


Effective 1 September 2002 onwards on a voluntary basis
Mandatory on 1 January 2005



Prospective Members' Training Guidelines



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

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Overview

The Hong Kong Society of Accountants (HKSA) wishes to strengthen the effectiveness of the Practical Experience component of its requirements for admission to membership, in line with recent changes in the other three components. This follows the HKSA policy of ensuring that it implements best international standards in the interests of the community, employers and members.

The period of required practical experience will be unchanged, but will be more precisely defined as comprising 200 days per year of full-time experience.

An important feature is to make even closer the key tripartite relationship between candidates, their employers and the HKSA, including nominated liaison officers by employers to facilitate communication with the HKSA.

More effective guidance will be given to candidates regarding the competencies they are expected to achieve from their practical experience. This will be done by extending the competency-based framework already applied to prerequisite academic qualifications, the Qualification Programme (QP) and the Final Professional Examination. Both technical or accounting-related and broader generic competencies such as communication skills are defined. Provision is made for the widest possible range of eligible practical experience, while still retaining a common core in the fundamentals of accounting.

Particular recognition is being given to the vital role of supervision by introducing Authorised Supervisors and by increased support to supervisors by the HKSA.

The importance of the training environment in developing professional competencies will also be recognised by formalising the role of employers through the HKSA accrediting Authorised Employers as well as increasing liaison arrangements.

The use of competency standards will permit more informative documentation, which should give greater guidance to candidates as well as supervisors and employers as to the competencies to be developed and demonstrated. Supervisors and employers will be encouraged to monitor progress in terms of demonstrated competencies at least on an annual basis.

The HKSA fully recognises the resource implications for employers in training candidates and monitoring their progress and every effort will be made to minimise them.

The HKSA is committed to close consultation with all interested parties and will adopt a staged approach to implementation of the new arrangements. There will be a pilot trial and further consideration of feedback prior to commencement of the scheme on a voluntary basis on 1 September 2002. Mandatory adoption of the new arrangements will occur on 1 January 2005, after consideration of observations of the operation of the voluntary scheme.

1 Introduction

1.1 New guidelines for practical experience

The Society has drawn up these Guidelines, endorsed by the Council, for the benefit of both registered students and employers alike. These Guidelines provide guidance on the new competency-based framework governing the attainment of practical experience for membership admission purposes, which takes effect, on a voluntary basis, on **1 September 2002**. They build on the current legal requirements and policies, and contain a description of how the competency standards would be used in assessing membership applications in an authorised or supervised training environment. A new Prospective Member's Record of Practical Experience for Membership Admission has also been drawn up to facilitate the implementation of the new framework.

Until **31 December 2004**, however, prospective members have a choice of using the existing system or the new competency-based system for membership application. In either case, the Application Form for Registration as a Professional Accountant, Form R-3, should be used. However, an official testimonial(s) will not be required when using the new Prospective Member's Record. Prospective members are encouraged to adopt the new documentation.

1.2 Need for change

The Society introduced its Qualification Programme (QP) in 1999. The QP uses competencies to define the knowledge that students need to possess in order to complete the workshop assessments and examinations. The competencies are split into two broad categories:

- The ability to apply technical knowledge of the core subjects of accountancy to practical situations (technical competencies); and
- The ability to communicate this knowledge and understanding of business and the environment to others, as well as demonstrating the personal skills, attitudes and values appropriate to a professional accountant (generic competencies).

Defining the capabilities of individuals being assessed for their suitability to become members is very useful and the Society believes that to complete the pre-qualification process, a competency-based framework for practical experience should be introduced. The purpose is to define more accurately the sort of skills that individuals should acquire during their period of practical experience.

The Practical Experience Task Force was set up in 1998 and appointed consultants to make recommendations for this project. A consultation paper and an exposure draft were issued in September 2000 and April 2002 respectively. A total of 33 written commentaries, including a number from overseas professional accountancy bodies, were received. In addition, a number of registered students, employers, members and interested parties provided their views at three discussion forums. Views and comments have been considered and incorporated, as appropriate, into the competency-based requirements defined in these guidelines.

2 Competency standards for practical experience

2.1 Existing legal framework

The Professional Accountants Ordinance (PAO) and By-laws charge the Hong Kong Society of Accountants with the responsibility for developing and maintaining high professional standards in the Hong Kong accountancy profession. To meet this objective in the area of training, the Council aims to ensure that prospective members i.e. registered students of the Society receive a high and uniform quality of practical training, regardless of where they are employed.

The requirements for practical experience for membership admission to the Hong Kong Society of Accountants are set out in section 24 and By-law 41 of the PAO and are provided in the Notes of Form R-3.

2.2 Agreed principles

The legal provisions state clearly that there are two principles that need to be established with regard to practical experience. These are:

- Duration of experience (number of years)
- Coverage (type) of experience.

The overall duration of practical experience required remains the same under the old and new systems. We are taking the opportunity to define the calculation of the practical experience in more finite terms.

What the new framework hopes to do is to define better, in competency terms, the coverage and type of practical experience gained by our members enroute to qualification. In so doing, it should simplify the existing system for the assessment of the type of practical experience that is acceptable, particularly when it comes to the assessment against precedent cases. In addition, prospective members and their employers would have a clearer idea of the types of experience, defined in competencies, which qualify for membership admission. The existing legal framework remains intact with no amendments to the legal provisions being sought.

2.3 Current practice for assessing coverage of experience

In accordance with the above general principles the Society currently assesses practical experience by reference to the official testimonial(s) issued by the applicant's employer(s). The testimonial provides details of the title, duration and job nature of the employment. In general, experience acquired from job duties relating to accounting, auditing, financial accounting, management accounting, insolvency, costing and taxation will be considered as acceptable practical experience. The Society normally accepts work experience as an accounts supervisor, audit supervisor, tax assessor of the Inland Revenue Department or finance manager.

The Society's Registration and Practising Committee will consider the applications of those whose practical experience is not within the above scope on a case-by-case basis. Experience, which is accepted by the Society through this process, will normally serve as a precedent for future assessments.

2.4 Technical competency areas

The main technical areas where experience is gained are:

- Financial accounting and external reporting
- Auditing and internal auditing
- Financial management
- Taxation.

In addition three other areas are also defined as areas where a significant proportion of members gained practical experience:

- Management accounting
- Information management and technology
- Insolvency.

Under the competency-based framework, a minimum set of competencies are used to define the skills that all professional accountants in training are expected to achieve. Further competencies covering all of the above technical competencies were proposed in addition to generic competencies. These are the personal and professional qualities individuals should gain, if they are working extensively in those areas.

Competency standards are defined in terms of:

- the stage of completion of the period of practical experience (two categories: basic and principal); and
- the level of attainment of the skill (three levels: supervised, independent and leader).

The competency-based framework is set out in further detail in Section 3.

3 New framework for competency standards for practical experience

3.1 Legal framework unchanged

Under the new framework it is envisaged that the length of service requirements and the rulings used in the past remain unchanged. In other words,

- Depending on the academic qualifications of the employee, the period of full-time practical experience will be three, four or five years.
- For the calculation of relevant practical experience, full-time employment can be obtained in one or more of the following categories:
 - with a certified public accountant or in a firm of certified public accountants or a corporate practice;
 - in an accountancy role in industry, commerce or the public sector; or
 - in accounting or related services in government, quasi-governmental organisations or other non-commercial establishments.

