
Annual Report

2021

International Computer Auditing Education Association of Japan

Introduction

Due to the prolonged Corona disaster, companies will be under more pressure than ever to respond to emergencies and unprecedented situations, and they will be required to take special actions in some cases that cannot be handled by conventional internal controls. As a result, the risk of fraud and error is also expected to increase. Remote work has become a somewhat effective way of working at Corona Disaster, and audit practitioners are no exception. Therefore, there is a need to conduct high quality auditing in a remote environment without being on site, and technology-based auditing methods are attracting attention.

International Computer Auditing Education Association of Japan (ICAEA JAPAN) mainly focus on education to promote Computer Assisted Audit Techniques (CAATs) in society. Skills to make better use of data, improve the effectiveness of data analysis, and translate this into audit practice are essential for conducting quality audits, especially in remote areas. ICAEA Japan provides training and CAATs qualification to develop such skills.

To make better use of data and increase the effectiveness of data analysis, it is necessary to learn specific methods of data analysis. For this purpose, training that includes operational exercises of data analysis tools is indispensable. To make training with exercises more effective, instructors need to monitor participants' operational status in real time and communicate interactively with them, but it is not easy to provide such an environment in remote areas.

ICAEA JAPAN has developed an online training environment that allows instructors to monitor participants' operational status in real time and communicate interactively with them to achieve the same level of training effectiveness in online training as in face-to-face training.

We are going not only to enhance our training courses but also to actively announce information on CAATs to provide our expertise on CAATs to many more people. We also plan to give lectures at universities and endowed CAATs courses at graduate schools for students studying accounting and auditing.

ICAEA JAPAN will promote CAATs in society by training and supporting experts (CAATs practitioner) who can use CAATs in practice. By making CAATs a standard audit technique, we will continue our efforts to contribute to the detection and prevention of employee fraud and errors.

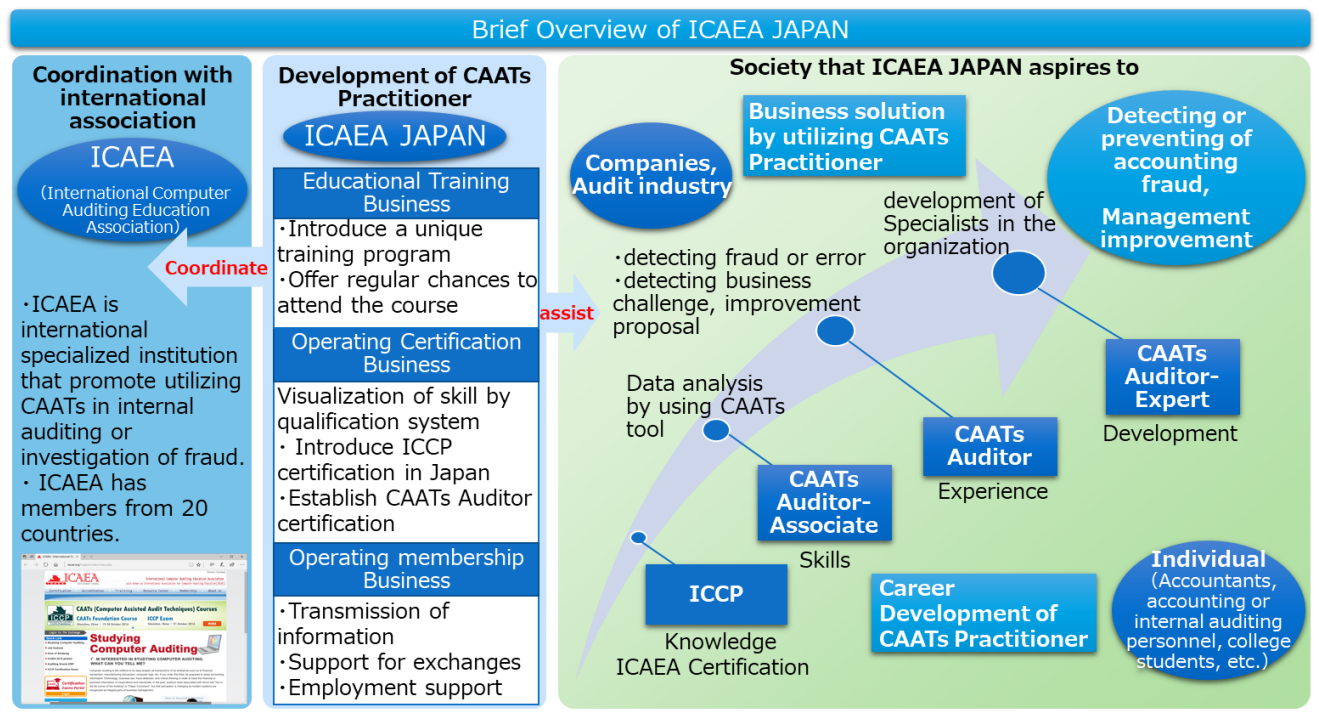
January 2022
International Computer Auditing Education Association of Japan
Representative Director Keiji Yumiba

