



Guide to the New CA Practical Experience Requirements for Training Principals

2009

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For more information and additional copies of this booklet, visit our website at www.CATOadvantage.ca.

The New Practical Experience Requirements — an Introduction

New Experience Opportunities for CA Qualification

As the CA profession evolves, one of the most important strategic changes is in qualification —expanding the range of training environments for new CAs beyond public practice and into corporate and public sector settings. This is part of our larger goal of securing the future supply of CAs by expanding training opportunities for employers and CA students, while maintaining our profession’s high qualification standards.

Under these new criteria:

- CA firms will be able to seek approval to create training positions in taxation, business advisory services, and other areas, in addition to audit and assurance
- Approved corporations and government departments will be recognized as CA Training Offices (CATOs) under strict criteria
- Training for public accounting will continue to be offered only by CA firms (and the provincial/federal Offices of the Auditor General of Canada). The current mandatory assurance, audit, and tax requirements remain unchanged.

Expanding the training opportunities has also allowed us to review the practical experience requirements. **This booklet focuses on the significant aspects of the practical experience requirements from the perspective of the Training Principal at a CA firm or in industry.** You can get additional detailed guidance from your Provincial Institute/ Ordre and in the *CA Practical Experience Requirements 2009* (PER) document available at www.CATOadvantage.ca.

Note: All current academic standards, prerequisites for admission to the profession and professional education program requirements remain unchanged. All CA students will continue to write the same Uniform Evaluation (UFE).

How Competency is Developed through Practical Experience

Practical experience is a partnership between the CA profession and CATOs, a significant strength of the CA program, and a critical component in the CA Qualification process. Practical experience allows CA Students to develop and enhance their professional abilities and judgement, demonstrate CA values and ethics, and gain a sense of “belonging” to the CA profession by applying their formal learning in approved workplaces, under the supervision of experienced CAs.

Practical Experience at a CATO provides CA Students with opportunities to:

- Apply theoretical knowledge and reinforce technical knowledge;
- Develop and exercise judgement, initiative, and executive and administrative abilities;
- Develop an appreciation of—and commitment to—standards of integrity, ethics and independence;

- Respond to client and/or business needs and identify critical issues and solve problems in real situations;
- Develop an entrepreneurial spirit; and
- Enhance professional communications and interpersonal skills.

These expectations are known as *CA competencies*—the knowledge, skills and attitudes defined in *The UFE Candidates' Competency Map*. This emphasis on practical experience ensures you develop the competencies expected of an entry-level CA. During your term of practical experience, you are expected to acquire a wide range and significant depth of experience in these CA competencies.

Ensuring a CA Culture – Importance of Supervision

Effective supervision is key to your development both as a professional and as an employee. Supervision provides you with the opportunity to develop your competencies, produce work of high quality, and undertake work at progressive levels of responsibility. All your work will be properly supervised and be under the overall direction of a CA in good standing with his or her Provincial Institute/Ordre. Your CATO is required to ensure you are appropriately supervised on an ongoing, proactive and constructive basis. These processes are designed to monitor and review your progress towards becoming a Chartered Accountant.

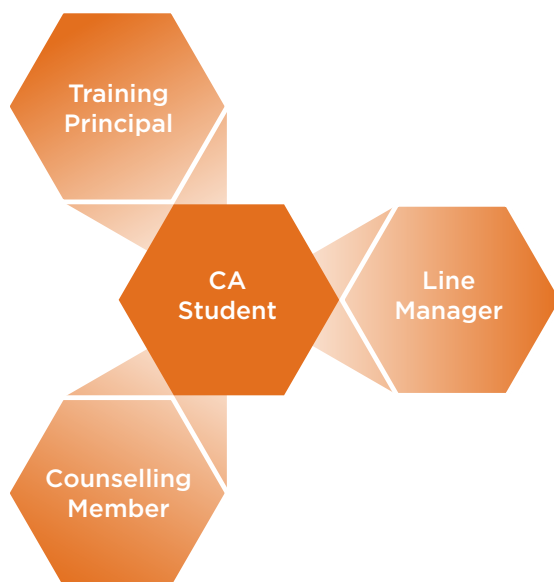
CATOs typically have their own internal supervision and performance review and evaluation processes. Supervision as used in this booklet is not intended to replace those processes.

