

## **Highlights of Recommendations of the Council**

### **Report of Committee for Review of Education and Training**

#### **Preamble**

The Council, at its 232<sup>nd</sup> meeting held in May, 2003, constituted the Committee for Review of Education and Training (CRET) as a part of its policy to review education and training system periodically so as to be in tandem with the best international practices.

#### **Background**

The goal of accounting education and practical experience is to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. The education and practical experience of professional accountants should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enable them to continue to learn and adapt to change throughout their professional lives.

#### **Guiding Factors**

While designing the new scheme of education and training, the Council was strongly guided by the fast changing economic environment, information technology revolution, global convergence as also following factors necessitating the changes in the present scheme of education and training:

- ◆ To attract bright and talented students.
- ◆ Total Duration of the Course.
- ◆ Need for integrating theoretical and practice experience.
- ◆ Need to ensure uniform input to the course.
- ◆ Implementation of International Education Standards

#### **Overall scheme of Pre-Qualification Education and Training**

The proposed overall scheme of pre-qualification education and training leading to the membership of the Institute be as under:

- Enroll with the Board of Studies for the Common Proficiency Test (CPT) after passing Class X examination (or its equivalent) or thereafter;
- Taking the Common Proficiency Test after appearing in 10+2 examination (or its equivalent) or thereafter and passing both;
- Register for practical training and enroll with Board of Studies after passing CPT and 10+2 (or its equivalent) for undergoing theoretical instruction for Professional Competence Course (PCC) and practical training simultaneously;
- Undergoing integrated theoretical instruction and practical training for a period of three and a half years while pursuing Professional Competence Course and Final Course;
- Undergoing compulsory Information Technology Training (ITT) of minimum of 100 hours (or as decided by the Council from time to time including modalities thereof) which may commence immediately after appearing at CPT examination or during practical training relevant to professional subjects included in the chartered accountancy course (to be decided by the Board of Studies from time to time in consultation with the Council) to be eligible to appear for the Professional

Competence Examination;

- Passing the Professional Competence Examination after 18 months of commencement of practical training;
- Undergoing General Management and Communication Skills Course of minimum 100 hours (or as decided by the Council from time to time as to duration and modalities thereof) after passing the Professional Competence Examination but before enrolment as a member of the Institute.
- Passing Final Examination conducted by the Institute held after the completion of practical training.

### **Steps to Strengthen Practical Training**

On an overall consideration of the matter, with a view to ensuring implementation of provisions of Training Guide more effectively and strengthening the monitoring aspects of practical training, the following steps have been recommended to strengthen it:

- Principal / MIT should submit report on practical training to the Institute to be duly signed by the Principal at the time of termination/completion of articles based on practical training records maintained on a monthly/weekly basis. . In addition, MIT, if any, may also sign the report.
- Review of practical training records should form an integral part of peer review process by examination of records at the firm's office.

### **Making Secondment Scheme Effective**

Regulation 54 may be amended so as to provide the maximum period of secondment permissible be one year as per the present requirements but the same can be served even with a single principal. To ensure that this facility is not misused, the monitoring mechanism is proposed as under :

- An intimation to be sent to the Institute.
- Records of practical training undergone during the secondment will be maintained by the person who is responsible for imparting training during secondment and forwarding the same to the main principal.

### **Theoretical Education**

- No test paper scheme for Common Proficiency Test (CPT), Professional Competence Examination (PCE) and Final Courses.
- The Institute needs to evolve a combination of e-learning and classroom teaching technique gradually through a well-designed structured programme in a phased manner.
- Continuous Training Programmes (CTPs) to be organized on regular basis for students by all branches and Regional Councils.

### **Paper Scheme**

#### ***Common Proficiency Test***

One paper comprising following subjects:

- ◆ Accounting;
- ◆ Mercantile Law;
- ◆ General Economics; and

- ◆ Quantitative Aptitude

**Professional Competence Examination**

*Group I*

1. Advanced Accounting
2. Auditing and Assurance
3. Business and Corporate Laws

*Group II*

4. Cost Accounting
5. Taxation
6. (A) Financial Management  
and  
(B) Strategic Management

**Final Examination**

*Group I*

1. Financial Reporting
2. Strategic Financial Management
3. Advanced Auditing and Professional Ethics
4. Corporate and other Laws

*Group II*

1. Advanced Management Accounting
2. Information Technology and Systems Control
3. Direct Tax Laws
4. Indirect Tax Laws

## Assessment of Professional Competence

A mix of objective-type, short questions and advanced questions as follows:

Particulars	CPT	PCE	FE
Multiple Choice	100%	50%	30%
Short Questions	NIL	30%	20%
Advanced Questions (case-studies)	NIL	20%	50%

- Computer assessment method for the CPT examination.
- No restriction of attempts be imposed on all three examinations, namely, Common Proficiency Test, Professional Competence Examination and Final Examination.

## Continuing Professional Development

- CPD should be mandatory for all members irrespective whether they are in practice or not;
- System of monitoring the CPD requirements should be strengthened;
- Members above 60 years of age in practice may be exempted from the mandatory CPD requirements;
- Increase number of CPD programmes relevant to needs of membership which may either be structured or unstructured;
- Modalities regarding action to be taken in respect of members who fail to comply with the mandatory CPD requirements be laid down; and
- To gradually move towards an effective and efficient combination of the input-and output-based approaches, setting the amount of learning activity required and measuring the outcomes achieved.

## Post Qualification

- Consider introduction of new courses of an appropriate duration
- Introduce classroom teaching through professional institutions for post-qualification courses;
- Requirement for eligibility test for members be dispensed with.