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CFRR >>

**Centre for Financial
Reporting Reform**



WORLD BANK GROUP



Republic of Serbia
Ministry of Finance

STAR-CFR

Accounting Education Workshop

**Training-of-trainers program:
Accrediting CPD Trainers of
Accountants and Auditors
in Serbia**

MATERIALS

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Session 1: Fundamentals of Professional Competence and International Requirements for CPD Programs

Presented by:

Alfred Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich

Consultant, CFRR, World Bank

Lejla Begtasevic Rudalija

Consultant, CFRR, World Bank

Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia

Belgrade, May 16 – 18, 2018





Welcome remarks by

Stephen N. Ndegwa
Country Manager, World Bank



To earn your certificate

Earning a certificate requires:

- » Actively participating in activities and discussions
- » Demonstrating attainment of learning outcomes



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Please be seated... but not where you are!



Introductions



Year of the coin:

- » Look at your coin
- » Introduce yourself to your table-mates
- » Tell them one thing you were doing in the year of your coin



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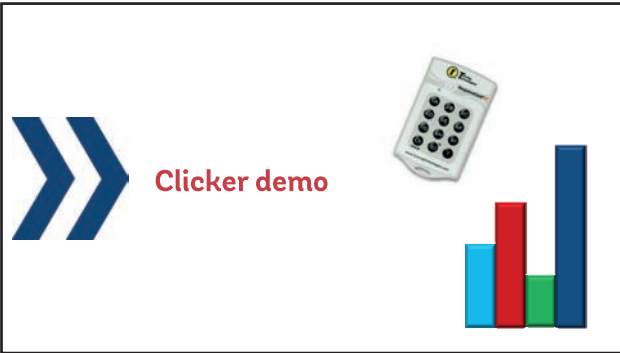
Opening activity

Discussion:


- » Ask each other: What are you hoping to achieve from this training program?
- » Be prepared to report back to the group.



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Clicker demo

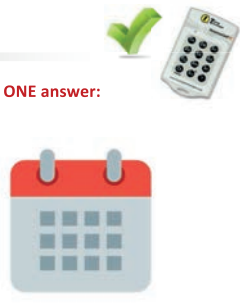


DEMO of Clickers

Some questions allow you to choose only ONE answer:

What day is it today?

1. Monday
2. Tuesday
3. Wednesday
4. Thursday



DEMO of Clickers

Some questions allow you to "Select all that apply" and may have ONE or MORE THAN ONE correct answer:

Who is this training program designed for? Select all that apply

1. PAOs
2. University professors/instructors
3. Trainers from firms/companies
4. Regulators
5. Circus performers





DEMO of Clickers

Some questions are just polls to collect information or opinions (not for points):

What is the *most* important question on your mind today?

1. How can I expand my knowledge in this area?
2. How can I help my organization improve in this area?
3. How can I teach others about this topic in the future?
4. What's for lunch?

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Session 1: Fundamentals of Professional Competence and International Requirements for CPD Programs



Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia








Key questions to be addressed by this session:

- Why is CPD necessary?
- What are the international requirements?
- How does CPD relate to a competency framework?

Learning Outcomes for this session:



1. Justify the need for mandatory CPD for all professional accountants.
2. Overview the current and emerging international requirements.
3. Explain how Competency Frameworks support CPD.



Agenda

- 1 – 1 Professional competence as an ethical obligation
- 1 – 2 IAESB's IES 7 – Current Requirements for PAOs
- 1 – 3 Upcoming revisions to IES 7
- 1 – 4 IES 8 – Professional Competence for Engagement Partners
- 1 – 5 CPD and Competency Frameworks



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**1 – 1:
Professional competence as an ethical obligation**

Professional competence as an ethical obligation

IFAC defines professional competence as:

“the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.”

Source: IAESB 2017 Handbook of International Education Pronouncements, para. 18

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Professional competence as an ethical obligation

Professional competence is:

- » Developed during **Initial Professional Development (IPD)** prior to certification as a professional accountant
- » Maintained and enhanced through **Continuing Professional Development (CPD)**



Professional competence as an ethical obligation

Professional competence is founded in ethical requirements:

- » IESBA’s Code of Ethics for Professional Accountants (para. 130.1) says:
 - “The principle of **professional competence** and **due care** imposes the following obligations on all professional accountants:
 - a) **To maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service; and**
 - b) **To act diligently in accordance with applicable technical and professional standards when performing professional activities or providing professional services.”**

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Professional competence as an ethical obligation

How does CPD fit in?

» “The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a professional accountant to develop and maintain the capabilities to perform competently within the professional environment.”

Source: IESBA 2016 Handbook of Handbook of the Code of Ethics for Professional Accountants, para. 130.3

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Professional competence as an ethical obligation

Beyond the IAESB IESs and IESBA Code of Ethics, there are other reasons to ensure a robust CPD program is in place:

- » Helps PAOs meet their mandate of protecting the public
- » Promotes confidence of the public
- » Strengthens financial reporting, audit, etc.
- » Is expected by trading partners
- » Supports comparability and recognition with other PAOs and organizations
- » Required by EU Audit Directive (for statutory auditors)

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Professional competence as an ethical obligation



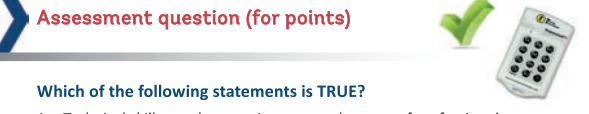
What if the PAO doesn't have sole authority to require CPD?

- » In some jurisdictions, the responsibility and authority for requiring CPD may be split between the PAO and the government.
- » In these situations, the PAO is required to use best efforts to achieve compliance.
- » Strong dialogue and collaboration are needed between the PAO and the relevant agencies to achieve good practice.

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Grab your clickers!




Assessment question (for points)

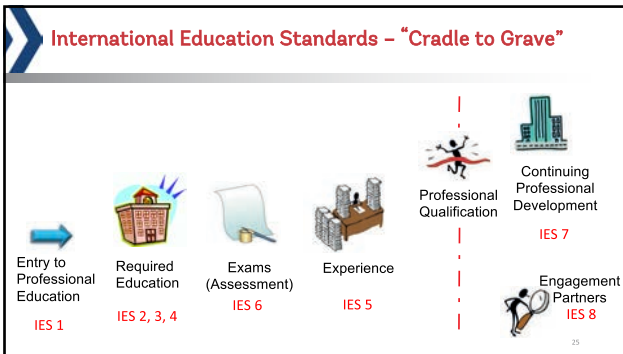
Which of the following statements is TRUE?

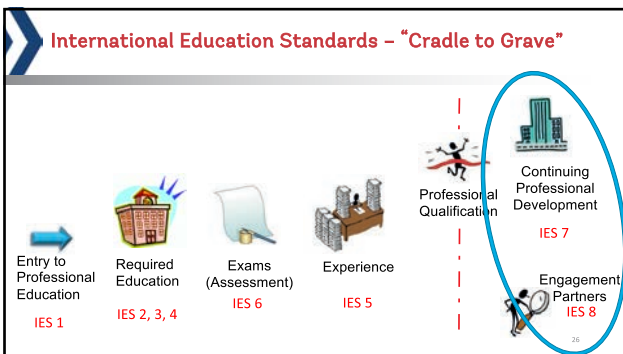
1. Technical skills are the most important elements of professional competence.
2. Of all of the ethical principles, CPD is most closely tied to the principle of professional competence and due care.
3. CPD should begin as soon as a student starts studying to become a professional accountant.
4. If a PAO does not have sole authority over CPD requirements, they are not obligated to follow the IESs.

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**1 – 2:
IAESB's IES 7 – Current
Requirements for PAOs**





IES 7 – Current Requirements for PAOs

IES 7 (effective Jan 1, 2014) prescribes:

“the CPD required for professional accountants to develop and maintain the professional competence necessary to provide high quality services to clients, employers, and other stakeholders, and thereby to strengthen public trust in the profession.”

Source: IES 7, para. 1

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IES 7 – Current Requirements for PAOs

CPD is necessary in order to:

- » Refine the competence developed through IPD, in the context of the activities and responsibilities of the professional accountant.
- » Support professional accountants when they take on new roles that require them to **develop new competences**.


» Professional accountants serve the public in a changing environment – skills need to be constantly updated to meet ever-increasing expectations.

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IES 7 – Current Requirements for PAOs

CPD may be gained through “formal” methods, such as:

- » Courses, conferences, seminars
- » Practical experience and on-the-job training
- » Participating on technical committees
- » Developing and/or delivering learning materials
- » Writing research papers, articles, textbooks
- » Professional re-examination




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IES 7 – Current Requirements for PAOs

And through other learning and development activities, such as:

- » Coaching or mentoring
- » Being coached or mentored
- » Networking
- » Observation, feedback, and reflection, and
- » Self-directed and unstructured gaining of knowledge.



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IES 7 – Current Requirements for PAOs

IES 7 requires IFAC member bodies to:

- » Promote the importance of, and a commitment to, CPD and maintenance of professional competence. (para. 10)

...by, for example:

- » Communicating the value of CPD
- » Promoting the variety of CPD opportunities available
- » Working with employers to emphasize the importance of CPD

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IES 7 – Current Requirements for PAOs

IES 7 requires IFAC member bodies to:

- » Facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence. (para. 11)

...by, for example:

- » Directly providing CPD programs and/or facilitating access to programs offered by other organizations
- » Providing competency maps/frameworks, learning plan templates or other tools to support learning

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IES 7 – Current Requirements for PAOs

IES 7 mandates IFAC member bodies to:

- » Require all professional accountants to undertake CPD (para. 12)

Different CPD requirements may be appropriate in some cases:

- » Members on career breaks
- » Retired members who are still using their designation in some capacity
- » Members in specific roles (regulated, high risk, etc.)

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IES 7 – Current Requirements for PAOs

IES 7 mandates IFAC member bodies to:

- » Establish their preferred approach to measuring professional accountants' CPD activity (para. 13):
 - » output-based
 - » **input-based, or**
 - » combination approach

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IES 7 – Current Requirements for PAOs

Approaches to measuring CPD:

- 1. Output-based (para. 14)**
require members to demonstrate the development and maintenance of appropriate professional competence
- 2. Input-based (para. 15)**
require members to complete and measure a minimum of 120 hours of learning activities over rolling 3 years, including at least 60 hours verifiable, with a minimum of 20 hours per year

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IES 7 – Current Requirements for PAOs

Approaches to measuring CPD:

- 3. Combination (para. 16)**

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IES 7 – Current Requirements for PAOs

Output-based approaches require:

- » Clear identification of outcomes/competence achieved, and
- » An objective and competent source or means of verifying outcomes/competence, such as:
 - » Exams or other assessments
 - » Peer review or publication of written works
 - » Achievement of a specialist designation
 - » Review of work logs verified against a competency map/framework
 - » Independent practice inspections/review by regulators

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IES 7 – Current Requirements for PAOs

Input-based approaches:

- » Can be based on hours or equivalent units
- » Easy to verify time spent/units completed, but not outcomes achieved
- » Important to communicate objectives and commitment
- » “Verifiable” activities can be objectively measured and confirmed – e.g., attendance at a seminar, assessment after an online course
- » Non “Verifiable” activities contribute to CPD but are not easy to objectively measure – e.g., unstructured on-the-job training

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IES 7 – Current Requirements for PAOs

Combination approaches:


- » Can allow an organization to incorporate some of the benefits of output-based, but keep the lower cost structure of input-based
- » First steps toward output-based may be to require members to plan their CPD based on outcomes/competencies they want to achieve, and self-assess their achievement through reflective activities

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IES 7 – Current Requirements for PAOs

Discussion:

» What type of approach to CPD does this training program illustrate?



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IES 7 – Current Requirements for PAOs

IES 7 mandates IFAC member bodies to:

- » have a systematic process for monitoring compliance and appropriately sanctioning non-compliance (para. 17)

...monitoring by for example:

- » Requiring member retention of records/evidence for a specific period
- » Requiring periodic declarations by members
- » Reviewing and assessing member CPD learning plans
- » Auditing CPD records (can be risk-based, sampled, cyclical, etc.)
- » Reporting publicly the extent to which members comply

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IES 7 – Current Requirements for PAOs

...appropriate sanctioning by, for example:


- » Recognizing that the public is best served by bringing non-compliant members into compliance on a timely basis
- » Devoting adequate resources to compliance programs
- » Specifying sanctions that strongly motivate compliance without being excessively punitive
- » Recognizing that willful disregard justifies disciplinary action, perhaps including expulsion

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IES 7 – Current Requirements for PAOs

Discussion:

- » What are the main challenges in complying with IES 7 in your environment and context?
- » How can these challenges be overcome?



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Grab your clickers!





Assessment question (for points)

Which of the following elements are NOT mandatory for PAOs under the current IES 7?

1. Promote the importance of CPD
2. Facilitate access to CPD
3. Require members to complete at least 120 hours of CPD every rolling three-year cycle
4. Monitor compliance and appropriately sanction non-compliance




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Assessment question (for points)  

Which of the following statements is TRUE?

