

CIMA Response to the Department for Business, Energy and Industrial Strategy Consultation on the Recognition of Professional Qualifications and Regulation of Professions

About CIMA

The Chartered Institute of Management Accountants (CIMA), founded in 1919, is the world's leading and largest professional body of management accountants, with members and students operating in 179 countries, supported by 27 offices, working at the heart of business. CIMA members and students work in industry, commerce, the public sector and not-for profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers' choice when recruiting financially trained business leaders. Chartered Global Management Accountant (CGMA) is the most widely held management accounting designation in the world. It distinguishes more than 137,000 accounting and finance professionals who have advanced proficiency in finance, operations, strategy and management.

CIMA is a founder member of The Association of International Certified Professional Accountants (the Association). The Association is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and CIMA to power opportunity, trust and prosperity for people, businesses, and economies worldwide. It represents over 650,000 members and students in public and management accounting and advocates for the public interest and business sustainability on current and emerging issues. In the UK alone CIMA has over 80,000 members working across all sectors. With broad reach, rigor and resources, the Association advances the reputation, employability and quality of CPAs, CIMA and CGMA designation holders and accounting and finance professionals globally.

One of the core missions of the organisation is to develop research and analytical thinking of the challenges faced by both our management accounting professional but also the wider and global finance sector.

Contact

For further information about CIMA and our submission please contact Ross Archer, Lead Manager – Public Policy on ross.archer@aicpa-cima.com

Introduction

We welcome the opportunity to respond to this consultation by the Department for Business, Energy and Industrial Strategy on the Recognition of Professional Qualifications and Regulation of Professions.

This is an important area, especially now when the UK seeks new global trading partnerships as the UK leaves the European Union.

The skills and competencies of management accountants are those that are most in demand to help organisations recover and prosper in a COVID/post COVID era. The ability to plan, to remodel and lead strategic change as well as the key soft skills of leadership, communication and collaboration are inherent in the CIMA professional qualification. In a post-Brexit, post-COVID environment global economic prosperity for the UK will come from driving new commercial partnerships and we believe management accountants will be at the forefront of these negotiations.

Our main points from this submission are:

- Having professional associations that impose rules, ethics, standards and a professional outlook on their members underpins public trust in our profession and the services our members provide.
- CIMA is a meritocracy and has always had open access to students from all backgrounds and our route to qualification means students without access to university education can still study with us and become a Chartered Management Accountant.
- We identify key skills and competencies and turn them into an educational process to develop our students and members to meet the challenges of employers and thus drive the wider economic growth and productivity across the UK.
- The British government should actively promote the strength of UK professional body education and accreditation in future trade deals.

Answers to Consultation Questions

1. Please tell us in which nation(s) you are a regulator of a profession:

We are a regulator across all nations of the UK as well as many others across the world. We are the largest management accounting body in the world and as such regulate our members and set standards for them globally.

2. Please state the sector(s) you regulate within.

CIMA members cover all sectors of the economy, but we are a regulator within the accountancy profession and regulate our members who are trained management accountants.

3. Please state the profession(s) you regulate.

We are a regulator of management accountants.

4. Please outline the rationale for regulation within your sector. Listed below are some non-exhaustive possible rationales for regulation you may like to consider in your answer. In each instance, please explain their importance to regulation within your sector

The work of CIMA-qualified Chartered Global Management Accountants (CGMAs) is fundamental to the creation and success of many businesses across the world; and in maintaining the confidence of investors, markets and the wider public in those ventures. CIMA underpins that work, by ensuring that those who employ, deal with or rely on the professional opinion of any CGMA can be sure that:

- CGMAs have received professional education, equivalent to a taught masters' degree, developed to equip them with the right financial and leadership skills to succeed in business now and in the future;
- All CGMAs are subject to the CIMA Code of Ethics, which requires the them to respect the fundamental principles of Integrity, Objectivity, Professional competence and due care, Confidentiality, and Professional behaviour in their professional lives;
- CGMAs will remain up to date throughout their careers, because of the ongoing training and education we make available to all members, the growth mindset encouraged by their training as well as their professional duty to undertake continuous professional development (CPD) imposed by CIMA's Royal Charter, Bye-laws and Regulations;
- All those CGMAs who deal directly with the public (Members in Practice) are licensed by us to do so, must maintain appropriate service standards, be insured and are monitored to ensure compliance with the AML legislation; and
- CGMAs who fall short of acceptable standards can be held to account under our disciplinary procedures.

All these factors encourage and build trust in CGMAs and protect consumers, businesses and markets – encapsulated in our stated aim to be the voice of a dynamic accounting profession, protecting the public interest and powering trust, opportunity and prosperity worldwide. It is significant that as accountancy is only regulated on a voluntary basis in the

UK (and many other jurisdictions), our membership continues to grow with over 80,000 members in the UK, as aspiring professional recognise the competitive advantage that CIMA regulation brings as a denominator of trust and reputable service.

