



Common Content Project

France	Compagnie Nationale des Commissaires aux Comptes Ordre des Experts-Comptables
Germany	Institut der Wirtschaftsprüfer Wirtschaftsprüferkammer
Ireland	Institute of Chartered Accountants in Ireland
Italy	Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili
The Netherlands	Koninklijk Nederlands Instituut van Registeraccountants
United Kingdom	Institute of Chartered Accountants in England and Wales Institute of Chartered Accountants of Scotland

The Participating Institutes in the Common Content project are:

France	Compagnie Nationale des Commissaires aux Comptes (CNCC) Ordre des Experts-Comptables (OEC)
Germany	Institut der Wirtschaftsprüfer (IDW) Wirtschaftsprüferkammer (WPK)
Ireland	Institute of Chartered Accountants in Ireland (ICAI)
Italy	Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili (CNDCEC)
The Netherlands	Koninklijk Nederlands Instituut van Registeraccountants (NIVRA)
United Kingdom	Institute of Chartered Accountants in England and Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS)
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Common Content Project

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1. EXECUTIVE SUMMARY

The Objective of the Common Content Project

The objective of the Common Content project is to unify, as far as possible, the professional qualifications for membership of participating Institutes (*professional entry-level qualifications*), while ensuring that those qualifications remain high quality and meet changing public expectations.

The Benefits of the Common Content Project

Meeting Public Expectations

The Common Content project will ensure that professional entry-level qualifications will:

- meet or exceed national and international requirements for professional accountants;
- meet or exceed examination requirements at national, EU and international levels for statutory auditors;
- require integrity and a commitment to the public interest;
- require compliance with the highest ethical standards; and
- require the acquisition of high quality assurance, business and finance skills.

Meeting Client and Employer Demands

The Common Content project will provide commercial benefits to accounting firms and other entities who train, employ or use the services of professional accountants by ensuring that professional entry-level qualifications:

- focus on the services that clients and employers demand of professional accountants;
- require the application of both international and national knowledge;
- facilitate the use of common education and training across national boundaries;
- represent a natural career choice for the highest quality individuals; and
- offer increased staff mobility across national boundaries.

Career Benefits for Members and Prospective Members

The Common Content project will provide career benefits to members and prospective members of participating Institutes by ensuring that their professional entry-level qualifications:

- equip them with high quality assurance, business and finance skills;
- are recognised globally as leading professional qualifications;
- provide flexible career opportunities across national boundaries; and
- allow membership rights in a Participating Institute in another country or practice rights in another country provided they have the appropriate work experience and they have satisfied the assessment criteria for the other country's national content.

The Common Content Concept

Retention of National Qualifications

Each participating Institute will retain its *national* professional entry-level qualification for admission to membership.

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Meeting Public Expectations

Each participating Institute's professional entry level qualifications will:

- meet or exceed the relevant national and international requirements for professional accountants;
- meet or exceed the examination requirements at national, EU and international levels for statutory auditors;
- require integrity and a commitment to the public interest; and
- require compliance with the highest ethical standards.

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The Services of Professional Accountants

The requirements for each participating Institute's professional entry level qualification will focus on the skills and knowledge required to provide the *services* which clients and employers, as well as the public, demand of *professional accountants*.

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Entry-level Professional Accountants

An entry-level professional accountant should be capable of performing those aspects of the services of professional accountants that are specified in the *common learning outcomes* and *national learning outcomes*.

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The achievement of the common and national learning outcomes will require the acquisition of:

- *professional knowledge*;
- knowledge of *professional values and ethics, law and information technology* that applies to all five service areas; and
- knowledge of the *business environment, economics and quantitative methods* that underpins the professional knowledge in the five service areas.

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The achievement of the common and national learning outcomes will require the acquisition of *interdisciplinary and other competencies and attributes* in the Skills Framework.

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Professional education for professional entry-level qualifications will be provided in accordance with the national educational framework.

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The *formal assessment* for professional entry-level qualifications will be organised by, and must be recognised by, the appropriate national jurisdiction.

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Portability of Common Content Qualifications

The holders of a participating Institute's professional qualification will be able to acquire membership rights in a participating Institute in another country or practice rights in another country provided that they have the appropriate work experience and have satisfied the assessment criteria for the other country's national content.

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Implementation by Participating Institutes

Each participating Institute is responsible for the *implementation of the common content concept* in its professional entry-level qualification.

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Oversight

An *oversight process* will assess whether each participating Institute has properly implemented and assessed the common content concept in its professional entry-level qualification.

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Participating Institutes

An Institutes shall become a *participating Institute* only if it has implemented the common content concept in its professional entry-level qualification and has met the other criteria for membership.

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Governance

The participating Institutes shall be responsible for the *governance* of the project.

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Retention of National Qualifications

Each participating Institute will retain its *national* professional entry-level qualification for admission to membership.

The objective of the Common Content project is to unify, as far as possible, the *national* professional entry-level qualifications for admission to membership of participating Institutes. The project does not replace national qualifications with an international or common qualification or establish a joint Institute.

Meeting Public Expectations

Each participating Institute's professional entry-level qualification will:

- **meet or exceed the relevant national and international requirements for professional accountants;**
- **meet or exceed the examination requirements at national, EU and international levels for statutory auditors;**
- **require integrity and a commitment to the public interest; and**
- **require compliance with the highest ethical standards.**

The acquisition of professional entry-level qualifications will require candidates to:

- attain a university entrance level;
- complete a programme of theoretical learning (*professional education*) which is provided in accordance with the appropriate national educational framework;
- complete a minimum period of *work experience* in an approved environment;
- satisfy a *formal assessment* which is organised and recognised by the appropriate national jurisdiction and which is at the level of an appropriate university degree; and
- meet or exceed IFAC education standards and other pronouncements.

Holders of these professional qualifications will be required to:

- comply with the highest ethical standards including the *IFAC Code of Ethics for Professional Accountants*;
- show integrity and a commitment to the public interest; and
- meet or exceed any national, EU and IFAC requirements for continuing professional development.

The Services of Professional Accountants

The requirements for each participating Institute's professional entry-level qualification will focus on the skills and knowledge required to provide the *services* which clients and employers, as well as the public, demand of *professional accountants*.

