



創於1913年  
Founded in 1913

# 香港華人會計師公會

## The Society of Chinese Accountants & Auditors

(在香港註冊成立之有限公司)

(Incorporated in Hong Kong as a company limited by guarantee)

4 May, 2018

Mr. Jonathan Ng  
Executive Director  
Qualification and Education  
Hong Kong Institute of Certified Public Accountants  
27/F, Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong.

Dear Sir

### **Reply to Practical Experience Framework Consultation**

First, we want to thank you again for Mr. Jonathan Ng and colleagues to speak in our Members' Forum on 26 April, 2018.

The Society of Chinese Accountants and Auditors was formed in 1913 and incorporated in 1948. The CPA firms of which our members are partners, directors or managers, service a significant majority of businesses in Hong Kong, and also companies investing into or through Hong Kong. Most of our members' CPA firms are Authorized Employers or themselves are Member in Charge or Authorized Supervisor who employ and directly train up QP students and therefore definitely care about the quality of our future CPAs.

The followings are our views and comments to the Questionnaire in the Consultation Paper.

### **Time Requirements**

- 1. Do you agree that the proposed measurement of Working Days is appropriate and practical to be adopted under different work environments and employment modes? If not, what are your concerns and recommendations for improvement?**

First, we strongly agree the proposal to reduce the maximum number of employments from 4 to 3 during the three years period and only one employment can be less than 12 months. However, we do not agree to further reduce the total number of working hours and the minimum working days in each selected technical elements to 4,000 working hours and 75 working days respectively as we are in doubt that 75 working days experience is good enough for a QP student to gain profession competence in a technical element.

As you may know that the Hong Kong auditing profession has been facing difficulties in employing and retaining staff, we suggest to only require the QP students to demonstrate competence in only three technical elements instead of four if they select Auditing being one of the technical element.



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### Relevancy of Practical Experience

2. Do you agree that the practical experience of a QP student should be acquired within 10 years prior to the date of HKICPA membership application and should be counted from the effective date of the Development Commitment to ensure relevancy? If not, why not?

Yes, but our members concerned for the period of keeping the QP students' records which they normally keep it for 7 years at the moment.

### Authorization Process

3. Do you agree that an applicant for registration as an Authorized Employer or Authorized Supervisor needs to demonstrate commitment to comply with the Practical Experience Codes and Guidelines by means of a self-assessment before application is considered? If not, why not?

Yes

4. Do you agree that, in processing the application for registration as an Authorized Employer or Authorized Supervisor, an authorization visit by the Institute's Assessors instead of a desktop review is more effective and beneficial for both the applicant and the Institute? If not, what are your concerns and recommendations for improvement?

Yes

5. Without prejudice to your answer to Question 4 above, and assuming you agree with the benefit of an authorization visit, do you agree that meeting with the applicant's staff (i.e. corroborators) can help the Institute's Assessors understand and substantiate the applicant's training and development environment further to ensure the Institute is authorizing suitably qualified organizations or individuals to train QP students? If not, what are your concerns and recommendations for improvement?

Yes. We suggest the interview with QP students should be conducted in group of at least two students whenever possible to ensure comments collected are objective.

6. Do you agree with the online annual monitoring of the five-year status as Authorized Employer or Authorized Supervisor subject to a visit on a sampling basis or circumstances require? If not, what are your concerns and recommendations for the annual monitoring?

Yes.



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7. Do you agree with the online renewal process together with a re-authorization visit on a sampling basis at the end of the five-year status as Authorized Employer or Authorized Supervisor? If not, what are your concerns and recommendations for the renewal process?

Yes.

8. Do you agree with the criteria leading to suspension or withdrawal of the status as Authorized Employer or Authorized Supervisor? If not, what other factors should be considered and why?

Yes, but we hope that the suspension or withdrawal should only on serious violation cases because the QP students working in a SMP will resign from its post which will have a significant impact on the SMP's business.

### Requirements of Member-In-Charge, Counselor and Authorized Supervisor

9. Do you agree with the criteria for qualifying as a Member-In-Charge of an Authorized Employer? If not, what other criteria do you recommend?

Yes.

10. Do you agree with the appointment of deputies to the Member-In-Charge being subject to a maximum of five? If not, what other number do you have in mind and why?

Yes.

11. Do you agree with the list of responsibilities of a Member-In-Charge under the proposed Practical Experience Framework with the help of deputies? If not, why not?

Yes.

12. Do you agree with the criteria for qualifying as a Counselor? If not, what other criteria do you recommend?

To allow more flexibility for SMPs, our members requested to cover the qualification of a Counselor to ACCA and CPA Australia members.

13. Do you agree with the criteria for qualifying as an Authorized Supervisor? If not, what other criteria do you recommend?

Same as 12.



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**14. Do you agree with the list of responsibilities of a Counselor or an Authorized Supervisor under the proposed Practical Experience Framework? If not, why not?**

Yes.

**15. Do you agree that the existing arrangement of approving QP students to be trained by External Authorized Supervisors who are not in the same organization as QP students should be abolished? If not, why not?**

Yes.

### Transparency and Timeliness of Documentation

**16. Do you agree that a Development Commitment set up between the Authorized Employer or Authorized Supervisor and the QP student ensures a clear understanding of the relationships and expectations of both parties at the outset of the Practical Experience Period? If not, what are your concerns and recommendations for improvement?**

As an employee is normally subject to a three months' probation period, we suggested that the submission of the Development Commitment should be extended to six months.

**17. Do you agree that the inclusion of a Reflective Statement in the Training Records for QP students to reflect on their work experiences and achievements is an effective way for them to take responsibility for their own learning and improvement? If not, what are your concerns and recommendations for improvement?**

Yes.

**18. Do you agree that interim and annual review meetings between the Counselor or the Authorized Supervisor and the QP student enhance the quality assurance of the practical experience process? If not, what are your concerns and recommended alternatives?**

Yes, we hope that the new online system is simple and user friendly to reduce workload of our members.

### Transitional Arrangements

**19. Do you agree that the three-year transitional arrangement for existing QP students is sufficient? If not, what are your concerns and how long do you think the transitional period should be?**

Yes.



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**20. Do you agree that the one-year transitional arrangement for existing Authorized Employers or Authorized Supervisors is sufficient? If not, what are your concerns and how long do you think the transitional period should be?**

Yes.

**21. Overall, do you support the proposed changes to Practical Experience Framework? If not, please explain.**

Yes.

Should you require more information, please do not hesitate to contact the undersigned or Mr. Donald Chau, Chairman of our Practice Management Committee.

Yours sincerely,

Andrew Chen  
President  
The Society of Chinese Accountants & Auditors



Encl. 3 sets of completed Questionnaire from our members