(N.B. having passed the final CIMA examinations and having been admitted to Associate membership of CIMA, members are entitled to use the suffix letters “ACMA”. Associates who are admitted to Fellowship are entitled to use the letters “FCMA”. Both ACMAs and FCMAAs are also permitted to use the designation CGMA (Chartered Global Management Accountant) after their name. For ease of reference, we use the designation CGMA throughout, save when we refer to the qualification ACMA in paragraph 11 below).

5. Please outline any evidence you have on the consumer protection impacts provided by your regulations.

The objects of CIMA in its Royal Charter include a duty to act in the public interest. The protection of members of the public and businesses from misconduct or incompetence by CIMA members is part of that remit. CIMA therefore operates a robust and fair disciplinary process, administered by independent disciplinary panels, which consider complaints of misconduct against CIMA members. All CIMA members are required to undertake CPD as a condition of membership to ensure that all members retain the levels of competence that underpin trust in the profession. We monitor compliance with this requirement and our Royal Charter, Bye-laws and Regulations contain a system of fixed fee penalties and the possibility of referral into our conduct proceedings for non-compliance. Lastly, CIMA promotes a significant amount of guidance on ethical and professional standards to our membership to encourage the highest standards of professionalism.

As part of the Accountancy Scheme in the United Kingdom, CIMA is subject to oversight by the Financial Reporting Council. As a Prescribed Accountancy Body in the Republic of Ireland, CIMA is similarly subject to the oversight of the Irish Auditing and Accounting Standards Authority. Both organisations publish annual reports on the accounting professions in their jurisdictions, based on data we supply – see [here](#) for the FRC report and [here](#) for the IAASA report, though in both instances there is sparse data on the impact on consumer protection.

Our own figures suggest that over the past three years, the number of complaints and attendant disciplinary action we have taken, has remained static. From approximately 100 enquiries every year, we have identified between 47 and 53 cases that warrant investigation as misconduct under our rules, resulting in approximately 25 disciplinary hearings per year. We interpret these figures as consistent with the levels of complaint received by similar regulators and would suggest that this indicates that there is a reasonable level of awareness of the complaints mechanism amongst members of the public.

In the area of Anti-Money Laundering supervision, we are obliged by law to supervise those members (Members in Practice) who offer services directly to the public. As to the extent of the effectiveness of those measures, please refer to the [report of the Office for Professional Body AML Supervision](#).

6. Please outline your process(es) of recognising someone with an international qualification. In your answer, please include details of how this differs from the process of recognising a domestic applicant, the rationale for this/ the reasons why this is the case, and the costs of administering this route.

If you have different processes for different international routes (e.g. for candidates from the EU, USA, Australia, or due to any Mutual Recognition Agreements you hold), please include details on the differences between them.

Having built a database of qualifications, informed by our accreditation department, both from universities and other professional bodies with oversight from IFAC we now have a global recognition policy for qualifications.

\On this data we have been able to establish transparent gateways into the professional qualification based on prior qualifications and professional experience, which does not differentiate between domestic or international qualifications. Potential students can access our [exemptions database](#) and look up their university course or professional qualification and determine at what point they would enter the CIMA professional qualification. For those coming through our experiential pathways where we recognise practical work experience the applicants have to complete a rigorous assessment and this is reviewed by a panel appointed by the CIMA Council prior to acceptance of entry.

We also offer specific routes for Apprentices in England at level 4 and level 7.

We review the success of students coming from Universities and other professional bodies so that we best accredit prior learning, and this provides a feedback path to review the actual entry point (upwards and downwards).

7. Please outline any additional steps and their resource implications that you face in processing applicants with international qualifications?

There are no additional steps or resource implications we face in processing applicants with international qualifications. However, there would be cost implications if CIMA were to re-accredit international professional qualifications..

8. With reference to any of the additional steps outlined above, what would you suggest are the priorities for the UK Government in considering future ways to recognise international qualifications? Please include any details on what an ideal system could look like, as well as how it could operate. Please consider what the priorities would be for the profession you regulate

From the 1 January 2021 the UK will have a new points-based immigration system that will treat EU and non-EU citizens the same. Under the points-based immigration system, anyone coming to the UK for work must meet a specific set of requirements for which they will score points, with visas awarded to those who gain enough points.

We believe the government should review the points-based system to recognised the work UK based chartered bodies do in providing high quality education not only in this country, but across the globe.

