

# Our common CPD challenges and shared solutions

CFRR team

*6 April 2017, Kyiv, Ukraine*

*National Initiatives For Strengthening Accounting Education*



**CFRR** >>

**Centre for Financial Reporting Reform**



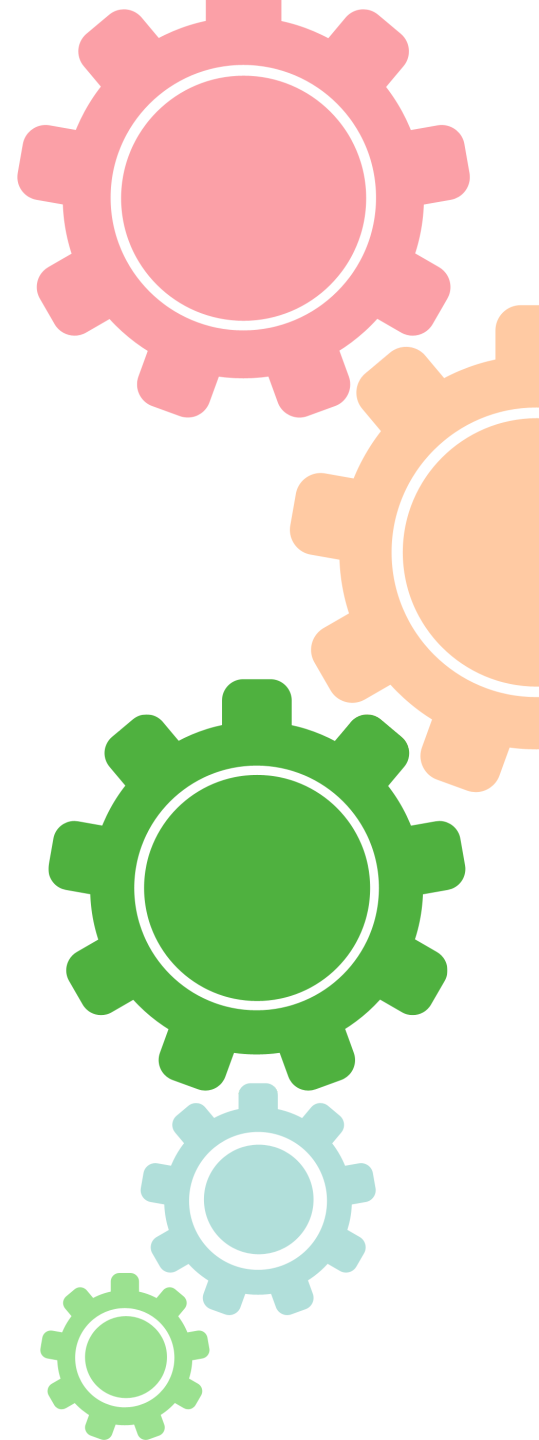
Road to Europe: Program of Accounting Reform and Institutional Strengthening



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# Continuing Professional Development



# Why is CPD important?

- » Develops and maintains professional competence
  - » technical competence
  - » professional skills
- » Builds strong PAOs
- » Strengthens public trust in competence of profession