Under the existing practice, the length of employment contributed by any one employer to the total should be for at least 12 months. “Part-time” experience will not be counted as part of the practical experience.

However, under the new framework, the HKSA will accredit or authorise employers to provide appropriate practical experience to prescribed standards, corresponding to the competencies specified in the Prospective Member’s Record.

3.2 Authorised training environment and assessment of practical experience

The quality and contribution of practical experience can be substantially influenced by the nature and standard of supervision received by the candidate. This relates both to the acquisition and development of generic competencies and professional attitudes and to more specific technical competencies.

The present HKSA guidelines advise candidates that, “A student is encouraged to obtain his practical training under the close supervision of a qualified accountant,” and those working in public practice are expected to work with a certified public accountant or a firm of certified public accountants or a corporate practice. Otherwise supervision is not currently mandatory unless obtained overseas, when there is a condition that “the applicant works under the direct supervision of a member of the Society or a recognised institute”.

The guidelines, in discussing the Employer’s role, state that, “It is most desirable that the employer will assign a qualified accountant, preferably a member of the Society, to be responsible for the overall supervision and progress of the student or students under his employ.” The existing arrangements for assessing the experience of a prospective member focus on the type of employer (CPA or accounting department of a commercial organisation) and on the employee’s job title. This assessment fits in with the legal wording, but is inadequate in assessing whether the applicant has appropriate experience.

Under the new framework, in line with practices of many overseas professional accountancy bodies, a more structured system of supervision of practical experience and guidance will be introduced. In doing so, a far greater emphasis will be placed on the tripartite relationships between the applicant, his/her employer and the Society.

The scheme will involve the Society accrediting or authorising employers on a corporate level so that they have a clear understanding of their obligations in ensuring that prospective members attain the appropriate type and level of practical experience for membership admission. This approach provides additional quality assurance and control where the “Authorised Employer” will have a detailed training framework in place to assess the prospective members’ competencies. Details of the Authorised Employer are described in Section 5. The Society is mindful that any system of accrediting an Authorised Employer should not be unduly onerous to all concerned. This will involve authorising employers through a review conducted by one to two secretariat executive staff, for consistency. Such a review will generally be desktop reviews, conducted once every five years, and supplemented by site visit(s), as necessary, which may involve a member with appropriate experience. The results of the review will then be approved by a standing committee.

For prospective members who are not working for an Authorised Employer, they may apply to be trained under an "Authorised Supervisor" who should preferably be an HKSA member, or if not, qualified from one of the professional accountancy institutes recognised by the Society. This should provide a more flexible approach whereby any HKSA member or member from the recognised institutes could be an Authorised Supervisor by individual application and attend a training session on the practical experience requirements and standards conducted by the Society for supervising the training of prospective members in their own organisation. This system should cater to the needs of those prospective members working for sole practitioners and those working in commerce and industry where employer authorisation may not be appropriate. After registration, the Authorised Supervisor will be subject to a review by the HKSA once every three years.

The new framework will also involve applicants judging for themselves when they have achieved all the competencies necessary for membership through their completion of an Application Form (Form R-3) and a Prospective Member's Record of Practical Experience. In the Prospective Member's Record, there is a checklist of practical experience components, against which the applicants can fill in the corresponding details on the duration and type of experience that will count towards his/her meeting the practical experience requirements. This is then provided to the applicant's employer/supervisor for signature at the appropriate intervals. Please refer to Section 5 for more details.

3.3 Total working days' experience requirement

Rather than just using the legal time frames of years of experience, a "total working days' experience requirement" will be defined.

This is to be a minimum of 200 working days per annum during the normal period of practical experience required by law, i.e. three to five years. All applicants will need to complete a minimum of 600, 800 or 1,000 working days' experience to mirror the three-, four- or five-years' requirement as the case may be.

A "**working day**" is defined as a minimum of seven working hours per day. For the purpose of this requirement the HKSA will ignore the actual time worked, which may include overtime, etc., and will use these standard measures to establish the duration of experience gained.

The 200-day-per-annum requirement allows much more flexibility to allow for holidays, study leave, training, sickness, etc.

3.4 Practical experience component

A "**practical experience component**" will comprise **100 working days of experience**. Each component will be made up of a number of technical competencies, skills/tasks in each of the disciplines of accounting. Applicants will have to demonstrate that they have gained these technical competencies to the satisfaction of the person who supervises their practical experience. Relevant in-house training days may be counted as part of relevant practical experience.

The practical experience components are divided into two levels: **Basic experience components** and **Principal experience components**. These are shown in the following diagram.

Practical Experience Components		
Basic		Principal
Fundamentals of accounting	Financial reporting	Financial reporting
		Auditing
	Auditing	Financial management
		Taxation
	Financial management	Management accounting
		Taxation
		Insolvency

The Basic Experience Components generally refer to foundation skills of a professional accountant and are expected to be achieved within the first half period of the required years of practical experience, that is competencies which are usually accomplished during the first 12-18 months of say a three-year training period. The Principal Experience Components refer to more advanced level competencies that are expected to be achieved during the second half period of the required practical experience, i.e. 18-36 months of a three-year training period.

The technical competencies in each of these components are set out in the Prospective Member's Record of Practical Experience for Membership Admission in Appendix I. It should be noted that the competencies are assigned levels of achievement. These are:

Supervised level - Means competent performance under the supervision or guidance of an experienced senior

Independent level - Means competent performance working independently of direct supervision

Leader level - Means competent performance as a supervisor, manager, team leader or instructor/trainer.

Generally, the expectations are that for "Fundamentals of accounting", applicants will have achieved an independent level in most of the competencies and a supervised level in others.

The other Basic Experience Components that build from "Fundamentals of accounting" require attaining leader level in some areas, and for other components, such as tax, attaining an independent level.

3.5 Generic competencies

In addition to the technical components, applicants will have to acquire generic skills during the completion of each of the two levels of experience: basic and principal.

These generic competencies are grouped into the following skill areas:

- Creative thinking, reasoning and analysis
- Communications and interpersonal relationships
- Organisation-specific competencies
- Personal and behavioural
- The business environment
- Information technology.

It will be up to the individual to demonstrate to the person who supervises their practical experience that they have acquired a reasonable level of these skills within a framework of sound professional values, as part of gaining the technical competencies set out in each of the practical experience components. These generic competencies are not tasks in themselves but by-products of gaining in maturity and experience while performing their work.

The specific generic skills to be acquired are listed in the Prospective Member's Record of Practical Experience in Appendix I.

3.6 Experience gained outside Hong Kong

With effect from 1 January 2005, experience gained outside Hong Kong will be recognised only if it is gained under an Authorised Employer/Supervisor. Experience gained in the branch office or subsidiary of an Authorised Employer situated outside Hong Kong will be recognised.

However, until 31 December 2004, the existing policy of recognising practical experience acquired in a country outside Hong Kong continues to apply. The existing policy states that those who worked in countries whose accountancy profession is under the jurisdiction of an accepted accountancy body may be fully accepted i.e. Australia, Canada, New Zealand, South Africa, the United Kingdom, the United States of America and Zimbabwe. The accounting experience obtained in an office not situated in Hong Kong or a territory under a recognised jurisdiction ("Overseas Office") may be accepted in full if:

- the Overseas Office is that of (i) a Hong Kong entity or a branch/subsidiary thereof, or (ii) an entity operating in a recognised jurisdiction or a branch/ subsidiary thereof; and
- the applicant's work related to the accounting practices of Hong Kong or those of a recognised jurisdiction; and
- the applicant works under the direct supervision of a member of the Society or a recognised institute.

