4.3　Authorization process

The AE/ AS applicants can complete the whole authorization process through the Practical Experience Online System. The authorization process can be categorized into the following:

- Application for authorization

    - **Stage 1:** Application and preparation (including self-assessment)

    - **Stage 2:** Application under review (including authorization visit if selected)

    - **Stage 3:** Determination of result

- Annual monitoring and information update

- Renewal of authorization

4.3.1　Application for authorization

Stage 1: Application and preparation

Before starting the application process, you are advised to consider the following:

- Should you elect to have AE or AS registration for training QP students in your organization?

- Have you reviewed the eligibility of the MIC/ MIC Deputies/ Counselors/ AS based on the criteria laid down in **Section 3.2** of the full Support Manual?

- Have the MIC/ MIC Deputies/ Counselors/ AS obtained good understanding of their roles and responsibilities (Refer to **Section 3.3** of the full Support Manual)?

- Have you carried out a review of the commitment to comply with the Codes and Guidelines (Refer to **Section 4.2** of the full Support Manual) in all material aspects?

To better understand the Codes and Guidelines, the AE/ AS applicants may read the "**Guidance Notes for Self-assessment on Compliance with Practical Experience Codes and Guidelines**" (**Appendix B**) for further explanation. A non-exhaustive list of possible considerations and examples of supporting evidence are provided for reference.

When applying for the authorization status, the AE/ AS applicants are required to:

- Complete an online self-assessment form by evaluating whether their organization complies with the principles of the Codes and Guidelines in all material aspects;

- Gather evidence that help demonstrate their compliance with the Codes and Guidelines based upon their self-assessment findings.

Stage 2: Application under review

What approach will be adopted for the review?

The Institute will conduct an assessment on the application and may request submission of additional information and/or supporting documents.

Additionally, the Institute will adopt a risk-based approach for selection of applications to conduct authorization visits. The selection criteria include self-assessment results, number of QP students, any past disciplinary records, or any concerns brought to the attention of the Institute.

During the visit, the Institute's Assessors will meet the employer representatives (usually the MIC, AS or the senior personnel in the AS Employing Organization) to discuss the compliance with the Codes and Guidelines and review the relevant evidence. Meanwhile, the Institute's Assessors will also meet the existing staff (i.e. corroborators) of the AE/ AS applicants to understand the organization's training and development environment further. The corroborators can be QP students or persons participating in the activities that the Institute's Assessors are seeking to substantiate (e.g. human resources personnel, Counselors).

This review approach enables the Institute to have a reasonable understanding of the applicant's work environment and determine the suitability of authorizing organizations or individuals seeking to register as an AE/ AS.

Stage 3: Determination of result

The Institute will determine the outcome of the application based on our overall evaluation on self-assessment and/ or authorization visits. If the AE/ AS applicants can demonstrate their compliance with the principles of the Codes and Guidelines in all material aspects, the authorization status would be granted for a period of five years. For successful cases, an Authorization Certificate[1] will be issued to the AE/ AS and the list of AE and AS will be published on Institute's website periodically for public search.

As for those unsuccessful cases, the Institute will provide the reasons for the decision to the AE/ AS applicants.

AE/ AS registration is subject to review by the Institute on a case-by-case basis. If the AE/ AS is considered unfit to continue the registration, the Institute has the right to terminate the registration. Please refer to **Section 4.4** of the full Support Manual for details.

4.3.2 Annual monitoring and information update

Why is annual monitoring important?

AE/ AS are required to complete an online annual monitoring declaration to the Institute for ensuring that they uphold the principles of Codes and Guidelines and that their work environments continuously offer quality training to QP students.

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[1] For certificate reissuance, a written request should be submitted together with a HK$350 administration fee.

Monitoring visits will be conducted based on a risk-based approach. The selection criteria include self-assessment results, number of QP students, any past disciplinary records, or any concerns brought to the attention of the Institute.

For any failure to comply with the Institute's monitoring procedures, this may result in withdrawal of AE/ AS authorization and/ or could pose an adverse impact on QP students who need to acquire practical experience for HKICPA membership admission.

