

Chartered Accountants

Candidate Practical Experience Guidelines

May 2008

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**Chartered
Accountants**

NUMBER ONE IN NUMBERS

COMMONWEALTH OF AUSTRALIA

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Welcome

Practical Experience to achieve real career benefits

In today's competitive business environment with the reality of skills shortages in the profession, the range of opportunities available to new accounting graduates is endless.

In recognising this range, the Institute has designed a new approach to Practical Experience to assist all employees develop essential, on-the-job knowledge and skills so that they can learn and adapt quickly and achieve consistent, quality results at work.

Practical Experience is the three-year period of on-the-job training which, together with previous undergraduate study and enrolment in the Chartered Accountants Program, constitute the journey to membership of the Institute.

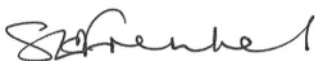
In Practical Experience there are two key roles: that of mentor and candidate. The candidate's role is to develop and track the attainment of key workplace competencies throughout their three years of qualifying service. The Candidate Guidelines and Activity Log are designed to help candidates set development goals, and plan a structured approach to achieve the workplace competencies they need to become fully productive employees and qualified Chartered Accountants.

While no one definition fits all candidates, it is likely that you are starting out on your accounting career, have limited work experience, are in a full time job and are studying part-time at postgraduate level in the Chartered Accountants Program. Within all resources we have made every effort to minimise the compliance requirements and provide flexibility so that the tracking of your practical experience can be easily integrated within existing staff performance systems.

Your mentor is critical to your successful completion of your practical experience and the Chartered Accountants Program. Their involvement will give you guidance, support and insights into the profession. Their role is to assist you find your feet, identify opportunities and ultimately assess your competence as an accounting professional.

Research has shown that while training alone improves productivity, when coupled with the support of a mentor or coach, it can achieve three times as much. I am hoping that the benefits of a more structured approach to Practical Experience will deliver results to your career development that make the investment in time worthwhile.

Sheena Frenkel



General Manager, Chartered Accountants Program & Admissions

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1. Purpose of practical experience

Combining formal accounting education with practical experience produces competent Chartered Accountants with appropriate values, ethics and attitudes, who are capable of making a positive contribution to the profession and society.

Practical experience is gained in the workplace when you, as a candidate, encounter real-life situations and use your knowledge and skills to solve problems, make decisions, work in teams, build relationships and communicate with others. In doing this you also test and apply your values, ethics and attitudes.

1.1 Structured approach

The International Federation of Accountants (IFAC) prescribes the practical experience that candidates of member bodies need to complete before they qualify as accountants. As a member of IFAC, the Institute of Chartered Accountants in Australia has adopted this new international framework that requires a structured approach to practical experience. The Practical Experience Component of the Chartered Accountant Pathway (see section 2 of these guidelines) reflects this formalised approach to practical experience. It is also reflected in these guidelines and in the *Candidate Practical Experience Activity Log* (sent to you once you have registered with the Institute).

1.2 Best way to learn

According to IFAC practical experience will:

- > enhance your understanding of organisations, of how business works, and of work relationships
- > enable you to relate accounting work to other business functions and activities
- > develop your awareness of the environment in which services are provided
- > develop the appropriate professional values, ethics and attitudes in practical, real-life situations
- > provide you with the opportunity to work at progressive higher levels of responsibility.

