

# **Additional IDF Grant for Strengthening Public Financial Management in Bhutan**

**COMPONENT IV:** Support to Accounting and Auditing Standards Board of Bhutan  
for the establishment of Institute of Chartered Accountants of  
Bhutan (ICAB)

Terms of Reference for consultancy services for  
Developing Curriculum for the Chartered Accountants  
Course;  
Drafting By-laws for ICAB;  
and  
Rules and Regulations of AAS Act

**December 2015**

# **Terms of Reference**

## **1. Background**

As the Bhutanese economy is growing, there is an increasing demand for the qualified accountants both within the private as well as the public sector. The demand is further fueled by increase in the number of companies, opening up of the economy and the decision of Royal Government of Bhutan to improve the quality of financial reporting by following issue of Bhutanese Accounting Standards that are aligned with International Financial Reporting Standards (IFRSs). With the increasing demand for the qualified professional accountants, the gap between the demand and supply of qualified professional accountants has been widening. Similarly, there is also the demand for audit firms to carry out statutory and other audits of various companies and other legal institutions. This demand and supply gap till today is being met by the Chartered Accountancy Firms from other countries, particularly India.

Amongst others, one of the specific roles and responsibilities of Accounting and Auditing Standards Board of Bhutan (AASBB) is to facilitate establishment of the Institute of Chartered Accountants of Bhutan (ICAB) and forge possible alliances with regional institutes. In this regard, the AASBB with grant support from the World Bank has prepared proposal for establishment of ICAB and the draft bill of Chartered Accountants of Bhutan. Moreover, the National Council and Ministry of Finance (MoF) have directed the AASBB to submit Accounting and Auditing Standards (AAS) Act to legitimize AASBB as a standard setting and regulatory body. Accordingly, both the Bills were drafted and submitted to MoF for approval and submission to the Government and thereafter will be placed in the Parliament for enactment.

## **Statement of Intent**

While the Bills are in the process of approval by the Government, it is timely to frame by-laws for the ICAB, Rules and Regulations of AAS Act and develop professional accounting curriculum for various levels, practical training requirements and qualifying examinations etc. As such, this part of IDF Grants received from the World Bank for the establishment of ICAB will be utilized in framing by-laws of ICAB, drafting rules and regulations of AAS Act and develop curriculum for Chartered Accountancy course and scheme for education of Accounting Technician course. On one hand, the RGoB aims to produce professional chartered accountants and on the other aims to have a trained work force in accountancy. For this purpose, AASBB wishes to enter into a contract/arrangement with a Professional Accountancy Organization (PAO), Educational Institution (EI) or an International Consultancy Firm (ICF) and national consultant to provide necessary technical assistance to carry out the assignment in accordance with the objectives set out below. The service of a national consultant is to provide necessary local inputs to the PAO, EI or ICF for this assignment. The intent of the RGoB in entering into an engagement with PAO, EI or ICF and national consultant is to obtain technical support for achieving the deliverables listed below by tapping into their existing knowledge pool, expertise and experience and their various technical committees/departments.

## **2. Objectives and expected deliverables**

2.1. The main objectives of the assignment are:

- i To develop curriculum, syllabus and study material for Chartered Accountancy course.
- ii Drafting By-laws for ICAB; and
- iii Drafting of Rules and Regulations of AAS Act.

2.2. **Deliverables**

2.2.1. **Develop curriculum, syllabus and study material for Chartered Accountancy and Accounting Technician courses**

- a. Prepare an overall framework required for obtaining qualification of Chartered Accountancy, which include requirements for entry level, intermediate and final level, and practical training and a scheme of Education and Accounting Technician course;
- b. Prepare a detailed curriculum for Chartered Accountancy course;
- c. Develop appropriate syllabus to meet the needs of curriculum;
- d. Prepare study materials as per syllabus; and
- e. Develop course on Accounting Technician which should fit in within the curriculum of CA as far as possible;
- f. Any other work related to the development of curriculum.

The above framework, curriculum, syllabus and study material should be developed fulfilling all the requirements of International Education Standards (IESs) for Professional Accountants of International Federation of Accountants' (IFAC). The curriculum must lead to producing a Chartered Accountant (CA) or an Accounting Technician who is highly competent and multifaceted professional, partnering business and creating sustainable value for the organization he or she works in.

