APPROVED TRAINING OFFICE INFORMATION

AIA

THE ASSOCIATION
OF INTERNATIONAL
ACCOUNTANTS

CREATING WORLD CLASS ACCOUNTANTS

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INTRODUCTION

ABOUT AIA

AIA is a global examining and membership body for professional accountants. We create world class accountants with the skills and knowledge that employers need.

AIA offers a range of qualifications and educational opportunities to suit all kinds of people looking to enter the accountancy profession, at all stages of their lives and careers; from school leavers, to graduates, to those who are already working.

AIA is an Awarding Body, regulated by Ofqual, with three recognised qualifications: the Level 5 Certificate in Accountancy, Level 6 Diploma in Accountancy and Level 7 Diploma in Professional Accountancy. These can be taken as stand-alone qualifications, or on completion of the Diploma in Professional Accountancy and three years' Initial Professional Development (IPD), candidates are eligible for the AIA Professional Qualification and AIA Associate membership.

AIA is also a Recognised Qualifying Body (RQB) under the UK Companies Act 2006, and provides a Recognised Professional Qualification (RPQ) in audit (the Audit Qualification). We are regulated for this purpose by the Financial Reporting Council (FRC).

Approved Training Offices can choose the most appropriate AIA qualification for their staff, however this guide focuses on the Audit Qualification, as the entire three years' training must be provided by a firm that is approved to carry out statutory audits and has been accepted as an AIA Approved Training Office.

STATUTORY AUDIT

The requirements for statutory audits are set out by the Statutory Audit Directive (2006/43/EC) adopted by the European Union, which has been transposed into UK law by the Companies Act 2006 (CA2006). To qualify as a statutory auditor, candidates must meet specific practical training requirements as prescribed in the Act.

Regulated audit work is reserved by law to 'registered' or 'statutory' auditors. Generally, it is audit work in relation to a company, but other work, in relation to other entities, is also reserved to registered auditors. A statutory auditor is a person approved to carry out the audit of annual accounts or consolidated accounts. An audit firm is a firm that is approved to carry out statutory audits.

AUDIT QUALIFICATION

The AIA Audit Qualification combines three elements to ensure we create world class auditors:

- All candidates must enrol on a study course, either Achieve (our distance learning programme) or with a college;

- Candidates must pass the AIA exams, including a multi-disciplinary case study and an oral test;

- Candidates complete three years' training in audit at an Approved Training Office.

Further information about the qualification can be found in the guide Becoming a Statutory Auditor.

BECOMING AN APPROVED TRAINING OFFICE

Audit firms wishing to become an AIA Approved Training Office should complete the online application form, accessible from www.aiaworldwide.com/training.

The application form is reviewed by our Training Approval Inspection and Monitoring Panel and will involve an initial approval visit to discuss your application and the training arrangements.

ELIGIBILITY

A firm should:

- Be 'fit and proper;'

- Comply with professional indemnity insurance regulations; and

- Be controlled by individuals who are qualified as a statutory auditor.

'FIT AND PROPER'

In terms of being 'fit and proper' AIA expects the firm to comply with the AIA Code of Ethics to:

- Behave with integrity in all professional and business relationships;

- Be objective in all professional and business judgements;

- Only accept or perform work which the member or firm is competent to do, unless additional assistance is obtained;

- Respect the confidentiality of information acquired.

The training may be undertaken in the UK or the European Union.

THE MENTOR

The supervisor responsible for the training must be a current statutory auditor who is committed to undertake the responsibilities of mentoring the trainee, monitoring and certifying their training.

The mentor should be professionally qualified (an International Accountant, a member of an IFAC body, or a member of a statutorily recognised professional body).

Mentors are required to provide details of the body with which they are registered, we will contact the body to confirm the mentor's membership and current good standing.

THE ROLE

The mentor is required to:

- Develop, communicate and implement our training requirements and programme.

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- Provide ethical leadership and guidance in line with the IFAC Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and the ethical standards issued by the FRC.

- Act as an effective mentor, engaging and influencing the trainee.

- Provide support and constructive advice to the trainee to ensure they meet agreed targets within the programme.

