



Audit Qualification



Guidance for
counselling
members

August 2023

Guidance for counselling members

ICAS is a Recognised Qualifying Body under the UK Companies Act which means that ICAS can award the Audit Qualification in the UK. The attainment of the CA qualification doesn't automatically entitle an ICAS member to the Audit Qualification.

To be eligible to hold the Audit Qualification a student must have met the following criteria:

- Admitted to membership of ICAS.
- At least 210 days of work experience in external auditing must be gained. Of these 210 days, at least 105 days must be in the area of statutory audit.
- The balance must be in Other Accepted audit work and for this purpose ICAS has agreed with our regulator, the Financial Reporting Council several areas of work fall that fall under Statutory or Other Accepted audit work. More information on statutory and other accepted areas of work is included in this guide.

Only audit experience gained while working in an audit-registered ATO may be recognised by ICAS as counting towards the audit experience requirements of the UK Audit Qualification.

Achievement of UK Audit Qualification as part of CA qualification

When completing the logbook and recording Relevant Practical Experience, students are required to categorise any experience gained in statutory or other accepted audit as part of their training contract under the appropriate heading. Eligible work under each category is as follows:

| Category | Eligible work |
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| Statutory Audit | <p>Auditors appointed as per s1210 of the Companies Act 2006. These broadly include auditors appointed under specified sections of the following statutes (but please refer to the full wording of s1210 for clarity):</p> <ul style="list-style-type: none"> • Companies Act 2006 • Building Societies Act 1986 • Friendly Societies Act 1992 • Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) regulations 2008 • Insurance Accounts Directive (Miscellaneous banks) regulations 2008 • Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (which extends s1210 of the Companies Act 2006) <p>Auditors conducting audit work undertaken in respect of a qualifying partnership which is required by the Partnership (Accounts) Regulations 2008 to be conducted in accordance with the requirements of Part 15 and Part 16 of the Companies Act 2006.</p> <p>Overseas statutory audit work in countries where the FRC has assessed the law and practice to be similar to that in the UK. These countries are:</p> <ul style="list-style-type: none"> • Republic of Ireland (since 1989). • Germany (since 2001). • Cyprus, the Netherlands and Luxembourg (since 7 May 2010). • Jersey, Guernsey and the Isle of Man in respect of market traded companies since 4 April 2011. |

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| Other accepted audit | The audit of other entities by registered auditors in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK). |
| Other relevant practical experience | Any audit related work that does not fall under Statutory or Other Accepted Audit. |

When recording any Statutory or Other accepted audit time students are also required to complete a reflective statement describing the work that has been performed. This should include the following:

- Type of engagement.
- Category of audit i.e. Statutory or other accepted.
- Examples of the types of audit work performed, for example, accounts tested, auditing procedures conducted.

Further guidance on types of engagement and the relevant category of audit is included in [Appendix 1](#).

Applying for the Audit Qualification

If a student wishes for any time recorded in their logbook relating to audit to be counted towards the audit qualification, this must be approved by you as their counselling member.

Once the student has completed their logbook and this has been approved, they'll be requested to confirm as part of the logbook submission process if they wish to apply for the Audit Qualification at that time.

Review of Audit Qualification record by counselling member

You're required to review the time recorded as audit, confirming that any time recorded is eligible under the criteria provided within this guide. You're also required to confirm that the time has been categorised correctly through review of the information provided in line with the guidance provided within this guide. This should be confirmed as part of your review of the logbook before approval.

Review of Audit Qualification Application by ICAS

All applications for the Audit Qualification will be reviewed by ICAS with a view to determining whether the Relevant Practical Experience requirements have been achieved. Where issues are identified with the logbook, action points will be provided to the student and must be addressed prior to approval and award of the Audit Qualification. In such instances, you'll be required to approve any amendments to their recorded time.

Academic integrity

To protect the academic integrity of the logbook and its use as evidence towards the CA qualification and, where applicable, the Audit Qualification, you're expected to remain vigilant when reviewing logbooks for potential indicators or plagiarism or misconduct by a student and to take action/report to ICAS where such activity is identified. Such indicators may include but are not limited to:

- Duplication of content between student logbooks.
- Evidence that suggests content recorded has been copied from other sources e.g. other CA student logbooks or commentary by third parties on their performance.
- Practical experience recorded which is judged contradictory to competencies achieved or detail included within reflective statements.

As part of the review process, ICAS will also consider any indicators or plagiarism or misconduct by a student and or counselling member.

If ICAS suspects or detects instances of plagiarism or misconduct these will be reported to the Quality and Assurance Regulations Manager (practical experience) for investigation who will determine any further action required. Such actions may include but aren't limited to:

- Follow up action with the counselling member or ATO.
- Referral to the ICAS Academic Integrity and Appeals Panel.
- Referral to the ICAS Investigations Team.

ICAS reserves the right to immediately review and if applicable suspend/withdraw the Authorisation Status of any ATO or counselling member where there is evidence of a breach of ICAS regulations, whether deliberate, or inadvertently.