If an applicant cannot fulfil all three of the above criteria, at the discretion of the Council, not more than half of his/her experience may be recognised up to a maximum of 300 working days over 1 ½ years under the existing policy. Such applicants must submit applications together with supporting documentation of appropriate experience for inspection.

4 Completion of practical experience components

4.1 Basic and principal experience components

The diagram in section 3.4 shows the overview of the two categories of experience components.

Applicants will have to achieve at least 300 working days' experience in each of the Basic and Principal categories. Other than “Fundamentals of accounting”, it is highly unlikely but acceptable for applicants to submit experience for work solely related to the Principal category.

Within each category applicants can choose the components within which they gain experience so long as they gain a minimum of 100 working days' experience in the competencies/skills/tasks of that component. All applicants must complete the "Fundamentals of accounting" component.

This 100 working days' worth of experience may be consecutive or spread throughout the entire three-year period (or pro-rated for four- or five-year periods as the case may be).

4.2 Fundamentals of accounting

The basic experience requirement of all accountants is to obtain a grounding in the fundamentals. Therefore, all successful membership applicants must have attained 100 working days' practical experience in at least four out of five of the following competencies:

1. Ability to recognise relevant accounting standards and pronouncements applicable in a given task or situation relating to the preparation, presentation and reporting of information, both past and projected
2. Ability to prepare or analyse the annual reports of a company or other substantial organisations, including determination of accounting policies, appropriate selection and verification of input data, presentation and compliance, within required time frames
3. Ability to use or evaluate accounting and information systems
4. Ability to identify or evaluate the internal control measures and systems of an organisation
5. Ability to analyse and explain variances between budgeted and actual financial results, including appropriate use of non-financial indicators.

Achievement of all competencies listed above is encouraged. Please note that experience need only be acquired in the **context** of his or her employer and therefore may vary due to the nature of the employer's business. It may also include relevant in-house training.

The competencies are more fully described in the Prospective Member's Record of Practical Experience.

4.3 Examples of adequate experience in the practical experience components

	Component	Days of experience
Candidate A	Fundamentals of accounting (Basic)	300
	Financial reporting (Principal)	<u>300</u> <u>600</u>
Candidate B	Fundamentals of accounting (Basic)	100
	Auditing (Basic)	100
	Taxation (Basic)	<u>100</u>
		<u>300</u>
	Financial management (Principal)	100
	Management accounting (Principal)	100
	Insolvency (Principal)	<u>100</u> <u>600</u>
Candidate C	Fundamentals of accounting (Basic)	100
	Taxation (Basic)	<u>200</u>
		300
	Taxation (Principal)	<u>300</u> <u>600</u>

As can be seen from the above examples, there can be a great degree of flexibility in completing the technical practical experience components.

Candidate A will only have completed accounting work throughout his/her three years whereas Candidate C will have done only tax work except for the 100 days spent completing the "Fundamentals of accounting".

By contrast Candidate B will have gained a wide range of different experience.

Some samples of completed Prospective Member's Record of Practical Experience are available for reference at the HKSA homepage at www.hksa.org.hk.

4.4 Experience outside practical experience components

The HKSA acknowledges that there should be provision for other business skill development outside the principal practical experience components, particularly in the light of multi-disciplinary practices. The Society will work towards defining competency-based standards experience requirements for those working in other business areas such as management consultancy or corporate finance, with a view towards expanding the Principal Experience Components in the future. In the meantime, relevant experience outside prescribed practical experience components of at least 100 working days per component will be assessed on a case-by-case basis. An Authorised Employer may include organisation-specific competencies upon consultation with HKSA.

4.5 Assessment of practical experience for members of recognised professional accountancy bodies

Applicants for HKSA membership who are current members of an accountancy body accepted by the Council in accordance with Section 24(1A) of the PAO and have passed the professional examinations of that body will be assessed separately pursuant to mutual recognition agreements signed or under the professional accreditation process for these bodies. Until a new policy is promulgated, the existing practice will continue.

5 The Role of Employers

5.1 Tripartite relationships

The relationships between the prospective member, the employer and the Society represent a tripartite arrangement. Under the existing system, there is no formal system of employer/supervisor authorisation. In response to our Consultants' recommendation to reflect current practice by leading professional accountancy bodies in the world and comments received during the consultation stage, a system of registering Authorised Employers or Supervisors will be introduced with effect from **1 September 2002** on a voluntary basis. The objective is to strengthen the level of organised supervision and training to prospective members of the Society as a matter of mutual benefit. In committing the employing organisation to provide a formal support structure under which prospective members attain the required competencies, the employer will reap the benefits of grooming a professional accountant, as well as an organised and well-planned training programme. The employer will also be in a position of attracting better quality staff that will, as a direct result of organised training, perform better and more readily develop a sense of belonging to the organisation.

Authorised Employers are required to appoint a liaison officer or contact person as a direct channel of communication with the HKSA. Employers who are not yet registered as Authorised Employers are also strongly encouraged to appoint a liaison officer or contact person to liaise with the HKSA, which will carry out regular periodic contacts, by meetings, personal visits and through an appropriate information bulletin, to enhance mutual understanding of the prospective members' training needs.

Please refer to Appendix II for the Guidelines on the Criteria and Registration Procedures for an Authorised Employer.

Under this scheme, those prospective members who are not working for an Authorised Employer should gain their practical experience under the supervision of an Authorised Supervisor. An Authorised Supervisor should be a member of the Society or a recognised professional accountancy institute supervising the prospective member in the same organisation.

Individuals interested in registering with the Society as an Authorised Supervisor may do so by application. The application will be vetted by one to two secretariat executive staff, to ensure that the criteria for registration are met. Such a review will generally be desktop reviews, conducted during the initial registration and once every three years. The results of the review will then be approved by a standing committee. This will be followed by attendance at a training session, to be conducted by the Society, on practical experience competency standards and various aspects of supervising a prospective member of the Society.

Please refer to Appendix III for the Guidelines on the Criteria and Registration Procedures for an Authorised Supervisor.

This system should cater to the needs of those prospective members working for sole practitioners and those working in commerce and industry where employer authorisation may not be feasible or appropriate. For the HKSA and the prospective member, this would address the major concern that the prospective member nevertheless is exposed to professional attitudes and ethics, while also having a point of reference for advice on both professional and personal issues relevant to attaining professional competencies.

Employers are encouraged to grant study leave to their staff who are taking the Society's Professional Qualification Programme and Examinations. These tests of professional competence are demanding and prospective candidates need to have strenuous commitments to their studies beforehand and may need to take leave on their examination dates.

A certificate of appointment will be issued to Authorised Employers and Authorised Supervisors. The list of Authorised Employers and Authorised Supervisors will be publicised through the Society's journal and homepage periodically. The system of registering Authorised Employers/Supervisors is to be fully implemented on **1 January 2005**.

5.2 Role of supervisors

Authorised Employers should assign a staff member, preferably a member of the Society or a recognised professional accountancy institute, to be responsible for the overall supervision and progress of the prospective member(s) under their employ. This liaison officer or contact person may not necessarily have to be the immediate supervisor(s) of the prospective member. This person may sign the Record of Practical Experience in lieu of the immediate supervisor(s) of an Authorised Employer. In the case of prospective members training under an Authorised Supervisor, the latter should be the one signing the Record.

