



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



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# Information Session for Authorized Employers ("AE") and Authorized Supervisors ("AS")

26 May 2021





Hong Kong Institute of  
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## Agenda

- Overview of the Practical Experience Framework
- Roles and Responsibilities of AE/ AS
- AE/ AS Enhancement Programme
- AE/ AS Renewal and Annual Record Update
- AE/ AS Termination
- Training Process for HKICPA Registered Students and Other Prospective Members
- The Practical Experience Framework Requirements
- Common Issues
- Useful Information Available on the Institute's Website
- Q & A Session

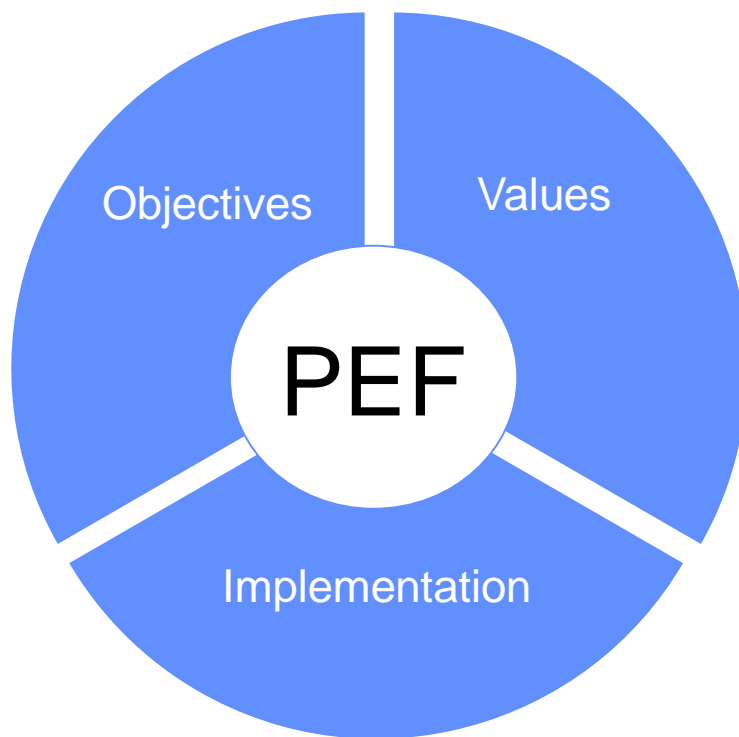


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## Overview of the Practical Experience Framework





## Overview of the Practical Experience Framework

### Objectives

- A framework for prospective CPAs to be *guided* through their practical training for HKICPA membership admission purpose
- To train these future members to the *highest quality* for professional accountants



## Overview of the Practical Experience Framework

|               |          |                                                                                                                                                                                                                                                       |
|---------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Values</b> | AE/ AS   | <ul style="list-style-type: none"><li>■ Access to a pool of accounting talents during recruitment</li><li>■ Eligible to claim 5 CPD hours per annum for supervising a HKICPA registered student (max. 20 CPD hours can be claimed per year)</li></ul> |
|               | Students | <ul style="list-style-type: none"><li>■ Practical experience accredited for HKICPA membership admission</li><li>■ Receive proper professional training and guidance</li></ul>                                                                         |



## Overview of the Practical Experience Framework

### Implementation

- HKICPA registered students<sup>#</sup> and other prospective members\* are required to acquire practical experience under the supervision of an AE/ AS from 2005
- <sup>#</sup> HKICPA registered student(s): HKICPA Qualification Programme ("QP") student(s)
- \* Other prospective member(s): Member(s)/ student(s) of other accountancy body(ies) or those prospective student(s) intending to enrol in the QP, who are required to acquire practical experience under an AE/ AS for HKICPA membership admission.