Figures from the government show that education exports are worth at least £21.4 billion to the UK economy.¹ Chartered body education is a key part of that export. Due to this we believe that the new immigration system should take account of the value of UK based chartered body education and points should be awarded for having successfully completed and kept such a qualification up to date.

In the case of the accountancy and audit sector it is common for professionals in this industry to move within companies, practices and firms globally for periods of time to carry out work such as audits or in the case of our members they may move within companies to head up finance functions overseas or in new operations. We believe the new immigration system could help take account of this by allowing professionals with relevant professional body membership and qualifications an appropriate number of immigration points to facilitate these migration movements.

In the case of our members who hold the CGMA designation this is an equivalent qualification globally to a masters and takes years of study and practical experience to gain. We believe this should, under the new immigration system, earn a certain amount of points for an individual looking to migrate to the UK as this would encourage investment in UK education and bring more skilled individuals into the UK who have been rigorously tested against a global standard and who agree to be governed by our professional standards and ethics policies.

We recognise there is a global talent route under the new immigration scheme, but this does not contain any qualifications in the accountancy and finance sector. This route should be reviewed to see what other professional bodies such as chartered bodies could be included in this route.

By allowing immigration points for being a member of a regulated professional body and holding an up-to-date qualification from such a body the government would be demonstrating the value they see in UK education of all kinds from colleges, universities through to professional bodies. Such a move is also likely to increase the export value of such an education and mean UK professional and chartered bodies would be a bigger contributor to the UK economy as students globally decided to invest in their education and skills development through them.

9. Do you require legislation to give you powers to make changes to your international recognition routes?

We do not require UK legislation to make changes to our international recognition rules.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850263/SFR_Education_Exports_2017_FINAL.pdf

10. What level of dialogue do you maintain with your international counterparts? Please outline the benefits and challenges to cooperation. Please also outline if you are a member of any international networks of regulators, what they are and your experience with them.

CIMA and the Association are regulated by and have interactions with many different regulators across the globe.

We are a founder member of the International Federation of Accountants (IFAC), as well as members of regional professional body forums such as Accountancy Europe and the Pan-African Federation of Accountants (PAFA).

CIMA is a founder member of The Association of International Certified Professional Accountants (the Association) is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and CIMA to power opportunity, trust and prosperity for people, businesses and economies worldwide. It represents over 650,000 members and students in public and management accounting and advocates for the public interest and business sustainability on current and emerging issues. With broad reach, rigor and resources, the Association advances the reputation, employability and quality of CPAs, CIMA and CGMA designation holders and accounting and finance professionals globally

In the UK CIMA is regulated by the Financial Reporting Council and as a Prescribed Accountancy Body in the Republic of Ireland, CIMA is similarly subject to the oversight of the Irish Auditing and Accounting Standards Authority. Also, as an end point assessor organisation (EPAO) for apprenticeships we have interactions with Ofsted and the Institute of Apprenticeships in the UK.

We have mutual recognition agreements and memoranda of understanding with a number of international accounting and financial bodies, including CPA Australia, the Institute of Cost Accountants of India, the South African Revenue Service and the Colombo Stock Exchange.

11. What are your priorities for supporting UK professionals on your register to have access to their profession in other countries? Please outline any Government support that would help

As we have answered in Question 8 steps to change the immigration points system to take account for membership and qualifications of chartered bodies would greatly help with access to the profession between countries.

Another area that is key is the UK government having a focus in any future trade deals and agreements that mutual recognition of qualifications including those from chartered bodies is included within agreements. This is especially important where the National body is both the regulator and the institute. This would allow our members to operate effectively in overseas markets without having to take further exams.

In negotiations with the European Union, the UK government should focus on securing recognition of professional qualifications within it.

The Withdrawal Agreement provides for a transition period until 31 December 2020. This allows the current frictionless arrangements (including mutual recognition of professional qualifications and the right to work and establish businesses) to continue, until a long-term trading relationship is agreed between the UK and the EU-27. If by the 31 December 2020 there is no deal in place we will be in the realms of a "no deal" Brexit.

Recognition of professional qualifications currently falls under Directive 2005/36/EC, implemented in UK law by the EU (Recognition of Professional Qualifications) Regulations 2015 (as amended by the Recognition of Professional Qualifications (Amendment etc.) (EU Exit) Regulations 2019). The title "chartered management accountant" which our members use is not automatically recognised under the Directive. Instead, the ACMA qualification is subject to the "General System" of recognition. This allows recognition of a qualification held by an EU citizen in another EU country when the level of professional qualification is at least equivalent to the level immediately below the level required in the host country.

In the absence of a trade deal that covers professional qualifications, as of 1 January 2021 United Kingdom nationals will be third country nationals. Directive 2005/36/EC will no longer apply to them. This means that any decisions about the recognition of CIMA qualifications of United Kingdom nationals in an EU-27 Member State will be governed by the national policies and rules of that Member State.