Prospective members would need to demonstrate to their employers/supervisors that they have acquired the required competencies. A self-assessment using the checklist provided in the Prospective Member's Record of Practical Experience should be used to assess whether the appropriate competencies have been achieved. It is highly advisable that prospective members obtain their employer/supervisor's signature on an annual basis as part of the performance evaluation. This process will provide a timely opportunity for the prospective member to review with his/her supervisor/employer performance at the current job and discuss career development and training needs to fulfil more advanced competencies.

It will be the responsibility of the Authorised Employer/Supervisor to assess whether the individual has attained the appropriate practical experience components listed in the Prospective Member's Record of Practical Experience. Supervisors and employers are also urged to sign off on the Record annually while performance and views on whether appropriate competencies have been achieved are still fresh in mind. In case of any doubt in discharging this supervision, please contact the Society's Membership Section.

6 Transitional arrangements

6.1 Effective dates

To ensure that the registered students are not prejudiced by the new practical experience requirements, transitional arrangements are in place for those prospective members currently in the process of obtaining their practical experience. The new practical experience requirements are implemented in stages, effective **1 September 2002**. However, applicants who apply for membership on or before **31 December 2004** can opt for the existing or new system. In other words, the competency-based practical experience requirements will only be fully operative on **1 January 2005**.

That is, Prospective Members can use Form R-3 together with the new Prospective Member's Record of Practical Experience for Membership Admission under an Authorised Employer/Supervisor on a voluntary basis, or continue with the existing system by using the old Student's Training Record Book.

With effect from 1 September 2002, the voluntary Authorised Employer/Supervisor takes effect. The Society welcomes any employers of prospective students and/or members wishing to supervise prospective members to apply for registration. The list of Authorised Employers/Supervisors will be posted on the HKSA homepage at www.hksa.org.hk.

This staged implementation has the further merit of fine-tuning requirements on the basis of actual operation of the system and in response to the comments and proposals of all the parties involved. We hope to produce a scheme, to be implemented on a mandatory basis only on **1 January 2005**, which can be seen by employers and prospective members as serving their interests as well as those of the profession.

Once registered as the Authorised Employers/Supervisors, the prospective member(s) thereof begin to enjoy the benefits of the new system through a more streamlined application procedure, e.g. dispensing with an official testimonial. Authorised Employers, once registered, may also certify experience under the new, but administratively more efficient, procedure for all their trainees. Accordingly, all organisations employing prospective members are strongly encouraged to adopt the new authorised training scheme on a voluntary basis as soon as is practical.

Employers and candidates are encouraged to advise HKSA when there is a difficulty in obtaining an opportunity to fulfil any of the technical or generic competencies. This would provide HKSA with useful information in deciding the extent to which any given requirement is feasible and acceptable, and to provide assistance to the candidates, as and when appropriate.

7 Enquiries

Should you have any questions regarding any aspect of these Guidelines or HKSA membership application, please contact the Society at:

Membership Section,
Hong Kong Society of Accountants,
4th Floor, Tower Two, Lippo Centre,
89 Queensway, Hong Kong.
Fax: (852) 2865-6603 / (852) 2865-6776
Email: hksa@hksa.org.hk

Registered students may also direct their enquiries to:

Student Registration Section,
Education & Training Department,
Hong Kong Society of Accountants,
803, 8th Floor, Tower Two, Lippo Centre,
89 Queensway, Hong Kong.
Fax: (852) 2147 3293
Email: yichong@hksa.org.hk

HONG KONG SOCIETY OF ACCOUNTANTS
Prospective Member's Record of Practical Experience for Membership Admission
Employment Summary of Prospective Member

Name of Prospective Member: _____

(in BLOCK letters)

Student Registration No.: _____

Practical Experience in Accountancy:
 (in chronological order with current employment in the last row)

No. of years required (tick one only):
 3 years 4 years 5 years
Part A

<u>Employer(s)*</u>	<input type="checkbox"/> **	<u>Practical experience component achieved</u>	<u>No. of working days acquired</u>
1. _____ <div style="border: 1px solid black; width: 200px; height: 20px; margin: 5px 0;"></div> <p style="text-align: center; font-size: small;">Period: (dd/mm/yyyy)</p>	<input type="checkbox"/>	Basic Principal Total	
2. _____ <div style="border: 1px solid black; width: 200px; height: 20px; margin: 5px 0;"></div> <p style="text-align: center; font-size: small;">Period: (dd/mm/yyyy)</p>	<input type="checkbox"/>	Basic Principal Total	
3. _____ <div style="border: 1px solid black; width: 200px; height: 20px; margin: 5px 0;"></div> <p style="text-align: center; font-size: small;">Period: (dd/mm/yyyy)</p>	<input type="checkbox"/>	Basic Principal Total	

Level	Practical Experience Components ***	No. of working days acquired					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic	Fundamentals of accounting						
	Financial reporting						
	Auditing						
	Financial management						
	Taxation						
	Subtotal						
Principal	Financial reporting						
	Auditing						
	Financial management						
	Taxation						
	Management accounting						
	Information management and technology						
	Insolvency						
	Subtotal						
Total							

Signature: _____

Date: _____

* Please use a separate sheet if necessary.

** Please tick "✓" if the employer is an Authorised Employer registered with HKSA.

*** Not less than 100 working days should be acquired for a component.

For Office Use

HONG KONG SOCIETY OF ACCOUNTANTS

Prospective Member's Record of Practical Experience for Membership Admission

(Complete this sheet for each employer if more than one employer or for each supervisor if more than one supervisor*)

Name of
Prospective
Member:

Student
Registration No.:

Period:

From

			/				/				
--	--	--	---	--	--	--	---	--	--	--	--

(dd/mm/yyyy)

To

			/				/				
--	--	--	---	--	--	--	---	--	--	--	--

(dd/mm/yyyy)

Employer:

Authorised Employer: **

Work Location:

Position Held:

* Please use separate sheet if necessary ** Tick "✓" if answer is yes under the HKSA Authorised Employer/Supervisor scheme

Overall Comments about the Performance of the Prospective Member:-

I confirm that the above-named person:-

- was under my supervision for the period as stated;
- has acquired his/her practical experience by achieving the required competency units of the relevant Basic and/or Principal Practical Experience components as recorded; and
- has achieved a reasonable level of skills in each of the Generic Competencies as recorded.

Name of
Supervisor:

Signature:

Title:

HKSA member ** Authorised Supervisor **

Date:

Period of
Supervision:
(mmm/yy to mmm/yy)

Overall Comments about the Performance of the Prospective Member:-

I confirm that the above-named person:-

- was under my supervision for the period as stated;
- has acquired his/her practical experience by achieving the required competency units of the relevant Basic and/or Principal Practical Experience components as recorded; and
- has achieved a reasonable level of skills in each of the Generic Competencies as recorded.