# Overview of the Practical Experience Framework

## AE vs AS

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AE | <ul style="list-style-type: none"><li>■ AE is accredited by the Institute on a <b>corporate level</b>, e.g. CPA practice, government department, education institute, commercial or not-for-profit organization</li><li>■ AE should have a <b>training framework</b> in place to ensure that HKICPA registered students and other prospective members attain the appropriate type and level of practical experience for HKICPA membership admission</li></ul> |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# Overview of the Practical Experience Framework

## AE vs AS

|    |                                                                                                                                                                                                                                     |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AS | <ul style="list-style-type: none"><li>■ AS is accredited by the Institute on an <b>individual level</b></li><li>■ To cater to the needs of HKICPA registered students and other prospective members not working for an AE</li></ul> |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|





# Roles and Responsibilities of AE/ AS

## 1. Member-In-Charge ("MIC") of an AE

- Overall responsibility for AE registration
- Nominate and assign Counselors to students
- Ensure students in the organization can receive properly structured training under the assigned Counselors' supervision and comply with the practical experience requirements
- Inform the Institute for changes in training personnel

## 2. Scheme Co-ordinator ("SC") of an AE

- Communication channel with HKICPA
- Co-ordinate the AE scheme within the organization



## Roles and Responsibilities of AE/ AS

### 3. AE-Counselor/ AS

- Ensure the students have a reasonable mix of the required competencies
- Assess whether the students have attained the appropriate practical experience components (type & level)
- Meet with the students to review and sign off the Prospective Member's Record of Practical Experience for Membership Admission ("Training Records") **at least once a year**
- Ensure information provided by the students is authentic and accurate
- Supervise at most **8** HKICPA registered students and other prospective members at any point of time



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## Roles and Responsibilities of AE/ AS

Note:

AE-MIC or AS should notify the Institute if

- there is any change in
  - AE training personnel (MIC, SC and Counselors)
  - AS employment status

**within one month**

- an AE training personnel or an AS has been subject to disciplinary/ regulatory action by HKICPA or other accountancy bodies as early as possible



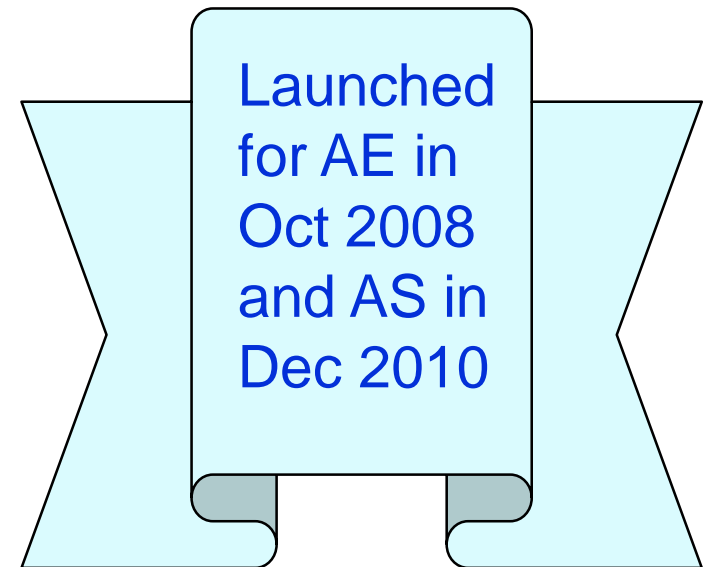
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# AE/ AS Enhancement Programme

## Objectives

- Enhance the communication with AE/ AS
- Obtain feedback directly from AE/ AS
- Provide guidance to assist AE/ AS in complying with the framework requirements





# AE/ AS Enhancement Programme

Institute's representatives to conduct  
site visit at the AE/ AS office

## Site Visit

1. Meet with AS/ AE-MIC and Counselor to understand the training system
2. Review appraisal form/ training plan/ supporting documents of Training Records
3. Interview HKICPA registered students
4. Discuss related matters

## Completion Stage

1. Provide feedback/ suggestions
2. Maintain communication with AE/ AS



## AE/ AS Renewal and Annual Record Update

### ■ Renewal of Registration

- Appointment period:

|    |         |
|----|---------|
| AE | 5 years |
| AS | 3 years |

- Renewal invitation (i.e. AE/ AS Renewal Form) will be sent to AE/ AS before the registration expiry date.

