

**Chartered Accountants**

# **Line Manager 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 business benefits

In today's competitive business environment with the reality of skills shortages in the profession, attracting and motivating committed staff has never been more important to delivering effective accounting services and sustaining organisational growth.

In recognising these challenges, the Institute of Chartered Accountants in Australia (the Institute) has designed a new approach to Practical Experience to assist employers in developing their accounting staff 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.

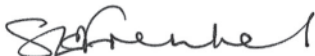
In Practical Experience there are three key roles: that of mentor, line manager and candidate. The line manager's role is to support and assess the candidate's competency development in the workplace. The Line Manager's Guidelines we have provided offer advice and structure to assist line managers fulfil this responsibility. With these resources we have made every effort to minimise the compliance requirements and provide flexibility so that the tracking of a candidate's practical experience can be easily integrated within existing staff performance systems.

While no one definition fits all candidates, it is likely that they are starting out on their 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.

It is easy to see from this that candidates need as much support as possible to achieve the learning and development they need. 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.

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 business 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 develops competent Chartered Accountants capable of making a positive contribution to the profession and society. An important objective of the profession is to also ensure Chartered Accountants have the appropriate values, ethics and attitudes.

Practical experience is important in the development of each candidate and your role as a line manager is a key part in ensuring its effectiveness. Combining working and learning under your guidance will prepare your candidate for the dynamic and demanding world of business and help them to balance their study and work commitments.

## 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 by both the candidate and mentor. To ensure that our members and you, as a line manager, are equipped to participate in this more formalised approach to practical experience, we have developed these guidelines and the *Mentors and Managers Practical Experience Assessment Workbook*.

## 1.2 Best way to learn

Practical experience has proven to be the best way to learn and develop professional competence. IFAC states that practical experience enables candidates to:

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

Under IFAC's International Education Standard 5, practical experience needs to be:

'long enough and intensive enough to permit candidates to demonstrate they have gained the professional knowledge, professional skills and professional values, ethics and attitudes required for performing their work with professional competence and for continuing to grow throughout their careers'.

The line management function is critical to practical experience because it provides essential day-to-day guidance and support to ensure the ultimate success of the candidate.

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## 1.3 Assessment of candidate competence

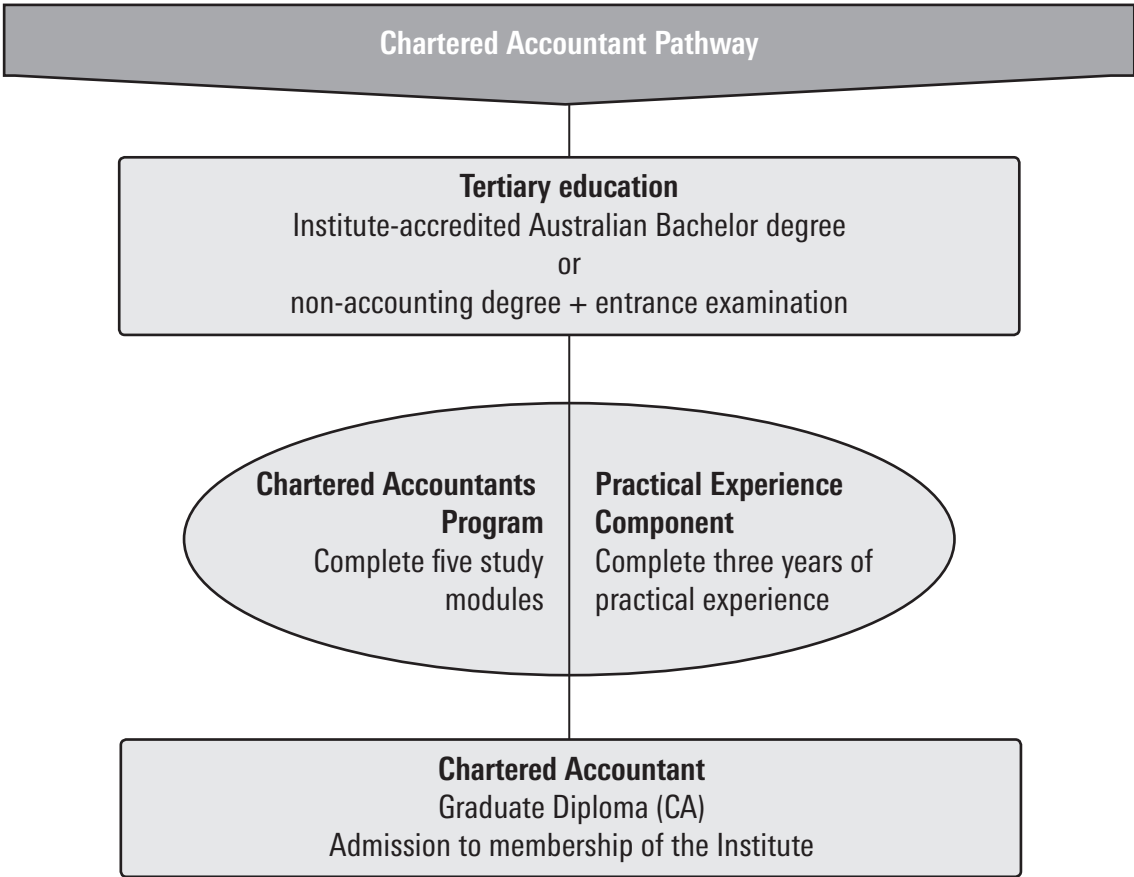
As a line manager you will monitor and assess the competencies developed by your candidate throughout their three-year Practical Experience Component. Your assessment will be recorded as sign-offs of examples and evidence candidates record in an Activity Log book. As the candidate's line manager we recommend that you meet with them monthly, to regularly track their competency progress.