Name of
Supervisor:

Signature:

Title:

HKSA member ** Authorised Supervisor **

Date:

Period of
Supervision:
(mmm/yy to mmm/yy)

Notes:

- If you complete a **hard copy** of the Prospective Member's Record of Practical Experience: Please tick off the relevant competencies as stated in each Practical Experience Component, if applicable, and indicate against the main units the appropriate number of working days. Complete page 1 and if relevant, page 2, and then let your Employer/Supervisor sign off on the relevant Practical Experience Component units and parts. Before you submit your Record to support your HKSA membership application, cross out and mark "NA" any Practical Experience Component that is not applicable in your case.
- Alternatively, a **soft copy** of the Prospective Member's Record of Practical Experience can be downloaded from the Society's website at www.hksa.org.hk. Please tick off the relevant competencies as stated in each Practical Experience Component, if applicable, and type against the main units the appropriate number of working days. Complete page 1 and if relevant, page 2, and then let your Employer/Supervisor sign off the relevant Practical Experience Component units and parts. Before you submit your Record to support your HKSA membership application, delete any Practical Experience Component that is not applicable in your case and repaginate by completing the relevant number of pages against the box for "No. of sheets" at the bottom right hand corner.

Note 1 – Length of Practical Experience

To apply for HKSA membership, the applicant must satisfy the following "practical experience" requirements:

- 1.1 The length of practical experience required for:
 - Approved degree holders a minimum of 600 working days acquired within three years
 - Approved accountancy diploma holders a minimum of 800 working days acquired within four years
 - Holders of other academic qualifications a minimum of 1,000 working days acquired within five years
- 1.2 Employment period of less than 12 months will not be counted as part of the practical experience.
- 1.3 "Part-time" experience will not be counted as part of the practical experience.

Note 2 – Total Working Days' Experience Requirement

- 2.1 The Total Working Days' Experience Requirement is to be a **minimum of 200 working days per annum** during the normal period of practical experience required by law, i.e. three to five years. All applicants will need to complete a minimum of 600, 800 or 1,000 working days' experience to mirror the three-, four- or five-years requirement as the case may be.
- 2.2 A "working day" is defined as a minimum of seven working hours per day. For the purpose of this requirement the Society will ignore the actual time worked, which might include overtime, etc., and will use these standard measures to establish the duration of experience gained.

Note 3 – Practical Experience Components

- 3.1 In addition to satisfying the required length of practical experience, all practical experience acquired will be divided into two categories: **BASIC** experience components (five components) and **PRINCIPAL** experience components (seven components).
- 3.2 A "practical experience component" comprises 100 working days' experience. Each component is made up of a number of technical competencies. Applicants will have to demonstrate that they have gained the relevant technical competencies **at the required level of achievement** (see 3.6) to the satisfaction of the person who supervises them. Relevant in-house training may be counted for this purpose.
- 3.3 The basic experience requirement of all accountants is to obtain a grounding in the fundamentals. Therefore, all successful membership applicants **MUST** have completed 100 working days' practical experience in the Basic experience component, **Fundamentals of Accounting**, including four out of the five competencies listed.

- ❑ 3.4 For the other Basic and Principal experience components, applicants should record those components in which they have acquired a minimum of 100 working days' experience against the relevant technical competencies of that component.
- ❑ 3.5 Applicants will have to achieve **at least 300 working days' experience in each of the Basic and Principal categories**. It is highly unlikely but acceptable for applicants to submit experience for work solely related to the Principal category.
- ❑ 3.6 The competencies are assigned with levels of achievement. Definitions of levels are appended as below:
S = Supervised level means competent performance under supervision or guidance of an experienced senior
I = Independent level means competent performance working independently of direct supervision
L = Leader level means competent performance as a supervisor, manager, team leader or instructor/trainer.

Note 4 – Generic Competencies

- ❑ 4.1 There is a requirement to cover all the Generic Competencies specified.
- ❑ 4.2 Prospective membership applicants should achieve a reasonable level of skills in each of the Generic Competencies.

Note 5 – Guidance to the Employer and Supervisor of Prospective Member

- ❑ 5.1 Employers are strongly encouraged to register with the Society as an **Authorised Employer** so as to provide a satisfactory level of organised supervision and training to the prospective member as a matter of mutual benefit. They are advised to refer to Section 5 of the **Prospective Members' Training Guidelines** for more details on the Criteria and Registration Procedures for an Authorised Employer.
- ❑ 5.2 The employer should assign a qualified accountant, preferably **a member of the Society**, to be responsible for the overall supervision of prospective members under their employ.
- ❑ 5.3 In the absence of an Authorised Employer, the prospective member may train under an **“Authorised Supervisor”** who should be an HKSA Member. Please also see Section 5 of the Prospective Members' Training Guidelines for details.
- 5.4 Prospective members will need to demonstrate to their supervisor that they have acquired the required competencies. It will be the responsibility of the supervisors to assess whether the individual has attained the appropriate practical experience components.
- ❑ 5.5 Employers and supervisors are also urged to sign off on this Record Form annually while performance and views on whether appropriate competencies have been achieved are still fresh in mind.

Note 6 – Guidance to Prospective Members

- 6.1 Prospective members are advised to complete this Record Form and obtain their supervisor's signature annually and whenever there is a change in their immediate supervisor, department, specific job nature, change in employment, etc. as part of the performance evaluation.
- 6.2 Prospective members may make extra copies of this Record Form for regular recording purposes. A set of the Record Form is also available for downloading in pdf and word format at the Society's website: (address to be confirmed).
- 6.3 Prospective members should only complete the record sheet of those relevant components attained during the period(s) of assessment.

Note 7 – Other Competencies

- 7.1 For working experience acquired from competency units other than those specified in the Basic and Principal Experience Components, prospective members may enter such achievement in the “Other competencies achieved” section under the corresponding component. The Society will assess such experience on a case-by-case basis and/or individual merit.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Fundamentals of accounting</u> *									
Unit 1 Ability to recognise relevant accounting standards and pronouncements applicable in a given task or situation relating to the preparation, presentation and reporting of information, both past and projected	I								
<div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Maintain awareness of all accounting standards and pronouncements Identify standards and pronouncements relevant to the individual task Apply relevant standards and pronouncements appropriately to the task </div>									
Unit 2 Ability to prepare or analyse the annual reports of a company or other substantial organisations, including determination of accounting policies, appropriate selection and verification of input data, presentation and compliance, within required time frames	S								
<div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Determine the accounting policies of the organisation Evaluate information systems required to provide required input data for reliability, timeliness and completeness Select appropriate data and prepare reports in required format Arrange dissemination of reports in accordance with requirements and policies </div>									
Unit 3 Ability to use or evaluate accounting and information systems	I								
<div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Review and analyse specifications of information systems Review operation of information systems and evaluate reliability of outputs </div>									
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p><u>Fundamentals of accounting</u> * (Continued)</p> <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 10px;"> <ul style="list-style-type: none"> Understand source and methods of acquiring necessary inputs Maintain ability to operate information systems effectively and to evaluate specific outputs required </div> <p>Unit 4 Ability to identify or evaluate the internal control measures and systems of an organisation</p> <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 10px;"> <p>Examples</p> <ul style="list-style-type: none"> Review and evaluate documentation on systems operation and allocation of functions Test for compliance with control and related requirements </div> <p>Unit 5 Ability to analyse and explain variances between budgeted and actual financial results, including appropriate use of non-financial indicators</p> <div style="background-color: #e0e0e0; padding: 5px;"> <p>Examples</p> <ul style="list-style-type: none"> Understand basis for preparation of projected results Verify actual results and compare with projected results to identify variances Analyse individual factors responsible for each significant variance, including non-financial influences, and reconcile both sets of results Report and explain findings in a form appropriate to the organisation concerned </div> <p>Additional remarks, if any:-</p>	I								
Subtotal									

* 4 out of 5 units have to be attained.

