

STRONGER FOUNDATIONS FOR CAT WORK EXPERIENCE

Gareth Owen explains how the CAT work experience requirements have changed, how they link more closely with the ACCA Qualification practical experience requirements and how they can be demonstrated.

As part of the new ACCA Foundations in Accountancy suite of qualifications, being introduced in January 2011, the *Technician Training Record* (TTR) for Certified Accounting Technicians (CAT) will be replaced by a new updated practical experience requirement known as Foundations in Practical Experience Requirements (FPER).

The new practical experience requirement aligns the Technician work experience requirements more closely with ACCA's practical experience requirement (PER) and introduces some of the best features of PER into the new technician requirements. In addition, as the new FPER articulates more closely with the PER, those who attain CAT status will have fewer practical experience requirements to complete, should they choose to go and study for the ACCA Qualification.

How FPER works

To complete the FPER, students must obtain at least one-year's supervised work experience in a relevant accounting or finance role and demonstrate a minimum number of new competence requirements for the new CAT qualification. They must also provide evidence that they have fulfilled the new practical experience requirements by completing the FPER Record.

Why is practical experience important?

To work effectively in an accounting technician role, it is very important that students are able to demonstrate competences in a wide range of both personal effectiveness and technical skills. These will enable them to support professional accounting staff in a range of business areas, including bookkeeping, financial administration, cost accounting and in other roles within financial accounting, management accounting, treasury, finance. These roles may be within the private or public sector or within financial shared service centres. The CAT exams provide them with the knowledge and understanding which underpins competent performance in the workplace, but to be fully effective at work, the knowledge and skills acquired through study should be applied and demonstrated practically.

What are competences and how are they demonstrated?

ACCA has identified 26 competences that broadly cover a range of personal effectiveness and technical skills. The competences describe functions that are carried out by individuals within an accounting environment.

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The competences are made up of elements (challenge questions or specific tasks) which contain a description of what an individual must experience or achieve, so that they can demonstrate competence at work.

How is FPER achieved?

To qualify as a Certified Accounting Technician, a student must complete the FPER by achieving 10 competences, including:

- All four Essentials competences
- A minimum of six Technical competences; linked with all three levels of the CAT qualification.

They must also gain at least 12-months' practical experience in a relevant role, but that can be in any financial related role and can be achieved on a full-time, part-time, or voluntary basis.

To demonstrate any given competence, a student must obtain sufficient work experience in the roles or tasks described within each competence.

Competence is the ability to perform an activity to a set standard within the workplace. A student can achieve a competence if they can meet the requirement described in the elements without close supervision or regular instruction from their workplace mentor.

Wherever possible the workplace mentor should be a line manager or partner who is at least qualified to Accounting Technician level.

The workplace mentor should regularly review the work to check that the practical experience requirements are being met. They can also help plan how to gain the required experience. They are also responsible for judging whether the competence has been achieved.

Note that for the demonstration of the Essentials competences, which count towards the ACCA practical experience requirement (PER), the person that signs off a student's FPER competences must be a fully qualified accountant. The FPER Essentials competences must, therefore, be signed off by someone who is both familiar with the student's work and a fully qualified accountant. Students who wish to transfer to ACCA on completion of CAT should keep an electronic copy of their FPER Record in order to transfer this information into the ACCA training and development matrix (TDM) when ready to do so.

Below is a list of the four Essentials competences (EC) which all students must complete and the Technical competences (TC) from which students must demonstrate six: one from Group 1; two from Group 2 and three from Group 3:

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Figure 1: List of Essentials and Technical competences

EC NO	ESSENTIALS COMPETENCES	TC NO	TECHNICAL COMPETENCES
All four must be completed		Group 1 – linked to CAT Introductory Level (choose 1 from 4)	
EC1	Act professionally at work	TC1	Verify and record income and receipts from originating documents
EC2	Manage self	TC2	Verify and records purchases and payments from originating documents
EC3	Communicate effectively	TC3	Prepare ledger accounts and an initial trial balance
EC4	Use information and communications technology	TC4	Provide basic information on costs and revenues
		Group 2 – linked to CAT Intermediate Level (choose 2 from 8)	
		TC5	Correct errors and process accounting adjustments in the extended trial balance
		TC6	Maintain records relating to capital acquisition and disposal
		TC7	Prepare the final accounts of unincorporated entities
		TC8	Prepare and complete sales tax/VAT returns
		TC9	Record and analyse information relating to direct costs
		TC10	Record and analyse information relating to indirect costs
		TC11	Record and analyse information relating to costs, revenues and profit
		TC12	Manage and control cash receipts, payments and balances
		Group 3 – linked to CAT Advanced Level (choose 3 from 10)	
		TC13	Draft financial statements for different business sectors
		TC14	Interpret financial statements for different business sectors
		TC15	Use management accounting techniques to support planning and decision-making
		TC16	Measure and evaluate financial performance
		TC17	Plan and control financial performance
		TC18	Use and evaluate accounting systems and financial controls
		TC19	Implement internal and external audit procedures
		TC20	Prepare personal taxation computations and complete tax returns
		TC21	Prepare business taxation computations and complete tax returns
		TC22	Grant credit and monitor and control the collection of debts

There are 26 competences shown in Figure 1 above. Each competence contains several elements. The Essentials competences are generic in nature, covering such personal effectiveness skills as acting professionally and ethically, managing self, communicating effectively and using information and communications technology. The Technical competences cover a wide range of tasks and responsibilities that an Accounting Technician might be required to demonstrate.

Answering Challenge Questions

The Essentials competences must be demonstrated to the workplace mentor by answering Challenge Questions.

