

HONG KONG INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Authorised Employers/Authorised Supervisors Scheme Frequently Asked Questions

Authorised training environment

Q1. Are the HKICPA registered students under training required to work for one Authorised Employer ("AE") or Authorised Supervisor ("AS")? In other words, can the training programme be transferred if the registered student is seeking to change employment?

Ans. Registered students are not required to be trained by one AE/AS for the entire period of practical experience, except that the experience must be at least 12 months full-time, under the same CPA practice/organisation, for it to be counted. When seeking to change employment, the registered student should seek to attain the appropriate type and level of experience from another AE or AS.

Q2. Is there any appeal or arbitration scheme when there are conflicts or arguments between the registered student and his/her AE/AS regarding his/her competency achievements?

Ans. The Institute will not be responsible for resolving any conflicts between registered students and their supervisors. However, advice can be provided on whether a competency is relevant by submitting written details for assessment.

Q3. What can a registered student do if neither the employer nor the supervisor is authorised?

Ans. It is the registered student's responsibility to attain the appropriate type and level of practical experience to the prescribed standards for membership admission. Such experience will only be provided by the AEs and ASs registered with the HKICPA. It is therefore important that a registered student urges his/her current supervisor or employer who are eligible for registration to seek registration with HKICPA before 1 January 2005.

Q4. If a registered student is seconded to a commercial client by the organisation, can his/her practical experience be counted as part of the supervised experience?

Ans. Yes, if the registered student is still being supervised by an AS or a Counselor of an AE after the secondment.

Transitional arrangement for HKICPA registered students

Q5. A HKICPA registered student who has started working in September 2002 can only apply for membership in September 2005. Will s/he be required to submit mandatory supervisory report for the whole period, or just the period from 1 January 2005 to September 2005?

Ans. The AE/AS Scheme will become mandatory on 1 January 2005. From 1 January 2005 onwards, HKICPA registered students are required to be trained under an AE/AS and use the record form in the Prospective Members' Training Guidelines to record their practical experience.

As a transitional arrangement, registered students who apply for HKICPA membership before 1 January 2008 will be allowed to use practical experience acquired before 1 January 2005 which may not be gained under the AE/AS Scheme to support their application. If the registered student has to rely on that part of his/her practical experience acquired after 1 January 2005 for the purpose of satisfying the membership admission requirements, such experience must be gained under the AE/AS Scheme.

Registered students who apply for membership on or after 1 January 2008 are required to possess practical experience acquired under the AE/AS Scheme for the whole required length of experience.

Q6. *Is a registered student required to be working in the accounting field when submitting the membership application? Is past experience acceptable for membership admission?*

Ans. The current system does not require registered students to be in the accounting field at the point of application, nor does it impose an "expiry date" on practical experience gained. Hence, past experience will be accepted by the Institute for the purpose of membership application, subject to the conditions stated in the answer to Question 5 above.

Total working days' experience requirement

Q7. *Is the 200-working-day-per-annum requirement a must since it is sometimes too difficult to achieve in case of long study leave, sick leave, maternity leave, etc. taken by a registered student?*

Ans. The requirement of a minimum of 200 working days' experience per annum has to be met. It allows much flexibility to allow for holidays, study leave, sickness, etc. If there were special circumstances which have created practical difficulties for a registered student to comply with the requirement, such cases must be substantiated with documentary evidence and will be considered by the Institute on a case-by-case basis.

Q8. *Will a Sunday or public holiday be counted as a working day if it takes more than 7 hours' working?*

Ans. If the AE/AS requires a registered student to work on a Sunday or public holiday, as long as the seven working hours' requirement is met, those days should be counted as "working days" for the purpose of the 200-working-day-per-annum requirement. Substantiation may be required from the employer.

Q9. *Will a training course spread over 2 half days be accepted as 1 working day or a training day must be of 7 hours or more?*

Ans. Attending a 2 half-day training course will be accepted as 1 working day.

Q10. *If an AE/AS does not agree or has reservation with the Training Records signed off by previous AE/AS of a registered student who is newly recruited, do they have any responsibility to report such incident to the Institute?*

Ans. No. The new AE/AS is not required to report such incident to the Institute.

Basic and principal practical experience components

Q11. Please explain in greater detail and clearer terms the difference between "basic" and "principal" experience components.

Ans. The Basic Experience Components generally refer to the foundation skills of a prospective certified public 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 to 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. 19 to 36 months of a three-year training period. Some competencies listed in the Basic and Principal components for the same area may be identical. However, the required level of achievement is different.

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| Supervised level | – competent performance under the supervision or guidance of an experienced senior. |
| Independent level | – competent performance working independently of direct supervision. |
| Leader level | – competent performance as a supervisor, manager, team leader or instructor/trainer. |

Q12. Is it necessary to detail the number of working days for all of the subsections (bullet points) under each of the technical competencies?