We recommend that you incorporate this regular competency tracking into existing meetings with your candidate staff members.

# 2. Chartered Accountant Pathway

The Chartered Accountant Pathway combines general education (through tertiary studies), professional education (through the Chartered Accountants Program), and work experience (through the Practical Experience Component).

The competencies expected of a Chartered Accountant at the point of admission to membership gained across these three stages are mapped in the Institute’s Chartered Accountant Competency Framework. Further information regarding this framework is available via the Institute’s website <[www.charteredaccountants.com.au/caprogram](http://www.charteredaccountants.com.au/caprogram)>.



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## 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 areas of competency

During the Practical Experience Component candidates 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 the following six technical areas. In addition to developing competence in the non-technical areas, numbered 2–4 above, candidates will also be required to develop competence across one or more 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 candidates register their completed Letter of Agreement with the Institute (see section 4.2 of these guidelines) they will receive access to an Activity Log and mentors and line managers will receive an Assessment Workbook. These documents will provide more detailed information on each of the required competency areas. Their purpose is to enable you and your candidate to track their progress in developing the required competencies.

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## 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. The employing organisation is also responsible for submitting an application for recognition of the inhouse performance appraisal system as an alternative for candidates to completing the Institute's Activity Log. Refer to Section 7 of these guidelines for more information.
- > **Direct line manager or supervisor** takes day-to-day 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 the responsibility for signing off on the evidence the candidate records in their Activity Log. Refer to the *Line Manager Practical Experience Guidelines*.
- > **Chartered Accountant Mentor** guides the candidate through the Practical Experience Component and supports them to complete the Chartered Accountants Program. Mentors play a significant role in providing high level career advice and performance review against Chartered Accountant competencies. It is expected that candidates meet quarterly to six monthly with their Chartered Accountant mentor. Importantly, mentors are responsible for the final sign-off on the candidate's achievement of the required level of workplace competence for admission to Institute membership. Refer to the *Mentor Practical Experience Guidelines*.
- > **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.

### 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. The candidate has the responsibility to ensure that each party signs the Letter of Agreement. They must then register it with the Institute to signify the start date of their 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="text"/>	
<input type="checkbox"/> Full time		<input type="checkbox"/> Part time at <input type="text"/> hours per week	
<b>Note:</b> 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"/> / <input type="text"/>	
<b>Note:</b> mentored service is service spent under the supervision of a CA			
<b>Important note:</b> 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](mailto: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 role as line manager

### 5.1 What is my role as a line manager?

Your role is to regularly review the practical experience gained by your candidate and the extent to which they demonstrate competence.

