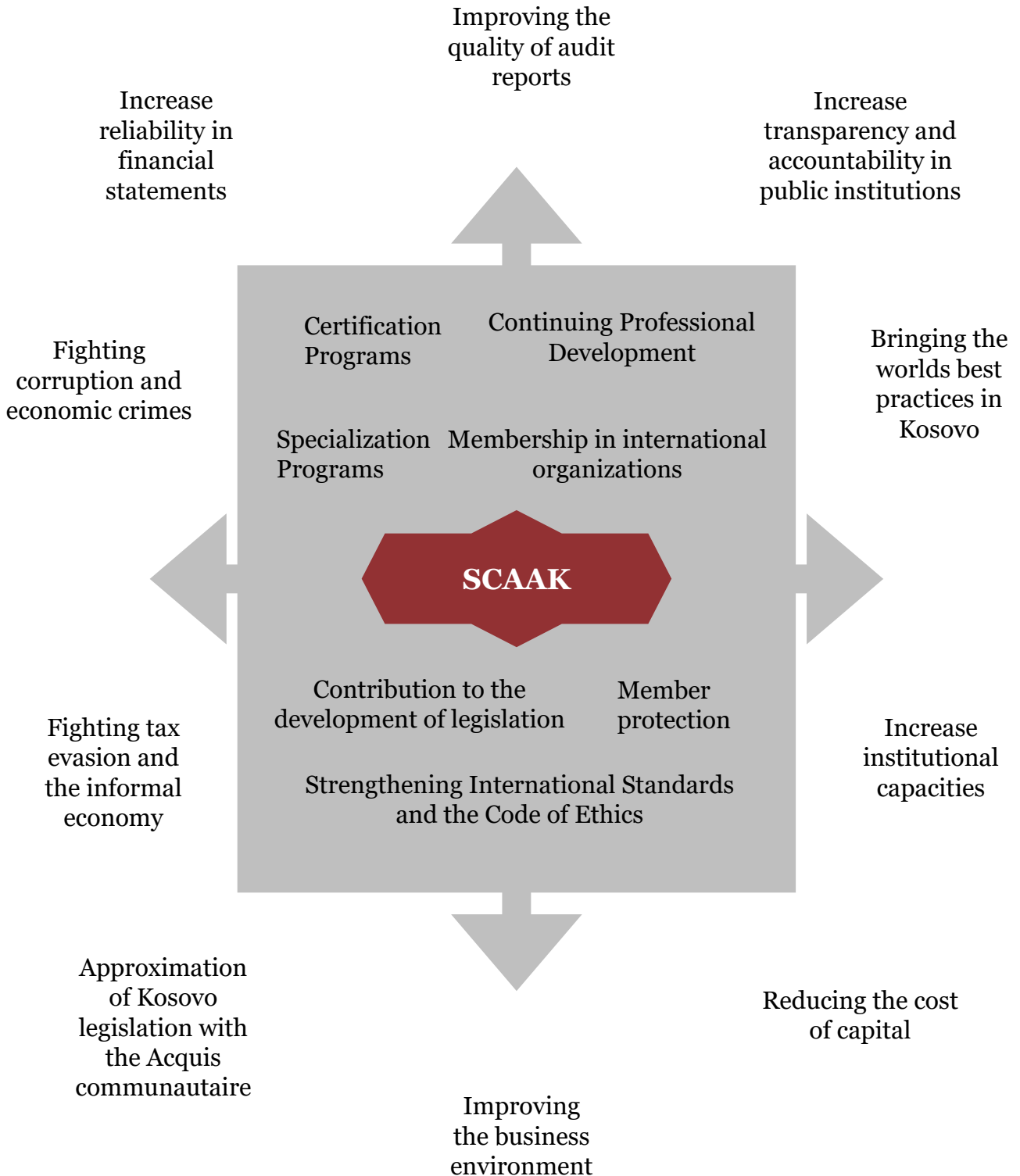
**Curiosity** - We demonstrate a tireless effort for knowledge and insight in search of professional excellence.

**Equal Opportunities** - We provide equal opportunities for our people, whether they are students, members or employees, we support them at every stage of their career.

**Diversity** - we respect and value differences, support diversity in our staff, members and associates.

**Quality** - What we do, we do well and with quality.

## OUR IMPACT ON SOCIETY



## GLOBAL SOCIO-ECONOMIC TRENDS

SCAAK operates in an environment which is constantly changing and cannot be easily predicted. The 2020-2024 Strategy has been developed considering the latest social and economic trends both in Kosovo and in the world.