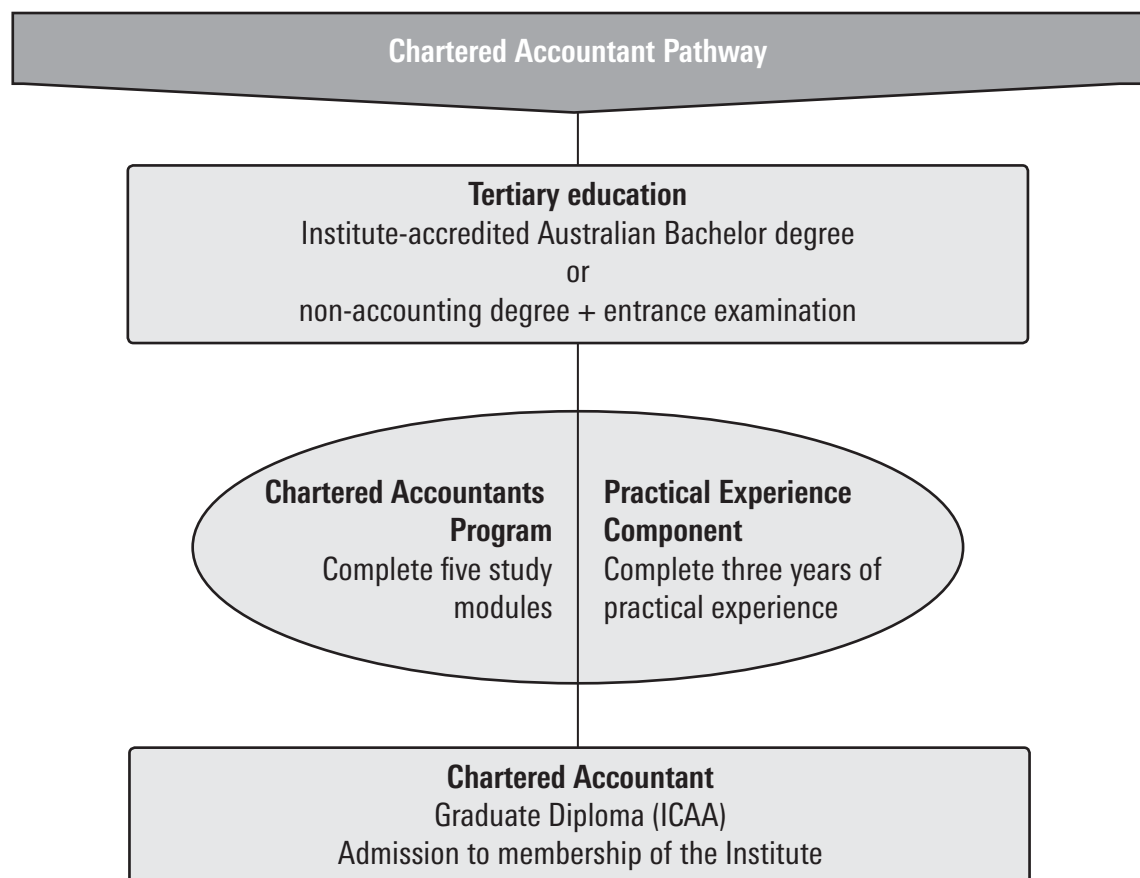
2. Chartered Accountant Pathway

The Chartered Accountant Pathway is the combination of:

- > general education (through tertiary studies)
- > professional education (through the Chartered Accountants Program)
- > work experience (through the Practical Experience Component).

Your professional education and work experience are conducted in tandem during your candidacy in the Chartered Accountants Program. This holistic development of competencies fulfils employer and public expectations that Chartered Accountants can be relied on to provide accurate, complete and independent information and advice.

Your tertiary education and the Chartered Accountants Program require you to learn in a systematic and structured way and are assessed by tests of knowledge. The Practical Experience Component is learning on-the-job and is assessed by your mentor when you demonstrate specific competencies in the workplace and provide documented evidence in your Activity Log. To find out about the specific competencies required, see section 3 of these guidelines.



3. Competencies

3.1 What is competency?

As defined by IFAC, a competency is the ability to perform a work role or task to a demonstrated defined standard. To meet a competency standard, the activity is performed under specified conditions to the specified standard of performance.

The Institute has developed a Competency Framework to map the full range of competencies expected of a Chartered Accountant at the point of admission to membership.

3.2 Choosing your areas of competency

During the Practical Experience Component you are expected to develop competence in the following five areas:

1. Accounting and finance related areas
2. Organisational and business areas
3. Information technology
4. Professional skill
5. Professional values, ethics and attitudes.

Because the accounting and finance related areas are the most significant in the overall development of competence, they are sub-divided into six areas. In addition to developing 100% competence in the non-technical areas numbered 2–4 above, you will develop 100% competence in one or across many of the following technical areas:

- 1.1 Financial accounting and reporting
- 1.2 Management accounting and control
- 1.3 Taxation
- 1.4 Business and commercial law
- 1.5 Audit and assurance
- 1.6 Finance and financial management

When you register your completed Letter of Agreement with the Institute (see section 4.2 of these guidelines) you will receive access to the Activity Log. The Activity Log will provide more detailed information on each of the required competency areas. Its purpose is to enable you to track your progress in developing the required competencies.