### ■ Annual Record Update

- To ensure that the information kept by the Institute is up to date, an invitation for Annual Record Update (form/ email) will be sent to AE/ AS once a year.



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## AE/ AS Renewal and Annual Record Update

### ▪ **Renewal/ Annual Record Update (Cont'd)**

#### ➤ AE

- AE training personnel (MIC, SC and Counselors)
- Particulars of HKICPA registered students and other prospective members under the AE scheme
- Change of contact details (*for non-CPA firm*)

#### ➤ AS

- Change of employing organization
- Particulars of HKICPA registered students and other prospective members under the AS scheme



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## AE/ AS Termination

- The AE/ AS registration will be subject to the review by the Institute's Qualification and Examinations Board (the "Board") on a case-by-case basis, which may result in **termination** if the AE/ AS:
  - fails to meet the registration requirements or responsibilities;
  - abuses his/ her status, or unfit to provide structured training to the HKICPA registered students/ other prospective members;
  - misuses the Institute's logo or uses it for misleading marketing beyond the authorization of the Institute; or
  - does not fully co-operate in any enquiry, briefing, interview or investigation conducted by the Institute.





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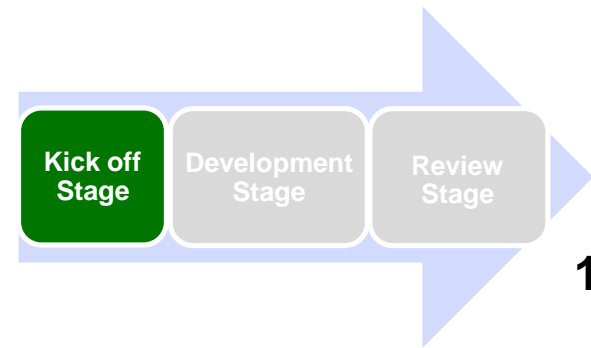
# **Training Process for HKICPA Registered Students and Other Prospective Members**



# Training Process

## 1. Kick-off Stage

- Understand previous practical experience gained by the student
- Identify the student's required competencies
- Set up the required training and work opportunities for the student
- Ensure that the student has documented the training plan

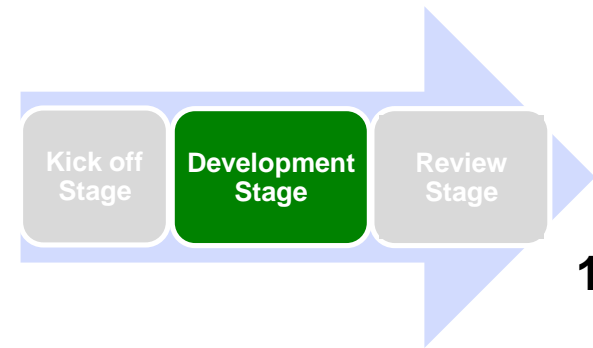




# Training Process

## 2. Development Stage

- Assign appropriate work based on the training plan
- Observe the student's progress and provide supervision and feedback
- Remind student to record the working days and the competencies achieved in the Training Records

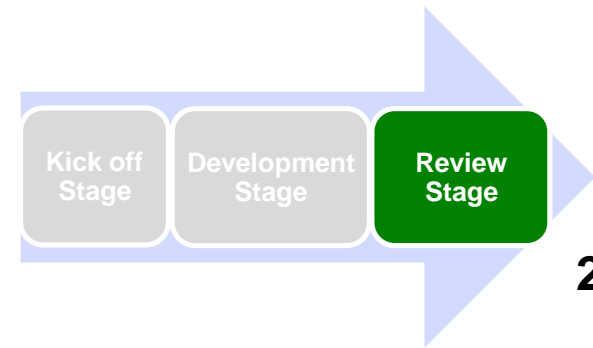




# Training Process

## 3. Review Stage

- Remind students to submit the completed Training Records with supporting evidence (e.g. appraisal form, timesheet) for AE-Counselor/ AS to review
- Meet with the student to review progress at least once a year
- Verify and sign off the Training Records against the competencies achieved
- Work out the areas for improvement in the student's training plan, if necessary