- Monitor and certify the monthly and yearly training and work experience records, and evidencing this by signing the time summary and certification record.

- Liaise with the other named trainers, offering appropriate guidance and instruction.

NAMED TRAINERS

Other named trainers who are specialists in their area will also take part in the training and we will discuss their roles with you before the training starts.

THE ROLE

The requirements of the named trainers are to:

- Be qualified in their specialised area.

- Develop, communicate and implement our training requirements.

- Provide ethical leadership and guidance in line with the IFAC Code of Ethics and ethical standards issued by the FRC.

- Act as an effective mentor, engaging and influencing the trainee.

- Provide support and constructive advice to the trainee.

- Monitor and certify weekly and monthly training records, ensuring the trainee completes these documents in a timely manner.

- Monitor (where appropriate) how the trainee supervises other staff members.

- Identify any other training requirements which may not have been met or which the trainee considers are appropriate.

- Liaise with the mentor regarding any training issues and to ensure the time summary and certification records are completed and signed.

APPROVAL

Following the panel visit, we will issue an 'Approved Training Office Certificate' as confirmation of your firm's status. Approval is granted for an initial four years and will be subject to additional monitoring prior to re-approval.

TRAINING PROGRAMME

The audit training should be completed over a continuous period of three years. Candidates can choose from three training routes:

1. Complete three years' training in audit before admission to Associate membership.

2. Complete two years' IPD and one year's audit training prior to membership.

3. Complete three years' IPD prior to attaining membership and three years' audit training as a member.

AIMS

We expect you to offer all trainees a varied work environment; the training should reflect and build on the skills and experience required to qualify as a professional accountant and to prepare the trainee to undertake public practice as a statutory auditor.

As defined in CA2006, at least two-thirds of the training should be provided by a statutory auditor. The training must include a minimum of 52 weeks in audit work, with a specific requirement that not less than 26 weeks is spent in statutory audit work.

Based on a 35 hour week, this equates to a total of 1,820 hours training, with 910 hours in statutory audit work and 910 hours in other audit work. The statutory audit work should be evenly accrued over the three year period.

The training should be regularly reviewed and certifed by the mentor and the named trainers. It should offer support and guidance to the trainee and facilitate the development of professional skills and competencies. Trainees should be encouraged to develop an awareness of their working environment, apply technical knowledge and relate accounting work to other business functions and activities, develop and apply professional ethics, values and attitudes in practical, real-life situations and enhance their competence in the use of information technology.

SCHEDULE

The trainee should receive an official training start date from us with their Training and Work Experience Record (see details below) prior to meeting with their mentor to agree an audit training schedule.

The schedule should establish the training goals and encompass the entire training period; setting a timetable, including agreed dates for review meetings between the trainee and their mentor or their named trainers.

Review meetings should take place on a monthly, six monthly, and yearly basis to ensure the training requirements are being met and to facilitate discussions between the trainee, mentor and named trainers.

PLAN

After the mentor and trainee have agreed a training schedule, they should develop and document a training plan. This should outline details of the forthcoming six month period of training, be appropriate for the trainee's place of work and in line with the statutory auditor training requirements.

An existing established audit training programme may be used to form the basis of the training plan.

RECORD

The trainee should maintain a Training and Work Experience Record detailing the place, date and nature of training and work experience over the whole three year period.

Audit training should be identified separately, making a a clear distinction between statutory audit training and and other audit work. Statutory audit work should be recorded on a separate Supplementary Training and Work Experience Record.

The Training and Work Experience Record should be regularly appraised by the mentor to ensure training is appropriate and that the required amounts of statutory audit training are being met.

A Specimen Training and Work Experience Record and Notes for Trainees are available on request to help you complete the documentation.

CONTENT

The specific aspects of the audit process in which the trainee should receive training and demonstrate competency, are listed in the table below, along with examples of how this may be achieved:

ASPECT	EXAMPLE
Ascertain and assess the level of inherent risk associated with the financial statements of the entity.	Enquire to the entity's senior management about the company's daily operations, the entity's risk identification procedures, and areas involving subjective judgement in the entity's financial statements. Enquire into unusual or exceptional events occurring during the accounting period and evaluate possible effects on the entity's financial statements. Carry out risk assessment analytical procedures on the entity's financial statements. Identify laws and regulations pertinent to the entity and assess non-compliance risk.