4. Key parties

4.1 Roles and responsibilities

There are five key parties involved in the Practical Experience Component, with the following roles and responsibilities:

- > **Candidate** undertakes the Practical Experience Component as part of the requirements to become a qualified Chartered Accountant. Refer to the *Candidate Practical Experience Guidelines*.
- > **Employing organisation** ensures the candidate is supported, mentored and given the opportunities to complete the necessary activities/tasks in their daily role to gain the competencies required. Refer to the *Candidate Practical Experience Activity Log*, and the *Employer Learning & Assessment Guide*.
- > **Mentor** guides the candidate through the Practical Experience Component and supports them to complete the Chartered Accountants Program. Mentors play a significant role in planning and monitoring practical experience and importantly are responsible for signing off on the candidate's achievement of the requisite competencies. Refer to the *Mentor Practical Experience Guidelines*.
- > **Direct line manager** takes responsibility for ensuring the candidate receives the right experience at the right time to acquire the knowledge and skills required to demonstrate competence. They also have responsibility for the candidate's performance and the assessment of a large proportion of the professional skills. Refer to *Employer Learning & Assessment Guide*.
- > **The Institute** issues the practical experience guidelines, provides the required documentation to all parties, and administers the Chartered Accountant Pathway of which the Practical Experience Component is a significant part. The Institute ensures adherence to the guidelines by all parties and is responsible for quality control. Refer to IFAC framework, standards and statements.

4.2 Letter of Agreement

The roles and responsibilities of the key parties in the Practical Experience Component are formalised in the Letter of Agreement. You have the responsibility to ensure that each party signs the Letter of Agreement. You must then register it with the Institute to signify the start date of the Practical Experience Component.

Chartered Accountants Program
Letter of Agreement – Practical Experience Program

Candidate name		Candidate ID number	
<input type="text"/>		<input type="text"/>	
Accounting position/department			
<input type="text"/>			
Candidate email address			
<input type="text"/>			
Organisation name			
<input type="text"/>			
Business street address			
<input type="text"/>			
Business reception number		Business fax number	
<input type="text"/>		<input type="text"/>	
Date candidate commenced employment with the organisation		<input type="text"/>	<input type="text"/>
		/	/
<input type="checkbox"/> Full time		<input type="checkbox"/> Part time at <input type="text"/> hours per week	
Note: if part time, must be at least 17.5 hours per week			
Mentor name		Member no <u>OR</u> GAA body & member no	
<input type="text"/>		<input type="text"/>	
Mentor position/department			
<input type="text"/>			
Mentor email address			
<input type="text"/>			
Are you working at the same organisation and site as the above-named candidate?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
(If 'no', please provide your company name and address in the space provided below)			
<input type="text"/>			
Date candidate commenced mentored service in the organisation		<input type="text"/>	<input type="text"/>
		/	/
Note: mentored service is service spent under the supervision of a CA			
Important note: where the mentor is external to the organisation, the Letter of Agreement must be signed by an employer representative (e.g. Manager/Partner/GM/HR/CEO)			
Employer representative name			
<input type="text"/>			
Employer representative position/department			
<input type="text"/>			
Employer representative email address			
<input type="text"/>			

PE_LetterofAgreement_May08



The Institute of Chartered Accountants in Australia ('the Institute') confirms the agreement made between the prior-mentioned parties regarding the conduct and completion of the Practical Experience Program in the Chartered Accountant Pathway.

The Practical Experience Guidelines outline the roles and responsibilities of each party within the Practical Experience Program and acknowledges they have read and understood the guidelines relevant to them. The Institute should be notified when any change is made to the conditions prevalent at the time of signing.

Note: at a non-accredited organisation within Australia, Singapore or Malaysia, the mentoring commencement date for initial candidates may be backdated a maximum of 26 weeks from the *Letter of Agreement* submission date. Candidates will only be eligible if they have been in relevant accounting role mentored by a recognised Chartered Accountant employed by the organisation.

It is important to note that mentoring will not be backdated where the mentor is external to the organisation or if the candidate is enrolling using three years non-mentored experience.

Signed as acknowledgement of the agreement:

Candidate

Mentor

Employer representative

Date: / /

Submission details

Fax (61) 2 9262 1298

Email practicalexperience@charteredaccountants.com.au

Post Practical Experience Team
Institute of Chartered Accountants in Australia
GPO Box 3921
Sydney NSW 2001



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5. Your mentor

The Practical Experience Component is conducted under the direction of a mentor who is central to its successful completion.

A mentor is someone who has a good overall knowledge of the profession, the local and international business environment, and your organisation's activities and policies. Your mentor should have sufficient status within the organisation so that if issues arise they enable the necessary corrective action.

5.1 What is the role of a mentor?

Mentors must be experienced members of the Institute as they are responsible for assessing your competence. Your organisation's Chartered Accountants Program Coordinator, or one of our client service representatives, will advise you if your mentor has the qualifications to act in this capacity.

Your mentor assesses your practical experience and at the end of the Practical Experience Component submits a written report on your achievement of competence.

