

# Annual Report

International Computer Auditing Education Association of Japan

(ICAEA JAPAN)

January 2021

## Introduction

In 2020, COVID-19 has changed our lifestyle significantly. As the word "New Normal" implies, new common sense is established in the whole society, and corporate activities are required to take appropriate measures. ICAEA JAPAN conducted activities with a focus on education based on "meet and train", "meet and exchange opinions" so far. From my past experience, I thought that online training could have a certain effect on the acquisition of knowledge, but not on the acquisition of skills. However, since it is difficult to "meet people", I had to think about a way to train without face-to-face, so I decided to review the online training again.

For the above reason, it was necessary to find a breakthrough method to introduce online training. As a result of trial and error, by introducing a method that promotes two-way communication between instructors and students, such as face-to-face training, the student can solve each question and acquire knowledge and skills that are useful in practice. Then, in May 2020, we started an online training course.

From the results of a questionnaire of more than 30 online training participants, it was found that online training, which enables two-way communication between the instructor and the students, has the same training effect as face-to-face training.

In 2021, we will actively plan online training and hope to provide more people with know-how regarding CAATs.

The number of trainees and ICCP examinees has dropped significantly due to the effects of COVID-19, but the introduction of online training has made it possible to attract customers from all over the country, and we plan to bring the ICCP exam online in FY2021 by utilizing this know-how.

In addition, the study group, which was supposed to be gathered, is now held online, so that attendee can participate in the study group from all over the country.

COVID-19 had a negative impact on our business, but I think it was also an opportunity to take on new challenges.

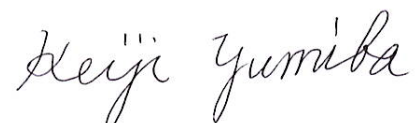
ICAEA JAPAN will continue to quickly adapt to changes in the environment and train and support professionals who can utilize CAATs in practice to detect and prevent daily employee fraud and errors.

We will continue to make efforts so that we can contribute to our society.

