



**SUPPORTING DOCUMENTATION FOR APPLICATION TO
INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC)**

2017

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1.0 GLOSSARY

AIA	Association of International Accountants	IFAC	International Federation of Accountants
APB	Auditing Practices Board	IFRSs	International Financial Reporting Standards
CPD	Continuing Professional Development	IPSASs	International Public Sector Accounting Standards
EU	European Union	IPSASB	International Public Sector Accounting Standards Board
FRAB	Government Financial Reporting Advisory Board	ISA	International Standards of Auditing
FRC	Financial Reporting Council	Ofqual	Office for Qualifications and Examination Regulation
FReM	Government Financial Reporting Manual	POT	Professional Oversight Team (FRC)
GAAPs	Generally Adopted Accounting Principles	QA	Quality Assurance
IAASA	Irish Auditing and Accountancy Supervisory Authority	RQB	Recognised Qualifying Body
IAESB	International Accounting Education Standards Board	SMOs	Statement of Membership Obligations
IASB	International Accounting Standards Board	SMEs	Small and Medium Sized Enterprises
IESs	International Education Standards for Professional Accountants	SMPs	Small and Medium Sized Practices
IESBAs	International Ethical Standards Board for Accountants	UK	United Kingdom

2.0 ABOUT AIA

The Association of International Accountants (AIA) is a global body for professional accountants. We aim to create world class accountants; through offering high-standard, relevant and innovative qualifications, and providing first-class, tailored, services for our members around the world.

Founded in 1928, AIA has promoted the concept of 'international accounting' to create a global network of accountants. AIA has members working throughout the whole spectrum of the accountancy profession. Many of our members are at the top of the accountancy industry, from senior management to director level. Conversely, significant numbers of our members work in small and medium sized businesses (SMEs) and practices (SMPs) and we strive to champion the importance of these vital businesses and their needs.

AIA works in the public interest, ensuring that our members are appropriately regulated for the work that they carry out. AIA is a Prescribed Body under the Companies (Auditing and Accounting) Act 2003 in the Republic of Ireland and we also have supervisory status for our members under the UK Money Laundering Regulations 2007. AIA is also recognised by the Commonwealth as an Accredited Organisation. The AIA professional qualification is currently recognised in over 30 countries worldwide.

In the UK, AIA is a Recognised Qualifying Body (RQB) for statutory auditors, and as such we are regulated by the Financial Reporting Council (FRC) and work closely with them to ensure that our auditors are of the appropriately high standard. AIA auditors who are registered with a Recognised Supervisory Body (RSB) are able to seek registration as a statutory auditor across the European Union.

Our commitment to providing innovative qualifications is reflected in our provision of national variant exam papers, and in our optional Islamic accounting and banking exam. AIA also offers a range of leading edge diplomas, tailored specifically for finance and accounting professionals. We are also an Awarding Body, and offer three qualifications regulated by Ofqual; Level 5 Certificate in Accountancy, Level 6 Diploma in Accountancy and Level 7 Diploma in Professional Accountancy.

AIA is continuously working with our members and partners in financial centres around the world to encourage trust, clarity and shared international standards in the accounting profession. AIA supports the work of the IFRS Foundation and the International Accounting Standards Board (IASB) in developing a single set of high quality, understandable, enforceable and globally accepted international financial reporting standards (IFRSs).

AIA supports the International Federation of Accountants (IFAC) in their vision of a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets and economies and believes in creating a global accountancy profession; AIA has adopted IFAC's Code of Ethics for professional accountants and also incorporates IFAC's International Education Standards (IES) into our own policies and procedures.

Successful completion of the exams and three year's relevant work experience is required before qualification to full membership.

AIA members use the designatory letters FAIA, as a Fellow and AAIA as an Associate.

Those who achieve the AIA Recognised Professional Qualification (RPQ) as a statutory auditor can register with a Recognised Supervisory Body (RSB) and undertake statutory audits of companies of all sizes in the UK in accordance with the UK Companies Acts.

All AIA members must undertake Continuing Professional Development, are subject to Disciplinary Procedures and adhere to the International Federation of Accountants (IFAC) Code of Ethics. AIA is regulated by the Financial Reporting Council (FRC) and the Irish Auditing & Accounting Supervisory Authority (IAASA).

AIA has members working throughout the whole spectrum of the accountancy profession. Many of our members are at the top of the accountancy industry, from senior management to director level. Conversely, significant numbers of our members work in small and medium sized businesses (SMEs) and we strive to champion the importance of SMEs and their needs.

3.0 ABOUT IFAC

IFAC is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of over 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

Mission

IFAC serves the public interest and strengthens the accountancy profession by:

- Supporting the development of high-quality international standards;
- Promoting the adoption and implementation of these standards;
- Building the capacity of professional accountancy organizations; and
- Speaking out on public interest issues.

Vision

IFAC's vision is that the global accountancy profession be recognised as essential to strong and sustainable organizations, financial markets, and economies.

4.0 OVERVIEW OF IFAC APPLICATION PROCESS

IFAC welcomes professional accountancy organizations (PAOs) that support IFAC's mission and programs as Members and Associates. The IFAC Board has the authority and responsibility for determining the criteria for and procedures by which organizations are admitted as Members of IFAC.

IFAC staff guide candidate PAOs in the admission process with the advice and oversight of the Compliance Advisory Panel. The admission process includes:

- An initial expression of interest by the PAO and the establishment of an ongoing dialogue with IFAC);
- Developing an understanding of the IFAC admission criteria and the IFAC Statements of Membership Obligations (SMOs);
- Completing an initial SMO Action Plan, with guidance from IFAC;
- Seeking sponsorship from an existing IFAC Member;
- Submitting application package materials, sponsor's report, and an application fee;
- IFAC's assessment of the PAO and application materials; and
- Consideration of the application by the Compliance Advisory Panel and IFAC Board followed by a vote by the IFAC Council.

Member Compliance Program

The IFAC Member Compliance Program serves the public interest by promoting the adoption and supporting the implementation of international standards on private and public-sector accounting, auditing, ethics, and education, as well as the establishment of related quality assurance and enforcement mechanisms. It does this through the Statements of Membership Obligations (SMOs), which serve as a framework for credible and high-quality professional accountancy organizations (PAOs) focused on serving the public interest.

The Program recognizes that well-developed PAOs promote economic growth and development; enhance transparency and accountability in local, national, and regional financial systems; and help attract foreign investment to developing nations. Strong PAOs also develop and produce capable accountancy professionals and promote robust ethical standards.

The Program, in which IFAC Members and Associates are required to participate, works with PAOs around the world at various stages of development to continuously improve—this includes through adoption and implementation of international standards and best practices.

The Program provides the opportunity to report progress, challenges, and insights taken in support of the SMOs, including resource, governance, or other organizational structure enhancements. In doing so, the Program helps Members and Associates demonstrate that they are meeting IFAC requirements and continuing to strengthen the global accountancy profession.

The Program is the responsibility of the IFAC Quality & Membership staff, operates in accordance with agreed upon due process and working procedures, and is overseen by the Compliance Advisory Panel, which—as one of IFAC's public interest activities—is overseen by the Public Interest Oversight Board (PIOB).

5.0 OVERVIEW OF AIA EXAMINATION STRUCTURE 2017

5.1 STANDARD

The exam structure is designed to test capability and competence as a professional accountant and for the purpose of the AIA Recognised Professional Qualification (RPQ) as a statutory auditor. It covers subjects necessary for those purposes, is of Masters degree level standard, and tests both theoretical knowledge of the subjects involved and the application of such knowledge in practice.

The overall outcomes of the exam have been evaluated as meeting the general requirements of IFAC's International Education Standards for Professional Accountants. In relation to the RPQ as a statutory auditor the exam meets requirements of the Companies Act 2006, Schedule 11 and the Statutory Auditors (Examinations) Instrument 2008, with respect to being at least of a standard of attainment equivalent to that for a degree of a UK university; covering the statutorily prescribed subjects for exams for the statutory auditor qualification, and as testing theoretical knowledge of those subjects and the ability to apply that knowledge in practice.

The exam is kept under review as regarding appropriateness and to ensure that developments and changes in relation to accountancy and auditing that have implications for the syllabus, study guides (eBooks) and assessments are considered.

5.2 STRUCTURE

The exam comprises sixteen subjects arranged in two modules at each of three successive stages: Foundation, Professional 1 and Professional 2. The syllabuses take account of International Accounting Standards, International Standards on Auditing, International Standards on Quality Control and International Financial Reporting Standards.

Foundation Level:

Module A

- 1 Financial Accounting 1
- 2 Business Economics
- 3 Management Accounting 1

Module B

- 4 Law
- 5 Auditing and Taxation
- 6 Information Processing

Professional Level 1:

Module C

- 7 Auditing
- 8 Company Law
- 9 Management Information

Module D

- 10 Business Management
- 11 Financial Accounting 2
- 12 Management Accounting 2

Professional Level 2:

Module E

- 13 Financial Accounting 3
- 14 Financial Management

Module F

- 15 Professional Practice (Auditing)
- 16 Taxation and Tax Planning

For those students pursuing Statutory Auditor Route:

- 17 Multi-Disciplinary Case Study
- 18 Oral Test

Students seeking the AIA statutory auditor qualification must also successfully complete an audit scenario multi-disciplinary case study as an additional paper at the final level.

Following successful completion of their practical audit training, RPQ students will also undergo an oral test. The oral test is designed to test ability to apply theoretical knowledge to practical situations in light of the experience obtained during audit practical training. The test comprises a two-hour oral assessment with an interview panel including a Statutory Auditor and senior academic.

6.0 STATEMENTS OF MEMBERSHIP OBLIGATIONS (SMOS)

6.1 WHAT ARE THE SMOS?

The IFAC Board is committed to the goal of developing a set of Statements of Membership Obligations (SMOs) that provide clear benchmarks to current and potential IFAC member bodies, to assist them in ensuring high-quality performance by professional accountants. The SMOs cover IFAC member bodies' obligations to support the (a) adoption and implementation of international standards and other pronouncements issued by the International Auditing and Assurance Standards Board (IAASB), International Accounting Education Standards Board (IAESB), International Ethics Standards Board (IPSASB), and International Accounting Standards Board (IASB), as well as (b) the establishment of quality assurance and investigation and disciplinary systems.

Member bodies have an obligation to identify and undertake actions to fulfil the requirements set out within the SMOs. IFAC recognises that its member bodies operate under different national legal and regulatory frameworks, and are comprised of professionals working in different sectors of the accountancy profession. Accordingly, IFAC member bodies in different jurisdictions may have different degrees of responsibility for meeting the requirements in each SMO.

In accordance with the applicability framework as outlined in each SMO, member bodies may be required, under certain circumstances, to use their best endeavours to comply with specific requirements of the SMO where they have no responsibility, or have shared responsibility for the area covered by the SMO. A member body will have been considered to have used its best endeavours if it could not reasonably do more than it has done and is doing to meet the requirements of the SMO.

The SMOs form the basis of the IFAC Member Body Compliance Programme. Member bodies are required to perform ongoing self-assessments of their compliance with each of the SMOs' requirements, including an assessment of standards in place compared to the relevant international standards. Furthermore, member bodies are required to develop, meaningfully execute and regularly update their own action plans to demonstrate their compliance with the SMOs' requirements.

The SMOs also apply to IFAC associates as they move towards IFAC membership. Associates must complete self-assessments to demonstrate their current compliance status and ability to further address the SMOs' requirements. Associates are required to develop, meaningfully execute and regularly update their own action plans to demonstrate their progress toward compliance with the SMOs' requirements.

6.2 SMO 1 – QUALITY ASSURANCE

SMO 1 sets out the requirements of an IFAC member body with respect to quality assurance review systems for its members who perform audits, review other assurance, and related services engagements of financial statements.

Action Plan Objective: continue to demonstrate AIA's commitment to monitoring and protecting the public in relation to Members in Practice

Background:

The Financial Reporting Council (FRC) and five Recognised Supervisory Bodies (RSBs) in the UK share responsibility for the quality assurance (QA) review system governing audits and assurance engagements in accordance with the Companies Act 2006 and Statutory Instrument (2012/1741).

The FRC carries out QA reviews of major public interest entities (PIEs) through the Audit Quality Review (AQR) team and as the competent authority under the EU Audit Directive delegates the reviews of other audits to RSBs.

As a Recognised Qualifying Body (RQB) under the Companies Act 2006 AIA therefore has no jurisdiction in the United Kingdom over the QA Monitoring of firms undertaking audit engagement.

AIA does, however, provide a QA Programme for its Members in Practice and those it regulates for purposes of Anti-Money Laundering; the principles outlined in SMO 1 provide the foundation for AIA's monitoring procedures.

Action Steps:

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Regulation of Practising Members</i>					

1.	Ongoing	AIA regularly monitors its Practising Members in accordance with its Bye-Laws, Code of Ethics, and UK Anti-Money Laundering Regulations 2007.	Ongoing	Head of Compliance & Regulation	AIA Council, Disciplinary Committees, Quality Assurance Reviewers, AIA Compliance staff
2.	Ongoing	AIA's regulations and guidance for Practising Members are reviewed annually and updated where necessary. Members are issued with updated Code of Ethics on an annual basis following IFAC revision.	Ongoing	Head of Compliance & Regulation, Regulatory Strategy Manager	Disciplinary Committees, Practice Compliance Committee, AIA Compliance staff
<i>Maintaining Ongoing Processes</i>					
3.	Ongoing	QA Monitoring Visit procedures are subject to review and updating to reflect environmental scanning, current developments in law,	Ongoing	Head of Compliance & Regulation	Disciplinary Committees, Quality Assurance Reviewers, AIA Compliance staff

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		standards, regulations and best practice.			
4.	Ongoing	Regular and relevant training of all QA staff and advisers to provide updates on technical and practice developments including UK/international auditing and accounting standards, ethical standards, UK regulation and law.	Ongoing	Head of Compliance & Regulation	Quality Assurance Reviewers, AIA Compliance staff
5.	Ongoing	Continue to recruit appropriate Quality Advisers of high quality and in good standing.	Ongoing	Head of Compliance & Regulation	Quality Assurance Reviewers
6.	Ongoing	Respond to IFAC Exposure Drafts and consultations	Ongoing	Policy & Public Affairs Manager	Technical Advisers, AIA staff
7.	Ongoing	Annual review of disciplinary process and committees, including	Ongoing	Head of Compliance & Regulation	Disciplinary Committees

		sanctions and disciplinary procedures.			
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AIA Quality Assurance

AIA members are professional qualified accountants having undertaken the AIA's professional qualification, or equivalent. All AIA members must undertake Continuing Professional Development (CPD), adhere to AIA practising regulations and abide by the International Federation of Accountants (IFAC) Code of Ethics.