A UK CIMA member seeking to rely on her ACMA to provide accountancy services in Poland may need to seek recognition of the qualification under Polish national law. Similarly, for EU-27 nationals, the CIMA qualification will be a third country qualification from today. Subject to any agreement between the UK and EU-27 countries after the transition period, recognition of the qualification will depend on the national rules of individual EU-27 Member States.

The Recognition of Professional Qualifications (Amendment etc.) (EU Exit) Regulations 2019 amends the existing regulations which implemented Directive 2005/36/EC into UK law. Under the new Regulations, UK competent authorities are still required to consider applications for recognition from holders of EEA and Swiss qualifications but are only obligated to grant recognition to qualifications that are comparable to UK qualification requirements and standards in scope, level and content.

The arrangements for mutual recognition of qualifications is very important to professional services. Many professionals, including accountants, rely on mutual recognition of qualifications to be able to travel for work whether short-term or long-term and many global companies hire staff on the basis that their qualification transcends national borders.

If there is no agreement on recognition of professional qualifications with the EU this has the potential to harm our members and the wider accounting profession both here in the UK and in the EU. We feel it is in both sides interests to reach an agreement that acknowledges the internationally recognized standard of accounting education provided by CIMA training culminating in the award of the ACMA.

If an agreement is not reached or looks unlikely to be reached the UK should look to immediately start putting in place country by country agreements with the EU-27 on mutual recognition of qualifications. This should take place as soon as possible to allow sufficient time to conclude agreements with individual EU member nations prior to 1 January 2021.

The UK should be highlighting how important both UK and EU-27 professionals are to both economies and why the mutual recognition of qualifications should continue post Brexit in the interest of both economies. This will support the professions in both the UK and EU and reduce the impact this could have on businesses that cross borders between the UK and EU.

Outside of seeking a trade agreement with the EU and their member states the UK government should use this new global opportunity to ensure mutual recognition of professional qualifications is included within them. Given how big the UK professional qualification market is this would create new global export opportunities for the sector and help bring money into the UK economy.

Also, when an individual gets an education from a UK education provider whether that be from a university or professional body, they normally become supporters of the UK and this helps drive business globally with the UK and expands the UK's soft power.

The government can support UK professionals by ensuring mutual recognition of professional qualifications is within trade agreements with EU and non-EU nations.

There are countries around the world which seek to protect their local national accounting body by restricting jobs exclusively to members of their national body. We would welcome the government's assistance in working with these governments to allow members of UK professional accounting bodies to work in business in those countries without having to take additional examinations in order to belong to the local body. The impact of this is it limits British overseas investment because British companies cannot use UK qualified accountants to oversee the financial aspects of their investments and operations in other countries. An example of this is the Institute of Chartered Accountants Ghana Bill currently going through the Ghanaian Parliament.

There are also countries which restrict specific jobs to members of particular accounting bodies. An example of this is Poland where directors of state-owned enterprises must be members of a closed list of professional bodies. A similar situation exists in Pakistan. We welcome the UK government assistance in ensuring that members of UK bodies are on these lists.

12. Do you have any provisions for the recognition of professional qualifications held by refugees residing in the UK? If yes, please detail what these are and why you have implemented these provisions. If no, please detail why not.

This question has been answered in response to question 6 and 7.

13. Please describe the process by which UK professionals gain qualifications to enter the profession, including detail on the types of education and training they must undergo and how long it takes to complete them.

There are typically two main groups of students who seek entry to the profession:

1. Supporting social mobility, students with no prior education will start outside the professional qualification studying for our Certificate in Business Accounting. The Certificate in Business Accounting will typically take two years before they move to the professional qualification.
2. Students with prior education/experience will be eligible to start the professional qualification at an appropriate level depending on their previous education/experience. Typically, students will take four years to progress through the professional qualification. They must then submit a report covering three years of practical experience which is validated by the membership body.

We have also developed a third route which students in the UK can take advantage of through our Level 4 and Level 7 apprenticeships. Currently we have around 500 Level 4 and over 1,600 Level 7 apprentices.

14. Please describe the process you offer for professionals who have gained the relevant UK qualifications to be brought onto your register.

Having passed the professional examinations students must then submit a report covering three years of practical experience which is validated by the membership body, before being brought onto our register.

The Practical Experience Requirements (PER) are an essential part of the CIMA qualification and CIMA's membership application process. They complement assessments and demonstrate student's ability to apply their knowledge and skills in the context of your professional experience, before becoming a member of the profession.

15. How often do you review your processes and standards? In your answer, please describe both formal and informal ways this is carried out (e.g. via consultancy, membership surveys) and include detail of any changes you have recently made based to this process.