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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 use 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 rd September 2017
Representative	Representative Director Keiji Yumiba
URL	https://www.icaejp.or.jp/

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.

Managing Director Tetsushi Ueno



CPA, Systems Auditor

- In 2003, Join OBIC Business Consultants Co. as a member of the Development Department and engaged in the development of accounting systems.
- In 2008, Join Ernst & Young ShinNihon LLC and moved to Deloitte Touche Tohmatsu LLC(DTT) in 2017.
- As a CPA, engaged in financial statement and internal control audits and system audits for listed companies for more than 10 years.
- In addition, also provided support for business improvement, Risk Consulting and IT advisory services.
- After retired from DTT ,has been Managing Director from 2021 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.

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

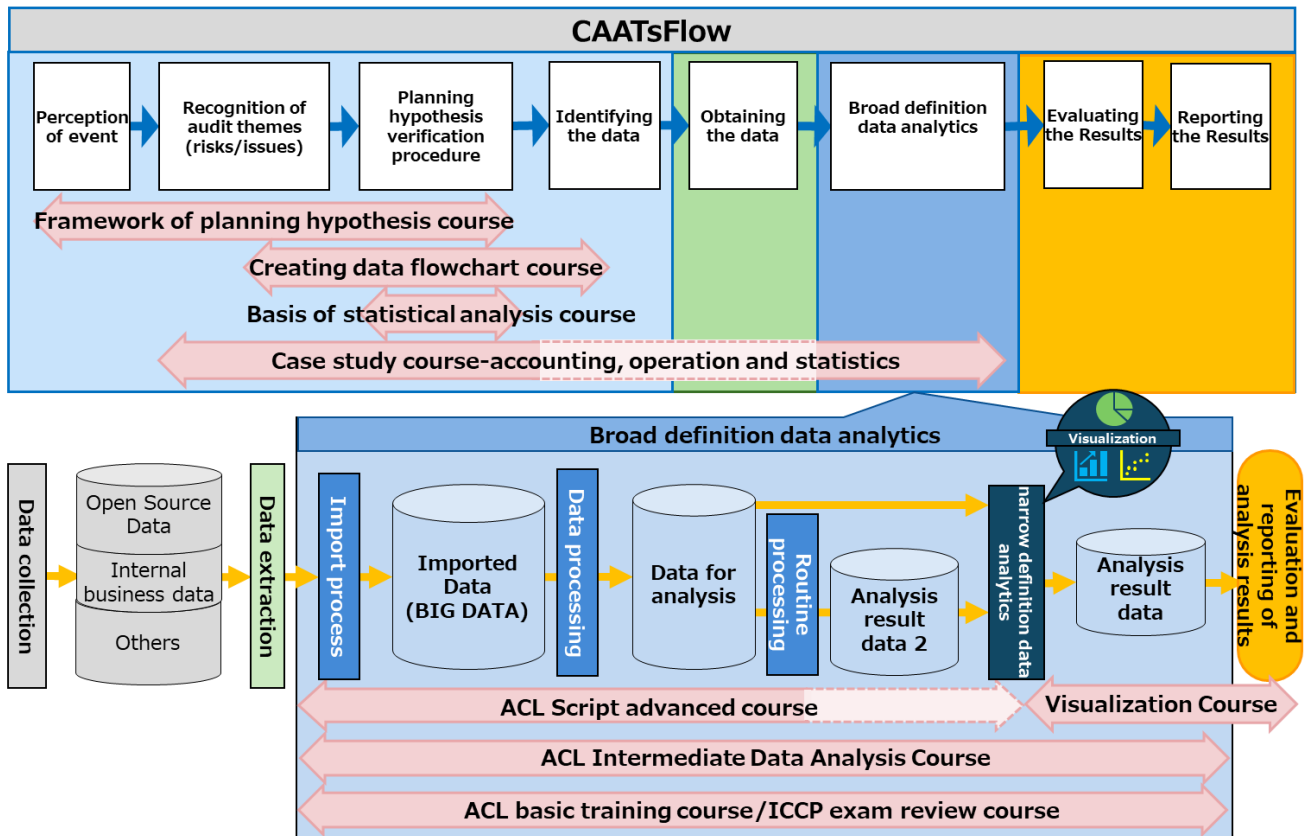
Training courses

ICAEA JAPAN systematizes the knowledge and skills required for Professionals who can use 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.

CAATs Flow	Skills for CAATs	Categories of Skills	Examples of Skills
Perception of events Recognition of audit themes (risks/issues) Planning hypothesis verification procedure Identifying the data	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.
Obtaining the data Performing auditing procedure by CAATs tool			◇ 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.
Evaluating the Results Reporting the Results			◇ Basic knowledge of Database • Knowledge necessary to identify data items Knowledge of the database, file format or data security Skills for database design etc.
Obtaining the data Performing auditing procedure by CAATs tool	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.
Evaluating the Results Reporting the Results			◇ 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.
Evaluating the Results Reporting the Results	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.

* 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)	Frequency
ACL Basic Training Course (※2)	You will learn the basic operations of ACL™ Analytics(ACL).	18.0	At least once a month
ICCP Exam Review Course	This course is for those who have mastered basic ACL operations. You can acquire the knowledge and skills necessary to pass the ICCP exam.	12.0	Around once every three months
