



Doc. 300.3.2

Higher Education Institution's Response (Departmental)

Date: 22/12/2020

- **Higher Education Institution:**
European University Cyprus
- **Town:** Nicosia
- **School/Faculty:** School of Business Administration
- **Department:** Accounting, Economics and Finance
- **Programme(s) of study under evaluation**
Accounting (4 Years, 240 ECTS, BSc)
Programme 1
In Greek:
Λογιστική (4 Έτη, 240 ECTS, Πτυχίο)
- **Department's Status:** Currently Operating



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 2019” [N. 136 (I)/2015 to N. 35(I)/2019].

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.*

The Department of Accounting, Economics and Finance of European University Cyprus wishes to express its sincere gratitude to the External Evaluation Committee (EEC) for the evaluation of the Department of Accounting, Economics and Finance. The feedback of the EEC was very useful and their comments provide us the opportunity to further improve the quality of the Department.

1. Department's academic profile and orientation

Sub-areas

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

Comments by the EEC:

Areas of improvement and recommendations

- The EEC has stressed the importance of research for any successful university.
- The EUC and the department in specific must make it explicitly clear to all that they aim at producing high quality research. This is essential if their goal is to be a locally leading university.
- The EEC pointed out that in all future recruitment, the publication record of a candidate must be heavily weighted in the final decision.
- The EEC recommended that in order to improve and be successful in research the department may consider to adopt the following practices:
 - A lighter teaching load for staff members that publish regularly.
 - Hiring two types of academic staff:
 - Research oriented staff that have proved their potential to produce high quality research. These will be assigned with a light teaching load and expected to improve the publication record of the department.
 - Teaching oriented staff, in which case a comparatively heavier teaching load is expected. In this case, these individuals will be hired and be assessed based on their teaching experience and excellence.
 - The department must provide grants to academic staff to participate in quality international research conferences.
 - Collaborate with other local and international researchers in terms of research and publishing.
 - Create synergies with international academics.
 - Use the comparative advantage of the location of the department in Cyprus to attract even for short (1 to 2 weeks) periods international researchers to present their work in seminar sessions within the department. These should be attended by all staff and potentially by students.
 - Establish a regular series of internal research seminars where the faculty can present in the department their ongoing research.
- The EEC stressed the importance of quality instead of quantity in publishing research work.
- We recommended focusing only in well-respected and widely known journals and publishers in academia such as Springer, Elsevier, Emerald, etc, pay attention to only index journals with impact factor as measured by Thompson-Reuters.

Response by EUC:

Taking into consideration all the above recommendations of EEC, the Department of Accounting, Economics and Finance carried out the following modifications/improvements and took the following actions:

- The School of Business Administration / Department of Accounting, Economics and Finance has signed a research partnership agreement with the University of Cambridge to establish a research center called the 'Alternative Finance Collaboration Network in Middle East, North Africa and the Mediterranean (MENAM)'.

In the context of this collaboration, the Department has recruited three full-time research staff for the following positions:

- Regional Lead for Middle East, North Africa and the Mediterranean
- Regulatory Researcher for Middle East, North Africa and the Mediterranean
- Market Researcher for Middle East, North Africa and the Mediterranean.

The starting date of employment was December 7, 2020.

This collaboration obviously generates many benefits for the Department:

- The Department creates collaborations with international researchers and organizations in terms of research and publishing.
 - Creates synergies with international academics.
 - Further develops the research culture of the Department. The new recruits, always in collaboration with the existing faculty of the Department as well as with Cambridge University faculty, will produce scientific research and will prepare and submit research proposals in various European and International research programs.
 - Finally, the uniqueness and importance of the above cooperation must be emphasized, both for the European University Cyprus and for Cyprus in general. This importance stems from the fact that the University of Cambridge only cooperates with organizations of excellence.
- Secondly, the Department issued analytical promotion guidelines (especially for the research outcome). Despite the fact that detailed promotion criteria are described in the EUC Charter (Appendix I, pp 72-77 and 103-109), the Department of Accounting, Economics and Finance decided to enhance internally the existing promotion guidelines with the ABS and Scopus worldwide standardized guidelines, providing faculty with clear goals that need to be achieved (Appendix 2). In this way, the Department makes explicitly clear to faculty the importance of quality instead of quantity in publishing research work.
 - Thirdly, as far as the recommendations of the EEC for lighter teaching load of staff members, for the provision of grants to academic staff for research excellence and for participation in quality international research conferences, the Department would like to mention the following:
 - During the last years, EUC paid a lot of attention in order to increase the research by its faculty by providing incentives for research. Specifically:
 - EUC adopts a policy of Teaching Hours Reduction (THR - Appendix 3, pp.24-25). THR is part of the wider University Research Policy (Research Policy - Appendix 3). Thus, while the contractual obligation of the faculty

members is 12 teaching hours per semester, a large percentage of the faculty members of the University utilize the provisions of this policy and have a reduced workload of 6-9 hours per semester. Through the implementation of this policy and through the other research activities and synergies of the Department (e.g. the collaboration of the Department with the University of Cambridge mentioned above), we are convinced that the research culture will be improved, as well as the research output of the faculty. Already, through this plan, the Associate Professor of the Department Dr. Simona Mihai during the current FALL Semester 2020 taught three (3) courses and this will also be the case in the SPRING 2021 semester.

- EUC provides Annual awards for research (see Appendix 3 pp.23-24 and Appendix 4). Specifically, The University's "Internal Research Awards" (IRA) are launched on an annual basis by the Senate Research Committee, are announced by the Vice Rector for Research & External Affairs and financed by the University Research Fund and external sponsors.
 - EUC provides an annual grant to all faculty for presenting in quality international research conferences (1300 euros). At the same time, EUC provides grants for just participating (not presenting) in National or International conferences (170 euros).
- Fourthly, the Department decided to establish an annual seminar/working papers colloquium starting in Fall Semester 2020. The schedule for the current semester is as follows:
- The first seminar took place on 20/11/2020 at 15:00. Title: "Performance of Big Data Firms and the Information Privacy Law". Presenter: Associate Professor Simona Mihai.
 - The second seminar took place on 04/12/2020 at 15:00. Title: "Cost of Compliance for Public Companies in Cyprus in comparison with other EU countries". Presenter: Associate Professor Marios Mavrides.
 - The third seminar took place on 11/12/2020 at 15:00. Title: "A Trade off between Relevance and Reliability; A comparison between Annual and Interim Financial Statements". Presenter: Assistant Professor Alexis Kythreotis.
 - The fourth seminar took place on 18/12/2020 at 15:00. Title: "Post crisis mega mergers and their effect on shareholders' value". Presenter: Assistant Professor Loukia Evripidou.

More seminars will be announced after the Christmas break. Finally yet importantly, the Department will disseminate these seminars to other stakeholders outside the EUC in order to attract more audience and further collaborations to be created.

- Moreover, regarding the two types of academic staff mentioned by the EEC, it should be mentioned that this is the current situation in the Department. Specifically, the first type is the 'Faculty Members' and the second is the 'Special Teaching Personnel'. The former category should produce research work, while the latter no. In any case, the Department strongly believes that given all the above actions the research outcome of the Faculty will be higher and with higher quality.
- Finally, the Department ensures the EEC that the publication record of future candidates for faculty positions will be heavily weighted in the final decision for any future recruitment. This



is in line with the internal regulations of faculty selection and appointment of EUC (Appendix 5 – pp.88-94). Specifically, through these internal regulations of faculty selection and appointment, EUC recognizes the commitment to excellence in teaching and research for the recruitment, selection, and appointment of faculty members.



2. Quality Assurance

Sub-areas

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

Comments by the EEC:

Areas of improvement and recommendations

The department must focus on producing high-quality research in international scientific journals, participate in conferences and seminars both locally and internationally. The only weakness for some members of the academic staff is their short publication record in internationally recognised refereed journals.