Why is the information update important?

Under the Practical Experience Framework, the Practical Experience Online System is able to promote communication among our stakeholders and improve the transparency and timeliness of documentation. To achieve this, the MIC/ MIC Deputies/ AS have to ensure that the online system records contain complete and accurate information which include the following items:

- Details about the AE/ AS Employing Organization;

- Personal particulars about the MIC/ MIC Deputies/ Counselors/ AS/ QP students;

- Any changes regarding the MIC/ MIC Deputies/ Counselors/ AS/ QP students;

- Details about the assignment of Counselors to QP students; and

- Details about the period of supervision.

Information updates should be conducted on a timely basis. AE/ AS shall be able to complete the information update through the Practical Experience Online System whenever they need to do so.

In practice, some AEs require performing the information update more frequently. They may consider engaging the Scheme Coordinator to undertake part of the administrative work.

4.3.3 Renewal of authorization

At the end of every five-year authorization period, AE/ AS have to undergo a renewal process. They are required to complete an online renewal form including the self-compliance checklist to demonstrate their continual commitment to the Codes and Guidelines, supplemented by a potential re-authorization visit. The selection criteria and procedures of the re-authorization visit are similar to the initial authorization visit as described in **Section 4.3.1**.

Important note: The below possible items and supporting evidence are for illustrative purposes only and not meant to be exhaustive or mandatory. It does not represent a full list of supporting evidence. The AE/ AS can consider other evidence that is effective in demonstrating their compliance with the principle of the Codes and Guidelines in all material aspects.

CODE 1: The AE/ AS exhibits professional and ethical practices.

Guideline 1
The AE/ AS's employing organization meets its regulatory and ethical requirements in its country of residence.

Possible items to consider:
- Has the AE/ AS's employing organization ever been the subject of any disciplinary action (e.g. reprimand for non-compliance, court proceedings, etc.)?

Guideline 2
The AE/ AS or the individuals involved in training have no ethical or professional issues.

Possible items to consider:
- Has the Counselor/ AS or any individual involved in training QP students ever been subject to disciplinary actions from any governmental or professional bodies, e.g. Securities and Futures Commission or other regulatory bodies? If yes, have the disciplinary actions been resolved?
- Has the Counselor/ AS or any individual involved in training QP students had any past or ongoing disciplinary cases including outstanding disciplinary determination by the Institute's Disciplinary Committees?
- Has the Counselor/ AS or any individual involved in training QP students had any ethical or professional issues as defined under the Institute's Code of Ethics for Professional Accountants, Financial Reporting, Auditing and Assurance standards, and Professional Accountants Ordinance and By-Laws?

CODE 2: The AE/ AS is committed to and identifies the training and development needs of QP students.

Guideline 3
The AE/ AS identifies and provides adequate resources to train QP students.

Possible items to consider:
- Does the AE/ AS's employing organization have a functional/ departmental staff list with job descriptions for each position to identify competent qualified accountants to train QP students?
- Does the AE/ AS's employing organization have organizational charts which clearly shows the reporting and working relationship of the training personnel and QP students?
- Does the AE/ AS's employing organization have a list of competent and dedicated training personnel (e.g. Counselors) readily available to train QP students through appropriate on-the-job training and other formal trainings?
- Does the AE/ AS's employing organization have a list of resources readily available to support the Member-In-Charge ("MIC")/ AS in administration and monitoring of training for QP students, e.g. human resources personnel, training specialists or management personnel for the MIC Deputies (if needed)?
- Is there a clear training planning process to identify the needs and resources for supporting the training of QP students?
- (For AE only) Is the number of Counselors adequate to cover the number of QP students within the AE? Note: the maximum Counselor to Student ratio is 1:8.

Examples of supporting evidence:
- Job descriptions
- Functional/ departmental staff list
- Organizational chart
- List of training personnel and administrative staff
- Staff handbook

Guideline 4
The AE identifies and assigns qualified accountants with suitable experience as Counselors and provides resources to enable them to fulfil their role. The AS should be a qualified accountant with suitable experience and ensure appropriate resources are provided by the AS's employing organization to enable the AS to fulfil his/ her role.

