



**Federation of European Accountants**  
**Fédération des Experts comptables Européens**

# **FEE Qualification and Market Access Working Party**

## **Structure and Organisation of the Accountancy Profession**

### **Key features**

### **United Kingdom**

Status: March 2012

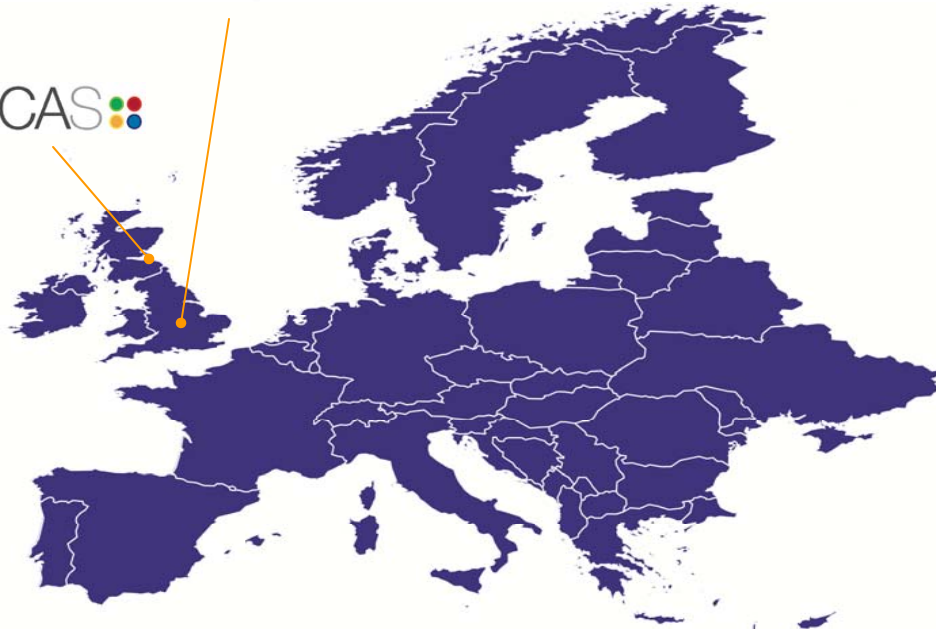
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# United Kingdom



CIPFA | The Chartered Institute of Public Finance & Accountancy



**Flag:**



**Population:** approx. 62,000,000

**Capital:** London

**Languages:** English

**In the EU since:** 1973

Institute of Chartered Accountants in England and Wales (ICAEW): <http://www.icaew.com/>

The Association of Chartered Certified Accountants (ACCA): <http://www.accaglobal.com/>

Chartered Institute of Public Finance and Accountancy (CIPFA): <http://www.cipfa.org.uk/>

Chartered Institute of Management Accountants (CIMA): <http://www.cimaglobal.com/>

Institute of Chartered Accountants of Scotland (ICAS): <http://icas.org.uk/default.aspx>

- The presentation covers the UK accountancy sector of which the major bodies are member of FEE:
  - ↪ The Association of Chartered Certified Accountants (ACCA): <http://www.accaglobal.com/>
  - ↪ Chartered Institute of Management Accountants (CIMA): <http://www.cimaglobal.com/>
  - ↪ Chartered Institute of Public Finance and Accountancy (CIPFA): <http://www.cipfa.org.uk/>
  - ↪ The Institute of Chartered Accountants in England and Wales (ICAEW):  
<http://www.icaew.com/>
  - ↪ Institute of Chartered Accountants of Scotland (ICAS): <http://www.icas.org.uk/icas/>
- Members of the professional bodies are active in the whole spectrum of accountancy services, and also work more broadly in business, education and the public sector.
- It is important to note that in the UK there are no market access requirements for accountancy and tax services.
- As specified in the presentation, some of the professional bodies authorise and regulate their members in Statutory Audit and Insolvency, which are reserved regulated activities.
- See following slide for overview of UK system, regarding ultimate responsibility of public oversight and professional bodies' roles within this framework.
- See slide 17 for bodies which are not members of FEE.