The PER defines three CA program supervisory roles:

- Training Principal
- Counselling Member
- Line Manager

While this booklet focuses on the role of the **Training Principal**, we have presented a brief summary of the Counselling Member and Line Manager responsibilities to illustrate how these roles contribute to the CA Student's supervision and development. It is important to note that although these roles are delineated individually, a single CA may act in one or more of these roles.

Key Players in CA Students' Practical Experience



The **Training Principal** (TP) works in partnership to continually improve the training process to create the best CAs possible. The TP liaises with the appropriate Provincial Institute/Ordre/Region to gain answers to questions, or discuss any concerns/suggestions about CA Student training, and signs off on their admission to membership application.

The **Counselling Member** (CM) assists the CATO in ensuring that CA Students are exposed to sufficient, high quality, relevant, practical experience to develop the required depth and breadth of entry-level CA competencies. The CM provides appropriate oversight and guidance to CA Students over their practical experience requirement in order, to help CA Students become entry-level CAs and highly valued employees. The CM is an employee of the CATO in good standing with a Provincial Institute/Ordre, and must meet with assigned CA Students at least semi-annually to discuss performance and progression relative to CATO expectations.

The **Line Manager** (LM) is responsible for the direct supervision of the CA Student and must be endorsed by the CATO as an appropriate supervisor for the particular assignment or task. The Line Manager is responsible for evaluating the CA Student's performance on specific assignments, for making recommendations to the CA Student, and for providing input to the Counselling Member on the CA Student's competency development, usually through the training office's existing performance management system.

CA Students also have some responsibilities. They must document their exposure to sufficient high quality, relevant, practical experience that provides the opportunity to develop the required depth and breadth of entry-level CA competencies. This includes reflecting on key learning experiences and tracking competency development as they evolve into entry-level CAs by applying their education to business-world situations in approved workplaces, under the supervision of experienced CAs over the required three-year practical experience term. In doing so, CA Students also are expected to develop and enhance their professional abilities and judgement, demonstrate CA values and ethics, and gain a sense of "belonging" to the CA profession.

Your Role as a Training Principal

Characteristics of a Training Principal

The Training Principal must:

- Be a CA in good standing with any Provincial Institute/Ordre (in Quebec the TP must be a member in good standing with the Quebec Ordre);
- Be a senior member of the CATO's management team, with sufficient seniority to:
 - ensure implementation of and adherence to the profession's practical experience requirements;
 - influence the development of CA Students;
 - ensure the uniqueness of the CATO's CA Training Program (for example, a CA with partner-level authority in a CA firm);
- Be aware of their organization's rules governing education and training;
- Have a working knowledge—and be able to apply the advice—of the CA profession's Practical Experience Requirements and *Rules of Professional Conduct*.

Responsibilities of a Training Principal

The TP is responsible for:

- Overall oversight of the CATO's CA Training Program developed specifically for CA Students (see below). The extent of the TP's involvement and responsibility for the development of the Training Program will depend on the size and nature of the training office. For example, a Training Office with several locations likely will develop its Training Program at a higher level and the TP for one location may be responsible only for the program's oversight at his or her location. CATOs may, with the agreement of the Provincial Institute(s)/Ordre, appoint TPs in a manner consistent with their management structures;
- Ensuring the program monitors and manages CA Students in the development of the Pervasive Qualities and Skills and CA Specific Competencies;
- Ensuring the program helps CA Students understand the profession and the roles and responsibilities of members to maintain and enhance the profession;
- Liaising with the Counselling Member to determine whether:
 - the CA Student's progress has been discussed with him/her at least semi-annually; and
 - the CA Student is meeting the CA Training Program progression expectations;
- Providing the Provincial Institute/Ordre/Region with a Certification Sign-off for any student who completes his or her experience requirements or who leaves the CATO during his or her training period. This sign-off should include the CA Student's progress to the date of departure (see Appendix 1);
- Ensuring the CATO develops and maintains adequate practical experience records and that they are accessible to the profession for review.