1. Sanctions for failing to comply with CPD should not include expulsion from membership because expulsion would be excessively punitive.
2. Output-based approaches to measuring CPD are generally preferred because they are less resource-intensive to administer.
3. Online, self-paced learning cannot be verifiable because attendance is not verifiable.
4. A PAO can meet the requirement to facilitate access to CPD without directly providing CPD courses.

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 **1 – 3:**
Upcoming revisions to IES 7

Upcoming revisions to IES 7

After extensive consultation in 2015 and 2016, the IAESB decided to revise IES 7 by:

- » Clarifying or revising the requirements, and
- » Developing implementation support materials

“The revision of IES 7 aims to improve the consistency, quality, and relevance of CPD undertaken by professional accountants.”

Source: IAESB June 2017 IES 7 Exposure Draft

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Upcoming revisions to IES 7

- » At April 2018 IAESB meeting, final comments to the ED were reviewed
- » Watch IAESB website and communications for updates on when the revised standard is expected to be finalized and effective
- » To receive updates by email:
 - » set up a free profile on www.ifac.org
 - » Click on "My Subscriptions"
 - » Choose "IAESB" (and others as you like) in the "Standard-Setting Boards" tab

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Upcoming revisions to IES 7

The key issues being looked at in the project are providing clarification and guidance to help PAOs:

1. Understanding an output-based approach:
 - » What is it?
 - » How can it be achieved?
 - » How can we move from an input-based to an output-based measurement approach?

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Upcoming revisions to IES 7

The key issues being looked at in the project are providing clarification and guidance to help PAOs:

2. Improving the implementation of input-based approaches based on relevant learning and development activities; and
3. Understanding how to combine both the input and the output measurement approaches, and improve consistent implementation of measurement requirements when both approaches are used.

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Upcoming revisions to IES 7

Key changes proposed/being evaluated:

- » Removing the “combination approach” and just have PAOs use output, input, or both;
- » Output-based - focus on demonstration of “achievement of learning outcomes” rather than “competence” in general;
- » Input-based – removal of 120/60 and 20 hour annual requirements; replace with requirement for “a specified amount”;

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Upcoming revisions to IES 7

Key changes proposed/being evaluated, continued:

- » More guidance on what “learning & development activities” are and how to achieve learning outcomes from them (para 5, N9, A15 etc.);
- » New requirement for PAOs to:
 - » specify the nature and extent of verifiable evidence required to support CPD (para. 15), and
 - » undertake processes for measuring, monitoring, and enforcing CPD on a regular basis (para 17)
- » New guidance on PAOs providing a “CPD framework” tool (A9, A10, A15)

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Upcoming revisions to IES 7

Sample CPD framework:

```


    graph TD
      SA[Self-assessment] --> P[Plan CPD]
      P --> CR[Complete & record CPD]
      CR --> RA[Reflective activity]
      RA --> RP[Revise plan]
      RP --> SA
  
```

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Upcoming revisions to IES 7

Discussion:


» To what extent do the proposed changes to IES 7 address the main challenges you identified in complying with IES 7 in your environment and context?



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1 – 4:
IES 8 – Professional Competence for Engagement Partners

IES 8 – Competence for Engagement Partners




“IFAC member bodies shall require professional accountants performing the role of an Engagement Partner to:

- » develop and maintain professional competence that is demonstrated by the achievement of learning outcomes...” (para. 8)
- » undertake CPD that develops and maintains the professional competence required for this role.” (para. 9)

» The learning outcomes specified relate to Technical competence, Professional skills, and Professional values, ethics, and attitudes.

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IES 8 – Competence for Engagement Partners 


Sample Learning Outcomes:

Audit (i): Lead the identification and assessment of the risks of material misstatement as part of an overall audit strategy.

Audit (iv): Develop an appropriate audit opinion and related audit report, including a description of key audit matters as applicable.

Financial accounting & reporting (iii): Evaluate accounting judgments and estimates, including fair value estimates, made by management.

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IES 8 – Competence for Engagement Partners 

Sample Learning Outcomes, continued:

IT (i): Evaluate the information technology (IT) environment to identify controls that relate to the financial statements to determine the impact on the overall audit strategy.

Finance & financial management (ii): Evaluate an entity's cash flow, budgets, and forecasts, as well as working capital requirements to determine the impact on the overall audit strategy.

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IES 8 – Competence for Engagement Partners 

Sample Learning Outcomes, continued:

Professional skills – Personal (ii): Act as a role model to the engagement team.

Professional skills – Organizational (i): Evaluate whether the engagement team, including auditor's experts, collectively has the appropriate objectivity and competence to perform the audit.

Professional values, ethics & attitudes – Ethical principles (ii): Evaluate and respond to threats to objectivity and independence that can occur during an audit.

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IES 8 – Competence for Engagement Partners

Discussion:

- » Why are the requirements of IES 8 focused on Engagement Partners, rather than all auditors?




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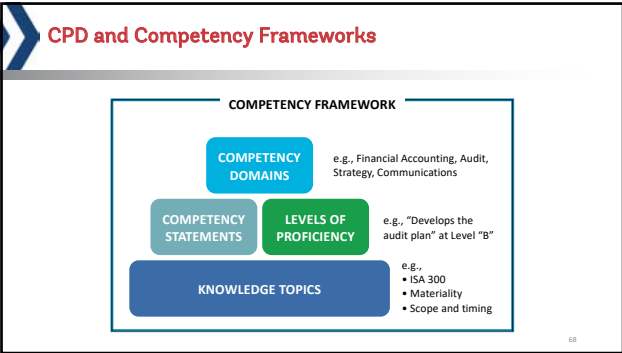
1 – 5: CPD and Competency Frameworks

CPD and Competency Frameworks

- » Underlying rationale for CPD is to maintain and enhance professional competence
- » Measuring and tracking competence depends on having a Competency Map/Framework that specifies what competence means for a specific PAO
- » The Map/Framework specifies the competencies required of a professional accountant; these are used to define learning outcomes for CPD



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CPD and Competency Frameworks

Competency Domains need to cover technical and non-technical areas:

TECHNICAL AREAS	ENABLING AREAS
Financial reporting	Professional and ethical behavior
Strategy and Governance	Problem-solving and decision-making
Management accounting	Communication
Audit and assurance	Self-management
Finance	Teamwork and leadership
Taxation	

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CPD and Competency Frameworks

An excerpt for a technical domain:

1. FINANCIAL REPORTING ← Domain

1.2 Accounting Policies and Transactions ← Sub-domain

1.2.1 Develops or evaluates appropriate accounting policies and procedures (A) ← Competency statement

1.2.2 Evaluates treatment for routine transactions (A)

1.2.3 Evaluates treatment for non-routine transactions (B)


1.2.4 Analyzes treatment for complex events or transactions (C) ← Proficiency level

...

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CPD and Competency Frameworks

... and like this for an enabling domain:



1. PROFESSIONAL AND ETHICAL BEHAVIOUR

1.1 Uses an ethical reasoning process.

1.1.1 Identifies situations involving existing or potential ethical issues.


1.1.2 Clarifies and uses appropriate professional values for choosing or recommending an ethical course of action.

1.1.3 Reports ethical issues to higher levels of management, legal or regulatory authorities, or others when appropriate.

...

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CPD and Competency Frameworks




How a Competency Framework supports CPD:

- » Distinguishes the boundaries of what is relevant learning for CPD
- » Provides learning outcomes and proficiency levels for members to use in performing self-appraisal and gap analysis
- » Increases the verifiability of evidence, by mapping activities and outcomes against the Framework


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CPD and Competency Frameworks

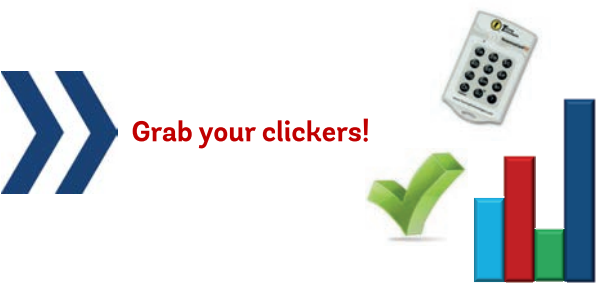


What if we don't have a Competency Framework?


- » If your organization doesn't have a Competency Framework, consider using the Learning Outcomes in IES 2, 3, and 4 (and IES 8 for Engagement Partners).
- » These LOs provide basic scope for Technical competency areas, Professional skills, and Professional values, ethics and attitudes.
- » Proficiency levels are set for IPD rather than CPD, so consider adjusting them as appropriate.



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Grab your clickers!


Assessment question (for points) 

Which of the following are **VALID** ways that a member can use their PAO's Competency Framework? **Select all that apply.**

1. Use the Competency Statements and Proficiency levels to determine gaps in their own competence.
2. Use the Framework to plan areas of research for self study as non-verifiable CPD.
3. Choose CPD courses based on Competency Statements with the highest Proficiency levels.
4. Use the Competency Statements to justify the professional relevance of a course offered by a third party.
5. Revise the Framework based on their own Learning Outcomes achieved.




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Assessment question (for points) 

Which of the following statements are **TRUE**? **Select all that apply.**


1. PAOs may consider adjusting CPD requirements for members with special circumstances (such as parental leave or retirement).
2. Members who are auditors or other specialists must be required to complete additional CPD hours.
3. Members who own and operate their own company do not need to complete CPD, as they are only responsible to themselves.
4. A member's required Learning Outcomes may change over time depending on their role.




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Learning Outcomes Revisited



Learning Outcomes for this session:




1. Justify the need for mandatory CPD for all professional accountants.
2. Overview the current and emerging international requirements.
3. Explain how Competency Frameworks support CPD.



Questions? Comments?

Thank you!



Session 2: Strategy and Structure

Presented by:

Alfred Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich

Consultant, CFRR, World Bank

Session 2: CPD Program Strategy and Structure

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



Key questions to be addressed by this session:



- What strategic decisions need to be made to set up a CPD program?
- What factors impact strategy?
- What considerations are there for organizational structure?

Learning Outcomes for this session:




1. Summarize the process of strategic decision-making for CPD
2. Determine key strategic decisions and the factors that influence those decisions
3. Evaluate elements of organizational maturity using the CAPA Maturity Model
4. Evaluate the impact of strategic decisions on organizational structure



Agenda

- 2 – 1 Strategic decision-making for CPD programs
- 2 – 2 Organizational maturity
- 2 – 3 Developing policies
- 2 – 4 Considerations for organizational structure



4

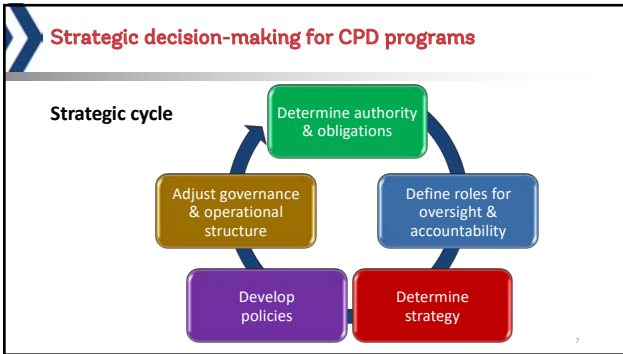
**2 – 1:
Strategic decision-making for CPD Programs**

Strategic decision-making for CPD programs

For any organization setting up a CPD or other training program:



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Determine authority and obligations

Determine authority & obligations

Organization's first step is to assess regulatory environment:

- » What are the organization's obligations for CPD?
- » What is its authority/jurisdiction to implement and enforce CPD policies?
- » What cooperative agreements are needed?

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Determine authority and obligations

Determine authority & obligations

What if the PAO doesn't have sole authority to require CPD?

- » In some jurisdictions, the responsibility and authority for requiring CPD may be split between the PAO and the government.
- » In these situations, the PAO is required to use best efforts to achieve compliance.
- » Strong dialogue and collaboration are needed between the PAO and the relevant agencies to achieve good practice.

Session 1

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Define roles for oversight and accountability Define roles for oversight & accountability

Establish governance structure and roles based on authority:

- » Establish roles of Board, management, other stakeholders to embed responsibility for CPD policy in the overall governance structure of the PAO
- » Determine who to include in strategic planning
- » Use strategic planning to **make decisions** and to **re-visit decisions** periodically as organization matures




10

Determine strategy - ACTIVITY Determine strategy

Part A:
What **strategic decisions** does the Board (or equivalent) have to make with respect to CPD?

- 1. Write a strategic decision question on each sticky note
- 2. Stick each note on the wall
- 3. Try to group decision questions on the wall together where similar




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Determine strategy - ACTIVITY Determine strategy

Part B:
What **factors** should the Board (or equivalent) consider when making these decisions?

