

Report on the Observance of Standards & Codes (ROSC) Accounting & Auditing (A&A)

MODULE B: INSTITUTIONAL FRAMEWORK FOR CORPORATE FINANCIAL REPORTING

B.5 ACCOUNTANCY PROFESSION



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INTRODUCTION TO THE QUESTIONNAIRE

The purpose of this questionnaire is to gain an understanding of the accountancy profession in the jurisdiction; from pathways for aspiring accounting professionals and auditors¹ to enter the profession, through to maintaining professional competence, and the roles and responsibilities of professional accountancy organizations (PAOs).

Questions are based on international good practice in respect of the expected professional skills, education and competences for the accountancy profession such as the International Education Standards (IES) issued by the International Accounting Education Standards Board (IAESB). The questionnaire is structured as follows:

A. ENTRY REQUIREMENTS TO THE ACCOUNTANCY PROFESSION

B. CONTINUING PROFESSIONAL DEVELOPMENT

C. PROFESSIONAL ACCOUNTANCY ORGANIZATIONS

How should the questionnaire be completed?

- **Sections A and B** should be completed by the regulatory body for the accountancy profession².
- **Section C** should be completed by the local professional accountancy organization(s).
- Where applicable, state the legal instrument or code that establishes a requirement and the date of enactment.

¹Refer to Section A for the definitions of “accounting professionals” and “auditors” as used in the questionnaire.

² In jurisdictions where professional accountancy organizations self-regulate the profession, these sections may be completed by the local PAO(s).

[For completion by the regulatory body for the accountancy profession]

Please provide the following information when completing this questionnaire.

Country

Organization

Date of preparation

Telephone number

Individual(s) responsible for preparation

Address

Job Title(s)

Email

A. ENTRY REQUIREMENTS TO THE ACCOUNTANCY PROFESSION

The International Accounting Education Standards Board (IAESB) defines a professional accountant as “an individual who achieves, demonstrates, and further develops professional competence to perform a role in the accountancy profession and who is required to comply with a code of ethics as directed by a professional accountancy organization or a licensing authority”³. This definition includes individuals with the authority to sign the audit opinion/auditor’s report (referred to in some jurisdictions as a ‘statutory auditor’ or ‘engagement partner’). However, recognizing that there may be additional/different requirements for an individual to have the authority to sign the audit opinion/auditor’s report, such individuals are referred to as “auditors” throughout the diagnostic tool. Individuals who meet the definition of a professional accountant but who do not have this authority are referred to as “accounting professionals”.

1. Are there minimum entry requirements to the accountancy profession? If so, please select all that apply from the following list specifically for aspiring accounting professionals and auditors:

Requirements	Accounting professionals	Auditors
University-level education or equivalent	<input type="checkbox"/>	<input type="checkbox"/>
Practical experience	<input type="checkbox"/>	<input type="checkbox"/>
Completion of a professional examination	<input type="checkbox"/>	<input type="checkbox"/>
Other (please explain)		
<input type="text"/>		

³ Handbook of International Education Pronouncements (2015).

2. If education to at least university-level or equivalent is required to enter the accountancy profession, please briefly describe any specific requirements (e.g., undergraduate degree in accountancy or related discipline) for the following:

Accounting professionals

Auditors

3. If there is a practical experience requirement to enter the accountancy profession, please complete the following table in respect of aspiring accounting professionals and auditors (where different):

a. Is it a legal requirement to complete a period of practical experience? If so, please state the law or statute which establishes the requirement.

Accounting professionals

Auditors

b. Briefly describe the types of activity that qualify as practical experience.

Accounting professionals

Auditors

c. Indicate the length of the practical experience requirement.

Accounting professionals

Auditors

d. Indicate who can act as a practical experience provider.

Accounting professionals

Auditors

e. Describe how the practical experience requirement is assessed and by whom.