In addition, the TP should liaise with the Provincial Institute/Ordre on any significant changes to the CATO's approved CA Training Program, including new training paths, additional offices, and/or an increase in the number of students the CATO is approved to train.

The CA Training Program

The TP is responsible for ensuring their CATO provides students with a CA Training Program, developed specifically for CA Students and approved by the applicable Provincial Institute(s)/Ordre. Such a program must:

1. Have structured training positions providing a sufficient range of progressively complex assignments, increasing responsibility, and high-quality practical experience in the required CA competencies;
2. Have the systems, programs, and people needed to supervise, monitor, and counsel the CA Student in the development of the CA competencies;
3. Comply with the reporting requirements of their Provincial Institute(s)/Ordre/Region.

1. Practical Experience

The term of employment for a CA Student must be long enough to allow him or her to develop and demonstrate the competency requirements of an entry-level CA. The minimum term in Canada and Bermuda is three years, including graduate-level professional education, and CA Students must complete the minimum term within a rolling five-year period. Qualifying CA Training Programs must meet minimum requirements for the depth and breadth of competency development. Refer to Section 3 of the PER for further guidance.

2. Systems, Programs and People – The CA Training Office

All CA Students fulfill their practical experience requirements by working in a CATO, which may be in a CA firm, in the corporate sector, or in the public sector. The practical experience they acquire, the environment in which it is provided, and the CAs who guide the CA Students and set the example of CA professionalism are central to the development of every new CA.

Characteristics of the CA Training Office (CATO)

A CATO provides:

- Support from the senior levels of the organization for the CA profession, a commitment to learning, a vision of itself as a learning organization, and embodies senior-level ownership of/commitment to the training of CAs;
- A CA Training Program developed specifically for CA Students and approved by a Provincial Institute/Ordre;
- CAs to create an ethical environment to teach, demonstrate, and promulgate the rules of professional conduct, and to provide an adequate support structure for the CA Student;
- An appropriate ethical working environment, including:
 - A written code of conduct and/or acknowledgement of the profession's Code of Conduct;
 - Encouragement of CA Students to develop and apply their professional judgement and work with integrity and objectivity at all times;
 - Supervision, guidance, and instruction on practical ethical issues as part of the CA Student's on-the-job training and progress reviews.

A CATO may employ a maximum of three CA Students for each CA in the office. The actual maximum number of CA Students per CATO is determined through the CATO approval process.

Responsibilities of a CA Training Office (CATO)

As a condition of approval, a CATO must commit to:

- Providing an appropriate working environment that prepares CA Students to become CAs;
- Providing a CA Training Program that offers a diverse range of progressive practical experience opportunities for CA Students to learn, develop, and demonstrate their competency development relative to the competencies listed in Appendix 1 of the PER;
- Ensuring CA Students document their developing competencies using the profession-supplied *Record of CA Qualifying Experience* (RQE);
- Providing appropriate supervision including appropriate supervision of CA students on secondment and on international assignments;
- Providing—or ensuring the provision of—training;
- Ensuring each CA Student meets with his/her Counselling Member at least semi-annually and that CA competency development is specifically discussed in these meetings;
- Maintaining its status as an approved CATO with its Provincial Institute(s)/Ordre.

The CATO is responsible for appointing the TP and submitting his/her/their name(s) to their Provincial Institute(s)/Ordre.

Organizations approved to train CA Students in more than one location ideally would have a TP in each location. At a minimum, a CATO must have a TP in each province/region in which CA Student training is taking place. CATOs also may appoint a primary TP with responsibility for the organization-wide program. Organizations may, with the agreement of their Provincial Institute(s)/Ordre, appoint TPs in a manner consistent with their management structures.

In addition to the above responsibilities, all CATOs providing practical experience to CA Students seeking to practise Public Accounting (CA firms and Offices of the federal and provincial Auditors General and the Auditor General of Bermuda) must provide:

- The minimum number of Chargeable Hours in Assurance Services, Audit Engagements, and Taxation Services;
- The required total prescribed Chargeable Hours.