January 2021

International Computer Auditing Education Association of Japan

Representative Director Keiji Yumiba

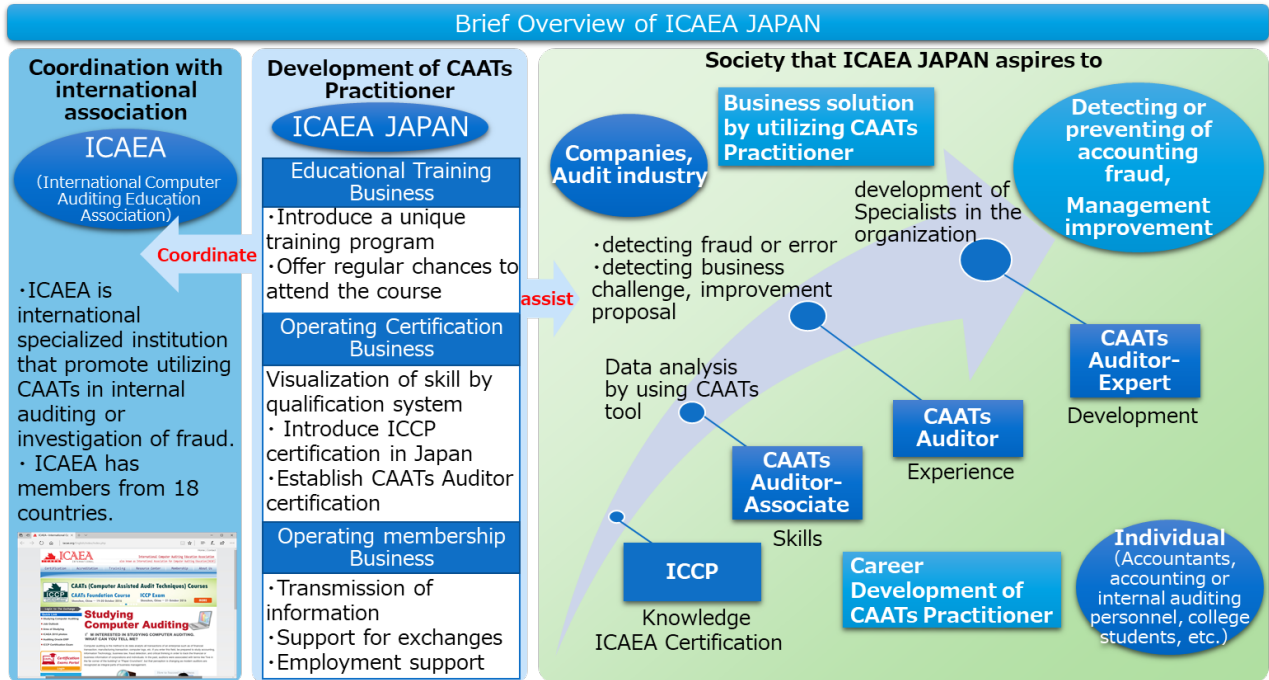


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# 1. Brief Overview of ICAEA JAPAN

The Aim of Establishment	The aim of establishment of this association is to contribute to detect or prevent fraud by assisting the development of Professionals who can utilize CAATs in practice (CAATs Practitioner).
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name	International Computer Auditing Education Association of Japan
abbreviated name	ICAEA JAPAN
address	Floor 5, Resona Kudan Bldg., 1-5-6 Kudan-Minami, Chiyoda-Ku, Tokyo,102-0074, Japan
telephone number	+81 3 6268 9756
date of foundation	13 <sup>rd</sup> September 2017
representative	Representative Director Keiji Yumiba
URL	<a href="http://www.iacae.org/japan">http://www.iacae.org/japan</a>

## 2. Profile of ICAEA Japan Directors



### Board Chairman Keiji Yumiba

CPA  
President of SanKei business consulting corp.  
Former Partner of Deloitte Touche Tohmatsu

- In 1992, Join Chuo Audit Corporation (a member firm of Coopers & Lybrand at that time) .
- As a CPA, proactively adopt CAATs in the audit works for over twenty years.
- In addition to audit service, involved in planning, development, introduction and operation of the informational system in the Audit Corporation.
- In 2007, transferred to Deloitte Touche Tohmatsu LLC(DTT). As a Partner, involved in developing human resources in the Audit Corporation.
- In 2017, retired from DTT, then founded ICAEA JAPAN LLC., has been Board Chairperson up to the present date.



### Director Michiharu Matsuda

CPA, Small and Medium Enterprise Management Consultant  
Chartered Member of the Securities Analysts Association of Japan, Master of Business Administration  
Former Professor at faculty of business administration of SANNO University  
Former Partner of Deloitte Touche Tohmatsu

- In 2006, after Japan Finance Corporation for Small Business(present Japan Finance Corporation), Aoyama Audit Corporation (a member firm of Price Waterhouse at that time) and Mizuho Securities Co. etc.
- In September 2017, retired from Deloitte Touche Tohmatsu and has been president of Michiharu Matsuda public accounting firm and Professor at SANNO University.



### Auditor Atomu Takase

Lawyer  
Partner of Uchida & Samejima Law Firm

- Apr-1999 Admitted to the Department of Law, Faculty of Law, Hokkai-Gakuen University
- Mar-2003 Graduated from the Department of Law, Faculty of Law, Hokkai-Gakuen University
- Nov-2003 Passed the judicial scrivener examination
- Apr-2005 Admitted to the two-year program in the Law School, Hokkaido University
- Mar-2007 Completed the two-year program in the Law School, Hokkaido University
- Sep-2007 Passed the bar examination / November: Joined the Legal Training and Research Institute
- Dec-2008 Registered with the Tokyo Bar Association (New 61st)
- Jan-2009 Joined the Hoyu Law Firm (currently: the Sagaya Patent & Law Offices)
- Apr-2011 Permanent member of the Tokyo Bar Association (March 2012)
- Mar-2012 Resigned from the Hoyu Law Firm (currently: the Sagaya Patent & Law Offices)
- Apr-2012 Joined the Akasaka Aoi Law Office
- May-2013 Joined the Uchida & Samejima Law Firm
- Jul-2019 Became a partner in the firm

