

CAPA GUIDELINES

Title: Essential Components of a Professional Accountancy Body: A Guide

COMPONENT 1: ADMISSION/ADVANCEMENT STANDARDS

Some bodies require completion of their professional program before admission as a member while other require entry level membership before allowing enrolment in their Professional Program.

A. Entry Level Membership Admission Requirements

- (i) Level (i.e. full)
- (ii) Educational requirements including their levels.
- (iii) Experience requirements (if any).
- (iv) Evidentiary requirements.
- (v) Fees payable.
- (vi) Statutory requirements.

B. Professional Program

- (i) Educational requirements including their levels.
- (ii) Evidentiary requirements (i.e. production of formal documents in substantiation)
- (iii) Fees payable (if any)
- (iv) Nationality or residency requirement (if any)
- (v) Statutory requirements
- (vi) Examination requirements (i.e. uniform final examination or otherwise)

COMPONENT 2: FULL MEMBER

- (i) Educational requirements.
- (ii) Professional program requirements.
- (iii) Experience requirements.
- (iv) Fees payable.
- (v) Nationality or residency requirements.
- (vi) Professional body, statutory or registration requirements.
- (vii) Permitted activities.
- (viii) Professional liability insurance - mandatory or voluntary.

COMPONENT 3: CONTINUING PROFESSIONAL EDUCATION (CPE)

- (i)
 - (a) Mandatory
 - (b) Voluntary
- (ii) May be provided by professional body or external agencies.
- (iii) Reporting on compliance by member.
- (iv) Penalty for non-compliance.
- (v) CPE program and its funding. (e.g. may be subsidised by professional body)

COMPONENT 4: TECHNICAL STANDARDS

- (i) National accounting standards used and how they are set and their status (e.g. legally enforced, set by accounting profession)
- (ii) National auditing standards used (e.g. legally enforced, set by accounting profession)
- (iii) International Accounting Standards adopted.
- (iv) International Auditing Standards adopted.

COMPONENT 7: DISCIPLINARY RULES (including professional standards)

- (i) Disciplinary rules promulgated -backed by statute or issues by Professional body.
- (ii) Disciplinary rules – mandatory.
- (iii) Disciplinary rules – voluntary.
- (iv) Enforcement procedures are in place and are published.
- (v) Involvement of non-members in disciplinary hearings.
- (vi) Penalties and appeals processes in place (appeals might be to an external body)

COMPONENT 8: MANAGEMENT AND ADMINISTRATIVE STRUCTURES (including systems, financial and other key ratios)

- (i) Mission statement.
- (ii) Objectives.
- (iii) Organizational chart detailing structure, responsibilities, accountabilities, and lines of communication (including with Governance), roles and duties.
- (iv) Key financial and non-financial data provided at regular (e.g. monthly) intervals.
- (v) Key ratios (financial and non-financial).
- (vi) Statistics on key data provided (e.g. membership, students, hours of volunteer effort)
- (vii) Membership and other systems (computerized/manual).
- (viii) Appointment and qualifications of senior staff, – criteria established for appointment.
- (ix) Business Plan in place.

COMPONENT 9: GOVERNANCE

- (i) Type of entity (e.g. association, company) and how incorporated. (e.g. Federal, State)
- (ii) Governing body (e.g. board of directors) composition, duties and responsibilities, election by members.
- (iii) Governance structure including committees, divisions and branches.
- (iv) Modes of communications with members.
- (v) Representation of members' interests.
- (vi) Voting rights of members (i.e. what category of member is eligible to vote for councillors, at annual and other general meetings of members)
- (vii) Relationship to management.
- (viii) Involvement in accounting and auditing standard setting process.
- (ix) Governance structure flexible so as to cope readily and in a timely manner to changing circumstances.
- (x) Strategic plan and Budget in place.

COMPONENT 10: EXTERNAL AFFILIATIONS/MEMBERSHIPS

- (i) National. (e.g. Council of Professions; with Government Instrumentalities)
- (ii) International (CAPA, IFAC, IASC, SAFA, AFA)
- (iii) Regional.