The services provided by professional accountants envisaged by the project are:

- assurance and related services (ARS);
- performance measurement and reporting (PMR);
- strategic and business management (SBM);
- financial management (FM); and
- taxation and legal services (TLS).

Information technology (IT) services, including internal control and risk management, are integrated within the five services [see ***Introduction to Learning Outcomes***].

The provision of any aspect of these services requires knowledge of, and experience from, the other services. For example, the provision of audit services requires knowledge of, and experience from, performance measurement and reporting, strategic and business management, financial management, taxation and information technology.

An entry-level professional accountant is expected to be capable of performing those aspects of the service areas of professional accountants that are specified in the *common learning outcomes* and *national learning outcomes* [see ***Learning Outcomes and Knowledge***].

Entry-level Professional Accountants

Learning Outcomes

An entry-level professional accountant should be capable of performing those aspects of the services of professional accountants that are specified in the *common learning outcomes* and *national learning outcomes*.

The learning outcomes consist of:

- *common learning outcomes* for each of the five service areas for the services provided by professional accountants in all jurisdictions; and
- *national learning outcomes* associated with taxation and legal services which are provided by professional accountants in only some jurisdictions.

The *common learning outcomes* and the *national learning outcomes* are set out in the **Learning Outcomes and Knowledge**.

Knowledge

The achievement of the common and national learning outcomes requires the acquisition of:

- ***professional knowledge;***
- ***knowledge of professional values and ethics, law and information technology that applies to all five service areas; and***
- ***knowledge of the business environment, economics and quantitative methods that supports the professional knowledge in the five service areas.***

The *professional knowledge* consists of:

- a *common content* which has been determined jointly by the participating Institutes; and
- a *national content* which will be determined by each participating Institute.

The *common content*:

- covers the greater part of the professional knowledge required to achieve the common learning outcomes; and
- is international, rather than national, in content.

The *national content* is limited to the national knowledge required to achieve:

- those aspects of the common learning outcomes affected by national laws, standards, custom and practice; and
- the national learning outcomes associated with taxation and legal services that are provided by professional accountants in only some jurisdictions.

The *national content* will not include a greater depth of *common content* knowledge.

The professional knowledge, the knowledge of *professional values and ethics, law and information technology* and the knowledge of the *business environment, economics and quantitative methods* are set out in the **Learning Outcomes and Knowledge**.

Skills Framework

The achievement of the common and national learning outcomes will require the acquisition of *interdisciplinary and other competencies and attributes*.

The *interdisciplinary and other competencies and attributes* consist of:

- cognitive and behavioural skills required to apply the learning outcomes in the five service areas.
- integrative and multidisciplinary skills required to bring together the learning outcomes and knowledge in the five service areas; and
- professional values, ethics and attitudes.

The *interdisciplinary and other competencies and attributes*, together with appropriate methods of their assessment, are set out in the **Skills Framework**.

Education

Professional education for professional entry-level qualifications will be provided in accordance with the national educational framework.

Professional education will be provided by universities, other academic institutions, other educational establishments or participating Institutes in accordance with the educational framework determined by the appropriate national authorities. Some professional education will be provided through work experience.

While profession education will often be provided, at least in the earlier stages, on a subject basis, both professional education and work experience must also cover the five service areas and the skills framework in an integrated way.

National authorities will deal with such issues as:

- the total duration of study required to achieve the common and national learning outcomes;
- the allocation of the total study time over the five service areas;
- the extent to which education is provided at different levels of higher education (bachelor, masters and doctorate); and
- the application of the European Credit Accumulations and Transfer System.

The retention of national educational frameworks does not preclude the possibility of co-operation between two or more participating Institutes on the provision of education.

Assessment

The *formal assessment* for professional entry-level qualifications will be organised by, and must be recognised, by the appropriate national jurisdiction.

The *formal assessment* may be carried out by universities, other academic institutions, other educational establishments, governments and their agencies or participating Institutes and their agencies. The assessment must be at a level at least equivalent to a three year university degree of professional competence and skills. The assessment of key parts of the knowledge, including but not limited to that related to financial reporting and assurance, must be at second degree level, that is equivalent to more than a three year university first degree.

While formal assessments will often be carried out, at least in the earlier stages, on a subject basis, the formal assessment must also cover the five service areas and the skills framework in an integrated way.

National authorities will deal with such issues as the types of assessment (essays, case studies, multiple choice questions, work experience) and the marking and weighting of different forms of assessment.

The retention of national assessment does not preclude the possibility of co-operation between two or more participating Institutes on assessment.

Portability of Common Content Qualifications

The holders of a participating Institute's professional qualification will be able to acquire membership rights in a participating Institute in another country or practice rights in another country provided that they have the appropriate work experience and have satisfied the assessment criteria for the other country's national content.

The *national content* and, therefore, the assessment of *national content* is limited to the assessment of the national knowledge required to achieve:

- those aspects of the common learning outcomes affected by national laws, standards, custom and practice; and
- the national learning outcomes associated with taxation and legal services that are provided by professional accountants in only some jurisdictions.

The holders of a participating Institute's professional qualification must fulfil any work experience requirements necessary to carry out the statutory audit of financial statements if they wish to obtain membership rights of another participating Institute when that membership automatically confers the right to carry out statutory audits. During the next phase of the project, the Steering Group will:

- determine work experience requirements for Common Content qualifications in general; and
- consider work experience requirements for statutory audit and other regulated services in the context of relevant national, EU and international requirements.

Implementation by Participating Institutes

Each participating Institute is responsible for the *implementation* of the common content concept in its professional entry-level qualification.

Those participating Institutes that **have** the responsibility and authority to grant professional entry-level qualifications and to determine the curricula for those qualifications have agreed that they will implement the common content concept in those qualifications, in consultation where necessary with any relevant regulatory or government authorities.

Those participating Institutes that **do not have** the responsibility or authority to grant qualifications or to determine the curricula for those qualifications have committed to use their best endeavours to ensure the implementation of the common content concept in the appropriate national professional entry-level qualifications. In order to meet this commitment, such Institutes will work with regulatory or government authorities, universities and other relevant national bodies.

Oversight

An *oversight process* will assess whether each participating Institute has properly implemented and assessed the common content concept in its professional entry level qualification.