CIMA has historically reviewed the syllabus of its Professional Qualification every five years. We are now embarking on a series of more regular reviews and interventions to ensure the qualification remains relevant in this fast-changing world. The examinations and assessments are further reviewed (see questions 16 & 17) to ensure alignment with the syllabus. The syllabus and assessments form part of CIMA's Management Accounting Framework which articulates its raison d'être.

The framework stresses the need to use rigorous research to show how management accounting meets the needs of organisations and to develop management accounting principles that can guide organisations to create sustainable success. It also underscores the need for individuals to be committed to lifelong learning so that they can acquire and deploy competencies that are relevant to their organisations throughout their careers. The

syllabus provides individuals with the initial competencies, which are developed further through continuing professional development (CPD).

The last iteration of the professional qualification syllabus was introduced in 2019 and focused on 'moving from cost to value in a digital world'. CIMA's white paper, [Re-inventing Finance for a Digital World](#), tells the story of the research underpinning our views on how new competencies are emerging in a digital world. It describes their implications for finance professionals, employers, academics and tuition providers, and regulators and policymakers. Our findings come from three phases of research that engaged with more than 5,500 finance professionals from over 2,000 organisations in over 150 countries.

Our objectives in undertaking this relevant and rigorous research have been:

- To understand the future needs of businesses and employers globally in a digital world
- To gain insight into the finance function in a digital world
- To understand how new competencies are emerging in a digital world
- To signpost the competency implications for finance professionals.

Our core finding is this – in a digital world, the focus of the finance function is shifting from being based on costs to being based on organisational value.

In other words, the finance function will no longer be evaluated purely on how costly it is to run and viewed as just another cost centre. Instead, the finance function will be judged on the added value it brings to the organisation and the wider community.

For anyone who practices management accounting, this shift highlights the prospect of a rewarding career in finance – a transition in which they can add real value to organisations and society.

16. Thinking about key changes that have been made to your qualification processes, what has been the cause for this change? Below are some non-exhaustive possible options to consider in your answer.

- **Legislative change**
- **Findings from own internal review**
- **Feedback from consumers**
- **Feedback from professionals**

[A 2020 external audit](#) recognised the high standards of the professional qualification assessment processes and improvement of these processes. Changes to the way we provide our service are under continuous review, assessing a combination of regulatory and market requirements. Depending on the service, the blend of these influencers varies, e.g. in the apprentice space, there is a regulatory framework which sets out the approaches and standards, which are not present in the more 'traditional' routes to qualifications. As products have evolved over recent years, market feedback (from students, members, training providers and employers) and usage of that feedback in the evolution and improvements to products have become more embedded into ways of working. Also, the pace of implementation of product enhancements has sped up as the core capabilities, and experiences within the business have increased around product developments and customer-centric improvements.

A recent example was the business response to the rapidly changing market challenges with Covid-19 and the inability of students to take exams at centres, due to social distancing. The business was able to respond using market insight and internal capabilities, strong partnership alliances and swift decision-making to investigate and successfully introduce exams on-line across its regulated and non-regulated products within two months and on a global scale. The development of strong partnerships enhanced and supported this capability. Recent customer satisfaction surveys from members and students suggest that the business has performed well in this respect.

CIMA has introduced a Competency Framework designed to help management accountants and their employers understand the knowledge requirements and assess the skills needed for both current and desired roles. Underpinning the framework is the need for objectivity, integrity and ethical behaviour, and includes a continuous commitment to acquiring new skills and knowledge. The Competency Framework is the foundation that will demonstrate the relevance and capabilities of a CIMA professional as a trusted finance and business strategist – it moves beyond the examinable initial professional development knowledge content towards articulating a broader set of skills and competencies.

17. Do you feel that the current standards you set, against which applicants are assessed to enter onto the register, are a fair reflection of the level of skill, training, education, and experience required to practice their profession? Please explain your answer.

We work closely with employers to define the training needs and to also verify that the exams correctly simulate the jobs and tasks to be done in the workplace.

Our recent Future of Finance (2019) research informed our professional qualification. This year-long research, which spanned 150 countries and featured over 5,500 finance professionals in 200 organisations, opened insights into the challenges of businesses and employers globally. The 2019 CIMA Professional Qualification is rooted in this 'Future of Finance' research and its findings.

The updated syllabus sets out the body of knowledge, skills and techniques that employers and organisations value and need. By collaborating with learning partners, test design experts and psychometricians, we translated the syllabus content into core activities, assessment outcomes and representative task statements. Based on this, we produced the draft exam products. We discussed the draft with learning providers and key stakeholders and as a final step surveyed CIMA members worldwide to validate the draft and to inform the final decisions about the blueprints and examination design such as weightings.

