CICPA Guiding Opinions on Reinforcing Cultivation of Professional Talents

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Development of the Chinese accountancy profession and the quality of such development are critical to sound and stable operation of the Chinese market economy system. Reinforced cultivation of talents for the accountancy profession, construction of a practicing CPA team that is capable of meeting strategic requirements of developing Chinese economy, capital market and modern enterprise systems both in quantity and in quality and establishment of a high-standard accountancy profession and an efficient public supervisory system will be of strategic importance to adjustment of Chinese industrial structures, transformation of the economic growth pattern, improvement of economic operation quality, development of advanced productive forces, enhancement of government macroscopic readjustment and scientific decision making and facilitation of all-round, coordinated and sustainable economic development.

Over the past two decades, especially over the recent decade, the accountancy profession has exerted great efforts to improve and enhance professional competence and performance of the practicing CPA team. Achievement thereof has been remarkable. Consequently, the accountancy profession has played an active role in providing services for restructuring of state-owned enterprises (SOEs), growth and development of the capital market and improvement of the investment environment. At the same time, we must be fully aware that there is a considerable gap between the overall level of the current team of CPAs and the requirements of market economy. For the purpose of satisfying new requirements on practicing CPAs in face with continuing development of the Chinese market economy and the need to keep abreast with the new era of internationalization of the accountancy profession, CICPA hereby formulates the following guiding opinions on reinforcing cultivation of talents for the accountancy profession.

I. Guiding philosophy and overall ideas of reinforcing cultivation of talents for the accountancy profession

1. The guiding philosophy of reinforcing cultivation of talents for the accountancy profession is as follows: follow the guiding philosophy and objectives of professional development in the next five years as put forward by the 4th National Assembly of CICPA; orient efforts towards economic development and capital market requirements; endeavor to innovate systems and mechanisms; and enhance international competitiveness of the profession.

2. Overall ideas of reinforcing cultivation of talents for the accountancy profession are the following: establish a scientific talent cultivation system and mechanism that integrate pre-qualification education, CPD and on-job academic degree education based on requirements of the CPA competence framework; fully motivate various training providers and organizations;
improve and refine contents, approaches and means of professional talent education and training in an all-round way; and further upgrade the level of talent cultivation on basis of the tight but scientific and strict system for benchmarking and evaluation and the mechanism for constraints and incentives, so as to further upgrade the level of talent cultivation; enhance professional competence, practicing capacity and professional ethics of the practicing CPA team, and endeavor to cultivate high-level professional talents and accounting firm managers that are competent for international engagements and capable of meeting requirements of internationalization within next five to ten years; at the same time, develop a sound scientific mechanism for cultivation of professional talent reserves so as to train a team of reserve talents that meets the needs of professional development in the future.

II. Fully mobilize all stakeholders to enhance the level of CPD on all fronts

3. CPD is an important means for maintaining and upgrading professional quality, competency and ethics of CPAs. Over the recent decade, remarkable achievements have been made in such CPD, including but not limited to the following:

- Constructed and implemented the CPD system for the accountancy profession;
- Developed a three-level training organization system that features coordination, orderly division of duties and mutual cooperation among CICPA, local institutes of CPAs and accounting firms;
- Training courses benefit 70,000 trainees per annum;
- Vigorously promoted training of high-level professional talents over the five years with active support rendered by Beijing National Accounting Institute, Shanghai National Accounting Institute and Xiamen National Accounting Institute;
- Formed a team of instructors basically meeting requirements of CPD and developed a series of textbooks for it, which has supported CPD of CPAs with the requisite trainers and textbooks.

To enhance the overall quality of the accountancy profession, it is necessary to further summarize and consolidate the existing experience and results, fully mobilize the strengths of all stakeholders, reinforce CPD and promote such education and training to a new stage.

(a) Fully mobilize and realize the roles of professional training organizations at all levels

4. CICPA needs to put into further play its facilitating role in terms of managing and organizing training for the accountancy profession, improve systematic planning and guidance for professional training, refine the training system, and prioritize organization of and guidance for cultivation of high-level professional talents while reinforcing the long-distance education networks, driving forward curriculum development, textbook preparation and training of the
trainers.

