

# a practical approach

■ A key component of the ACCA Qualification is the practical experience requirement (PER). The new PER will help ensure that ACCA members have the essential skills required by employers worldwide, complementing the knowledge gained through the exams.

ACCA's PER is designed to reflect best-practice human resources processes the world over. It has been developed following extensive research with the global profession and employers. This consultation process revealed that employers require an increased focus on an individual's workplace performance, and also closer links between in-company performance management processes and ACCA's PER.

## KEY FEATURES

Under the new ACCA Qualification, the PER:

- sets clear expectations of what trainee (student and affiliate) accountants should be able to do in the workplace. These expectations are set out as performance objectives and give each individual the chance to show not only where they have achieved a performance objective, but also areas where they have excelled
- is goal-driven, so trainees are encouraged to set targets, plan development, and mark progress with their employer

- provides simple and clear progress-reporting tools, which will help both employees and employers get the most out of the process
- is underpinned by a new, online trainee development matrix (TDM) that will enable employers to undertake a more proactive approach to developing trainees through tracking their progress and achievement towards goals
- comprises a mix of essential and optional performance objectives. These objectives describe the types of work activities trainees will be involved with in addition to the values and attitudes they should demonstrate as they fulfil the requirements.

## ACHIEVING PERFORMANCE OBJECTIVES

ACCA is replacing the current process, which requires students and affiliates to match their practical experience against a set of competences and record these in a paper-based *Student Training Record* (STR).

**ESSENTIAL (all nine to be completed)**

<b>Professionalism, ethics and governance</b>
1 Demonstrate the application of professional ethics, values and judgement
2 Contribute to the effective governance of an organisation
3 Raise awareness of non-financial risk
<b>Personal effectiveness</b>
4 Manage self
5 Communicate effectively
6 Use information and communications technology
<b>Business management</b>
7 Manage on-going activities in your area of responsibility
8 Improve departmental performance
9 Manage an assignment

**Business and commercial law** – law, regulation and compliance are integrated through appropriate performance objectives

**OPTIONAL (four to be completed)**

<b>Financial accounting and reporting</b>
10 Prepare financial statements for external purposes
11 Interpret financial transactions and financial statements
<b>Performance measurement and management accounting</b>
12 Prepare financial information for management
13 Contribute to budget planning and production
14 Monitor and control budgets
<b>Finance and financial management</b>
15 Evaluate potential business/ investment opportunities and the required finance options
16 Manage cash using active cash management and treasury systems
<b>Audit and assurance</b>
17 Prepare for and collect evidence for audit
18 Evaluate and report on audit
<b>Taxation</b>
19 Evaluate and compute taxes payable
20 Assist with tax planning

Under the new ACCA Qualification, trainees will need to demonstrate that they have met a range of workplace performance objectives – benchmarks of effective performance.

Performance objectives are divided into nine key categories that are closely linked to the exam syllabus (more detailed information will be published in a future issue of *student accountant*). This reinforces that any knowledge developed through the exam process will have a clear application in the workplace. Individuals will be required to achieve nine essential and four optional performance objectives as detailed left.

Trainees will demonstrate that they have achieved a particular performance objective by responding to a set of 'challenge questions' – questions similar to those asked in a performance review, interview or appraisal. This will help them to describe their workplace achievements and encourage them to think about the quality of the work they have produced. It will also encourage the trainee to evaluate how their completed work has contributed to the workplace and benefited their employer.

**RECORDING PRACTICAL EXPERIENCE**

Trainees will record their achievements through an online trainee development matrix (TDM), which will be available through *myACCA*. The TDM will provide each trainee with a valuable record of their workplace achievements – recorded through answering challenge questions. When these achievements are reviewed and signed off by a workplace mentor, the performance objective is achieved. Trainees can also use this facility to print out reports on their progress and maintain a virtual CV. The online TDM will lead trainees through the process of identifying performance objectives they may be capable of achieving as well as providing assistance when describing and evaluating experience gained. A paper-based version of the TDM will be available for trainees who do not have Internet access. Trainees who opt to use a paper-based version of the TDM will need to retain hard copies of their responses to the challenge questions and of performance objectives they have had reviewed, signed off and therefore

achieved because ACCA may require to view these for monitoring purposes.