AIA monitor practices to ensure that members are maintaining the level of knowledge and professionalism expected of them.

The AIA Practice Monitoring programme incorporates quality assurance and anti-money laundering compliance aspects.

When Members apply for or renew their practising certificate (license to practice) they agree to co-operate with AIA in its quality assurance programme with regards to monitoring and enforcement of compliance with: the AIA Constitution; the practising regulations as detailed in the Member in Practice Guide, and the Money Laundering Regulations 2007.

Members are subject to regular monitoring designed to ascertain the level of compliance with the above by enabling them to demonstrate that they have adequate policies and procedures in place, which are verified by an approved AIA Quality Assurance Adviser.

Information on the frequency, purpose and structure of monitoring visits, advice on how to prepare for monitoring and the provision of post visit guidance are available in a separate AIA Monitoring Visit Guide booklet. Further information about Money Laundering Regulations is provided to Members in an Anti-Money Laundering Guide.

Upon successful completion of a Quality Assurance monitoring visit, practices are awarded the AIA Quality Assured logo. AIA firms who apply procedures considered by the accountancy profession to be best practice will be entitled to use this logo on their business stationery. Approval is given in recognition that the practice has committed to:

- Maintaining high professional and ethical standards;
- Implemented robust and suitable anti money laundering measures; and

- Establishing the appropriate systems and procedures to comply with the AIA's practising regulations.

AIA works to encourage trust, clarity and shared international standards in the accounting profession and, through regular monitoring, ensures that members have the right knowledge, skills and training to provide an exceptional and trusted service to their clients and the public.

Compliance Framework

Section 1.2 of AIA's Quality Assurance Procedures relates to the implementation of the mandatory AIA Quality Assurance review program including the publication of AIA quality control standards and related guidance; details of the AIA monitoring process incorporating standardised procedures and guidance for AIA Quality Assurance Advisers which recognise and adhere to the Code of Ethics for Professional Accountants (the IESBA Code); procedures for reporting and reviewing the outcomes of the visits and the implementation of necessary disciplinary measures if required.

Quality control standards are published on AIA's website for member reference and guidance.

AIA takes the continuing education of its members seriously and works to ensure they are kept up to date with developing skills and competencies. QA Procedures Appendix 10 Monitoring Visit Programme agrees and recommends any additional appropriate training or education.

The adoption and implementation of the specified standards is an established practice by AIA's UK regulators and the following standards are effective for audits of financial statements for periods commencing on or after 17 June 2016:

Auditing standards for audits of financial statements include objectives for the auditor, together with requirements and related application and other explanatory material. The International Standards on Auditing (UK) (ISAs (UK)) and International Standard on Quality Control (UK) (ISQC (UK)) are based on the International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) of the same titles that have been issued by the International Auditing and Assurance Standards Board (IAASB), published by the International Federation of Accountants (IFAC) in 2009, and are used with the permission of IFAC.

AIA has adopted and implemented the IFAC Code of Ethics – <http://www.aiaworldwide.com/guidance-ethics>

Advice and guidance on Anti-Money Laundering is provided online, along with a confidential email and phone line service.

General and ethical guidance advice for members is provided online which also provides access to confidential Guidance.

AIA's Monitoring Visit Guide states that AIA provides an opportunity to offer Members impartial advice and suggestions for developing and maintaining the high level of skill and professionalism expected from AIA practising members. The guide provides information to members regarding a forthcoming visit and

includes information on the purpose of a forthcoming visit; what to expect; the documents that will need to be available and where to obtain support and advice.

Although AIA has no jurisdiction in the United Kingdom over the QA Monitoring of firms undertaking audit engagement, the QA of Members in Practice is governed by the AIA Constitutional Documents.

AIA Constitutional Documents provide references that confirm AIA's status and associated responsibilities in relation to Members engaged in Audit Standards and guidelines issued by the International Auditing and Assurance Standards Board and the Auditing Practices Board of the Financial Reporting Council (UK) which are in force.

Confirmation appears in the Bye laws that AIA abides by Auditing Standards and guidance issued by the Financial Reporting Council (UK) which are in force.

Article 65 sets out that AIA's professional examinations for admission to membership and for progression to the Recognised Professional Qualification (RPQ) as Statutory Auditor, in whatever form offered, shall take account of relevant legal and statutory standards and requirements, and requirements (including any directions) of regulators with a role in relation to the Association's qualifications and shall reflect needs and developments in the accountancy profession.

Available Documents

Members in Practice Guide – The AIA Members in Practice Guide provides essential information to practising members regarding the regulations, Quality Assurance, monitoring and disciplinary procedures for members holding an AIA practising certificate. The guide can be downloaded from the AIA website [MiP Guide](#) and a copy is forwarded with the Practising certificate upon approval of the registration documents.

Anti-Money Laundering Guide – AIA has supervisory status for its members in the Money Laundering Regulations 2007. The Regulations apply to all practising accountants and persons and firms providing accountancy services. The [guide](#) contains information to be used in conjunction with the CCAB Anti Money Laundering Guidance, which has received HM Treasury approval.

Quality Assurance Procedures (internal) – The procedures cover compliance processes relating to the first issue and renewal of Practising Certificates together with procedures relating to the regulation and monitoring of the conduct of Members in Practice to ensure that they operate an adequate system of quality control and comply with regulatory legal requirements.

AIA Constitutional Documents – The applicability framework specified in SMO1

6.3 SMO 2 – INTERNATIONAL EDUCATION STANDARDS FOR PROFESSIONAL ACCOUNTANTS AND OTHER PRONOUNCEMENTS ISSUED BY THE IAESB

SMO 2 sets out the requirements of an IFAC member body with respect to international standards and other pronouncements issued by the International Accounting and Education Standards Board (IAESB), an independent standard-setting body.

Action Plan Objective: continue to ensure that IES requirements are considered in AIA’s professional education programmes in addition to requirements set by other regulators

Background:

The AIA professional qualification is regularly assessed by the Financial Reporting Council (FRC), the UK regulator with responsibility for oversight of the audit profession, as part of AIA’s continuing compliance as a Recognised Qualifying Body (RQB) under the Companies Act 2006. In addition, the qualification is assessed by the Office for Qualifications and Examination Regulation (Ofqual) – the UK’s education regulator. AIA also has the responsibility to oversee its members’ and potential members’ Initial Professional Development and Continuing Professional Development.

AIA continually reviews, updates and enhances its qualification in line with requirements laid down by the FRC, Ofqual, IFAC educational pronouncements and local regulations, laws, guidance and best practice.

Additional information mapping the learning outcomes set out in IES 2 can be found in Section 8.o and supplementary information backing up AIA’s application can be found under each IES heading in Section 7.o

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>International Education Standards 1-6</i>					

1.	Ongoing	AIA's current Professional Qualification complies with the IAESB's IES 1-6. All areas of IES 2 which apply to our membership and qualification are covered in AIA's Professional Qualification, evidenced by the enclosed mapping document and highlighted in AIA's syllabus.	Ongoing	Head of Membership Services, Qualifications Manager	AIA Council, Qualifications Committee, Academic Team
2.	Ongoing	AIA undertakes annual syllabus reviews to ensure that updates to IESs and other standards are included in the professional qualification. In addition, a more thorough review is carried out approximately every five years. Each syllabus is mapped to IESs, auditing and accounting standards. Examinable standards are provided in the Exam Scheme & Reading List.	Ongoing	Head of Membership Services, Qualifications Manager	AIA Council, Qualifications Committee, Academic Team
3.	Ongoing	Comment on exposure drafts of IESs where appropriate.	Ongoing	Policy & Public Affairs Manager, Exams Department, Academic Team	Technical Committee, Technical Advisers, Academic Team
<i>International Education Standard 7</i>					
4.	Ongoing	AIA maintains the requirement of mandatory CPD for members with a policy which is compliant with IES 7. Ongoing support and communication inform members of appropriate CPD and the requirements	Ongoing	Head of Membership Services, Director of Professional Services	Disciplinary Committees, AIA

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		they must meet. AIA also undertakes monitoring, investigation and where appropriate, disciplinary action against non-compliant members.			Membership staff, AIA Compliance staff
<i>International Education Standard 8</i>					
5.	Ongoing	As a Recognised Qualifying Body (RQB) under the Companies Act 2006 AIA part complies with IES 8 and offers a Recognised Professional Qualification (RPQ) for training statutory auditors. AIA does not supervise firms for audit engagement as this is the remit of a Recognised Supervisory Body (RSB) under the Companies Act 2006. There currently no plans to apply for RSB status.	Ongoing	Head of Membership Services, Qualifications Manager	AIA Council, Qualifications Committee, Academic Team

Available Documents

This information is covered in subsequent sections. The [AIA Exam Scheme and Reading List](#) sets out the way in which AIA's syllabus meets the requirements of our regulators and maps the International Education Standards, International Auditing Standards and International Financial Reporting Standards specifically to exam papers within the qualification.

6.4 SMO 3 – INTERNATIONAL STANDARDS AND OTHER PRONOUNCEMENTS ISSUED BY THE IAASB

SMO 3 sets out the requirements of an IFAC member body with respect to international standards and other pronouncements issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body.

Action Plan Objective: continue to ensure that international standards are considered in AIA's professional education programmes in addition to requirements set by other regulators

Background:

The Financial Reporting Council (FRC) issues auditing standards for use within the United Kingdom. The International Standards on Auditing (UK) (ISAs (UK)) and International Standard on Quality Control (UK) (ISQC (UK)) are based on the International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC) of the same titles that have been issued by the International Auditing and Assurance Standards Board (IAASB), published by the International Federation of Accountants (IFAC) since 2009, and are used with the permission of IFAC.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Adoption/Supporting Adoption of ISAs</i>					
1.	Ongoing	AIA bases its Professional Qualification syllabus on International Auditing and Assurance Standards.	Ongoing	Head of Membership Services, Qualifications Manager, Chief Examiner	Qualifications Committee, Academic Team

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		<p>Pronouncements from IAASB are clearly included AIA's syllabus, along with their appearance in each exam paper, and expected to be adopted in practice.</p> <p>Examiners are required to certify every 6 months that they have prepared exams to the required standards and incorporated pronouncements from a number of Boards and standard setters.</p> <p>Examiners are also required to provide relevant updates for AIA's syllabus content which considers any new standards.</p>			
<i>Support Implementation of Auditing Standards</i>					
2.	Ongoing	Continue to monitor IAASB pronouncements and communicate these pronouncements to members as appropriate via member communication channels such as email, e-news and social media.	Ongoing	Development Manager, Policy & Public Affairs Manager	Website, <i>International Accountant</i> magazine, e-news
3.	Ongoing	AIA considers the need for implementation guidance on an ongoing basis and issues guidance as appropriate to students and members.	Ongoing	Development Manager, Policy & Public Affairs Manager	Website, <i>International Accountant</i> magazine, e-news
4.	Ongoing	Provide technical updates and assistance to members. Members are also able to request technical advice via telephone and online form http://www.aiaworldwide.com/technical-advice-form .	Ongoing	Head of Membership Services, Head of Compliance & Regulation	Technical Committee, Technical Advisers, AIA membership staff, AIA Compliance staff
<i>Contributing to International Standard-Setting</i>					

5.	Ongoing	<p>AIA continues to offer consultation responses to IAASB and FRC auditing and assurance draft guidance.</p> <p>All exposures are publicised on AIA's website and sent via e-news to all members.</p> <p>See http://www.aiaworldwide.com/consultations.</p>	Ongoing	Development Manager, Policy & Public Affairs Manager	Technical Committee, Technical Advisers, AIA Compliance staff
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Available Documents

- Examinable standards are provided in AIA's [Exam Scheme & Reading Lists](#)
- Certification Forms (internal) [A24. EXM Examiner Certification Form, A25 EXM Moderator's Certification Form, A28 EXM Moderator's Certification Form]
 - Examiners, Moderators and the Chief Examiner confirm that the Syllabus and exam questions are satisfactory and incorporate current practices in terms of accounting, auditing and ethical standards, guidelines and recommendations issued by the Financial Reporting Council and the other relevant accountancy standard setting boards.

Compliance Framework

Development Procedures (internal): environmental scanning is conducted daily - information is either passed on to the appropriate internal department, identified as a PR opportunity, disseminated by social media, or highlighted as an item for inclusion in the e-News.

E-publications to global audience; a subscription based communications package ensures AIA is supplying core information updates to all members that will complement their careers, no matter what sector they are working in.

Website provides information and news to members on an international basis. In addition, AIA's magazine, *International Accountant*, international accountant provides updates to members on technical and consultation issues.

AIA's Policy and Public Affairs team review and assess consultations prepared by regulatory bodies, government and from within the profession. Consultations requiring an official response, including those issued by IFAC Boards, are prepared by members of AIA's Technical Committee, Technical Advisers or AIA executive. In addition, consultations are posted on AIA's website for member review and comment and disseminated in technical updates and e-bulletins.

6.5 SMO 4 – IESBA CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

SMO 4 sets out the requirements of an IFAC member body with respect to the Code of Ethics for Professional Accountants (IESBA Code of Ethics) issued by the International Ethics Standards Board for Accountants (IESBA), an independent standard-setting body. Due to the nature of ethical requirements, SMO 4 requires adoption and implementation of standards no less stringent than the IESBA Code of Ethics.

Action Plan Objective: continue to raise awareness and promote best practice on ethics for members and students, including developing ethical behaviour, education and adherence to AIA (IESBA) Code of Ethics

Background:

The IESBA Code of Ethics establishes the fundamental principles of professional ethics for professional accountants, and provides a conceptual framework and guidance for applying these principles. The IESBA develops ethical standards and guidance for use by professional accountants. The IESBA also fosters international debate on ethical issues faced by accountants.