Qualities of the Working Environment

To provide a positive practical experience for future CAs, CATOs must provide a work environment that models, encourages, monitors, and rewards work performance and the Student's development of the Personal Attributes, Ethical Behaviour and Professionalism, Professional Skills and Specific Competencies expected of a CA.

The CATO work environment must:

- Foster the ethics, values, independence, objectivity, and “collegiality” appropriate for the CA profession;
- Provide proactive, constructive supervision by experienced professionals;
- Encourage CA Students to become involved in work that challenges their skills in a variety of competencies;

- Foster the commitment to life-long learning and skill development;
- Ensure regular (at least semi-annually), constructive meetings take place between Counselling Members and CA Students during which CA competency development is specifically discussed;
- Ensure an appropriate work environment is provided for CA Students placed on secondment.

The CA Training Office continues to be responsible for ensuring that CA Students on secondment or international assignments are supervised at all times in accordance with the fundamental principles in this document. While an individual CA Student may work on more than one secondment assignment, no more than one-third of the CA Student's total term of practical experience can be derived from secondment assignments. In providing secondment and international opportunities, the CA Training Office must ensure the CA Student will be in a working environment which exhibits the best practices of a training organization, including appropriate assignment supervision.

As a guide, the Line Manager normally would work where the CA Student performs the majority of his or her day-to-day tasks. The Counselling Member would most likely be based in the CA Student's "home" office and communicate frequently with the off-site Line Manager.

Policies and Practices

CATOs must have policies and practices in place that require and enable CA Students to:

- Perform their work in accordance with CA Ethical Behaviour and Professionalism, develop and apply Personal Attributes and Professional Skills, and gain exposure to a range of the Specific Competencies;
- Gain exposure to a wide range of practical experience encompassing both depth and breadth, including—in the case of CA firms—exposure to a wide variety of clients, and—in the case of corporate sector and public sector organizations—exposure to a wide range of projects and initiatives of increasing complexity;
- Progress to work of increasing complexity that requires increasing levels of responsibility and/or knowledge and expertise.

Terms of Employment

The CATO must be able to provide CA Students with employment that meets the CA Practical Experience Requirements. CA firms offering students the practical experience to meet the requirements to practise Public Accounting must be able to provide the specified, required minimum Chargeable Hours.

The CATO also must provide the CA Student with reasonable leaves of absence to participate in the Provincial Institute/Ordre/Region's professional education programs, and to prepare for and write the Uniform Evaluation (UFE). The amount of time off given to the CA student is to be determined in discussions between the CATO and the CA student.

Training

The CATO must recognize that CA Students have significant professional education requirements to meet through their Provincial Institute/Ordre/Region. The CATO must be committed to supporting the CA Student in his or her professional development as a CA. The CATO—or an external provider authorized by the CATO—must provide the CA Student with orientation:

- to the CATO's policies and practices, and to the CA profession's requirements for Ethical Behaviour and Professionalism, Personal Attributes, Professional Skills and Specific Competencies, their professional education processes and Rules of Professional Conduct; and
- to how the CATO's policies and practices model, encourage, foster, and monitor the development and application of CA Ethical Behaviour and Professionalism, Personal Attributes, Professional Skills and Specific Competencies.

3. Reporting Requirements

To maintain good standing, CATOs commit to providing their Provincial Institute/Ordre/Region with all required information on their CA Training Program and on their CA Students. Further, all CATOs must ensure that their Provincial Institute/Ordre has access to any records/information deemed necessary to ensure the organization's continued recognition as a CATO. The principal documents include the:

- CA Students RQE
- CATO's evidence that the semi-annual meetings between the CA Students and Counselling Member have taken place.

CA Students are required to maintain a copy of their RQE during the practical experience term and for at least one year after qualification.

CA Training Office Certification Sign-off

In order to admit a CA Student as a member, the Provincial Institute/Ordre requires a sign-off on the CA Student's period of practical experience. There are two parts to the sign-off:

1. A TP Report that attests to the CA Student's period of employment in the CATO's CA Training Program
2. The CA Student's statement that he/she has met the practical experience requirements.

