

**FOUNDATIONS IN PRACTICAL EXPERIENCE REQUIREMENT**

# **FPER**

**DEMONSTRATING ESSENTIALS AND TECHNICAL  
COMPETENCES FOR THE CAT QUALIFICATION**



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# FOUNDATIONS IN PRACTICAL EXPERIENCE REQUIREMENTS (FPER)

As part of your CAT Foundations in Practical Experience Requirement (FPER) you are required to achieve four Essentials Competences and six Technical Competences (making a total of 10) to the satisfaction of your workplace mentor.

Essentials and Technical competences are ACCA's indicators of effective performance and set a minimum standard of work that you are expected to achieve and demonstrate as a trainee accountant.

EC NO	ESSENTIALS COMPETENCES
<b>All four must be completed</b>	
<b>EC1</b>	Act professionally at work
<b>EC2</b>	Manage self
<b>EC3</b>	Communicate effectively
<b>EC4</b>	Use information and communications technology

TC NO	TECHNICAL COMPETENCES
<b>Group 1 – linked to Introductory Certificate Level</b>	
<b>TC1</b>	Verify and record income and receipts from originating documents
<b>TC2</b>	Verify and record purchases and payments from originating documents
<b>TC3</b>	Prepare ledger accounts and an initial trial balance
<b>TC4</b>	Provide basic information on costs and revenues
<b>Group 2 – linked to Intermediate Certificate Level</b>	
<b>TC5</b>	Correct errors and process accounting adjustments in the extended trial balance
<b>TC6</b>	Maintain records relating to capital acquisition and disposal
<b>TC7</b>	Prepare the final accounts of unincorporated entities
<b>TC8</b>	Prepare and complete sales tax/VAT returns
<b>TC9</b>	Record and analyse data relating to direct costs
<b>TC10</b>	Record and analyse information relating to indirect costs
<b>TC11</b>	Record and analyse information relating to costs, revenues and profit
<b>TC12</b>	Manage and control cash receipts, payments and balances
<b>Group 3 – linked to Diploma Level</b>	
<b>TC13</b>	Draft financial statements for different business sectors
<b>TC14</b>	Interpret financial statements for different business sectors
<b>TC15</b>	Use management accounting techniques to support planning and decision-making
<b>TC16</b>	Measure and evaluate financial performance
<b>TC17</b>	Plan and control financial performance
<b>TC18</b>	Use and evaluate accounting systems and financial controls
<b>TC19</b>	Implement internal or external audit procedures
<b>TC20</b>	Prepare personal taxation computations and complete tax returns
<b>TC21</b>	Prepare business taxation computations and complete tax returns
<b>TC22</b>	Grant credit and monitor and control the collection of debts

# ANSWERING CHALLENGE QUESTIONS WITHIN THE ESSENTIALS COMPETENCES AND DEMONSTRATING TECHNICAL COMPETENCES

When you think you have achieved an Essentials Competence you will need to answer three Challenge Questions which are related to the competence. When you have achieved a Technical Competence you must submit a short narrative to demonstrate this and tick the boxes relating to individual elements within the Technical Competence. You should do this using the FPER Record and all competences achieved must be signed-off as achieved by your workplace mentor.

The Challenge Questions related to the Essentials Competences help you to summarise your work activity so that your workplace mentor can evaluate whether you have demonstrated the standard required by the Essentials Competence.

If your workplace mentor signs off the answers to all three challenge questions for an Essentials Competence, then that competence has been achieved.

Challenge Questions are not tests or exams that have to be passed. They allow you to reflect on your work and demonstrate that you can analyse the quality and value of your work and see where you may continue to improve.

To demonstrate Technical Competences you must write a brief description of how you have achieved the competence at work as a short narrative. You must also tick each element contained within the competence to verify that you have properly demonstrated the competence and you must have this verified and signed off by your workplace mentor.

## SAMPLE ANSWERS

In this booklet ACCA has developed the following sample answers to help you understand what a suitable answer looks like. There is **not** a sample answer for every Essentials or Technical Competence and the examples available are not model answers as there are many ways in which the challenge questions can be answered and the Technical Competences demonstrated. Your situation and experience is unique to you, so your workplace mentor and ACCA auditors will expect to see unique answers.

How you decide to present the answers to your challenge questions and to demonstrate your Technical Competences is up to you – you can use narratives, notes or bullet points. It is the content, not the format of your submissions that is important. You need to ensure that where answering challenge questions within the Essentials Competences that you fully address the issues involved and not just give an answer to a question you might wish to answer. Similarly, when explaining how you have demonstrated a

Technical Competence, your supervisor or mentor will only want to know what you have achieved in the briefest and clearest terms so that he or she can easily verify that you have indeed developed the competences described. These narratives or explanations within the Technical Competences should relate to the individual elements specifically listed within the competence which must **all** be ticked off as achieved before they are signed off.