Accounting professionals

Auditors

f. Does the practical experience provider need to be accredited⁴? If so, please indicate which body provides the accreditation and briefly describe the requirements and any guidance provided.

Accounting professionals

Auditors

g. Is compliance with the practical experience requirements monitored? If so, please indicate which body is responsible for monitoring and briefly describe how monitoring activities are performed.

Accounting professionals

Auditors

4. Are aspiring accounting professionals required to complete **initial professional development** as defined in the International Education Standards (IES 2-6)? If so, please indicate briefly how compliance with the applicable IES is achieved. If not, please provide examples of the types of activity/assessments that must be completed (if applicable).

5. Are aspiring auditors required to comply with the requirements of IES 8, *Professional Competence for Engagement Partners responsible for audits of financial statements*? If so, please indicate briefly how compliance with IES 8 is achieved. If not, please provide examples of the types of activity/assessments that must be completed (if applicable).

⁴ Describe any accreditation requirements specifically for supervising practical experience.

6. If there is a professional examination requirement to enter the accountancy profession, please complete the following table, indicating the technical competence areas and learning outcomes⁵ which are covered in the examination(s) for aspiring accounting professionals and auditors (where different). Select all that apply.

Competence area/ Learning outcomes	Accounting professionals	Auditors
Financial accounting and reporting		
i. Apply accounting principles to transactions and other events.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Apply International Financial Reporting Standards (IFRSs) or other relevant standards to transactions and other events.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Evaluate the appropriateness of accounting policies used to prepare financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
iv. Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.	<input type="checkbox"/>	<input type="checkbox"/>
v. Interpret financial statements and related disclosures.	<input type="checkbox"/>	<input type="checkbox"/>
vi. Interpret reports that include non-financial data, for example	<input type="checkbox"/>	<input type="checkbox"/>
Management accounting		
i. Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Analyze financial and non-financial data to provide relevant information for management decision-making	<input type="checkbox"/>	<input type="checkbox"/>
iv. Prepare reports to support management decision making, including reports that focus on planning and budgeting, cost management, quality control, performance measurement, and benchmarking.	<input type="checkbox"/>	<input type="checkbox"/>
v. Evaluate the performance of products and business segments.	<input type="checkbox"/>	<input type="checkbox"/>
Finance and financial management		
i. Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Analyze an organization’s cash flow and working capital requirements.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.	<input type="checkbox"/>	<input type="checkbox"/>

⁵According to IES 2, Initial Professional Development – Technical Competence, the content of professional accountancy education should cover these areas. Students should attain ‘intermediate’ level proficiency (as defined by the IAESB) for all areas except for Economics where ‘foundation’ level of proficiency is sufficient.

Competence area/ Learning outcomes	Accounting professionals	Auditors
iv. Evaluate the appropriateness of the components used to calculate an organization's cost of capital.	<input type="checkbox"/>	<input type="checkbox"/>
v. Apply capital budgeting techniques in the evaluation of capital investment decisions.	<input type="checkbox"/>	<input type="checkbox"/>
vi. Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.	<input type="checkbox"/>	<input type="checkbox"/>
Taxation		
i. Explain national taxation compliance and filing requirements.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Prepare direct and indirect tax calculations for individuals and organizations.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Analyze the taxation issues associated with non-complex international transactions	<input type="checkbox"/>	<input type="checkbox"/>
iv. Explain the differences between tax planning, tax avoidance, and tax evasion.	<input type="checkbox"/>	<input type="checkbox"/>
Audit and assurance		
i. Describe the objectives and stages involved in performing an audit of financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Apply relevant auditing standards (for example, International Standards on Auditing), and applicable laws and regulations to an audit of financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.	<input type="checkbox"/>	<input type="checkbox"/>
iv. Apply quantitative methods that are used in audit engagements. Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.	<input type="checkbox"/>	<input type="checkbox"/>
Governance, risk management and internal control		
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 stakeholders in governance, disclosure, and transparency requirements.	<input type="checkbox"/>	<input type="checkbox"/>
ii. Analyze the components of an organization's governance framework.	<input type="checkbox"/>	<input type="checkbox"/>
iii. Analyze an organization's risks and opportunities using a risk management framework.	<input type="checkbox"/>	<input type="checkbox"/>
iv. Analyze the components of internal control related to financial reporting.	<input type="checkbox"/>	<input type="checkbox"/>

Business laws and regulations

i. Explain the laws and regulations that govern the different forms of legal entities.

ii. Explain the laws and regulations applicable to the environment in which professional accountants operate.