AIA has adopted the requirements of the IESBA Code of Ethics and has ongoing processes to consider and incorporate new and amended requirements issued by the IESBA where they are not in conflict with national laws and regulations.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Education and Promotion Activities for the Code of Ethics</i>					
1.	Ongoing	Continue to develop and promote events and on-line resources to enable AIA members to understand and meet their ethical obligations. Continue to support members in practice to meet the ethical requirements of the UK's anti-money laundering legislation framework.	Ongoing	Head of Compliance & Regulation, Head of Membership Services	AIA Membership Services staff, AIA magazine <i>International Accountant</i> , website, e-news and e-bulletins.

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		Continue to promote the Code of Ethics to members and students via usual member engagement channels on a regular basis.			
2.	Ongoing	<p>AIA follows the Board’s developments as reported on the IFAC website and newsletters and responds to consultations where appropriate.</p> <p>AIA has a range of resources for members to assist them in understanding their ethical obligations and in order to meet them.</p> <p>AIA is recognised under the UK’s <i>Money Laundering Regulations 2007</i> as a supervisory authority to monitor members’ in practice compliance with the UK’s anti-money laundering legislation.</p> <p>AIA’s Professional Qualification includes ethics embedded at all stages of the syllabus and learning outcomes which are assessed. The current professional qualification under review will also include the examination of the ethical environment.</p>	Ongoing	Policy & Public Affairs Manager, Head of Membership Services	AIA Technical Committee, Technical Advisers, Academic Team, AIA staff
Confirmation of whether the current IESBA Code is adopted by AIA					
3.	Annual	<p>AIA has adopted the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, and in agreement with IFAC, AIA members are bound by the Constitution to observe this Code.</p> <p>The Code is updated on an annual basis and AIA works with IFAC to adopt the latest version for its members.</p> <p>The AIA Code of Ethics can be viewed online at http://www.aiaworldwide.com/sites/default/files/Code-of-Ethics.pdf.</p>	Completed	Regulatory Strategy Manager	AIA website

		<p>The IESBA Code has been adopted in full by AIA and the latest version published is in force. Members are obliged by the Constitution to abide by The Code and make an annual declaration confirming they understand this to be the case. A disciplinary and sanctions process enforces this requirement.</p> <p>For more information about AIA's member support see www.aiaworldwide.com/ethics and http://www.aiaworldwide.com/guidance-ethics.</p>			
Monitoring Activities					
4.	Ongoing	<p>Compliance with the Code of Ethics is a consideration for the Quality Assurance process including monitoring visits to firms and when investigating complaints as part of the Disciplinary Process. Members are required to demonstrate that access to the Code is available in the firm.</p> <p>The AIA Guide to Sanctions (Sanctions Policy – Members) includes the Code of Ethics, which is accompanied by the AIA Whistleblowing Policy.</p>	Ongoing	Head of Compliance & Regulation	Disciplinary Committees, AIA Compliance staff
5.	Ongoing	<p>Developments and amendments to the IESBA Code are monitored through monitoring IESBA communications. Developments affecting AIA members are communicated by means of established member communication channels.</p>	Ongoing	Head of Membership Services, Head of Development, Policy & Public Affairs Manager	AIA website, <i>International Accountant</i> magazine, e-news.
Maintaining Ongoing Procedures					
6.	Ongoing	<p>Continue to develop and implement a comprehensive communications programme to ensure members are aware of the Code of Ethics and its implications using <i>International</i></p>	Ongoing	Head of Membership Services, Head of	AIA Membership Services staff, AIA Compliance staff, Policy

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		<i>Accountant</i> magazine, ethics-focussed CPD, e-bulletins and advice on AIA's website.		Compliance & Regulation, Head of Development	& Public Affairs Manager
7.	Ongoing	Structured review of CPD and training materials implemented by interaction with members and partners	Ongoing – annual basis	Head of Membership Services	AIA Membership Services staff, global branch network
8.	Ongoing	Amendments to the IESBA Code are discussed in appropriate committees and forums within AIA. Alterations are approved by the AIA Council as and when appropriate.	Ongoing	AIA Corporate Governance structure	AIA Committees and secretariat

Compliance Framework

- On applying to become a member of AIA, applicants agree to be bound by the AIA Constitutional Documents, and observe all the provisions of the Memorandum and Articles of Association, Bye-Laws, Rules and Regulations of the AIA for the time being in force, ensuring they have the most recent addition.
- AIA has adopted the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, and in agreement with IFAC, AIA members are bound by the Constitution to observe this Code. The Code is updated on an annual basis and AIA works with IFAC to adopt the latest version for its members.
- Continuing Professional Development (CPD) is beneficial for individuals and the accountancy profession as a whole, offering an assurance to the public that members are up-to-date with the latest industry developments and innovations. CPD is mandatory for all AIA members who are required to submit an annual declaration in October each year confirming that they have completed the requisite number of CPD units.
- AIA Members in Practice are familiar with the AIA Quality Assurance Procedures and AIA's status as a Supervisory Authority in respect of the Money Laundering Regulations 2007. All applicants for direct membership are requested to download and read the regulations, monitoring and disciplinary procedures governing members holding an AIA Practising Certificate, certifying in their application that they are bound by these regulations and The Code of Ethics.
- In addition, AIA has adopted for members guidance on Professional Conduct in Relation to Taxation (PCRT). This guidance, written by professional bodies for members working in tax, sets out the hallmarks of a good tax adviser, and in particular the fundamental principles of behaviour that members are expected to follow. The guidance has been recognised in the courts as 'setting the standard' for use by all tax advisers in the UK. This

guidance aims to make clear any tax adviser's obligation to advise their clients or businesses accurately and thoroughly of the implications of their actions, including reputational and practical aspects. It also addresses common, as well as more complex and difficult, situations with expert commentary in an ever-changing environment.

AIA's Constitutional Documents enshrine the core concepts of ethics for both members and students.

Article 13 states

"Every person shall, upon applying for admission as a Member sign an undertaking that he will, if admitted, and so long as he is a Member, duly observe the Articles, Bye-Laws, the Code of Ethics and any rules and regulations made thereunder and that he will not use the professional style or designation of "International Accountant" or such other designation as may be adopted by the Members in General Meeting or any designatory letters denoting Membership except while a member of the Association."

Bye-Law 32(4) states

"Every person shall, upon applying for registration as a Student, sign an undertaking that he will, if registered, and so long as he is a Student, duly observe the Articles and Bye-Laws and Code of Ethics of the Association and any rules and regulations made thereunder."

Monitoring Process

- New members applying confirm that they have read, understood and will endeavour to comply with the IESBA Code of Ethics.
- Members submit, as part of their Annual Declaration and renewal documentation, reaffirmation that they adhere to the AIA Code of Ethics (IESBA Code) and where applicable (for Members in Practice) have provided the Code to staff.
- A checklist is monitored during the administration of membership renewals and non-compliance with this requirement is dealt with through AIA's Disciplinary Procedures, which is set out in greater detail in SMO 6. A membership certificate is only issued when this checklist is complete.
- In addition, accessibility and understanding of the Code of Ethics and Constitutional documents is monitored during the Quality Assurance Monitoring process. All AIA Members holding an AIA Practising Certificate are required to hold an up-to-date copy of the Code.

Available Documents

[AIA Code of Ethics](#) -

[AIA Guide to Sanctions \(Sanctions Policy – Members\)](#)

6.6 SMO 5 – INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS AND OTHER PRONOUNCEMENTS ISSUED BY THE IPSASB

SMO 5 sets out the requirements of an IFAC member body with respect to International Public Sector Accounting Standards (IPSASs) and other pronouncements issued by the International Public Sector Accounting Standards Board (IPSASB), an independent standard-setting body.

Action Plan Objective: continue to support implementation of IPSASs relative to AIA's membership makeup

Background:

In the United Kingdom HM Treasury through their Financial Reporting Accounting Board (FRAB) have taken the international financial reporting standards (IFRSs) and adapted or interpreted them for adoption in the public sector. This is contained in a Financial Reporting Manual (FREM) that is updated annually by HM Treasury.

AIA does not participate in the UK's standard setting structures for public sector accounting and therefore has a limited ability to influence the UK's adoption of International Public Sector Accounting Standards (IPSASs); AIA members focus on the SME and SMP sectors and there exist only a small section of membership engaged in public sector work.

AIA does make members aware of developments in areas which are relevant for members and consultations are reported on the website and weekly e-news when required to give an appropriate response on behalf of our membership.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining ongoing processes</i>					
1.	Ongoing	Monitor IPSASB pronouncements and notify AIA members of any matters of relevance to them via normal member communication channels.	Ongoing	Head of Membership Services, Head of	AIA website, <i>International</i>

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				Development, Policy & Public Affairs Manager	<i>Accountant</i> magazine, e-news and e-bulletins.
2.	Ongoing	Continue to ensure updates to standards are incorporated in Professional Qualification through normal review processes.	Ongoing	Head of Membership Services	Qualifications Committee, Academic Team, AIA exams staff

Available Documents

[International Accountant magazine](#)

[International Accountant e-news](#)

6.7 SMO 6 – INVESTIGATION AND DISCIPLINE

SMO 6 sets out the requirements of an IFAC member body with respect to mechanisms that provide for the investigation and discipline of those professionals who fail to exercise and maintain the professional standards and related obligations of an IFAC member body.

Action Plan Objective: continue to maintain AIA's professional standards rules and regulations in line with best practice and regulatory requirements

Background:

AIA demands the highest standards of professional conduct from members, who are required to carry out CPD, adhere to AIA's Bye-Laws and Code of Ethics and may be subject to disciplinary action. AIA takes disciplinary action against a member where there is sufficient reason to believe that misconduct has occurred, including failure in relation to professional ethics and conduct requirements, breach of AIA's Articles, Bye-Laws, rules and regulations or any act or default likely to bring discredit to the member, AIA or the accountancy profession.

AIA implements an investigations and disciplinary framework which is both information and sanctions based and incorporates an agreed Whistleblowing Policy to enable anonymous reporting. Members of the public are able to submit anonymous complaints via the online complaint form at <http://www.aiaworldwide.com/complaint-form>. AIA upholds professional standards for its members in the public interest and complies fully with the main requirements of SMO 6.

AIA is recognised under the UK's Money Laundering Regulations 2007 as a supervisory authority to monitor members' in practice compliance with the UK's anti-money laundering legislation; this role involves disclosure requirements to HM Treasury and other relevant authorities. The Irish Auditing and Accounting Supervisory Authority (IAASA) has, as part of its remit, the authority to monitor AIA's complaints function and undertakes regular inspection visits. In addition, AIA is a 'designated accountancy body' under the Republic of Ireland Criminal Justice (Money Laundering and Terrorist Financing) Act 2010.

The investigations and disciplinary process is backed up by a range of sanctions, set out in the AIA Guide to Sanctions (Sanctions Policy – Members), which include fines and exclusion from membership. The Guide to Sanctions explains the key decisions in the sanctioning process and sets out the approach the disciplinary committees should take when considering disciplinary action against members.

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AIA operates robust investigation and disciplinary processes underpinned by the Constitutional Documents and enforced by a Sanctions Policy. Article 74 sets out AIA's Disciplinary Proceedings in full, including the Investigations and Appeals process. Cases are published online and in AIA's magazine *International Accountant*.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining Ongoing Processes</i>					
1.	Ongoing	Continually review AIA's Investigation and Disciplinary processes to ensure they remain up to date and fit for purpose in line with best practice. Including the recruitment of additional experienced members and lay members.	Ongoing	Head of Compliance & Regulation, Secretary to the Council	AIA Council. Investigations, Disciplinary and Appeals Committees. Practice Compliance and Practice Compliance Appeals Committee.
2.	Ongoing	Continue to provide regular training and updates for members of Committees involved in AIA's disciplinary process.	Ongoing	Head of Compliance & Regulation, Secretary to the Council	Disciplinary Committees and AIA secretariat
3.	Ongoing	Continue to liaise with relevant public and regulatory authorities, such as HMT, where appropriate to disclose information where required in relation to potential member misconduct.	Ongoing	Head of Compliance & Regulation	Disciplinary Committees and AIA secretariat
4.	Ongoing	Continue to monitor complaints and cases to ensure members are aware, via usual communication channels, of best practice.	Ongoing	Head of Compliance & Regulation, Head of Membership Services, Head of Development, Policy & Public Affairs Manager	Disciplinary Committees, AIA website, <i>International Accountant</i> magazine, e-news and e-bulletins.

Overview of the AIA Investigation and Disciplinary Process

A valid complaint is dealt with through the AIA's Disciplinary Proceedings under which the complaint is thoroughly investigated by the Investigations Committee and then referred to the Disciplinary Committee where appropriate for further action.

INVESTIGATIONS COMMITTEE

The Investigations Committee is authorised to settle a case, where appropriate, with the mutual agreement of the two parties and is responsible for considering the information and documentation about the complaint to the disciplinary process and gathering further information and evidence as it considers necessary. This is done in writing with the complainant, the member complained about (the respondent) and other parties involved (e.g. in the case of complaint against a Firm).

In the case of minor matters that are unlikely to result in the suspension or withdrawal of a members certificate or other serious sanction the Investigations Committee can settle complaints by conciliation with the mutual agreement of the respondent and the complainant by means of a Consent Order, setting out the terms of the agreed settlement and the sanction imposed.

If there is a case to be answered the Investigations Committee arranges for the case to be presented and prosecuted before the Disciplinary Committee.

DISCIPLINARY COMMITTEE

The Disciplinary Committee hears any case put forward by the Investigations Committee. A complainant will be invited to attend any hearing that is arranged.

Where the case for misconduct is found to have been proved the Disciplinary Committee is empowered to make an Order or Orders against the respondent, imposing one or more sanctions on the member ranging from reprimand to exclusion from membership and which may include a fine.

APPEAL PROCESS

Where an appeal is made, the Appeal Committee may affirm, vary and rescind any Order of the Disciplinary Committee, substitute other Order or Orders, or require that the complaint be heard afresh by the Disciplinary Committee.

DISCIPLINARY FINDINGS

Details of Disciplinary Orders issued to members will appear here after the right of appeal has expired.

Available Documents

Disciplinary Procedures (internal)

[AIA Guide to Sanctions \(Sanctions Policy – Members\)](#)

Quality Assurance Procedures (internal)

[Disciplinary Committee Proceedings: Information for Committee Members](#)

[Malpractice and Maladministration Policy](#)

Compliance Framework

AIA's Disciplinary Proceedings are set out in the Constitutional Documents beginning with Article 74 which lays out the liability of disciplinary action for members and firms and Article 75 sets out the AIA's Disciplinary Procedures.