To answer each Challenge Question for the Essentials Competences your answers should be limited to 500 words and for demonstrating each Technical Competence your narrative should be limited to 250 words.

# 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.

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.

## QUESTION 2

**HOW HAVE YOU CHANGED YOUR BEHAVIOUR OR APPROACH IN THE WORKPLACE AS A RESULT OF WHAT YOU HAVE LEARNED?**

### Sample answer

I have started to use time management tools to improve my work and to be able to meet all the deadlines. I also noticed that I learn quickly and I started looking for more challenging and complex tasks which involves the demonstration of new knowledge and skills. The first fund I managed required a continuous valuation of a portfolio invested in equities and a small portfolio of other investments. Regular meetings with my manager and performance appraisals have helped me to be more involved in the valuation of funds invested in more complex financial instruments such as derivatives, for example, futures, options, warrants and contracts for differences. I have also realised the benefits of frequent and supportive communications with our clients and as a consequence have began to have more contact with external clients, which has improved my communication skills. I have also helped in the training of junior staff. My aim is to be recognised as a true professional so I ensure that clients and colleagues can rely on me in many situations. I prepare daily work plans and ensure that all outstanding issues are resolved. I communicate with clients to ensure they are satisfied with the explanations and make them confident that they can contact me if they need any further assistance. I am now more aware that it is important to look for improvements all the time and to keep developing my skills by regular performance review.

## QUESTION 3

**HOW HAS THIS HELPED IMPROVE WORK OUTPUTS OR BUSINESS RESULTS IN YOUR AREA?**

### Sample answer

Being conscious of the importance of time management I am able to meet deadlines, so I can work on tasks more effectively. Consequently, the number of errors discovered in the fund valuations have significantly reduced and I am able to complete the valuation of the high volume transactions fund much quicker than it was achieved in the past. Better time management helps me to reply to many queries received from external and internal clients on time. It builds clients' trust and creates better relationships. Clients become confident as to the quality of information received. Using my professional knowledge I have helped to train junior staff and explained to them some of the fund accountancy issues which they were not familiar with. A positive attitude in my work helps me and my colleagues cope more effectively with stressful situations and to adapt to the new situations more quickly.

# EC3 – COMMUNICATE EFFECTIVELY

## QUESTION 1

**DESCRIBE SITUATIONS WHERE YOU HAVE EFFECTIVELY DEMONSTRATED EACH OF THE FORMS OF COMMUNICATION MENTIONED**

### Sample answer

First of all I believe that effective communication at all levels is the basis of efficient and effective work. On this basis, I practise all the forms of communication and personal effectiveness in my day to day work.

For example, for one particular client, I have performed the final audit and reported conclusions to management and the audit committee.

The first stage of communication was during the audit: I had to obtain all information required from client staff, thus using oral and written (e-mail) media.

The second stage was during the presentation of our conclusions to management: This was made orally during the meeting and on the basis of a written report I had prepared. The purpose of this communication was to bring information adapted to the management level, thus emphasising the main issues without detailing too much on each point. Also, we had to obtain client management feedback on our findings, because on the one hand we did not have all the information required to formulate the best conclusion, and on the other we needed their point of view in order to adjust our vision or conclusion. This goal was achieved in the sense that through this meeting, we reached a more accurate understanding of issues and could consequently adjust our conclusion to the benefit of all concerned.

The last stage of communication was during the presentation to the audit committee. I had prepared a presentation support (slides) distributed to every participant, along with the written report which included our conclusions. I orally presented all the points.

## QUESTION 2

**WHAT DID YOU DO TO HELP YOU COMMUNICATE EFFECTIVELY?**

### Sample answer

The main tools that enabled me to communicate effectively were: preparation for the meetings: preparation of a detailed agenda with the points to be discussed. Preparation of the main structure and elements for the most significant points, anticipating the remarks and questions of the audience.

I provided the audience with appropriate hard-copy supports and based the presentation upon a document that reinforces the professional aspect of our work which also enables people to follow the development of the meeting via a written synthesis of the main issues.

I have always provided regular feedback before, during, and after the meetings. For example we try to agree the agenda with the audience before the meeting in order to make sure that all important issues for both parties will be addressed. During the presentation, we ask whether everything was clear or not, and if there were any questions. After the meeting, we enquire of the audience whether the presentation was well received by them or not, and what points were most interesting or of least relevance to them. We always ask for questions at the time and allow a facility for people to submit further questions in writing.

