



AIA

THE ASSOCIATION
OF INTERNATIONAL
ACCOUNTANTS

MONITORING VISIT GUIDE

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WELCOME

The purpose of this booklet is to guide you through the AIA Quality Assurance and Practice Monitoring Process, it also provides recommendations on how you can prepare for the monitoring visit and offers useful information and advice to ensure your visit goes smoothly.

AIA, in accordance with its Members in Practice Guidelines and status as a Regulatory Body under the Anti-Money Laundering Regulations 2007, is required to ensure that all its Members in Practice comply with both sets of regulations.

AIA monitoring visits are conducted by an AIA Quality Assurance (QA) Adviser (the Adviser) in a receptive, helpful and fair manner. QA visits are not designed to find faults with your practice, but rather to provide an opportunity for AIA to offer you impartial advice and suggestions for developing and maintaining the high level of skill and professionalism expected from AIA practising members.

Members who hold a current AIA practising certificate can expect to have at least one monitoring visit every five years unless prompted by special circumstances.

1.0 THE PURPOSE OF THE VISIT

1.1 MEMBERS IN PRACTICE GUIDELINES

The Members in Practice Guidelines are in place to ensure that every AIA practising member delivers a consistently high level of service. The Adviser will carry out various checks to confirm that you meet these standards, and fully comply with each practice requirement.

1.2 ANTI-MONEY LAUNDERING REGULATIONS 2007

In December 2007 new Anti-Money Laundering Regulations were introduced which stated that all external accountants must be supervised for anti-money laundering purposes by a designated Supervisory Authority.

AIA, as a designated Supervisory Body, monitors all its practising members for this purpose. As a practising accountant supervised by AIA you are required to demonstrate that you have adequate AML policies and procedures in place which can be verified by the Adviser.

For further information please refer to the AIA Anti-Money Laundering 2007 Guidance, located in the 'In Practice' section of the AIA website.

1.3 EXPERT ADVICE

Your AIA monitoring visit provides an ideal opportunity for you to obtain independent and expert advice on practising issues. Part of the Adviser's role is to offer constructive ideas and feedback to help improve your firm in areas identified as in need of development.

In the event of the Advisor identifying such an area, tailored advice and support will be provided to enable your practice to meet the standards prescribed.

2.0 ABOUT THE VISIT

During the visit the Adviser will concentrate on the extent to which the work you undertake remains within your areas of authorisation and competence. The Adviser will seek confirmation that you have not undertaken any work that you are not authorised to do.

2.1 PRELIMINARY INTERVIEW

Your monitoring visit will begin with a preliminary interview with all partners during which the Adviser will request detailed information about your firm, your staff and your clients.

Initial checks will be carried out to confirm that you are compliant with AIA Members in Practice Guidelines; the Adviser will then ask questions about your firm's policies and procedures including your recruitment policy, client acceptance procedures and risk assessments.

2.2 SAMPLE CLIENT REVIEW

Following this, the Adviser will choose a sample of your clients and review all the files relevant to them, including the most recent work you have undertaken. The purpose of this is to verify the information obtained during the preliminary interview and to make certain that your own procedures, as well as statutory regulations, have been adhered to.

2.3 CLOSING EVALUATION

At the end of the visit, the Adviser will meet with you again to review the findings and discuss with you any significant issues which have been identified during the visit.

The Adviser will also identify areas which could be improved upon, offer guidance as to how this can best be achieved and suggest any corrective action needed.

2.4 DURATION OF THE VISIT

The length of your monitoring visit will depend on the size of your firm; larger practices with a number of partners and clients will take longer to complete; a visit to a sole practitioner is likely to be completed within a day.

AIA will strive to keep the visit as brief as possible in order to minimize any interruption to the everyday actions of the practice. If there are any outstanding issues which the Adviser can manage whilst not being on the premises you will be notified accordingly and this will be included in the Findings Report.

2.5 ABOUT THE QUALITY ASSURANCE ADVISER

AIA Quality Assurance Advisers are fully qualified AIA members with extensive experience in the areas to be monitored; they report directly to the Director of Professional Standards.

Due to the nature of the work carried out by the Adviser and the amount of information gathered/recorded, members are requested to provide adequate desk space to ensure an optimum working environment.

2.6 APPROACH TO THE VISIT

Each Adviser is required to adhere to the AIA Code of Ethics and to conduct the visit in a professional, open and approachable manner, and without prejudice.

Advisers are made fully aware that all the information gathered during your monitoring visit is to be treated as sensitive, private and confidential and under no circumstances should it be used for any purpose other than monitoring your practice.

3.0 PREPARING FOR THE VISIT

3.1 DOCUMENTS & RECORDS

Prior to the visit please ensure that the documents listed in the table overleaf are readily available for the Adviser to review.