### 3. Profile of ICAEA Japan Advisers



**Executive Adviser** Akio Okuyama

CPA, tax accountant  
President of Okuyama public accounting firm  
Executive Adviser of Japanese Institute of Certified Public Accountants

- Assumed president of Japanese Institute of Certified Public Accountants and chairperson of Chuo Audit Corporation (a member firm of Coopers & Lybrand at that time), etc. Took a great deal of public office such as an executive adviser of the Financial Services Agency, a counselor of the Cabinet Office, a committee member of the National University Corporation Evaluation Committee and an industrial revitalization committee of Industrial Revitalization Corporation of Japan, etc., has participated actively in and outside the audit industry.
- Currently, as president of a public accounting firm, support corporate management in his advisory capacity with the corporation. Concurrently assume executive adviser of Japanese Institute of Certified Public Accountants and outside directors of listed and unlisted companies, etc.



**Executive Adviser** Takakazu Sugiyama

Doctor of Science  
Emeritus professor of Chuo University, Director of Statistics Science Institute,  
Former President of Japan Statistical Society

- In 1965, completed a masters' course in the Graduate School of Science at Tokyo University of Science. In 1969, awarded the degree of Doctor of Science (the ninth Doctorate of Science at Tokyo University of Science).
- In 1974, head of Research, Guidance and Extension Division at the Institution of Statistical Mathematics in the Ministry of Education. In 1980, Professor at Chuo University. From 1999 to 2003, head at Chuo University graduate school of bioscience.
- Assumed Board Chairman and Chairman of Japan Statistical Society. In 2007, founded Statistics Science Institute. Provide university lecturers and business person with continuing education through courses for analyzing statistical data and multivariate data analysis, etc. and engage in research and extension.
- Research achievement



**Executive Adviser** Toshifumi Takada

Doctor of Business Administration  
Emeritus professor of Tohoku University, Professor of National Chung Cheng University  
Former president of Japan Auditing Association

- In 1979, took credits at the Graduate School of Economics at Tohoku University. In 2005, awarded the degree of Doctor of Business Administration (Aoyama Gakuin University).
- From 1997 to 2018, professor at the School of Economics at Tohoku University, the Graduate School of Economics at Tohoku University, director and professor at Tohoku University
- In 2018, a specially appointed professor (Education) and emeritus professor at Tohoku University. Professor of National Chung Cheng University.
- Held positions such as president of Japan Auditing Association, Japan Association of Graduate Schools for Professional Accountancy, a member of CPA examination committee in the Financial Services Agency, a councilor in Japan Auditing Association, etc.
- Not only educate within the university but also hold a great deal of positions in academic society and committee, etc. to give suggestions regarding the role or function of audit.

## 4. Activity content

### (1) Educational Training Business

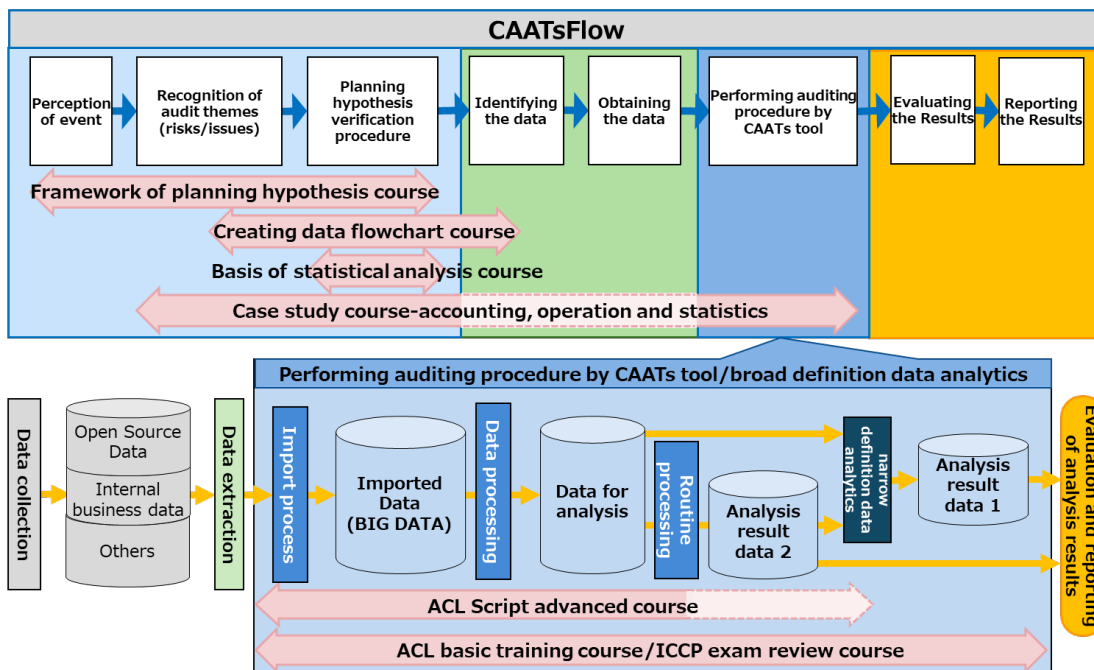
ICAEA JAPAN systematizes the knowledge and skills required for Professionals who can utilize CAATs in practice according to the flow of CAATs Flow (\* 1), and the skills required for CAATs are classified into three categories, "Skill for planning hypothesis", "Skill for processing / analyzing data" and "Skill for reporting" as shown in the figure below.