ASPECT	EXAMPLE
Ascertain and assess the level of control risk associated with the financial statements of the entity.	Ascertain record and evaluate the internal control of the entity. Carry out walk-through tests on transactions in conjunction with this. Design appropriate tests of control. Carry out tests of control and document results of testing. Determine areas with significant control risk as a consequence of significant deficiencies in internal control.
Plan staffing arrangements and audit procedures required to reduce audit risk to requisite level, taking account of the risk of material misstatement in the financial statements.	Set detailed time and cost budgets for the audit engagement and monitor progression of audit work against these. Tailor standard or proprietary audit programme of work to requirements of the specific audit engagement. Allocate audit work to appropriate members of the audit engagement team. Brief members of the audit team on approach to the audit engagement specific risk areas and planned substantive procedures.
Perform audit tests, ensuring that audit objectives are met and ensure that evidence collected and test results adequately support audit conclusions.	Perform substantive analytical procedures on the company's financial statements to corroborate other audit findings and record conclusions in this respect. Attend year-end inventory count to verify existence and completeness of inventory and perform cut-off tests. Carry out all substantive procedures on trade receivables, including circularisation procedures. Complete the associated detailed working papers. Ensure audit objectives have been met and record audit conclusions.

ASPECT	EXAMPLE
Supervision of Audit Work.	Review the audit work of junior colleagues, providing written and verbal feedback on work quality and meeting of audit objectives.
	Clear outstanding audit points raised by junior colleagues and sign-off completion of audit areas.
	Identify and carry out further audit procedures required as a consequence of initial audit test results.
	Complete accounts disclosure checklist (or part of as appropriate).
Communicating with the Management of the entity about the findings of the audit.	Draft the contents of a letter on internal control to the Management of the entity.
	Prepare a draft letter of representation.
	Attend a meeting with the audit engagement partner and management to discuss, as appropriate, internal control deficiencies, audit findings generally and the contents of the draft letter of representation.
	Prepare a written summary of management's responses.
Closing down the audit and preparing the auditor's report.	Carry out a final review of the audit working papers and files, confirming that all work programmes have been completed and signed off and that audit objectives have been met. Address any issues arising in this regard.
	Prepare a summary of the highlights of the audit focussing on issues and areas leading to a requirement to issue a modified audit report.
	Draft an auditor's report and discuss its contents and appropriateness for issue, with the audit engagement partner.
	Draft schedule of audit points to be carried forward for audit of following period.

Recognising the possibility that up to two years' training could be devoted to non-audit work, it is important that the training programme underpins the trainee's ability to perform audit tasks with confidence and is sufficiently broad, covering relevant technical issues.

Trainees should receive training, and demonstrate competence, in specific contemporary fields of expertise, in addition to generic management accounting and financial management techniques. These fields and examples of tasks to demonstrate competency are detailed in the table below:

FIELD	EXAMPLE
Financial Accounting	Preparing from incomplete records, a full set of financial statements for an unincorporated entity.
	Preparing from incomplete records, a full set of financial statements for an incorporated entity.
	Carrying out a full book-keeping service for an entity.
	Preparing a cash flow forecast for an entity.
Taxation	Computing the corporation tax liability for a client company for a period of account, and preparing the associated Corporation Tax Return.
	Computing the optimal capital allowances claim for a sole trader client for an accounting period, preparing the same client's annual Self-Assessment Tax Return.
	Preparing a VAT Return on behalf of a client.
	Actively assisting in dealing with an HMRC back-duty investigation into client's affairs.
Information Communication Technology (ICT)	Installing a fully integrated off-the-shelf accounting system onto a client's computer and providing initial guidance on its operation and use.
	Installing a new in-house self-assessment tax return system and training colleagues on the use of the system.
	Advising clients on control aspects of computerised wages systems.
	Use of spread sheet techniques when carrying out day-to-day tasks.