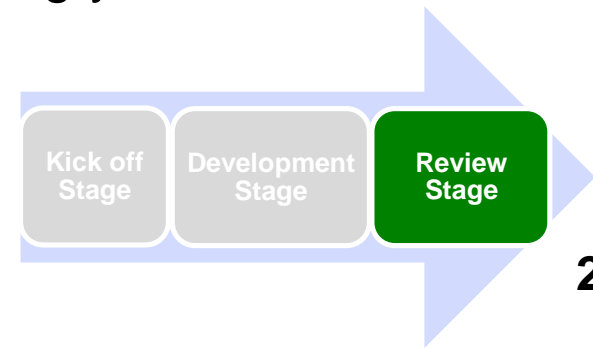




# Training Process

## Annual sign-off

- Benefits of annual sign-off of the Training Records:
  - Facilitate the review process while the student's performance and achievement of competencies are still fresh in mind
  - Provide an opportunity for AE-Counselor/ AS to discuss the student's progress
  - The student has better understanding on how far he/ she has fulfilled the competency requirements and the improvements for the following year





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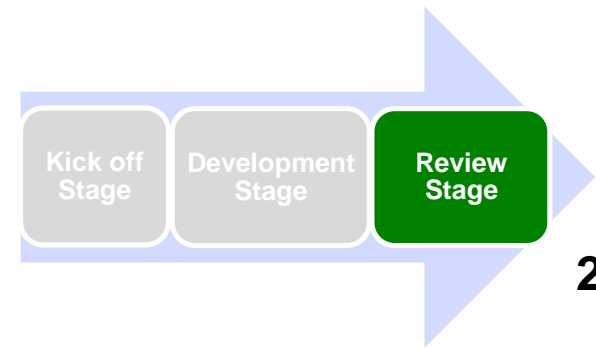
# Training Process

## Annual sign-off

- Cut-off date for annual sign-off of the Training Records can be from:
  - Employment commencement date

OR

- Annual performance appraisal date





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# Practical Experience Framework Requirements



## Length of Experience Requirement

|                                                                    | Min. length of full-time practical experience | Min. no. of working days | Max. no. of employments | Max. no. of employments which are less than 12 months |
|--------------------------------------------------------------------|-----------------------------------------------|--------------------------|-------------------------|-------------------------------------------------------|
| Approved degree holders or HKIAAT graduates who have passed the QP | 3 years                                       | 600                      | 4                       | 2                                                     |
| Approved accountancy diploma holders                               | 4 years                                       | 800                      | 5                       | 2                                                     |

- Meet **BOTH** length of experience and working days requirements.





## Working Days Requirements

- Definition of working days: at least **7 working hours** per day
- **Working hours** (including overtime) can be accumulated
- **Full-time** experience only
- **Min. 150 working days** per annum
- Students can
  - complete the QP examinations first and then acquire practical experience or vice versa; **or**
  - enrol for the examinations and acquire practical experience concurrently



# Technical and Generic Competencies

| Technical Competencies (8)                |                                     | Generic Competencies (5)                       |
|-------------------------------------------|-------------------------------------|------------------------------------------------|
| Basic (5) – foundation skills             | Principal (7) – more advanced       |                                                |
| Fundamentals of Accounting *              |                                     | Creative thinking, reasoning & analysis        |
| Financial Accounting & External Reporting |                                     | Communications and interpersonal relationships |
| Auditing & Internal Auditing              |                                     | Organization-specific competencies             |
| Financial Management                      |                                     | Personal and behavioural                       |
| Taxation                                  |                                     | Information technology                         |
|                                           | Management Accounting               |                                                |
|                                           | Information Management & Technology |                                                |
|                                           | Insolvency                          |                                                |

**Min. 100 days\* Min. 100 days in each selected competency (3 out of 4 units)**

**Min. 300 days**      **Min. 300 days (at least 3 units in each selected component)**

**Must complete ALL generic competencies**

\* Since "Fundamentals of Accounting" has the SAME competency units as Basic "Financial Accounting & External Reporting", students can complete either one to meet the relevant mandatory requirement.