ICAEA JAPAN's education and training plans and holds training courses in association with CAATs certification and three categories of skills.

CAATsFlow	CAATsに必要な技能	技能の分類	技能の例示
Perception of events	Skill for planning hypothesis (A)	(A) Skill for planning hypothesis	◇Prerequisite knowledges (information) - Knowledge necessary to give ideas during hypothesis planning knowledge of accounting, auditing, internal control, fraud, or statistical-analytical approach etc.
Recognition of audit themes (risks/issues)			◇Using Skill of Hypothesis planning framework - Knowledge and skills necessary for making hypothesis planning smoothly Skills for collecting and organizing information or skills for summarizing ideas, etc.
Planning hypothesis verification procedure			◇Basic knowledge of Database - Knowledge necessary to identify data items Knowledge of the database, file format or data security Skills for database design etc.
Identifying the data	Skill for processing / analyzing data (B)	(B) Skill for processing / analyzing data	◇Obtaining the data - Knowledge necessary for safely obtaining and saving data or evaluating the appropriateness of data Knowledge and skills necessary for data import or verification of data reliability etc.
Obtaining the data			◇Data processing and analysis - Knowledge and skills necessary to process and analyze data used for performing of procedures Knowledge and skills necessary to operate data analysis tool or statistical analysis tool etc.
Performing auditing procedure by CAATs tool	Skill for reporting (C)	(C) Skill for reporting	◇Effective report of audit results - Knowledge and skills necessary for effectively reporting audit results Effective reporting skills etc.
Evaluating the Results			
Reporting the Results			

\* 1: CAATs Flow is defined as a series of audit business processes from selection of audit themes (risks / issues) based on current analysis to planning, implementation of audit procedures, and reporting of results. This definition is original of ICAEA JAPAN.

The figure below shows the mapping between the CAATs Flow and the training courses.



The outline of each training course is as follows.

course name	content	Time (h)	Holding frequency
ACL basic training course (*2)	You will learn the basic operations of ACL™ Analytics.	18.0	At least once a month
ICCP exam review course	You can acquire the knowledge and skills necessary to pass the ICCP exam. You will be required to take the ICCP exam on the afternoon of the second day.	Training:9.5 Exam:2.0	Around once every three months
ACL Script advanced course	You will learn skills for performing advanced data processing (repetitive processing, processing using variables, interactive processing, etc.) using ACL scripts.	12.0	Around once every three months
Framework of planning hypothesis course	You will learn the framework for planning an audit theme from the prerequisite knowledge, and planning a (hypothesis verification) procedure from the audit theme.	3.0	Around once every three months
Creating data flowchart course	You will learn how to create a data flow diagram that visualizes the data flow.	3.0	
Basis of statistical analysis course	You will learn the characteristics of the entire data by using statistical analysis methods and learn the basic knowledge to apply statistical analysis methods to the planning of audit procedures.	3.0	
Case study course - accounting	You will learn the points to keep in mind when performing the "journal entry test" and practice ACL operations using data.	6.0	Around once every three months
Case study course - operation	You will learn "IT business process control" and practice ACL operation using data.	6.0	
Case study course - statistics	You will learn "typical fraudulent techniques in sales transactions" and practice ACL operations using data.	6.0	

\* 2: This training course is held, entrusted by Galvanize.