To complete the assessment for your candidate, you will need to work with your candidate to:

- > design and plan the Practical Experience Component for the three-year period
- > find suitable activities/projects where your candidate can demonstrate competence in the workplace
- > check that your candidate's practical experience is meeting the required level of competence as set out in their Activity Log
- > review your candidate's Activity Log regularly to sign off on their development
- > identify the competencies that can be covered by assessment within your organisation's existing performance management framework
- > document all meetings with your candidate and keep records throughout the Practical Experience Component
- > ensure the Practical Experience Component is undertaken in an efficient and cost effective mode for your organisation.

### 5.2 What attributes should I demonstrate?

Your candidate will expect you as a line manager to be:

- > aware of their Chartered Accountant candidate status and the Practical Experience requirements
- > supportive and encouraging
- > achievement and goal oriented
- > open and honest in your communication
- > technically proficient to assess and sign off their competency on the job.

We recommend that candidates do not have their line manager as their mentor as this can detract from the benefits of an 'independent' mentor.

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## 5.3 Why do candidates need line managers and mentors?

The line manager and mentor roles offer equally important, yet different benefits to the candidate during their three-year service period.

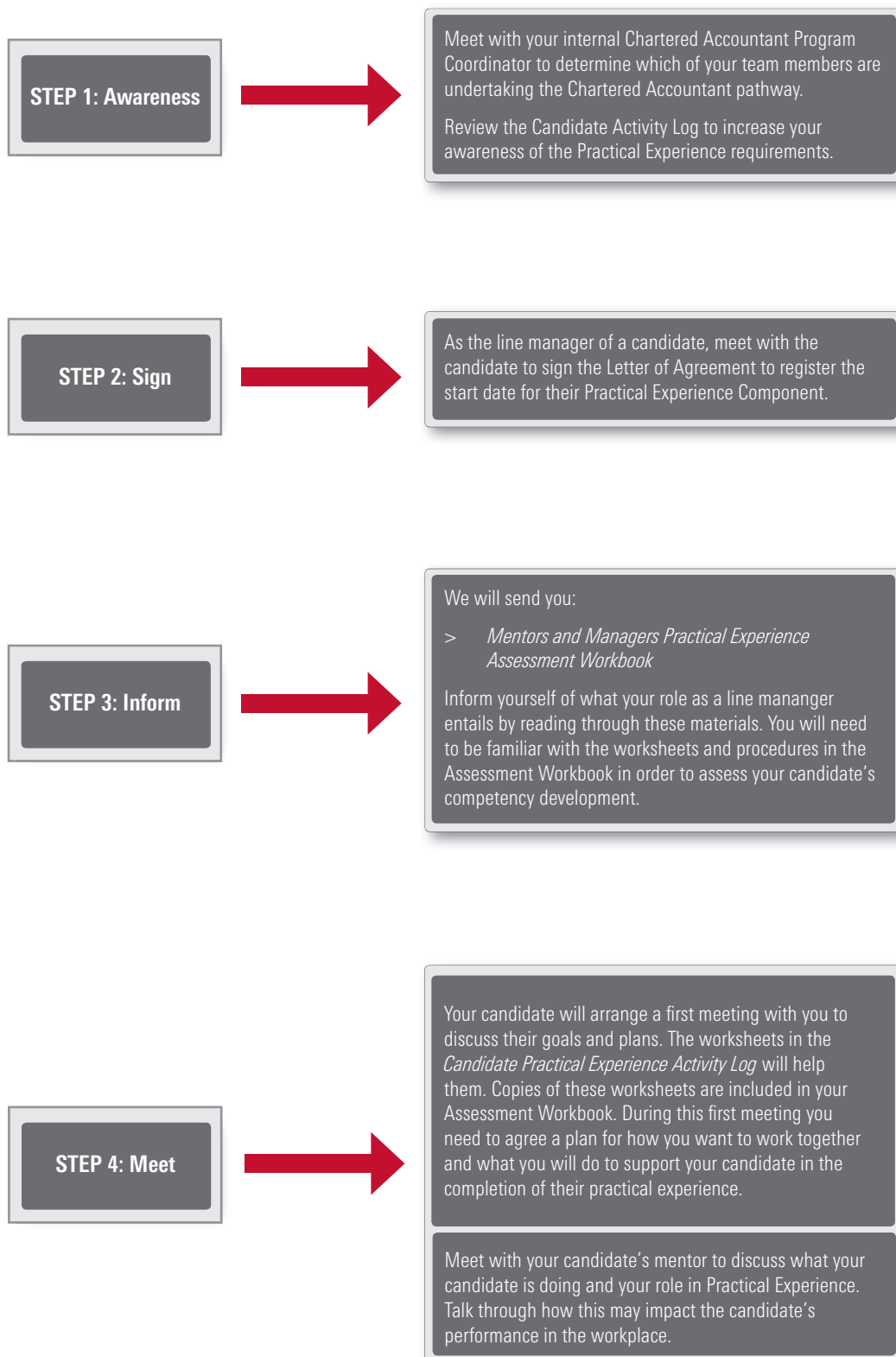
The line manager will ensure the candidate has day-to-day exposure to the required activities/tasks needed to develop required competence. They will provide continuous monitoring of performance against these competencies and provide feedback on achievements and development areas. The line manager is the technical specialist in the area of competence a candidate is working on achieving and depending on how many projects or roles the candidate works in, it is likely they will be assessed by a number of line managers during their first three years of experience.