The Steering Group will assess whether each Institute has implemented and assessed the common learning outcomes, any national learning outcomes and the skills framework in its professional entry-level qualifications. Each Institute must demonstrate full compliance with the common learning outcomes for each service area. Full compliance means that entry level professional accountants must be capable of achieving the learning outcomes for each service area. The achievement of some learning outcomes may be demonstrated by the transfer of skills or knowledge from other learning outcomes.

The Oversight Committee will report publicly on the process for oversight and the admission of Institutes as participating Institutes.

An Institute, including a Founding Institute, shall not publicly assert that its entry-level professional qualification complies with the common content concept unless it has completed the oversight process and the Steering Group has concluded that the Institute has properly implemented and assessed the common content concept in its professional entry-level qualification.

The oversight process and membership and role of the Oversight Committee are dealt with in Sections 2 and 3.

Participating Institutes

An Institutes shall become a *participating Institute* only if it has implemented the common content concept in its professional entry-level qualification and has met the other criteria for membership.

The project was initiated, and has been developed, by professional accountancy Institutes in France, Germany, Ireland, Italy, the Netherlands and the United Kingdom. These Institutes must implement the common content concept in their professional entry-level qualifications by 31 December 2011 if they wish to remain participating Institutes.

Informal discussions with other Institutes will commence during 2006 with a view to the commencement of the formal admission process in April 2007.

The Membership and Involvement of Other Than Founding Institutes are dealt with in Section 4.

Governance

The participating Institutes shall be responsible for the *governance* of the project.

The Constitution is set out in Section 5.

2. OVERSIGHT

Purpose

The objective of the oversight process is to assess whether each Institute has properly implemented and assessed the common learning outcomes, the appropriate national learning outcomes, interdisciplinary competencies and other attributes in its national professional entry-level qualifications.

The objective and process apply to Institutes that have, and those that have not, the responsibility and authority to grant professional entry-level qualifications and to determine the curricula for those qualifications. When an Institute outsources part of the qualification process, or when an Institute does not have direct responsibility for part of the process, the oversight process will ensure that the Institute has appropriate procedures in place to ensure Common Content requirements are met.

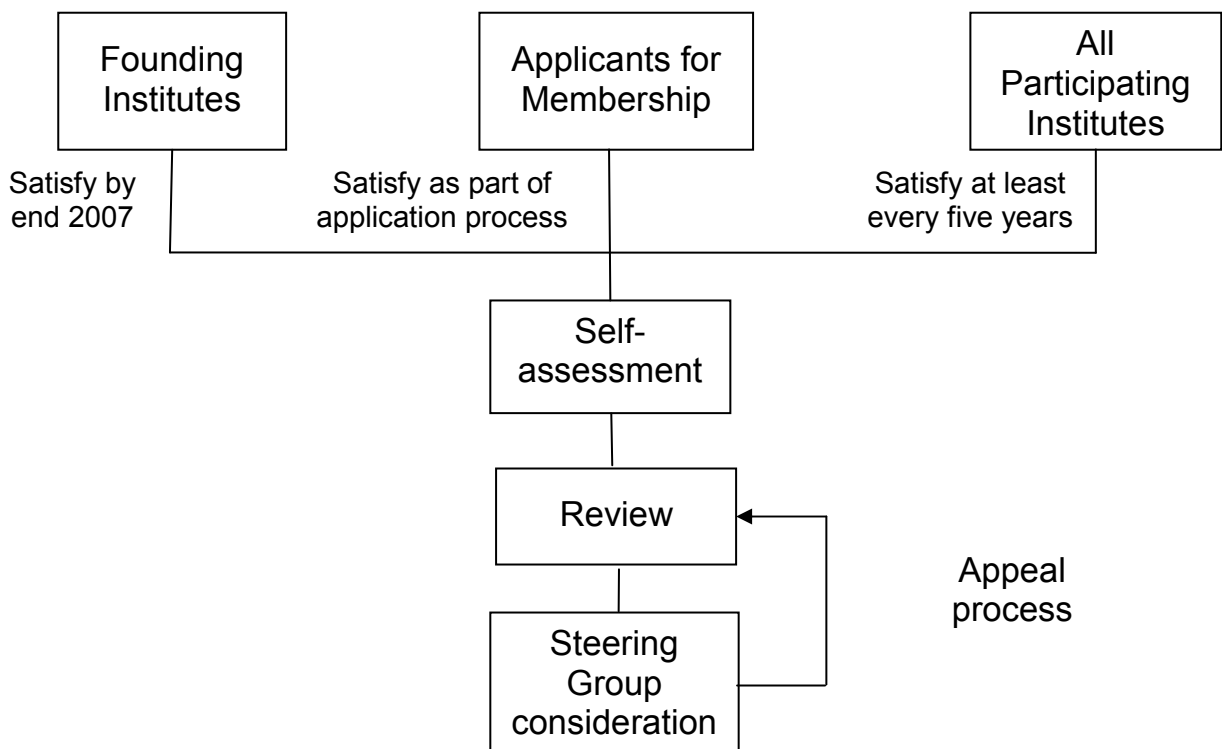
Overview

The oversight process consists of:

- a *self-assessment* prepared by the Institute showing whether or not its entry-level professional qualification meets the Common Content requirements; and
- a *review* of the self-assessment by the Steering Group in order to assess whether, in the Steering Group's opinion, there is sufficient assurance to support the conclusions expressed in the self-assessment.

The same oversight process applies to Founding Institutes, Institutes which are applicants for membership and, subsequently, to all Participating Institutes (see Table 1).