Ans. Registered students are only required to indicate the number of working days against each of the competency units. Ticking against the bullet points/examples listed is not required.

Q13. If a registered student cannot meet the minimum competency standard of an experience component, should the AE/AS sign off his/her Training Records?

Ans. No. An AE/AS should only sign off Training Records if the registered student has achieved at least the minimum competency level required.

Generic competencies

Q14. Under Generic Competencies, only one column is provided for checking "✓". If a registered student works for more than one employer, which of the employers shall be asked to sign off those generic skills?

Ans. Additional copies of relevant pages of the Prospective Member's Record of Practical Experience can be made and submitted together where necessary. All relevant AE/AS should sign off.

Q15. If a registered student has satisfied the total working days' requirement and achieved the levels specified for various Basic and Principal categories but failed to meet the Generic Competency requirement, will s/he qualify for membership admission?

Ans. It is a requirement that registered students will have to acquire a reasonable level of skills in all of the Generic Competencies specified during the completion of their technical competencies, for qualification. These generic competencies are not tasks in themselves but by-products of gaining in maturity and experience while performing their work and should be attained as part of the training.

Overseas experience

Q16. Assuming that the main office is in Hong Kong, is work experience gained in the PRC or Macau offices regarded as "overseas experience"?

Ans. All practical experience gained outside of Hong Kong is considered as "overseas experience".

Q17. As a registered student, I was seconded to an affiliate firm in the PRC for 1.5 years. Will that period be considered as "overseas"? Will there be any difference if the secondment was for 0.5 year?

Ans. The period of secondment will be considered as overseas experience. With effect from 1 January 2005, for it to be recognised, it has to be gained under an AE/AS. If a registered student is working for the same employer and is under the supervision of an AS/Counselor of an AE, the employment could be counted as continuous. However, until 31 December 2004, the existing policy of recognising practical experience acquired in a territory outside Hong Kong continues to apply.

AE Registration

Q18. What measures are in place for the employer authorisation processes to ensure fairness and consistency?

Ans. Consistency and fairness would be ensured with explicit written guidelines and registration procedures made available to all prospective AEs. In addition, full-time secretariat staff will perform the reviews under the oversight of the Registration and Practising Committee.

Q19. Will all CPA practices become AEs automatically?

Ans. No, all employers interested in registering with the Institute as AEs have to do so by application.

Q20. What type of review will be conducted for AE renewal after the initial 5-year registration period?

Ans. Desktop review will be conducted. Only cases with irregularities will be considered by the Registration and Practising Committee.

Same principle will apply to the renewal of AS registration.

Q21. Will an AE be allowed to assign more than one staff to act as the Scheme Co-ordinator?

Ans. Yes, if the AE considers that it has such need.

Q22. Will an AE application be approved if there is only a Scheme Co-ordinator who does not hold any accountancy professional qualification (i.e. without Counselor in the organisation)?

Ans. No, since in addition to the Scheme Co-ordinator, the AE should have suitably qualified staff to serve as Counselors.

Q23. *Is there any limitation as to the number of registered students to be trained by the Counselor(s) of an AE?*

Ans. A Counselor of an AE can at most supervise eight registered students at any one time.

Q24. *As a Counselor should be a member of the Institute or a full member body of IFAC, will it be necessary for the AE to file Update Forms to confirm whether the Counselor is still under its employ in case s/he is not a HKICPA member?*

Ans. Yes, the AE should provide the changes of the Counselors, no matter they are HKICPA members or not, to the Institute during the update exercise.

Q25. *Will AEs be disqualified, e.g. by reason of incompetence? If the answer is positive, what are the remedies opened to the registered students?*

Ans. The authorisation processes conducted by the Institute and the five-year reviews are the quality assurance and control mechanisms. Whether an AE should be disqualified due to incompetence or misconduct would be considered by the Institute on a case-by-case basis.

Q26. *If an organisation has registered as an AE but does not employ any HKICPA registered students during the 5-year registration period, will this affect its future renewal status?*

Ans. The purpose of registering as an AE is to help the Institute train its registered students. If the organisation does not employ any registered students during the registration period, it should advise the Institute of the reason why this would happen. The case will be considered on an individual merit basis.

Q27. *Must a sole proprietor of a CPA practice register as an AE?*

Ans. A sole proprietor can register either as an AE or AS.

However, if a sole proprietor chooses to register as an AE and serves as a Counselor, s/he is not allowed to register at the same time as an AS since the role of a Counselor and an AS is common, i.e. to help their practice/organisation to train registered students.