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

No. of sheets	of
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BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Financial reporting</u>									
Unit 1 Able to apply accounting standards <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Maintain awareness of all accounting standards and pronouncements Identify standards and pronouncements relevant to the individual task Apply relevant standards and pronouncements appropriately to the task </div>	I								
Unit 2 Able to prepare annual reports or financial statements <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Determine the external reporting policies of the organisation Evaluate information systems required to provide required input data for reliability, timeliness and completeness Select appropriate data and prepare reports in required format Arrange dissemination of reports in accordance with requirements and policies </div>	S								
Unit 3 Able to use and evaluate accounting and information systems <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Review and analyse specifications of information systems Review operation of information system and evaluate reliability of outputs Understand source and methods of acquiring necessary inputs Maintain ability to operate information system effectively and to evaluate specific outputs required </div>	I								
Unit 4 Able to identify and evaluate internal control systems <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Review and evaluate documentation on system operation and allocation of functions Test for compliance with control and related requirements </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date									
Financial reporting <i>(Continued)</i> Unit 5 Able to explain result variances <div style="background-color: #e0e0e0; padding: 5px; border: 1px solid #ccc;"> Examples <ul style="list-style-type: none"> Understand basis for preparation of projected results Verify actual results and compare with projected results to identify variances Analyse individual factors responsible for each significant variances, including non-financial influences and reconcile both sets of results Report and explain findings in a form appropriate to the organisation concerned </div> Other competencies achieved:-										I							(Please specify)	

Subtotal

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Auditing</u>									
Unit 1 Able to implement audit procedures <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Establish scope, objective and terms of reference of the audit assignment Establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and, where appropriate, plan) the required audit process, including documentation Implement audit process in relation to specific financial representations Report audit results in an appropriate form to relevant recipients </div>	S								
Unit 2 Able to examine compliance <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Establish scope, objective and terms of reference of the audit assignment Establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and where appropriate plan) the required audit process, including documentation Implement audit process in relation to specific activities, systems or processes and evidence of compliance Report audit results in appropriate form to relevant recipients </div>	S								
Unit 3 Able to apply auditing standards <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Maintain current awareness of auditing standards and related pronouncements Analyse individual audit tasks or assignments to identify relevant auditing standards Seek authoritative opinion on apparent conflict of standards or other anomalies Apply the relevant standards, with appropriate documentation as required </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
Auditing <i>(Continued)</i>									
Unit 4 Able to implement audit processes <div style="background-color: #f0f0f0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and, where appropriate, plan) the required audit process, including documentation Identify relevant organisational and managerial processes and systems Identify and apply appropriate performance indicators and benchmarks Implement audit process in relation to specific areas of activity and systems as basis for required evaluation Report in appropriate form to authorised recipients </div>	S								
Unit 5 Able to prepare audit reports and management letters <div style="background-color: #f0f0f0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Maintain awareness of current practice and requirements, including all applicable auditing standards and pronouncements Draft audit report with due regard to scope and terms of reference of the audit, ethical and professional standards and legal requirements Arrange for appropriate discussion and communication with authorised recipients </div>	S								
Other competencies achieved:-								(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

No. of sheets	of
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BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Financial management</u>									
Unit 1 Able to advise on the financial implications <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Identify relevant available financial and non-financial data, both past and projected Where necessary, locate additional relevant data by enquiries and develop further projections Analyse the available data, using appropriate financial and non-financial indicators and benchmarks Identify and report on perceived deviations from the organisation's desired or planned situation </div>	I								
Unit 2 Able to prepare forecasts <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Maintain operational facility in the use of modern methods of financial planning and budgeting and of project evaluation techniques Identify and select appropriate input data for application of appropriate tools or models Implement analytical techniques capable of yielding the required forecasts Develop effective means of communicating forecast results, identifying assumptions employed in their preparation </div>	S								
Other competencies achieved:-								(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Taxation</u>									
Unit 1 Able to determine tax situation of a business <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples current Hong Kong legislation and other factors determining the taxation situation of an unincorporated business, a partnership or a company <ul style="list-style-type: none"> Analyse the financial records, activities and other relevant circumstances of a business and identify the applicable tax considerations Apply the tax requirements to past or projected activities and financial results, as appropriate, to determine the impact in terms of liability for taxation </div>	S								
Unit 2 Able to operate tax-related systems <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Maintain detailed understanding and familiarity with the organisation's systems for tax-related transactions Monitor possible improved methods or systems <p style="margin-left: 20px;">tax-related transactions in accordance with approved procedures</p> <ul style="list-style-type: none"> Ensure that tax liabilities are matched by availability of funds within required time frames. </div>	S								
Unit 3 Able to recognise the impact of taxes and duties <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Maintain up-to-date knowledge of the provisions for all relevant taxes and duties and identify categories of proposed or actual activities to which such provisions may apply Identify the specific impact of applicable provisions for all relevant taxes or duties to individual activities or plans </div>	S								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

BASIC PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p>Taxation <i>(Continued)</i></p> <p>Other competencies achieved:-</p>								(Please specify)	

Subtotal

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

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PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Financial reporting</u>									
Unit 1 Able to apply accounting standards <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Understand and maintain a current knowledge of the source of all reporting requirements Maintain awareness of all current accounting standards and pronouncements Identify standards and pronouncements relevant to the individual task Identify potential areas of conflict or ambiguity in applying the various requirements Apply relevant standards and pronouncements appropriately to the task </div>	I								
Unit 2 Able to determine the external reporting policies and prepare reports <div style="background-color: #f0f0f0; padding: 5px;"> <ul style="list-style-type: none"> Determine the external reporting policies of the organisation Evaluate information systems required to provide required input data for reliability, timeliness and completeness Select appropriate data and prepare reports in required format, including, where applicable, group accounts <p style="margin-left: 20px;">reports in accordance with requirements and policies</p> </div>	I								
Unit 3 Able to use, evaluate and develop accounting information systems <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Review and analyse specifications of existing information systems Maintain a comprehensive awareness of the current developments in information technology, with a working knowledge of alternative processing methods, including manual, mechanical and various computer-based systems Review operation of information systems and evaluate in terms of user needs, reliability of outputs and adequacy of controls and security </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p><u>Financial reporting</u> <i>(Continued)</i></p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <p>required financial accounting records and outputs, including payroll, accounts receivable and invoicing, accounts payable and payments applications, as well as financial reports</p> <ul style="list-style-type: none"> Understand source and methods of acquiring necessary inputs and their validation Maintain ability to operate information system effectively and to evaluate specific outputs required Contribute from an accounting and internal control perspective to the design and specification of new or amended information systems Contribute to the organised, timely and effective implementation of new or revised information systems, including associated staff training </div> <p>Unit 4 Able to evaluate and improve internal control systems</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <p>Examples</p> <p>documentation on system operation and allocation of functions on a comprehensive basis, including the interaction between different systems or sub-systems</p> <ul style="list-style-type: none"> Test for compliance with control and related requirements and take appropriate steps to improve compliance where necessary </div> <p>Other competencies achieved:-</p>	I							(Please specify)	
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Auditing</u>									
Unit 1 Able to determine nature and scope of audit assignment <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Use discussions with client or employer to establish agreement on nature and scope of the assignment Prepare appropriate documentation for internal use and in external audits for the information of the client, e.g. engagement letter </div>	S								
Unit 2 Able to assess the audit risk <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> In the case of repeat audits, check past documentation to identify problem areas or potential issues In all cases review the managerial and organisational structure of the organisation business environment within which the organisation operates Obtain an assessment of the internal control systems and the level of compliance </div>	I								
Unit 3 Able to implement audit procedures <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> Having defined the scope, objective and terms of reference of the audit assignment establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and, where appropriate, plan) the required audit process, including documentation Provide for comprehensive audit working papers embodying the audit plan Establish effective working liaison with the relevant staff of the subject organisation and ensure clear communication Implement audit process in relation to specific financial representations and non-financial representations </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p>Auditing <i>(Continued)</i></p> <ul style="list-style-type: none"> Report audit results in appropriate form to relevant recipients, using both oral and written communication 									
<p>Unit 4 Able to examine compliance</p> <ul style="list-style-type: none"> Having defined the scope, objective and terms of reference of the audit assignment, establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and, where appropriate, plan) the required audit process, including documentation Implement audit process in relation to specific activities, systems or processes and evidence of compliance Report audit results in appropriate form to relevant recipients 	I								
<p>Unit 5 Able to apply auditing standards</p> <ul style="list-style-type: none"> Maintain a full current knowledge of the source of all auditing standards and other related mandatory requirements Maintain a full current awareness of the content and significance of all auditing standards and related pronouncements Analyse individual audit tasks or assignments to identify relevant auditing standards Seek authoritative opinion on apparent conflict of standards or other anomalies Apply the relevant standards, with appropriate documentation as required 	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
Auditing <i>(Continued)</i>									
Unit 6 Able to implement audit process <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Establish familiarity with the nature and activities of the subject organisation, including information systems, relevant documentation, results of previous audits or reviews Establish (and, where appropriate, plan) the required audit process, including documentation Identify relevant organisational and managerial processes and systems Identify and apply appropriate performance indicators and benchmarks Implement the audit process in relation to specific areas of activity and systems as the basis for required evaluation Report in appropriate form to authorised recipients </div>	I								
Unit 7 Able to prepare audit reports and management letters <div style="background-color: #e0e0e0; padding: 5px; margin-top: 5px;"> Examples <ul style="list-style-type: none"> Maintain awareness of current practice and requirements, including all applicable auditing standards and pronouncements Draft audit report with due regard to scope and terms of reference of the audit, ethical and professional standards and legal requirements Arrange for appropriate discussion and communication with authorised recipients </div>	S								
Other competencies achieved:-								(Please specify)	

