



PUBLIC ACCOUNTANTS AND AUDITORS BOARD

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THE AUDIT DEVELOPMENT PROGRAMME BOOKLET

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1. What is the ADP?

The Audit Development Programme (ADP) is a period of specialization undertaken by professional accountants who want to become Registered Public Auditors (RPAs). It provides a context wherein the consolidated capabilities developed in the training programme can be refined in a more complex learning environment and in performing roles more senior to those undertaken in the training contract.

Registered Candidate Auditors (RCAs) are given the opportunity to specialize as RPAs by gaining exposure to a broad range of issues faced by RPAs in practice and to develop and enhance their:

- Professional competence and judgment.
- Ethical values.
- Lifelong learning skills and attitudes.

The ADP provides RCAs with increasingly complex work that requires, over time, that the candidate assumes more responsibility. Tasks must increase in complexity and level of responsibility as the RCA progresses through the ADP. The RCA will undertake more responsibility for those aspects of the audit engagement which pose a greater risk to the firm, the client and all other stakeholders. By the end of the ADP, RCAs are expected to have acquired and to have demonstrated competence to a level expected of an RPA.

It is anticipated that once audit competence is demonstrated, the RPA will continue this process of refinement as new responsibilities are assumed and new contexts give rise to higher order capabilities. The programme of CPD required of all RPAs plays a vital role in the further development and maintenance of capabilities.

2. Why have a specialist programme?

The Public Practice Examination (PPE) was discontinued in 2014 (over 90% of the auditors in Zimbabwe are from the ICAZ training system). The last sitting of this examination was in November 2014 for repeat candidates. All first-time candidates

were required to write ICAZ's Assessment of Professional Competence (APC). The APC replaced the two separate specialist exams (Auditing and Financial Management). The APC focuses on the strategic and managerial aspects of the broader accountancy discipline and its primary objective is to assess the professional competence developed during the education and training programmes.

The PPE, (which was set by the IRBA of South Africa) and localized by ICAZ for Zimbabwean students) had served as PAAB's means to ensure that candidates are competent in auditing in order to register as RPAs. This contributed to PAAB's mandate of public protection by ensuring that all RPAs are competent at entry to the profession. The IRBA has replaced the PPE with the ADP as its final assessment of professional competence and PAAB has adopted the same process; for Zimbabwe the ADP assessment includes the training auditors to be, for persons coming out of the ICAZ, ACCA and ICPAZ systems. While the change in examinations mainly affected ICAZ students, PAAB has adopted process for Zimbabwe to ensure the strengthening of audit quality.

The ADP is the joint responsibility of PAAB, Constituent bodies and the RPA firms. It builds on the competence of a professional accountant and focuses on the competence required for a specialist role within the field of professional accountancy; that of an RPA.

On qualification as a professional accountant, an RCA is able to perform the tasks and roles expected of a professional accountant. However, this does not imply that a candidate has the appropriate expertise and experience to undertake a statutory audit and assume all the professional responsibilities of an RPA. A period of relevant audit development is required to develop the competence of a professional accountant to a point that is appropriate for an RPA. During this period, the capabilities already consolidated in the training programme will be further refined and developed.

3. Who may offer the ADP?

The ADP may be offered by any RPA firm that is registered with PAAB. Registration

with the PAAB provides some indication of quality as all RPA firms are required to be ISQM and its successor quality standards compliant. In addition, the firm must be able to provide the RCA with sufficient exposure to auditing work in order to satisfy the requirements of the ADP.

4. Who may join the ADP?

Professional accountants who have qualified through the programmes of a professional body accredited by PAAB may register for the ADP. The following programmes will need to be successfully completed¹:

- A recognised academic programme.
- A recognised core assessment programme.
- A recognised professional development programme.

5. When to register on the ADP

RCAs may register for the ADP directly after obtaining their professional accountant qualification or they may register after an absence from audit. There is no limit to the period of absence. An RCA's opportunity to join the ADP will be determined by whether an RPA firm is prepared to register them on the ADP. However, PAAB considers it preferable that RCAs register straight after successful completion of the training contract and/or the final assessment of professional competence, whichever is the latter.

6. What is a Registered Candidate Auditor (RCA)?

An RCA refers to a person who has obtained a professional accountant qualification from a PAAB accredited professional body and is registered with the PAAB for purposes of becoming an RPA. RCA is **NOT** a designation and is only a registration category used by PAAB. An RCA may not be a sole practitioner and may not sign off on any audits.