Q28. *If the proprietor of a CPA firm is a HKICPA member for less than three years, does that mean s/he cannot register as an AS and certify the work of his/her employees?*

Ans. The three-year membership requirement for an AS is a reflection of IFAC guidelines. To be capable of training registered students, the guidelines indicated that a supervisor would have undergone the process of qualifying together with adequate experience at the management level. As such, the sole proprietor may register as an AE and set up relevant training framework with appropriate training personnel to supervise its employees.

AS Registration

Q29. *Must an AS be employed by an AE? Can a non-authorised employer employ AS(s) to train its staff?*

Ans. The AE system involves the Institute accrediting employers, who already have an established training programme at a corporate level, so that they have a clear understanding of their obligations in ensuring that registered students attain the appropriate type and level of practical experience for membership admission. An AE is not required to have ASs under its employ. The AS system involves individual accreditation. It is designed to cater to the needs of those registered students working for sole proprietors and those working in commerce and industry where employer authorisation may not be appropriate. Hence, employers who are not registered as an AE can employ ASs to train its staff.

Q30. *If an AS later changes his/her employment and becomes a practising member of HKICPA, should s/he apply to the Institute again as an AS?*

Ans. The AS registration procedures involve individual accreditation. Upon successful registration, the AS status will last for three years. If an AS changes his/her employment, s/he has to inform the Institute by completing and returning the Employment Information Update Form for Authorised Supervisors which should contain an endorsement from the new employer indicating their support to the AS's continued involvement in this capacity. Re-application is not required just for change of practising status under the same employment.

Q31. *Is there a limit as to the number of registered students an AS can oversee?*

Ans. An AS can at most supervise eight registered students at any one time.

Q32. *Can an employer contract an AS to supervise their junior staff who are registered students?*

Ans. No, the AS has to be employed by the organisation.

Q33. *Can an AS supervise the employees of two different firms if s/he is a partner of the two firms but his/her application is only supported by one of the firms?*

Ans. If an AS wishes to sign off Training Records of the registered students employed by his/her other firm at which s/he is also a partner, s/he should provide employer's support from that firm before s/he is eligible to sign off Training Records for those students.

Q34. *Will an AS be required to file specimen signature to the Institute for the purpose of the AS Scheme?*

Ans. No. However, the signature of the AS to be used in the Training Records should normally be the signature s/he uses when communicating with the Institute.

Q35. *If an AS changes his/her job, is it necessary to report such change of employment to the Institute and return all Training Records of the registered students under his/her supervision on hand to the students concerned or to his/her employer? If yes, how long should his/her employer keep such records?*

Ans. An AS should inform the Institute of his/her change of employment and the transfer arrangement for those registered students under his/her supervision to other ASs in the organisation by completing and returning the Employment Information Update Form for Authorised Supervisors.

The signed Training Records should have been kept by the registered students for their use when submitting membership application with the Institute. The photocopies of such records should be kept as suggested in Question 41.

Training Records

Q36. *Will sole proprietor/partners/directors of a CPA practice be eligible to sign Training Records in the absence of its assigned Counselor even if s/he is not registered as a Counselor?*

Ans. Yes. Training Records signed by the sole proprietor / partners / directors of an AE that is a CPA practice in the absence of the assigned Counselor will be accepted for membership purposes.

Q37. *Can a Counselor sign off the Training Records of an "affiliate company" of an AE, e.g. the consultancy company of the AE which is not registered as an AE?*

Ans. No. The registered student should be under the direct employ of the AE.

Q38. *Do the Counselors of an AE need to file their specimen signature to the Institute for future checking of the signed Training Records submitted by the registered students?*

Ans. No. Counselors are not required to file specimen signature for the Institute's record purpose since the Training Records must bear the official chop of the AE.

However, AEs are required to provide full information of their Counselors/registered students in their annual returns for the Institute's updating.

Q39. *Is it necessary for the immediate supervisor/Counselor to be a member of the HKICPA? Can a member delegate the responsibility to a supervisor who happens to be a non-member?*

Ans. It is not necessary for the immediate supervisor of a registered student to be an HKICPA member, member of a recognised professional accountancy institute or even a qualified accountant. However, the person signing the registered student's Training Records i.e. assuming responsibility for training the registered student to be a certified public accountant, must be an AS or a Counselor of an AE. This person should assume overall responsibility for ensuring that the registered student obtains appropriate and adequate practical experience for HKICPA membership admission.

Q40. Should an AS/Counselor sign the Training Records for a registered student who is working in the branch/subsidiaries of his/her company located outside Hong Kong?

Ans. If the registered student is under the supervision of an AS/Counselor, s/he can sign off the Training Records for the student despite his/her work location is outside Hong Kong.