Response by EUC:

The Department took all the above actions (mentioned in previous pages) in order to increase the production of high-quality research, to increase the participation of faculty to conferences and seminars, and more importantly to create a strong research culture within the Department.



3. Administration

Comments by the EEC:

Areas of improvement and recommendations

In the current state the EEC did not find any problem areas in administration.

Response by EUC:

Since the EEC did not find any particular problems in this area that need improvement, the Department has nothing to add. However, it should be highlighted that in order to maintain and even increase the quality, the Department ensures the EEC that through the continues monitoring of all the related issues, will safeguard that these excellent results will lasts and even enhanced in the future.

4. Learning and Teaching

Sub-areas

4.1 Planning the programmes of study

4.2 Organisation of teaching

Comments by the EEC:

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 department. The EEC during the remote visit stressed to the faculty and all stakeholders the utmost importance of producing high quality research work. 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.

Response by EUC:

The comments of EEC have partially addressed in a great degree in previous parts. However, the Department wants to add few additional points:

1. The Department taking into consideration the recommendation of EEC (External Evaluation Report 300.3.1/1 –pp. 20 / Programmatic evaluation within the framework of Departmental Evaluation - B.Sc. in Accounting) replaced the course 'Independed Study in Accounting' (6 ECTS) with the 'Undergraduate Thesis' (12 ECTS). By this way, the motivation of the 4-year students to engage more heavily with research will be higher.
2. The Department following all the necessary actions and internal regulations (see Appendix 6 - EUC's Program Evaluation Review) has initially approved the development of a Master Programme. The decision has been taken on 20/10/2020 from the Department Council and it was approved by the School Council on 16/12/2020. Among other advantages, the launch of a new Master will enhance the active participation of the postgraduate students (and Faculty) in the research.
3. The previous point is directly related to the resent acquisition of EIKON database of Thomson Reuters. The utilization of EIKON enhances and intensifies the research activities of the faculty and students (especially fourth-year students) and helps the Department to realize its long-term research ambitions.

5. Teaching Staff

Comments by the EEC:

Areas of improvement and recommendations

Some teaching staff members seem to be assigned to teach a lengthy and sometimes diverse set of classes.

Response by EUC:

The first point of the Committee is about the length of the classes. The Department understands the issues raised by the EEC. It is noted that the University's policy is towards 3-hour teaching blocks, a policy which is based on the fact that 3-hour teaching blocks are the common cultural practice for many Universities in Cyprus, and it is based on EUC past survey results of students' preferences. This practice is also adopted by various higher education institutions across the world. Moreover, it is noted that as indicated in the University's relevant policy, for every 50 minutes of instruction a ten (10) minutes break is foreseen.

Regarding the second comment, the Department wants to clarify that the courses are allocated to each faculty according to their Ph.D. subject area and their research interests. Finally, the STPs which are mainly accountants, are teaching courses which are directly related to their Master Degree and their professional qualification, which is, either the ICAEW Chartered Accountant qualification or ACCA qualification (Association of Chartered Certified Accountants).

6. Research

Comments by the EEC:

Areas of improvement and recommendations

- The EEC stressed the importance of high quality research for any successful university.
- Clear goals regarding research must be included in the strategic planning of the department. These must be known to all faculty.
- 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:
 - Research oriented staff that have proved their potential to produce high quality research. These will be assigned with a light teaching load.
 - 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.
- Subscriptions to additional data bases (i.e., WRDS) to facilitate research is necessary.
- Try to create synergies with other local and international researchers in publishing.
- Try to create internal staff synergies with respect to research.
- 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.
- 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.
- 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 is present.

Response by EUC:

The vast majority of the points mentioned above from EEC, have been addressed to previous parts of this report. However, the Department wants to add few additional points:

- The strategic plan of the Department was submitted and approved by the Department Council (11/12/2020) and by the School of Business Administration (16/12/2020). Among other issues, the plan included clear goals regarding research. Almost all the issues mentioned previously were part of this plan. For example, the collaboration with the Cambridge University, the enhancement of the research culture, the



adoption of analytical promotion criteria related to research, the establishment of a regular series of internal research seminars and the launch of a Master degree.