# Summary of roles within UK system

## Government

- Has ultimate responsibility and power to register, monitor and regulate statutory auditors
- Delegates via the Financial Reporting Council (FRC) powers to professional accounting bodies

## Financial Reporting Council

- Oversees professional bodies' overall activities through Professional Oversight Board
- Sets accounting, auditing, auditor independence and corporate governance standards
- Reviews and investigates listed entity accounts for non-compliance with standards
- Monitors auditors of listed and certain other entities
- Investigates public interest complaints against members

## Professional Bodies

- Register and regulate auditors, through rules of suitability and conduct
- Monitor auditors of unlisted entities
- Investigate complaints against members

# Professional bodies – FEE members

Professional bodies	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
Protected title	Chartered Certified Accountant	Chartered Management Accountant	Chartered Public Finance Accountant	Chartered Accountant	Chartered Accountant
Reserved activities*	Statutory Audit and Insolvency	n/a	n/a	Statutory Audit and Insolvency	Statutory Audit and Insolvency
Included authorisations	n/a	n/a	n/a	n/a	n/a

\* ACCA, ICAEW and ICAS are Recognised Qualifying Bodies (RQBs) for these reserved activities, and also act as Recognised Supervisory Bodies (RSBs) regulating their members in these areas under the oversight of the Professional Oversight Board (see also slide 17).

NB: Chartered Accountants Ireland (CAI) is also a registered RQB in the UK in accordance with Schedule 10 of the 2006 UK Companies Act. In accordance with CAI bye-laws, the Chartered Accountants Regulatory Board (CARB) carries out all the monitoring functions of the CAI as RSB.

	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<b>Regulated profession*</b>	Yes	Yes	Yes	Yes	Yes
<b>Supervision</b>	Yes	Yes	Yes	Yes	Yes
<b>Competent authority**</b>	Professional Oversight Board (POB)	POB	POB	POB	POB

\* Regulation by the professional bodies of their members.

\*\* Competent authority refers to the oversight authority, as per the Statutory Audit Directive 2006/43/EC. In the UK, POB fulfils the requirements of the Directive with regard to ultimate responsibility for audit regulation and, as noted, also undertakes a broader oversight function of the activities of the professional bodies.

	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<b>No. of worldwide qualified professionals (31.10.2010)</b>	144.397	83.487	13.668	136.615	18.780
<b>No. of Students in the UK and Republic of Ireland, 2010, as per POB 2011 Report</b>	91.690	54.470	2.687	14.510	2.962
<b>No. of all trainees (31.10.2010) *</b>	357.952	99.264	2.764	17.653	3.004

\* These figures include trainees in and outside the UK for some of the bodies.

Figures taken from POB Key Facts and Trends in the Accountancy Profession report 2011.

	Title	Title	Title	Title	Title
	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<b>Pre-entry</b>	<p>Routes to entry</p> <p>a) direct entry after secondary level education</p> <p>b) entry after completion of a university degree or post graduate programme</p> <p>c) Entry after Certified Accounting Technician (CAT) level</p>	<p>Open entry qualification.</p> <p>Students must complete the <i>Certificate in Business Accounting</i> before progressing onto the professional qualification.</p> <p>Entry after qualification at Association of Accounting Technicians (AAT) level</p>	<p>Routes to entry</p> <p>a) direct entry after secondary level education</p> <p>b) entry after completion of a university degree or post graduate programme</p> <p>c) entry after qualification at AAT level</p>	<p>4 main routes to entry</p> <p>a) direct entry after secondary level education</p> <p>b) entry after completion of a university degree or post graduate programme</p> <p>c) entry after ICAEW's Certificate in Finance, Accounting and Business (CFAB)</p> <p>d) entry after qualification at AAT level</p>	<p>Routes to entry</p> <p>a) direct entry after secondary level education</p> <p>b) entry after completion of a university degree or post graduate programme</p> <p>c) entry after qualification at AAT level</p>

See slide 17 for information on the Association of Accounting Technicians (AAT/CAT)