ACL Intermediate Data Analysis Course	This course is for those who want to learn more practical data processing and data analysis operations using ACL.	12.0	At least once a month
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

Course Name	Content	Time(h)	Frequency
Framework of Forming a Hypothesis Course	You will learn the framework for planning an audit theme from the prerequisites 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 (1)	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 - Accounting (2)	You will learn the points to keep in mind about the operation in identifying "signs of impairment" and practice ACL operations using data.	6.0	
Case Study Course - Operation (1)	You will learn "IT business process control" and practice ACL operations using data.	6.0	
Case Study Course - Operation (2)	You will learn Hypothesis development and practice ACL operations using data on the theme of "Labor Audit (Attendance and Labor Management)".	6.0	
Case Study Course - Statistics (1)	You will learn "typical fraudulent techniques in sales transactions" and practice ACL operations using data.	6.0	
Visualization Course -Basic	You will learn basic operations to visualize data using the BI tool "Microsoft Power BI".	6.0	

※2: This training course is held, entrusted by Diligent Corporation.

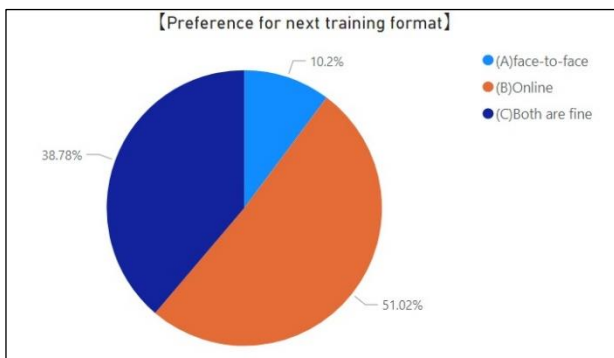
The table below shows the number of training participants compared to the previous year.

(Unit: Number of people)

Course Name	FY2020	FY2021	Increase and Decrease
ACL Basic Training Course	51	47	-4
ICCP Exam Review Course	6	63	57
ACL Script Advanced Course	6	10	4
Framework of Planning Hypothesis Course	14	20	6
Creating Data Flowchart Course	14	20	6
Basis of Statistical Analysis Course	14	20	6
Case Study Course - Accounting (1)	11	1	-10
Case Study Course - Operation (1) , (2)	14	1	-14
Case Study Course - Statistics (1)	11	4	-7
Visualization Course - Basic	-	1	1
Total :	141	187	46
(Online Course of the above)	(26)	(147)	(121)

Despite the impact of the Corona disaster, the number of training participants increased in FY2021 due to the expansion of online training as well as group training (face-to-face training at venues). The number of participants in the online training program was 26 out of 141 in FY2020 (online training began in May 2020). In FY2021, 147 of the 187 participants were Online, accounting for 80% of the total. This is likely due to the promotion of telework and participation from rural areas through online training.