- PII policy, cover schedule, most recent proposal form and claim records
- Practice letterhead and fee note paper
- Overview of the practice's management structure – Organisation Chart
- Office Procedure Documentation
- Partnership agreement (if any)
- Continuity agreement
- CPD Record
- Copy of any subcontractor / consultant agreements
- Copies of promotional/marketing material
- Access to Personnel information including training and appraisal files
- Signed statements from staff attesting to independence, confidentiality, fitness and propriety (if available)
- Accounts for the previous two financial years and the current accounting period
- Access to the business bank account records and bank statements, including client bank accounts
- Client database
- Records of any formal complaints and disciplinary action undertaken
- Copy of current client engagement letter pro forma
- AML policies/procedures, Risk Assessments and client's due diligence

3.2 STAFF AWARENESS

Your monitoring visit will not only look at the procedures and policies you have in place in the practice, but also the roles, responsibilities and abilities of various members of staff.

As part of your preparation it is suggested that you brief all staff on the structure of the visit, request relevant staff to attend and advise the appropriate personnel that the Adviser will need access to various documents and clients files.

3.3 CLIENTS' FILES

The Adviser, as part of the monitoring process, will select a sample of your clients' files as well as the files for your main client (the largest fee for the previous two financial years and current accounting period) for a more in-depth review.

Members are advised that full access must be given to client's files and the necessary preparations are made for the Adviser to obtain the relevant information.

3.4 PRE-VISIT QUESTIONNAIRE

Before a monitoring visit is carried out members are sent a pre-visit questionnaire which is designed to assist both the practitioner and the QA Adviser before and during the day of the monitoring visit.

By completing and returning the questionnaire prior to the monitoring visit it allows a preliminary assessment of the firm to be conducted and any specific areas which need further review can be highlighted to the QA Adviser. The collection of information before the day of the QA visit is also designed to reduce the amount of time we will need to conduct the monitoring visit, effectively minimising disruption to the everyday running of the practice.

4.0 POST-VISIT GUIDANCE

On completion of the visit, a Findings Report will be prepared for you. The report will encompass all of the issues raised at the closing evaluation. You will be required to respond in writing to the report within four weeks of issue, for example, to provide your action plan for addressing areas requiring improvement.

Should a substantial amount of remedial action be required, then follow up action will be arranged together with an agreed timescale for the action to be taken. If a follow up visit is required, you will be informed of this within the findings report. The purpose of the follow up visit will be to verify that all recommendations made in the Findings Report have been implemented and considerable improvements have been made. The Adviser will then only focus on these issues and will highlight any that have not been rectified or require further improvement.

4.1 ENFORCEMENT VISITS

If, after the follow up visit, the required improvements have not been made, a higher level enforcement visit will be carried out by one of the relevant AIA Regulation Enforcement teams/inspectors. Enforcement visits occur when continued non-compliance with either the AIA Members in Practice Guidelines or the Anti-Money Regulations is observed.

Should a firm require an Enforcement visit it will be required to pay a fee of £500. If insufficient progress is made during the enforcement visit, restrictions may be placed upon the members Practising Certificate or disciplinary action may be taken.

5.0 QUALITY ASSURED LOGO

Upon successful completion of the Quality Assurance monitoring visit you will be awarded the 'AIA Quality Assured' logo. AIA firms who apply procedures considered by the accountancy profession to be 'best practice,' will be entitled to use this logo on their business stationery.

If at subsequent monitoring visits these high standards are not met, then the entitlement to use the logo may be removed.



6.0 SUPPORT & ADVICE

6.1 WEBSITE

From the main AIA website www.aiaworldwide.com members can access a wealth of information pertinent to them. By using the navigation menu on the left hand side of the homepage you can browse information concerning CPD, Members in Practice, the latest Anti-Money Laundering guidance and much more.

6.2 COMMENTS & QUESTIONS

AIA is committed to ensure that the highest possible service is provided to members, and would therefore welcome any comments or suggestions you may have as part of the monitoring visit. Members will be given the opportunity to voice any opinions or questions to the Adviser, which will then be submitted to AIA head office as part of the review report.

Should you have any feedback concerning your AIA monitoring visit, or how we can enhance any particular area of the visit, please contact the AIA Compliance at compliance@aia worldwide.com. Alternatively, if you have any complaints regarding any aspect of the visit, please write to the Chairman of the AIA Practice Compliance Committee at:

The Association of International Accountants
Staithes 3
The Watermark
Metro Riverside
Newcastle upon Tyne
NE11 9SN

7.0 CONTACTS

If you have any queries or comments concerning your AIA monitoring visit, please contact the AIA Compliance Department by phone 0191 493 0272, fax 0191 493 0278 or by email compliance@aia worldwide.com.



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