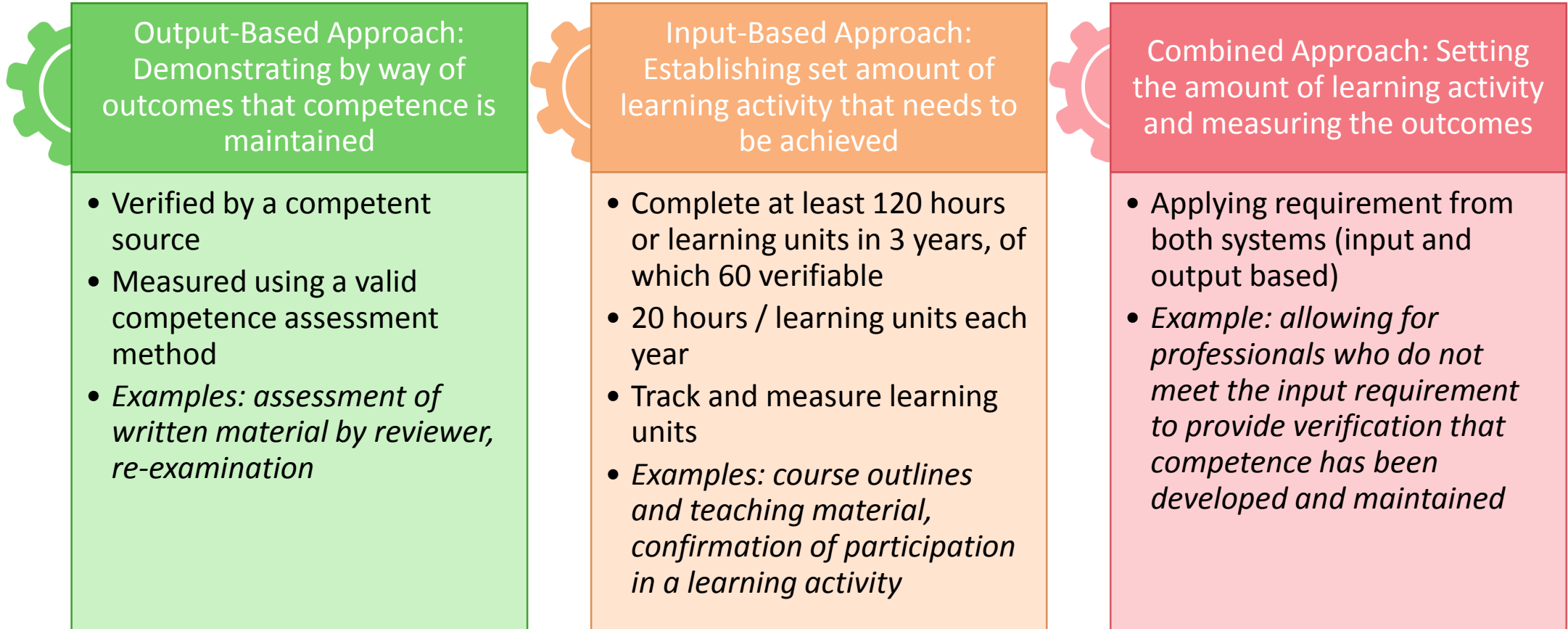
- » The International Accounting Education Standards Board (IAESB) introduced the IES 7 requirements effective 1 January 2014
- » IES 7 requires that IFAC member bodies:
  - » Promote a quality system of CPD
  - » Facilitate access to CPD opportunities and resources
  - » All professional accountants to undertake quality CPD
  - » Establish approach to measure CPD
  - » Establish system to monitor CPD compliance and provide sanctions