Subtotal

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Financial management</u>									
Unit 1 Able to advise on financial implications <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Identify relevant available financial and non-financial data, both past and projected Where necessary, locate additional relevant data by enquiries and develop further projections Analyse the available data, using appropriate financial and non-financial indicators and benchmarks Identify and report on perceived deviations from the organisation's desired or planned situation </div>	I								
Unit 2 Able to prepare financial forecasts <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Maintain operational facility in the use of modern methods of financial planning and budgeting and of project evaluation techniques Identify and select relevant input data for application of appropriate tools or models Implement analytical techniques capable of yielding the required forecasts Develop effective means of communicating forecast results, identifying assumptions employed in their preparation </div>	I								
Unit 3 Able to develop financial systems <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Analyse the range of transactions involved in the organisation's current and projected operations, with particular reference to cash flows and transactions involving securities Review existing systems and controls over cash and securities and develop proposed amendments to cover any perceived deficiencies Develop, if necessary, and operate a system for the projection of cash flows and cash budgeting </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p>Financial management <i>(Continued)</i></p> <p>Unit 4 Able to contribute to strategies and business planning</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <p>Examples</p> <ul style="list-style-type: none"> Become familiar, to the extent approved by management, with the organisation's business plans and, as required, apply appropriate financial analysis techniques to assess risks and propose appropriate risk strategies Provide analysis as required to guide the organisation's financing operations, including the management of capital structures, liability portfolios and surplus funds </div> <p>Other competencies achieved:-</p>	S							(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

No. of sheets	of
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PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Taxation</u>									
Unit 1 Able to determine tax situation of a corporate or an individual <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Maintain awareness of current Hong Kong legislation and other factors determining the taxation situation of an unincorporated business, a partnership or a company or other organisation and of individuals, including profits tax, salaries tax, property tax, personal assessment, stamp duty and estate duty Analyse the financial records, activities and other relevant circumstances of a business or individual and identify the applicable tax considerations Apply the tax requirements to past or projected activities and financial results, as appropriate, to determine the impact in terms of liability for taxation Identify legal methods of tax planning applicable to the situation of the particular entity </div>	I								
Unit 2 Able to operate or design tax-related systems <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Maintain detailed understanding and familiarity with the organisation's systems for tax-related transactions Monitor possible improved methods or systems Identify and record tax-related transactions in accordance with approved procedures Ensure that tax liabilities are matched by availability of funds within required time frames </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p>Taxation <i>(Continued)</i></p> <p>Unit 3 Able to recognise the impact of taxes and duties</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <p>Examples</p> <ul style="list-style-type: none"> Maintain up-to-date knowledge of the provisions for all relevant taxes and duties and identify categories of proposed or actual activities to which such provisions may apply Identify the specific impact of applicable provisions for all relevant taxes or duties to individual activities or plans </div> <p>Other competencies achieved:-</p>	I							(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Management accounting</u>									
Unit 1 Able to participate in resource-related direction setting <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Be familiar with internal and relevant external data sources and provide appropriate inputs, financial and non-financial, to assist in strategy formation Apply appropriate analytical and modelling tools to the evaluation of alternatives and assessment of risk factors Assist in strategy formation processes, including data gathering structures, SWOT analysis and other strategic planning techniques Analyse the cash flow and financing implications of proposed strategies </div>	S								
Unit 2 Able to appraise project <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> Analyse the cash flow and financing implications of a proposed project Select appropriate appraisal techniques and apply to the available data Analyse results, making allowance for relevant non-financial factors, risk and inflation Carry out post-implementation audits of projects </div>	I								
Unit 3 Able to design, implement and review performance measurement systems <div style="background-color: #e0e0e0; padding: 5px; margin-top: 10px;"> Examples <ul style="list-style-type: none"> Become familiar with the performance indicators applicable to the organisation in respect of both specific operations and the responsibilities of individual staff members Assess the level of compliance with established procedures and identify any limitations in those procedures, developing suggested amendments where necessary Develop comprehensive budgets in accordance with the procedures adopted by the organisation, using budget models and spreadsheets as appropriate </div>	I								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p><u>Management accounting</u> (Continued)</p> <ul style="list-style-type: none"> Ensure the timely and accurate operation of a system to capture actual results in a form comparable with budget figures Calculate and analyse variances between budget and actual results Communicate results of variance analysis to approved recipients, and where necessary develop a suitable pattern or system of internal reporting Monitor, analyse and report on segment performance 									
<p>Unit 4 Able to operate and develop a cost accounting system</p> <p>Examples</p> <ul style="list-style-type: none"> Be fully familiar with all main types of cost accounting systems, including alternative methods of dealing with overhead or common costs, and the criteria for their appropriate use Review existing cost systems for adequacy and appropriateness, and where necessary develop proposals for improvements by amendment or replacement Ensure that procedures for inputting data into existing cost systems are operating in a satisfactory manner Analyse the output of cost systems to provide required information to authorised users Undertake individual studies of cost behaviour, actual and projected, as required to meet management needs for information, making assumptions used explicit <p>Other competencies achieved:-</p>	I							(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