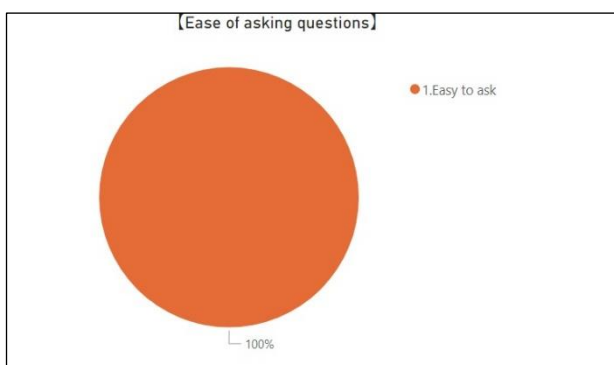
In a survey of online training participants, we asked them whether they would prefer online or group training the next time they attend a training course. The results are as follows.



【Preference for next training format】

Combining (B) Online 51% and (C) Both of fine 39%, nearly 90% of respondents support online training. The following positive comments were received in the free comment section.

“The support is very satisfying even though it's online.”, “It's no different than group training.”, “It cuts down on travel time.”, “It is also available for teleworkers.”

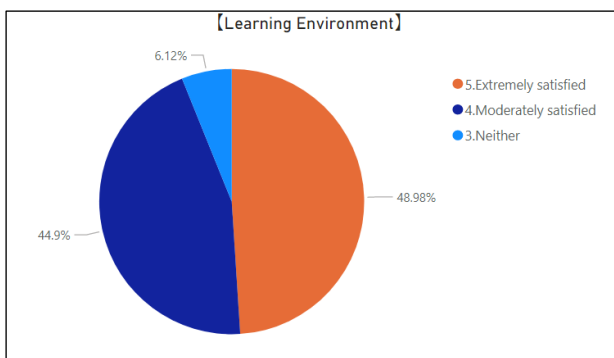


【Ease of asking questions】

100% of the respondents answered that it was easy to ask questions.

【Learning Environment】

94% of the respondents answered, “Extremely satisfied” or “Moderately satisfied.”



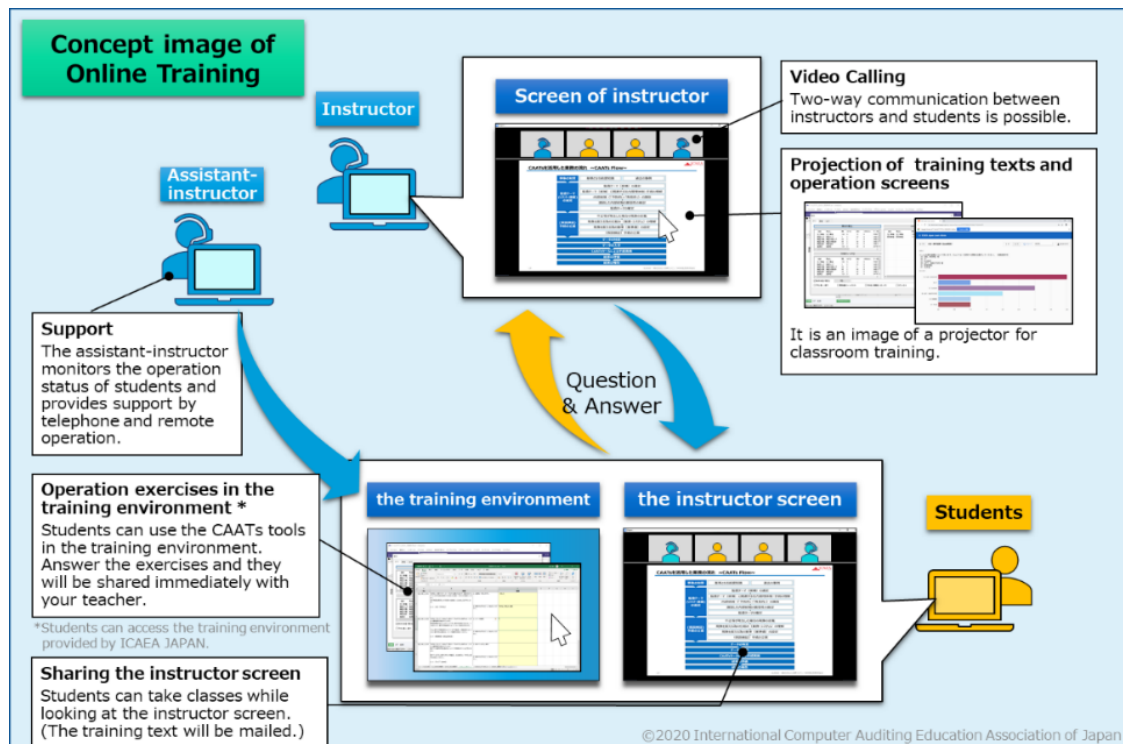
On the other hand, we received the following negative comments and we have to improve more.

