



Strengthening foundations

ACCOUNTANCY CAPACITY BUILDING



Four ways ICAEW can build accounting capacity

ICAEW has successfully helped underpin economic growth by delivering projects in these four important areas of accountancy capacity building. We can do the same in any country worldwide.



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- 1 Improve audit quality by supplying an audit manual to auditors
- 2 Developing an internationally-aligned accounting technician qualification
- 3 Developing a national professional accounting qualification
- 4 Establishing and strengthening quality assurance for audit

ABOUT US

For more than 12 years, ICAEW has provided capacity building consultancy services to help developing and emerging countries around the world to strengthen their national accounting professions.

We do this through joint working with professional accounting bodies, government departments, regulators and educators in country and often with funding from donor agencies.

A strong national accountancy profession can play an important role in a country's economic and business development. ICAEW is actively committed to the sustainable development of robust and independent national professions.



An Audit Practice Manual and training for SMPs

In a ground-breaking initiative, ICAEW has developed a top-quality Audit Practice Manual (APM) for use internationally by Small and Medium-sized Audit Practices (SMPs) in partnership with HAT, a leading UK audit training company.

WHY DO SMALLER AUDIT FIRMS NEED A MANUAL?

In many countries, SMPs do not use an international-standard audit manual and they perform poor quality audits.

A quality audit manual helps SMPs to audit in a more structured, consistent and transparent way. This will improve the quality of audits overall, leading to higher levels of compliance and greater confidence in SMP audits.

WHAT'S INSIDE THE APM?

The audit manual is easy to use and comes in three parts:

- 1 Planning and control
- 2 Detailed procedures
- 3 Review and completion

All chapters are supported by example documents. The detailed procedures take the user through the steps involved in an ISA compliant audit. The manual includes template file dividers to provide structure to the audit file.

PROJECT BREAKDOWN

An APM project would typically cover the following deliverables:

- Licence to use the manual
- A two day train-the-trainer workshop in-country for audit specialists or, alternatively a four to five day online course



For SMPs

Specifically designed for use by SMPs



ISA compliant

Fully compliant with International Standards on Auditing (ISA)



Ethics compliant

Fully compliant with the IFAC Code of Ethics

TRAINING PROVISION

ICAEW provides train-the-trainer workshops to audit specialists. The specialists will then run training courses for local firms – essential if firms are to use the manual successfully. Feedback from participants rates the course highly.

The course, which can also be delivered online over four to five days, covers:

Day 1

- Fundamentals of an ISA compliant audit
- Meeting quality control standards (ISQC1)
- How an audit system will help you

Day 2 – The manual

- Planning and control
- Detailed procedures for audit work
- Review and completion

Accounting Technician Qualification

ICAEW has designed an Accounting Technician Qualification (ATQ) that incorporates international standards and benchmarks while also allowing for country customisation in national tax and law, business environment and currency. In this way the ATQ becomes highly relevant in-country, in contrast to international ATQs which are not customised for national needs.

The ATQ is competency based to ensure it provides relevant accounting skills required by employers. This helps organisations in all sectors to be effective, agile and sustainable.

The ATQ can be benchmarked to the national qualifications framework to ensure regulatory approval and credit transfer into other higher qualifications (eg, diploma and degree courses and relevant professional qualifications).

INSIDE ICAEW'S ATQ IN A BOX

A syllabus covering two levels, each level with four subjects

A detailed curriculum

International learning materials, to be customised for national context, including tax, law and currency

A question bank and mock examination for each subject

A set of reports to be customised, where appropriate, for each country:

- A full feature set on the ATQ and guidance on how it works
- Examination governance and processes
- The employer work scheme including details on how it should work
- Terms of Reference for ATQ Steering Committee

The ICAEW-designed ATQ is also intended to be 100% owned by the countries wishing to use it.

This ensures all the income from the ATQ will be invested in-country rather than paid to other countries using foreign exchange. This will benefit the national education sector, the accountancy profession and the national economy.