The number of people who attended the training is shown in the table below.

(Unit: Number of people)

course name	FY2019	FY2020	Cumulative total
ACL basic training course	19	51	70
ICCP exam review course	40	6	46
ACL Script advanced course	12	6	18
Framework of planning hypothesis course	30	14	44
Creating data flowchart course	28	14	42
Basis of statistical analysis course	26	14	40



course name	FY2019	FY2020	Cumulative total
Case study course - accounting	26	11	37
Case study course - operation	22	14	36
Case study course - statistics	25	11	36
Total:	228	141	369

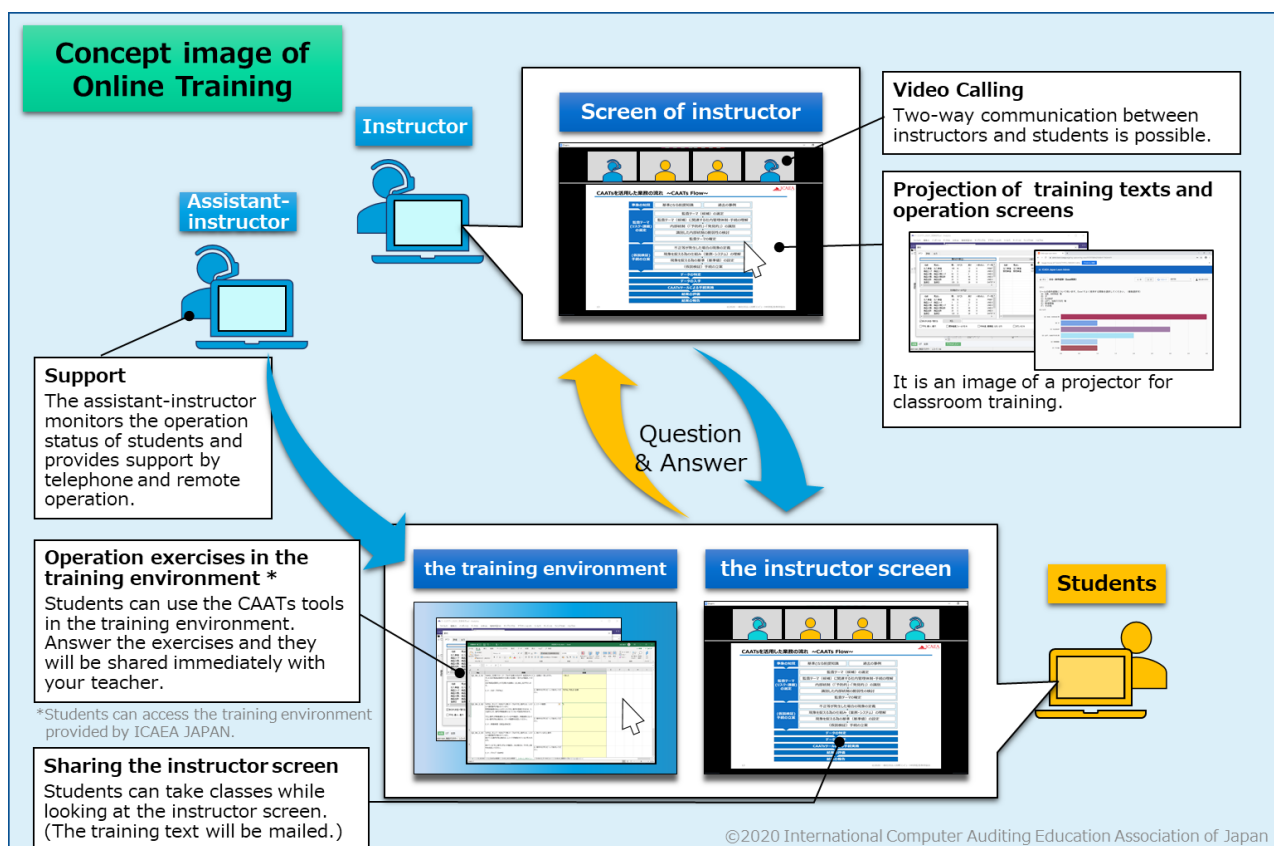
In 2020, ICAEA JAPAN was also greatly affected by COVID-19.