Possible items to consider:

- Do the MIC/ Counselor/ AS have the membership certificates or licenses to confirm their professional qualification?
- Does the AE/ AS's employing organization have any functional/ departmental staff list with the MIC/ Counselors/ AS's job titles, roles and responsibilities as well as reporting relationships to determine the good standing of the MIC/ Counselors/ AS and their adequate knowledge of the QP students' work and the training undertaken?
- Does the AE/ AS's employing organization have any plan to provide adequate resources for Counselors/ AS to fulfil their role, e.g. sponsorship to Counselors/ AS on counseling skills or other related training, appropriate time arrangement or tools to aid Counselors/ AS to perform interim and annual review of the QP students' practical experience process?
- (For AE only) Does the AE have any plan to identify adequate qualified and competent accountants as Counselors to supervise QP students within a reasonable timeframe?
- (For AE only) Does the AE have a list of qualified Counselors that are ready to be allocated to QP students?
- (For AS only) Can the AS provide documentation to demonstrate the support from the AS's employing organization in training QP students?

Examples of supporting evidence:

- A list of qualified Counselors
- Copy of membership certificates from other professional accountancy bodies recognized by the Institute
- AS's employment support letter or relevant document to demonstrate support to train QP students
- Resource plan
- Functional/ departmental staff list
- Sponsorship on internal/ external trainings to Counselor/ AS

Guideline 5
The Member-In-Charge, Counselors, AS, and QP students understand their roles and responsibilities for training and development.

Possible items to consider:
- Does the AE/ AS hold kick-off meeting with QP students to ensure mutual agreement on each party's roles and responsibilities for training and development of the QP students?
- Does the AE/ AS's employing organization have a staff handbook/ induction policy containing information on the PE Framework administrative arrangements and resources as well as details of the roles and responsibilities of the MIC/ Counselor/ AS/ QP students?
- Does the AE/ AS's employing organization have any training guides or other measures to communicate to the MIC/ Counselors/ AS/ QP students about their roles and responsibilities?

Examples of supporting evidence:
- Correspondence/ meeting records of discussion on QP students' roles and responsibilities for training and development
- Staff handbook/ induction policy on MIC/ Counselors/ AS/ QP students' roles and responsibilities and relevant arrangements and resources
- Training guide
- Documentation on measures to communicate with the training personnel

Guideline 6
The AE/ AS sets the QP students' objectives as part of a performance review.

Possible items to consider:

- Does the AE/ AS's employing organization have any standard appraisal form/ system for QP students to document their annual goals on the practical experience requirements at the beginning of the year and self-evaluate their performance by year end and to be assessed by their appraising managers/ Counselor/ AS?
- Does the AE/ AS's employing organization have an appraisal policy and guidance to enable the appraising managers/ Counselors/ AS and QP students to utilize the appraisal system efficiently and effectively to assess goals and objectives, manage the work performance and the progress and development needs of QP students?
- Does the AE/ AS's employing organization have any measures/ tools other than the appraisal system to help QP students set their goals and objectives and obtain the competences required under the PE Framework, e.g. informal meeting or other documentation on training plan?
- Are the appraising managers appropriately trained?
- If the appraising managers are not the Counselors/ AS, how do the Counselors/ AS communicate with the appraising managers to assess the performance of the QP students?

Examples of supporting evidence:

- Standard appraisal form/ system
- Appraisal policy and guidance
- Documentation on other measures/ tools to help QP students set their goals and objectives
- Relevant evidence of performance management training for appraising managers

Guideline 7
The AE/ AS identifies opportunities for QP students to obtain appropriate practical experience.