The TP signs off that:

- The CA Student's has completed the required term of employment
- The organization is an approved CATO with an approved CA Training Program
- The CA Student has completed the CA Training Program and progressed according to expectations
- The CA Student has met with his/her Counselling Member at least semi-annually
- The CA Student is of good moral character (see description below)
- (If applicable) the CA Student has met the chargeable-hour requirement for public practice, and has provided the actual number of chargeable hours worked.

The CA Student signs off that he/she has met the profession's depth and breadth requirements as documented in his/her RQE.

Based on the above, the TP recommends the CA Student for membership in the Provincial Institute/Ordre. TPs should ensure that the Counselling Member does not have any concerns with the CA Student's progress that would preclude the TP from recommending the CA Student for membership. The certification should not be signed until the CATO is confident that all aspects of the CA Program have been met. If the CA Student leaves the CATO prior to completing his/her training period, the sign-off would refer to progress to the time of the CA Student's departure.

Good moral character is about both character and suitability for membership. It requires judgement. It is not a new request from the profession to those seeking admission to the profession. The reference to character in the practical experience sign-off is included to ensure that CA Students are aware that all CAs are expected to perform in an ethical manner and with professionalism as detailed in the Pervasive Qualities and Skills. Good moral character criteria include:

- integrity
- objectivity
- due care
- confidentiality
- professional behaviour
- adherence to professional standards.

At a minimum, CA Students are expected to be in compliance with all of the *Rules of Professional Conduct* as set out by their applicable Provincial Institute/Ordre.

Appendix I: Sample Practical Experience Certification Sign-off

(Note: sample only; changes may be required to reflect Provincial Institute/Ordre regulations and bylaws)

Date: _____

Student Name: _____

Student Number: _____

PART I: Report of the Training Principal

I confirm on behalf of (NAME OF FIRM/COMPANY) that (STUDENT'S NAME):

- was in our employ from dd/mm/yyyy to dd/mm/yyyy
- completed our CA Training Program which is approved by (NAME OF PROVINCIAL INSTITUTE/ORDRE).

As part of our CA Training Program (STUDENT'S NAME)'s progress has been discussed with his/her Counselling Member at least semi-annually and he/she has met the progression expectations of all students in our CA Training Program.

(For CA Students employed by CA firms and seeking a licence to practice public accounting.)

I also confirm that the student named above has obtained the following Chargeable Hours of experience for the purposes of practicing public accounting. Of the total Chargeable Hours attained:

- XXX Chargeable Hours were in Audit Engagements
- XXX Chargeable Hours were in other Assurance Services and
- XXX Chargeable Hours were in Taxation Services
- XXX Total Chargeable Hours were attained towards eligibility to practice Public Accounting.(modified as needed by Provincial Institute/Ordre).

If the term of practical experience is complete:

I recommend (STUDENT NAME) as being of good moral character and in my opinion, he/she should be admitted to membership of the (NAME OF INSTITUTE/ ORDRE) once he/she has satisfied all requirements to apply for CA membership (with a reference to the appropriate Provincial Institute/Ordre regulation).

If the term of practical experience is not yet complete:

I recommend (STUDENT NAME) as being of good moral character. During the above term of employment, nothing came to my attention to suggest that (STUDENT NAME) should not be admitted to membership once he/she has completed his/her practical experience requirements and in my opinion he/she should be admitted to membership of the (NAME OF INSTITUTE/ORDRE) once he/she has satisfied all other requirements to apply for CA membership (with a reference to the appropriate Provincial Institute/Ordre regulation).

Training Principal's Signature

PART II: Statement of the CA Student

I believe that I have met the practical experience requirements of the CA profession as defined in the *CA Practical Experience Requirements*.

During my term of practical experience I have gained a depth of experience in _____ and breadth of experience in _____ and _____ as documented in my Record of CA Qualifying Experience as at dd/mm/yyyy.

CA Student's Signature





The Canadian Institute of Chartered Accountants

277 Wellington Street West, Toronto ON M5V 3H2

Tel (416) 977-3222 Fax (416) 204-3423 www.cica.ca

For more information

The CA qualification process prepares future CAs to meet the challenges that await them. For more information on the qualification process, the uniform evaluation, and your province's specific education requirements, contact your regional education director.

For more information on the practical experience requirements visit www.CATOadvantage.ca.