In addition to making it difficult to conduct classroom training due to restrictions on the gathering of people, the number of trainees has decreased significantly due to the suspension or postponement of training dispatch, because budget cuts due to deterioration of corporate performance.

ICAEA JAPAN has developed the new style training method which is by introducing a mechanism that enables two-way communication between the instructor and the trainees as in the case of classroom training, the trainees can solve each question and acquire knowledge and skills.

ICAEA JAPAN has started new style online training that you can learn in May 2020 and is working to respond to the "New Normal" society brought about by COVID-19.

The concept image of online training is shown in the figure below.



## (2) Operating Certification Business

As shown in the table below, ICAEA JAPAN sets the type of human resources and the main skills to be acquired for each certification.

Certification	Type of human resource	Main skills
ICCP (*3)	<ul style="list-style-type: none"> <li>You can understand the basics of CAATs</li> <li>You can obtain and save data safely</li> <li>Procedures can be carried out using the CAATs tool</li> <li>You can evaluate the result of the procedure</li> </ul>	(B) Skill for processing / analyzing data
CAATs Auditor -Associate	<ul style="list-style-type: none"> <li>You can understand the business and identify risks</li> <li>Procedures for verifying identified risks can be formulated</li> <li>You can identify the data required for the procedure</li> <li>You can evaluate the final result of the procedure</li> </ul>	(A) Skill for planning hypothesis (B) Skill for processing / analyzing data
CAATs Auditor	<ul style="list-style-type: none"> <li>Abundant practical experience of CAATs</li> <li>Effective presentation to managers</li> </ul>	(A) Skill for planning hypothesis (B) Skill for processing / analyzing data (C) Skill for reporting
CAATs Auditor-Expert	<ul style="list-style-type: none"> <li>You can train CAATs auditors</li> </ul>	(A) Skill for planning hypothesis (B) Skill for processing / analyzing data (C) Skill for reporting plus Human resource development

\*3: ICAEA certification, abbreviation for International Certified CAATs Practitioner

The number of certified people (As of December 31, 2020)

Acquisition year	ICCP	CAATs Auditor -Associate
2016	2	—
2017	2	—
2018	41	6
2019	34	10
2020	5	8
Total :	84	24

The number of certified people has decreased due to the influence of COVID-19, but the lack of opportunities to take the exam is another reason.

In addition to publishing a book titled "ICCP Exam Preparation Textbook" in April 2021, ICAEA JAPAN will utilize the know-how cultivated through online training to add online exam formats and increase the number of certified people.

### (3) Operating membership Business

ICA EA JAPAN holds study groups twice a year for the purpose of improving the CAAT skills of its members and spreading useful information on CAATs and has held four study groups so far. The Overview is as follows.

#### The 1<sup>st</sup> Study Group(June 2019~September 2019)

Theme	Research on third-party committee reports
Overview	Based on the investigation report of the third-party committee, research on the discovery procedure using CAATs after understanding the causes of fraud and error
Chairman	ICA EA JAPAN Representative Director: Keiji Yumiba
Members (Titles omitted)	 <p>Yuji Ishibashi (Osaka Gas Co., Ltd.)          Kuniharu Kato (Benesse Holdings, Inc.)          Bun Ki (Panasonic Corporation)          Hiroyuki Takada (Takada CPA Office)          Fumihiko Takahashi (BELLSYSTEM24 Holdings, Inc.)          Satoru Tachikawa (Mitsubishi Electric Corporation)          Junji Hamada (A&amp;A Partners)</p>
Deliverables	Please refer to the following link for the summary of the deliverables. <a href="https://www.icaejp.or.jp/files/191106_Reserch01_001.htm">https://www.icaejp.or.jp/files/191106_Reserch01_001.htm</a> (Japanese Only)