Information technology

i. Analyze the adequacy of general information technology controls and relevant application controls

ii. Explain how information technology contributes to data analysis and decision making.

iii. Use information technology to support decision making through business analytics.

Business and organizational environment

i. Describe the environment in which an organization operates, including the main economic, legal, political, social, technical, international, and cultural forces.

ii. Analyze aspects of the global environment that affect international trade and finance.

iii. Identify the features of globalization, including the role of multinationals

Economics

i. Describe the fundamental principles of microeconomics and macroeconomics.

ii. Describe the effect of changes in macroeconomic indicators on business activity.

iii. Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.

Business strategy and management

i. Explain the various ways that organizations may be designed and structured.

ii. Explain the purpose and importance of different types of functional and operational areas within organizations.

iii. Analyze the external and internal factors that may influence the strategy of an organization.

iv. Explain the processes that may be used to implement the strategy of an organization.

v. Explain how theories of organizational behavior may be used to enhance the performance of the individual, teams, and the organization.

7. Please indicate the business language for the professional examination(s) and course materials.

8. Please indicate the following for the professional examination (if there are multiple papers, please only respond for the final examination):

a. Briefly describe the methods of assessment (e.g., case studies, multiple choice examinations, open ended questions, oral examinations etc.)

b. Who administers the examination(s)/assessments?

c. Is there any institution that offers support/ preparation for the examination?

d. Are there any exemptions permitted to the examination? If so, please describe.

e. Are there any restrictions on the number of examination/assessment attempts?

f. Is there a maximum time period for completing all of the assessments/examinations?

g. Provide the overall number of candidates who were enrolled in the final examination in the last three years and include a breakdown by male/female candidates where available:

h. Percentage of students who passed the final examination in the last three years and include a breakdown by male/female candidates where available.

9. Is there a code of ethics with which **auditors** are required to comply? If so, please provide yes/no responses to the following:

Has the Code of Ethics for Professional Accountants as issued by the International Ethics Standards Board for Accountants (IESBA) been adopted without modifications?	
Has a locally-developed code of ethics been adopted?	
Does the code of ethics (IESBA Code of Ethics or local code) have legal backing in the jurisdiction (e.g., are auditors required by law or other statute to comply?)	

10. Which body is responsible for setting ethical standards in the jurisdiction?

11. Briefly describe the process for developing the code of ethics (if there is a local code) or for adopting the IESBA Code (e.g. by reference, reissuance as the national Code or convergence).

12. If a local code of ethics has been developed, describe how the code is aligned with the IESBA *Code of Ethics for Professional Accountants* in the following areas (if applicable). Select all areas that apply and briefly describe the requirements.

<input type="checkbox"/>	a. Integrity⁶	
<input type="checkbox"/>	b. Objectivity	
<input type="checkbox"/>	c. Professional Competence and Due Care	
<input type="checkbox"/>	d. Confidentiality	

⁶ Refer to Part A General Application of the Code and the Fundamental Principles

<input type="checkbox"/>	e. Professional Behavior	
<input type="checkbox"/>	f. Independence - Audit and Review Engagements⁷	
<input type="checkbox"/>	g. Independence - Other Assurance Engagements⁸	
<input type="checkbox"/>	h. Other (please explain)	

13. Are **accounting professionals** required to comply with a code of ethics? If so, please indicate (by selecting all that apply) whether the requirements for this code is aligned to the IESBA *Code of Ethics for Professional Accountants*, in particular the requirements of:

<input type="checkbox"/>	Part A, General Application of the Code
<input type="checkbox"/>	Part B, Professional Accountants in Public Practice
<input type="checkbox"/>	Part C, Professional Accountants in Business.