- 1. Write a factors relevant to each question on a sticky note
- 2. Stick each note on the wall under the most related question
- 3. Try to group factors on the wall together where similar



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2 - 2: Organizational Maturity



Organizational maturity

Factors to consider are often tied to "maturity" of organization:

- » Recognition by public/government (e.g., authority)
- » Financial stability/autonomy
- » Robustness of infrastructure
- » Experience
- » Human resources available
- » Capacity
- » Public perception



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Organizational maturity

The Confederation of Asian and Pacific Accountants (CAPA) Maturity Model in Action:




- » A support tool that allows PAOs to be systematic about organisational development, at their own pace
- » Open approach and user-friendly interface
- » Helps PAOs to track progress on their commitment to excellence
- » Provides a holistic, proven and easy-to-scale framework that PAOs can interpret within their own context


Find it at: <http://www.capa.com.my/maturity-model-guidance-series-cpd/>

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CAPA Maturity attributes for CPD



Policy:




1	3	5
No CPD system or policy	Policy established but not monitored; active promotion of CPD and its importance	Policy monitored; non-compliance investigated and disciplined


Find it at: <http://www.capa.com.my/maturity-model-guidance-series-cpd/>

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CAPA Maturity attributes for CPD



Staffing and oversight:




1	3	5
Volunteers	Specific staff focus (but no dedicated staff)	Dedicated staff with Comprehensive reporting to board/council


Find it at: <http://www.capa.com.my/maturity-model-guidance-series-cpd/>

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CAPA Maturity attributes for CPD



Programs and delivery:




1	3	5
Volunteer trainers; limited, ad-hoc courses	Reasonable training program; Links with universities/other training suppliers; Some regular, competent presenters; Fees generally charged	Dynamic program: topics evaluated/prioritised; Trainers accredited; Online CPD options; Learning outcomes verified and measured


Find it at: <http://www.capa.com.my/maturity-model-guidance-series-cpd/>

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CAPA Maturity attributes for CPD



Compliance with IFAC Statement of Member Obligations:



1 Not active

3 Defined plan to comply with SMO 2

5 Ongoing commitment to continuous improvement in addressing requirements of SMO 2

Find it at: <http://www.capa.com.my/maturity-model-guidance-series-cpd/>



**2 – 3:
Developing policies**

Developing policies

Develop policies

Policies to align with and support strategy


- » Management sets policies with Board approval
- » Policies need to align with strategic decisions, but may require iterations to get there (if short-term and long-term strategies differ)
- » Policies need to be set for all of the key strategic decisions
- » Policies are the bridge to operationalizing the program

Developing policies

Develop policies

The “Eat your vegetables” problem

- » PAOs are obligated to set CPD requirements, but members may not see the benefit/value
- » PAO needs to educate members and provide as much value as possible, but recognize that the PAO’s obligation is to ensure members act in the public interest
- » Member wishes should (or must) be secondary



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**2 – 4:
Considerations for organizational structure**

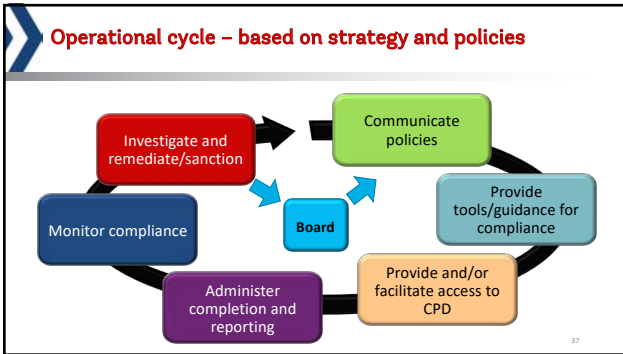
Organizational structure

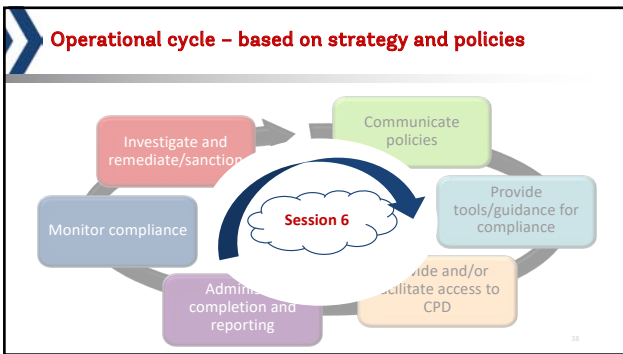
Adjust governance & operational structure

Based on strategic decisions and policies established:

- » Any changes needed to Board mandate or committees?
- » Ensure clear definitions of Board/committee/staff roles
- » Ensure staff has been dedicated to support policies throughout operational cycle (see next slide)
- » Formalize cross-department linkages as needed
- » Ensure adequate training
- » Formalize reporting to Board

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Organizational structure

Adjust governance & operational structure


Administering and maintaining the CPD program involves many roles/departments:

- » CPD administration
- » Communications (with members and public)
- » IT systems and support
- » Member services
- » Investigations, ethics, and discipline
- » Practice review
- » Facilitating partnerships or approvals of third party providers

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Grab your clickers!

Assessment question (for points) 

Which of the following statements is TRUE with respect to the strategic cycle?

1. Providing tools and checklists is a key part of determining strategy
2. After the key strategic decisions have been made, it is important to determine the organization's authority level.
3. Once CPD strategy is set, decisions should not be revisited unless the organization's level of authority changes.
4. Once decisions and polies are made, adjustments may be needed to the governance or operational structure to ensure that CPD roles are adequately supported.



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Assessment question (for points) 

Assume an organization has decided to follow an output-based approach to measuring CPD. Which of the following statements is MOST LIKELY to be TRUE?

1. Members will be required to complete at least 120 hours of CPD in a three-year period.
2. Policies will recognize a broad range of activities such as mentoring, changing job roles, committee service, and so on as being relevant to CPD.
3. There will be no need for the CPD department to coordinate with other departments such as communications or discipline.
4. Monitoring compliance will require a smaller audit sample than if an input-based approach were used.



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Assessment question (for points)  

A mature organization is likely to have which of the following characteristics? **Select ALL that apply.**


1. Policies are carried out by volunteers
2. A dedicated CPD department is in place
3. Trainers are accredited based on qualifications
4. Strategic decisions are made by management, independent of the Board
5. Online CPD offerings are available

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 **Learning Outcomes Revisited** 

Learning Outcomes for this session:

1. Summarize the process of strategic decision-making for CPD
2. Determine key strategic decisions and the factors that influence those decisions
3. Evaluate elements of organizational maturity using the CAPA Maturity Model
4. Evaluate the impact of strategic decisions on organizational structure



Questions? Comments?

Thank you!



Session 3: Determining Scope of Offerings and Course Development Options

Presented by:

Laura Friedrich

Principal, F&F Corporation

Session 3: Determining Scope of Offerings and Course Development Options

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



Key questions to be addressed by this session:



- How do we ensure sufficient, appropriate course offerings are available for members?
- How do we determine the range of formats to offer and accept?


Learning Outcomes for this session:



1. Determine the scope and breadth of appropriate CPD content.
2. Explore options for CPD formats.
3. Evaluate means of facilitating access to CPD.




Agenda



- 3 – 1 Determining the scope and breadth of course offerings
- 3 – 2 Options for CPD formats
- 3 – 3 Facilitating access to CPD: development and delivery options

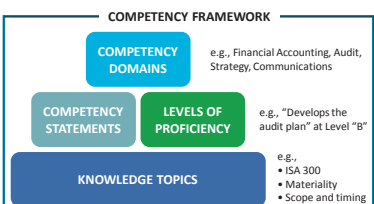
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**3 – 1:
Determining the scope and breadth of course offerings**

Determining breadth of course offerings

Breadth of what is "relevant" is determined by Competency Framework



COMPETENCY FRAMEWORK

- COMPETENCY DOMAINS** e.g., Financial Accounting, Audit, Strategy, Communications
- COMPETENCY STATEMENTS**
- LEVELS OF PROFICIENCY** e.g., "Develops the audit plan" at Level "B"
- KNOWLEDGE TOPICS** e.g.,
 - ISA 300
 - Materiality
 - Scope and timing

Session 1

5

Determining breadth of course offerings

What if we don't have a Competency Framework?

» If your organization doesn't have a Competency Framework, consider using the Learning Outcomes in IES 2, 3, and 4 (and IES 8 for Engagement Partners).

» These LOs provide basic scope for Technical competency areas, Professional skills, and Professional values, ethics and attitudes.

» Proficiency levels are set for IPD rather than CPD, so consider adjusting them for members if appropriate.

Session 1

Determining breadth of course offerings

IAESB's IES 2 to 4 supply Learning Outcomes that span:

Technical competence (IES 2)

a. Financial accounting and reporting	g. Business laws and regulations
b. Management accounting	h. Information technology
c. Finance and financial management	i. Business and organizational environment
d. Taxation	j. Economics
e. Audit and assurance	k. Business strategy and management
f. Governance, risk management and internal control	

Determining breadth of course offerings

IAESB's IES 2 to 4 supplies Learning Outcomes that span:

Professional skills (IES 3)	Such as...
a. Intellectual	Research; analysis; integration; critical thinking; dealing with unstructured problems
b. Interpersonal and communication	Cooperation; concise, clear and persuasive written and oral communication; cultural awareness; effective listening; interviewing; negotiating

... continued

Determining breadth of course offerings

IAESB's IES 2 to 4 supplies Learning Outcomes that span:

Professional skills (IES 3) ...continued	Such as...
c. Personal	Commitment to lifelong learning; open-mindedness; time management; setting high personal standards of performance; anticipating challenges
d. Organizational	Quality review of self and others; adherence to established practices; leadership, motivation and delegation; application of tools and technology

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Determining breadth of course offerings

IAESB's IES 2 to 4 supplies Learning Outcomes that span:

Professional values, ethics & attitudes (IES 4) ...continued	Such as...
a. Professional skepticism and professional judgment	Critically apply a questioning mindset; evaluate reasonable alternatives to reach well-reasoned and informed conclusions
b. Ethical principles	Identify ethical issues; evaluate ethical consequences; apply fundamental principles (per IESBA Code: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior)

... continued 11

Determining breadth of course offerings

IAESB's IES 2 to 4 supplies Learning Outcomes that span:

Professional values, ethics & attitudes (IES 4) ...continued	Such as...
c. Commitment to the public interest	Explain the role of professional ethics with respect to social responsibility, business and governance; analyze the interrelationship between laws, ethics and the public interest; analyze consequences of unethical behaviour to the individual, the profession and the public.

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Determining breadth of course offerings Session 1

For Engagement Partners, Learning Outcomes are provided in IES 8:

Technical competence (IES 8)	Such as...
a. Audit	Lead risk identification and assessment; evaluate response to risk of material misstatement; evaluate audit performance in accordance with standards, laws and regulations; develop appropriate audit opinion.
b. Financial accounting and reporting	Evaluate financial statement; recognition, measurement, presentation and disclosure; judgments and estimates, fair presentation.

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Determining breadth of course offerings

For Engagement Partners, Learning Outcomes are provided in IES 8:

Technical competence (IES 8) ... continued	Such as...
c. Governance and risk management	Evaluate governance structures and risk assessment processes as part of overall audit strategy.
d. Business environment	Analyze relevant industry, regulatory, and other external factors that are used to inform audit risk assessments.

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Determining breadth of course offerings

For Engagement Partners, Learning Outcomes are provided in IES 8:

Technical competence (IES 8) ... continued	Such as...
e. Taxation	Evaluate procedures to address risk of material misstatement with respect to tax amounts.
f. Information technology	Evaluate IT environment and controls.
g. Business laws and regulations	Evaluate non-compliance with laws and regulations to determine impact on audit and opinion.

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Determining breadth of course offerings

For Engagement Partners, Learning Outcomes are provided in IES 8:

Technical competence (IES 8) ... continued		Such as...
h. Finance and financial management	Evaluate sources of financing, financial instruments; evaluate cash flows, budgets, forecasts, working capital requirements.	
Professional skills (IES 8)		Such as...
i. Intellectual	Resolve audit issues using inquiry, abstract and logical thought, critical analysis.	
j. Interpersonal & Communication	Effectively communication and consultation with team, management, etc.	

Determining breadth of course offerings

For Engagement Partners, Learning Outcomes are provided in IES 8:

Professional skills (IES 8) ... continued		Such as...
k. Personal	Act as role model, mentor and coach.	
l. Organizational	Evaluate team objectivity and competence; engagement project management and team management.	
Professional values, ethics, attitudes (IES 8)		Such as...
m. Commitment to the public interest	Promote audit quality in the public interest.	

Determining breadth of course offerings


For Engagement Partners, Learning Outcomes are provided in IES 8:

Professional values, ethics, attitudes (IES 8) ... continued		Such as...
n. Professional skepticism and professional judgment	Apply a skeptical mindset and professional judgment in planning and performing audit and developing opinion.	
o. Ethical principles	Apply ethical principles in the audit context; evaluate and respond to threats to independence; protect confidentiality of client information.	

Determining breadth of course offerings


When considering breadth of offerings, be aware that:

- » Practice Analyses often find that the **Professional skills, values, ethics, and attitudes** are deemed to be the most essential competencies for professional accountants.