Table 1: Oversight Process

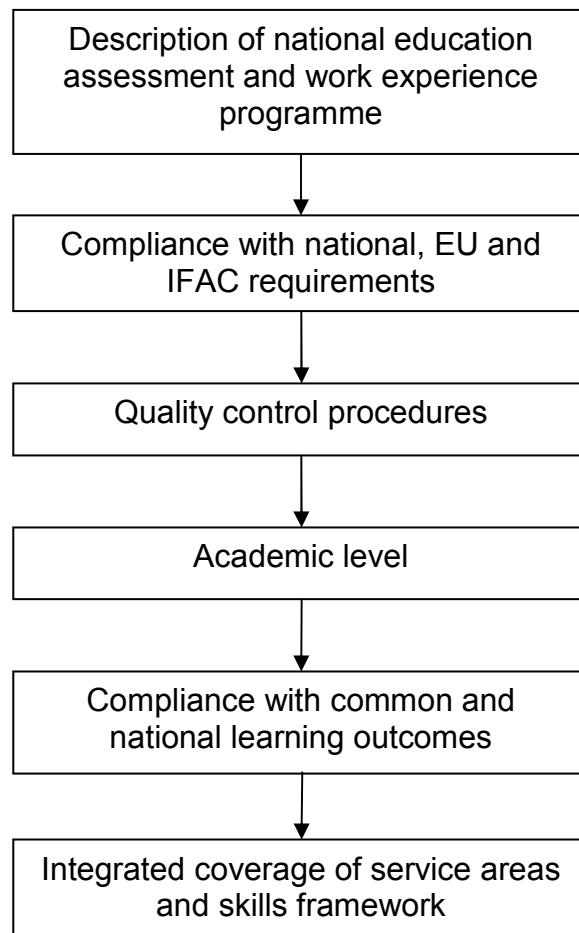


Self-assessment

The self-assessment has six parts (see Table 2):

1. A description of the Institute's education, assessment and work experience programme.
2. Confirmation that the Institute's entry-level professional qualification meets the appropriate national and international requirements for professional accountants and the examination requirements at national, EU and international levels for statutory auditors.
3. A description of the quality control process for the education, assessment, work experience and admission of entry-level professional accountants.
4. Confirmation that the assessment for entry-level professional accountants is made at the appropriate academic level.
5. Demonstration that the education, work experience and assessment of entry-level professional accountants achieve the common learning outcomes and any national learning outcomes.
6. Demonstration that the education, work experience and assessment of entry-level professional accountants covers, in an integrated way, the five service areas and achieves the skills framework.

Table 2: Self-assessment



1. The Institute will, in a standard format, describe its education, assessment and work experience programme. The description will cover the main components of the programme including the contributions of universities, other academic institutions, other educational institutions, government and their agencies and professional accountancy and audit firms as well as the Institute itself.
2. The Institute will confirm that its professional entry-level qualification:
 - meets or exceeds the relevant national and international requirements for professional accountants;
 - meets or exceeds examination requirements at national, EU and international levels for statutory auditors;
 - meets or exceeds IFAC education standards;
 - requires integrity and a commitment to the public interest;
 - requires compliance with the highest ethical standards including the *IFAC Code of Ethics for Professional Accountants*; and
 - requires holders of that qualification to meet or exceed national and IFAC requirements for continuing professional development.
3. The Institute will describe its quality control procedures over the process for its entry-level professional qualification and demonstrate how those procedures ensure that the common content requirements are properly implemented in its qualification. The description of the quality control procedures shall consider specified criteria.
4. The Institute must demonstrate that the level of assessment for its entry-level professional qualification is at first degree level, that is at least equivalent to a three year university degree of professional competence and skills, and the assessment of key parts of the knowledge, including but not limited to that related to financial reporting and assurance, is at second degree level, that is equivalent to more than a three year university first degree. The EU has defined the Dublin descriptors to distinguish between first cycle degrees (bachelors) and second cycle degrees (masters). The Institute will use the Dublin Descriptors. It may also refer to a national or international accreditation system that is applicable: examples are the use of the EU accreditation system ECTS or international academic accreditation systems like EQUIS or AACSB.
5. The Institute must demonstrate that the Common Content Learning Outcomes are satisfactorily covered in its professional entry-level qualification.

The learning outcomes and their levels 1-2-3 define those aspects of the service areas that an entry-level professional accountant is expected to achieve. Therefore they provide the template for the development of educational and work experience programmes. The knowledge and its levels A-B-C provides entry-level professional accountants with a toolkit to achieve the learning outcomes. The *Learning Outcomes and Knowledge* documents set out the requirements for the determination of compliance.

This part of the Oversight process will assess whether the Institute has properly implemented and assessed the common learning outcomes and any appropriate national learning outcomes in its professional entry-level qualification.

The Institute must demonstrate full compliance with the common learning outcomes for each service area. Full compliance means that students have achieved the capabilities required in the learning outcomes documents for each service area.

The learning outcomes are defined in terms of what students should be able to do, with indications of the knowledge that is necessary to achieve these capabilities. Assessment should provide proof that entry-level professional accountants have indeed reached the required level of capability.

In achieving that objective the Institute is permitted to adopt the principle of transferability in its qualification programme. This means that students' capability in a given learning outcome may not necessarily be directly assessed provided that they have satisfactorily demonstrated the required capability elsewhere in the same service area in a closely related context or in a related service area where the same capabilities are required. The areas where transferability can be achieved should be identified in the education and training programme. This must include an analysis of equivalences and differences of application in a new area.

Oversight will permit differences between an Institute's programme and the Common Content learning outcomes **only** if the Institute is able to demonstrate that any differences exist as a result of one or more of the following factors:

- the impact of the local business, educational and cultural environment on the Institute's implementation of the Common Content;
- the Institute has achieved the desired result in a better way; or
- the Institute has included innovations in its qualification which enhance the overall quality of, and which are not so far included in, the Common Content requirements.

This overall approach makes it possible to have viable Common Content programmes in each participating country that also reflect local circumstances. Secondly it also strengthens the overall Common Content project by enabling the sharing of best practice and new developments. Differences which have an impact on the portability of qualifications are not allowed.

6. The Institute must demonstrate that the education, assessment and work experience for its qualification covers, in an integrated way and at the level of an entry-level professional accountant, the five service areas that professional accountants provide to their clients and employers (see **Learning Outcomes and Knowledge**). The Institute must also demonstrate an integrated approach to the required higher-level skills and inter-disciplinary competencies.

In this context, there are two aspects to integration:

- In order to perform well in a service area, professional accountants need an understanding of the other service areas. The programme of assessment needs to reflect this.
- In order to develop professional competencies, students learn them from a variety of sources: the programme of theoretical learning; assessments and examinations; work-based learning; and mentoring at work.

As well as requiring entry-level accountants to have the appropriate level of higher skills in each of the separate subject areas (as defined by the verbs in the learning outcomes – e.g. “recommend”, “discuss”, “compare”), there will be a requirement for students to be able to demonstrate that they can integrate their technical knowledge across the subject areas and deal with multi-disciplinary problems.