5. Local institutes of CPAs need to fully realize their backbone roles in professional training. With a comprehensive understanding of the existing overall competence and training demands of their local members, the local institutes should proactively organize the development of textbooks and working papers for CPD, vigorously innovate the contents, approaches and means of training, reinforce cooperation with institutions of higher education, build their local instructors’ teams and upgrade the effectiveness of training at different levels.

CICPA should set up a mechanism for benchmarking and evaluation of training activities that are carried out by local institutes of CPAs. Such benchmarking and evaluation should cover construction of training organizations, development of training systems, financial input for training, coverage of training, building of instructors’ teams, construction and utilization of long-distance education facilities, and guidance for and management of accounting firms and CPA training courses. CICPA shall commend and reward local institutes of CPAs that achieve outstanding performance in training.

6. Accounting firms need to play their basic role in professional training in a proactive manner. They need to institutionalize the practice of designating special personnel to take charge of training activities, support and select their CPA staff to participate in professional training, actively cultivate and make full use of their own training capacity, and conduct internal training of CPA and employee through such methods as professional discussion, case analysis and lecture on latest knowledge.

Local institutes of CPAs should strengthen their management and benchmarking of training activities organized by accounting firms, supervise and inspect how the firms have organized and completed requisite training work and regard the cultivation of professional talents as important criteria for benchmarking and evaluation of the firms.

7. It is necessary to actively motivate CPAs to participate in CPD, put forward training requirements at different levels for CPAs that assume different positions in accounting firms, and link such requirements with review of CPA registration and professional qualifications. The graduation examination system should be developed for training courses. Failed training course will be excluded from the time record for CPD while those who fail the examination will have to re-take the training. These measures will effectively improve benchmarking and management of CPD.

Local institutes of CPAs and accounting firms should establish incentive mechanisms for CPA training, and provide CPAs who achieve outstanding performance in training with opportunities for further improvement.

(b) Actively realize the role of National Accounting Institutes as the bases for professional training
8. National Accounting Institutes are important bases for CPD and training of the accountancy profession. Over the recent five years, they have established relatively ideal teaching and management systems for CPA training, trained over 30,000 CPAs and given rise to a sound cooperation mechanism with the accountancy profession. In the future, National Accounting Institutes shall continue to play their roles as the “combined fleet” in training professional talents and further enhance their training cooperation with the accountancy profession.

9. It is important to rely on the National Accounting Institutes. Specific efforts to improve training effect include development and introduction of high-quality market-oriented and practice-oriented training textbooks, increase of international instructors and instructors from the practicing community, improvement of training through case analyses and special discussions in line with cultivation objectives and professional capacity criteria for different types of talents and according to the principles of combining courses on professional ethics with courses on professional techniques, combining special-topic training courses with series of training courses and combining courses for consolidating fundamental knowledge with courses for updating knowledge.

10. CICPA and the three National Accounting Institutes will jointly establish a uniform assessment system for CPA training so that the benchmarking and evaluation thereof will cover multiple aspects of training including instructors, textbooks, effect of teaching and training and teaching management will be linked with planning and input for professional training.

11. Make full use of advantages and resources of the National Accounting Institutes to explore ways and approaches for medium and long-term systematic training and in-depth training that aim at the cultivation of high-level talents.

(c) Reinforce training of trainers and development of textbooks

12. Reinforce training of trainers, establish a reserve for professional trainers and share training resources within the profession. Particular attention should be paid to the development of a team of instructors from the practicing community that has profound theoretical foundations and rich practical experiences.

13. Organize experts and scholars from the practicing and academic communities and cooperate with related institutions of higher education to develop different levels of textbooks for professional CPD, especially to accelerate the development of case study materials and textbooks for management of accounting firms, in accordance with requirements of CPA practicing and in combination with the knowledge structure and real technical level of the CPA team.

(d) Actively support professional training in economically under-developed areas

14. Render active support to professional training in economically under-developed areas according to the real conditions of local professional development by such means as establishing long-distance education classrooms, and promote inter-regional coordinated development of professional talents.
(e) Establish a training mechanism for non-practicing CICPA members

15. Non-practicing CICPA members are important reserves for the practicing CPAs. Distributed in numerous fields such as government agencies, businesses and institutions of higher education, non-practicing CICPA members are mainly engaged in economic management and financial accounting. It is necessary to make keen efforts to study relevant demands of the non-practicing CICPA members for continuing education, actively explore training methods that match the features of such members, set up a corresponding training mechanism for them and enhance the sense of professional honor among non-practicing CICPA members, for the purpose of helping create favorable conditions for supplying the profession with high-quality talents in time and improving practicing environment.