## QUESTION 3

**HOW HAVE YOUR COMMUNICATION SKILLS HELPED YOU TO IMPROVE YOUR PERFORMANCE ELSEWHERE?**

### Sample answer

The benefits from effective communication for all these meetings have been: increased quality of my work, improved validity of my conclusions and increased involvement and engagement of the client.

The process of asking for regular feedback had a dual benefit. It made the client engage with the key issues and thus feel respected, and also provided us with a great deal of relevant information to make our conclusions more accurate.

As a consequence, I now apply these principles in my daily tasks, to make sure that the relationship with everyone (colleagues or clients) is always profitable to both parties and to our organisation and stakeholders as a whole.

# 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



### WORKPLACE MENTOR'S SIGN OFF

I confirm that the explanation given and experience obtained meets the competence(s) requirements.

Signed

Dated



# TC9 - RECORD AND ANALYSE DATA RELATING TO DIRECT COSTS

## LINKED TO MA2 AT THE INTERMEDIATE LEVEL OF CAT

This Technical Competence area is about demonstrating that you are competent in classifying and recording direct costs and are able to analyse them for management information purposes.

### EXPLAIN HOW YOU HAVE DEMONSTRATED THIS BELOW

*In my role as a cost clerk in our factory, I am required to process information on the cost of raw materials and on direct labour costs within the factory. Firstly, I reconcile the goods inwards notes with the purchase invoices, ensuring that the quantities and specification of raw material invoiced for agree. I then process the receipts of raw materials in the stock sheets noting the cost of the material, the quantity and the date received. At the end of the month I am required to provide a valuation of raw material stocks on hand and used in production using the FIFO method.*

*I am also responsible for calculating the monthly total labour costs used within the production department by analysing the clock cards and multiplying the hourly pay rate with hours worked, excluding overtime premiums. These figures are then used to establish the direct cost of each unit of production.*

### ACTIVITIES

### STUDENT CHECK BOX

Classifying, recording and processing direct cost information relating to raw materials or finished goods using an inventory cost system such as FIFO, LIFO, Average or Standard costs



Classifying, recording and processing direct cost information relating to labour and other direct costs



Analysing direct costs relating to specific cost centres and to units of product and service



Checking direct cost information relating to inventories held



### WORKPLACE MENTOR'S SIGN OFF

I confirm that the explanation given and experience obtained meets the competence(s) requirements.

Signed \_\_\_\_\_

Dated \_\_\_\_\_

# TC18 - USE AND EVALUATE ACCOUNTING SYSTEMS AND FINANCIAL CONTROLS

## LINKED TO FAB AT THE ADVANCED LEVEL OF CAT

This Technical Competence area is about demonstrating that you are competent in using, managing and improving accounting systems and controls.

### EXPLAIN HOW YOU HAVE DEMONSTRATED THIS BELOW

*I am an internal audit officer at a large retail store. I am responsible for internal control and checking the accuracy of accounting transactions at the end of each month. To do this I work back from the monthly account summaries to the original transactions entered in the accounting system to ensure that the figures reported are correct.*

*In addition I then sample individual transactions recorded on the system and follow up the accounting documentation relating to these transactions. I particularly look at till roll totals against amounts banked from the cash banking information in the paying in slips and from the bank statement. I also sample check purchase transactions to ensure that all inventories invoiced for are accounted for properly.*

*Finally I am responsible for checking all non-current asset purchases and verifying that these are all in order and I physically check and update the long-term asset register. Where failings in any part of the system are discovered I am responsible for devising new internal controls such as recently requiring purchase orders to be formally authorised over certain limits.*

### ACTIVITIES

### STUDENT CHECK BOX

Using accounting systems to support your work	<input checked="" type="checkbox"/>
Identifying areas of inefficiency, weakness or risk in accounting systems or controls	<input checked="" type="checkbox"/>
Reviewing operational arrangements for the reliability and security of accounting systems or controls	<input checked="" type="checkbox"/>
Recommending changes to accounting systems or controls to improve their economy, efficiency or effectiveness	<input checked="" type="checkbox"/>
Updating and implementing new accounting systems or controls	<input checked="" type="checkbox"/>

### WORKPLACE MENTOR'S SIGN OFF

I confirm that the explanation given and experience obtained meets the competence(s) requirements.

Signed

Dated

## **NEED MORE HELP?**

Please visit [www.accaglobal.com](http://www.accaglobal.com)  
for further guidance and support  
for FPER