Possible items to consider:

- Does the AE/ AS's employing organization have any plan for provision of work opportunities for the QP students with a reasonable mix of accounting work so as to achieve and demonstrate the technical and enabling competences under the practical experience requirements?
- Does the AE/ AS's employing organization have any appraisal/ performance review documents to track the QP student's performance and help identify work opportunities for the QP students to fulfil the practical experience requirements?
- Does the AE/ AS's employing organization have enough work/ project arrangements, job rotation programmes or secondment opportunities specifying the job descriptions, roles and responsibilities identified for QP students to acquire appropriate practical experience for fulfilling the practical experience requirements?

Examples of supporting evidence:

- Plan for provision of work opportunities for QP students
- Training plan
- Standard appraisal form/ system
- Job rotation programmes or secondment opportunities for QP students

Guideline 8
The AE/ AS ensures QP students understand how they contribute to the organizational or departmental objectives.

Possible items to consider:

- Does the AE/ AS's employing organization have any job descriptions detailing the QP students' roles and responsibilities which demonstrate how their roles fit into the organization?
- Does the AE/ AS's employing organization have any operational plans communicated to all staff which specifies the organizational or departmental objectives for QP students to understand and think of ways to contribute to these objectives?
- Does the AE/ AS's employing organization have any functional/ departmental staff list or organizational charts which show how different roles integrate into the organization?
- Does the AE/ AS's employing organization have any standard appraisal/ evaluation forms or review documents which require QP students to self-evaluate their own work performance in meeting the organizational or departmental objectives?

Examples of supporting evidence:

- Job descriptions for QP students
- Operational plan with organizational/ departmental objectives
- Functional/ departmental list or organizational charts
- Appraisal/ performance review documentation

Guideline 9 (note)
The AE/ AS agrees Development Commitment with QP students which is relevant to their current roles or their future career aspirations.

Possible items to consider:
- Is there any training plan/ personal development plan/ appraisal review form for QP students to state their goals and plans on practical experience development which will then be reviewed and agreed by Counselors/ AS?
- Does the Counselor/ AS hold a kick-off meeting and annual review meeting with the QP students to understand their practical experience process and align with their current roles or future career aspirations?

Examples of supporting evidence:
- Training plan/ Personal development plans/ appraisal review forms for QP student
- Correspondence/ meeting records of discussion on QP students' development needs and plan

(note) Development Commitment is a new requirement under the revised PE Framework. Please consider the possible items under the existing PE Framework which aligns with the principle of this guideline under the revised PE Framework.

CODE 3: The AE/ AS provides development opportunities for QP students and monitors and reviews development activities.

Guideline 10
The AE/ AS provides appropriate practical experience to QP students.

Possible items to consider:
- Does the AE/ AS's employing organization have any standard appraisal form/ performance review document that records the type of practical experience provided to QP students and evaluates whether the practical experience acquired meets the practical experience requirements?
- Does the AE/ AS's employing organization have any monitoring and review procedures to ensure appropriate practical experience are provided to QP students?
- Does the Training Records show appropriate practical experience which fully meets the practical experience requirements?

Examples of supporting evidence:
- Appraisal form/ performance review documentation
- QP student's Training Records
- Documentation on monitoring and review procedures

Guideline 11
The AE/ AS provides training and development opportunities to QP students to achieve their objectives and explains the nature and extent of these opportunities to them.

Possible items to consider:
- Does the AE/ AS's employing organization establish any appropriate training and development programmes (e.g. internal training courses, orientation training, on-the-job training) for providing QP students with appropriate opportunities to meet their development needs?
- Does the AE/ AS's employing organization provide support and opportunities for QP students to attend external trainings to achieve relevant Technical and Enabling Competences?
- Does the AE/ AS's employing organization have induction guide/ training policy that ensures QP students understand and guide them through the nature and extent of the training and development opportunities?
- Does the AE/ AS's employing organization have any policy in QP exam support of the QP students (e.g. QP exam or study leave, sponsorship of training courses or study materials, etc.)?
- Are there any templates of time sheets or documentation to record and confirm the QP students are given sufficient opportunities to undertake training and development?
- Have all those involved in the training of QP students, and the QP students themselves, been given sufficient time to commit to the training of the QP students?