7. What is an Oversight Registered Auditor (ORPA)?

¹ As per the PAAB's Accreditation Model and the PAAB Act

An ORPA is an RPA who is registered with PAAB for at least three years². The ORPA oversees, on behalf of the firm, the development of the RCA's competence in auditing. The ORPA will also be responsible for declaring that an RCA has satisfied the requirements of the ADP.

8. Requirements of the ADP

8.1. Registration with PAAB

- Professional Accountants who wish to become RCAs must register with PAAB as an RCA. An RCA must be part of a PAAB registered practice or firm and must have identified an ORPA. A once off fee will be charged for initial registration. There will be no annual fees. Those applying for recognition of prior learning and completing the ADP post facto will pay the applicable fee in the year of the application.

On registration with PAAB, the RCA and the RPA firm must provide details of the following:

- The RCAs details, including a copy of ID.
- The RCA's proof of qualification through a PAAB accredited professional body, including copy of training contract discharge letter.
- The name, PAAB number, ID number and designation of the ORPA.
- A high-level plan from the RPA firm outlining how the RCA will be provided with opportunities to achieve audit competence during the ADP. Submission of the firm's job planning template will suffice in this regard. Where a six-monthly plan was submitted at registration, updated planning templates must be submitted every six month together with the RCAs' six-monthly reporting templates. Firms that submit an annual plan will be required to send updated plans on an annual basis.

8.2. Context requirement

The ADP is designed to complement and run parallel with the internal structures of the RPA firm. All RPA firms are required to be ISQM compliant. In this regard all registered RPA firms are required to have systems for quality control. Such systems

² PAAB will consider circumstances for relaxation of this time requirement on a case-by-case basis.

will include leadership, ethics, human resources and engagement performance. Compliance with ISQM creates the context for the development and assessment of professional competence.

RCAs who undertake the ADP to become RPAs are required to take responsibility for their own professional development and seek opportunities to progress through defined positions within an RPA firm. Such positions will provide an opportunity for increasing development of professional competence and offer assignments of increasing complexity and levels of responsibility. In this context the outcome to be sought by the RCA and the RPA firm must include:

- Assume managerial function within the auditing department of the firm.
 - Report to the relevant engagement partner on matters relating to the audit. This can be direct or via a reporting line.
 - Lead a team of trainee accountants and other assistants in the proper execution of the audit.
 - Build and manage the engagement relationships, where appropriate, with representatives of the client at a senior level of management, including those charged with governance and relevant third parties.

RPA firms that offer RCAs the opportunity to develop audit competence must meet the following responsibilities:

- Provide an environment conducive to the development, enhancement, and demonstration of professional competence.
- Ensure that each RCA is provided sufficient and appropriate support during the ADP.
- Foster a commitment to life-long learning and skills development.
- Encourage RCAs to become involved in work that challenges their skills in a variety of contexts.
- Promote and foster the ethics, values, independence and objectivity of the RPA profession.
- Offer progression of work to increasing levels of complexity, independence and accountability.

8.3. Time requirements

8.3.1. Minimum term for the development of specialist competence

PAAB prescribes that a minimum term of professional experience is eighteen (18) months, after registration as a RCA. It is likely that only in exceptional circumstances will an RCA be able to meet the requirements of PAAB to an appropriate degree within eighteen months.

ORPAs are encouraged to manage RCA's expectations with regards to the amount of time it will take them to complete the ADP. The actual time will be dependent on the amount of audit exposure the firm can offer the RCA and the amount of time it takes the RCA to demonstrate and achieve the required competences.

Where an RCA has demonstrated an appropriate level of competence within or before the minimum time period a statement by the ORPA is required that describes the circumstances that enabled the applicant to acquire the necessary competence within such a relatively short period of time.

8.3.2. Minimum hours

RCAs must complete a minimum of 1,500 productive hours³ in audit and assurance services. Productive hours provide evidence of the nature of work undertaken and some indication of its quality. It is acknowledged that in some cases completion of the 1,500 productive hours may require more than eighteen months.

8.3.3. Candidates with an elective other than audit.

Candidates who wish to register as an auditor and completed an elective or training program other than audit and assurance will be required to complete a minimum of thirty (30) months and 2,250 productive hours in audit and assurance.

³ It is acknowledged that often an audit engagement can include other services and professional functions.

8.4. Competence requirements

PAAB has prescribed certain competences that need to be achieved before an RCA can be signed off as proficient. The Competency Framework has been divided into three groups:

- Competences that must be achieved on the job;
- Competence that must be achieved through additional interventions (i.e., classroom or simulations) or on the job; and
- Competences that may only be achieved under exceptional circumstances or in specialised industries.