Your mentor works with you to:

- > design and plan the Practical Experience Component for the three-year period
- > find suitable activities where you can demonstrate competence in the workplace
- > provide guidance on how you can progressively develop competence
- > identify the competencies that are already assessed as part of your employer's performance management system
- > document all meetings they have with you
- > review your Activity Log regularly and sign off on your competency development
- > assess your overall level of competence at the end of the Practical Experience Component and submit a written report to the Institute
- > ensure that your Practical Experience is efficient and cost effective for your employer.

5.2 What are the benefits of having a mentor?

Mentoring brings benefits to you, your mentor and your employer.

As a candidate, you should expect that your mentor will support you personally and professionally in the workplace by:

- > assisting you through difficulties by addressing obstacles that prevent you from gaining the relevant experience
- > keeping you on track in the development of your competencies by suggesting activities/tasks that you can complete to satisfy the practical experience requirements
- > supporting you in the Chartered Accountants Program
- > seeking extra support for you from your line manager when necessary
- > sharing workplace and study experiences that provide insight
- > role modelling and identifying career opportunities.

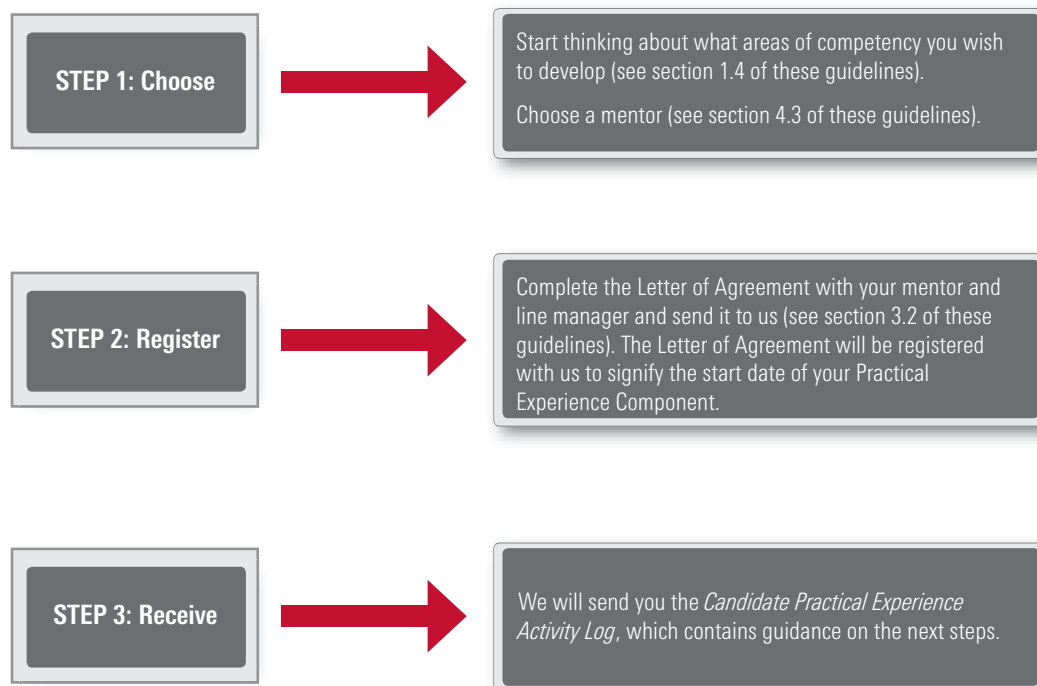
5.3 How do I choose the right mentor?

If you need help to choose a mentor, consult the Chartered Accountants Program Coordinator from within your organisation. In choosing a mentor, look for someone who has a reputation for being:

- > willing to share their knowledge and experience
- > supportive and encouraging
- > achievement and goal oriented
- > open and honest in their communication
- > technically respected.

We recommend where possible that your line manager is not your mentor. This may detract from the many benefits of having an 'independent' mentor.

6. Getting started



7. Contact details

In Australia

The Chartered Accountants Service Centre

Tel: 1300 137 322

Email: service@charteredaccountants.com.au

Monday to Friday 8:30 am–7:00 pm AEST/AEDT

In Asia

Malaysia

Law and Associates

Suite 211 2/F

1-2 Jalan 3/116D

Kuchai Entrepreneurs Park

Kuala Lumpur Malaysia 58200

Tel: 603 7983 0033

Freecall: 1800 804 712

Fax: 603 7981 9532

Email: program.asia@charteredaccountants.com.au

Singapore

Foo Kon Tan Graham Thornton

47 Hill St, #05-01

Chinese Chamber of Commerce & Industry Building

Singapore 179365

Tel: 65 6336 3355

Freecall: 800 6161 337

Fax: 65 6337 2197

Email: program.asia@charteredaccountants.com.au