Recording of audit time in logbook

Any work noted under the category Relevant Practical Experience still counts towards a student's practical experience requirements but should not be recorded as audit time.

| Type of engagement | Category | Guidance notes |
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| Audit of financial statements of company, LLP or Building Society | Statutory | This is the most common type of time recorded by students working in external audit under International Auditing Standards and should be recorded as Statutory audit provided it falls under one of the eligible areas. |
| Audit of financial statements of a charity | Statutory Other accepted | This will depend on whether the charity has been incorporated. A number of large charities will be incorporated as companies limited by guarantee and time may be recorded as Statutory Audit. However, there are some (e.g.: charity by Royal Charter) that are not. Time for such charities may be recorded as Other Accepted if the work has been performed in accordance with Statements of Auditing Standards, International Auditing Standards, or |

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| | | International Auditing Standards (UK). |
| Audit of financial statements of a trading subsidiary (of a charity or public body) which is incorporated as a company or an LLP | Statutory | <p>It's quite common for local government, higher education bodies and charities to have incorporated subsidiaries. In such instances the time should be allocated to Statutory as they are audits of financial statements of a company.</p> <p>The parent entity is not normally incorporated and time should be recorded as Other Accepted if the work has been performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> |
| Audit of financial statements of a public sector body in Scotland | Other accepted | As such bodies are not normally incorporated this time should be recorded as Other accepted if the audit work has been performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK). |
| Audit of financial statements of a UK government ministry, agency or other arms-length body | Other accepted | As such bodies are not incorporated this time should be recorded Other accepted if the audit work is performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK). |
| Audit of financial statements of a 'relevant authority' in England | Other accepted | <p>See here for list of relevant authorities.</p> <p>As such bodies are not incorporated this time should be recorded as Other accepted if the audit work has been performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> |
| Audit of the financial statements of a pension fund | Other accepted | These fall under a separate legislative framework to company audits, but will normally be performed in accordance with Statements of Auditing Standards, International Auditing |

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| | | <p>Standards, or International Auditing Standards (UK).</p> <p>As such, audits of pension fund financial statements should be recorded as Other accepted.</p> |
| Tax audit | <p>Statutory</p> <p>Other Accepted</p> <p>Relevant Practical Experience</p> | <p>Where tax audit work has been performed, this may be classed as Statutory or Other accepted as long as it was performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>If it is instead recorded as relevant practical experience then this is also acceptable, but may affect eligibility for the audit qualification.</p> <p>Tax expenses and liabilities in the financial statements can be tested as part of a normal audit and could thus be recorded as Statutory or Other Accepted depending on the nature of the entity.</p> |
| Internal audit | Relevant Practical Experience | <p>This work does not meet IFAC/ FRC definition of an assurance engagement and should not be treated in the logbook as 'audit'. It may, however, be recorded as Relevant Practical Experience.</p> |
| Other auditor duties in public sector | Relevant Practical Experience | <p>Examples may include performance/ VFM/ Best Value audits, audit of grant claims, reports in public interest/ Section 22 reports.</p> <p>This work has its own underlying guidance and is not performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>As such it should be recorded as Relevant Practical Experience, but not under either category of audit.</p> |
| Independent examination of financial statements of a charity | Relevant Practical Experience | <p>This is a form of limited assurance engagement for the financial statements of small charity. Although it is an assurance engagement, it is not a full audit and is not normally performed in accordance with</p> |

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| | | <p>Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>As such it should be recorded as Relevant Practical Experience, but not under either category of audit.</p> |
| CASS audit (financial services) | Relevant Practical Experience | <p>CASS audits do not fall under the FRC guidelines for Statutory or Other accepted audit as the work is not performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>As such it should be recorded as relevant practical experience, but not under either category of audit.</p> <p>If a student has been undertaking work specifically on this area as part of core audit engagements, then an element of time should be allocated to other relevant practical experience in respect of this work. However, this is not expected to be significant as students will often be performing core statutory audit work whilst undertaking CASS related testing.</p> |
| Sarbanes Oxley (SOX) | | <p>SOX relates to work required by US law which may need to be performed by some larger UK-based companies. It relates to the auditor assessing directors' statements regarding the company's internal control.</p> <p>SOX is distinct from the financial statements, so assurance on SOX statements cannot be recorded under either category of audit time as it is not performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>As such it should be recorded as Relevant practical</p> |

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| | | <p>experience, but not under either category of audit.</p> <p>However, there is likely to be some practical overlap between work to assess controls for SOX purposes and work to assess controls for financial statement audit purposes, so some allocation of time to Statutory is reasonable.</p> |
| Any other limited assurance engagements | Relevant Practical Experience | <p>Such work is not normally performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>These will generally involve the auditor providing an opinion on a subject matter not related to the financial statements and applying guidance not linked to the auditing standards highlighted above.</p> <p>As such it should be recorded as Relevant Practical Experience, but not under either category of audit.</p> |
| Agreed upon procedures | Relevant Practical Experience | <p>These engagements include the presentation of factual findings rather than involving any assurance (opinion) provided by an auditor.</p> <p>They are not performed in accordance with Statements of Auditing Standards, International Auditing Standards, or International Auditing Standards (UK).</p> <p>As such it should be recorded as relevant practical experience, but not under either category of audit.</p> |



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