Review of Self-assessment

The Steering Group will appoint a team to review the self-assessment and report to the Steering Group whether or not it has obtained sufficient assurance to support the conclusions in the self-assessment. The review will consider the six parts of the self-assessment sequentially so that each part will be reviewed only if the previous parts have been achieved.

The review team reviews the self-assessment in order to obtain sufficient assurance that the Institute's qualification meets the Common Content requirements. The review must confirm that the common learning outcomes are properly implemented in the Institute's syllabus.

The review team will use pre-defined criteria and measures to review the self-assessment: Competencies are covered in each step: (1) general description; (2) IFAC, EU and national requirements; (3) adequacy of quality control; (4) academic competencies; (5) detailed learning outcomes; and (6) integrated learning outcomes and competencies.

Step in self-assessment	Criteria for review
<p>1. The description of the Institute's education, assessment and work experience programme.</p> <p>Qualification Model (draft) in summary based on IFAC SMO 2, EU and national requirements:</p> <ul style="list-style-type: none"> - regulatory requirements; - membership requirements; - professional accountancy education; - practical experience; and - assessment. <p>Standard programme description contains knowledge, skills, values, ethics and attitudes.</p>	<p>Description is for orientation of the review team. The qualification must:</p> <ul style="list-style-type: none"> - meet or exceed national and international requirements for professional accountants; - meet or exceed examination requirements at national, EU and international levels for statutory auditors; - require integrity and a commitment to the public interest; and - require compliance with the highest ethical standards. <p>Holders of these professional qualifications will be required to: meet or exceed any national, EU and IFAC requirements for continuing professional development.</p>
<p>2. Confirmation that the Institute's entry-level professional qualification meets the appropriate national and international requirements for professional accountants and the examination requirements at national, EU and international levels for statutory auditors.</p> <p>In summary according to IFAC</p> <ul style="list-style-type: none"> - accounting, finance and related knowledge - organisational and business knowledge 	<p>Review criteria are contained in IFAC IESs, EU Eighth Directive and relevant national requirements. Statement by Institute under review that high level criteria are met in</p> <ul style="list-style-type: none"> - programme objectives - professional education - practical training - assessment <p>Agreement of Review Team on Step 1 and Step 2 before Step 3 and Step 4 can start.</p>

Step in self-assessment	Criteria for review
<ul style="list-style-type: none"> - information technology - professional skills - values, ethics and attitudes <p>Conclusions in self-assessments.</p>	
<p>3. A description of the quality control process for the education, assessment, work experience and admission of entry-level professional accountants.</p>	<p>Detailed criteria for review of the quality control process to be developed.</p>
<p>4. Confirmation that the assessment for entry-level professional accountants is made at the appropriate academic level.</p> <p>Dublin descriptors define progressive levels of academic competencies for first cycle (bachelor) and second cycle (master) qualifications.</p>	<p>Dublin Descriptors; reference to national or international accreditation systems is permitted.</p> <p>Agreement of Review Team on Step 3 and Step 4 before Step 5 and Step 6 can start.</p>
<p>5. Demonstration that the education, work experience and assessment of entry-level professional accountants achieve the common learning outcomes and any national learning outcomes.</p>	<p>See Learning Outcomes and Knowledge for the learning outcomes for entry-level accountants in the five service areas.</p> <p>Focus for the review is on the coverage of the learning outcomes as higher level competencies are addressed under (6).</p>
<p>6. Demonstration that the education, work experience and assessment of entry-level professional accountants covers, in an integrated way, the five service areas and achieves Skills Framework</p> <ul style="list-style-type: none"> - cognitive – analytical skills - cognitive – appreciative skills - behavioural – personal skills - behavioural – interpersonal skills - behavioural – organisational skills - integrative and multidisciplinary skills - professional values, ethics and attitudes. 	<p>On integration and the achievement of high-level objectives, the review team will use criteria to be developed.</p> <p>Focus for the review is on professional application as academic competencies are covered under (4).</p> <p>Step 6 will be the basis for the final decision of the review team on the overall quality of the professional qualification, education and training under review.</p>

The review team must obtain sufficient evidence to support its conclusion and may request additional evidence beyond that included in the self-assessment.

The review team will send its draft report to the Institute for comments. The final report of the review team should highlight possible remaining issues where there is any disagreement with the Institute. After reaching a conclusion, the review team will give their recommendations to the Steering Group, who will decide accordingly. The language of the final report will be in English. The Institute should submit its own conclusions to the Steering Group.

Based on its consideration of the self-assessment and the review, together with any comments on that review from the Institute, and the Steering Group shall conclude that:

- the Institute's qualification complies with the Common Content requirements; or
- the Institute's qualification complies with the Common Content requirements subject to remedial action; or
- the Institute's qualification does **not** comply with the Common Content requirements.

When remedial action is required, the Steering Group may specify the nature of that action, the timetable for its completion and the reporting and review of that action (including the need for a further self-assessment and review).

When an Institute's qualification does not comply with the Common Content requirements, the Steering Group may indicate the areas of non-compliance and the action required to achieve compliance (including the need for a further self-assessment and review).

A possible additional recommendation could be that a review in fewer than five years may be necessary.

3. OVERSIGHT COMMITTEE

Role

The Steering Group shall establish an Oversight Committee in order to provide assurance that the process for oversight and the admission of new members has been properly carried out. The Oversight Committee shall consist of three members of the Steering Group and two eminent outsiders.

The Oversight Committee shall:

- report to the Steering Group on whether the process for oversight and the admission of new members has been properly carried out;
- report publicly on whether the process for oversight and the admission of new members has been properly carried out;
- make recommendations to the Steering Group for changes in the oversight process and the admission of new members; and
- meet annually with guests to discuss current issues relevant to the Common Content project such as quality, standard setting, regulatory issues, portability and convergence.