No. of sheets	of
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PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
Information management and technology									
Unit 1 Able to assist in information systems assessment and strategy formation <div style="background-color: #f0f0f0; padding: 5px;"> Examples <ul style="list-style-type: none"> Acquire operational familiarity with the hardware and software characteristics of the information and communication systems of the organisation (own employer or client) Monitor and attain knowledge of current technological developments in all aspects relevant to business and related organisations Review existing systems and documentation in discussion with users to assess needs for new or amended equipment configuration, network or other operating system software, application software and external communications arrangements Evaluate and compare alternative approaches on a cost-benefit basis, with full recognition of user needs, security, related staff training maintenance costs and other relevant factors </div>	S								
Unit 2 Able to assist in implementing information systems <div style="background-color: #f0f0f0; padding: 5px;"> Examples or redesign ensuring adherence to high standards of security and ability to rescale system if expansion required <ul style="list-style-type: none"> Participate in implementation of selected systems with adequate testing, staff training and documentation within agreed time schedule </div>	I								
Unit 3 Able to operate information systems <div style="background-color: #f0f0f0; padding: 5px;"> <ul style="list-style-type: none"> Maintain clear and comprehensive documentation of the system and its operation Ensure that staff are adequately trained and briefed on their responsibilities Allocate duties in a manner consistent with a high standard of internal control </div>	S								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p>Information management and technology (Continued)</p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <ul style="list-style-type: none"> Maintain back-up arrangements for both data and systems to facilitate rapid recovery and protection of records Monitor opportunities for the organisation to benefit from the rapid development of communications technology, including e-mail, e-commerce and other Internet applications, subject to reliable security measures </div> <p>Other competencies achieved:-</p>								(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<u>Insolvency</u>									
Unit 1 Able to assess commercial viability <div style="background-color: #e0e0e0; padding: 5px;"> Examples <ul style="list-style-type: none"> Assess the competitive position of the organisation in terms of products, services and markets Assess the financial position of the organisation using appropriate tools of financial analysis Review the current and future environment of the organisation in relation to its available resources and personnel Evaluate the viability of the organisation </div>	S								
Unit 2 Able to assist in establishing strategic possibilities <div style="background-color: #e0e0e0; padding: 5px;"> Examples <p style="margin-left: 20px;">management tools, including data gathering structures, SWOT analysis and other strategic planning techniques</p> <ul style="list-style-type: none"> Analyse alternative possibilities using financial modelling and risk analysis </div>	I								
Unit 3 Able to assist in managing the reconstruction <div style="background-color: #e0e0e0; padding: 5px;"> Examples <ul style="list-style-type: none"> Prepare a business plan using financial modelling and related techniques Review possibilities for down-sizing and other cost reduction strategies Monitor changes and performance on a continuing and detailed basis </div>	S								
Unit 4 Able to assist in liquidations and winding up process <div style="background-color: #e0e0e0; padding: 5px;"> Examples <ul style="list-style-type: none"> Maintain comprehensive knowledge of legal requirements and procedures for winding up of incorporated entities and similar provisions for other entities Prepare required documentation for submission to all relevant parties, including creditors, regulatory authorities and management </div>	S								
Subtotal									

Note: Ticking competencies listed in the shaded area is not required.

PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS

Competency required	Minimum level attained	No. of working days	Year 1 ✓	Year 2 ✓	Year 3 ✓	Year 4 ✓	Year 5 ✓	Employer	Supervisor /Date
<p><u>Insolvency</u> <i>(Continued)</i></p> <div style="background-color: #e0e0e0; padding: 5px; margin: 5px 0;"> <ul style="list-style-type: none"> Explore avenues for advantageous disposal of the undertaking or individual assets or asset groups and prepare appropriate financial projections Prepare documentation relevant to negotiations with interested parties </div> <p>Other competencies achieved:-</p>								(Please specify)	
Subtotal									

Year 1 Subtotal	
Year 2 Subtotal	
Year 3 Subtotal	
Year 4 Subtotal	
Year 5 Subtotal	

Note: Ticking competencies listed in the shaded area is not required.

GENERIC COMPETENCIES	
	Please ✓ if achieved
<p><u>Creative thinking, reasoning and analysis</u></p> <p>Able to provide creative thinking and to deal with unstructured and unfamiliar problems and situations</p> <p>Examples</p> <ul style="list-style-type: none"> • Able to identify, and research relevant issues, and to assess and analyse relevant information • Able to integrate the results of enquiries, research and analysis, making appropriate ethical and value judgements and allowing for the organisational and cultural context, to arrive at valid and effective conclusions • Able to apply appropriate modeling and quantitative analysis techniques to assist in forecasting or otherwise providing a logical basis for identifying and selecting among feasible solutions or courses of action 	
<p><u>Communications and interpersonal relationships</u></p> <p>Able to communicate effectively in written or other visual form and to interact effectively with individuals or groups of diverse cultural and intellectual backgrounds and status</p> <p>Examples</p> <ul style="list-style-type: none"> • Able to communicate information and ideas verbally in an effective manner, appropriate to the other participant(s) in meetings, small groups or personal conversation • Able to participate constructively as a member of a team and, where appropriate, to provide effective leadership to groups or individuals in both work and training situations • Able to undertake effective negotiation to achieve mutually acceptable solutions to situations involving differing interests 	
<p><u>Organisation-specific competencies</u></p> <p>Able to apply effectively a clear understanding of the objectives and standards of the organisation in which employed</p> <p>Examples</p> <ul style="list-style-type: none"> • Able to use effectively both the formal and the informal channels of communication within the organisation, with due regard for policies and ethical considerations • Able to establish, maintain and promote positive relationships with personnel at all relevant levels of the organisation • Able to represent effectively the interests of the organisation in dealings with external parties, including customers or clients, suppliers, regulatory authorities competitors, shareholders and other stakeholders 	

Supervisor's Initial	
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GENERIC COMPETENCIES (Continued)	
	Please ✓ if achieved
<p><u>Personal and behavioural</u></p> <p>Able to consistently demonstrate personal integrity, professional values, ethical conduct and motivation to meet professional standards of conduct and dedication in all work assignments and responsibilities</p> <p>Examples</p> <ul style="list-style-type: none"> • Able to practise effective time management, including sound judgment in allocating priorities and organising activities • Have an understanding of organisational behaviour and human resource management 	
<p><u>The business environment</u></p> <p>Able to maintain a current awareness of the legal and economic environment of business, both at the macro and the micro levels and to relate these to the organisation and its activities and plans</p> <p>Examples</p> <ul style="list-style-type: none"> • organisations, including the law relating to business transactions, business entities and taxation • Able to apply the general principles and techniques of business strategy, management and organisation • Able to facilitate and adapt constructively to change, whether in the external environment of the organisation, the internal structure and activities of the organisation or the personal role and responsibilities of the candidate • Able to contribute towards the functions of marketing, market strategies and market research as they relate to the candidate's own role • Have an understanding of the structure of capital markets and business financing, domestically and internationally 	
<p><u>Information technology</u></p> <p>Able to use information technology effectively within an organisation by rapidly developing a comprehensive working knowledge of the existing systems</p> <p>Example</p> <ul style="list-style-type: none"> • Able to use personal computers and workstations effectively over a range of commonly required applications, including word processing, spreadsheets, databases, presentation software, communications and also the Internet for e-mail and information search and retrieval 	

Supervisor's initial	
No. of sheets	of
Total no. of sheets submitted	

Note: Ticking competencies listed in the shaded area is not required.