There are three Challenge Questions set for each EC. These are questions which require the student to describe an experience or a task that they have carried out, explain what they have learnt from the experience and review the impact of the experience on themselves and on the organisation. There is a maximum word limit of 500 words for each of these. One of the Essentials competences is very similar, and the other three identical, to those included within the ACCA PER.

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To take this into account, from January 2011 demonstrating these competences will count towards four of the nine Essentials competences of the ACCA PER, should a student choose to study towards the ACCA Qualification after achieving CAT status. Because of this alignment with the ACCA Qualification, existing CAT students who hope to go on and study ACCA later and who have not yet completed their TTR may like to consider switching to the new FPER.

Exemptions from CAT papers based on work experience

In addition, it is possible to claim exemptions for up to the first four papers of the CAT qualification. These papers are FA1, MA1, FA2 and MA2. Those students who are able to demonstrate the specific competences associated with each paper can claim exemption from that paper. These exemptions will be confirmed following submission of the completed FPER.

For example, to claim exemption from FA1 the following Technical competences must be demonstrated:

- TC1, *Verify and record income and receipts from originating documents*
- TC2, *Verify and record purchasing and payments from originating documents*
- TC3, *Prepare ledger accounts and an initial trial balance*

For further information about which Technical competences are associated with which exam for CAT practical experience exemption purposes, please see the *FPER Guide* published within *myACCA* from early in 2011.

Demonstrating Technical competences

The Technical competences relate to specific accounting related roles, responsibilities and tasks. Each of the Technical competences is linked both to relevant accounting occupational standards and to the syllabuses of the CAT exams which are assessed at three discrete levels.

There are four TCs linked to the Introductory Certificate Level, of which a minimum of one must be demonstrated. There are eight TCs linked to the Intermediate Certificate Level, of which a minimum of two must be demonstrated. There are 10 TCs linked with the Diploma level and with the specialist Options papers, of which a minimum of three must be demonstrated.

The Technical competences require a student to explain how they have demonstrated the ability to carry out a specific group of associated technical skills at work, in up to a maximum of 250 words. They must also complete a checklist of specific tasks associated with that competence and have it signed off by their workplace mentor. The

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choice of which TCs to demonstrate should be discussed and agreed with the workplace mentor.

The choice of TCs should be based on the nature of the student's work experience and where they can demonstrate that the work they do meets the competence requirements.

Completing the FPER Record form

The FPER record is the document where students record evidence of satisfactory completion of their practical experience and which they must submit to ACCA when they have achieved all the requirements for CAT status. There is a separate page in the FPER Record form for each of the 26 competences and a summary page with a series of check boxes to summarise all the practical experience achieved.

An example of each type of competence and how they might be demonstrated is shown below:

Example 1: Sample Challenge Question answer for an Essentials competence:

EC2 – Manage Self

Question 1:

What have you learned about how you work as an individual?

Sample answer

I participate in a performance management system used by my company. Regular meetings with my line manager gave me the opportunity to find areas for improvement and development. I ask for difficult and challenging objectives in order to improve my skills quickly. I discuss my progress with my manager on a regular basis.

I plan my work well in advance and always prioritise tasks. I set up my personal deadlines for the specific tasks in order to perform work quicker when needed.

I try to manage my time effectively by effective planning. I am focused on the professional aspects of my work, ensuring that my work represents high quality of service. I ensure that clients are informed about valuation progress and any delays and that they are notified about any important problems relating to their funds.

I ensure that I always maintain a good relationship with clients and colleagues. I am always reliable, I always reply to queries on time. I am supportive, a good team player and I always try to find time to help my colleagues with the problems they have.

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I try to find areas for improvement in my personal skills and also in my professional knowledge. I ask my managers and colleagues for feedback on my skills and knowledge and try and respond to their comments to become a more effective and efficient employee.

Example 2: Sample answer to a Technical competence

TC1 - VERIFY AND RECORD INCOME AND RECEIPTS FROM ORIGINATING DOCUMENTS

LINKED TO FA1 AT THE INTRODUCTORY LEVEL OF CAT

This Technical Competence area is about demonstrating that you are competent in the verification, preparation and coding of originating documents and in recording income and processing receipts from customers. This TC may be demonstrated using manual or computerised systems.

EXPLAIN HOW YOU HAVE DEMONSTRATED THIS BELOW

In my role as a sales ledger clerk I am required to code and process invoices to customers and to record all payments received from customers. When invoices are sent out I use the computerized accounting package to record the sales including the VAT and post any trade or quantity discounts offered and I process returns making appropriate adjustments for discounts and VAT. When payments are received, I check them against the invoices to ensure discounts have not been wrongly claimed for. I then record the payments made against the customer accounts and in the cash account, recording any discounts allowed. I also produce statements of accounts for customers and send these out monthly.

At the end of the month I provide a summary report on the following:

Total outstanding receivables

Total returns

Total discounts allowed

A breakdown of how long debts have been outstanding:

Less than a month;

1-2 months;

3+ or older.

ACTIVITIES

STUDENT CHECK BOX

Checking delivery notes against sales orders



Checking delivery notes against sales orders



Using sales orders to prepare invoices



Coding invoices and credit/debit notes in computerised or manual accounting systems



Checking that customer information and calculations are correct, including sales tax (VAT) and ensure that discounts allowed have been applied correctly



Checking and reconciling cash received against receipts or invoices issued



Recording and processing cash receipts and payments in the petty cash and/or cash book and in the sales ledger



Producing statements of account for customers



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How to get started on FPER

For new and existing CAT students to start using FPER from January 2011, the following documents will be available on the FPER pages of the Foundations in Accountancy section of *myACCA*:

- FPER Guide
- FPER Record
- How to Demonstrate Essentials and Technical Competences
- How to become a Workplace Mentor

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