## EU Audit Directive

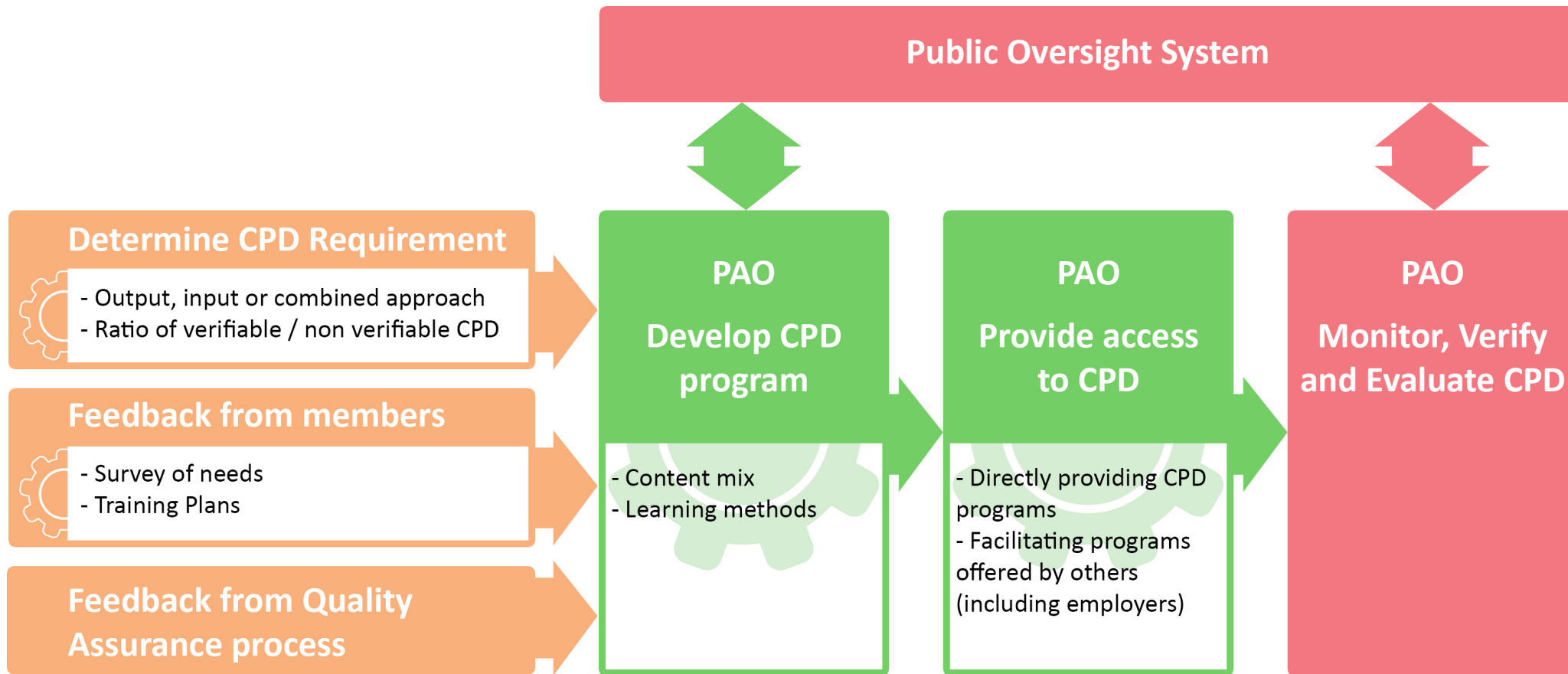
- » Requires statutory auditors to take part in appropriate programs of continuing education in order to maintain:
  - » theoretical knowledge
  - » professional skills
  - » values at a sufficiently high level
- » Non compliance with continuing education requirement is subject to sanctions
- » Public Oversight has ultimate responsibility for the CPD