14. If the IESBA *Code of Ethics for Professional Accountants* has not been adopted or adopted with modifications, is there an ongoing process for full adoption?

15. Describe any challenges with respect to compliance with the code of ethics in the jurisdiction.

⁷ Refer to Section 290 of the Code

⁸ Refer to Section 291 of the Code

B. CONTINUING PROFESSIONAL DEVELOPMENT

16. Describe the requirements for continuing professional development (CPD) for (i) accounting professionals⁹ and (ii) auditors¹⁰ in the jurisdiction, indicating whether these requirements are compulsory.

17. Indicate the major providers of CPD in the jurisdiction, stating whether these providers are required to be accredited and name the body which provides accreditation.

18. Is there a systematic process in place to monitor and enforce compliance with CPD requirements? If so, please briefly describe.

⁹ As recommended in IES 7, *Continuing Professional Development*.

¹⁰ As recommended in IES 8, *Professional Competence for Engagement Partners*

[For completion by the local professional accountancy organization(s)]

Please provide the following information when completing this questionnaire.

Country

Organization

Date of preparation

Telephone number

Individual(s) responsible for preparation

Address

Job Title(s)

Email

C. PROFESSIONAL ACCOUNTANCY ORGANIZATION(S)

19. Please provide the following information on the professional accountancy organization(s) (PAOs) that are active in the jurisdiction (If there are multiple PAOs, use the additional information page at the end of the questionnaire if necessary):

a. Name

b. Date of establishment

c. Is the PAO governed by a leadership team or governing committee? If so, please describe:

- i. The role of the leadership team/governing committee (e.g., President, Chief Executive, General Secretary etc.)
- ii. Whether the leadership is elected and the elected term if applicable.
- iii. If the PAO is run by full-time staff or on a voluntary basis.

d. Composition of the leadership team or governing committee.

e. Official title(s) of members (if applicable)

f. Briefly describe the membership requirements (including recognition of foreign qualifications where applicable)

g. Total number of registered members including a breakdown by male/female if data is available (please indicate the date and separate by membership tier if applicable: student, associate, full member etc.):

h. Total number of registered members in public practice (please indicate the date and include a breakdown by male/female if data is available):

i. Number of new members in the last three years (please provide numbers for each year and include a breakdown by male/female if data is available):

j. Status of membership of the International Federation of Accountants (IFAC) (e.g., affiliate, associate, full) and date of accession.

k. Status of membership of regional or other international professional groupings or organizations (if applicable).

l. Source(s) of funding (including percentages)

20. Please briefly describe the statutory powers (if any) of PAOs in the jurisdiction (e.g., issuing of licenses or certifications, standard-setting, monitoring, and investigation and discipline of members)

21. Does the PAO investigate cases of potential misconduct or disciplinary infractions by its members¹¹?

i) If so, please complete the following:

a. Briefly describe the monitoring, investigation and enforcement mechanism(s).

b. Describe the powers the body has in conducting its investigations (e.g., can it require production of relevant documentation?)

c. Describe the range of sanctions available to the body (e.g., exclusion from the professional body, civil or criminal penalties or referrals)