**The 2<sup>nd</sup> Study Group(November 2019~February 2020)**

Theme	Research on third-party committee reports
Overview	Based on the investigation report of the third-party committee, research on the discovery procedure using CAATs after understanding the causes of fraud and error
Chairman	ICAEA JAPAN Representative Director: Keiji Yumiba
Members (Titles omitted)	 <p>Yuji Ishibashi (Osaka Gas Co., Ltd.)          Shinichiro Kai (School of Accountancy of Kansai University)          Kuniharu Kato (Benesse Holdings, Inc.)          Koki Shimizu (Grant Thornton Taiyo LLC)          Fumihiko Takahashi (BELLSYSTEM24 Holdings, Inc.)          Satoru Tachikawa (Mitsubishi Electric Corporation)          Takenobu Toku (Mitsubishi Chemical Corporation)          Naotaka Nakamoto (ARK LLC)          Daishi Nishimura (Grant Thornton Taiyo LLC)</p>
Deliverables	Please refer to the following link for the summary of the deliverables. <a href="https://www.icaejp.or.jp/files/200430_Reserch01_002.htm">https://www.icaejp.or.jp/files/200430_Reserch01_002.htm</a> (Japanese Only)

### The 3<sup>rd</sup> Study Group(June 2020~August 2020)

Theme	<ul style="list-style-type: none"> <li>•Labor audit (overtime work, work at home)</li> <li>•Division of roles between the audit department and the management department (Three defense lines)</li> </ul>
Overview	<ul style="list-style-type: none"> <li>•Discuss with actual examples on the theme of overtime work and work at home, and formulate audit procedures</li> <li>•Discuss using CAATs on three defense lines</li> </ul>
Chairman	<p>BELLSYSTEM24 Holdings, Inc.            Group Manager of Internal audit: Fumihiro Takahashi</p>
Members (Titles omitted)	 <p>Osamu Amaoka (BELLSYSTEM24 Holdings, Inc.)            Yuji Ishibashi (Osaka Gas Co., Ltd.)            Shinichiro Kai (School of Accountancy of Kansai University)            Kuniharu Kato (Benesse Holdings, Inc.)            Masashi Sato (DCM Homac CO., LTD)            Takenobu Toku (Mitsubishi Chemical Corporation)            Nobuaki Higashi (Fujiya Hotel Co., Ltd.)            Shoji Morino (Osaka Gas Co., Ltd.)            Tetsushi Ueno (ICA EA JAPAN)</p>
Deliverables	<p>Please refer to the following link for the summary of the deliverables.  <a href="https://www.icaejp.or.jp/files/200918_Reserch01_003.htm">https://www.icaejp.or.jp/files/200918_Reserch01_003.htm</a>            (Japanese Only)</p>

### The 4<sup>th</sup> Study Group (September 2020~December 2020)

Theme	Data Analytics Audit using CAATs for expenses and entertainment expenses
Overview	<ul style="list-style-type: none"> <li>Discuss fraudulent techniques related to employee expenses and entertainment expenses</li> <li>Develop an analytical approach for expenses and entertainment expenses</li> </ul>
Chairman	ICAEA JAPAN Representative Director: Keiji Yumiba
Members (Titles omitted)	 <p>Osamu Amaoka(BELLSYSTEM24 Holdings, Inc.)          Yuji Ishibashi(Osaka Gas Co., Ltd.)          Kuniharu Kato(Benesse Holdings, Inc.)          Akina Kurokawa(Grant Thornton Taiyo LLC)          Masashi Sato(DCM Homac CO.,LTD)          Fumihiro Takahashi(BELLSYSTEM24 Holdings, Inc.)          Takenobu Toku(Mitsubishi Chemical Corporation)          Shoji Morino(Osaka Gas Co., Ltd.)          Tetsushi Ueno (ICAEA JAPAN)</p>
Deliverables	<p>Please refer to the following link for the summary of the deliverables.</p> <p><a href="https://www.icaeajp.or.jp/files/201224_Reserch01_004.htm">https://www.icaeajp.or.jp/files/201224_Reserch01_004.htm</a></p> <p>(Japanese Only)</p>