Article 76 sets out the framework required of the Investigations Committee, with the power to investigate all complaints referred to it by the Secretary and the Practice Compliance Committee, refer to the Disciplinary Committee its findings and recommendations for disciplinary action against any Member, Firm or Student or settle minor complaints by mediation.

Article 78 sets out the role of the Complaints Reviewer, who considers any written application made by a Complainant for the review of a decision of the Investigations Committee that there is no prima facie case against a Respondent provided such application is received not later than 3 months after the date of the decision complained of unless there is, in the opinion of the Complaints Reviewer, fresh evidence justifying such consideration outside that time limit.

Article 79 sets out the remit of the AIA Disciplinary Committee which has the power to conduct disciplinary proceedings including hearings in respect of matters referred to it by the Investigations Committee, make findings in relation to disciplinary actions conducted against Members, Firms and Students and prescribe orders dealing with disciplinary offences.

For members to appeal decisions made, provision is made in Article 80 which defines the role of the Appeal Committee, having the power to determine appeals against the findings and Orders of the Disciplinary Committee, to make Orders following the hearing of such appeals and to undertake such functions as are allocated to it under the Articles and Bye-Laws.

Notwithstanding the Disciplinary process in place for members and firms, in terms of Examinations Disciplinary Proceedings, these are set out in Article 87. AIA has committees in place, including policies and procedures, with respect to disciplinary action specific to students including authorised study providers and appointed examination venues.

In addition, Bye-Law 30 sets out the powers and duties of the Practice Compliance Committee, which deals with all matters concerning the monitoring of the compliance by Members and Firms in their public practice with the AIA's Articles, Bye-Laws, Regulations and Code of Ethics, relevant accounting and auditing standards, and relevant regulatory and legal requirements. The Committee can require remedial action to be taken by a Member, or a Firm in the case of non-compliance with a Regulatory Requirement.

Monitoring Process

AIA Guide to Sanctions (Sanctions Policy – Members): this guidance provides a structured approach for committee members who make the decisions on sentencing and to provide members, who may be the subject of complaints or disciplinary referrals, with a transparent range of penalties and orders likely to be imposed.

For venue providers: Malpractice and Maladministration Policy section 2.9: the Qualifications Committee is responsible for any decision taken against the Exam Venue Provider in relation to incidents of Malpractice and/or Maladministration.

For students: Malpractice and Maladministration Policy section 3.8; section 5.1: the Qualifications Committee will determine the application of a sanction or penalty according to the evidence presented, the nature and circumstances of the malpractice, and the type of qualification involved. Not all the sanctions and penalties are appropriate for every type of circumstance.

For independent contractors: Malpractice and Maladministration Policy section 4.8: due to the serious nature of any malpractice or maladministration by independent contractor the sanction imposed would be severe. In the event that the Qualifications Committee finds that an incident of malpractice has taken place, links with the independent contractor will be terminated immediately. AIA's Chief Executive will issue a letter notifying the independent contractor of this action within three days of the decision being made by the Qualifications Committee.

Reports of malpractice, maladministration and any complaints are reported during every SOT meeting and the progress of any investigation and updates regarding the investigative process and eventual outcomes and actions continue **to be regularly reported until the matter is concluded.**

For Members in Practice: Quality Assurance Procedures Section 3.1: disciplinary matters and issues arising from the monitoring process are reported to the Practice Compliance Committee by the Head of Compliance & Regulation. This committee has the power to take action or refer the case to the Investigations Committee to implement further disciplinary action.

6.8 SMO 7 – INTERNATIONAL FINANCIAL REPORTING STANDARDS AND OTHER PRONOUNCEMENTS ISSUED BY THE IASB

SMO 7 sets out the requirements of an IFAC member body with respect to International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), an independent standard-setting body.

Action Plan Objective: use best endeavours and resources to raise awareness of IFRS and support the use of IFRS in the UK

Background:

The Financial Reporting Council (FRC) has the authority to adopt accounting standards in the UK in accordance with the Companies Act 2006 and Statutory Instrument (SI) *Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions) Order 2012 (SI 2012/1741)*. Entities that are not required to apply IFRS in the preparation of their financial statements may prepare their consolidated and individual financial statements using IFRS or Financial Reporting Standards (FRSs) issued by the FRC.

AIA has supported the move to International Financial Reporting Standards (IFRSs) by embedding the IFRSs within its professional qualification. In addition, AIA offers a specific diploma in IFRS. AIA provides coverage of relevant technical updates on IFRS to our members where appropriate and responds to IASB consultations on a regular basis.

AIA comments on both FRC and IASB consultations where appropriate and promotes the implementation of new and revised standards to members.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintaining ongoing processes</i>					

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1.	Ongoing	Continue to respond to IASB consultations in particular where these impact on AIA members	Ongoing	Policy & Public Affairs Manager	Technical Committee, Technical Advisers, AIA staff
2.	Ongoing	Continue to provide information to AIA members relating to IFRSs through AIA's magazine <i>International Accountant</i> , AIA's website, e-bulletins, e-news, CPD events and normal member communication channels.	Ongoing	Head of Membership Services, Head of Development, Policy & Public Affairs Manager	AIA website, <i>International Accountant</i> magazine, e-news and e-bulletins, AIA Development staff
3.	Ongoing	Continue to respond to FRC consultations relating to national accounting and auditing requirements	Ongoing	Policy & Public Affairs Manager	Technical Committee, Technical Advisers, AIA staff
4.	Ongoing	Continue to offer a Diploma in IFRS. The Diploma in IFRS is a practical course of study, covering a broad range of IFRS topics which are considered essential for those working in accountancy, finance and in the wider business community. The Diploma is currently undergoing testing for computer based assessment to enable it to be provided to a wider base. See http://www.aiaworldwide.com/ifrs-diploma for further information with a full syllabus at http://www.aiaworldwide.com/sites/default/files/related-documents/IFRS-Diploma-Syllabus-2016.pdf .	Ongoing and revisions for 2019	Head of Membership Services	Qualifications Committee, Exam Board, Academic Team, AIA Qualifications staff
5.	Ongoing	Continue to offer members assistance and guidance through AIA's technical advice services	Ongoing	Head of Membership Services	Head of Compliance & Regulation, Technical Committee, Technical Advisers
Upcoming development and ensuring compliance					
6.	2016	AIA's Professional Qualification is undergoing a comprehensive review including examination and assessment and workplace learning to be rolled out in 2019. Transitional arrangements for students currently studying the Professional Qualification will be implemented. AIA will ensure that its remodelled Professional Qualification continues to meet SMO 7 insofar as appropriate for its members and students including taking into account	2019	Head of Membership Services	AIA Council, Qualifications Committee, Exam Board, Academic Team, AIA Qualifications staff

		International Financial Reporting Standards and other pronouncements from the IASB, separate UK based regulators and other international stakeholders.			
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Available Documents

[International Accountant magazine](#)

[International Accountant e-news](#)

[Diploma in IFRS Syllabus](#)

[AIA Consultation responses](#)

Examinable standards are provided in AIA's [Exam Scheme & Reading Lists](#)

Certification Forms (internal) [A24. EXM Examiner Certification Form, A25 EXM Moderator's Certification Form, A28 EXM Moderator's Certification Form] Examiners, Moderators and the Chief Examiner confirm that the Syllabus and exam questions are satisfactory and incorporate current practices in terms of accounting, auditing and ethical standards, guidelines and recommendations issued by the Financial Reporting Council and the other relevant accountancy standard setting boards.

Compliance Framework

The integration of International Financial Reporting Standards (IFRSs) and other pronouncements by the IASB are included in syllabus updates set out in the AIA Exams Processes and Procedures. In addition, Bye-Law 54.1.c sets out the AIA's examinations schedule and rules of examination including standards.

7.0 INTERNATIONAL EDUCATION STANDARDS (IESS)

Based on IES Handbook 2015.

7.1 IES 1 – ENTRY REQUIREMENTS TO PROFESSIONAL ACCOUNTING EDUCATION PROGRAMS

Requirements

1. *IFAC member bodies shall specify educational entry requirements for professional accounting education programmes that will allow entrance only to those with a reasonable chance of successfully completing the professional accounting education programme, while not representing excessive barriers to entry.*

- Entry requirements for students are set out online on AIA's website at <http://www.aiaworldwide.com/entry-requirements>.
- Entry requirements in AIA's Constitutional Documents are set out in Bye-Law 52.
- The entry requirements provide guidance on qualifications (or their equivalents) required for entry to the initial level of AIA's Professional Qualification.
- Applications for Student registration are accepted from those who have a minimum of two A Level passes and three GCSE passes, including English and Mathematics; or an equivalent UK or overseas qualification accepted for university entrance; or have a minimum of three years' work experience in the accountancy profession. Graduates with any degree discipline are welcome to apply.
- AIA recognises prior study and provides a comprehensive Exemptions Database online at <http://www.aiaworldwide.com/exemptions>.
- For non-native English speaking applicants, an International English Language Testing System (IELTS) score of 6.0 is required which is in line with other professional bodies and UK universities.
- Prospective students are informed that if their qualification is not listed on the website to contact AIA directly for an assessment of applicability for entry.
- When prospective students enquire about AIA's Professional Qualification they are provided with the following:
 - Student application form
 - Credit Card payment form

- Prospectus
- Fees
- Guide to Becoming a Statutory Auditor (if required)
- Equal Opportunities Monitoring Form
- Equality and Diversity Policy for Students and Candidates

2. IFAC member bodies shall explain the rationale for the principles to be used when setting educational entry requirements to stakeholders, including relevant education providers and individuals considering a career as a professional accountant.

AIA's entry requirements are based on its recognition granted under Schedule 11 of the Companies Act 2006 which states:

- The qualification must only be open to persons who have attained a university entrance level or have a sufficient period of professional experience.
- In relation to a person who has not been admitted to a university or other similar establishment in the United Kingdom, 'attaining university entrance level' means being educated to such a standard as would entitle him to be considered for such admission on the basis of academic or professional qualifications obtained in the United Kingdom and recognised by the Secretary of State to be of an appropriate standard, or academic or professional qualifications obtained outside the United Kingdom which the Secretary of State considers to be of an equivalent standard or being assessed, on the basis of written tests of a kind appearing to the Secretary of State to be adequate for the purpose (with or without oral examination), as of such a standard of ability as would entitle him to be considered for such admission.

A comprehensive list of entry requirements is located online at <http://www.aiaworldwide.com/entry-requirements> which also sets out international equivalents.

3. IFAC member bodies shall make relevant information publicly available to help individuals assess their own chances of successfully completing a professional accounting education programme.

- a) Varying entry points to professional accounting education programmes
 - a. AIA allows access to its Professional Qualification for candidates' appropriate qualifications or work experience.
 - b. In addition, AIA recognises prior achievement in the accountancy and finance education sectors and offers a comprehensive Exemptions Policy for prospective students online at <http://www.aiaworldwide.com/exemptions>.

- b) Encouraging individuals considering a career as a professional accountant to commence a professional accounting education programme only when they have considered their chances of successful completion
 - a. AIA provides a comprehensive Prospectus, Student Guide and Initial Professional Development Guide
- c) Pass rates relating to the qualification
 - a. Pass rates are currently provided to AIA's regulator, the Financial Reporting Council
- d) Transparent information regarding the expectations and costs associated with professional accounting education programmes
 - a. Member Fees are available online in a public document located at <http://www.aiaworldwide.com/sites/default/files/Member-Fees-Payment-Form.pdf>.
 - b. Student Fees are available online in a public document located at <http://www.aiaworldwide.com/sites/default/files/Student-Fees-Payment-Form.pdf>.
 - c. Students are directed to individual study providers for further information on course fees.
- e) Self-diagnosis tools such as competency maps setting out the skills, knowledge and attitudes to be acquired on successful completion of the professional accounting education programme
 - a. A competency map is located on AIA's website which details the skills, knowledge and attitudes that students will acquire on successful completion of AIA's Professional Accountancy programme. www.aiaworldwide.com/competency-framework
 - b. AIA's student Prospectus provides further information on the competencies students can expect to achieve following the completion of the AIA Professional Accountancy programme and a new version will be published in January 2018, along with a further update for a new Professional Qualification in November 2019.

The Exam Scheme and Reading List is also made publicly available to prospective students and provides an in-depth look at the topics and requirements covered by the AIA Professional Qualification. In addition, this document provides further information on the standard of each level of the Professional Qualification and the ratio of knowledge to application which the candidates are expected to answer.

See [Syllabus](#).

Overview

AIA meets the overall objective of establishing fair and proportionate educational entry requirements and permits entry at different points with clear advice to ensure that students entering the Professional Qualification can understand if they have a reasonable chance of qualifying as a professional accountant.

In addition, AIA provides fair and proportionate educational entry requirements to its professional qualification and protects the public interest by setting and maintaining high-quality standards.

Compliance Framework

- AIA's Bye-Law 52 sets out the entry requirements for students undertaking AIA's Professional Accountancy Programme and is based upon the UK Companies Act 2006.

ENTRY AS STUDENT 52.

A person shall not be registered as a Student with the Association unless:

(a) he has been admitted to a university or other equivalent establishment whether in the United Kingdom or elsewhere having obtained the appropriate entry requirements or has been educated to such a standard as would entitle him to be considered for such admission on the basis of academic or professional qualifications whether obtained inside or outside the UK; or

(b) he meets the entry requirements established by Ofqual and specified within the QCF.

- Entry Requirements Policy

The Entry Requirements Policy includes the AIA's current entry requirements, its rationale for choosing these requirements, its review cycle and benchmarking policy. The Entry Requirements Policy is made available on AIA's company intranet and is referenced in both the Exams and Development Procedures.

AIA has a watching brief on requirements through its activities with FAB, NARIC and Ofqual and regularly benchmarks against those of other equivalent professional accountancy bodies in the United Kingdom in line with the Entry Requirements Policy.

The policy is internally monitored to ensure full compliance with the requirements of AIA Council, regulators and present UK legislation.

- Development Procedures

The AIA Development Procedures also reference the Entry Requirements Policy. Furthermore Section 4.0 in Development Procedures concerning student recruitment confirms that the information sent by letter to each enquiry includes information on entry requirements for the Professional Accountancy programme which is included in the Student Application Form.