Membership

1. The Steering Group will appoint, for each calendar year, a Nominating Committee consisting of the chair of the Steering Group and two of its members. The Nominating Committee will propose members of the Oversight Committee for the next calendar year.
2. Members of the Oversight Committee are appointed by the Steering Group. Each appointment requires the approval of at least three-quarters of the participating Institutes.
3. The Oversight Committee consists of an independent chair, three members chosen from the members of the Steering Group and one independent outsider.
4. The chair of the Oversight Committee is not a member of the Steering Group. The chair of the Oversight Committee is appointed for a period of two years. Re-appointment for one period is possible.
5. The members of the Oversight Committee are appointed for a period of two years. Re-appointment for one period is possible.
6. The Steering Group will appoint a secretary to the Oversight Committee and will make a budget available to cover the costs of the activities of the Oversight Committee.

Procedures

1. The Steering Group will make all information on oversight and the admission of new members available to the Oversight Committee.
2. The Oversight Committee will review oversight and the admission of new members on an annual basis. The chair of the Oversight Committee will report its findings and recommendations for changes in the processes for oversight and the admission of new members to the Steering Group.
3. The Steering Group has the right to ask for clarification from the Oversight Committee.
4. The Oversight Committee will publish its annual report on the Common Content website.
5. The Oversight Committee will meet annually with guests to discuss current issues relevant to the Common Content project such as quality, standard setting, regulatory issues, portability and convergence. The Oversight Committee will report the results to the Steering Group, who may then decide to publish the report.
6. The Oversight Committee will set its own bye-laws for ratification by the Steering Group.

4. MEMBERSHIP AND INVOLVEMENT OF OTHER THAN THE FOUNDING INSTITUTES

Introduction

The Constitution defines “Participating Institutes” as “those professional accounting bodies (Institutes) which have met the criteria for membership established by the Steering Group and which have been admitted to membership”.

Importance of Membership Process and Criteria

The membership process and criteria are important to the following parties for the concomitant reasons:

- the existing Participating Institutes, to protect the “Common Content” brand;
- members of Institutes seeking greater portability of qualifications;
- successful applicants for membership, who seek an efficient process;
- unsuccessful applicants, who seek a fair and transparent process; and
- other stakeholders (regulators and employers), with legitimate interests in the activities of the profession.

Objectives of Membership Process and Criteria

The objectives of the membership process are:

1. To allow those Institutes whose qualifications meet the criteria for membership to become members if they so desire.
2. To ensure that those Institutes whose qualifications do not meet the criteria for membership cannot become members.
3. To assist those Institutes whose qualifications have a reasonable expectation (based upon the nature of the particular qualification and those Institutes having adequate technical, financial and other resources to improve that qualification to meet Common Content criteria) of meeting the criteria within a reasonable time in their qualification improvement process.
4. To ensure that criteria for acceptance to membership are applied in a fair, efficient and transparent manner.
5. To ensure that the process is seen to be fair, efficient and transparent by existing member Institutes, the applying Institute, and third parties.

The objective of the membership criteria is to ensure that only qualifications that meet the common high standards set by the project are eligible for membership.

Membership Criteria

Only the following Institutes may become members (“Participating Institutes”) in the Common Content Project:

Institutes with a substantial portion of members eligible to become statutory auditors

In this context:

1. The term “members” means those members of an Institute who hold that Institute’s entry-level qualification that meets the requirements of the Common Content project.
2. “Eligible” means the professional accountant has:
 - completed the requisite theoretical education and successfully completed the national professional examinations necessary to become a statutory auditor in the Institute’s home jurisdiction;
 - completed the practical experience required to obtain the Institute’s national entry-level qualification or designation; and
 - holds the Institute’s national entry level qualification or designation.
3. “Eligible” does *not* mean the professional accountant:
 - holds a licence as a statutory auditor;
 - has obtained the additional practical experience beyond that needed for the Institute’s entry-level national qualification or designation required to obtain the licence to practise as a statutory auditor; or
 - has taken out any professional indemnity insurance required to practise as a statutory auditor.
4. The term “statutory auditor” means:
 - in the EU; an auditor so qualified under the EC Eighth Directive;
 - in jurisdictions requiring a licence for public accountants to practise as independent external auditors of financial statements, those with such a licence; and
 - in jurisdictions where the practice as an independent external auditor of financial statements is not regulated, those who practise as such external auditors.

Institutes that support fully the Common Content Concept and have implemented that concept as agreed by the existing participating Institutes

In this context:

1. The term “full support” means that the Institute supports without reservation; however, this does not mean that it is not allowed to make meaningful suggestions for improvement.
2. The “Common Content Concept” is defined in the *Executive Summary*.
3. “Implementation” is defined in *Oversight*.

An Institute may not join the project even though it meets common content requirements where a local authority requires acceptance of the application of a second Institute that does not meet those requirements, i.e., the Steering Group will apply the same criteria to all applications for membership and will not approve the membership of an Institute that does not meet the criteria as a condition of granting membership to another Institute that does meet the criteria.

Arrangements for the reciprocal acceptance of members between Participating Institutes and non-participating Institutes would not apply to the Common Content project – and in particular, to any portability mechanisms established by the Common Content project.

Issues in relation to education, such as the level of education required for entry into the programme of professional education are addressed in the *Introduction to the Learning Outcome and Knowledge*. Issues in relation to required professional ethos are addressed in those documents and the *Skills Framework*.

There will be no “grandfathering” of the Common Content project for existing members of a Participating Institute. Nevertheless, existing members will be given the opportunity to “top up” their qualifications. The ability to top-up qualifications means, however, that such a “top up” be subject to the requirements of the Common Content project. This means both, that the Institute’s own self-assessment of its “top-up” be subject to review by the Steering Group, and that it involve a reasonable assessment by the Institute of these members’ top-up.

The Steering Group has agreed that few (perhaps 20) other Institutes are likely to meet the necessary criteria for admission as participating Institutes in the foreseeable future. The Steering Group has also agreed that Institutes that do not currently meet the criteria should aspire to membership.

Commencement of the General Membership Process

The membership process can commence (and the Steering Group will give formal consideration to applications for membership from other Institutes) only if:

1. The Steering Group has given final approval to:
 - the learning outcomes and knowledge and the governance, oversight and assessment arrangements; and
 - the criteria for membership and the membership process.
2. The governance, oversight, and assessment arrangements and the process for membership have been established and can operate effectively.
3. Each of the Founding Institutes has carried out the self-assessment and had that self-assessment reviewed. It is not necessary that every Founding Institute has implemented the Common Content concept in its professional entry-level qualifications.