TYPICAL FEATURES OF A NATIONAL ATQ

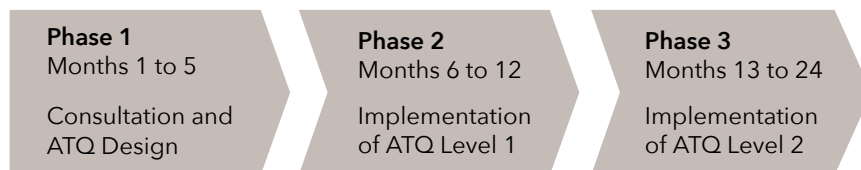
- Two year completion time but can vary from one to five
- Flexible teaching (eg, full- and part-time) – study time typically 45 hours per subject
- Language can be English and also national common language if appropriate
- Certification can be flexible – students can receive a certificate for each two subjects passed (eg, Bookkeeping)
- To be fully qualified a student should pass eight subjects and complete employment work experience
- PAO tier of membership should be open to fully qualified (eg, Technician Member)
- Credit transfer is ideal through ATQ benchmarking to national skills or education framework



ATQ project overview

With an international partner such as ICAEW, an ATQ can begin teaching in the classroom within 10-12 months of starting a project.

ICAEW recommends a three phase project approach as illustrated below:



Such a project would include many key project deliverables, such as:



The training of examiners, including in national tax and law



The training of teachers so that students receive a high-quality learning experience



Close engagement with government, regulators to ensure regulatory approval



An employer training scheme so that ATQ students and graduates receive practical work skills



A project delivery committee to ensure optimal support from all key stakeholders

PHASE 1 covers all relevant stakeholder engagement leading to recommendations on all of the key aspects of the ATQ, including target groups of students, languages for teaching, learning materials and exams. These provide the inputs to a roadmap, a finalised syllabus (see opposite example diagram) and other key deliverables and outputs.

PHASE 2 covers implementation of Level 1 of the ATQ. This includes commissioning of learning materials (LMs) and related due processes in the agreement to ensure that the LMs will be updated over a period of years at low cost.

PHASE 3 is very similar to Phase 2 in deliverables. It focuses on the Level 2 subjects of the ATQ including national tax and law.

EXAMPLE SYLLABUS

PRINCIPLES

PART 1

TQ1
Bookkeeping, control and accounting

PART 2

TQ3
Introduction to costing

TQ2
IT skill and software

TQ4
Introduction to business

TECHNICIAN

PART 3

TQ5
Financial statement preparation

TQ6
Management accounting

PART 4

TQ7
National taxation and practices

TQ8
National business and company law

WORK EXPERIENCE OR INTERNSHIP

Professional Qualification

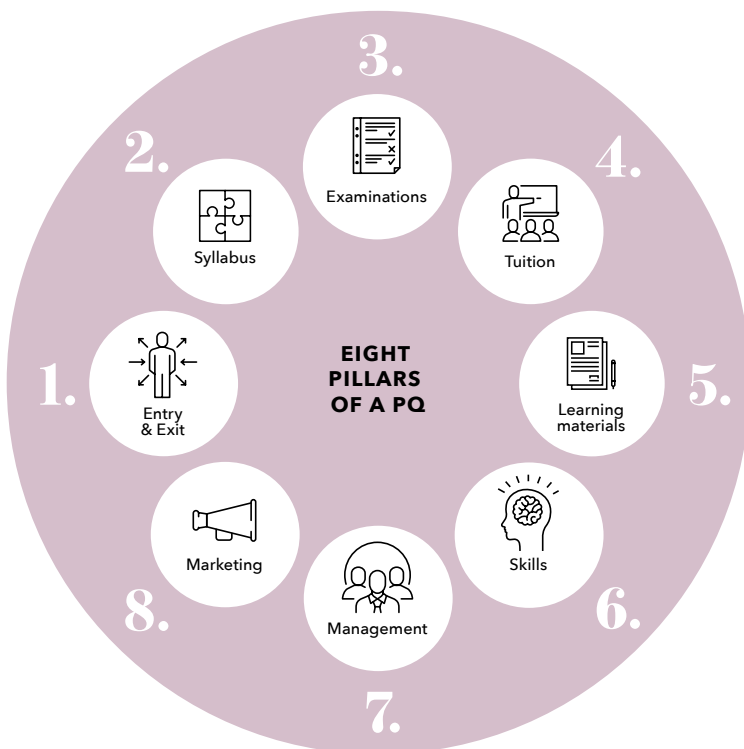
ICAEW has many years of experience working with countries to develop national professional qualifications (PQ). There are several reasons a national PQ may be desired:

- 1 Relevance to in-country tax and law etc
- 2 National brand for accountancy career path
- 3 Designed to satisfy all key stakeholders
- 4 Affordable to more students

Developing and launching a new PQ successfully requires a high level of commitment from all stakeholders to ensure that the new qualification delivers the outcomes required. ICAEW is uniquely positioned to support the professional accountancy organisation or PQ provider to undertake this important work.