“Depends on the network environment.”, “Cannot communicate with other students.”, “It is difficult to take the course on one PC screen.”

ICAEEA Japan value “an online training environment that allows two-way communication between instructors and participants,” and we will continue to ensure this.

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

The program is designed to help participants gain knowledge and skills by solving practical problems one by one.



Lectures at universities and graduate schools

ICAEA JAPAN has been promoting CAATs in society through lectures at universities and graduate schools since FY2020. The following is an overview of the lectures held this fiscal year.

● Aoyama Gakuin University Graduate School of Professional Accountancy

Audit Case StudiesⅢ

Outline of Lectures	Time(m)
<ul style="list-style-type: none"> •Features of CAATs •A useful framework for practicing CAATs 	90
<ul style="list-style-type: none"> •Audit Methodology and History •Positioning, effectiveness, and issues of CAATs and Continuous Auditing 	90
<ul style="list-style-type: none"> •The influence of Artificial Intelligence (AI) on accounting and auditing 	90
<ul style="list-style-type: none"> •Minimum basic database knowledge required for data analysis 	90
<ul style="list-style-type: none"> •A useful framework for practicing “data analysis” •Explanation of statistical analysis methods (deviation) and exercises using Excel 	90
Data Analysis Exercise (1) <ul style="list-style-type: none"> •Extract data of sales recorded at midnight 	180
Data Analysis Exercise (2) <ul style="list-style-type: none"> •Extract sales transaction data with abnormal sales unit prices for each product No. from the annual sales transaction data 	180
Data Analysis Exercise (3) <ul style="list-style-type: none"> •Extract sales representatives whose unit sales prices are abnormal 	180
Data Analysis Exercise (4) <ul style="list-style-type: none"> • In relation to data analysis exercise (3), extract sales data involving sales representatives and compare that data with other sales representatives 	180
Data Analysis Exercise (5) <ul style="list-style-type: none"> •Extract data suspected of fraud or unusual business associations. 	180

<Excerpts from the survey of students>

- ✓ I understand the importance of data analysis. I gradually learned how to get data from the company and how to use that data in auditing.
- ✓ I really empathized with forming a hypothesis skill and conceptual skills. I am excited to hear the knowledge in a systematic way and imagine myself in the future when I will be able to touch ACL again.

- ✓ It was interesting to dive into a world I didn't know at all. I learned that understanding the flow of the CAATs framework gives an overall of data processing and analysis. I hope to make use of it in the future.

Lectures, other

ICAEA JAPAN holds various lectures and publishes books with the aim of improving CAATs skills and sharing useful information on CAATs to society.

The following is a summary of lectures and other events held this fiscal year.