III. Proactively develop ways for talent cultivation and vigorously train high-level professional talents

16. For the purpose of meeting the requirements of internationalization of the accountancy profession, efforts should be made to develop new ways of training high-level, world-class professional talents and managerial talents via academic degree education such as MPAcc (Master of Professional Accounting) and EMBA (Executive Master of Business Administration), cooperation with overseas professional accountancy bodies and access to overseas channels for training professional talents.

17. Establish and reinforce cooperation with institutions of higher education offering MPAcc program, offer MPAcc courses for the accountancy profession and cultivate a group of high-level professional talents.

Every year, select a group of outstanding CPAs with excellent ethics and professional skills as candidates for MPAcc program, whose professional and practical capability will be further upgraded via systematic academic education.

Meanwhile, active efforts shall be made to explore effective ways of creating conditions for candidates of the CPA program to progress further towards MPAcc.

18. Establish and reinforce cooperation with institutions of higher education that offer EMBA program to run EMBA courses for the accountancy profession so as to develop new ways for cultivating high-level managerial talents.

Every year, a group of high-level professional talents with strong leadership and managerial capability will be chosen as candidates for on-job EMBA academic education. On basis of systematic academic education and in combination with features of the accountancy profession, world-class courses on management and specialized courses such as leadership, management and special comparison between China and other parts of the world will be offered, as well as courses on humanism which are conducive to improvement of temperament and personality. These will
help further improve managerial capability, creativity and cultivate skills in international communication of the candidates and thereby train a group of world-class managerial talents for accounting firms.

19. Reinforce cooperation with overseas professional accountancy organizations and create conditions for Chinese CPAs to acquire qualifications for overseas practicing.

With the help of education/training systems owned by overseas professional accountancy organizations, we will proactively support Chinese CPAs to acquire overseas CPA qualifications and thereby open up channels for the Chinese CPAs to undertake international audit engagements and win international recognition.

20. Reinforce cooperation with overseas professional accountancy organizations, international accounting firms and training organizations.

Every year, a group of outstanding CPAs and senior managers of accounting firms will be selected for overseas study tours and research so as to enhance their professional competency, managerial ability and skills in international communication. At the same time, CICPA will render enthusiastic support and guidance to local institutes of CPAs and accounting firms in their international exchanges and cooperation so as to expand channels of overseas training of Chinese CPAs.

IV. Enhance quality of the CPA program and cultivate high-quality reserve talents for the accountancy profession

21. Improvement of schooling quality of the CPA program in the institutions of higher education, enhancement of pre-qualification education and establishment of a team of high-quality reserve talents will jointly give rise to a strategic project of professional talent development.

Over the recent 10 years, 22 colleges and universities have offered the CPA program. With nearly 8,000 graduates from the program, China has made a significant breakthrough in educating professional CPA talents. In the future, by actively summarizing schooling experience in the CPA program and integrating new requirements for pre-qualification education under the new situation and from the perspective of developing professional talents, we will further develop the CPA program into a first-class major that features accurate positioning, distinctive competitiveness and international quality, so that the CPA program will become a brand major that is known as a household word and yearned for by tens and thousands of students. As such, social influence of the accountancy profession will be further expanded.

22. Further enhance schooling quality of the CPA program, i.e., the colleges and universities offering this program need to exert vigorous efforts to improve and reinforce multiple aspects such as recruiting criteria, education patterns, curriculum design, textbook development and allocation of teachers.

23. Leverage with financial assistance and benchmarking/evaluation to urge the colleges and
universities offering the CPA program for improvement of teaching and schooling quality.

Amongst others, CICPA will reform its financial assistance to such colleges and universities by transforming former overall assistance to special assistance.

A mechanism will be constructed to monitor and evaluate the effectiveness of the assisted funds; a benchmarking system will be set up to embody features of the accountancy profession. Relevant aspects of the CPA program such as competency of teachers, effectiveness of teaching and placement of graduates in the accountancy profession will be benchmarked and evaluated on a regular basis. Results of evaluation will be published and linked with financial assistance.