## Examples of Adequate Experience


| Examples |                                 | Competency                                              | Days of experience |
|----------|---------------------------------|---------------------------------------------------------|--------------------|
| 1        | Candidate A<br>(Commercial)     | Fundamentals of Accounting (Basic)                      | 300                |
|          |                                 | Financial Accounting and External Reporting (Principal) | <u>300</u>         |
|          |                                 | Total                                                   | <u>600</u>         |
| 2        | Candidate B<br>(CPA Firm)       | Fundamentals of Accounting (Basic)                      | 100                |
|          |                                 | Auditing and Internal Auditing (Basic)                  | 100                |
|          |                                 | Taxation (Basic)                                        | <u>100</u>         |
|          |                                 |                                                         | 300                |
|          |                                 | Financial Management (Principal)                        | 100                |
|          |                                 | Management Accounting (Principal)                       | 100                |
|          |                                 | Insolvency (Principal)                                  | <u>100</u>         |
|          |                                 |                                                         | 300                |
| Total    | <u>600</u>                      |                                                         |                    |
| 3        | Candidate C<br>(Tax Consulting) | Fundamentals of Accounting (Basic)                      | 100                |
|          |                                 | Taxation (Basic)                                        | <u>200</u>         |
|          |                                 |                                                         | 300                |
|          |                                 | Taxation (Principal)                                    | <u>300</u>         |
| Total    | <u>600</u>                      |                                                         |                    |



## Demonstration of Training Records

Samples of the Training Records can be referred in the Institute's website.

Areas in the Training Records are highlighted for AE/ AS' attention, as follows:

| To be completed by the representative of the Employer of the prospective member |                                                                                                                            |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Name of Representative: <u>Paul Wu</u>                                          | Signature & Company Chop: <u>Paul</u>  |
| Title: <u>HR Director</u>                                                       | Date: <u>30/9/xxxx8</u>                                                                                                    |

**Signed off with organization chop by the Employer to evidence the employment of the registered student at the end of the supervision period.**



## Demonstration of Training Records

To be completed by the Authorized Supervisor or a Counselor of the Authorized Employer during the employment of the prospective member with the above employing organization. (Note 5)

If there is/was a change of Authorized Supervisor or Counselor during the employment of the prospective member, each of them should fill in his/her own details.

I confirm that the above-named person was under my supervision for the period as stated;

In my opinion, the above-named person:

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.

I declare that, to the best of my knowledge and belief, the information provided in the following pages is true and correct as at this date.

Name of Authorized  
Supervisor/Counselor: #  
(Full Name in BLOCK LETTER)

*Wong Wai Ting, Denise*

Signature:

*Denise*

Initial  
(as the same that  
signing in the  
Training Record)

*D. Wong*

HKICPA member  Membership No.: *Axx123*

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

*1/8/2005 to present*

Title: *Financial Controller*

Date: *30/9/xx8*

# Please delete as appropriate.

**Signed off by the AE-Counselor/ AS to evidence his/ her supervision on the registered student for the whole supervision period.**