### ANNUAL RETURNS

ACCA has introduced an annual reporting requirement for all trainees to track that they are developing in the workplace and making progress against the performance objectives. This means that in the last quarter of each year, trainees declare which performance objectives they have achieved in that calendar year and also how long they have worked in relevant roles. Where trainees have not been in a relevant role, studying or not working for some other reason they can declare this instead.

The annual return can be made online through the TDM, or by post, and allows ACCA to compile a transcript of PER achievement that will accompany each exam transcript.

Trainees working for ACCA platinum and gold approved employers will not be required to use the TDM, unless they or their employer wishes them to do so. Due to the experience provided and the development support and review processes in place with such employers, ACCA is satisfied that its PER is being met. However, trainees who work for platinum or gold approved employers must still make an annual return to ACCA.

ACCA will continue to recognise work experience gained before, during, or after completing the ACCA exams but strongly recommends that work experience is gained alongside, or soon after, completing the exams.

### WORKPLACE MENTORS

Trainees will require a workplace mentor to support their development and review their progress and achievements at work. Together with the trainee, the workplace mentor will be responsible for:

- selecting which performance objectives trainees should work towards achieving
- setting targets in terms of performance and timescales
- providing access to appropriate work experience and supporting trainees' development
- evaluating and reviewing each trainee's progress on a regular and ongoing basis.

The trainee will advise ACCA who will sign off their PER and act as their workplace mentor. It could be their line manager, their mentor or another individual. If possible, a workplace mentor should be a qualified accountant. If the selected individual is not qualified, the PER will be priority flagged for monitoring purposes.

Comprehensive free online guidance will be provided to workplace mentors to ensure that they feel adequately prepared to support the development of trainees.

### MONITORING

ACCA will be increasing its audit and monitoring of trainees' workplace achievement. Non-completion of the annual reporting requirement, lack of recording, and continued non-achievement of performance objectives (where the trainee is in a relevant role), will be among the factors taken into account when selecting trainee records for review. Trainees' online TDM or paper-based records will also be subject to monitoring.

### CONVERSION ARRANGEMENTS

The new practical experience requirements will be introduced in January 2007. New students registering on the ACCA Qualification from January 2007 will need to complete the new practical experience requirements. All existing students and affiliates will be required to convert to the new practical experience requirements by 31 December 2007.

Whereas conversion to the new exam syllabus happens automatically for active students in mid-August 2007, students and affiliates will need to convert any competences they have achieved under the current STR to its equivalent under the new system. No student will be disadvantaged by the conversion arrangements or will have to repeat work experience already achieved.

To help students and affiliates prepare for conversion to the new PER, an online PER conversion tool will be available from 1 January 2007. Trainees will be able to use this tool to convert and record existing experience to the new PER and then use the TDM to log the performance objectives to be achieved as part of the new PER.

Trainees are encouraged to make every effort to ensure their STRs are up to date and signed off by their supervisor so that they gain maximum credit for their practical experience under the new system. ACCA will accept membership applications based on the current STRs until 30 June 2008. The timetable below summarises the key dates around the new practical experience requirements.

### TIMETABLE

September 2006	Full information on performance objectives available.
1 January 2007	Online PER conversion tool available
	Online TDM available to all trainees, including existing students and affiliates.
	Existing students and affiliates to convert existing competences achieved into new performance objectives and record on TDM.
31 December 2007	Deadline for all trainees to convert to new PER.
	First PER annual return to be submitted by all existing and new trainees.
30 June 2008	Final membership applications using STRs under the current application process.
October – December 2008	PER annual return to be made by all trainees.

Visit [www.accaglobal.com/horizon](http://www.accaglobal.com/horizon) for all the latest developments about the new ACCA Qualification. ■