- Student Registration Procedures

AIA's Student Registration Procedures in Section 1.2 ensure that a check is carried out as to whether candidates meet the minimum entry requirements in line with the Entry Requirements Policy. The information in the student registration form is reviewed to ensure the eligibility criteria are met before the applicant's registration is approved. AIA staff are trained to ensure students meet the eligibility criteria and this is monitored as set out below in AIA's Monitoring Process.

Monitoring Process

- AIA monitors the adherence to its Entry Requirement policy through its internal monitoring and compliance processes to ensure compliance with established policies and procedures. If any issues arise from this monitoring then this is raised during Senior Operation Team meetings monthly. The compliance process reports directly to the AIA Qualifications Committee.
- The processing of student enquiries is monitored by Monitoring Document 1 (M1) Student Enquiries. This monitoring process ensures that a random sample of enquiries are checked and that all staff involved in the administration of student enquiries are fully aware of the AIA entry requirements and of the need to adhere to them. As part of the monitoring process a random sample of 5% of enquiries are checked to ensure the appropriate information has been provided to the enquirer.
- The processing of student registrations is monitored by Monitoring Document 2 (M2) 'Student Registration Data' which accommodates the requirements of IES 1, AIA's Companies Act 2006 recognition and recognition by Ofqual under General Condition A1. The monitoring process outlined in M2 creates a framework whereby AIA can assure itself that students' qualifications submitted meet the Entry Requirements and are appropriately assessed and recorded. This monitoring process ensures that a random sample of enquiries are checked and that all staff involved in the administration of student registrations are fully aware of the AIA entry requirements and of the need to adhere to them. As part of the monitoring process a random sample of 5% of student registrations are checked to ensure the appropriate entry requirements have been met by the student.

Available Documents

- Student Registration Procedures
- Development Procedures
- [Student application form](#) -
- Constitutional documents – Bye-Law 52 sets out AIA's entry requirements, which are based upon Schedule 11 of the Companies Act 2006.
- [Prospectus](#) -
- [Student Guide](#) -.
- [Initial Professional Development Guide](#) -.
- Entry Requirements Benchmarking Document
- Entry Requirements Policy
- Monitoring Document M1 Student Enquiries and M2 Student Registration Data

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Aim to publish pass rates on AIA website from the next exam session so that students can consider in more detail the	Exam session May 2017 – results released July 2017	Head of Membership Services	Qualifications Manager

		work required and difficulty of passing professional accounting examinations			
2.	Q1 2017	Develop further guidance, including introductory video, to explain to prospective students the competencies that they are expected to achieve in their Initial Professional Development so that they are aware of the role that accountants play in society following review of Professional Qualification	For implementation in May 2019 with new Professional Qualification	Head of Membership Services	Qualifications Manager

7.2 IES 2 – TECHNICAL COMPETENCE

IES 2 prescribes the learning outcomes for technical competence that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development (IPD). Typical competence is the ability to apply professional knowledge to perform a role to a defined standard.

IES 2's objective is to ensure that aspiring professional accountants have acquired and demonstrated the necessary technical expertise required. This technical expertise is demonstrated through the education and examination procedures, although many of the skills are also learnt through applying the technical knowledge gained through education programmes to actual practice.

Requirements

IFAC member bodies shall prescribe the learning outcomes for technical competence to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A (Learning Outcomes for Technical Competence).

The learning outcomes for technical competence have been mapped to AIA's current syllabus in Section 8.o

The current AIA syllabus is mapped to the IES learning outcomes required under each heading to ensure they are adequately covered.

AIA reviews its syllabus on a regular basis to update for changing standards and legislation and performs a thorough review of its Professional Qualification at least once every five years. Currently the Professional Qualification is undergoing a review expected to be completed and implemented in 2019 which will continue to ensure all IES 2 learning outcomes are included.

Each exam paper in the Exam Scheme & Reading List sets out the learning outcomes to be achieved by the student. These learning outcomes are assessed by the FRC and Ofqual.

Overview

The AIA syllabus meets the majority of learning outcomes required by IES 2, particularly for the core subject areas of financial accounting, management accounting, taxation, finance and audit and assurance.

In addition, those seeking qualification as a Statutory Auditor must undertake a Multi-Disciplinary Case Study and Oral Test based in the audit environment which includes a greater emphasis on an ethical framework. These additional examinations link and integrate a number of separate topics and test the professional skills required to a very high standard.

There is additional scope for learning outcomes required by IES2 to be met within the AIA mandatory three-year period of practical work experience as learners engaged in practical work experience are advised to organise their training to cover six areas of technical expertise identified by IFAC.

Available Documents

- Exam Process and Quality Assurance Procedures (internal)
- IPD Procedures (internal)
- [IPD Guide](#)
- Membership Procedures (internal)
- [IPD Record](#)
- [IPD Training office information](#)

Compliance Framework

- Exam Process and Quality Assurance Procedures (internal), Section 7.1 states that the biannual review of AIA's syllabus includes consideration of the requirements of IFAC Statements of Membership Obligations (SMO), specifically the requirements of the IESs as stated in SMO2.
- Exam Process and Quality Assurance Procedures (internal) Section 2.1 confirms that the AIA Chief Examiner is contractually obliged to ensure compliance with the relevant requirements of the International Federation of Accountants (IFAC).
- Training Offices should be registered AIA Members in Practice, AIA Members, training offices of IFAC member bodies and supervisors or members of statutorily recognised professional accountancy bodies.
- Although recommendation by an approved employer is not mandatory, IPD supervisors must be professionally qualified, (an International Accountant, a member of an IFAC body or a member of a statutorily recognised professional body) and therefore will be familiar with the requirements of this IES and those of IES 3.

Monitoring Process

- Exam Process and Quality Assurance Procedures (internal) Section 7 covers all aspects of the control and updating of the syllabus to accommodate any relevant changes in the accounting profession.
- Review of the Learner's IPD Record to ensure the relevant topics have been addressed is a mandatory requirement for qualification, supplemented by an interim offer to review work experience/future experience prior to submitting full membership application.

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Consider the integration of corporate governance into new Professional Qualification syllabus in line with agreed timescale	November 2019	Head of Membership Services, Qualifications Manager	Qualifications Committee, academic team, AIA secretariat
2.	Q1 2017	Consider the integration of the need to prepare reports to support management decision making into new Professional	November 2019	Head of Membership Services,	Qualifications Committee, academic team, AIA secretariat

		Qualification syllabus in line with agreed timescale		Qualifications Manager	
3.	Q1 2017	Consider the level of Information Processing in new Professional Qualification syllabus in line with agreed timescale	November 2019	Head of Membership Services, Qualifications Manager	Qualifications Committee, academic team, AIA secretariat
4.	Q1 2017	Consider changes in emphasis of Business Economics paper in new Professional Qualification syllabus in line with agreed timescale to include a requirement to understand the basics of both micro and macroeconomics and to be aware of monopoly/oligarchy and other market structures	November 2019	Head of Membership Services, Qualifications Manager	Qualifications Committee, academic team, AIA secretariat
5.	Q1 2017	Consider adjusting syllabus. IFAC require an analysis of how aspects of the global environment that affect international trade and finance to be covered as well as identifying the features of globalisation, the role of multinationals, e-commerce and emerging markets, but these are not covered in AIA's syllabus	November 2019	Head of Membership Services, Qualifications Manager	Qualifications Committee, academic team, AIA secretariat
6.	Q1 2017	Consider integration of work experience (IPD) learning outcomes into Professional Qualification	November 2019	Head of Membership Services, Qualifications Manager	Qualifications Committee, academic team, AIA secretariat

7.	Q1 2018	Introduction of internal monitoring of training office administration	November 2019	Compliance Executive	AIA secretariat
8.	Q1 2018	Introduce independent monitoring of the processes described in the exam procedures section 7 (Proposed document M3)	November 2019	Compliance Executive	AIA secretariat

7.3 IES 3 – PROFESSIONAL SKILLS

IFAC has set out in IES 3 the professional skills that aspiring professional accountants need to develop and demonstrate by the end of their IPD.

The requirement states that a member must describe the learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of their IPD.

These are all listed in Table A of IES 3 and include the following:

- a) Intellectual
- b) Interpersonal communication
- c) Personal; and
- d) Organisational

AIA's [Competency Framework](#) gives an overview of the skills required to be a professional accountant to prospective students. The AIA Syllabus and Initial Professional Development guidelines provide students with a greater understanding of the skills which they will develop throughout the qualification and how these skills are demonstrated: learning outcomes for professional skills to be achieved by aspiring students are clearly set out.

Requirements

IFAC member bodies shall prescribe the learning outcomes for professional skills to be achieved by aspiring professional accountants by the end of IPD. These learning outcomes shall include those listed in Table A (Learning Outcomes for Professional Skills)

AIA gives advice to students initially on the skills they are expected to acquire. An IPD Guide provides details to employers and supervisors on what they must do to support students and assess their effectiveness.

Students must complete an IPD Record, mapped to the requirements, in which they outline their technical competencies achieved during work experience, attendance at in house and external courses as well as work based skills achieved as per listed below:

Please demonstrate in the section below your competencies in the following areas; business awareness and management; the application of professional values, ethics and attitudes, in the workplace; and professional skills such as effective communication and participation in personal and professional development.

The supervisor must attest that:

The person must be competent and capable of fulfilling responsibilities as a member of the AIA and suitable for membership in that they demonstrate ethical and professional integrity and behaviour, adherence to professional standards and financial integrity in personal and professional dealings. Only exceptional circumstances such as a history of bankruptcy or adverse findings by a professional body or regulator, would cast doubt on the fit and proper status of a potential member.

The aspiring accountant must confirm their competencies and experience as part of their application process and are advised to maintain a diary during their training as a student to aid in this.

Overview

AIA have clearly set out the various professional skills that aspiring accountants need to acquire during their IPD.

Available Documents

- Membership Procedures (internal)
- IPD Procedures (internal)
- [Exam Scheme and Reading List](#)
- [IPD Record](#)
- [IPD Guide \(Trainees\)](#)
- [IPD Guide \(Supervisors\)](#)
- [IPD Training office information](#)

Compliance Framework

- Learners must complete the AIA IPD requirements before they can be recognised as a professionally qualified accountant. The guidance provided by AIA asks for information on the experience gained in Financial Accounting, Financial Management, Auditing, Management Accounting, Taxation & Tax Planning and Information Communication Technology (ICT); these areas correspond to those set out in IES 2. The processes of undertaking training and the assessment of training outcomes are monitored to ensure consistency.
- Section 5 AIA Malpractice and Maladministration Policy (internal) addresses the issue of potential malpractice around practical experience. Learners are encouraged to contact AIA if they believe that their employer or supervisor is not fulfilling their stated intent to provide practical training as specified by AIA. Each compliant will be reviewed and AIA will do everything possible to assist the learner and to minimise disruption to their training

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Implement a checklist for students and advisers for the professional skills and learning outcomes that would be expected of an aspiring professional accountant to be used as an aide memoire when designing and applying the appropriate work experience	For amendment and implementation with updated Professional Qualification – November 2019	Head of Membership Services	AIA secretariat, employer engagement
2.	Q1 2017	Implement additional guidance and training to supervisors for work experience; this will give further information on the skills to be demonstrated by their students and	For amendment and implementation with updated Professional	Head of Membership Services, Qualifications Manager,	AIA secretariat

		provide a more detailed checklist and initial training framework.	Qualification – November 2019	Compliance Executive	
3.	Q1 2017	Introduce internal monitoring of training office administration	Q4 2018	Compliance Executive	AIA secretariat, AIA Disciplinary Committees, Practice Compliance Committees and Qualifications Committee

7.4 IES 4 – PROFESSIONAL VALUES, ETHICS AND ATTITUDES

IES 4 prescribes the learning outcomes for professional values, ethics and attitudes that aspiring professional accountants are required to demonstrate by the end of Initial Professional Development (IPD).

Learning and development continue throughout the career of a professional accountant; professional values, ethics, and attitudes achieved during IPD are therefore also relevant to Continuing Professional Development (CPD) as careers of professional accountants change, and professional accountants gain exposure to a wider range of ethical issues.

IFAC have set out five requirements to ensure that aspiring professional accountants have developed and demonstrated the necessary professional values, ethics and attitudes to carry out their role.

Requirements

Framework of Professional Values, Ethics and Attitudes

IFAC member bodies shall provide, through professional accounting education programmes, a framework of professional values, ethics, and attitudes for aspiring professional accountants to (a) exercise professional judgement, and (b) act in an ethical manner that is in the public interest.

AIA have adopted in full the IESBA Code of Ethics and the Code is published on the website for downloading by students and members. Students are clearly advised to read the document carefully to ensure they are aware of how to deal with any ethical issues arising in their workplace so that they learn to act in an ethical manner that is in the public interest. The AIA Professional Qualification is based upon the International Education Standards and IES 4 is examined throughout.

Relevant Ethical Requirements

IFAC member bodies shall integrate relevant ethical requirements throughout professional accounting education programmes for aspiring professional accountants.

IFAC requires ethics to be fully integrated into the syllabus. In the current syllabus ethics are examined in a number of separate papers across all levels as set out above.

Ethics is integrated into a number of papers in the syllabus i.e.

- Paper 1 and 11 underpinning financial accounting and reporting
- Paper 5.2 Auditing and taxation
- Paper 7.4 Auditing
- Paper 8.4 Company law
- Paper 10.8 Business management
- Paper 13.1 Financial accounting 3
- Paper 15 Professional practice
- Paper 16 Taxation and Tax Planning

See SMO 4 for further information.

Learning Outcomes for Professional Values, Ethics and Attitudes

IFAC member bodies shall prescribe the learning outcomes for professional values, ethics and attitudes to be achieved by aspiring professional accountants by the end of IPD. These outcomes shall include those listed in Table A (Learning Outcomes for Professional Values, Ethics and Attitudes)

IFAC requires members to prescribe the learning outcomes to be achieved by the end of their IPD to cover the following competencies:

- (a) Professional scepticism and professional judgement
- (b) Ethical principles
- (c) Commitment to the public interest

Students would tend to achieve these learning outcomes during their work experience but for those wishing to go into public practice as a recognised qualified auditor these skills are tested through the Multi-Disciplinary Case Study in Paper 17 and the Oral Test in Paper 18.

Overview

AIA instils in its students the need to act ethically at all times and to act in the public interest as well as their clients. It is always a difficult area to assess whether the attitudes of professional scepticism and professional judgement have been taken on board by students and it is left up to assessors to ensure these skills are largely achieved in the work experience.