# Measuring CPD



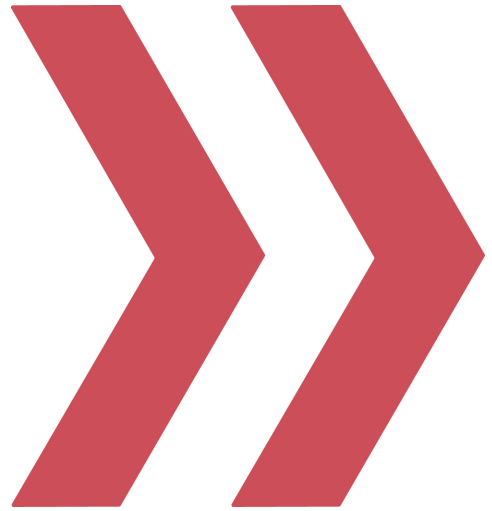
# The CPD Process



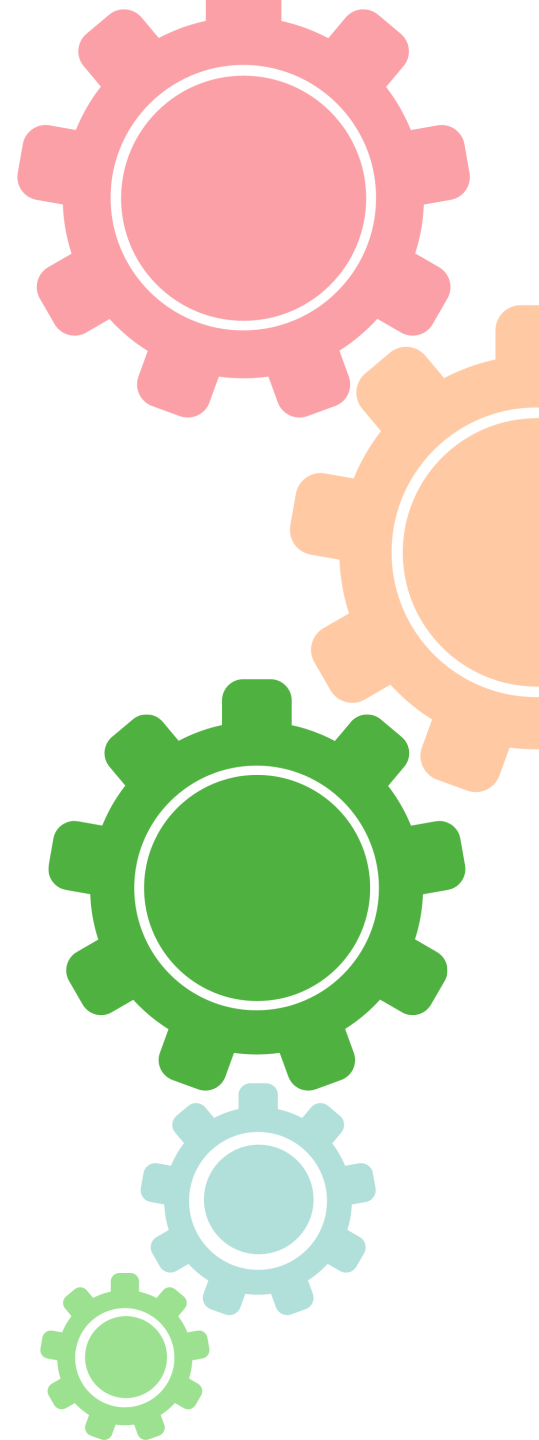
» PAOs are responsible to design and maintain strong CPD system

» POS ensures quality: ex-ante (design / content of CPD) and also ex-post (monitoring)





# Good CPD Practices





# 10 Good CPD practices

## Good CPD practices for professional accountants based on IES 7

# 1 Provide CPD guidance

# 2 Make the CPD requirement flexible

# 3 Facilitate access to, and choice of, CPD offerings

# 4 Use a range of learning methods

# 5 Monitor compliance with CPD

# 6 Evaluate effectiveness and impact of CPD Programs

# 7 Promote CPD tools and resources

# 8 Integrate CPD program and Quality Assurance

# 9 Enforce CPD requirement

# 10 Invest in CPD development



# Good Practice # 1 – Provide CPD guidance

- » Make the CPD requirement as clear as possible
- » Have a CPD policy available to all members
- » Provide templates and guidance how to record CPD activity
- » Provide CPD FAQ section
- » Explain the CPD Verification process



Think Ahead **ACCA**

**A quick guide to Continuing Professional Development (CPD)**


**What is CPD?**  
It is the learning and development that you'll do throughout your ACCA membership. CPD will provide you with the skills that you need to perform your day to day job as well as enhance your employability for the future.  
Most members will follow the **CPD unit route** and need to complete 40 units of CPD annually comprising of:  
• at least 21 units of **verifiable CPD PLUS**  
• a maximum of 19 units to be made up of **non-verifiable CPD**.

**WHAT THIS MEANS**  
Any learning activity can count as **verifiable CPD** when you can answer YES to these three questions:  
1. Was the learning activity relevant to your career?  
2. Can you explain how you applied the learning in the workplace?  
3. Can you provide evidence that you undertook the learning activity?  
Non-verifiable CPD is general learning not related to a specific outcome, or which is difficult to provide evidence for. This can include general reading such as technical journal articles in AB magazine.