These extensive discussions and multiple layers of consultations ensured that what is included and emphasised are indeed the knowledge, skills and techniques that are most in-demand with employers. At the heart of it, both the syllabus and the exams work together to drive employability and organisational performance.

CIMA's examination products are reviewed and updated on an annual basis to ensure CIMA's Examinations remain focused on the skills organisations most value in their finance professionals.

The National Recognition Information Centre for the United Kingdom (UK NARIC) is the UK's agency for recognising international qualifications and skills, and below is their support for CIMA's Professional Qualification:

The Chartered Institute of Management Accountants ([CIMA](#)) the UK professional body incorporated by Royal Charter for management accountants, recently requested NARIC to complete an independent evaluation and benchmarking exercise for the 2019 Professional Qualification, to UK, French and South African education systems. This is now complete, and the qualifications were found comparable to:

Certificate in Business Accounting (Cert BA) comparable to: Regulated Qualifications Framework (RQF) Level 4 in England, Northern Ireland and Wales; South African National Qualifications Framework (NQF) Level 5; and French National Qualifications Framework (NQF) Level 4 with some elements comparable to Level 5

Diploma in Management Accounting (Dip MA) comparable to: RQF Level 5, South African NQF Level 6, and French NQF Level 5

Advanced Diploma in Management Accounting (Av Dip MA) comparable to: RQF Level 6, South African NQF Level 7, and French NQF Level 6

Chartered Global Management Accountant (CGMA) designation comparable to: RQF Level 7, South African NQF Level 9, and French NQF Level 7

In terms of how European Qualification Framework (EQF) levels align to the RQF, Levels 6 and 7 align directly to EQF Levels 6 and 7 respectively, while RQF Levels 5 and 4 both align to EQF Level 5.

Prospective students are expected to have completed either the Certificate in Business Accounting or a relevant degree. Each level of the Professional Qualification requires successfully passing the previous level exams, culminating in the Strategic level case study.

The three-year practical experience requirements to become qualified as a member and use the Chartered Global Management Accountant (CGMA) designation, reflect the application of technical skills in practice as well as a level of accountability within strategic, senior financial management roles

Certificate in Business Accounting - *As an entry level qualification, the Cert BA is designed to prepare students with little or no accounting experience to progress in business or accounting oriented roles and therefore does not have any formal entry requirements. It comprises four main subjects: the fundamentals of business economics; management accounting; financial accounting; and ethics, corporate governance and business law.*

*Overall, the **Cert BA** was found to reflect the abilities to develop technical, practical and theoretical knowledge and skill to solve well-defined yet non-routine problems. This means it compares closely to the descriptors in regard to knowledge and skills for RQF Level 4, South African NQF Level 5, and French NQF Level 4 whilst also demonstrating some elements of Level 5.*

CIMA Professional Qualification - Designed to meet the employability needs of businesses and professionals in management accountancy, the Professional Qualification syllabus has three pillars of domain knowledge, **Enterprise, Performance and Financial**, and is divided into three levels of achievement:

The **Operational level**, leading to the Dip MA; **Management level**, leading to the Av Dip MA; and the **Strategic level**, which leads to the CGMA designation.

The Operational level demonstrates a progression in terms of skills and knowledge from the Cert BA, focusing on developing knowledge and understanding of management accountancy, business and finance topic areas, indicative of RQF Level 5, South African NQF Level 6, and French NQF Level 5.

The Management level demonstrates development of advanced conceptual knowledge and understanding, and the ability to deal with increasing complex problems. Interpretation, analysis and evaluation of complex information also reflect competencies developed at graduate level (RQF Level 6, South African NQF Level 7, and French NQF Level 6).

The Strategic level highlights progression towards acquiring a highly specialised set of skills and knowledge. Students are expected to develop courses of action which can produce change on an organisational level, while appraising the associated risks and longer-term implications. Indicative of RQF Level 7, South African NQF Level 9, and French NQF Level 7.

The study employed UK NARIC's established methodology for benchmarking. Based on the key principles of credential evaluation, reviewing the core components of each qualification includes entry requirements; duration; structure and content; modes of learning and assessment; learning outcomes; and associated outcomes, including qualification progression routes.

This study by NARIC shows how rigorous our standards are for our qualification and that it compares comparably with international standards for the levels at which qualifications are set.

18. Please detail any principles of regulation you follow (e.g. proportionality and transparency) and how you uphold them, and whether they support you in your duties as a regulator.