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Determining breadth of course offerings



If a topic is in the Competency Framework/Learning Outcomes, it is relevant to professional development:


- » PAOs should facilitate access to a broad range of content across the Framework
- » Third-party courses that can be mapped to Framework/Learning Outcomes should be considered for acceptance by PAO
- » Firms should consider the importance of helping professional staff develop in both technical and professional sides of competence
- » Firms are in a good position to address IES 8 Learning Outcomes

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Determining breadth of course offerings

The other part of the equation = member demand

- » For mandatory content areas, demand will be predictable
- » For non-mandatory areas, members will focus on what they see as important



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Addressing member demand

Sample CPD framework:

Session 1

Self-assessment - identify relevant learning outcomes and current gaps

Plan CPD - to achieve desired learning outcomes

Complete & record CPD

Reflective activity - to assess if learning outcomes were achieved

Revise plan

22

Addressing member demand

Members are responsible for their own competence:

- » Members should be encouraged to self-assess their own learning needs.
- » If a Competency Framework was developed, fact-finding was likely done as to training needs based on a gap analysis.
- » Member surveys can be useful in determining topics of interest.


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Addressing member demand


PAOs need to balance member requests and PAO oversight:

- » Members will focus on what they know they need...but what about what they **don't** know they need?
- » It is important that the PAO educate members on benefits of balancing technical and enabling competencies.


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3 – 2:
Determining formats of CPD to offer and accept




Determining formats




CPD may be gained through “formal” methods, such as:

- » Courses, conferences, seminars
- » Practical experience and on-the-job training
- » Participating on technical committees
- » Developing and/or delivering learning materials
- » Writing research papers, articles, textbooks
- » Professional re-examination

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Determining formats



And through other learning and development activities, such as:

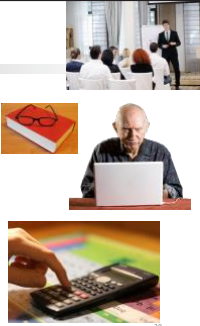
- » Coaching or mentoring
- » Being coached or mentored
- » Networking
- » Observation, feedback, and reflection, and
- » Self-directed and unstructured gaining of knowledge.

27

Determining formats

CPD should be offered in a variety of formats:

- » Members learn in a variety of ways:
 - » In-person discussions/lectures
 - » Webinars and audio-delivered
 - » Reading, researching, writing/presenting
- » Different learning styles should be supported



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Determining formats

Deciding on formats to offer:

- » Variety adds flexibility
- » Online options will likely be expected (recall CAPA Maturity Model)

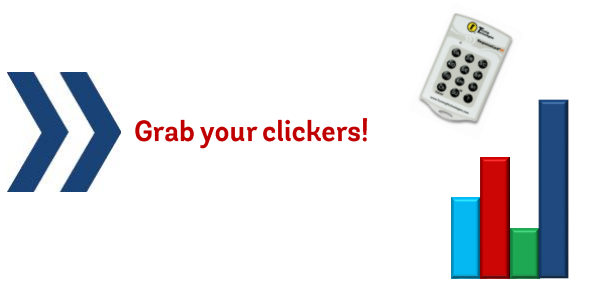
BUT

- » Different formats require different levels of funding and infrastructure, as well as different expertise.



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Grab your clickers!



Polling question (not for points)

What format of CPD course do you prefer?

1. In-person (such as this class)
2. Online synchronous (such as a webinar with all participants attending at the same time)
3. Online asynchronous (such as an on-demand, self-paced course)
4. It depends on the topic
5. No preference




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CPD formats

Discussion:

» With so many options for learning activities, why do we focus so much on education sessions such as seminars, conferences, etc.?




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CPD formats

Discussion:

» What challenges do PAOs face in offering or accepting CPD different formats? And how can these challenges be overcome?



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CPD formats

Final choice of formats offered/accepted will depend on:

PAO CPD Strategy

Rigour/control for PAO

Flexibility/Convenience for Members

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3 – 3:
Options for promoting and providing access to CPD

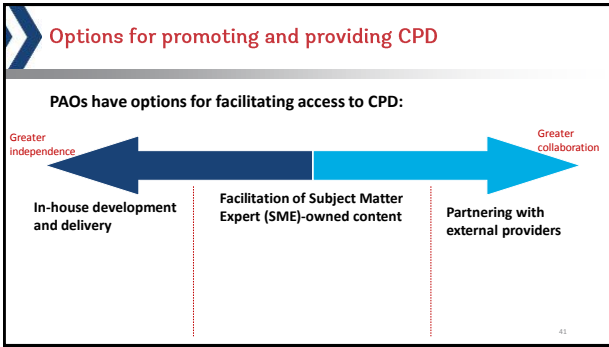
Options for promoting and providing CPD

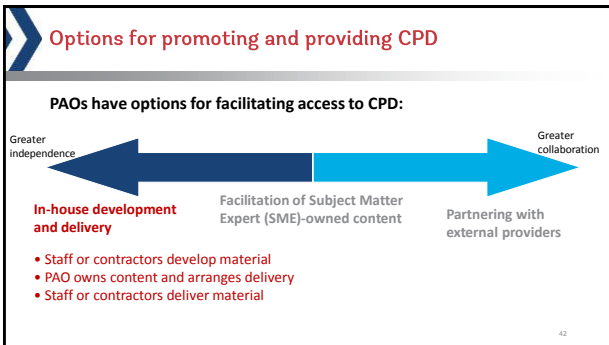
Recall that under IES 7, PAOs are obligated to:

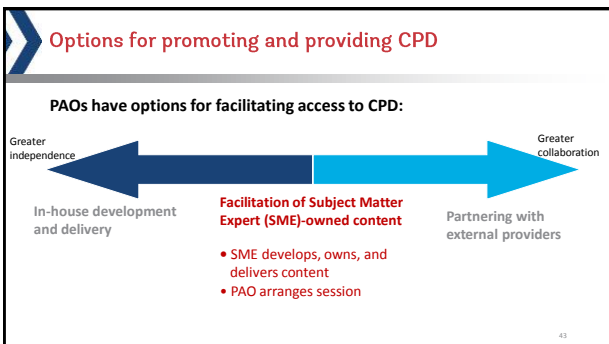
- » Promote the importance of - and a commitment to - CPD and maintenance of professional competence.
- » Facilitate access to CPD opportunities and resources.

Session 1

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Options for promoting and providing CPD

PAOs have options for facilitating access to CPD:

Greater independence

In-house development and delivery

Facilitation of Subject Matter Expert (SME)-owned content

Greater collaboration

Partnering with external providers

- Universities
- Commercial training providers
- Firms

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Options for promoting and providing CPD

Discussion:

What are the benefits and drawbacks of the various options for promoting and providing access to CPD?

Greater independence

Greater collaboration

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Options for promoting and providing CPD

Once again, PAO decisions regarding how to facilitate access to CPD will depend on:

PAO CPD Strategy

Rigour/control for PAO


Flexibility/Convenience for Members

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Development and delivery standards

Regardless of whether CPD is developed in-house or facilitated with partners, standards are needed to ensure that:


- » Materials are designed to develop appropriate learning outcomes
- » Material reflects an adequate proficiency level for the audience
- » Sessions will result in learning, not just marketing for the presenter



- Learning materials should be reviewed by competent PAO staff before being offered/approved.
- Consider whether trainers should be accredited.

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Facilitator support and evaluation



Part of quality control over CPD requires that facilitators be:

- » Chosen based on ability to facilitate learning outcomes (i.e., effective teachers)
- » Subject matter experts in the area being taught
- » Trained as necessary to act as appropriate spokespersons/ambassadors for the profession and the organization
- » Objectively evaluated based on participant feedback and (where possible) first-hand observation

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Continuous improvement

Based on feedback and evaluations:

- » Review individual seminars
- » Review topics
- » Refresh technical areas based on standards changes
- » Refresh business topics based on trends and interests
- » Refresh professional skills, values, ethics and attitudes to provide choice
- » Ensure sufficient choice for mandatory elements

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Grab your clickers!

Assessment question (for points)



Which of the following statements is/are TRUE?
Select all that apply.

1. Learning Outcomes in the IESs relate only to technical competence.
2. Organizations should prioritize offering technical CPD courses over non-technical courses.
3. Organizations should educate members as to the benefits of building competence in professional skills.
4. Engagement partners should limit their CPD to only audit-related activities, to ensure they maintain competence.

Assessment question (for points)

Which of the following would represent valid CPD activities?
Select all that apply.



1. Attending a seminar on new accounting standards
2. Researching an exposure draft of an audit standard and writing a blog posting about it
3. Teaching an introductory tax course for the first time
4. Facilitating the same CPD session for the third time

Assessment question (for points)  


A PAO has decided to facilitate access to CPD offered by several other organizations, but not offer CPD directly. Which of the following will the PAO need to be MOST careful about ensuring?

1. Quality of the courses offered by other organizations
2. Flexibility for members
3. Financial risk associated with course offerings
4. Range of courses offered


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 **Learning Outcomes Revisited** 

Learning Outcomes for this session:



1. Determine the scope and breadth of appropriate CPD content.
2. Explore options for CPD formats.
3. Evaluate means of facilitating access to CPD.



Questions? Comments?

Thank you!



Session 4: Developing and Delivering Engaging and Effective CPD Sessions

Presented by:

Alfred Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich

Consultant, CFRR, World Bank

Lejla Begtasevic Rudalija

Consultant, CFRR, World Bank

Session 4: Developing and Delivering Engaging and Effective CPD

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



Key questions to be addressed by this session:



- How do we ensure that CPD activities are specifically developed and delivered to engage a professional audience
- How do we develop sustainable learning outcomes?

Learning Outcomes for this session:




1. Justify the importance of participant engagement in CPD.
2. Design CPD course engagement based on key elements.
3. Plan engaging and effective learning activities for a professional audience.



Agenda

- 4 – 1 Elements of an engaging course
- 4 – 2 Presentation methods and types of participant activities
- 4 – 3 Introduction to Day 3 Team presentations; Team brainstorming and planning





**4 – 1:
Elements of an engaging course**

Elements of an engaging course

Discussion:


- » What do we mean by participant engagement?
- » Why do we care about ensuring that participants are engaged?



Elements of an engaging course

To maximize engagement and effectiveness:

- » Need to consider all elements of the experience – they are all interconnected
- » Before, during, after...
- » Concepts apply to any kind of course – in-class, online, etc.
- » Some things will not be under your control – so control what you can




8

Elements of an engaging course

1. Attract the right people and set expectations

Engagement depends on having people in the room who:

- » are interested in the content area
- » have sufficient prerequisite knowledge
- » understand what will be expected of them
- » have “skin in the game”




9

Elements of an engaging course

2. Control the environment

In order to engage, people need to:

- » be comfortable (but not too comfortable)
- » avoid distractions
- » have a sense of team or community
- » feel safe and valued when speaking up




10

Elements of an engaging course

3. Facilitate learning activities

Effective learning requires:

- » ensuring the content is relevant
- » enough context/background information to serve as a foundation
- » activities that challenge without being overwhelming
- » supportive facilitation to keep momentum
- » consistent debriefing to re-iterate key points




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Elements of an engaging course

4. Forward-looking wrap-up


Sustainability of learning requires:

- » wrap-up that cements the learning outcomes
- » rewards for successful completion
- » plans for real-world application
- » resources for future reference




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Activity – rotating flipcharts



1. Each flipchart has a question related to the steps we just talked about.
2. Teams will spend time at each flipchart and write down their best ideas.
3. When we call “time”, move to the next flipchart.
4. Add only NEW ideas!





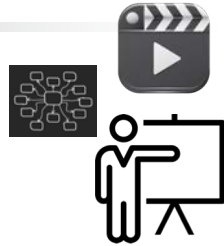
4 - 2: Presentation methods and types of participant activities



Presentation methods

Facilitators can combine:

- » Traditional "lecture style"
- » Videos or audio from other sources
- » Diagrams and visual aids
- » Demonstrations (tools, software, etc.)
- » Stories
- » Guests/multiple lecturers



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Types of participant activities

Focused discussions:

- » Pose a question and have participants discuss
- » Can include web research if needed
- » Debrief as a group




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Types of participant activities

Case or scenario discussions:

- » Provide a case or a scenario (real or fictitious)
- » Include discussion questions for participants to work through (guide them to be systematic in approach)
- » Debrief as a group




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Types of participant activities

Multiple choice questions

- » Can use a dedicated system or online tools (or just show of hands)
- » May allow anonymous responses or count for points (whether assessment or competition), or just for interest
- » Can require research (such as in standards or online)
- » Can use poll/re-poll method to help group teach themselves
- » Put the emphasis on the discussion and rationale rather than the answer




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Types of participant activities

Team presentations

- » Have participants present their ideas to the group
- » Structured (using screen or flipcharts) or informal from their table
- » Better to do later in the session, once participants are more comfortable
- » Other participants should ask questions, offer comments




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Types of participant activities

Role playing

- » Have participants take assigned roles
- » Act out a scenario or situation
- » Debrief and ask others for how else it could be handled
- » Better to do later in the session, once participants are more comfortable
- » Useful to build communication, group decision-making, governance



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Types of participant activities

Debates

- » Have participants take sides on an issue
- » Allow preparation, then have two sides support their position and challenge the other position
- » Balance speaking time and ensure adequate debrief of merits of each side
- » Good for controversial issues with no clear “answer”



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Types of participant activities

Out-of-chair experiences


- » Work at flipcharts
- » Stick ideas to the wall
- » Rotate between stations
- » Physical activities (building a human pyramid, performing a skit)




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Grab your clickers!