DESIGNING A HIGH-QUALITY PQ

To ensure the successful implementation of a new PQ, the following eight key pillars must be in place and will shape the project.



PROJECT OVERVIEW

A PQ project would typically cover two essential phases:

PHASE 1: Design and development of new syllabus and commissioning of learning materials

PHASE 2: Implementation of a roadmap and all related activities to PQ launch

BENEFITS OF A NATIONAL PQ

- More opportunities for graduates to become professional accountants
- Improved understanding of national taxation and legal systems
- Improved pathways into the professional qualification
- Employers in all sectors will benefit from a larger pool of accountants
- A PQ syllabus rich in national case studies
- Exam and membership fees not leaving as foreign exchange
- Increased transparency and investor confidence



Quality Assurance for Audit

ICAEW has longstanding experience of providing technical assistance to establish quality assurance (QA) systems within professional accountancy organisations (PAOs) and regulatory bodies. We have partnered with many organisations in Africa, Asia, Europe and the Middle East.

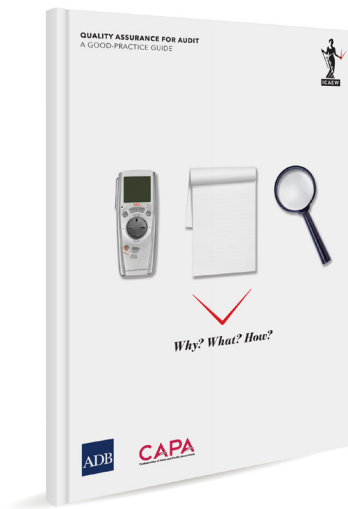
Effective QA for audit, audit regulation and enforcement are essential for improving financial reporting.

Our International publication, *QA for Audit: A Good-Practice Guide*, was co-published with Asian Development Bank and Confederation of Asia Pacific Accountants (CAPA) and is available at:

icaew.com/about-icaew/regulation-and-the-public-interest/international-capacity-building/capacity-building-projects

The guide summarises good practice from the leading audit regulators worldwide and builds on the limited international standards relevant to audit regulation such as the IFIAR Core Principles, and IFAC's SMO 1 and Audit Quality Framework.

Any project we undertake in this area will cover the requirements as detailed in the publication.



PROJECT BREAKDOWN

A QA for Audit project would typically cover:

- Developing a work plan for the project
- Designing and developing a scalable good-practice audit QA system roadmap for discussion with and review by ADB and CAPA
- Designing and developing PAO-specific audit QA roadmaps
- Conducting in-country workshops to develop PAO-specific audit QA roadmaps (including relevant training) and to facilitate commitment from the PAOs and relevant regulators
- Implementing the recommendations as detailed in the country roadmaps

WHY SHOULD A COUNTRY WORRY ABOUT QA FOR AUDIT?

QA for audit is the key driver for better financial information for companies

It strengthens investor confidence and foreign direct investment

It encourages good governance and increased transparency

It strengthens the public interest and public confidence

QA for Audit helps to:

- Increase public revenues
- Improve public infrastructure and services

There are more than 1.8m chartered accountants and students around the world and 186,500 of them are members and students of ICAEW. They are talented, ethical and committed professionals, which is why all of the top 100 Global Brands employ chartered accountants.*

ICAEW promotes inclusivity, diversity and fairness. We attract talented individuals into the profession and give them the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

Founded in 1880, we have a long history of serving the public interest and we continue to work with governments, regulators and business leaders around the world. And, as an improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

ICAEW is proud to be part of Chartered Accountants Worldwide, a global network of 750,000 members across 190 countries, which promotes the expertise and skills of chartered accountants on a global basis.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create strong economies and a sustainable future for all.

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* Source: CAW, 2020 - Interbrand, Best Global Brands 2019