CIMA is mindful of the principles of good regulation, namely:

- Proportionality
- Accountability
- Consistency
- Transparency
- Targeting

We have endeavoured to embed these within all our regulatory activity. As a regulator, CIMA sits with a wider regulatory framework. All our regulatory processes are overseen by the Professional Standards Committee (which benefits from the participation of a number of lay members) and by Council. Consequently, all changes to regulations or regulatory activity are scrutinised internally. They are similarly reviewed externally, by the regulators to whom CIMA answers – the Financial Reporting Council and the Irish Auditing and Accounting Standards Authority so far as our professional standards and conduct processes are concerned and the Office of Professional Body AML Supervision and HM Treasury as regards as our anti-money laundering supervision of the profession. As a chartered institute, major changes to our constitution are overseen by the Privy Council. The conduct processes to which members are administered by arm's length committees with a lay majority. We consult widely, with the public, members and other stakeholders prior to making significant changes to relevant parts of our function (for instance before revising our Code of Ethics, which we did recently). Lastly, we benefit from regular internal and external audit of the work we do,

Accordingly, we are accountable at all levels internally and externally; decisions and changes are transparent and consistent (and subject to independent review). We benefit from the external input we receive to ensure proportionality in our regulatory decision making and that we are targeting the right sections of our member population. We believe this does assist us in providing consistently effective and efficient regulation of the management accounting profession.

19. Please detail any requirements you may place on the professionals you regulate and why they are necessary. If you do not impose any requirements, please justify your reasons for not doing so.

Professionalism and ethics are at the core of CIMA's activities. Every CIMA member and registered student has a duty to abide by the Laws of the Institute, to observe the highest standards of conduct and integrity, and to uphold the good standing and reputation of the profession. They must also refrain from any conduct which might discredit the profession.

The Laws of the Institute are the [Royal Charter, Byelaws and Regulations](#), and other documents particularly CIMA's [CIMA's Code of Ethics](#). This Code is designed to promote the highest standards of conduct and integrity of our members and registered students by setting out the fundamental principles of professionalism and good practice. The fundamental principles of CIMA's Code of Ethics are integrity; objectivity; professional competence and due care; confidentiality and professional behaviour.

These principles apply to all CIMA members and registered students whether they are in industry, commerce, the public sector, public practice or education. Any member or registered student of CIMA who has breached the Code of Ethics or any of the other Laws of the Institute may be referred to our conduct processes and ultimately found guilty of misconduct.

The reason for imposing such standards on members and students is principally threefold:

- It serves to protect the public interest in maintaining high standards of competence, trustworthiness and behaviour among management accountants (and those training to be management accountants);
- It maintains the reputation of CIMA as the guarantor of those standards; and
- It provides direct protection and a means of redress to individuals and businesses who might otherwise be affected by any lapse in standards on the part of members.

As well as the overall requirements imposed on all members by the Code of Ethics and the Laws of the Institute, members who provide services directly to the public (Members in Practice) are subject to further regulatory requirements, designed to protect members of the public and comply with the law regarding Anti-Money Laundering (AML) and Counter Terrorism Financing. These are imposed as part of the Institute's [Member in Practice Rules](#) and the UK AML legislation, principally the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 as amended, which make CIMA the supervisory body for Members In Practice.

Members in Practice are therefore required to register as such with CIMA and hold a Practising Certificate (so that they can be supervised) and are also required to:

- hold professional indemnity insurance (or an equivalent provision if practising outside the UK with an appropriate disclaimer incorporated in their terms of engagement) at a level consistent with guidelines provided by the Institute;
- provide written terms of engagement for all clients;
- ensure in the event of their illness, disability or death that services to clients are maintained, either through internal arrangements within the practice or through a written agreement with another accountant or firm (unless the client has indicated that he/she does not want to be subject to such an agreement);
- make provision for complaints handling procedures; and
- comply with the current UK law on money laundering and counter-terrorist financing (or equivalent if practising outside the UK).

Lastly, the Laws of the Institute require members to undertake and record continuous professional development CPD and if in default can be subjected to fixed penalties and/or referral to the conduct processes (see answer to 23 below). Self – evidently, this requirement is imposed to ensure that members remain up-to-date and equipped to provided services of the highest quality throughout their careers.

20. Please describe the process by which you determine your application fees. Please set out any principles or guidelines you adhere to when determining fee amounts.

Fees are set by members in general meeting. In general the policy agreed with our Governing Council is that we need to be able to successfully fund from revenue our strategy which requires investment in ensuring our Professional Qualification meets the needs of employers and to ensure we have the right infrastructure to drive our growth ambitions whilst demonstrating good value across a range of measures for our members as well as ensuring social access to the qualification.

Student fees are set with consideration of cost and affordability and can vary by country. We have made significant changes to our fee structures, eliminating exemptions fees that were being charged for students who were applying for their prior learning to be taken into account. Our fees are made up of a registration fee which covers the administration associated with registering a new student, exam fees which cover either home or exam centre examinations and annual subscriptions which fund the various support programmes we provide students to help them succeed. The setting of these fees is to ensure we can fund our future strategy whilst maintaining access, affordability across all our markets and support progression to membership.