Frequent changes in state policies and policy-makers' approaches

The rapid development of technology and its impact on doing business

Potential visa liberalization and the departure of young people from Kosovo

The impact of innovation on how markets function

The possibility of distance learning and the impact on traditional teaching methods

Persistent loss of trust in state leaders and institutions

The approach of new generations to employment and traditional working conditions

The elderly population in developed countries and the young population in developing countries

Unemployment and lack of labour force with skills required by employers

Increasing competition as a result of the globalization of continuous labor market

## TRENDS IN ACCOUNTANCY PROFESSION

Changes in the environment where accountants and auditors operate are also bringing about changes in the way this profession is practiced. SCAAK 2020-2024 strategy takes into account these trends so that SCAAK is always in support of its members.

New technologies and the constant focus on their incorporation into work processes, require that accountants and auditors have more expanded skills and capacities.

The ever-increasing requirements from regulators and the burdens that these requirements place on auditors

Increased focus on audit quality and growing expectations from auditors

Changing public perception of the accountancy profession

Raising awareness on the importance of ethics and good governance

Requirements for more comprehensive reporting of companies, as opposed to traditional reporting focused on financial information

## OBJECTIVE 1: DEVELOPMENT OF FUTURE PROFESSIONALS

Education is the basis for professional competencies. We develop future professionals through our high quality programs that require the application of technical knowledge and an ethical framework to serve them in their professions while making decisions. Future professionals represent both: the future of our existing members and future generations of professionals.

### **Advancing professionalism and professional designations**

To be a leader in the accounting, auditing, and specialized services profession, it is essential that we persuade the various industries, regulators, and practitioners to understand the importance of professionalism and adhere to its principles. We believe that strengthening the professional designation is extremely important in advancing the mission of SCAAK and improving the professional practice of our members. We aim to work closely with industry leaders to better understand the skills and competencies needed to be able to cope with changes in industry and the business environment. We will use the approach we have either to company leaders or those in the public sector through our members to emphasize the need for professionalism and professional designation. A good way to initiate discussions with our members on issues that concern them is the SCAAK Forum. We aim to increase our presence in the Forum but also a greater presence and commitment of our members.

### **Digital Transformation**

The digital revolution is expected to bring big changes to all companies regardless of size. In addition to changing business models, digitalisation will also affect support functions such as accounting, internal controls and management. We see technology as a facilitator to achieve a goal and for change, not as a magic solution. Our efforts in this direction will be twofold. On the one hand we aim to keep up with technological changes and follow the changes that digitalisation will bring to accounting systems, auditing and other specialized services to provide programs and training that equip members with the necessary skills and competencies.

On the other hand, we aim to use digital technology to create platforms that allow us to deliver greater content, strengthen our professional community, and maintain relevant programs for members. We will develop e-platforms that will enable us to convert existing content into online learning and assessment, and digitize our work processes including forms, applications etc. We will develop detailed plans on how to use information technology and information technology platforms in delivering our programs and products.



## OBJECTIVE 2: PROVIDING VALUE TO MEMBERS

As a member-centered organization, we equip and support our members with all the information they need to better serve their clients and advance their professional careers. This is achieved through an active professional community, creating and providing continuous professional development, liaison between employers and members and professional promotional events.

### **Increase, engage, and retain members**

SCAAK helps its members to become more successful in their profession and offers tangible benefits to members at a reasonable cost. We believe that the long-term sustainability of SCAAK depends on the effective way of meeting the needs of our members. To this end, a good part of the staff of SCAAK is engaged in understanding, creating and providing value to members in order to expand membership and increase the engagement of our members. In addition to current activities that include membership notification of developments that affect their profession, we aim to expand value-added activities for members by making businesses and institutions aware of the benefits of quality work of members and the services they provide.

### **Continuing Professional Development (CPD)**

For society to benefit through improved performance at work, professionals must be supported by a competency-based culture that underscores appropriate ethical principles and puts the interests of clients or organizations before personal interests. Every profession carries a professional responsibility. A very important aspect of this is for practitioners of the accounting, auditing and specialized services profession, employers, employees, and the general public to understand the importance of professional responsibility. Every profession requires that practitioners of that profession in addition to being equipped with the basic knowledge of the profession, be committed to it and apply an ethical framework, also they must constantly demonstrate continuous professional development. We will also upgrade existing mechanisms for demonstrating compliance with continuing professional development requirements by creating electronic CPD registration and reporting tools.

### **Awareness on the reputation of SCAAK**

Our reputation has been essential to getting here. Maintaining the reputation of SCAAK has consistently been and remains one of the ways to increase value for members. Because the reputation of SCAAK can easily be affected by the developments and the state of organization, we will pay special attention to investing in the promotion and protection of reputation and this will be one of the focuses of this strategy. We will ask all of our members to take actions that raise awareness of SCAAK's reputation (e.g. one way is to encourage the use of SCAAK letters after their name either in LinkedIn profiles or in their resumes) .