Polling question (not for points)




Which type(s) of activities have you used or seen used?
Select all that apply.

1. Focused discussions	5. Role playing
2. Multiple-choice questions by show of hands	6. Debates
3. Multiple-choice questions with polling technology	7. Out-of-chair activities
4. Team presentations	

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Polling question (not for points)



Which statement **BEST** describes your opinion of activities that require public group participation, such as team discussions, presentations, debates, and role playing?

1. I don't enjoy them and don't see any benefit in them
2. I am comfortable with small group discussions, but not with activities that require presenting in front of the whole group
3. I don't really enjoy activities that require presenting in front of the whole group, but I know they are "good for me" so I willingly take part
4. I'm comfortable taking part in any type of group activity and enjoy the variety.

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Grab your clickers!

Assessment question (for points)

Which of the following statements is TRUE with respect to CPD sessions?

1. Participants should be made to feel entirely comfortable to make the session most effective.
2. Participants should be seated with people they know well to maximize discussions.
3. IES 7 requires that participant engagement in CPD sessions be measured by the PAO.
4. Engagement and content relevance are equally important in delivering effective CPD.



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Assessment question (for points)

Which of the following statements is TRUE?

1. When facilitating CPD with introverted individuals, you should avoid activities that require discussion and public presentation
2. Icebreaker activities waste time and should not be used with professional audiences
3. Debates work best when the question being discussed has no clear answer
4. When using multiple-choice questions for sensitive issues, the "show-of-hands" method works best.


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Assessment question (for points)  

You are facilitating a CPD session on how to communicate with difficult clients. Which type of activity is the *most* suitable?

1. Multiple-choice questions
2. Focused discussion
3. Debates
4. Role-playing

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 **4 – 3:**
Introduction to Day 3 Team presentations
Team brainstorming and planning

Day 3 – Team presentations 


Activity:

- » Each team will have *up to* 10 minutes to present on a topic of their choice choose (must tie to one or more Learning Outcomes in IES 2, 3, 4 or 8)
- » Use any activity or activities you like
- » Other participants will ask questions and provide feedback
- » You will have additional time tomorrow to prepare

You will be presenting your topic on Day 3


35

Team brainstorming and planning



Activity:


- » Pick a topic that you want to present on (can be tied to any Learning Outcome in IES 2, 3, 4 or 8).
- » Plan how you will present your topic (slides, flipcharts, etc.), an activity, and a debrief




You will be presenting your topic on Day 3

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Learning Outcomes Revisited



Learning Outcomes for this session:




1. Justify the importance of participant engagement in CPD.
2. Design CPD course engagement based on key elements.
3. Plan engaging and effective learning activities for a professional audience.



Questions? Comments?

Thank you!



Wrap-up and Closing Remarks for Day 1



*Alfred Borgonovo,
Senior Financial Management Specialist
CFRR, World Bank*

See you tomorrow!

Session 5A: Including Ethics and Professionalism in the CPD Program

Session 5B: Demonstration of Activities to Include Ethics and Professionalism in the CPD Program

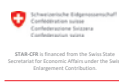
Presented by:

Brian Friedrich

Consultant, CFRR, World Bank

Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia

Belgrade, May 16 – 18, 2018



Day 2 Opening Remarks



*Alfred Borgonovo,
Senior Financial Management Specialist
CFRR, World Bank*

Session 5A: Including Ethics and Professionalism in the CPD Program

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



Key questions to be addressed by this session:



- How do enabling competencies fit into a CPD program?
- What are some effective ways of engaging members in ethics and professionalism topics?

Learning Outcomes for this session:



1. Articulate what is meant by “Professional skills” and “Professional values, ethics, and attitudes.”
2. Explore and develop engaging ways to include enabling competencies (Professional skills, values, ethics and attitudes) in CPD.



Agenda



- 5 – 1 Importance of ethics and professionalism in CPD programs
- 5 – 2 Professional skills
- 5 – 3 Professional values, ethics and attitudes



5 – 1:
Importance of ethics and professionalism in CPD programs



Importance of ethics and professionalism in CPD programs

- » The purpose of CPD programs is to help protect the public by ensuring that professional accountants remain competent.
- » When it comes to public trust, perception is a big part of reality.
- » It is essential that professionals have well-rounded competence, including being able to demonstrate ethical decision-making and overall professionalism.
- » Technical competence alone only creates a technician, not a professional.

8



Importance of ethics and professionalism in CPD programs

When considering breadth of offerings, be aware that:

- » Practice Analyses often find that the **Professional skills, values, ethics, and attitudes** are deemed (by employers, in particular) to be the most essential competencies for professional accountants.



9

Incorporating ethics and professionalism in CPD programs

- » Lecture-style materials can inform, but generally do not develop these competencies
- » Need to engage participants in discussions and interactive activities
- » Some skills may be developed using examples not related to accounting
- » Ensure that you debrief the learning afterward, or else participants may miss the key points and messages

10

5 - 2: Professional skills

Developing Professional skills

Session 3

Professional skills (IES 3)	Such as...
a. Intellectual	Research; analysis; integration; critical thinking; dealing with unstructured problems
b. Interpersonal and communication	Cooperation; concise, clear and persuasive written and oral communication; cultural awareness; effective listening; interviewing; negotiating

... continued 12

Developing Professional skills

Session 3

Professional skills (IES 3) ...continued	Such as...
c. Personal	Commitment to lifelong learning; open-mindedness; time management; setting high personal standards of performance; anticipating challenges
d. Organizational	Quality review of self and others; adherence to established practices; leadership, motivation and delegation; application of tools and technology


13

Developing professional skills

Activity:
As a team, brainstorm ways of including:

- » Intellectual skills
- » Interpersonal and communication skills
- » Personal skills, and
- » Organizational skills

in CPD activities.



14

Example that hits all 4 categories – Team Challenge

CPD Options

» In your first year of membership, you decide to attend CPABC's Spring conference to get a headstart on your CPD requirements. A colleague at your table says "I always find these in-person sessions valuable, but sometimes it's so hard to get away from the office, and the courses aren't always available when I can attend them. And it gets expensive, especially because I live in a remote community and have to travel to Vancouver for conferences. Have you found any other options?"

» **How would you respond to your colleague?**

Source: CPABC – Gateway to Membership training course for new members

15



Example that hits all 4 categories – Team Challenge

Team Challenge:

Requirement	Category of Professional skill
Researching the options online	Intellectual
Discussion and Reporting back to the room	Interpersonal and Communication
Proactively evaluating challenges and Committing to lifelong learning	Personal
Use of Internet; Evaluating other teams	Organizational

30

Grab your clickers!

Assessment question (for points)

In a CPD session, you are asked to research changes in accounting standards that are expected to be introduced, and explain them to the other participants in the session. Which categories of professional skills are **MOST CLOSELY** tied to this activity?

1. Intellectual and Interpersonal/communication
2. Interpersonal/communication and Personal
3. Personal and Organizational
4. Organizational and Intellectual

22



5 – 3:
Professional values, ethics and attitudes

Determining breadth of course offerings

Professional values, ethics & attitudes (IES 4)	Such as...
Session 3 a. Professional skepticism and professional judgment	Critically apply a questioning mindset; consider and address bias; evaluate reasonable alternatives to reach well-reasoned and informed conclusions;
b. Ethical principles	Identify ethical issues; evaluate ethical consequences; apply fundamental principles (per IESBA Code: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior) ... continued

Determining breadth of course offerings

Professional values, ethics & attitudes (IES 4) ...continued	Such as...
c. Commitment to the public interest	Explain the role of professional ethics with respect to social responsibility, business and governance; analyze the interrelationship between laws, ethics and the public interest; analyze consequences of unethical behaviour to the individual, the profession and the public.

25

Developing professional values, ethics, and attitudes

Activity:
 As a team, brainstorm ways of including:

- » Professional skepticism & Professional judgment
- » Ethical principles, and
- » Commitment to the public interest

in CPD activities.




29

Developing professional values, ethics, and attitudes


IESBA's *International Code of Ethics for Professional Accountants*[™]:

- » “Robust, internationally appropriate ethics standards”
- » *Code* includes auditor independence requirements
- » Recently restructured – available now and generally effective June 15, 2019
- » More guidance, clearer and easier to use



30


Sample team activity from CPA “Gateway to Membership” course



» In January 2018, six US CPAs faced criminal and Securities Exchange Commission (SEC) charges for using information from the Public Company Accountability Oversight Board (PCAOB) to benefit KPMG. Research this story.

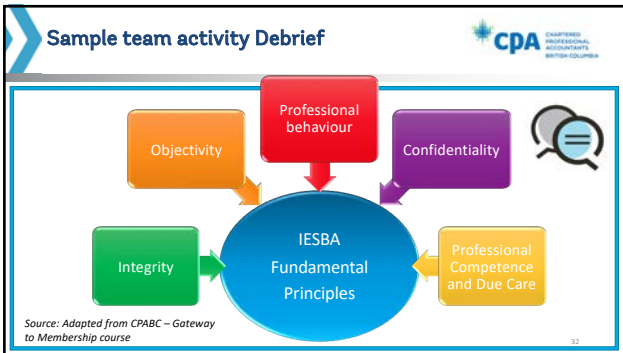
Discuss:

- » How do the IESBA Fundamental Principles apply in the context of the behaviour alleged in this story?
- » What would the public expect of CPAs in this situation?



Source: Adapted from CPABC – Gateway to Membership course

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Assessment question (for points) ✓

Given the previous case study and your discussions about the ethical failings of the parties involved and the impact on various stakeholders, which categories of professional skills were **MOST CLOSELY** tied to this activity?


1. Professional skepticism and Ethical principles
2. Ethical principles and Commitment to the public interest
3. Ethical principles only
4. Professional judgment only




 **Learning Outcomes Revisited**



Learning Outcomes for this session:




1. Articulate what is meant by “Professional skills” and “Professional values, ethics, and attitudes.”
2. Explore and develop engaging ways to include these competencies in CPD.



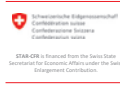
Questions? Comments?

Thank you!



Session 5B: Demonstrations of Including Ethics and Professionalism in the CPD Program

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia





Professional skills – Intellectual skills

Intellectual skills – critical thinking

Critical Thinking in the Workplace:



- » A survey of 400+ senior HR professionals named critical thinking as the most important skill employees will need in the next five years.
- » 70% of employees with a high school education were found deficient in critical thinking skills (such as ability to focus on the most relevant information, ask the right questions, and separate reliable facts from false assumptions).
- » Among employees with a four-year college education, 9 percent were deficient in critical thinking skills, 63 percent had adequate skills, and only 28 percent were rated excellent critical thinkers.

Source: *Are They Really Ready to Work?* Study by The Conference Board of Canada et al.

Thinking and reasoning skills


Two directions:

- » **Induction** – using particular facts or observations to make inferences about the general state
- » **Deduction** – using what is known to be true in the general state to make inferences about particular facts

43

Grab your clickers!




Thinking and reasoning skills

Induction: From specific to general

In a blind taste-test, 85% of testers preferred product A, therefore product A will outsell product B.

- ① Strongly disagree
- ② Disagree
- ③ Neutral
- ④ Agree
- ⑤ Strongly agree



43

Thinking and reasoning skills

Induction: From specific to general

- » May or may not lead to valid results
- » Need to assess how sure we are (e.g., confidence intervals)
- » Need to be sure to bring in other relevant information
- » Need to trust in what makes the most sense if we can't resolve uncertainty

44

Thinking and reasoning skills



Deduction: From general to specific

All birds lay eggs. Penguins are birds, therefore penguins lay eggs.

- ① Strongly disagree
- ② Disagree
- ③ Neutral
- ④ Agree
- ⑤ Strongly agree



45

Thinking and reasoning skills

Deduction: From general to specific

» Will lead to valid results as long as "what is known to be true" really is true

All birds lay eggs.
Penguins are birds,
therefore penguins lay eggs.



46

Thinking and reasoning skills

Deduction: From general to specific

» Will lead to valid results as long as “what is known to be true” really is true

All birds fly.
Penguins are birds,
therefore penguins fly.



Source: 2008 BBC

42

Thinking and reasoning skills



Verbal reasoning example:

Mary's mother has 4 daughters. Three are named Nana, Nena, and Nina. What is the name of the 4th daughter?

- ① Nuna
- ② Nona
- ③ Nyna
- ④ None of the above

Source: www.kent.ac.uk

43

Thinking and reasoning skills



Numerical reasoning example:

A 1 km long train travelling at a speed of 50 km per hour enters a tunnel that is 1 km long. How long will it take

until the train fully exits the tunnel?

- ① 1.2 minutes
- ② 1.8 minutes
- ③ 2.4 minutes
- ④ 3.0 minutes



44

Thinking and reasoning skills



What is the number of the parking spot the car is parked in?