It is not envisaged that RCAs will be given the opportunity to satisfy each and every aspect of the Competency Framework during each audit engagement. It is also not anticipated that RCAs will sign off on every competence listed in the framework.

The Competency Framework is a reference point for the development of competent RPAs. It covers the lifecycle [Fig 1] of an audit engagement and coupled with the requirement to operate at a senior, managerial level, the framework provides direction for the RCA.



Figure 1

8.5. Oversight requirements

The RPA firm must ensure that each RCA is assigned to an ORPA. The firm will identify the ORPA. The ORPA must be an RPA who has been registered with PAAB for a minimum of three years at the outset of the ADP. The ORPA should have sufficient seniority in the firm to provide meaningful input into the development of the RCAs professional competence.

In determining the appropriate individual to perform the oversight role, the RPA firm may consider which individual in the organisation will take ultimate responsibility for signing off that the RCA is competent to a standard required by PAAB and the profession. In determining this individual within the firm, there is also recognition that the ORPA will rely on other people's assessments, feedback and documentation in making his decision and fulfilling his role. Identity of the ORPA will also take place within the firm's current structures.

8.5.1 Responsibilities of the ORPA

The ORPA will work with the RCA to create an environment that provides the candidate with the quality and range of experience to enhance and develop professional capabilities, skills and values to a level appropriate for registration with PAAB.

The ORPA will be responsible for, inter alia, the following:

- Oversight over the co-ordination of performance appraisal information and any other relevant information on the candidate's performance and competence.
- Reflection, interpretation and assessment of the candidate's progress.
- Consultation based on the information presented in the performance appraisal reports with both the candidate and the line managers, direct supervisors and any other relevant individuals.
- Regular and meaningful feedback on the development of the candidate's professional competence. The progress report may be used to capture the RCAs performance over the six-month period.

- A signed declaration, on completion of the ADP that confirms, amongst other things, that the candidate has developed his professional competence to a level appropriate for registration with the IRBA.

The ORPA must accept the responsibility outlined above. Once the ORPA and RCA relationship has been mutually agreed upon, the ORPA and the RCA complete PAAB registration form. Completion and signature of the registration form by both the ORPA and the RCA represents agreement to the requirements and responsibilities of the ADP.

8.5.1.1 Six-monthly report

Regular, constructive performance assessment is an integral element of effective professional development. In this regard RCA are required to submit six-monthly reports signed off by the ORPA to PAAB. The ORPA will sign the template and retain the supporting documentation for the Portfolio of Evidence for monitoring purposes. Failure to submit the six-monthly reports may result in a RCA being de-registered from the programme.

8.5.1.2 Declaration

Once a candidate has satisfied all the requirements of the ADP, the ORPA will sign a declaration that confirms:

- The RCA has completed the prescribed time on the ADP.
- The RCA has successfully demonstrated the competences required of an RPA.
- The RCA has completed 1,500 productive hours [audit and assurance] during the period of professional experience.
- That nothing has come to the ORPA's attention that suggests that the RCA is not suitable for registration with PAAB.
- That he concurs with the contents of the Portfolio of Evidence.
- That he supports the RCA's application for registration.

The declaration and certain supporting evidence will be submitted to the IRBA once the ORPA is satisfied that the RCA has demonstrated the required level of professional competence. In addition to the declaration, the RCA will submit a portfolio of evidence that supports the ORPA's contention that the RCA is

competent.

8.6. The Portfolio of Evidence requirement

The RCA will progress through supervisory and managerial roles under the supervision of an RPA. Some of these roles may be performed whilst still in the training contract and may be included on the reporting template. The Portfolio of Evidence is the means through which an RCA demonstrates that they have achieved the required depth and breadth of competence and that they have satisfied all the requirements of the ADP.

The Portfolio of Evidence must be submitted to PAAB on completion of the ADP.

The Portfolio of evidence will be made up of the following:

- A declaration by the ORPA.
- All completed six-month templates – setting out the work undertaken, and the level of complexity, independence and accountability involved.
- A declaration from the RCA.
- The RCA's self-assessment of the learning outcomes achieved on the competency framework. Signed off by the ORPA.
- A professional curriculum vitae of the RCA.
- A copy of the CPD hours undertaken during the ADP.
- Evidence of any other special achievements or duties beyond that of audit, e.g., learning and development.