Examiners and Moderators are clearly advised to address ethical issues when setting the examination papers and this is emphasised not only at their annual conference and in documented guidance in addition to twice yearly Stream meetings.

Available Documents

- [Online student application form](#)
- [AIA Constitutional Documents](#)
- IPD Procedures (internal)

Compliance Framework

Section 6.1.1 AIA Student application form; the significance of ethical awareness and practice is illustrated throughout a student's academic and practical training, commencing with the application for student registration and continuing through to qualification and the Continuing Professional Development.

A values and ethics page dedicated to the application of five fundamental ethical principles (<http://www.aiaworldwide.com/values-and-ethics>)

- Integrity – A professional accountant should be straightforward and honest in all professional and business relationships.
- Objectivity – A professional accountant should not allow bias, conflict of interest or undue influence of others to override professional or business judgments.
- Professional Competence and Due Care – A professional accountant has a continuing duty to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques. A professional accountant should act diligently and in accordance with applicable technical and professional standards when providing professional services.

- Confidentiality – A professional accountant should respect the confidentiality of information acquired because of professional and business relationships and should not disclose any such information to third parties without proper and specific authority unless there is a legal or professional right or duty to disclose. Confidential information acquired as a result of professional and business relationships should not be used for the personal advantage of the professional accountant or third parties.
- Professional Behaviour – A professional accountant should comply with relevant laws and regulations and should avoid any action that discredits the profession.

Undertaking to observe articles, bye-laws, rules, regulations and code of ethics is a requirement of Membership of the Association, ratified in Article 13 of AIA's Constitutional Documents and upheld by Bye-law 80 (2) which states 'Any breach of the Code shall render a Member, an Elected Member, Student or Firm liable to disciplinary action under the Association's disciplinary procedures'.

The contract issued to AIA's Chief Examiner incorporates a term which requires the examiner to pay particular attention to the recommendations and the Educational Guidelines on the training of professional accountants issued by IFAC, including those listed in SMO4 - Code of Ethics for Professional Accountants.

IPD Procedures section 1.1 lists AIA training aims, one of which states AIA encourages the development of professional skills and competencies by requiring trainees to; 'develop and apply professional ethics, values and attitudes in practical, real-life situations ...'.

IPD Procedures section 2.4.2 Professional Skills, Values and Ethics Competences, states that students should aim to demonstrate, discuss and record evidence that they have exhibited a number of the skills listed in this section during their everyday work. The skills listed are accompanied by examples of how they may be demonstrated.

IPD Procedures section 4 covers the assessment of work experience by the Head of Compliance & Regulation and states that the Director reviews the applicants work experience profile to ensure adequate competency and experience in the required technical and professional skills and ethics areas has been achieved.

Employers and trainees are provided with an IPD Guide and IPD Record which are mapped to the IESs, including IES 4 and specific learning outcomes relating to values, ethics and professional judgement.

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	<p>Ensure the integration of ethical standards throughout new Professional Qualification syllabus in line with IFAC and other regulatory requirements and in line with agreed implementation schedule.</p> <p>Introduction of separate ethics assessment during implementation of new Professional Qualification.</p>	November 2019 on finalisation of Professional Qualification Review	Head of Membership Services	AIA academic team, AIA examinations staff
2.	Q1 2017	Provide students, assessors and employers with a checklist largely based on Table A of IES 4 to provide further guidance as to what learning outcomes are expected during a student's work experience.	November 2019 on finalisation of Professional Qualification Review	Head of Membership Services	AIA academic team, AIA examinations staff
3.	Q1 2017	Consider CPD assessment as part of membership renewal process for members.	Q1 2018	Head of Membership Services, Head of Development	AIA development staff, AIA membership services staff

7.5 IES 5 – PRACTICAL EXPERIENCE

IES 5 prescribes the practical experience required of aspiring professional accountants by the end of their Initial Professional Development (IPD).

Practical experience refers to workplace and other activities that are relevant to developing professional competence. Practical experience is a component of IPD. IPD is learning and development through which individuals first develop competence to perform a role of a professional accountant. Practical experience during IPD builds on general education and programmes of professional accounting education.

IFAC have set out seven requirements to ensure that aspiring professional accountants have undertaken the necessary practical experience.

Requirements

Practical Experience

IFAC member bodies shall require that aspiring professional accountants complete practical experience by the end of IPD.

IFAC requires sufficient practical experience so as to demonstrate that trainees have acquired:

- (a) Technical competence
- (b) Professional skills
- (c) Professional values, ethics and attitudes necessary to perform as a professional accountant

AIA comply with the requirement that aspiring professional accountants complete practical experience by the end of their overall qualification.

AIA students must complete three years' Initial Professional Development/work experience in line with AIA IPD Requirements before they fully qualify as an AIA International Accountant. The practical training is built around core competencies and experiences based on the International Education Standards and the AIA syllabus.

IPD can be undertaken before, during, or after, study for AIA's examinations and offers a flexible approach to obtaining work experience prior to membership.

Trainees are required to complete an IPD Record for each year of employment detailing their work experience and how they have met AIA competency requirements. The competency requirements for AIA's work experience programme are based upon the International Education Standards.

The competency requirements cover technical competence, professional skills, professional conduct and values, ethics and attitudes.

Trainees must liaise with their employer/supervisor to ensure that they meet the competency requirements and have access to suitable experience within the workplace, demonstrated over increasing levels of difficulty and responsibility. Supervisors are provided with guidance from AIA regarding the responsibilities of individual supervising trainee accountants and training offices are selected using agreed stringent criteria, including ensuring that the firm in question is able to offer experience in a number of different accounting areas as required.

If students are not in full time or relevant employment they must complete an annual IPD Declaration outlining their situation.

Practical Experience

IFAC member bodies shall require sufficient practical experience to enable aspiring professional accountants to demonstrate that they have gained the (a) technical competence, (b) professional skills, and (c) professional values, ethics and attitudes necessary for performing a role of a professional accountant.

AIA's IPD Requirements are based on International Education Standards and the competency requirements cover technical competence, professional skills, professional conduct and values, ethics and attitudes.

In conjunction with the examination process, AIA's Initial Professional Development requirements ensure that trainees gain experience in necessary accounting skills and, with a variety of experience, can suitably apply theoretical knowledge to a practical situation.

Competencies are based around technical competencies, professional conduct and professional skills, and include:

Technical competencies: financial accounting; financial management; auditing; management accounting; taxation and tax planning, and Information Communication Technology (ICT).

Professional conduct: upholding of professional ethics, values and standards; commitment to personal professional development and professional knowledge; displaying professional competence and due care in carrying out tasks; developing and maintaining effective, ethical professional relationships, both written and external to the firm, and ongoing awareness of professional developments.

Professional skills: intellectual skills; interpersonal and communication skills; personal skills, and organisational skills.

AIA's IPD Requirements makes a distinction between working independently and working under supervision and requires that trainees demonstrate progression.

Practical Experience

IFAC member bodies shall establish their preferred approach to measure practical experience using one of the following three approaches:

- *Output-based*
- *Input-based*
- *A combination of output-based and input-based approaches*

AIA adopts an output-based approach to its professional education programme through formal examinations and for auditors a formal multi-disciplinary case study and additional Oral Test.

In addition, trainees must meet prescribed competencies when completing their three years IPD. These competencies are evidenced by the trainee in their IPD Record, which is certified by their supervisor. Trainees must provide evidence as to how they have met specific competencies, and are able to include information such as appraisal files as supporting documentation.

Supervisors are required to confirm whether a trainee has performed adequately in gaining the professional skills necessary to act as a professional accountant. Supervisors are required to be a fully qualified accountant, defined as an International Accountant (AAIA/FAIA), a member of an IFAC member body or a member of a statutorily recognised professional body.

Following completion of their IPD and submission of all records, trainees are required to submit an Associate Application Form in order to apply for Associate Membership.

Practical Experience Supervision and Monitoring

IFAC member bodies shall require that practical experience of aspiring professional accountants be conducted under the direction of a practical experience supervisor.

IFAC requires that practical experience be monitored by experienced supervisors.

AIA achieves this by insisting on only qualified professional accountants, having the appropriate practical experience, being permitted to act as supervisors. Supervisors are appointed by employers and where possible should be the direct supervisor of the trainee. AIA trainees are supervised by qualified accountants (an International Accountant (AAIA/FAIA), a member of an IFAC member body or a member of a statutorily recognised professional body). Training offices are approved using an agreed framework to ensure their suitability and the facilities available to trainees to ensure they are able to complete the requirements set out in AIA's IPD Requirements.

Supervisors are responsible for helping trainees develop and demonstrate the professional knowledge, skills, values, ethics, and attitudes required of professional accountants and for providing certification of IPD training. Supervisors and employers are provided with an IPD Guide (Supervisors) which provides detailed information on the responsibilities and requirements of being an approved AIA supervisor.

If there is no pre-existing training programme supervisors are expected to map the trainee's career development throughout the training period and help the trainee to put together a practical plan to meet the AIA IPD requirements. AIA recommends the training plan and schedule includes input from the employer and that it is created and agreed at the start of the IPD process.

Practical Experience Supervision and Monitoring

IFAC member bodies shall require that practical experience of aspiring professional accountants is recorded in a consistent form prescribed by an IFAC member body or, where applicable, a regulatory body, and is supported by verifiable evidence.

IFAC requires the practical experience to be reported in a consistent form and supported by verifiable evidence; this is achieved by trainees maintaining a written record of their work experience in the IPD Record.

Trainees and their Employers/Supervisors are provided with an IPD Guide (specifically for trainees and separate guidance for Employers/Supervisors) which provides detailed guidance on AIA's IPD Requirements and how trainees should provide evidence of their work experience.

Trainees must submit an annual IPD Record, verified by their supervisor (a professionally qualified accountant), demonstrating how they meet the competency requirements across increasing levels of responsibility. The competencies and professional skills in AIA's IPD Requirements are based on the IFAC IESs. This Record is signed by the supervisor to confirm that the trainee has completed the requisite IPD requirements and may include additional documentation such as appraisal records or timesheets.

Trainees must submit an annual IPD Record. Those students who are not undergoing IPD due to not being in employment or other circumstances are required to submit an Annual IPD Declaration to confirm and verify their non-submission of IPD information.

Practical Experience Supervision and Monitoring

IFAC member bodies shall require that the practical experience supervisor undertake a periodic review of the records of practical experience of aspiring professional accountants.

Trainees and Supervisors are expected to hold six-monthly review meetings.

During each review meeting the supervisor will evaluate the trainee's IPD together with any additional supporting evidence provided and sign and date any completed IPD Record.

Trainees should be able to demonstrate a consistent progression of technical ability and skills acquisition and the ability to apply these skills in the workplace, at progressive levels of responsibility, relevant to their working environment.

Trainees should bring training plans and any other additional evidence of training undertaken or courses that attended to the meetings and reflect upon progress with regards to technical competency and development in professional skills, values and ethics.

During the meeting supervisors are advised to pay particular attention to the trainee's progress in the area of professional conduct. Competency in professional conduct, professional skills and technical competency are essential for all professional accountants and are acquired by the trainee as a consequence of their development and experience in the workplace.

Supervisors must give trainees feedback on their progress, discussing their strengths and weaknesses in an open and constructive manner. At the close of each meeting the supervisor and trainee must agree the IPD training plan for the next six-month period.

Practical Experience Supervision and Monitoring

IFAC member bodies shall establish appropriate assessment activities to assess that sufficient practical experience has been completed by aspiring professional accountants.

Trainees provide evidence in IPD Records which are maintained over the three years IPD training. The AIA IPD Requirements ensure that trainees display competency in a broad range of skills and attitudes and are able to apply theoretical knowledge in a practical context. This is approved by a recognised supervisor and trainees must provide evidence to meet these requirements.

Trainees must undertake training in each key competency over a three-year training cycle, showing increasing levels of responsibility and progress, to successfully gain IPD. AIA reserves the right to approve any IPD experience undertaken and assess its merits against competencies once submitted.

Trainees are reminded that they must keep evidence of their IPD for review should this be required and are able to include supplementary documentation with their IPD Records to back up and improve their IPD.

Overview

The practical experience required by AIA is in line with other IFAC member bodies and both the content and how it is monitored are in line with IFAC requirements.

Available Documents

- IPD Procedures (internal)
- [IPD Guide \(Trainees\)](#)
- [IPD Guide \(Supervisors\)](#)
- [IPD Record](#)
- Membership Procedures (internal)
- [Associate Application Form](#)

Compliance Framework

No person is eligible for admission to membership of AIA unless they have met with the requirements of the Articles and Bye-Laws.

Article 7 states that to qualify for Associate Membership an individual must have had not less than three years approved accountancy experience (whether obtained before or after, or partly after, the passing of the examination).

Bye-Law 55 states that no student shall be entitled to be admitted to be a Member of the Association (as an Associate) unless he has completed at least three years' experience in accountancy which in the opinion of the Council is satisfactory and obtained before or after, or partly before and partly after the passing of the Association's examinations.

Section 2.2 of AIA's IPD procedures states; 'Where possible AIA prefers IPD training to be guided and assessed by a supervisor who has been recommended by an approved Training Office (employer). AIA recognises as approved employers as registered training offices of IFAC member bodies and those of statutorily recognised professional accountancy bodies. Although recommendation by an approved employer is not mandatory, IPD supervisors must be professionally qualified, (an International Accountant, a member of an IFAC body or a member of a statutorily recognised professional body).

Section 5 IPD Record asks for evidence of competencies in business awareness and management; the application of professional values, ethics and attitudes in the workplace; and professional skills such as effective communication and participation in personal and professional development.

Section 2.3.6 of AIA's Membership Procedures confirms that applicants for Associate membership are required to affirm compliance with the requirements of the AIA Code of Ethics and provide evidence of the practical application of the Code in the workplace as part of their IPD Record.

If any details are missing or if the applicant has not confirmed that they have downloaded the AIA Code of Ethics, then the applicant is contacted and asked to provide the missing information.

