

Qualification Programme



Hong Kong's
CPA Qualification
香港會計師專業資格

Summary of skills, knowledge and competencies appropriate for accounting graduates and graduates of the foundation and conversion programmes



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

SUMMARY OF SKILLS, KNOWLEDGE AND COMPETENCIES APPROPRIATE TO ACCOUNTING GRADUATES AND GRADUATES OF THE FOUNDATION AND CONVERSION PROGRAMMES

GENERIC SKILLS

Cognitive or Intellectual Skills:

- creative thinking and ability to deal with unstructured and unfamiliar problems and situations
- logical reasoning - inductive and deductive
- critical analysis
- conceptualisation of issues
- identification and structuring of key problems and issues
- ability to research and to access and analyse relevant information
- evaluation of evidence in context
- recognition and use of value judgements and ethical standards
- use of modelling and quantitative analysis techniques
- ability to integrate knowledge from different areas
- recognition of historical, social and political perspectives and constraints
- ability to forecast, initiate and manage the process of change

Behavioural Skills:

- personal integrity and ethical conduct
- motivation and persistence
- independence of mind and capacity for inquiry
- commitment to life-long learning
- sensitivity and professional approach to personal and social responsibilities
- organisation of time and priorities
- reasonableness and adaptability
- capacity for leadership and team-work
- capacity for and understanding of negotiation processes

Language Skills:

- adequate level of English competency in both written and spoken communication
- the use of Chinese language should be promulgated as far as possible, taking into account the language ability of individual students, to a level required to cope with the local working environment

Communication Skills:

- ability to communicate clearly and effectively, using diverse written, verbal and visual methods as appropriate
- read, critique, and judge the value and contribution of written work
- ability to listen effectively
- effective interaction with culturally and intellectually diverse people or groups in a global environment

CONTEXTUAL SKILLS AND UNDERSTANDINGS

Business and Organisational Understandings

- the legal and regulatory environment of business and other organisations, including the law relating to business transactions, business entities and taxation
- the economic environment of business, including the concepts and tools of macro and micro economics
- organisational behaviour and the management of human resources
- business strategy, management and organisation, domestically and internationally
- marketing, market research and strategies, operations management, services
- use of decision sciences and application of quantitative methods, including statistics, to organisational problems and goals
- finance and capital markets, domestically and internationally

Business Environment in The People's Republic of China

- understand the social, economic, regulatory and political environment relating to business organisations in China
- understand the regulatory environment of accounting in China

Information Management and Understandings

- understand the role of information technology in solving business and accounting problems
- understand the system development life cycle to plan, design, implement, and evaluate an information system
- understand the application of information technology to accounting systems and the generation, reporting, internal control and attestation of accounting information
- understand the application of information technology to the functioning, management and information needs of organisations

General Knowledge and Understandings

- the flow of ideas and events in different cultures, historically and in the present
- awareness of the development and diversity of personal and social values and the processes of knowledge formation
- appreciation of the scope, range and basic concepts of science
- appreciation of the scope, range and concepts of the arts, including literature
- appreciation of the human environment and the physical, social and political world

GENERIC ACCOUNTING SKILLS AND UNDERSTANDINGS

- the theoretical foundations of accounting and auditing
- the process of identifying, gathering, measuring, summarising and analysing financial data
- the history of the accountancy profession and accounting thought
- the content, concepts, structure and meaning of reporting for organisational operations, both for internal and external use, including the information needs of financial decision makers and the role of accounting information in satisfying those needs
- the ethical and professional dimension of accounting
- the regulatory environment of accounting

FIELDS OF COMPETENCY

The items listed in this section are shown with an indicator of the minimum acceptable level of competency, based on a three-point scale as follows:

- 1) A general academic awareness of the field and related concepts, but without an operational knowledge at the applied level
- 2) A good understanding of the field with the ability to perform competently without assistance in straightforward situations or applications
- 3) A comprehensive mastery of the concepts and techniques sufficient to deal competently and unaided with complex and unusual situations and applications consistent with the academic context