All other supporting documentation such as performance appraisals must be retained by the firm. Documentation not required in the Portfolio of Evidence but that supports the assertion that the RCA is competent must be retained by the firm for a period of at least five years. Such documentation could include amongst other things:

- Performance appraisals
- Letters of commendation from a line manager, director or partner
- Evidence of sections reviewed by the RCA on the work performed by junior staff on a particular engagement.
- Evidence of other sections or part thereof that the RCA was responsible for on the engagement. Example, scoping or planning meeting minutes

where the job responsibility is allocated.

- Evidence of communication with those charged with a governance responsibility within the client [This could be copies of emails or other forms of communication].
- Evidence of attendance and contribution at meetings with those charged with governance responsibilities. Example, audit committees.
- Evidence of any reports drafted by the RCA related to the engagement.
- Evidence of performance appraisal inputs for those junior to the RCA.
- Evidence of coaching or management of junior staff members on the team.

It is recommended that the RCA keeps a file of evidence that supports their six-monthly reports.

9. Final Assessment

The final assessment of whether an RCA has met the requirements to register with PAAB as an RPA is the responsibility of PAAB. Once an RCA has completed the ADP and has demonstrated appropriate competence to the satisfaction of the ORPA, the RCA must submit a Portfolio of Evidence to PAAB for review. PAAB will appoint an assessment panel to evaluate the Portfolio of Evidence.

9.1. PAAB assessment panel

The assessment panel will comprise of a pool of senior members of the profession, academia, commerce and industry. The panel will be drawn nationally from small, medium and large firms. Academics will be drawn from the universities and other recognized institutions of learning. Members on the panel from commerce and industry will be chosen based on their understanding of the development of professional competence of auditors.

Members on the panel will be convened periodically as and when portfolios are submitted for assessment. All panel members will be trained to ensure that the methodology is consistently applied.

9.2. Assessment Methodology

The panel will review all the documentation submitted in the Portfolio of Evidence. The panel will seek to establish whether the RCA received sufficient exposure to the entire audit process and that they developed their competence at a senior level (Complexity, independence and accountability). The six-monthly reporting templates will give an indication of the depth and breadth of the RCA's exposure and the CPD records an indication of the other interventions undertaken in establishing competence. The six-monthly reports, CPD records and CV should corroborate with what is reflected in the RCA's self-assessment.

The results of the assessment will be:

- Successfully completed the ADP
- ADP not yet complete

In cases where the result is “ADP not yet complete” the panel members must give clear motivation for the assessment result. In this regard they may request additional information or evidence pertaining to certain aspects of the RCA’s competence development. The panel also reserves the right to request that the RCA and the ORPA present themselves for an interview.

10. Monitoring

Monitoring will take place in the following manner:

1. Through PAAB firm inspection processes [See Firm Inspection Process: Quality Control Questionnaire on the PAAB website www.paab.org.zw]. For the purposes of this document, this form of inspection will be referred to as Firm Inspections.
2. Through the Education Department’s monitoring process. For the purposes of this document, the Education Department’s monitoring processes will be referred to as the ADP Monitoring.

As far as possible PAAB will not duplicate efforts between the two departments and will rely on the findings of the Inspection Department. The Education Department will only monitor those firms that are not inspected through the Inspection Department’s processes. In addition, firms that may not have their human resources policies and procedures inspected during a firm inspection may be monitored by an ADP inspector from the Education Department.

The following processes will apply with an ADP Monitoring:

- **Prior to the monitoring visit:**
 - The firm will be required to complete and submit a self-evaluation at least six weeks prior to the visit.
 - All supporting documents, policies and procedures must be available at the commencement of the monitoring visit [preferably in electronic format].
 - Certain logistical arrangements may need to be made prior to the monitoring visit. These will be communicated to the firm.

- **On the day of the monitoring visit:**
 - Access to all supporting documents, namely, policies, procedures, files etc. If in an electronic format; access to the intranet or provided on a CD.
 - List of scheduled appointments

- **Length of time for the ADP monitoring:**
 - The ADP Monitoring will take approximately sixteen hours.
 - In the case of firms that have already had a firm inspection and only require a review of their human resources policies and procedures, it will take approximately eight hours.

- **After the monitoring**
 - After each monitoring visit, the firm will be given verbal feedback on the visit and a draft report will be issued for comment within four weeks of the visit.