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Set up a requirement to identify the work experience to be assessed and approved before the commencement of experience, setting a clear route for employers, supervisors and trainees to follow	November 2019	Head of Membership Services, Qualifications Manager	AIA secretariat, employer engagement
2.	Q1 2017	Provide further guidance for employers for a system to ensure they periodically report any changes in the nature, scope and content of practical experience	November 2019	Head of Membership Services, Qualifications Manager	AIA secretariat
3.	Q1 2017	Provide further feedback to aspiring accountants and to supervisors and communicate when competencies have been achieved	February 2017	Head of Membership Services, Qualifications Manager	AIA secretariat
4.		Improve internal monitoring of IPD to ensure adequate completion of experience requirements.	November 2019	Head of Membership Services, Compliance Executive	AIA secretariat

7.6 IES 6 – ASSESSMENT OF PROFESSIONAL COMPETENCE

IES 6 prescribes the requirements for the assessment of professional competence of aspiring professional accountants that need to be achieved by the end of Initial Professional Development (IPD).

IFAC have set out three requirements to ensure that aspiring professional accountants have achieved an appropriate level of professional competence that is needed to perform a role of a professional accountant.

Requirements

Formal Assessment of Professional Competence

IFAC member bodies shall formally assess whether aspiring professional accountants have achieved an appropriate level of professional competence by the end of IPD, drawing on the outcomes of a range of assessment activities that are undertaken during IPD.

Students must be formally assessed drawing on the outcome of a range of assessment activities undertaken during IPD.

The assessment can vary from a single Multi-Disciplinary examination to a series of examinations on specific areas of professional competency to workplace assessments.

AIA make use of all three – Papers 1 – 16 are specific examinations, paper 17 a multi-disciplinary case study, paper 18 an Oral Test and workplace experience is assessed through the student's 2,000-word project critically evaluating their work experience at the end of IPD and this is then examined by AIA's Applications Committee as to whether it is sufficient to approve a trainee for membership.

Principles of Assessment

IFAC member bodies shall design assessment activities that have high levels of reliability, equity, transparency, and sufficiency within professional accounting education programmes.

Member bodies must design assessment activities that have high levels of reliability, validity, equity, transparency and sufficiency.

Reliability – AIA requires the use of command words, instructions to examiners on how to frame questions, has an internal moderating system as well as an overall chief examiner to ensure reliability and the work experience is only carried out by qualified professional accountants.

Validity – assessment activities have been designed to ensure that AIA tests what it is intended to test and this would be moderated by both separate internal moderators and the chief examiner.

Equity – the examination papers are reviewed to include an investigation of equality and diversity as the qualification is international and sensitivity is required to take into account cultural differences. This takes into account AIA's Equality and Diversity Policy.

Transparency – AIA has a high level of transparency as a huge range of documents are available to be downloaded from the website, including details of the syllabus, IPD Guide, the timing of the examinations and fees.

Sufficiency – AIA has a high level of sufficiency both in terms of the depth and breadth and in the Multi-Disciplinary Case Study it combines material from different parts of the syllabus. Each subject area holds Stream meetings twice a year to ensure that the appropriate level of depth is achieved at each level of the examinations and breadth is covered by ensuring that over a two-year period subjects examined in the papers are rotated so that all aspects of the syllabus are examined during that two-year period (4 papers).

Verifiable Evidence

IFAC member bodies shall base the assessment of the professional competence of aspiring professional accountants on verifiable evidence.

IFAC require verifiable evidence to assess the competence of aspiring professional accountants.

AIA achieves this by requiring students to sit 16 papers by formal examination for the professional accounting qualification and two further papers to obtain an audit certificate.

The papers apart from Paper 18 are in written format lasting 3 hours with 15 minutes reading time. The Oral Test in Paper 18 requires the examiners to record their comments on the student's performance in writing.

The evidence of work experience is based on the student's IPD Record, submitted on an annual basis for each year of work experience undertaken (the requirement states that three years of IPD must be completed). This record is mapped to the learning outcomes required by the IESs and is verified by the trainee's appointed supervisor.

AIA requires students to record their work experience in an IPD Record and provide additional evidence including timesheets, attendance records, internal appraisals which could provide further verifiable evidence of the work experience.

Overview

Overall the AIA has developed a robust approach to assessing professional competence and to ensure that only those who have achieved an appropriate level of competence be permitted to become a member of AIA.

AIA meets the requirements to provide high levels of reliability, validity, equity, transparency and sufficiency through the overall assessment introduced both for their examinations and work experience.

AIA also requires clear verifiable evidence of examination and work experience achievement.

Available Documents

AIA Exam Process Quality Assurance and Procedures (internal)

Guide to Question Paper Standards and Content (internal)

[AIA Exam Scheme & Reading List](#)

Compliance Framework

AIA's assessment requirement is codified in Article 65 and Bye-Laws 57-63, detailing the exam scheme and work experience requirement and including the standard of the qualification.

AIA's Exam Process Quality Assurance and Procedures control the exams process and procedures which surround the preparation and setting of the AIA exams and include:

- Preparation of exam papers, model answers and outline marking schemes;
- Marking procedures;
- Examiner and moderator guidance;
- Control of and the updating of the syllabus and reading list;
- Logistics and administration of the exam process;
- Exam venues and invigilation;
- Annual control process and exam session review;
- Audit trail;
- Review of exam results and exemptions

Examiners and Moderators are provided with guidance in the form of Examiners' Conference, Stream Meetings and documentation including the Guide to Question Paper Standards and Content to ensure that all requirements are met in the setting of the AIA exams. The exams meet the requirements set out in the Companies Act 2006, a regularly reviewed by the Financial Reporting Council and examine standards including international auditing and accounting standards and International Financial Reporting Standards and IESs.

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Publish pass rates by level on AIA website from the next exam session to increase transparency so that students can consider in more detail the work required and	February 2018	Exams Department	Qualifications Committee, Exam Board

		difficulty of passing professional accounting examinations			
2.	Q1 2017	Implement a more detailed competency framework for trainees, employees and supervisors against which the actual competencies achieved in work experience may be matched in line with new Professional Qualification syllabus	Competency Framework for current syllabus introduced. New Professional Qualification due November 2019	Exams Department	Qualifications Committee, Exam Board
3.	Q1 2018	Implement monitoring process to ensure requirements of work experience are reviewed in line with IFAC updates	Q1 2018	Head of Membership Services Compliance Executive	AIA secretariat

7.7 IES 7 – CONTINUING PROFESSIONAL DEVELOPMENT

IES 7 prescribes the continuing professional development (CPD) required for professional accountants to develop and maintain the professional competence necessary to provide high quality services to clients, employers, and other stakeholders, and thereby to strengthen public trust in the profession.

IFAC has set out five requirements to ensure that professional accountants develop and maintain their competence subsequent to IPD through the undertaking of CPD that is necessary, in the public interest, to provide high quality services to meet the needs of clients, employers, and other stakeholders.

Requirements

Promotion of CPD

IFAC member bodies shall promote the importance of, and a commitment to, CPD and maintenance of professional competence.

AIA promotes the importance of and commitment to Continuing Professional Development (CPD) for its members.

AIA provides online courses, conferences, seminars and workshops in addition to CPD offered by specialist trainers and recognising CPD given by other IFAC bodies.

CPD is promoted by weekly e-News bulletins and monthly specific CPD updates sent out to members, including details of technical updates and CPD events. Ad hoc events are notified to members when appropriate.

All CPD activities are listed on AIA's website and in AIA's bi-monthly journal *International Accountant*. In addition, members in practice are contacted by telephone to notify them of certain CPD events.

The AIA also provides a twenty-page guide to CPD requirements for its members.

More information available at <http://www.aiaworldwide.com/members-cpd>.

Access to CPD

IFAC member bodies shall facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence.

AIA provides access to conferences, workshops and seminars across the UK which are arranged through the AIA Head Office. In addition, CPD is provided by AIA Branches operating in China, Hong Kong, Singapore and Malaysia. In addition, AIA facilitate access to other CPD events run either by IFAC member bodies, governmental organisations or specialist trainers.

In addition, c80-909 online courses are also provided for members who are unable to attend conferences and to ensure members are able to fulfil their CPD requirements in the most efficient way possible.

Mandatory CPD for all Professional Accountants

IFAC member bodies shall require all professional accountants to undertake CPD to contribute to the development and maintenance of professional competence that is appropriate to their work and professional responsibilities.

CPD is mandatory for AIA members and AIA has adopted the recommendation of IFAC that members should achieve, as a minimum, twenty units (hours) of verifiable CPD each year and 120 hours on a rolling basis of relevant activity over three years.

AIA adopts a largely input based approach to CPD, although members are able to participate in a range of post-qualification diplomas and short course which are best measured via formal examination or assignment based criteria.

Members can use the website (secure members area) to keep a running record of their CPD activity. Members must submit an annual CPD declaration as to whether they have met their CPD obligations.

Mandatory CPD for all Professional Accountants

IFAC member bodies shall establish their preferred approach to measuring professional accountants' CPD activity from the three models: output-based, input-based, or combination approaches.

Output-based Approach

IFAC member bodies implementing an output-based approach shall require each professional accountant to demonstrate the development and maintenance of appropriate professional competence by periodically providing evidence that has been:

- Verified by a competent source; and
- Measured using a valid competence assessment method.

Input-based approach

IFAC member bodies implementing an input-based approach shall require each professional accountant to:

- Complete at least 120 hours (or equivalent learning units) of relevant professional development activity in each rolling three-year period, of which 60 hours (or equivalent learning units) shall be verifiable;
- Complete at least 20 hours (or equivalent learning units) of relevant professional development activity in each year; and
- Measure learning activities to meet the above requirements.

Combination approach

IFAC member bodies implementing a combination approach of input- and output-based approaches shall comply with the requirements of input- and output-based approaches, as applicable, set out in this IES.

AIA currently operates an input based approach to CPD and measures CPD activity in units. Each unit is equivalent to one hour of classroom time. Members must complete 120 units of relevant CPD activity in each rolling three-year period.

Members must complete 20 units of verifiable CPD each year; in each rolling, three-year period 60 units must be verifiable.

Verifiable units are obtained by the member partaking in a recognised CPD learning activity (a learning activity that is relevant to their current or future development needs) where they can prove that they have done so. Verifiable units can include attending courses and lectures, any event organised by AIA

such as AIA district society meetings and approved events organised by other professional bodies where applicable. AIA also accepts e-CPD seminars and learning modules online as contribution towards the verifiable units.

Units are unverifiable if the member is unable to prove that the learning activity has taken place i.e. reading the AIA journal 'International Accountant', reviewing the 'Members in Practice' monthly e-guidance, browsing websites, updating technical knowledge or time used developing interpersonal and managerial skills.

This system is under review.

Monitoring and Enforcement

IFAC member bodies shall establish a systematic process to (a) monitor whether professional accountants meet the IFAC member body's CPD requirements, and (b) provide appropriate sanctions for failure to meet those requirements.

AIA maintains a comprehensive Guide to Sanctions. Included in the sanctions list is the requirement to comply with CPD and a fine can be imposed by the Practice Compliance Committee for non-compliance.

A sample of CPD declarations are audited each year and during the quality assurance visits to Members in Practice a tracking of CPD activities is undertaken by the review team. Members who are on a career break or who are in retirement are reviewed on a case-by-case basis for partial or full exemption from the twenty-hour requirement.

Members are permitted to use their own judgement as to the relevance of their CPD activities although the content of the conferences are geared to meeting Members in Practice needs.

It is up to the individual member to keep a record of their CPD activities but AIA does keep a record of online participation and receives registers of attendance from CPD providers.

AIA publish details of disciplinary cases online and in *International Accountant*.

Overview

AIA have a strong CPD commitment for members. It is mandatory and AIA provide a number of conferences, evening meetings and seminars to allow members to achieve the 20 hours CPD mandatory annual commitment as well as providing a large number of online courses and permitting members to pick up CPD from other providers.

There is also a strong commitment for members to provide evidence of their CPD.

Available Documents

CPD Procedures (internal)

[CPD Guidelines](#)

Compliance Framework

In January 2006 AIA adopted the International Federation of Accountants (IFAC) International Education Standard for Professional Accountants 7 'Continuing Professional Development' (IES7) as its Continuing Professional Development (CPD) framework. Continuing Professional Development (CPD) is a mandatory requirement of AIA membership.

AIA CPD Procedures

Promotion

- AIA promotes the importance of and commitment to Continuing Professional Development (CPD) for its members.
- AIA provides online courses, conferences, seminars and workshops in addition to CPD offered by specialist trainers and recognising CPD given by other IFAC bodies.

Access

- AIA provides access to conferences, workshops and seminars across the UK which are arranged through the AIA Head Office. In addition, CPD is provided by AIA Branches operating in China, Hong Kong, Singapore and Malaysia. In addition, AIA facilitate access to other CPD events run either by IFAC member bodies, governmental organisations or specialist trainers.
- In addition, roughly 100 online courses are also provided for members who are unable to attend conferences and to ensure members can fulfil their CPD requirements in the most efficient way possible.

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- To further assist members in undertaking and planning their CPD a number of resources are provided on the AIA website including a non-exhaustive list of recognised CPD providers.
 - CPD activities undertaken by members must be appropriate for the development of professional competencies specific to each member's area of work. Further guidance is provided on the AIA website in the section 'Continuing Professional Development.'
 - AIA members who are also members of an IFAC member body are able to incorporate CPD undertaken for this body into their AIA Record and AIA will also accept information submitted in the recording format of these bodies in lieu of the AIA CPD Record.

Mandatory

- Section 1.2 of AIA's CPD Procedures enforce the mandatory nature of CPD for all members. All members are provided with the AIA CPD Guidelines (Appendix A1) to ensure that they are fully aware of their responsibility to develop and maintain a level of professional competence appropriate to their particular area of work and in accordance with their individual professional accountability.
- In compliance with the IFAC IES7 standards AIA requires its members to:
 - Fulfil their ethical obligation to maintain the relevant knowledge and skills and to demonstrate professional competence in relation to their particular roles and responsibilities.
 - Complete a minimum of 120 units of CPD activity in each rolling three-year period of which at least 60 units are verifiable
 - Complete a minimum of 20 verifiable units CPD per year.
 - Submit a CPD Annual Declaration preferably on line.
 - Retain evidence supporting verifiable CPD for each three-year rolling period for the purpose of AIA monitoring.