Examples of supporting evidence:
- Training and development programmes
- External/ internal training courses list
- Time sheets for QP students
- Sponsorship to external trainings
- Induction guide/ training policy available for QP students
- Staff handbook

Guideline 12
The AE/ AS monitors and evaluates the QP students' progress towards fully meeting the practical experience requirements, and identifies and takes appropriate action as a result of reviews with QP students.

Possible items to consider:
- Does the AE/ AS's employing organization have any internal standards and procedures for monitoring and supervision of QP students, including on-the-job training, counseling and development of both Technical and Enabling Competences?
- Does the AE/ AS's employing organization have any standard appraisal form/ system that ensures Counselors/ AS monitor and evaluate QP students' progress and plan for further development opportunities at least on an annual basis?
- Does the AE/ AS have any other measures to ensure Training Records are completed by QP students and signed off by Counselors/ AS in an interim and annual basis to ensure the QP students' progress is on track and evaluated?
- What actions will be taken to rectify situations where a QP student's training development progress does not meet the practical experience requirements?
- Will time sheets be first filled out by QP students, and then reviewed and signed off by Counselors/ AS on a regular basis (e.g. weekly or monthly) to ensure the practical experience progress is monitored?
- Have both QP students and Counselors/ AS been given sufficient time to complete the reviews?

Examples of supporting evidence:
- Time sheets for QP students
- Standard appraisal form/ system
- Training records of QP students
- Internal standards and procedures for monitoring and supervision

Guideline 13
The AE/ AS ensures the QP students' time is documented and can be counted towards the practical experience requirements.

Possible items to consider:
- Does the AE/ AS provide any guidelines to Counselors/ QP students to record time spent on work and activities which can be counted towards the practical experience requirements?
- Does the AE/ AS have the Institute's AE/ AS's support manual readily available for Counselors/ AS / QP students to make reference to and understand how to document the practical experience?
- Does the AE/ AS's employing organization have monitoring procedures to ensure QP students' time is documented and their practical experience be assessed by their Counselors/ AS at least twice a year (i.e. interim and annual review)?
- Are there any templates of time sheet, task lists or other tools for QP students to record the number of working hours and tasks for mapping to the Technical and Enabling Competences on the Training Records as required under the revised PE Framework?

Examples of supporting evidence:
- Time sheet template for QP students
- Guidelines to QP students to record time spent on work
- Support Manuals
- Sample of completed Training Records
- Monitoring procedures

Guideline 14
The AE/ AS reviews the QP students' ethical and professional behaviour throughout the Practical Experience Period.

Possible items to consider:
- Does the AE/ AS's employing organization have any staff handbook or guidelines on ethical and professional behaviour as part of the induction to QP students?
- Does the AE/ AS's employing organization provide any regular training courses on ethical and professional behaviour which are available for QP students to update their knowledge in this area?
- Does the standard appraisal form/ review documentation show evidence of conversations regarding ethical and professional behaviour?

Examples of supporting evidence:
- Standard appraisal form/ system
- Staff handbook or guidelines on ethical and professional behaviour
- Training courses for QP students on ethical and professional behaviours
- Training attendance sheets/ training schedule of QP students

Guideline 15
The AE/ AS evaluates and monitors QP students to undertake development activities.

Possible items to consider:

- Does the AE/ AS's employing organization have any standard appraisal form/ system which documents and evaluates the development activities undertaken by QP students?
- Does the AE/ AS's employing organization have any monitoring policies and guidelines detailing the evaluation and monitoring standards as well as setting parameters to measure QP students' performance in the development activities?
- Are there any tracking records which document the actual development activities undertaken by QP students against initial development activities planned to ensure the effectiveness of the activities?
- Are there any training attendance sheets to confirm the QP students' attendance for internal training?
- Are there any reports on training provided to AE/ AS's management for assessment on a regular basis, detailing QP student's development issues and training provided?

Examples of supporting evidence:

- Standard appraisal form/ system
- Monitoring policies, guidelines and procedures of development activities
- Development activities tracking records
- Training attendance sheets of QP students
- Management assessment reports or relevant documents