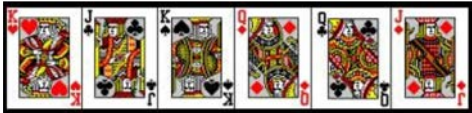
- ① 08
- ② 58
- ③ 78
- ④ 87
- ⑤ 89

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Thinking and reasoning skills

It's magic...

- » Of the 6 cards below, pick one.
- » Focus on it. Focus hard. Do NOT say it out loud.
- » We will read your mind... and make your card disappear



51

Intellectual – critical thinking and reasoning

Wisdom to take away...

- » Make sure your logic is sound, and know the limits of both inductive and deductive reasoning.
- » Things are not always as they seem.
- » Don't overlook the obvious or let momentum carry the decision – stop and look again.
- » Look at the problem from all angles!




52



Professional values, ethics and attitudes




Professional skepticism and Professional judgment

Professional skepticism and judgment 

Conformity and willingness to be different

» Video clip Everybody's doing it (Prudential)
<https://www.youtube.com/watch?v=BgRoiTWkBHU>



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Professional skepticism and judgment

Audio-only mobile learning:

Lies, Alternative Facts and Professional Skepticism

www.prodiolearning.com



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Professional skepticism and judgment

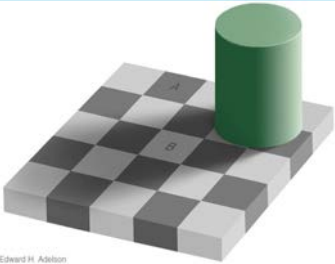
Testing assumptions:

A woman is walking down the street one day when she suddenly recognizes an old friend whom she has not seen in years walking in her direction with a little girl. They greet each other warmly, and the friend says, "I got married since I last saw you, to someone you've never met, and this is our daughter, Ellen." The woman says to the little girl, "Hi Ellen - you look just like your father!" How did she know that?

Press any button as soon as you know the answer.

59

Squares "A" and "B" are the same colour.



① True
② False


Edward H. Adelson

60


Intellectual – critical thinking

Wisdom to take away...

- » Check your assumptions and decision-making processes regularly:
 - » Is “groupthink” influencing your decision-making?
 - » Is the “context” introducing a bias that the team isn’t aware of?




64

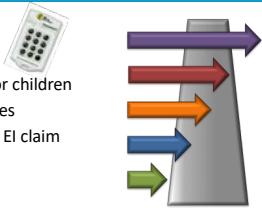


Ethical principles and Commitment to the Public Interest

Choose ALL options that cross the line




Scenario 2: Meet the Plungers



0. All options are ethical
1. Company mobile phones for children
2. “Moonlighter” using supplies
3. Adding friend to payroll for EI claim
4. Cash job for friend

Source: CPABC – Thick Grey Line Seminar


65

Choose ALL options that cross the line 

Scenario 4: Problem clients

- 0. All options are ethical
- 1. Client 1 – audit
- 2. Client 2 – personal tax return
- 3. Client 3 – corporate tax and assurance
- 4. Client 4 – year-end financial statements and corporate tax
- 5. Client 5 – bookkeeping and year-end financial statements

Source: CPABC – Thick Grey Line Seminar



Questions? Comments?

Thank you!



Session 6: CPD Administration, Monitoring and Enforcement

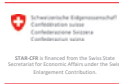
Presented by:

Laura Friedrich

Principal, F&F Corporation

Session 6: CPD Administration, Monitoring and Enforcement

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



Key questions to be addressed by this session:



- How do we administer and operationalize the CPD program?
- How do PAOs or regulators monitor and enforce program compliance among professional members?

Learning Outcomes for this session:




1. Summarize the key activities in the operational cycle for CPD.
2. Explain how CPD compliance is monitored under different measurement approaches.
3. Evaluate the appropriateness of various sanctions for non-compliance.

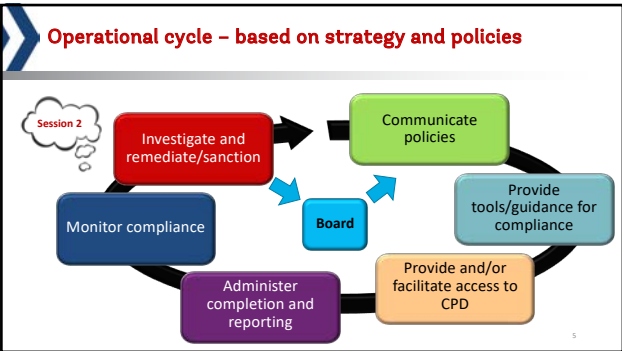


Agenda

- 6 – 1 Member communication, guidance, and tools
- 6 – 2 Planning and administering CPD offerings
- 6 – 3 Monitoring member reporting and compliance
- 6 – 4 Investigating, remediating, and sanctioning non-compliance



4



**6 – 1:
Member communication, guidance,
and tools**

Communication, guidance, and tools Communicate policies

Communicate to members:

- » Clearly explain the requirements and expectations
- » Provide rationale and basis for decisions and changes
- » Explain timelines and transitional allowances (if any)
- » Provide information on opportunities, options, and support
- » Explain monitoring and sanctioning processes
- » Encourage questions/feedbacks and be responsive

7

Communication, guidance, and tools Communicate policies

IES 7 requires IFAC member bodies to:

- » Promote the importance of, and a commitment to, CPD and maintenance of professional competence. (para. 10)

Session 1 **...by for example:**

- » Communicating the value of CPD
- » Promoting the variety of CPD opportunities available
- » Working with employers to emphasize the importance of CPD

8

Communication, guidance, and tools Communicate policies

Communication in support of IES 7 requirements:

- » Ensure that commitment to competence and public interest is communicated to members
- » Tailor communications for different stakeholders:
 - » Members
 - » Firms/Employers
 - » Other CPD partners
 - » Government or Regulators
 - » Public


9

Communication, guidance, and tools

Communicate policies

Activity:
With respect to CPD, what are the key messages to:

Members	
Firms/ Employers	
Other CPD partners	
Government/ Regulators	
Public	

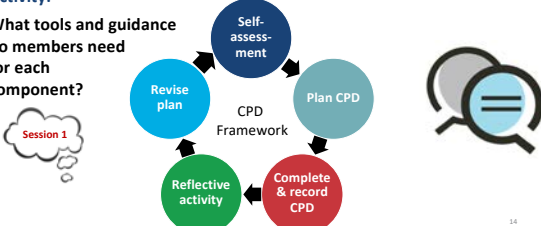



10

Communication, guidance, and tools

Provide tools/guidance for compliance

Activity:
What tools and guidance do members need for each component?

14

6 - 2:
Planning and administering CPD offerings

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Plan upcoming course topics:

- » Criteria for deciding on course topics were covered in Session 3:
 - » Competency Framework/Learning Outcomes
 - » Competency gaps/training needs based on gaps
 - » Balance of technical/non-technical competency areas
 - » Member preferences

Session 3

20

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Plan upcoming course formats:

- » Course formats were discussed in Session 3:
 - » In-person classes
 - » Distance, synchronous (e.g., webinars)
 - » Distance, asynchronous (e.g., audio-only or video classes)

Session 3

Different formats require different levels of funding and different expertise.

21

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Undertake course development:

- » Options for course development were covered in Session 3:

Session 3


Greater independence ← **In-house development and delivery** | **Facilitation of Subject Matter Expert (SME)-owned content** | **Partnering with external providers** → Greater collaboration

22

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Contracting developers/speakers:

- » Verify expertise/check references
- » Ensure the content will be educational, not marketing
- » Review prior feedback, if applicable
- » Make sure contract covers the essentials




23

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Key contract clauses:

- » Specific deliverables, including formats expected
- » Deadlines agreed to (for development)
- » No subcontracting without permission
- » Material must be original (or permissions secured)
- » Fees, expense reimbursement policies
- » Copyright – who owns what? Exclusivity?
- » Confidentiality requirements
- » What happens if session is cancelled?




24

Planning and administering CPD offerings Provide and/or facilitate access to CPD

Plan upcoming session offerings:

- » Plan sessions based on professional “calendar” (e.g., offer public practitioner sessions outside of busy season)
- » Concentrate on Fall/Winter when members are most interested (deadline-driven, if using calendar-year reporting)
- » Negotiate with venues for favourable rates



25

Planning and administering CPD offerings Administer completion and reporting

Host sessions/coordinate access to online offerings:

- » Facilitate registration in advance (online? via phone?)
- » Set policies for cancellations/refunds
- » Arrange logistics with venue (e.g., food/beverage service, equipment needed, parking, etc.)
- » Provide administrative role during course offerings (liaise with venue, coordinate sign-in, breaks, etc.)

26

Planning and administering CPD offerings Administer completion and reporting

Collect feedback and evaluate offerings:


- » Participant feedback should be used to evaluate topics, content, facilitator effectiveness, and event organization and management
- » Evaluations should be compiled and shared with facilitators
- » Caveats with respect to collecting feedback:
 - » Consider number of respondents on surveys – don't overweight
 - » First-hand observation is important
 - » Remember the "eat your vegetables" component for regulators or firm/academic leadership

27

Planning and administering CPD offerings Administer completion and reporting

Support members as they complete and report:

- » Respond to compliance queries
- » Assist with reporting questions




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6 – 3:
Monitoring member compliance

Monitoring member compliance Monitor compliance

Review CPD reports:

- » Address late reporting (reminders etc.)
- » For completed reports filed:
 - » Take sample of the CPD records
 - » Evaluate records and supporting evidence against requirements



30

Monitoring member compliance Monitor compliance

Liaise with Quality Assurance processes:


- » Specific practice/peer review results that indicate failings in competence should result in increased CPD as remedial action
- » General practice/peer review results should inform CPD policies (e.g., common weaknesses could lead to more emphasis in offerings or requirements)

31

Monitoring member compliance Monitor compliance

Activity:

- » What factors should be considered when determining policies for auditing compliance with CPD? (e.g., How does the organization determine who to check and how often?)





33

Monitoring member compliance Monitor compliance

Evaluating CPD records or declarations:

- » Input-based approach: Check compliance with hours requirements (or equivalent) during year and over period, as applicable.
- » Output-based approach: Assess the CPD learning plan, the sufficiency of activities undertaken, and the conclusions with respect to effectiveness in achieving learning outcomes.





34

Monitoring member compliance Monitor compliance

Evidence could include:

- » Course outlines and teaching materials
- » Confirmation of participation by instructor, employer
- » Exams or other assessments
- » Peer review or publication of written works
- » Achievement of a specialist designation
- » Review of work logs verified against competencies
- » Independent practice inspections/review by regulators



35

Monitoring member compliance Monitor compliance

Based on results of review:

- » Categorize for action based on policy:
 - » Administrative process (e.g., for late filing, first follow-up)
 - » Investigations/discipline process for non-response or non-compliance
- » Compile and evaluate statistics on compliance
- » Consider reporting publicly the extent to which members comply


35

6 – 4: Investigating, remediating and sanctioning non-compliance

Investigating, remediating and sanctioning Investigate and remediate/sanction

Investigate as part of the ethics process:

- » First goal is to bring member into compliance as quickly as possible
- » In some situations, remediation/education is the focus
- » In other situations, a more punitive approach is warranted



36

Investigating, remediating and sanctioning Investigate and remediate/sanction

Sanctions used by PAOs include:

- » Reprimand
- » Public naming of members not in compliance
- » Fines
- » Requirement to take prescribed courses
- » Limits on practicing rights
- » Suspension
- » Expulsion/Cancellation of membership




39

Investigating, remediating and sanctioning Investigate and remediate/sanction

Activity:


- » What factors should be considered when determining appropriate sanctions for non-compliance with CPD requirements?



40

Investigating, remediating and sanctioning Investigate and remediate/sanction

Sanctions need to be balanced:

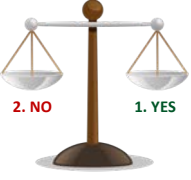


42


Investigating, remediating and sanctioning Investigate and remediate/sanction

Activity:

» Should a member be expelled from membership for refusing to report their CPD activities?



2. NO



1. YES

3. ONLY IF THERE IS EVIDENCE OF INCOMPETENCE

43

Investigating, remediating and sanctioning Investigate and remediate/sanction


Report results to Board and/or Committees:



- » Metrics on CPD offered/facilitated (number of sessions/hours, attendance)
- » Summary of feedback and any notable patterns
- » Financial impact on organization (revenue, profits, etc.)
- » Results of monitoring (sampling method, compliance %, etc.)
- » Ethics cases and results (per normal ethics reporting to board/committee)

44

>>

Grab your clickers!





Assessment question (for points)  

Which of the following statements is TRUE with respect to the operational cycle for CPD?

1. Standardized messages should be used to communicate CPD-related information to all stakeholders.
2. The CPD Framework described in the proposed changes to IES 7 outlines a cycle for which CPD tools and guidance should be considered.
3. Non-compliance with CPD should be dealt with as an administrative process and not as an ethics issue.
4. Results of course evaluations should only be reviewed by management and not shared with other parties.



46

Assessment question (for points)  

You are part of the team auditing CPD reports. As supporting evidence, one report includes an email from a training session instructor confirming the individual's attendance. For what type of CPD system would this provide valid evidence?