PROFESSIONAL CONDUCT

AIA has adopted the IFAC Code of Ethics, and in agreement with IFAC, all AIA members are bound by the Constitution to observe this Code.

Professional accountants and auditors should adhere to the highest standards of professional conduct when carrying out their day-to-day duties and when developing professional relationships. They should act with professional competence and due care to ensure that the services they provide meet with accepted best practice and the manner in which they deal with clients and other professional service providers is beyond reproach.

The specific aspects of professional conduct in which trainees should display competence and examples of measures that demonstrate competence are shown in the table below:

ASPECT	MEASURES TO DEMONSTRATE COMPETENCE
Upholding professional ethics, values and standards	Ongoing, strict compliance with all applicable codes of professional conduct and professional standards. Maintaining and demonstrating professional objectivity in assurance engagements. Providing advice guidance to peer and junior colleagues in this respect. Reporting instances of non-compliance to the appropriate authority and/or professional body.
Commitment to personal professional development and professional knowledge.	Completion of agreed CPD activities including attendance at CPD lectures, seminars and courses. Evidence of ongoing self-reflection and self-appraisal of own professional development. Attendance at regular appraisal meetings and evidence of follow up action taken in accordance with advice and guidance received. Displaying commitment and enthusiasm in the completion of auditor training programme.

ASPECT	MEASURES TO DEMONSTRATE COMPETENCE
Displaying professional competence and due care in carrying out tasks.	Apply intellectual skills in making professional judgement decisions when carrying out audit work. Design of a programme of substantive procedures for a specific audit engagement. Complete complex work tasks to agreed deadline dates and to exemplary quality standard. Demonstrate understanding and perform daily tasks in line with accepted best practice.
Developing and maintaining effective, ethical professional relationships, both written and external to the firm.	Providing support to peer colleagues and junior staff. Working effectively as a senior member of an audit team. Developing good business relationships with clients. Developing good business relationships with officers and representatives of statutory bodies, government agencies and professional bodies.
Ongoing awareness of professional developments.	Reading professional accountancy journals, relevant literature and articles. Attending in-house or external technical update sessions. Preparing technical updates or presentations for colleagues or other professional accountants. Publication of an appropriate technical article in a recognised accountancy, auditing or taxation journal.

LEVELS OF RESPONSIBILITY

The Audit Qualification, the exams and the training, is designed to be progressive. Each exam level builds on the last, and the training plan should reflect this.

It is expected that during initial stages of training, the trainee would work under close supervision, then as they gain more experience, the level of supervision may decrease, and towards the end of the

training period, often work independently in certain areas agreed by the mentor and the named trainers.

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Trainees should undertake a minimum of 120 units of relevant CPD in a rolling three year period, of which 60 units must be verifiable, and a minimum 20 units of verifiable CPD must be completed each year. Further details are given in our Continuing Professional Development Guidelines.

Trainees should record any CPD activities undertaken outside of their normal working hours on the Continuing Professional Development Record, as well as on their online record in My AIA, noting whether units are verifiable or unverifiable.

PRIOR WORK EXPERIENCE

Trainees who have gained work experience in accountancy before registering with us may apply to have a minimum of six months up to a maximum of two years of this experience accredited as part of their three years' Initial Professional Development, however accredited experience is not permitted for the audit route.

COMPLETION OF TRAINING

On completion of the training, trainees will take an oral test to assess their ability to apply their knowledge to work-based scenarios. On successful completion of the oral test, we will issue a Certificate of Recognised Professional Qualification.

STUDY LEAVE

We would encourage you to make provision for students to have three to five days' study leave and additional leave to attend the exams, however this is at your discretion.

MALPRACTICE AND MALADMINISTRATION

Any instance brought to the attention of AIA where a trainee, employer or mentor has knowingly provided incorrect or misleading information on qualifications, training and work experience attained is viewed as potential malpractice.

Suspected or actual incidents of malpractice or maladministration relating to our assessment process should be reported immediately to the Manager, Membership Services.

AIA's Malpractice and Maladministration Policy does not address any incidents pertaining to workplace or employer disputes or disciplinary procedures in the work place.

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