

Committee for Review of Education and Training

As readers are aware, the Committee for Review of Education and Training set up by the Council of the Institute has been engaged in eliciting views through specific designed questionnaires and on certain selected issues of interest to stakeholders, namely, members, students, users of professional services, academicians and regulators. The response has been quite encouraging. It is heartening to inform that many stakeholders have spent lot of time not only in filling up the questionnaire but have also given lot of useful suggestions. We at the Institute have been engaged in detailed analysis of such responses and maze of information both, statistically as well as descriptive. As a part of its methodology, the various Study Groups constituted by the Committee for Review of Education and Training took into consideration the results of such responses while formulating their proposals for consideration of the Committee, as also country-specific studies were undertaken to assess the strengths and weaknesses vis-a-vis the Institute's scheme of education and training so as to ensure that the system meets the benchmarks embodied in the International Education Standards. In this write-up, we wish to share some of preliminary observations on one of the significant components of the pre-qualification education programme, namely, practical training and related aspects.

Practical Training has been an integral feature of the Chartered Accountancy Course right from the inception of the Institute. Therefore, an integrated approach through a combination of theoretical education, on the job training, work experience and professional education is *sine qua non* to develop both functional competency and appropriate professional values and ethics amongst the potential chartered accountants.

Duration of Practical Training

The criticality of the issue relating to duration is apparent from the fact that there have been divergent opinions across the respondents on the total time involved in pursuing the chartered accountancy

course. Having regard to total length of the course, it has been strongly argued that the duration may be reduced to two and a half years while other equally strong majority feels that the existing duration is appropriate under the circumstances. However, these respondents favour three years' duration provided that the practical training commences only after completion of graduation, while some others feel that it may commence after passing the PE I Examination. It is a point for consideration whether to continue with the existing scheme of three years' duration and reducing the overall duration of the CA course by bringing down the theoretical education period of PE-I and PE-II and making computer training part of the practical training rather than a compulsory requirement for registration as an articled clerk.

Monitoring of Practical Training

The next key issue which requires closer examination is monitoring of practical training. It is not only the preparation of the training programme which matters but its communication and methodically implementation is equally important. The monitoring of practical training is a pre-requisite for the successful implementation of any training programme. In this context, it may be noted that the Training Guide issued by the Institute underlines the importance of monitoring the training in terms of ensuring effectiveness of practical training imparted to the students undergoing the Chartered Accountancy Course. The comparison of the Indian system with other international accounting bodies reveals the following:

- Absence of systematic periodical procedure for appraisal of the training organisation to assess whether it has the requisite infrastructure for training and the method of imparting training.
- Format of Weekly Diary/Sheet is not comprehensive.
- Lack of regular and periodical review of training experience gained by a student, by the Principal.
- Final Report submitted by the Member In-charge Training (MIT) fails to provide a detailed report

about the fitness of the candidate and also about his progress in the key technical areas, viz., professional ethics and skills learnt during the training. With a view to bolstering the existing system of practical training, some of the measures may include as under:

- Widening the scope of practical training covering not only the core areas of auditing, accounting, taxation, etc. but also other important areas such as indirect taxes, company law, etc.;
- Establishing a system to review periodically the record of practical experience gained by the trainee and taking corrective action, if necessary;
- Supplementing practical training by class room/short-term course organized by the Institute once or twice in a year;
- Periodic review of the reports submitted to the Institute to assess the compliance with various regulations and procedures and providing qualitative guidance to further improve the system;
- Monitoring the records of practical training maintained by the firm on a periodical basis and the compulsory review of such records during peer review process;
- Submission of comprehensive report of training to the Institute at a quarterly or half yearly intervals covering technical knowledge and skills, the professional development and examination record of trainees.

Entitlement to Train Articled Clerks

This is another significant area worth-debating as to whether entitlement to train articled clerks should be only on the basis of efflux of time or a combination of work-quantum and efflux of time. Though in many parts of the world, the accountancy bodies have shifted to purely work-quantum criterion but a question that needs to be considered is that whether having regard to the size of our country, it would be an administratively feasible proposition. Therefore, to strike a balance in this divergent situation, it may be considered worthwhile to build up a system of "Approved Firms" identified on the basis of the infrastructure, workload and other facilities available to train articled clerks. Such firms may be provided additional vacancies.

Compulsory Computer Training Programme

In view of the fast changing Information Technology environment prevalent in our country, many stakeholders feel that Compulsory Computer Training of

250 hours under the new scheme is making the students learn what they already know. The respondents have opined that though the computer training is relevant for the development of a student but it would be more beneficial if the computer course is fine-tuned only to equip the student to operate in core areas of the profession. However, another strong feeling has also been expressed that whether in view of the changed environment it is desirable to continue the computer training as a compulsory feature unless the entire modalities of the scheme are considered afresh and quality of the training imparted to candidates is monitored in a rigorous manner.

General Management and Communication Skills Course

There has been overwhelming response for strengthening the newly introduced General Management and Communication Skills Course. In fact, there have been lot of suggestions to increase its duration and make it a regular feature during the currency of the practical training itself. Concerns have, however, been expressed about the consistency and quality of course imparted in different parts of the country.

Industrial Training

The scheme of Industrial Training is also gaining importance in view of the industrialization of the Indian economy. It is in this backdrop that many respondents have suggested that the Industrial Training may be made compulsory. However, the same canons of evaluation and monitoring should also apply to the Industrial Training as are applied in the case of students undergoing the articles in a firm of Chartered Accountant.

The above issues need to be debated threadbare to ensure that candidates seeking to qualify as professional accountants have acquired the practical experience considered appropriate at the time of qualification to function as a competent professional accountant.

Through this communication, we wish to express our sincere appreciation to all the respondents for the valuable inputs provided by them and assure them that their views are getting the desired attention. We promise to share with you developments that might take place in this sphere and shall be happy to receive further suggestions. You are welcome to send mail to Mr. Vijay Kapur, Secretary, Committee for Review of Education and Training at cret@icai.org or vijaykapur@icai.org. ■