	Title	Title	Title	Title	Title
	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<p><b>General initial education steps (without possible exemptions)</b></p>	<ul style="list-style-type: none"> <li>• Study for and pass 14 ACCA professional qualification exams (depending on exemptions)</li> <li>• Complete a professional ethics module</li> <li>• Complete 3 years relevant work experience</li> </ul>	<ul style="list-style-type: none"> <li>• Complete CIMA's Certificate in Business Accounting (5 exams)</li> <li>• Study for and pass CIMA's 10 professional qualification exams)</li> <li>• Complete three years relevant work experience</li> </ul>	<ul style="list-style-type: none"> <li>• Complete 3 stages, 1. Professional Certificate, 2. Professional Diploma, 3. Strategic Phase</li> <li>• 12 modules to be completed in total</li> <li>• Submission of a workplace log detailing relevant work experience (usually around 3 years)</li> </ul>	<ul style="list-style-type: none"> <li>• Sign a training agreement</li> <li>• Register as a student with ICAEW</li> <li>• Complete the four essential elements of Associate Chartered Accountant (ACA) training (15 ACA modules, 450 days technical work experience, Initial Professional Development, Structured Training in Ethics)</li> <li>• Qualify and apply for ICAEW membership</li> </ul>	<ul style="list-style-type: none"> <li>• Enter and complete a training contract with an ICAS authorised employer for the prescribed period, normally three years</li> <li>• Achieve relevant work experience requirements and achieve key competencies</li> <li>• Study for and pass three stages of examinations (subject to exemptions)</li> <li>• Complete a course and assignment in Business Ethics</li> </ul>



In the UK there are no market entry requirements for accountancy and tax services.

The information below relates to requirements for practising members of individual bodies.

# Market access resident professionals

	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<b>Registration required</b>	Yes	Yes	Yes	Yes	Yes
<b>Competent authority for registration</b>	ACCA	CIMA	CIPFA	ICAEW	ICAS
<b>Cost of appointment / registration</b>	£193 Membership Fee and Practising Certificate £385	£234 Membership Fee for Fellows and Member in Practice £85	£285 Membership Fee and Practice Assurance Scheme £200	£300 Membership Fee and Practising Certificate £268	£396 Membership Fee And Practising Certificate £474
<b>Oath required</b>	No	No	No	No	No
<b>Insurance required</b>	Yes	Yes	Yes	Yes	Yes
<b>Professional address required</b>	Contact address required	MiP (Member in Practice) address required	PAS (Practice Assurance Scheme) address required	Contact address required	Contact address required

# Market access

## *professionals from other EU Member States*

### Temporary provision of non-statutory audit services\*

<b>Pro-forma declaration</b>	➤ No
<b>Requested data</b>	➤ No
<b>Requested documents</b>	➤ No
<b>Competent authority</b>	➤ No
<b>Factual checks</b>	➤ No
<b>Standard form</b>	➤ No
<b>Compliance with host Member State rules</b>	➤ No

\* Not relevant as in the UK there are no market entry requirements for non-statutory accountancy and tax services.

# Market access

## *professionals from other EU Member States*

### Establishment of Statutory Auditors

<b>Required procedure</b>	➤ Yes
<b>Infrastructure</b>	➤ No* (see footnote)
<b>Professional address</b>	➤ No* (see footnote)
<b>Competent authority</b>	➤ Three UK Accountancy Bodies ICAEW, ACCA, ICAS

### Aptitude test

<b>Competent authority</b>	➤ Professional Accountancy Bodies
<b>Frequency</b>	➤ ACCA: written assessment (twice a year) and oral assessment (by appointment); ICAEW e-assessment (available at any time); ICAS: written assessment (law 5 times a year, tax 3 times a year) and oral assessment (by appointment)
<b>Form</b>	➤ See 'Frequency', above
<b>Main Subjects</b>	➤ UK Law and Tax
<b>Language</b>	➤ English
<b>Repetition</b>	➤ Dependent on individual body
<b>Statistics</b>	➤ n/a

\* For example, there are no requirements in the ACCA Global Practising Regulations or in ICAEW's Audit Regulations for an EU migrant auditor to have a formal office or professional address in the UK.