10.1 The feedback report

The inspections report is designed to be developmental in nature. As the ADP is a partnership between the firms and PAAB, PAAB will seek to work with firms and ensure that RCAs are provided with sufficient opportunity, within a quality environment to develop their audit competence to a point where they can provide professional services to their clients, employees and the public at large.



FREQUENTLY ASKED QUESTIONS

- 1. I wrote PPE and qualified as a CA (Z); do I have to register for the ADP before I can register as an RPA?**

No. All candidates who wrote the PPE and qualified as CA (Z)s are not required to register for the ADP. They can register as RPAs provided, they comply with PAAB's three-year rule. Refer to www.paab.org.zw for more details on the proficiency assessments (three-year rule).

- 2. Must I register with PAAB immediately after completing the ADP?**

You are eligible to register as an RPA with PAAB straight after completing the ADP. Completion of the ADP is exactly the same as successfully completing the PPE. You are eligible to register but you can wait until such time as you require the designation. If it is longer than three years until you register, then the three-year rule applies (See www.paab.org.zw).

- 3. Can an RCA be seconded overseas?**

Yes. Time in an international office can be recorded as part of the ADP provided the firm is kept abreast of the RCA's performance and the evidence required to support the time spent in another office is retained by the firm that employed the RCA. In addition, the ORPA should be comfortable that sufficient evidence is available for them to make an assessment of the candidate's competence.

- 4. Will PAAB penalise me for changing firms?**

No. PAAB will not penalise you for changing firms. It is entirely up to the receiving firm to decide if they either accept or reject the six-monthly reports. The receiving firm will determine if additional time must be served to complete the ADP. This discussion should be held and agreed upon prior to signing a contract with a new firm.

- 5. Can I complete the ADP in less than 18 months?**

Yes. An RCA who has worked at a firm for a considerable length of time and is already working at a more senior level on entering the ADP may be able to successfully complete the ADP in less than 18 months through recognition of prior learning (RPL). However, the Oversight RPA must provide strong motivation as to

how the RCA has been able to achieve the required competences in such a relatively short period of time. RCAs who wish to complete the ADP in less than 18 months may do so through RPL. RPL will be considered where the RCAs have experience on a more senior level on entering the ADP. The PoE requirements as detailed above will be applicable. RCAs will have to register for the ADP and then indicate to the PAAB that they will be submitting their PoE earlier than 18 months due to prior experience however they still need to complete 6 months on the ADP.

6. What will PAAB do in the case of a labour dispute?

PAAB does not get involved in any labour disputes or disagreements between the RCA and the firm. The firm's HR policy will prevail in such circumstances.

7. Does PAAB decide who becomes a partner in my firm?

No. The firm's internal policies and procedures will determine the route and attributes required to become a partner in that particular firm. PAAB only makes an assessment of the RCA's eligibility to register as an RPA.

8. Must I retain all the candidates who would like to complete the ADP? PAAB does not expect the RPA firm to retain every single individual who would like to complete the ADP. The firm's business plan will make that determination.

9. What are the monitoring costs?

There are no costs involved in monitoring the firms ADP compliance. Normal inspections costs remain in place for the firm inspections.

10. Can we make use of the current training officer structures for the role of the ORPA?

Yes. It is entirely up to the firm to decide what structures they wish to employ to effectively run the ADP. For a number of firms the training officer structure works well.

11. Can I wait and only register someone on the ADP when I know that they will make partnership in my firm?

Yes, this can be done post facto. However, PAAB would like to encourage firms to retain candidates to complete the ADP for the broader purpose of maintaining a potential pool of RPAs for the Zimbabwean economy and not just for the firm's

partnership purposes.

Some RCAs may only wish to stay with the firm for a few years post professional accountant designation. This provides the RCA with the opportunity to gain an additional dimension to their professional accountant qualification and also ensures that there are sufficient RPAs in the Zimbabwean economy.

12. What procedures must we follow when a candidate wants to temporarily suspend their ADP registration, for example; due to maternity leave?

The ORPA and the RCA may agree to temporarily suspend the ADP. In this regard the suspension will be in accordance with the provisions of the firm's Human Resource policies and practices. However, the RCA and the ORPA must, within 5 working days, send an email communication notifying PAAB of such suspension.

13. How long does the PAAB anticipate that the assessment of the portfolio of evidence will take?

The amount of time taken to assess the portfolio of evidence will be determined by the completeness and accuracy of documentation submitted by the ORPA and RCA as part of the portfolio of evidence. In this regard we request that the ORPA and RCA ensure that the documentation submitted is properly reviewed before submission to PAAB.