# Demonstration of Training Records

**BASIC PRACTICAL EXPERIENCE COMPONENTS**  
(Please use one sheet for each employment if more than one employer)

Name of Prospective Member: Chan Tai Man, Robert

Name of Organization: Asia Properties Group

Name of Counselor/Authorized Supervisor: Wong Wai Ting, Denise

**PRINCIPAL PRACTICAL EXPERIENCE COMPONENTS\***  
(Please use one sheet for each employment if more than one employer)

Name of Prospective Member: Chan Tai Man, Robert

Name of Organization: Asia Properties Group

Name of Counselor/Authorized Supervisor: Wong Wai Ting, Denise

**GENERIC COMPETENCIES (Continued)**  
(Please use one sheet for each employment if more than one employer or in case there is a change of Counselor or Authorized Supervisor)

Name of Prospective Member: Chan Tai Man, Robert

Name of Organization: Asia Properties Group

Name of Counselor/Authorized Supervisor: Wong Wai Ting, Denise

| Training Year                                    | Year 1               | Year 2                |
|--------------------------------------------------|----------------------|-----------------------|
| No. of working days attained for this Component: | 160                  | 130                   |
| Counselor/Authorized Supervisor's Initial#:      | D. Wong<br>3/9/xxxx6 | D. Wong<br>31/8/xxxx7 |

**Counselor/  
AS annual  
sign off**

|                                           |          |
|-------------------------------------------|----------|
| Counselor/Authorized Supervisor's initial | D. Wong  |
| No. of sheets                             | 10 of 10 |
| Total no. of sheets submitted             | 10       |



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# Common Issues



## Common Issue 1

**If a registered student has been transferred to another group company of an AE, would a Counselor of this AE be able to continue to sign the Training Records for the registered student?**

- **No** until the AE applied for group registration and the application has been approved by the Institute.
- **AE Group Registration** may be allowed if the entities are operating under a centralized HR function and their training systems are under the influence and control of the AE-MIC.
- Similarly, **AS Group Registration** may be allowed if the entities are operating under a centralized accounting function.





## Common Issue 2

**How can the AE-Counselor/ AS verify the contents of the Training Records prepared by a registered student of the AE/ AS organization?**

- Obtain evidence from the registered student to facilitate the review, e.g. performance appraisal form, job engagement report, etc.
- Discuss with the registered student's immediate supervisor, if applicable



## Common Issue 3

**If a registered student has been seconded to your organization, would you as an AE-Counselor/ AS be able to sign the Training Records for this registered student?**

- An AE-Counselor/ AS can only supervise and train the registered students employed by the **same** organization under the AE/ AS scheme.
- Notify the Institute for further arrangement when a registered student is employed by a job agency and seconded to the AE or AS organization.



## Other common issues identified

- Registered students are not aware of their responsibilities of completing and submitting their Training Records and maintaining supporting documents on an annual basis.
- AE-Counselors/ AS may not review and sign off the Training Records on an annual basis.
- AE-Counselors/ AS only review technical competencies.
- Not all generic competencies are achieved.
- Insufficient internal training documentation to record the training (e.g. in-house training, experience sharing, etc.) provided to the registered students.
- AS forgets to inform the Institute of his/ her change of employment within one month.



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## **Useful Information Available on the Institute's Website**



# Practical Experience Framework

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**Practical Experience Framework**

Qualification Programme turns 20

Pre-entry education

Professional accountancy education

**Practical Experience Framework**

Information Paper on Enhancements to the CPA Qualification Programme

In addition to completing the Qualification Programme, students need to acquire at least three years of relevant experience under an Institute-authorized employer or supervisor complying with the Institute's requirements in order to qualify for membership.

- Practical experience requirements for membership admission
- Competency-based Practical Experience Framework
- Authorized Employer Scheme
- Authorized Supervisor Scheme
- External Authorized Supervisor Scheme
- Position Paper on Changes to Practical Experience Framework
- Lists of Authorized Employers and Authorized Supervisors

## For information

<https://www.hkicpa.org.hk/en/Become-a-Hong-Kong-CPA/Current-QP/Practical-Experience-Framework>



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# Q & A Session



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# Thank You

Enquiries: [pef@hki CPA.org.hk](mailto:pef@hki CPA.org.hk)