Q41. Will the ASs/Counselors be required to keep copies of Training Records that they have signed off to registered students or they should return such documents to their employers? If ASs/AEs should keep such documents with themselves for future checking by the Institute, how long should they keep the documents?

Ans. It is advisable for the ASs/AEs to keep copies of Training Records they have signed off in the HR/personnel file of the registered student concerned for future reference purposes.

The keeping of such HR records should abide by the Code of Practice on Human Resources Management issued by the Office of the Privacy Commissioner for Personal Data.

Q42. Who should fill in the "Prospective Member's Record of Practical Experience" and "Detailed Record of Practical Experience Components"?

Ans. Forms should be completed by registered students and duly reviewed and signed off by their AS/Counselor or an AE periodically, at least on an annual basis.

Q43. If the registered student's employment period with an AE/AS is less than one year, is it necessary for the AE/AS to sign the Forms?

Ans. Although employment period of less than 12 months is not accepted for membership admission purpose at this stage, AE/AS are highly recommended to sign off the Forms for registered student's record and future training purposes.

Q44. If a registered student starts working under the supervision of an AS/Counselor some time after s/he joined the practice/organisation, should the AS/Counselor sign the Training Record from the date the registered student joined the practice/organisation or after the registered student works under the supervision of that AS/Counselor?

Ans. The AS/Counselor should sign off Training Records from the date the registered student starts to work under his/her supervision.

Q45. Is it appropriate for a Counselor or an AS to issue Training Records of a registered student who works under his/her supervision for less than 1 year but who has been working with the organisation for over 1 year under other colleague(s) who are not AS/Counselor?

Ans. The AS/Counselor should only sign off Training Records from the date the registered student is under his/her supervision.

Q46. Who should keep the duly signed Training Records?

Ans. The originals should be kept by registered students for future membership application purposes. AE/AS are however recommended to keep a copy of these documents for their administrative/record purposes.

Q47. If the registered student cannot achieve the 200-workday-per-annum requirement in a particular year, is it appropriate for the AE/AS to certify the practical experience acquired in that year?

Ans. AE/AS should sign off relevant Training Records as usual, but they are advised to add a "Remark" in the signature column or provide a supplementary sheet giving details of such deficiency for the Institute's consideration.

Q48. If a registered student works for a period longer than the required period of practical experience for membership purposes (e.g. a degree holder works 1,000 working days in 5 years instead of the minimum 600 working days in 3 years), is it necessary for the AE/AS to continue signing the Training Records for him/her until s/he leaves the organisation or apply for membership?

Ans. It will be a good practice for the AE/AS to sign off Training Records for the registered students they are supervising until these students have acquired membership with the Institute.

Such practice may be treated as part of the annual staff appraisal exercise.

Q49. In order to identify the training needs of newly recruited registered students, does AE/AS have the right to ask the student concerned to provide his/her past Training Records for reference or training purposes?

Ans. The registered students should provide their past Training Records to the AE/AS for planning the training needs of the students.

Q50. If a Counselor or an AS has been allocated to another department of the organisation, should the supervisor continue to sign off Training Records of the registered students previously under their supervision?

Ans. If a Counselor or an AS ceases to supervise a registered student, s/he should not sign off Training Records of the student concerned from that date onwards.

S/he should request the AE/employing organisation to delegate another Counselor/AS who will supervise the registered students to take up the role.

Q51. I am a registered student and the only accountant in the company, can I ask the auditor to sign off my Training Records since s/he is an AS/Counselor and will review my work?

Ans. No. As the auditor only reviews that part of the registered student's work relating to the preparation of financial statements, there is limited scope for the auditor to sign the Training Records, even though s/he is an AS/Counselor.

Other Matters

Q52. Will the Institute announce to the registered students about the details of an AE/AS?

Ans. Yes. Each AE/AS registered with the Institute will be issued with a registration certificate. New appointments of AEs and ASs will be published from time to time in the HKICPA's journal, The Hong Kong Accountant, which all registered students will also receive.

For the AEs, their name, registered office and appointment period will be posted in the Institute's homepage. Their other chosen contact details will also be posted in the Institute's homepage. As for the ASs, their membership number (if any), name, practising status (if any), employing organisation and appointment period will be listed in the homepage.

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The Prospective Members' Training Guidelines can be downloaded from the Institute's homepage at: www.hkicpa.org.hk/. You may also contact Miss Eva Lee / Ms. Daisy Yeung of the Membership Section on telephone number: 2287 7014 / 2287 7042 respectively if you wish to get a hardcopy.

For further information on the membership admission requirements, please browse the "Membership Services – Registration Matters" and the "Frequently Asked Questions – Member – Registration Matters" sections of the HKICPA website: www.hkicpa.org.hk ; or call the Membership Section at 2287 7228.