Date	Category	Title	Overview
April 5, 2021	Book Publishing	International Certified CAATs Practitioner Learn in one book! ICCP Exam Preparation Textbook (Published by Choeisha)	This book covers the basic knowledge of CAATs and data analysis required to qualify for the ICCP, as well as how to operate the CAATs tools.
May 25, 2021	Lecture	ICCP Textbook launch Seminar ~Auditing and Data Analysis in the DX Era with ACL™ Analytics~	With the goal of having an image of becoming a practitioner who can use data analysis to achieve effective and efficient audits, the seminar explained how to understand the process of data analysis using ACL to achieve the planned analysis scenarios.
September 9, 2021	International Conference	『2021 International Conference on Computer Auditing in Tokyo』(※3)	The conference was held for the purpose of gathering and discussing people from four positions, an audit industry (Certified Public Accountant), regulators (FSA, UK FRC), business (internal auditor), research institutions (universities / graduate schools). The concept is "Understanding the current status, challenges, and future of data analysis in auditing, including overseas ~Understanding Data Analysis in Auditing from Four Positions~".
December 23, 2021	Lecture	Let's start! Introduction to Data Analysis	This session is for those who are considering incorporating data analysis into their internal audits or have concerns about introducing it and provided specific information on the steps to introduce data

Date	Category	Title	Overview
			analysis in auditing and the issues that are likely to arise when introducing it.

※3:『2021 International Conference on Computer Auditing in Tokyo』 URL

https://www.icaejp.or.jp/files/20211019_icaea2021_imple_report/icaea2021_imple_report.htm

(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(※4) Japanese Name : International Certified CAATs Practitioner	<ul style="list-style-type: none"> •You can understand the basics of CAATs •You can obtain and save data safely •Procedures can be carried out using the CAATs tool •You can make primary evaluation of the result of the procedure 	(B) Skill for processing, analyzing data
CAATs Auditor -Associate	<ul style="list-style-type: none"> •You can understand the business and identify risks •Procedures for verifying identified risks can be formulated •You can identify the data required for the procedure •You can evaluate the final result of the procedure 	(A) Skill for planning hypothesis (B) Skill for processing, analyzing data
CAATs Auditor	<ul style="list-style-type: none"> •Abundant practical experience of CAATs •Effective presentation to managers 	(A) Skill for planning hypothesis (B) Skill for processing, analyzing data (C) Skill for reporting
CAATs Auditor-Expert	<ul style="list-style-type: none"> •You can train CAATs auditors 	(A) Skill for planning hypothesis (B) Skill for processing, analyzing data (C) Skill for reporting plus Human resource development

※4: ICAEA certification, abbreviation for International Certified CAATs Practitioner

The number of certified persons (As of December 31,2021)

Acquisition Year	ICCP	CAATs Auditor-Associate
2016	2	—
2017(※5)	3	—
2018(※5)	43	6
2019(※5)	36	10
2020	5	9
2021	58	1
総計 :	147	26

※5: Due to a change in the tabulation method, there are differences from the previous year's annual report.

In FY2021, the number of certified persons increased. This is due to the publication of the ICCP exam preparation textbook in April to provide more opportunities to take the exam, as well as the addition of an online exam.

In addition, the certification of "CAATs Auditor", which is a higher-level qualification than "CAATs Auditor-Associate", was started in FY2021. The "CAATs Auditor" is a qualification that certifies that a person can use CAATs in practice based on practical CAATs experience (or equivalent training) and skills to report audit results effectively (reporting skills). We have opened a training course (Visualization Training - Basic) to acquire such reporting skills.

(3) Operating membership Business

ICAEA 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 "2021 International Conference on Computer Auditing in Tokyo" was held in Tokyo, so the study group held once in 2021. The Overview is as follows.

The 5th Study Group (May 2021~August 2021)

Theme	Remote auditing using CAATs
Overview	<ul style="list-style-type: none"> •Discuss the latest trends in the auditing industry regarding remote auditing and the efforts of each member of the study group. •Create audit procedures for remote auditing using CAATs •Panel discussion on the theme of "Audit Data Analytics in remote environments and the Future of Internal Auditors" at 2021 International Conference on Computer Auditing
Chairman	ICAEA JAPAN Managing Director: Tetsushi Ueno

<p>Members(Titles omitted)</p>	 <p>Yuji Ishibashi (Osaka Gas Co., Ltd.) Masashi Sato (D C M Co., Ltd.) Fumihiko Takahashi (Bellsystem24 Holdings, Inc.) Takenobu Toku (Mitsubishi Chemical Corporation) Shoji Morino (Osaka Gas Co., Ltd.) Keiji Yumiba (ICAEEA JAPAN)</p>
<p>Deliverables</p>	<p>Please refer to the following link for the summary of the deliverables. https://www.icaejp.or.jp/research/research01/#research005 (Japanese Only)</p>



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