The Chartered Accountancy course and Accountancy Technician course will be developed in a manner so that the education in the country should match with global academic, technological and economic advancements and the course should be practical to meet the global needs and be industry-friendly.

2.2.2. **By-laws of ICAB**

- i Draft the By-laws for the efficient functioning of ICAB based on the draft Chartered Accountants Act of Bhutan(CAAB). These by-laws should facilitate the ICAB in discharge of its mandate and roles and responsibilities and meet its objective. The by-laws will cover the day to day functioning of the proposed ICAB and take into account the matters particularly specified in section 52 of the draft CAAB Act (Power to make Regulations) and should draw from leading practices of other CA Institutes globally and in particular the region.

2.2.3. **Rules and Regulations of Accounting and Auditing Standards Act**

- i Draft the Rules and Regulations for the Accounting and Auditing Standards Board of Bhutan based on draft Accounting and Auditing Standards Act.

### **3. Minimum Requirements of the consultant(s)/ Professional Accountancy Organization**

#### **3.a National consultant**

The RGoB will hire services of a national consultant to provide the necessary local inputs to the PAO, EI or ICF working on this assignment.

The consultant(s) should fulfill the following criteria:

- i. The consultant should have a minimum qualification of B.Com, BBA, Degree in Law or similar. However, an individual with professional accountancy qualification will be an advantage.
- ii. The consultant must have through knowledge and work experience related to the Taxation and Laws (including Business and Commercial Laws) applicable to Bhutan.
- iii. An experience in developing curriculum for any business institute will be an added advantage.
- iv. The consultant should be of Bhutanese origin and without any adverse record in previous consultancy project if handled before.

The overall assignment is expected to be for about 100 days which shall be monitored on monthly basis.

#### **3.b Professional Accountancy Organization or Educational Institution or International Consulting Firm**

A PAO with prior experience in supporting another PAO in various ways including development of curriculum will be an advantage.

Similarly, an Education Institution or International Consulting Firm with qualified staff in the field of accountancy, law etc to fulfill the requirements of the assignment.

Prior experience in developing similar courses will be an added advantage.

### **4. Reporting Requirements and Time Schedule for Deliverables**

The PAO/EI/ICF and the National Consultant will report and communicate on regular basis with the General Secretary, AASBB Secretariat and provide updates on any issues, constraints, problems, and solutions during the assignment. During the presentation to the AASBB, both the PAO and the consultant should present their output/findings.

The overall assignment shall be for 6 months which shall be monitored on monthly basis.

The Consultants shall submit the following reports and documents:

<b>SL. No.</b>	<b>Deliverables</b>	<b>Timeline</b>
1	Prepare and submit an Inception Report which should include the outline of the approach that will go in the development of by-laws of ICAB, rules and regulations of AAS Act and CA curriculum including syllabus and study materials.	Month 1
2	Prepare and submit draft curriculum and syllabus for CA and AT course	Month 2
3	Submit final copy curriculum and syllabus for CA and AT course	Month 2
4	Prepare and submit draft By-laws for ICAB	Month 3
5	Prepare and submit draft rules and regulations for AASBB	Month 3
6	Prepare and submit draft study material	Month 5
7	Submit final copy of rules and regulations for AASBB	Month 5
8	Submit final copy of By-laws of ICAB	Month 5
9	Submit final copy of study material	Month 6
10	A closure report which should include the summary of activities carried out, document the lessons learnt from experience in preparing the curriculum and by-laws of ICAB and any other recommendations.	Month 6

*Note:* The timeline above begins from the date of the signing of the contract.

### **3. Documents to be provided by the AASBB**

- i. Draft Chartered Accountants Act of Bhutan.
- ii. Draft Accounting and Auditing Standards Act.

### **4. Review of draft curriculum of CA course and draft Regulations**

The AASBB will constitute a Committee to review the draft outputs (the curriculum, syllabus and study material for the Chartered Accountancy and Accounting Technician courses; Regulations for the ICAB; and rules and regulations of the AAS Act). The Committee will adopt a consultative process and may invite suggestions and objections from persons likely to be affected by the Regulations and the curriculum including from select reputed educational institutes imparting higher education in commerce. The PAO/ICF/EI and national consultant are expected to work closely with the Committee in this process. Feedback provided by the Committee will be incorporated in the final output.