AUDITING

Unit 1 Design and implement methodologies for examining, verifying, evaluating and reporting on financial or non-financial representations of organisations

- Objectives; organisational analysis; audit risk; professional and regulatory requirements; audit plan; liaison; mechanics of auditing; working papers; report preparation 2

Unit 2	Design and implement methodologies for examining, verifying, evaluating and reporting on the level of compliance of activities, systems or processes within organisations with internally or externally generated policies, standards, legislation or other requirements	
	<ul style="list-style-type: none"> • Compliance requirements; documentation of organisational structures and systems; liaison with line staff; implementation of audit plan 	2
Unit 3	Design and implement methodologies for evaluating and reporting on managerial, operational or procedural processes in organisations	
	<ul style="list-style-type: none"> • Organisational/managerial processes and systems and analysis; performance audits 	1
Unit 4	Participate in the development or evaluation of professional standards or benchmarks for auditing processes and outcomes	
	<ul style="list-style-type: none"> • Social, political and research processes in developing regulations or standards; benchmarking 	1
Unit 5	Manage auditing work	
	<ul style="list-style-type: none"> • Planning, allocating, monitoring and controlling resources; quality control and professionalism; client/auditor relationships 	1
Unit 6	Manage the diverse and evolving contexts of accountability which bear on the conduct and outcomes of auditing work	
	<ul style="list-style-type: none"> • Auditing contexts; negotiation of change 	1

ETHICS

Unit 1	Recognise and where appropriate apply ethical principles, considerations and rulings to work assignments and professional role	
	<ul style="list-style-type: none"> • The profession and professionalism, including the institutional and legal framework governing professional conduct • The Institute's Code of Professional Ethics, including fundamental principles and the promulgated Professional Ethics Statements • Independence and understanding of responsibilities to different stakeholders • Conflict of interest situations, ethical dilemmas and application of ethical reasoning • Corrupt or illegal conduct 	 1 1 2 2 1

EXTERNAL REPORTING

- Unit 1 Determine the external reporting policies of an organisation
- External reporting requirements impacting organisations; critical requirements applicable to particular organisations; documentation of external reporting needs of classes of users; external reporting policies of organisations 2
- Unit 2 Design and evaluate information systems which meet an organisation's external reporting requirements
- Principles and processes of information systems design (manual and computerised); system testing; design of internal control systems; system evaluation and revision 2
- Unit 3 Prepare and disseminate reports which meet an organisation's reporting policies
- Mechanics of accounting system operation, including accurate, complete and timely processing, validating inputs for accuracy and completeness, implementing authorised system changes; external reporting issues, report drafting in required form; report distribution 3
- Unit 4 Represent an organisation in relation to external reporting
- Social, political, business, regulatory and research issues and processes related to external reporting 1
- Unit 5 Manage external reporting as a functional area within organisations
- Monitoring and controlling resource use; change processes including Total Quality Management 1
- Unit 6 Manage the complex and changing contexts which bear on the conduct and outcomes of external reporting work
- External reporting contexts; negotiation and implementation of change 1

FINANCIAL MANAGEMENT

- Unit 1 Advise on the financial implications of an organisation's situation
- Strategic management technologies and processes, including impact of organisational choices and environmental contingencies on strategy formation; reporting and documentation 2