1. Input-based
2. Output-based
3. Both input- and output-based
4. Neither input- nor output-based


47

Assessment question (for points)  


A new member failed to complete sufficient CPD activities in their first CPD cycle? Which of the following sanctions would be considered remedial in nature?

1. Suspension from membership
2. A monetary fine
3. A requirement to correct the deficiency within 6 months
4. Public reprimand


48




Learning Outcomes Revisited



Learning Outcomes for this session:




1. Summarize the key activities in the operational cycle for CPD.
2. Explain how CPD compliance is monitored under different measurement approaches.
3. Evaluate the appropriateness of various sanctions for non-compliance.



Questions? Comments?

Thank you!



Session 7: Putting it All Together – Illustrations of Good Practices

Presented by:

Alfred Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Brian Friedrich

Consultant, CFRR, World Bank

Laura Friedrich

Principal, F&F Corporation

Lejla Begtasevic Rudalija

Consultant, CFRR, World Bank

Session 7: Putting it All Together

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia





This session will walk through a variety of international good practice illustrations of CPD from several organizations and across multiple content areas.

Learning Outcomes for this session:




1. Explore good practice ideas for CPD.
2. Evaluate the extent to which these ideas may be useful in the Serbian context.



Agenda


Good practice illustrations in:

- 7 – 1 IES compliance
- 7 – 2 Scope of offerings
- 7 – 3 Course development and partnering
- 7 – 4 Including ethics and professionalism
- 7 – 5 Administration, monitoring, and enforcement



7 – 1:
Good practice illustrations in IES compliance

CPA Canada – Province of Ontario



IES 7 – Current Requirements for PAOs

IES 7 requires IFAC member bodies to:

- » Promote the importance of, and a commitment to, CPD and maintenance of professional competence. (para. 10)

Session 1

...by, for example:

- » Communicating the value of CPD
- » Promoting the variety of CPD opportunities available
- » Working with employers to emphasize the importance of CPD

7

Good practice illustrations in IES compliance

CPA CHARTERED PROFESSIONAL ACCOUNTANTS ONTARIO

CPA Ontario's website – directly on the Home Page:

Questions about CPD Requirements? Get answers in our new Guide

[View the Guide](#)

We are CPA Ontario

We are an educator, thought leader, regulator, advocate and provider. We protect the public interest by ensuring our members meet the highest standards of integrity and expertise. We provide pathways to the profession for aspiring accountants from around the world. And we engage in our community as a responsible corporate citizen.

CPA Australia's "My Capability Plan"

CPA AUSTRALIA

Good practice illustrations in IES compliance

Sample CPD framework:

Self-assessment - identify relevant learning outcomes and current gaps

Plan CPD - to achieve desired learning outcomes

Complete & record CPD

Reflective activity - to assess if learning outcomes were achieved

Revise plan

Session 1

10

Good practice illustrations in IES compliance

CPA Australia offers “My Capability Plan”:

- » A tool to support CPD planning by members
- » Available to anyone
- » Allows you assess your capabilities across a broad range of competence areas
- » Provides recommendations of CPD courses and other resources to move from current level of capability to next level


11

Good practice illustrations in IES compliance

CPA Australia offers “My Capability Plan”:


- » Determine your levels of capability within the four core knowledge areas: **technical**, **business**, **leading self** and **leading others**

12

Good practice illustrations in IES compliance 

Technical: Taxation Financial planning Forensic accounting Financial accounting Audit and assurance Insolvency Management accounting ...	Leading Self: Delivering results Emotional judgement Adaptive mindset Critical thinking Problem solving and innovation Ethical behaviour ...
Business: Risk management Customer focus Regulatory environment Technology Business planning Project Management Commercial and business acumen	Leading Others: Think strategically Lead change Coach and develop for excellence Manage talent Build high-performing teams

13


Good practice illustrations in IES compliance 

You self-assess your capabilities:

Technical	N/A	D	C	P	E
Taxation	•				
Financial planning			•		
Forensic accounting		•			
Financial accounting				•	
Audit and assurance			•		
...					

N/A = Not applicable D = Developing C = Competent
 P = Proficient E = Expert

14


Good practice illustrations in IES compliance 

The tool gives you a map...

Technical	D	C	P	E
Taxation				
Financial planning				
Forensic accounting				
Financial accounting				
Audit and assurance				
...				

N/A = Not applicable D = Developing C = Competent
 P = Proficient E = Expert

15

Good practice illustrations in IES compliance 

... and recommends resources to move you to the next level:

Audit and assurance Current level: "Competent"
Suggested resources for the next level of "Proficient"


Professional development – online learning, workshops, webinars and learning manuals

- » Review engagements (61406056) - Online

Reading - online books & references

- » Lean auditing: driving added value and efficiency in internal audit
- » Independence guide
- » The audit committee handbook

16


Good practice illustrations in IES compliance 


Free CPD offered for members:

CPA Q&A 2018: PD resources tailored for the Corporate/SME, Government/NFP and Public Practice sectors. Read resources each month and complete a short monthly assessment to earn 16.5 CPD hours. (Level = "Competent")

Global Leaders Insights: CPAA partnered with the *World of Business Ideas* to provide access to short videos featuring some of the world's greatest business leaders, thinkers and academics. Earn up to 12 CPD hours (available anywhere, anytime on any device). (Level = "Proficient")

17


 **ICAEW – Output-based CPD**



Output based approach

Institute of Chartered Accountants of England and Wales:

- » No minimum hours or units
- » Members are required to complete **as much development activity as needed** to remain competent in their role(s)
- » ICAEW provides a suggested CPD framework to use in order for members to maintain competence

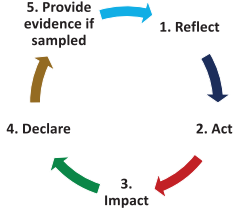



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Output based approach

Institute of Chartered Accountants of England and Wales:

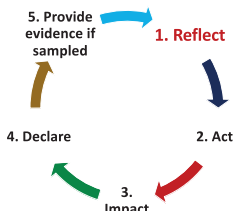

Members are recommended to use the following framework to ensure compliance

20

Output based approach

Institute of Chartered Accountants of England and Wales:





Reflect:
Consider development needs and how to meet them, and create a plan of action. Consider factors such as:

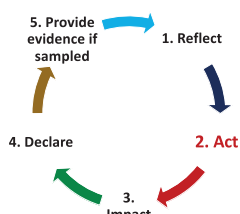
- Expectations of others and yourself?
- Changes affecting you in your role
- Responsibilities for your role
- Business Environment issues
- Knowledge gaps you to be filled

21

Output based approach



Institute of Chartered Accountants of England and Wales:




Act:
Complete activities such as:


- Technical reading/magazines, newspapers and journals
- Learning at work
- Meetings with experts
- Conferences
- Courses/seminars/workshops
- Online learning

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Output based approach



Institute of Chartered Accountants of England and Wales:




Impact:

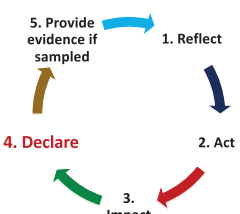
- Evaluate the effectiveness of what you have done.
- Are you satisfied that your actions have enabled you to meet your objectives, or do you need more work in this area?

23

Output based approach



Institute of Chartered Accountants of England and Wales:




Declare:

- Each year you must declare your compliance by making a CPD declaration between 1 November and 31 January.

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Output based approach

Institute of Chartered Accountants of England and Wales:



5. Provide evidence if sampled

1. Reflect

2. Act

3. Impact

4. Declare


Provide evidence:

- Each year, some members are asked to provide evidence
- Members are encouraged to track their CPD online and retain evidence

25

Output based approach

Institute of Chartered Accountants of England and Wales:



5. Provide evidence if sampled

1. Reflect

2. Act

3. Impact

4. Declare



Provide evidence:

- Each year, some members are asked to provide evidence
- Members are encouraged to track their CPD online and retain evidence

Effectiveness will depend on how ICAEW evaluates whether competence is being maintained

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ICAS – Output-based CPD with direct consideration of IES 8

Output-based approach with direct consideration of IESB

Institute of Chartered Accountants of Scotland:

- » No minimum hours or units.
- » Model places the onus on each member to determine needs and how to address them through a variety of CPD activities.
- » Members are asked to focus on the outcome of CPD activities, as opposed to the time spent on them.
- » ICAS provides a suggested CPD framework and record templates to use in order for members to maintain competence.

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Output-based approach

Institute of Chartered Accountants of Scotland:

Members are expected to use the following "professional development process" to ensure compliance

```


    graph TD
      1[1. Define current and future roles] --> 2[2. Decide on training and development needs]
      2 --> 3[3. Identify CPD activities]
      3 --> 4[4. Reflect and record on CPD Record]
      4 --> 5[5. Provide evidence if sampled]
      5 --> 1
  
```

29

How compliance is assessed

- » About 3% of members are audited each year
- » Members selected for monitoring will be asked to show that they have complied with the CPD requirements.
- » The member's CPD record is expected to mirror and document the steps in the professional development process.
- » ICAS checks for a "discernible and reasonable process of professional development in keeping with a member's role and career stage."

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How compliance is assessed – IES 8 


Audit Engagement Partners are expected to:


- » consider IES 8 (Revised), and
- » consider the competencies and learning outcomes in the standard that are required to be (a) attained or (b) updated.
- » Reference the IES 8 Learning Outcomes in their CPD record.

ICAS provides sample CPD records for an experienced audit engagement partner and for an individual working toward partnership

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 **SAICA – Choice of Output-based, input-based or combination CPD model**



Choice of measurement approach 

South African Institute of Chartered Accountants:

- » Members can choose:
 - » Input-based (3 year cycle: 120/60 with 20 minimum per year)
 - » Output-based (Annual cycle: Reflect/plan; Learning action; Evaluation; Declare)
 - » Combination (can change from year to year)
- » Options are well explained to members

33



7 – 2:
Good practice illustrations in scope of offerings



CPAI – Recognizing different learning activities






Recognizing different learning activities





Allows up to 15 hours in a three-year period for each of the following categories – can claim as structured with prior approval from CPAI:

- » Service on technical committees/panels – need to show a definite output and that the committee member contributed original research or other work.
- » Occupational or industry change - major change in type of employment or major changes in job responsibilities that require significant development of new skills
- » Responsibility for major corporate changes - mergers, takeovers, debt/equity issues, major financial re-organisations, research and installation of computer software systems/applications



CPA British Columbia – Providing a range of content and formats






Good practice illustrations in scope of offerings

CPABC offers a broad range of topics, covering the CPA Competency Map:

- » Accounting and assurance
- » Finance
- » Information and business technology
- » People management and personal development
- » Public practice management
- » Strategy, governance, risk and human resources
- » Taxation
- » Wealth management



100+ approved speakers




Good practice illustrations in scope of offerings

CPABC offers a wide variety of in-class sessions:

- » Half-day and full-day in-person seminars
- » Industry-specific mini-conferences
- » Multi-day conferences
- » Certificate programs (Executive Leadership, Strategic management)




~ 1,000 sessions per year!


Good practice illustrations in scope of offerings 

CPABC offers a wide variety of online/mobile formats:

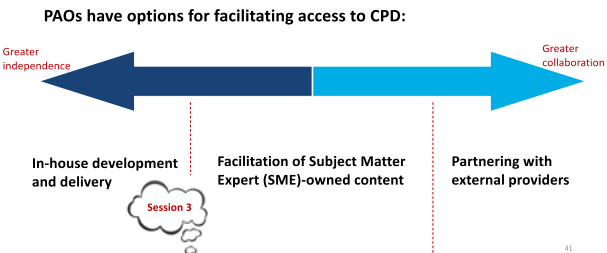
- » Live webinars
- » On-demand webinar replays
- » Interactive on-line courses
- » Audio-only mobile learning



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Options for promoting and providing CPD 

PAOs have options for facilitating access to CPD:



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7 – 3:
Good practice illustrations in course development and partnering



AICPA/NASBA – Published standards for CPD courses





Standards for course development



American Institute of CPAs/NASBA:

- » Standards provide a framework for development, presentation, measurement, and reporting of CPE (CPD) programs
- » Includes responsibilities of the sponsoring group that is creating/offering the CPD and responsibilities of members

44



Standards for course development



Standards for CPD programs include:

- » Programs must be based on Learning Outcomes
- » Experience/pre-requisites must be specified
- » Materials must be current and technically accurate
- » Developers and reviewers must be qualified
- » Requirements for engagement for in-class sessions
- » Requirements for evidence of completion for online courses

45



ACCA – Recognizing programs from employers and other IFAC member bodies





Strong partnering program



ACCA Approved Employer - professional development

- » Employers' learning and development programme is reviewed and pre-approved by ACCA
- » Employees participating in the employer's learning and development programme complete sufficient CPD for ACCA.
- » Employees are required to keep evidence of participation in the programme, and make a CPD declaration to ACCA each year.