# Market access

## *professionals from other EU Member States*

### Establishment of other accountants not providing statutory audit

<b>Compensation measure</b>	None
<b>Competent authority</b>	n/a
<b>Procedure</b>	n/a

N.B. In the UK, there are no market entry requirements for accountancy and tax services

# Market access

## *professionals from Third Countries*

### Establishment of Statutory Auditors

<b>Required procedure</b>	➤ The Professional Oversight Board (POB) assesses the third country professional's qualifications for equivalence and generally sets an aptitude test.
<b>Infrastructure</b>	➤ No*
<b>Professional address</b>	➤ No*
<b>Competent authority</b>	➤ The Professional Oversight Board (POB)

### Aptitude test

<b>Competent authority</b>	➤ The Professional Oversight Board (POB)
<b>Frequency</b>	➤ As per POB requirements
<b>Form</b>	➤ As per POB requirements
<b>Main Subjects</b>	➤ As per POB requirements
<b>Language</b>	➤ As per POB requirements
<b>Repetition</b>	➤ As per POB requirements
<b>Statistics</b>	➤ n/a

\* There are no requirements in the Audit Regulations for an auditor in the UK to have a formal office or professional address.

\* These details are required by accountancy bodies when they help set up firms – so they can write to the firm and calculate the appropriate subscription fees.

# Market access *professionals from Third Countries*

## Establishment of accountants not providing statutory audit

<b>Compensation measure</b>	None
<b>Competent authority</b>	Department for Business, Innovation and Skills
<b>Procedure</b>	<p>As there are no market access requirements for non-statutory audit activities, establishment is primarily an immigration matter.</p> <p>Some reciprocal recognition agreements exist between UK and third country membership bodies.</p>

	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
<b>Membership</b>	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
<b>No. of members</b>	144.397	83.487	13.668	136.615	18.780
<b>Institute staff</b>	981	371	304	619	141
<b>Date of establishment</b>	1904	1919	1885	1880	1854
<b>Local branches</b>	83	11(countries)	13	19	2
<b>Subject to public oversight</b>	Yes	Yes	Yes	Yes	Yes
<b>Oversight authority</b>	POB	POB	POB	POB	POB

Figures taken from POB Key Facts and Trends in the Accountancy Profession report 2011 and from the accountancy bodies' websites.



Involvement in Qualification and Market Access	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
Initial education	Yes	Yes	Yes	Yes	Yes
Examination	Yes	Yes	Yes	Yes	Yes
Approval and registration	Yes	Yes	Yes	Yes	Yes
Continued Professional Development	Yes	Yes	Yes	Yes	Yes

Activities	'ACCA'	'CIMA'	'CIPFA'	'ICAEW'	'ICAS'
Standard setting	Financial Reporting Council (FRC)	FRC	FRC	FRC	FRC
Quality assurance	Yes for members in public practice and for members registered for audit in relation to non-PIES, under POB oversight	Yes (for members in public practice)	Yes (for members in public practice)	Yes for members in public practice and for members registered for audit in relation to non-PIES, under POB oversight	Yes for members in public practice and for members registered for audit in relation to non-PIES, under POB oversight
Disciplinary measures	Yes as above	Yes	Yes	Yes as above	Yes as above
Representation of interests	Yes	Yes	Yes	Yes	Yes

## Professional bodies – non-FEE members

<b>Professional body</b>	Chartered Institute Of Taxation (CIOT)	Institute of Financial Accountants (IFA)	Association of International Accountants (AIA)	Association of Accounting Technicians (AAT)	Institute of Certified Bookkeepers (ICB)	Association of Authorised Public Accountants (AAPA) ***
<b>Title</b>	Chartered Tax Adviser	Financial Accountant	International Accountant	Accounting Technician	Certified Legal Bookkeeper	Authorised Public Accountant
<b>No. of worldwide qualified professionals (31.10.2010)</b>	15.000	8.357	7.046	> 120.000	> 150,000 members and students	n/a
<b>Reserved activities</b>	n/a	n/a	Statutory Audit and Insolvency*	n/a	n/a	Statutory Audit**

\* The AIA is a Recognised Qualifying Body (RQB) for these reserved activities, but members must register with a Recognised Supervisory Body (RSB) in order to practise.

\*\* AAPA is an RSB but not a RQB.

\*\*\* AAPA is a subsidiary body of ACCA.