Unit 2	Establish an organisation's financial strategies	<ul style="list-style-type: none"> • Strategy formation and business planning in organisations; use of financial models; analysis and measurement of business and financial risk; objectives and processes of financial analysis of organisations, including modelling and other analytic technologies; documentation and report preparation; development of organisational risk strategies and financial strategies 	2
Unit 3	Manage financial risk in organisations	<ul style="list-style-type: none"> • Financial risk exposures facing organisations, including technologies for measuring risk exposures; processes for establishing exposure policies 	2
Unit 4	Manage an organisation's financing operations	<ul style="list-style-type: none"> • Purposes and processes involved in managing capital structures and liability portfolios of organisations, including analytic and evaluation processes; management of surplus funds; monitoring and managing organisational cash flows, including development of cash flow budgets to reflect operational and financial policies 	2
Unit 5	Manage Treasury as an organisational function	<ul style="list-style-type: none"> • Principles and processes of information systems design, review and evaluation, and the revision and implementation of systems change; application of Total Quality Management; design and operation of internal control systems; use of relationships and networks to secure organisational outcomes 	1
Unit 6	Manage the changing, global contexts which bear on the conduct and outcomes of Treasury work	<ul style="list-style-type: none"> • Contexts bearing on the Financial Management and Treasury function; organisational responses to contextual change 	1
Unit 7	Assess the commercial viability of an organisation which is underperforming, potentially insolvent or insolvent	<ul style="list-style-type: none"> • Assessment of the competitive position of an organisation; analysis of financial position and viability 	1

- Unit 8 Establish the strategic possibilities for an organisation which is underperforming, partially insolvent or insolvent
- Strategic management processes and technologies; financial modelling, including risk and trend analysis; behavioural and political dimensions of strategic management processes 1

- Unit 9 Manage the reconstruction of underperforming, potentially insolvent or insolvent organisations as continuing entities
- Business planning processes, using modelling and other analytic methods 1

MANAGEMENT ACCOUNTING

- Unit 1 Participate in resource related direction setting in an organisation
- Strategy formation and management accounting; data gathering structures; research and analytical methods in strategy formation; project appraisal processes; business planning processes; documenting financial outcomes of business planning 2

- Unit 2 Participate in organisation change and design processes
- Organisational change objectives, methodologies and processes; organisational design and development related to management accounting 1

- Unit 3 Contribute to the design, implementation and review of performance measurement and control systems in organisations
- Performance measurement philosophies and methodologies, including relationships between operational, financial and strategic measures of performance; internal and external research, including competitor comparisons and benchmarking; non-financial measures; control methodologies, systems and processes within organisations; cost of organisational controls, including interactions with operational staff 2

- Unit 4 Manage management accounting work in organisations
- Historical and emergent roles of management accounting; teamwork in management accounting; relationships and networks in securing organisational outcomes 1

- Unit 5 Manage the diverse, dynamic and competitive contexts which bear on the conduct and outcomes of management accounting work
- Contexts bearing on the management accounting function; organisational responses to contextual change; management of change positively and proactively 1

TAXATION AND TAX PLANNING

- Unit 1 Compute tax liabilities for individuals, unincorporated business, partnerships and companies
- Principles and processes involved in determining taxation liabilities (including profits tax, salaries tax, property tax, personal assessment and stamp duty) for individuals and other entities; implementation and documentation of taxation compliance requirements; incidence and timing of taxation liabilities; principles and processes of information and control systems in both manual and computerised environments 2
- Unit 2 Advise on the Hong Kong tax system, including tax planning in relation to individuals and other entities
- Analysis of the Hong Kong tax system and its application to the situation of individuals and other entities; representation, negotiation, litigation support and litigation on taxation matters; plans to minimise tax liabilities; contribution to debates in the public domain 2
- Unit 3 Develop an awareness of the impact of taxes on transactions and organisations
- Range of organisational phenomena and transaction arrangements and range of resulting tax impact; relevant law, regulations and pronouncements; objectives and processes of financial analysis of organisations; validation of particular sets of financial data and projections, modelling technologies in profiling and analysing financial data 2
- Unit 4 Advise on the taxation effect of external communication; promote taxation awareness within own and/or client organisations; and develop systems for recording taxation liabilities and their payment
- Impact of taxation issues on external reporting requirements; taxation awareness within organisations; development of systems for recording tax liabilities and their payment 2

Unit 5 Establish objectives for the taxation function with an organisation, manage taxation work and projects, including staffing of the function

- Objectives of the taxation function within an organisation; management of taxation work and projects; staffing of the taxation function in an organisation 1

If you need further information, please visit or write to us at:

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