On basis of comprehensively improving the benchmarking and evaluation system, a constraint, incentive and competition mechanism that combines elimination of the poorest performing, colleges and universities and addition of new candidates will be set up.

24. According to the principle of “by the profession and for the profession”, promote and encourage accounting firms to assist outstanding students of the CPA program and conclude service agreements with such students for proactive and targeted cultivation of talents required by the profession.

On this basis, CICPA will promote the establishment of a mechanism for selecting outstanding students from the CPA program for internship in overseas international accounting firms, i.e., a group of students that earn good academic scores, enjoy moral integrity and are devoted to the accountancy profession will be sent for such internship on an annual basis.

Moreover, CICPA will help construct the communication and coordination mechanism for local institutes of CPAs, accounting firms and institutions of higher education that offer the CPA program, smooth up channels for students from the CPA program to local large and medium-sized accounting firms for internship and create the right conditions for the students to access the accountancy profession.

With graduates from the CPA program joining the accountancy profession as the starting point, we will establish files of talent cultivation for such graduates to practice follow-up cultivation.

25. On basis of scientifically using the fiscal funds allocated to the colleges and universities that offer the CPA program, raise necessary financial resources for development of reserve talents for the accountancy profession through multiple channels, including but not limited to assistance from international organizations, international accounting firms and local accounting firms and provision of some funds by CICPA.

V. Enhance theoretical guidance and institutional assurance for professional training

26. Establish a scientific CPA competency framework and provide effective theoretical foundation and practice guidance for cultivation of professional talents.
Make earnest analysis of the current quality of Chinese CPAs, draw upon international experience in developing competency frameworks for the accountancy profession and intensify research and analysis on requirements of the Chinese accountancy profession in terms of professional knowledge, expertise, attitude and ethics, so that we can establish a scientific CPA competency framework.

Use the competency framework to guide the cultivation of professional talents including CPA education, examinations and training. Instead of selecting trainees on basis of training contents, which was the previous practice, we will design and define training contents according to specific levels and demands of the trainees so as to improve pertinence and effectiveness of training.

27. In accordance with new requirements on professional training under the new circumstances, reform and improve CPD system, further standardize duties and responsibilities among training organizations at all levels, improve the pre-post training systems employees in the profession, establish and improve the benchmarking and evaluation mechanism and reinforce management of such benchmarking.

28. Establish and improve the CPA long-distance education system. Make all-round efforts to promote development, application and management of long-distance education systems, accelerate construction of working papers for remote education, set up long-distance education classrooms at local institutes of CPAs, upgrade using efficiency of such classrooms, expand coverage of long-distance education and provide network education platforms for various training activities.

29. Set up an open, systematic and incremental mechanism for follow-up cultivation of high-level professional talents. Such follow-up cultivation is an important mechanism for systematic cultivation and steady promotion of professional talents. In this end, it is necessary to establish information management archives for talent cultivation throughout the various stages, such as going abroad for internship or research, participating in MPAcc and EMBA education and acquiring overseas practicing qualifications. Requisite benchmarking and elimination mechanisms should also be established for continuous transmission of outstanding talents to higher-level training system for further, continuous and systematic training and education.

30. Actively participate in and promote training of accountants. Accounting is subject to audit carried out by CPAs. As such, the quality of accounting is closely related to efficiency and risk of CPA audit. It’s necessary to make full use of advantages of the accountancy profession and actively cooperate with related agencies to participate in training of accountants so as to enhance quality of accounting. It’s also necessary to actively encourage and support accounting firms to train accounting managers and grass-roots accountants for their clients by way of special lectures, case studies and professional coaching. Moreover, it’s necessary to render enthusiastic encouragement and support to the accounting firms for their public training of accountants.

Cultivation of talents for the accountancy profession is critical not only to future development of the profession and future access of the profession to the international market but also to whether
the profession can play an essential role in Chinese market economy and win extensive trust and respect from the public. As such, local institutes of CPAs, accounting firms and practicing CPAs should attach high attention to this issue, earnestly implement relevant policies, actively facilitate concerned efforts and provide necessary cooperation thereof. Through concerted efforts, develop the professional team of CPAs to a new stage and make greater contribution to effective promotion of all-round progress of the profession, development of the market economy and safeguarding of public interests.