The Chartered Accountant mentor's role is to provide more high level workplace support and guidance to the candidate. This involves providing advice and insight into career options, sharing their own experience as a Chartered Accountant and encouraging candidates to think beyond the here and now.

Mentors assess and report on the overall competence of the candidate at the end of each quarter and the three-year Practical Experience Component. They submit a written report to the Institute. Mentors play a significant role in assessing candidates' level of readiness to be granted membership of the Institute. Candidates need mentors to undertake this assessment role on behalf of the Institute.

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## 6. Key activities and milestones



**STEP 5: Sign off**



**Monthly sign off – Line Manager**  
Your candidate has responsibility to ensure that regular, preferably monthly, meetings are held with you so you can sign off on the competencies they have developed to date. They will bring their completed Activity Log with them to these meetings outlining the evidence of their development. We recommend that you sign off as each competency is achieved.

**Quarterly to six monthly review sign off – Mentor role**  
A quarterly sign-off meeting between your candidate and their mentor is a useful way to track their progress. Again, candidates have a worksheet to prepare for the meeting and mentors will be asked to also sign off on competencies achieved to date.

**Three year sign off – Mentor role**  
At the end of the three-year period, your candidate will arrange a final sign-off meeting with their mentor. During this meeting mentors will need to review the competencies they have developed. If the mentor is satisfied that the candidate has achieved the required level of competence, they will provide a final sign-off report for the candidate to submit with their application for Institute membership.

**STEP 6: Keep**



We recommend that you keep your meeting records and Assessment Workbook until you are advised that your candidate has been admitted into membership.

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## 7. Performance management system

As your candidate is also an employee of your organisation, you and/or their mentor are likely to be involved in monitoring their performance as part of the organisation's inhouse performance appraisal system. Evidence gathered from the performance management system can be used to substantiate their development of competencies in the Practical Experience Component. As the line manager you can assist your candidate to integrate this assessment into the worksheets in their Activity Log.

The professional skill competencies, such as interpersonal and communication skills and ability to work in teams, are examples of competency development that can be mapped from your organisation's performance reports. Ask your organisation's Chartered Accountant Program Coordinator to keep you informed of your candidate's development in these competencies. Where there is strong alignment between the competencies assessed as part of your organisation's inhouse performance appraisal system and the Practical Experience component, your organisation may like to apply for Institute recognition of the inhouse system to avoid unnecessary duplication.

Further details on this recognition process can be found at [www.charteredaccountants.com.au/caprogram](http://www.charteredaccountants.com.au/caprogram).

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## 8. Contact details

### In Australia

The Chartered Accountants Service Centre  
Tel: 1300 137322  
Email: [service@charteredaccountants.com.au](mailto: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: [ca.program\\_asia@icaa.org.au](mailto:ca.program_asia@icaa.org.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: [ca.program\\_asia@icaa.org.au](mailto:ca.program_asia@icaa.org.au)