21. Please detail any changes that you are considering for your sector to ensure the profession you regulate stays relevant to current challenges. Does current regulation allow for you to make these changes?

Current regulation does allow for us to make these changes. We work diligently to ensure that accountants, both current and future, are up to date with current standards and aware of future standards. We do this through our syllabus which is updated and revised regularly to ensure newly qualified accountants are current. All members are required to undertake mandatory continuing professional development, which is audited every year, which ensure that seasoned professionals are also up to date.

The syllabus and CPD are driven by [CGMA Competency Framework](#).

22. Please detail any steps you take to help make sure that your standards and processes are adaptive, support innovation and promote social mobility.

Together with our response to questions 16 & 17 CIMA's relevant and rigorous global research engaging with more than 5,500 finance professionals from over 2,000 organisations in over 150 countries, has demonstrated our standards and processes are adaptive and support innovation:

- To understand the future needs of businesses and employers globally in a digital world
- To gain insight into the finance function in a digital world
- To understand how new competencies are emerging in a digital world
- To signpost the competency implications for finance professionals.

CIMA promotes social mobility through the Certificate in Business Accounting, which provides a pathway to the professional qualification open to students from all walks of life and education backgrounds. CIMA has also adapted the Certificate in Business Accounting for the UK apprentice scheme which enables employers to support employees into the profession.

23. Please detail any continuous professional development that is required for professionals to remain on your register. Please include detail on how often this should take place, in what form, as well as the benefits of adhering and consequences of not adhering to these requirements.

Under the CIMA's Royal Charter, Bye-laws and Regulations, CIMA Professional Development ('CPD') is a mandatory condition of membership of the Institute. Members are required to comply with [CIMA's guidance on CPD](#), which stipulates that members should review their learning and development against the CIMA CPD Cycle at least once a year. CPD compliance is based on trust and while CIMA offers support to members, it is the responsibility of members to assess their development goals and needs, select the most appropriate activities, and design their CPD programmes in accordance with the CPD Cycle and other guidance.

A sample of members' CPD records is selected each year for verification. This selection is weighted to include an appropriate proportion of members having high levels of responsibility, including direct contact with the public, so that predictably, a higher proportion of Members in Practice are selected for monitoring. Members selected for monitoring are asked to demonstrate that they have undertaken the CPD relevant to their role, and to provide their records for review.

When renewing their membership each year, members thereby declare that they have undertaken CPD in accordance with the CPD requirements. Any member who is found to have made a false declaration in any application for renewal may be referred to the Institute's conduct processes for consideration of further disciplinary action. A record of non-compliant members is kept that is publicly available. Similarly, any member who fails to provide adequate records of CPD undertaken in accordance with the CPD requirements when required to do so may receive a fixed financial penalty or be referred for further disciplinary action.

We strongly believe that completing CPD in accordance with the CPD Cycle not only protects the public from the risk posed by incompetent management accountants, but also allows our members to take ownership of their professional development and maximise their professional opportunities by establishing a learning plan which helps them meet the requirements of their current roles, and prepare for any future roles.

24. Do you collect data on the diversity of both your UK and international applications? For example, on gender or ethnic background.

We ask all registering students to provide data on diversity including gender and ethnic background. CIMA has increased the share of members who are female from 40% in 2014 to 43% in 2019 and for students these figures are 46% in 2014 up to 49% in 2019. Additionally, our students are highly diverse on both an age perspective (35% over 35, 12% over 45) and BAME where we achieve higher representation than that in the general local population.

25. Please outline any steps you take to eliminate unconscious bias from your recognition process.

Our exams are conducted on computer by examination number and not name. Nine of our exams are marked by computer and three by human assessors. The assessors never know the name of the candidate or where they come from.

26. Please outline any steps you take to support job creation in the profession you regulate.

We have a thriving jobs board for all our members globally which can be viewed [here](#). In the UK and other countries, we have also been involved in the new Apprenticeship Standards for accounting and support recruitment of apprenticeships. We continually advocate to employers the importance to their business growth/survival/transformation the skills and competencies afforded to them by our Members. We have over 4,500 accredited employers who recognise the value of CIMA to their business success.

27. Please outline any steps you take to attract a diverse workforce to the profession you regulate.

We undertake research with undergraduates as well as school children and school leavers with strong representation of all minority groups to understand their needs, motivations and attitudes

We provide access to our job board that has thousands of trainee level roles on as well as CV writing and interview skills techniques that minority students may not be able to access. The job board does not accept any adverts that are discriminatory in any way.