Monitoring

- Section 3.1.2: AIA select 1% of General Members (i.e. not Members in Practice which are categorised as high risk) to monitor and review CPD records and more specifically, evidence relating to their verifiable CPD which must be a minimum of 20 hours for the preceding 12-month monitoring period (i.e. October to October).
- Section 3.2: All CPD requirements are reviewed for Members in Practice. The monitoring of Member in Practice CPD compliance is carried out alongside the renewal process of practising certificates, any CPD non-compliance issues identified during the renewal process are reported to the Head of Compliance & Regulation and must be resolved before a practising certificate is issued / reissued. The AIA Quality Assurance programme includes a detailed examination of Members in Practice CPD records with each Member in Practice receiving a Quality Assurance Visit at least once in a rolling 5-year period.
- Members who fail to submit their CPD records and evidence and who subsequently are found not to have met CPD requirements following review may be subject to disciplinary action. Section 3.3 of this document provides further details of the measures taken in such cases.

Enforcement

- Members who fail to meet the AIA CPD requirements will be referred to the Head of Compliance & Regulation for review. A member may be subject to disciplinary action in accordance with AIA Articles and Bye-Laws if they:
 - fail to submit their CPD Declaration;
 - do not complete the requisite number of CPD hours without obtaining 'special circumstances' consent; or are unable to provide evidence in support of their verifiable CPD units in the Annual Monitoring Programme.
- If a member falls into one of the above categories the Head of Compliance & Regulation is responsible for forwarding details to the Secretary to the Council to submit a report to the Practice Compliance Committee. The Practice Compliance Committee can:
 - Request remedial action
 - Impose a financial penalty
 - Suspend a Practising Certificate pending the outcome of disciplinary proceedings (Member in Practice only)

Improvement Action Plan

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Review sanctions for members who fail to comply with their CPD requirements and implement changes where necessary	Q1 2018	Head of Compliance and Regulation	AIA Disciplinary Committees and advisers
2.	Q1 2017	Assess the need for compulsory use of the CPD database for members rather than	Q2 2018	Head of Compliance and Regulation, Head of Membership	AIA Disciplinary Committees and advisers

		voluntary, making it easier to highlight non-compliant members			
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7.8 IES 8 – COMPETENCE REQUIREMENTS FOR AUDIT PROFESSIONALS

As a Recognised Qualifying Body (RQB) under the Companies Act 2006 AIA part complies with IES 8 and offers a Recognised Professional Qualification (RPQ) for training statutory auditors. As such AIA is required to demonstrate that an auditor has achieved the desired competencies to act as a registered or statutory auditor. AIA agrees, however, that auditors who become engagement partners would have to learn leadership skills, the ability to organise an engagement team, but that the decision as to who would become an engagement partner would be the responsibility of the individual audit firm supervised by a Recognised Supervisory Body (RSB) under the Companies Act 2006.

AIA also agree that auditors who are engaged in specialist industries, such as banking and insurance or who are involved in multi-national audits are required to prepare themselves adequately in order to carry out that work, and indeed maintain competence in key skill areas such as technical competence, professional values, ethics and attitudes and professional skills.

It is the responsibility of individual audit firms who tender and engage in such work and respective Recognised Supervisory Bodies (RSBs) to be responsible for ensuring adequate preparation and knowledge has been gained by the appropriate auditor.

IFAC requires audit professionals to satisfy the following requirements:

IFAC member bodies shall require professional accountants performing the role of an Engagement Partner to develop and maintain professional competence that is demonstrated by the achievement of learning outcomes.

IFAC member bodies shall require professional accountants performing the role of an Engagement Partner to undertake CPD that develops and maintains the professional competence required for this role.

Auditors must have covered in their education programmes a comprehensive list of learning outcomes for professional competence of an Engagement Partner, defined as the partner or other person in the firm who is responsible for the audit engagement and its performance, and for the auditor's report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal, or regulatory body.

AIA cover these learning outcomes through examination papers in the audit stream:

- Paper 5 Auditing and Taxation

- Paper 7 Auditing
- Paper 15 Professional Practice (Auditing)
- Paper 11 Financial Accounting 2
- Paper 13 Financial Accounting 3
- Paper 6 Information Processing

In addition, to gain an audit certificate, candidates must pass Paper 17 Multi-Disciplinary Case Study and satisfy a panel of examiners for Paper 18 Oral Test.

Professional skills are tested, for aspiring auditors, at a much higher level than the accountancy professional qualification by insisting on passing Paper 17 Multi-Disciplinary Case Study and Paper 18 Oral Test where there is greater opportunity to assess problem solving, team working, presenting and defending views and demonstrating professional ethics and scepticism and applying professional judgement. The ethical principles of integrity, objectivity, professional competence, confidentiality and professional behaviour are tested using the same approach.

AIA sets out the period of practical experience in *AIA Recognised Professional Qualification (RPQ) Training Options and Becoming a Statutory Auditor* as follows:

- The RPQ audit training may be undertaken in the UK/EU. As defined in the CA2006, at least two-thirds of the training should be provided by a Statutory Auditor. The period of training is required to include at least 52 weeks of training in statutory audit or other audit work with a specific requirement that not less than 26 weeks is spent in statutory audit work or work recognised by the AIA as similar to company audit work. AIA has calculated the number of weeks of training based on a 35-hour week, making a total of 1820 hours, split as 910 hours of statutory audit work and 910 hours of audit work. Unless there are exceptional circumstances, and where possible, AIA would expect the 910 hours of statutory audit work to be evenly accrued over the three-year period.

This requirement is not the same as IFAC's requirement that at least two years should be spent in the audit of historic financial information, not just one year. However, this is the current statutory requirement in the United Kingdom for registered statutory auditors.

AIA complies with the requirement that all trainees are guided by a supervisor who is both professionally qualified and is currently a registered Statutory Auditor who is a fit and proper person willing to undertake the responsibilities of monitoring, certifying and mentoring the audit trainee.

See <http://www.aiaworldwide.com/rpq-audit-training> for more information.

CPD is mandatory for all members in practice carrying out audit work and requires compliance with AIA CPD requirements, which are based on IES 7.

The requirement to assess whether an auditor has gained sufficient professional competencies and capabilities to act as a registered auditor is assessed by AIA through the Recognised Professional Qualification (RPQ), and in particular Papers 17 and 18 – the Multi-Disciplinary Case Study and Oral Test which are focussed on the audit environment.

Overview

AIA has set up extensive guidance on how to become a statutory auditor; aspiring auditors must sit a Multi-Disciplinary Case Study together with an Oral Test to assess whether a trainee has acquired the essential competencies and capabilities of acting as a registered auditor.

RPQ students must complete all sixteen examinations, either by exam or by exemption. Exemptions are available for relevant qualifications undertaken in the last five years, with the exception of Paper 7 Auditing. AIA makes an assessment and exemption offer in line with professional and regulatory requirements. On completion of the Foundation level exams, students have a further five years to complete the remaining papers.

The RPQ examines Financial Reporting Standards (FRS), International Standards on Auditing (UK) (ISAs (UK)) and International Standards on Quality Control (UK) (ISQC (UK)). Students are also expected to refer to the Revised Ethical Standard 2016 published by the FRC.

In addition, RPQ Students are also required to sit a multi-disciplinary case study and an oral test. Further information can be found in the Statutory Audit Guide.

To achieve the AIA RPQ and become a statutory auditor, in addition to passing the exams, students must follow a course of theoretical instruction and complete three years' approved audit training, designed to provide them with the opportunity to perform the work of a statutory auditor. For further details on the specific training requirements please refer to RPQ Practical Training Office Information.

Audit training must be carried out at an AIA Approved Training Provider and be supervised by a statutory auditor or statutory audit firm approved by AIA. It is recommended that students complete their audit training while studying for the exams, and maintain a continuous record. The audit training can comprise or contribute to the Initial Professional Development (IPD) requirement for AIA membership.

On being awarded the AIA RPQ students must register with a Recognised Supervisory Body (RSB), who are responsible for registering and supervising statutory auditors in practice.

Available Documents[Statutory Audit Guide](#)[RPQ Practical Training Office Information](#)[RPQ Audit Training Options](#)**Improvement Action Plan**

#	Start Date	Actions	Completion Date	Responsibility	Resource
1.	Q1 2017	Review guidance on competencies required to become an engagement partner or to engage in specialised industries or environments in conjunction with Review of Professional Qualification against IFAC guidance in IES 8.	November 2019	Head of Membership Services	Qualifications Committee, Academic Team, AIA Qualifications staff

8.0 MAPPING THE LEARNING OUTCOMES IES2 TO AIA SYLLABUS 2015/16

As at December 2016

Competence Area (Level of Proficiency)	Learning Outcomes	AIA Syllabus
(a) Financial accounting and Reporting	(i) Apply accounting principles to transactions and other events. (ii) Apply International Financial Reporting Standards (IFRSs) or other relevant Standards to transactions and other events. (iii) Evaluate the appropriateness of Accounting policies used to prepare financial statements. (iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards. (v) Interpret financial statements and related	P01 Financial Accounting 1 (1.1 – 1.3) P11 Financial Accounting 2 (11.1 – 11.5) P13 Financial Accounting 3 (13.2 – 13.4) P11 Financial Accounting 2 (11.3) P13 Financial Accounting 3 (13.2)

	<p>disclosures.</p> <p>(vi) Interpret reports that include non-financial data, for example, sustainability reports and integrated reports.</p>	<p>P11 Financial Accounting 2 (11.5)</p> <p>P13 Financial Accounting 3 (13.1)</p>
(b) Management accounting	<p>(i) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.</p> <p>(ii) Apply appropriate quantitative techniques to analyse cost behaviour and the drivers of costs.</p> <p>(iii) Analyse financial and non-financial data To provide relevant information for</p>	<p>P3 Management accounting 1 (3.5)</p> <p>P3 Management accounting 1 (3.1-3.2)</p>

	<p>Management decision making.</p> <p>(iv) Prepare reports to support management decision making, including reports that focus on planning and budgeting, cost management, quality control, performance measurement, and benchmarking.</p> <p>(v) Evaluate the performance of products and business segments</p>	<p>P12 Management accounting 2 (12.2)</p> <p>Not in syllabus</p> <p>P3 Management accounting 1 (3.3)</p>
<p>(c) Finance, Financial Management</p>	<p>(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.</p> <p>(ii) Analyze an organization's cash flow and working capital requirements.</p>	<p>P14 Financial management (14.2)</p> <p>P14 Financial management</p>

	<p>(iii) Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.</p> <p>(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.</p> <p>(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.</p> <p>(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.</p>	<p>(14.4)</p> <p>P11 Financial accounting 1</p> <p>(11.5)</p> <p>P14 Financial management</p> <p>(14.2)</p> <p>P14 Financial management</p> <p>(14.3)</p> <p>P14 Financial management</p> <p>(14.5)</p>
(d) Taxation	(i) Explain national taxation compliance and	P16 Taxation & Tax Planning

	<p>Filing requirements.</p> <p>(ii) Prepare direct and indirect tax calculations For individuals and organizations.</p> <p>(iii) Analyze the taxation issues associated With non-complex international transactions.</p> <p>(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.</p>	<p>(16.1)</p> <p>P16 Taxation & Tax Planning (16.2 and 16.3)</p> <p>P16 Taxation & Tax Planning (16.7)</p> <p>P16 Taxation & Tax Planning (16.8)</p>
<p>(e) Audit and assurance</p>	<p>(i) Describe the objectives and stages involved In performing an audit of financial statements.</p> <p>(ii) Apply relevant auditing standards (for example, International Standards on Auditing), and applicable laws and regulations to an audit of financial statements.</p>	<p>P15 Professional Practice (audit) (15.3)</p> <p>P7 Auditing (7.2)</p>

	<p>(iii) Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.</p> <p>(iv) Apply quantitative methods that are used In audit engagements.</p> <p>(v) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</p>	<p>P15 Professional Practice (audit) (15.3)</p> <p>Not in syllabus</p> <p>P15 Professional Practice (audit) (15.2)</p>
<p>(f) Governance, risk management and internal control</p>	<p>(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and explain the role of</p>	<p>Briefly mentioned in P10 Business Management (10.8)</p>

	<p>stakeholders in governance, disclosure, and transparency requirements.</p> <p>(ii) Analyze the components of an organization's governance framework.</p> <p>(iii) Analyze an organization's risks and opportunities using a risk management framework.</p> <p>(iv) Analyze the components of internal Control related to financial reporting.</p>	<p>Not covered in syllabus</p> <p>Not covered in syllabus</p> <p>Briefly mentioned in P5 Auditing & Taxation (5.3)</p>
(g) Business laws and Regulation	<p>(i) Explain the laws and regulations that Govern the different forms of legal entities.</p> <p>(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.</p>	<p>P8 Company law (whole syllabus)</p> <p>P1 Financial accounting 1 (1.5 – partnerships and companies)</p> <p>P4 Law (whole syllabus)</p>
(h) Information Technology	(i) Analyze the adequacy of general	

	<p>Information technology controls and relevant application controls.</p> <p>(ii) Explain how information technology contributes to data analysis and decision making.</p> <p>(iii) Use information technology to support decision making through business analytics.</p>	<p>P6 Information processing</p> <p>(mainly data collection and IT overview, hardware and software)</p>
<p>(i) Business and organizational environment</p>	<p>(i) Describe the environment in which an organization operates, including the main economic, legal, political, social, technical, international, and cultural forces.</p> <p>(ii) Analyze aspects of the global environment that affect international trade and finance.</p> <p>(iii) Identify the features of globalization, including the role of multinationals, e-commerce, and emerging markets.</p>	<p>P10 Business Management</p> <p>(10.3)</p> <p>Not in syllabus</p>

		Not in syllabus
(j) Economics	<p>(i) Describe the fundamental principles of microeconomics and macroeconomics.</p> <p>(ii) Describe the effect of changes in macroeconomic indicators on business activity.</p> <p>(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.</p>	<p>Not in syllabus</p> <p>P2 Business Economics (2.4)</p> <p>Not in syllabus</p>
(k) Business strategy and management	<p>(i) Explain the various ways that organizations may be designed and structured.</p> <p>(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.</p> <p>(iii) Analyze the external and internal factors That may influence the strategy of an organization.</p>	<p>P10 Business management (10.3)</p> <p>P10 Business management (10.6)</p> <p>Not in syllabus</p>

	<p>(iv) Explain the processes that may be used to implement the strategy of an organization.</p> <p>(v) Explain how theories of organizational behaviour may be used to enhance the performance of the individual, teams, and the organization.</p>	<p>P10 Business management (10.2)</p> <p>P10 Business management (10.4, 10.5)</p>
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9.0 CONTACT

For queries, suggestions and comments on the information contained within these supporting documents please email ifac@aiaworldwide.com.