- EUC Library has a broad range of databases. These were mentioned to the 200.3 application (pp. 37-40) already submitted to EEC (Appendix 7). It should be highlighted, that seven universities in Cyprus (both public and private) established a consortium for this reason. This consortium ensures synergies and cost benefits. Hence, Cyprus Universities are operating as one 'entity', enhancing by this way their databases. Finally, based on the agreement between the founding members of KKuB, a member cannot proceed to any specific purchase/subscription if there is interest from another university(s).

7. Resources

Comments by the EEC:

Areas of improvement and recommendations

The administration of the university and the department must also try to secure external funding to reduce risk. This funding may come from sponsors and maybe from the local community.

Response by EUC:

The Department in an attempt to secure external funding has signed a research partnership agreement with the University of Cambridge to establish a research center called the 'Alternative Finance Collaboration Network in Middle East, North Africa and the Mediterranean (MENAM)'.

In the context of this collaboration, the Department has recruited three full-time research staff for the following positions and their salaries will be mainly funded from the Cambridge University.

- Regional Lead for Middle East, North Africa and the Mediterranean.
- Regulatory Researcher for Middle East, North Africa and the Mediterranean.
- Market Researcher for Middle East, North Africa and the Mediterranean.

Additionally, as mentioned previously the new recruits, always in collaboration with the existing faculty of the Department as well as with Cambridge University faculty, will prepare and submit research proposals in various European and International research programs. By this way, the Department and the University will attract additional external funds.

Finally, the Department verbally agreed with some of the Big Four Auditing companies to get funding from them. The funding can be in the form of prizes for the best Undergraduate Thesis or/and for the highest GPA. Additionally, the funding can be related to infrastructure such as the acquisition of additional equipment/databases for the lab of the Department.

A. Conclusions and final remarks

Comments by the EEC:

- The EEC received and read the department's application and all the supporting material well in advance at the time they were supplied by the CQAA.
- During our remote visit we met all the faculty members, administration and support staff. All were at our disposal throughout the day 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 evaluation 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 strongly believe that the department must adopt as a priority the cultivation of a research culture as, at this stage, this seems to be latent. The EEC provided above in the report and also during the remote visit, specific ideas and recommendations in establishing and maintaining a fertile research environment that will benefit, the faculty, the students, the department and the EUC's reputation as a leading university in the area.
- The main **strengths** of the department according to the information provided, the lengthy conversations and the opinion of the EEC members are: the facilities that are available to all the staff and the students; the main building that is located in a very convenient place with ample parking spots; the agreements with ACCA and ICAEW; the participation in the Erasmus program of student and staff exchanges; the long business and academic experience of the full-time staff; and the modern equipment and information technology infrastructure of the Department.
- The observed **weaknesses** at this stage include the observed latent concentration on the merits of state-of-the-art research for a university department.
- The **opportunities** include the small number of other high quality universities in the local area; 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.
- 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; and finally any adverse situation that may affect the enrollment of new students in the department.
- 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 EUC.
- The EEC members recommend that at this stage the department should establish clear standards with respect to how research performance is assessed for the academic staff and what is the research profile they will seek in future academic staff recruitment and/or staff promotions.





Response by EUC:

The Department of Accounting, Economics and Finance of European University Cyprus once more wishes to express its sincere gratitude to the External Evaluation Committee (EEC) for the evaluation of the Department of Accounting, Economics and Finance. The feedback of the EEC was very useful and their comments provide us the opportunity to further improve the quality of the Department.

As described in the previous sections of the report, the Department of Accounting, Economics and Finance has made a focused effort to address each and every one of the EEC's recommendations. As such, we believe that these actions enhance the quality of the Department.



B. Higher Education Institution academic representatives

<i>Name</i>	<i>Position</i>	<i>Signature</i>
Alexios Kythreotis	Chairperson, Department of Accounting, Economics and Finance and Program Coordinator	
Pieris Chourides	Dean, School of Business Administration	

Date: Click to enter date