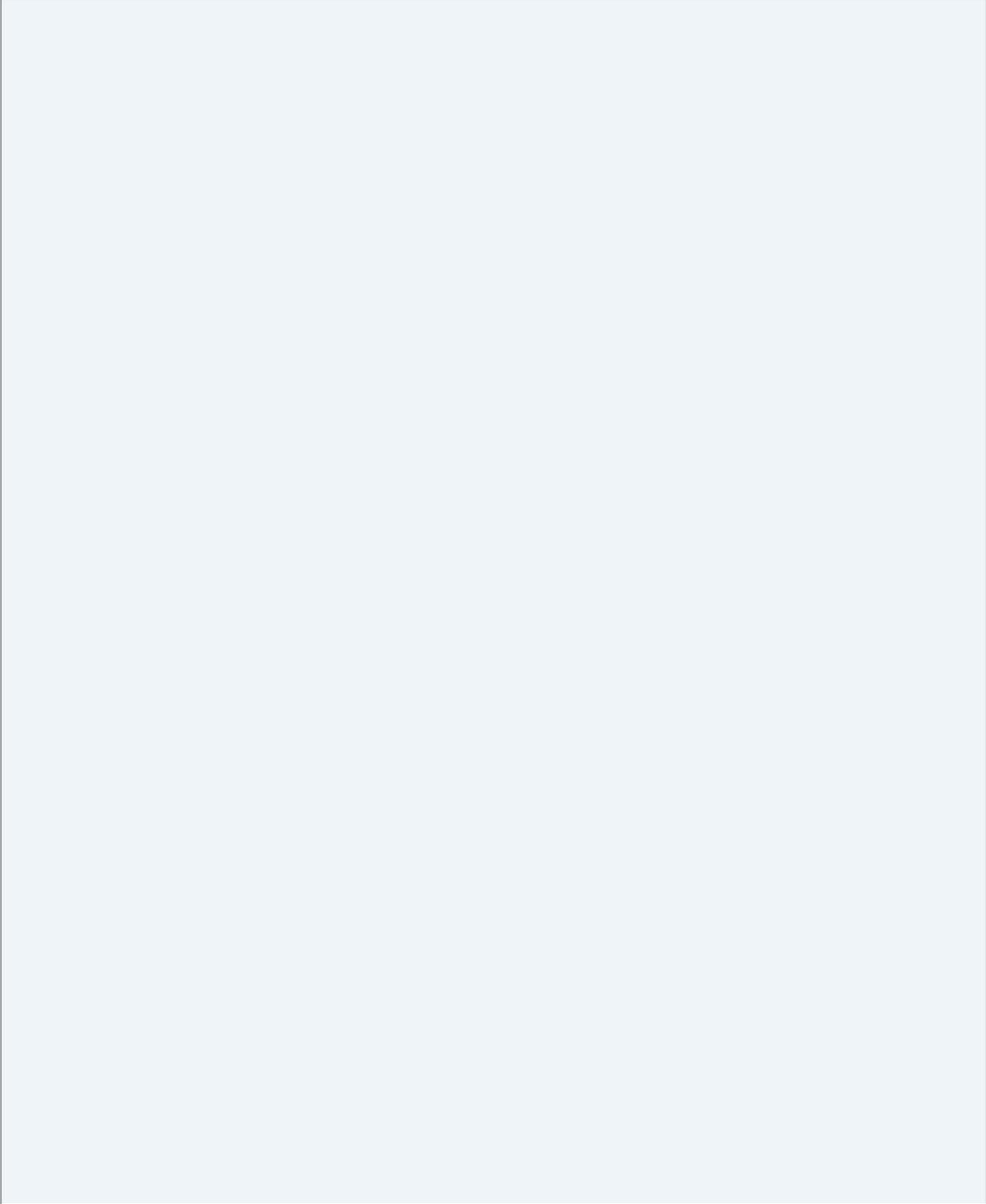
d. Provide examples of major enforcement actions in the last five years, describing the nature of the offence and the sanction imposed.

ii) If not, please indicate whether investigation is conducted by another body (such as the body responsible for audit quality assurance) or not at all.

¹⁰ As required for compliance with SMO 6 Investigation and Discipline.

ADDITIONAL INFORMATION

Please indicate the corresponding section and question number if using this page to provide additional information.

A large, empty rectangular box with a thin black border, intended for providing additional information. The box is light blue and occupies most of the page below the instruction.