In determining whether the time for formal consideration of applications for membership from other Institutes is appropriate, the Steering Group will consider whether at least some Founding Institutes – and not only from either the British Isles or Continental Europe alone (i.e., the Steering Group will strive for balance in this respect) – have successfully implemented the Common Content to qualify for membership.

In 2006 the Steering Group may start informal discussions with other Institutes that may wish to apply for membership of the Common Content Project.

Operation of the Membership Process

1. The formal membership process for an applicant Institute commences upon submission of a formal application by that Institute to the Steering Group based upon final decisions made in relation to governance (actual receipt of applications for processing would be undertaken by any body or office to which the Steering Group delegates that responsibility).
2. Whether Founding Institutes or, later, other Participating Institutes choose to provide assistance to applicants is within their judgment: they may act as a conduit to the Steering Group if they so wish. The process ought to strive to allow applicants to be successful in implementing the Common Content, but applicants must otherwise have the financial and technical resources to support their application.
3. The information provided in an application ought to include:
 - a description of the Institute's entry-level national qualification;
 - information about the Institute's technical, financial and other resources;
 - information about the Institute's professional, legal and regulatory environment;
 - evidence of self-assessment demonstrating that the Institute has implemented the Common Content in its professional entry-level qualification; and
 - a commitment to meet the obligations of Participating Institutes.
4. New participants must:
 - accept the project as it is before joining; and
 - implement the project as is before joining.
5. Existing Participating Institutes have the right and responsibility to make available to the Steering Group during the membership process any information that they believe may be relevant to the Steering Group's decision on the acceptance of a new member.
6. Existing Participating Institutes will not have any right of veto or any delaying powers in the acceptance of new members, nor will applicants require the support of existing members.
7. An applicant for membership shall bear the costs of:
 - preparing and submitting the application, including the preparation of its self-assessment;
 - the translation of its application for membership into English;
 - the Steering Group's review of the applicant's self-assessment in accordance with the Oversight process; and
 - any appeals resulting from the rejection of the application.
8. The timing of processing of membership applications ought to be determined by the added value that a particular potential member may bring to the project; the Steering Group wishes to retain its flexibility to exercise judgment in this regard, rather than being bound by strict rules. The Steering Group will determine the timing for, and sequence of, its consideration of applications. With respect to the timing of processing of potential members from Continental Europe vs. from other jurisdictions – and in particular, from other common law jurisdictions – the Steering Group will strive towards balance.
9. The membership process involves the following stages towards membership:

- potential applicants (i.e. those who have expressed an interest and may have entered into discussions with existing Participating Institutes or members of the Steering Group);
- applicants (i.e., those who have applied for membership by submitting a formal application to the Steering group);
- aspirants (i.e., those who support the project, but upon initial processing of the application it has become apparent that they require considerable assistance to improve their qualification or perform a self-review, but have no reasonable expectation of successful implementation within the near future);
- potential members (i.e., those who have commenced the membership process because they have a reasonable expectation of successful implementation within a reasonable time);
- members-in-waiting (i.e., those who have completed their membership process, including the review, but who are in the process of taking remedial action so that they comply with the Common Content criteria within a reasonable time);
- members (i.e., those who are in compliance with the Common Content criteria); and
- reciprocal members (i.e., those who are in compliance with the Common Content criteria and have been able to establish the mechanisms for portability of qualifications).

5. CONSTITUTION

Name

1. The name of the project shall be the Common Content Project.
2. The objective of the Common Content Project is to unify, as far as possible, the professional qualifications for membership of Participating Institutes, irrespective of who grants those qualifications, while ensuring that those qualifications remain high quality and meet changing public expectations.

Participating Institutes

3. The Participating Institutes shall consist of those professional accounting bodies (Institutes) which have met the criteria for membership established by the Steering Group in accordance with Clause 4 and which have been admitted to membership. A Founding Institute, as defined in Clause 5, shall be deemed to have met the criteria for membership established by the Steering Group as at the effective date of this Constitution and shall therefore remain a Participating Institute until 1 January 2012 notwithstanding that it has not met, or may no longer meet, the criteria for membership established by the Steering Group.
4. An Institute shall be considered for membership as a Participating Institute only if:
 - a) its entry-level professional qualification:
 - meets or exceeds relevant national and international requirements for professional accountants;
 - meets or exceeds examination requirements at national, EU and international levels for statutory auditors of financial statements;
 - meets or exceeds IFAC education standards;
 - requires integrity and a commitment to the public interest;
 - requires compliance with the highest ethical standards including the IFAC Code of Ethics for Professional Accountants; and
 - requires holders of its qualification to meet or exceed national, EU and IFAC requirements for continuing professional development; and
 - b) it has demonstrated that it has met the criteria for membership established by the Steering Group.
5. The Founding Institutes are:

France	Ordre des Experts-Comptables (OEC)
Germany	Institut der Wirtschaftsprüfer (IDW) Wirtschaftsprüferkammer (WPK)
Ireland	Institute of Chartered Accountants in Ireland (ICAI)
Italy	Consiglio Nazionale dei Dottori Commercialisti (CNDC)
The Netherlands	Koninklijk Nederlands Instituut van Registeraccountants (NIVRA)
United Kingdom	Institute of Chartered Accountants in England and Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS)

6. An Institute shall cease to be a Participating Institute from the date agreed by the Steering Group when:
- a) it has ceased to exist as an independent professional accounting body;
 - b) it has resigned as a Participating Institute and the Steering Group has accepted its resignation;
 - c) it no longer meets the criteria for membership established by the Steering Group in accordance with clause 4 and the Steering Group has resolved to remove that Institute as a Participating Institute; or
 - d) the Steering Group has, for good cause, resolved to remove the Institute as a Participating Institute.

The Steering Group shall not remove a Founding Institute as a Participating Institute until 1 January 2012 notwithstanding that the Institute has not met, or may no longer meet, the criteria for membership established by the Steering Group in accordance with clause 4.

7. An Institute, including a Founding Institute, shall not publicly assert that its entry-level professional qualifications comply with the common content concept unless it has completed the oversight process and the Steering Group has concluded that the Institute has properly implemented and assessed the common content concept in its entry-level professional qualification.