Regional Education Directors

Atlantic Canada and Bermuda:

Dan Trainor, FCA

Executive Director

Atlantic School of Chartered Accountancy

Cogswell Tower, Suite 500

Scotia Square, P.O. Box 489

Halifax, Nova Scotia B3J 2R7

Tel: (902) 425-7974

Fax: (902) 423-9784

Web site: www.asca.ns.ca

E-mail: theschool@asca.ns.ca

Québec:

Diane Messier, FCA

Vice-présidente, Formation professionnelle et relève

Ordre des comptables agréés du Québec

680, rue Sherbrooke Ouest, 18^e étage

Montréal (Québec) H3A 2S3

Tel: (514) 982-4601

Sans Frais: 1 800 363-4688 ext. 4601

Fax: (514) 843-8375

Site web: www.ocaq.qc.ca

Courriel: d.messier@ocaq.qc.ca

Ontario:

Richard Piticco, CA, CFA

Director of CA Training Offices

The Institute of Chartered Accountants of Ontario

69 Bloor Street East

Toronto, Ontario M4W 1B3

Tel: (416) 969-4341

Toll free: 1 800 387-0735 ext. 341

Fax: (416) 962-8900

Web site: www.icao.on.ca

E-mail: rpiticco@icao.on.ca

Western Canada and the Territories:

Dr. Sheila Elworthy, CA

Vice President—Learning

CA School of Business

500 – One Bentall Centre

505 Burrard Street

Vancouver, British Columbia V7X 1M4

Tel: 1 866 420-2350

Fax: (250) 481-8934

Web site: www.casb.com

E-mail: generalregistrations@casb.com

Provincial Institutes/Ordre

The Institute of Chartered Accountants of Bermuda

31 Queen Street

Boyle Building, 2nd Floor

HM 11, Bermuda

(441) 292-7479

www.icab.bm

The Institute of Chartered Accountants of Nova Scotia

1791 Barrington Street, Suite 1410

Halifax, Nova Scotia B3J 3L1

(902) 425-3291

www.icans.ns.ca

The New Brunswick Institute of Chartered Accountants

55 Union Street, Suite 250

Mercantile Centre

Saint John, New Brunswick E2L 5B7

(506) 634-1588

www.nbica.org

The Institute of Chartered Accountants of Prince Edward Island

P.O. Box 301 – 56 Water Street

Charlottetown, PEI C1A 7K7

(902) 894-4290

www.icapei.com

The Institute of Chartered Accountants of Newfoundland and Labrador

95 Bonaventure Avenue, Suite 501

St. John's, Newfoundland A1B 2X5

(709) 753-7566

www.icanl.ca

Ordre des comptables agréés du Québec

680, rue Sherbrooke Ouest, 18^e étage

Montréal (Québec) H3A 2S3

(514) 288-3256 1 800 363-4688

www.ocaq.qc.ca

The Institute of Chartered Accountants of Ontario

69 Bloor Street East

Toronto, Ontario M4W 1B3

(416) 962-1841 1 800 387-0735

www.icao.on.ca

The Institute of Chartered Accountants of Manitoba

500 – 161 Portage Avenue East

Winnipeg, Manitoba R3B 0Y4

(204) 942-8248 1 888 942-8248

www.icam.mb.ca

The Institute of Chartered Accountants of Saskatchewan

3621 Pasqua Street

Regina, Saskatchewan S4S 6W8

(306) 359-1010

www.icas.sk.ca

The Institute of Chartered Accountants of Alberta

580 Manulife Place, 10180 – 101 Street

Edmonton, Alberta T5J 4R2

(780) 424-7391 1 800 232-9406

(for Alberta, outside Edmonton)

www.icaa.ab.ca

The Institute of Chartered Accountants of British Columbia

Suite 500, One Bentall Centre

505 Burrard Street, Box 22

Vancouver, British Columbia V7X 1M4

(604) 681-3264 1 800 663-2677

www.ica.bc.ca

If you are in the Yukon, please contact the Institute of Chartered Accountants of British Columbia.

If you are in the Northwest Territories or Nunavut, please contact the Institute of Chartered Accountants of Alberta.