### **Quality services to members**

SCAAK will be committed to providing value-added services to its member such as ensuring that member services are in line with international standards. We will advance the quality assurance system for statutory auditors, and design, develop and implement a quality assurance system for accountants as well. We will also advance CPDs in line with the needs arising from the quality assurance system for our members. SCAAK will continue to cooperate and maintain ongoing contacts with regulators and other parties.

## OBJECTIVE 3: CENTER OF EXCELLENCE FOR DEVELOPMENT

As a professional organization developed in a country in transition which is often cited as a good example by IFAC in the governance guide of professional accountancy organizations and other guides, SCAAK aims to serve as a Center of Excellence to assist other organizations in developing countries.

### **Center for Research and Consulting (CRC)**

We intend to establish a Center for Research and Consulting within SCAAK that will serve as a national and international center for advisory services. It will also serve as a center for research in key thematic areas, especially in issues related to corporate governance and financial management in the public and private sector, but also personalized research according to the needs of public or private sector organizations.

### **Strengthening operational excellence**

We believe that in order to be able to implement our strategy and advance the SCAAK mission, we need to strengthen our internal operations and capacity. We will continually focus on investing in the development of our capabilities, processes, and technology.

### **Regional and international cooperation**

We aim to continue strengthening our regional and international cooperation with partner organizations to establish or strengthen technical expertise, leadership, governance and strategies, professional qualifications and local training according to international standards and a culture of continuing professional development. We want to draw on our long and successful experience in setting up professional organizations to assist other organizations in building internal capacity in key functions such as finance, human resources, education, administration, management development support, evaluation and organizational culture. We also want to offer our expertise in creating quality assurance systems, exchange experiences about manuals, documents, procedures and guidelines for other PAOs.

### **Strategic development**

During the previous Strategy (2015-2019) we have steadily improved our strategic development capacity. We aim to further enhance our internal capacities for strategic development through the establishment of a Development Strategy team, to be chaired by the Executive Director. The team will be responsible for regularly reviewing our organizational work and progress reporting (eg through our annual work report).

During the 2020-2024 Strategy we aim to review on a regular basis our progress in implementing our Strategy to see what has been achieved and to update our action plan as needed.

### **Organizational structure and committees of SCAAK**

We will always review our organizational structure which stems from the SCAAK statute as the highest written act and we will explore modern forms of governance to better serve our mission. Our organizational structure and our human capacities are essential in fulfilling this strategic objective. We have established a number of well-defined committees which are an integral part of the SCAAK structure in order to support the implementation of our strategy. During our strategy period, we will look at the need for new committees and explore opportunities to further improve the effectiveness of existing committees.

### **Corporate governance within SCAAK**

Corporate governance is the system by which organizations are run, controlled and led. A good corporate structure establishes the relationships and how rights and responsibilities are distributed between those working in the organization and external parties, as well as the ways in which organizations set objectives, the means to achieve those objectives, and performance monitoring. To give advice on corporate governance and ethical principles, it is extremely important that we continually strengthen our corporate governance arrangements and serve as an example to other organizations. We aim to further strengthen these organizational governance arrangements during the period of our strategy and to introduce new forms and measures that will further improve our governance.

### **Our people**

Our people are the heart of SCAAK. Our goal is to attract, retain and develop a good team of people who in our country will not just find a job, but an opportunity for career and development. It is very important that we have good human resource management systems to get the most out of them. We will continue to further improve our human resource policies and procedures and related systems. A key element will be policies on recruitment, performance management and training and development.

## SWOT ANALYSIS

### STRENGTHS

- Market leader
- Global Recognition - Full membership in IFAC, FCM and EFAA
- Professional and Motivated Staff
- Good governance
- High reputation
- Cooperation with stakeholders

### WEAKNESSES

- Financial sustainability from membership revenues
- Lack of staff (consequence of lack of funds)

### OPPORTUNITIES

- Dominant position
- Penetration/ involvement in the public sector
- Development of other specializations/ certifications
- Regional Center of Excellence

### THREATS

- Legal framework in Kosovo
- General environment - non-functioning / non-implementation of the law
- Unfair competition
- Lack of internal and donor funding for new program developments
- Political will regarding financial reporting reform



## CONCLUSION

The 2020-2024 Strategy will guide SCAAK over the next five years. SCAAK will be committed to meeting the objectives of this strategy from which the annual work plans will be compiled.

To achieve all objectives, SCAAK considers it extremely necessary to cooperate with its members, the Council, the Committees and all other parties with common interests.

Periodically, SCAAK will assess the need to review this strategy depending on changes that may occur in the environment in which SCAAK operates both legally, politically and economically.