Obligations of Participating Institutes

8. A Participating Institute that **has** the responsibility and authority to grant its professional entry-level qualification and to determine the curricula for that qualification shall, in consultation when necessary with any relevant regulatory or government authorities:
- a) implement the common content concept in that qualification; and
 - b) admit to membership those members of another Participating Institute who have met the assessment requirements established by that Institute for the common content and who have the appropriate work experience and have satisfied the assessment criteria for the Institute's national content.
9. A participating Institute that does **not have** the responsibility or the authority to grant its qualification shall work with regulatory or government authorities, universities and other relevant national bodies and, in so doing, use its best endeavours to ensure:
- a) the implementation of the common content concept in its national professional entry-level qualification; and
 - b) the admission to membership of those members of another Participating Institute who have met the assessment requirements established by that Institute for the common content and who have the appropriate work experience and have satisfied the assessment criteria for the Institute's national content.
10. A participating Institute that does **not have** the responsibility or the authority to determine the curricula for its national qualification shall work with regulatory or government authorities, universities and other relevant national bodies and, in so doing, use its best endeavours to ensure:

- a) the implementation of the common content concept in the curricula for its national professional entry-level qualification; and
- b) the admission to membership of those members of another Participating Institute who have met the assessment requirements established by that Institute for the common content and who have the appropriate work experience and who have satisfied the assessment criteria for the Institute's national content.

Governance

11. The Common Content project shall be governed by the Steering Group.
12. The Steering Group shall comprise one representative of each Participating Institute. The representatives from each Participating Institute may be accompanied at meetings of the Steering Group by one or more adviser(s).
13. The Steering Group shall be presided over by an independent chairperson, appointed by the Steering Group for a renewable term of two years. The chairperson shall be a member of a Participating Institute but shall not represent any Institute at meetings of the Steering Group.
14. The Steering Group shall be responsible for the governance of all aspects of the project including, but not limited to, the following:

Participating Institutes

- the admission of Institutes as Participating Institutes (including the establishment of the criteria and the process for determining membership that such Institutes are required to meet and the timing for and sequence of its consideration of applications and any appeals process);
- the removal of Institutes from the project (including the establishment of the criteria and the process that would lead to removal and the timing of its consideration of possible removal from the project and any appeals process);

Common Content Concept

- the development of the Common Content Concept including the agreement of the learning outcomes and knowledge, interdisciplinary and other competencies and attributes, and policies on education and assessment;
- the updating of the learning outcomes and knowledge, interdisciplinary and other competencies and attributes, and the policies on education and assessment;
- the oversight process, including the framework and indicators used in that process;
- the monitoring of the endeavours made by participating Institutes to ensure the portability of their respective Common Content qualifications;

Communications and Consultations

- communications and consultations about the project with participating and non-participating Institutes and with other appropriate national and international organisations;
- any joint branding of the Common Content concept;

Management and Governance of Project

- the appointment of Task Forces and such other groups that the Steering Group decides are necessary to manage the project;
- the appointment of any Review Panels that are required to carry out the oversight process;
- the appointment of any chairman/chairwoman of Task Forces, Review Panels and other groups;
- the appointment of a Project Director (or equivalent) and other staff required to manage and administer the project;
- the frequency and timing of Steering Group meetings;
- the determination of the budget and financing of the project (including the allocation of shares of costs to participating Institutes);
- the establishment of any legal entity or any other administrative or legal arrangements necessary to achieve the effective management of the project;
- the establishment of, and any changes to, its operating procedures provided that those procedures are consistent with the Constitution;
- any other strategy issues associated with the project;
- any other matters necessary to manage and administer the project; and
- changes to the governance arrangements including changes to the Constitution.

Steering Group Meetings

15. Meetings of the Steering Group shall be held at such times and in such places as it shall decide.
16. Unless otherwise provided in clauses 17 and 18 of this Constitution, decisions of the Steering Group shall be taken on the basis of consensus.
17. In the absence of a consensus, decisions of the Steering Group relating to the following matters shall require the approval of *at least three-quarters* of the Participating Institutes:
 - the admission of Participating Institutes to the project;
 - the removal of Institutes from membership of the project;
 - the approval of changes to the Common Content Concept including the learning outcomes and knowledge, interdisciplinary competencies, oversight, education, assessment and the portability of qualifications;
 - the approval of the budget and financing of the project (including the allocation of shares of costs to participating Institutes); and
 - the approval of changes to the governance arrangements.
18. In the absence of a consensus, decisions of the Steering Group relating to matters other than those in clause 17 shall require the approval of a simple majority of the Participating Institutes.

19. When a vote is required in accordance with clauses 15 or 16, each Participating Institute shall be entitled to one vote. However, two or more Institutes which share a common membership and which are treated as a single Institute for the purposes of cost sharing shall be treated as a single Institute for the purpose of voting. The chairperson of the Steering Group shall not have a vote.

Financial Arrangements

20. The Steering Group shall prepare an annual budget for the ensuing calendar year and send that budget to the Participating Institutes.
21. The Participating Institutes shall contribute on 1st January and 1st July each year the amount decided by the Steering Group. Unless otherwise agreed by the Steering Group, Participating Institutes shall contribute equally to the annual budget. Institutes which are Participating Institutes for part only of a calendar year shall contribute a pro rata proportion calculated by reference to the period of their membership.
22. The Steering Group shall reimburse the chairman/chairwoman for expenses incurred in attending Steering Group meetings and otherwise on behalf of the project.
23. The Steering Group shall determine what other expenses shall be a charge against the budget.
24. The Steering Group shall prepare annual financial statements and send those financial statements to the Participating Institutes.
25. Unless otherwise agreed by the Steering Group, any surplus of contributions and other income over expenses for a year shall be returned to the Participating Institutes in proportion to their contributions as determined under clause 19 for the year.

Administration and Language

26. The administrative office and location of the Common Content project shall be determined by the Steering Group.
27. The authoritative text of the Common Content requirements shall be that published by the Steering Group in the English language. The Steering Group may publish authorised translations or authorise Participating Institutes to publish translations of the authoritative text.

Changes to Constitution

28. If the number of Participating Institutes increases, the Steering Group shall reconsider the governance of the project, in particular the membership of the Steering Group and the voting arrangements at Steering Group meetings.

Effective Date

29. This Constitution shall come into effect on 1 January 2007 or on such earlier date as is unanimously agreed by the Steering Group.