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Strong partnering program



ACCA IFAC Body Route

If an ACCA member is also a member of another professional accountancy body, ACCA accepts the other PAO's program, as long as:

- » You're a full member of the other professional accountancy body;
- » The other professional body a member of IFAC; *and*
- » The other body's CPD policy complies with IES 7.

If the answer is 'yes' to all three, you can follow the IFAC body route.

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7 – 4:
Good practice illustrations in including ethics and professionalism



CPA British Columbia – Mandatory ethics requirements






Good practice in ethics and professionalism 


CPAs in Canada have mandatory ethics requirements for IPD and CPD:

- » Ethics is built into each of the professional modules and exams for certification
- » Members are required to complete at least 4 verifiable hours of professional ethics-related CPD in each rolling 3-year cycle

Good practice in ethics and professionalism 

CPAs in Canada have mandatory ethics requirements for IPD and CPD:


- » In British Columbia, after completing all IPD requirements, but before receiving the CPA designation, candidates must complete 21 hours of CPD sessions:
 - » 7 hours ethics and professionalism
 - » 7 hours management skills
 - » 7 hours of leadership or communication



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7 – 5:
Good practice illustrations in administration, monitoring and enforcement

CPA Ontario – Communication and guidance for members; remediation



Communication, guidance, and tools Provide tools/guidance for compliance

Tools and guidance:

Recording tools/guidance such as:

- Template to record CPD activities, including all pertinent information that would be needed if audited
- Online tracking system with easy demo
- Clear information on the amount and type of verifiable evidence required to support CPD

55

Good practice in communication to members

CPA Ontario's CPD Guide (excerpt):

Verifiable CPD Activity	Qualifying Number of Hours	Acceptable Documentation
CONTINUING EDUCATION Participation in a course, webinar, conference or seminar; Enrolment in a formal education program leading to a degree, diploma, certificate, re-certification or designation.	Hours spent attending the course, webinar, conference or seminar; Hours spent preparing or studying for the course, conference, seminar or exam (to a maximum of 5 hours prep time for each hour of participation).	Any one of the following: <ul style="list-style-type: none"> • Certificate of completion or official transcript • Confirmation of participation by provider or employer (e.g. registration confirmation) • Attendance record (e.g. sign-in sheet) • Copy of course payment/invoice

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Good practice in communication to members

CPA Ontario's CPD Guide (excerpt):


Verifiable CPD Activity	Qualifying Number of Hours	Acceptable Documentation
INSTRUCTION/SPEAKING Teaching a course or session in an area relevant to your professional role Participation as a speaker in a conference, briefing session or discussion group	Hours spent preparing for the course/ session (to a maximum of 5 hours for every hour of teaching time)	Copy of course or presentation material from the session including date and speaker details A log of your prep hours (by date)

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Investigating, remediating and sanctioning Investigate and remediate/sanction

Session 6 Investigate as part of the ethics process:

- » First goal is to bring member into compliance as quickly as possible
- » **In some situations, remediation is the focus**
- » In other situations, a more punitive approach is warranted




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Good practice in monitoring and enforcement 


CPA Ontario's CPD Guide (excerpt):
WHAT IF I'M UNABLE TO MEET THE REQUIREMENTS?

1. If you did not complete the minimum annual CPD requirements...you will need to complete the online Plan of Action...which sets out the steps you will take to complete the CPD requirements. This Plan...must provide sufficient detail, including names and providers of any planned learning activities, as well as hours and end dates.
2. Within 120 days of filing the above Plan, you must complete your required CPD and ...attest to the CPD completion. If the Plan is incomplete or the learning activities set out in the Plan are not met within 120 days, your membership may be suspended. You may only submit one Plan of Action during a triennial period.

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**CPA British Columbia –
 Communication to the public
 regarding monitoring and
 enforcement**



Good practice in communication to the public 

**2016 – 2017
Regulatory
Report to
the Public**

Upholding the
highest standards



61

Good practice in communication to the public 


2016-2017 Regulatory Report to the Public – excerpts

“Active members are required to self-report compliance with CPD, and over 98% of CPABC’s members comply with the requirements by the deadline. Those who don’t comply are potentially subject to suspension or cancellation of membership.”

98%



62

Good practice in communication to the public 

2016-2017 Regulatory Report to the Public – excerpts

“CPABC audits a minimum of 1% of CPD required reporters annually. Members who do not comply with the CPD audit process risk being referred to the CPABC investigation and discipline processes, where they could have their membership suspended or cancelled for non-compliance.

During the year ended March 31, 2017

- 118 members have their memberships suspended for CPD non-compliance
- 38 of the suspended members had their memberships cancelled.

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Future Application



Future application

Discussion:

- » What ideas have you seen that you plan to try out in the future?
- » How will you use them in your context?





Learning Outcomes Revisited

Learning Outcomes for this session:



1. Explore good practice ideas for CPD.
2. Evaluate the extent to which these ideas may be useful in the Serbian context.



Questions? Comments?

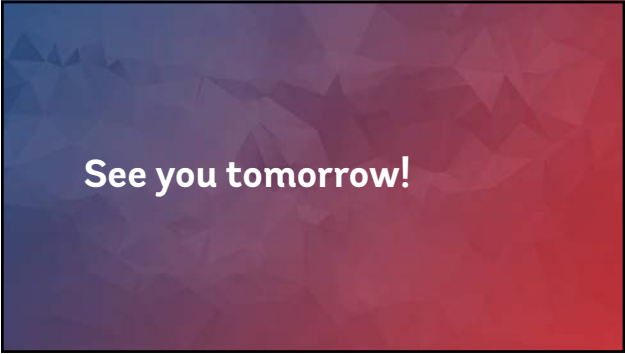
Thank you!



Wrap-up and Closing Remarks for Day 2



*Alfred Borgonovo,
Senior Financial Management Specialist
CFRR, World Bank*



Day 3 Activities and Wrap-up

Presented by:

Alfred Borgonovo

Senior Financial Management Specialist, CFRR, World Bank

Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia

Belgrade, May 16 – 18, 2018



STAR-CFR is financed from the Serbian State Secretariat for Economic Affairs under the Swiss Engagement Contribution.

Day 3 Opening Remarks



*Alfred Borgonovo,
Senior Financial Management Specialist
CFRR, World Bank*

FINAL ACTIVITY – Team Presentations

Belgrade, May 16 – 18, 2018
Training-of-trainers program: Accrediting CPD Trainers of Accountants and Auditors in Serbia



STAR-CFR is financed from the Serbian State Secretariat for Economic Affairs under the Swiss Engagement Contribution.

Learning Outcomes for this session:



1. Develop and present effective and engaging content
2. Review and critique presentations in a professional manner



Procedure for presentations

Each team presents

Maximum 10 minutes each



Other teams review

- Provide (at least):
- one strength
 - one suggestion for improvement

**Group Debrief:
Questions? Comments?**

Thank you!



Closing Remarks



*Alfred Borgonovo,
Senior Financial Management Specialist
CFRR, World Bank*

Thank you!

**Please send comments to:
aborgonovo@worldbank.org**

**Session 5 Slide 57: Prudential ad
“Everybody’s doing it”**

**Training-of-trainers program:
Accrediting CPD Trainers of Accountants and Auditors in Serbia**

Session 5 Slide 57

Prudential ad: “Everybody’s doing it”

Announcer:

The gentleman in the elevator now is a candid star. These folks who are entering – the man with a white shirt, the lady in the trenchcoat, and subsequently one other member of our staff - will face the rear. And you’ll see how this man in the trenchcoat tries to maintain his individuality. But little by little... he looks at his watch but he’s really making an excuse for turning just a little bit more to the wall. <<elevator door closes>>

Now, we try it once again. Here’s the candid subject, here comes the candid camera staff - three of them at least - and this man has apparently been in groups before. <<elevator door closes>>

Now here’s a fellow with his hat on the elevator. First he makes a full turn to the rear and Charlie closes the door. A moment later we’ll open the door – everybody has changed positions. Now we’ll see if we can use group pressure for some good. Now, in a moment, on Charlie’s signal, everybody turns forward. There it is – notice - they take off their hats. And now do you think we could reverse the procedure? Watch.

Session 5 Slide 58: ProDio sample – mobile audio format

**Training-of-trainers program:
Accrediting CPD Trainers of Accountants and Auditors in Serbia**

Session 5 Slide 58

ProDio sample – mobile audio format

Video trailer that explains the mobile learning platform

[Music]

Male 1: Hi and welcome to Lies, Alternative facts and Professional skepticism... so we want to test your ability to distinguish fact from fiction...

Male 2: So let me use my analogy of driving a boat to explain this concept of strategic drift...

Female 1: Let's begin with the way averages are used. Say you work at a manufacturing plant and you're evaluating the purchase of a piece of equipment...

[Music]

Female 2: Introducing ProDio - a new way to earn your professional development credits. Download our free iOS or Android app, and check us out on the web at prodiolearning.com.

**Session 5 Slide 66 and 67: Excerpts from
CPABC course entitled “The Thick Grey
Line”**

**Training-of-trainers program:
Accrediting CPD Trainers of Accountants and Auditors in Serbia**

Session 5 Slide 66 and 67

Excerpts from CPABC course entitled “The Thick Grey Line”

Scenario 2: Meet the Plungers

You, CPA, are the controller for a family-owned plumbing and heating company with 25 employees. Donald Plunger, the original founder, has been reducing his role in the company, and his son Tuy and daughter Lette have assumed most of the responsibilities for the company. As with any owner-managed business, the Plungers are always looking to minimize the company’s tax bill and maximize the overall benefits to the family. You need to ensure the company doesn’t miss opportunities to reduce taxes, but you know you also need to be vigilant in ensuring that all of the transactions put forward are, in fact, legitimate. A number of recent transactions warrant your evaluation.

Consider the following actions. In your professional judgment, which of the following cross the line such that you would resign before allowing them to happen?

Enter “0” on your response device if you believe all of the options are ethical.

1. The company provides mobile phones for each employee. All phones share the same large data plan, and each new phone added to the package bears a nominal fee. Lette has provided her two teenage children with company phones so that they can reach her when she’s working late.
2. The most knowledgeable employee on the team is a plumber and pipefitter who has been with the company 15 years. He lives in a remote area and on weekends sometimes does personal cash jobs for neighbours. He uses supplies out of his work truck when he does so. The Plungers know this and allow it to continue without charging him back for the supplies, because they don’t want to risk losing him to another employer.
3. Tuy’s best friend was laid off from her job, and was a week short of qualifying for government “employment insurance” (EI) benefits. Tuy had the friend added to the company’s payroll for a couple of weeks to allow the friend to qualify for EI. The friend didn’t actually do any work for the company and promised to pay Tuy back for the “wages” received.
4. A friend of the family just built a house, and the company’s employees performed all of the plumbing and pipefitting work. The friend paid cash for the job, which Tuy and Lette split. The job was not recorded by the company.

Scenario 4: Problem clients

You are the newest partner in the local office of a large public accounting firm. After going through a number of client files, you find several issues to discuss with your partners with respect to the business practices of several clients.

Considering the following scenarios, which of the clients would you advocate “firing” on ethical grounds?

Enter “0” on your response device if you believe all of the clients should be retained.

1. Client 1 (audit engagement) is a subsidiary of a multinational organization. The parent company has been found guilty of a massive fraud and the subsidiary’s CEO is now under investigation, but no charges have yet been laid.
2. Client 2 (personal tax engagement) is a pensioner who refuses to allow anyone but white male staff to work on her tax return.
3. Client 3 (corporate tax and assurance engagement) is a local alternative medicine practice in a jurisdiction where marijuana is legal only with a medical permit. The client doesn’t have a medical marijuana license, but you’ve seen a few marijuana plants in the building’s small, enclosed courtyard.
4. Client 4 (financial statement compilation and corporate tax engagement) is a restaurant that admitted to hiring staff “under the table” (paying cash and not withholding or remitting employment taxes and deductions), including hiring individuals without valid Canadian work visas.
5. Client 5 (bookkeeping and preparation of year-end financial statements) is a charity that spends a much higher percentage of donations on administrative expenses than similar charities do, despite your efforts to counsel them on improving efficiency.

The New International Code of Ethics for Professional Accountants

THE NEW INTERNATIONAL CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

**MORE
USER-
FRIENDLY**



- New design
- Completely re-written
- More accessible and digestible
- Easily understandable
- New user guide and glossary

- Increased focus on compliance with fundamental principles
- Includes NOCLAR and Long Association
- Tied more tightly to conceptual framework
- More prominent PAIB and independence provisions

**COMPREHENSIVE,
INTEGRATED
SUITE**



- Enhanced conceptual framework
- Clearer and more robust safeguards
- New section about "pressure"
- Strengthened requirements when preparing or presenting information
- Inducements (coming soon)

**SIGNIFICANT
UP-
GRADES**



**ADDITIONAL
RESOURCES**

www.ethicsboard.org/restructured-code



@Ethics_Board



**EFFECTIVE
DATE**

June 2019

PRINTED HANDBOOK AVAILABLE SEPT. 2018

**FOR ACCOUNTANTS ACROSS THE PROFESSIONAL SPECTRUM—
IN BUSINESS, GOVERNMENT, FIRMS OF ALL SIZES**

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