**1 UNIT IS THE EQUIVALENT OF 1 HOUR OF LEARNING SO:  
1 UNIT = 1 HOUR**

**Practising members** must also obtain an appropriate proportion of CPD in their chosen specialism. Members holding an ACCA practising certificate and audit qualification must ensure they maintain their competence in audit, even if no audit work is currently being undertaken.

**Who has to do CPD?**  
ALL ACCA members who are not on the retired register need to complete CPD on an annual basis. However you may fall into one of the following groups where the CPD requirements are different:  
• approved employer route  
• part-time or semi-retired unit route  
• IFAC body route  
• being eligible for a CPD waiver.  
For more information on the route you should follow or if you may be eligible for a CPD waiver, please visit [www.accaglobal.com/cpd](http://www.accaglobal.com/cpd)



## DEVELOPMENT (CPD)

### QUICK GUIDE

**CPD APPLIES TO ALL MEMBERS**  
Members who:  
• do any accountancy-related work (paid or unpaid);  
• do any other work for reward;  
• act as a trustee or corporate director or who perform any role which carries with it similar financial/legal responsibilities;  
• plan to undertake any of the above activities in the future.  
will need to consider the amount and type of CPD activity appropriate to remain competent in their role(s).

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**REQUIREMENTS**  
As a member you are required to complete the following two activities:

**1 THE ANNUAL DECLARATION**  
All members, including retired members must declare to ICAEW annually their CPD status. We will ask you to declare this in the Members' Profile you receive each November, and you will be required to make your declaration before 31 January each year. Please read the guidance notes within the declaration carefully before declaring. Your declaration does not require the submission of your CPD records, it is just notifying ICAEW of your status for the preceding 12 months.  
Your declaration can be completed by signing and returning the annual members' profile, or online at [icaweb.com/declare](http://icaweb.com/declare). Failure to make your declaration may result in disciplinary action.  
Retired and life members are still required to make an annual declaration of their CPD status. Advising us through this declaration that you meet exemption criteria annually only confirms that you have assessed you are exempt from undertaking CPD activity.  
Please read the declaration carefully for more information on exemption criteria or visit [icaweb.com/cpd](http://icaweb.com/cpd)

**2 COMPLETE ANY REQUIRED CPD ACTIVITY**  
On an ongoing basis, and using your professional judgement, you should:

**REFLECT**  
• reflect on the knowledge and skills required for your role(s);  
• consider your responsibilities and the expectations placed upon you;  
• identify your learning and development needs; these should be relevant to your role(s) and your future career development; they may include technical knowledge, business awareness, IT skills and 'soft' skills such as negotiation, time management, team leadership skills.

**ACT**  
• when appropriate, take action (reading, online research, focused discussion, courses, etc) to keep up to date and remain fully competent.

**IMPACT**  
• assess the effectiveness of these activities (how the learning has made you more competent and effective, what you can do now which you couldn't do before) and consider whether your learning and development objectives have been met.

**HOW MUCH CPD?**  
**WHAT TYPES OF ACTIVITY?**  
You are the best judge of how much CPD you need to do and which activities will be most beneficial in meeting your learning and development needs. CPD should be proportionate and relevant to your role; there is no need to keep up to date with areas of accountancy which are not directly relevant to your role. Your CPD can include, for example, focused discussion with colleagues, online research, reading, study of regulations and standards, researching a particular type of issue related to your role, and researching legislation applicable to your role. There is no requirement to achieve a certain number of hours or points, and the notion of structured and unstructured activities no longer exists. There is no requirement to attend a certain number of courses or seminars. There may be periods when, having reflected, you quite reasonably conclude that you already have all the current skills and knowledge necessary for your work and that you do not need to undertake any further CPD activity at that moment.

**PROVIDING EVIDENCE**  
ICAEW randomly select members for review on an annual basis. If you are asked for evidence, you will need to show how you have complied.  
Your CPD evidence will need to mirror the steps described above, and further information will be provided in the request letter.  
How you record your evidence is up to you, but you will need to demonstrate the three steps of reflect, act and impact. You can record evidence using ICAEW's record form or you can keep your CPD details in Word or Excel and upload them to [icaweb.com/cpd](http://icaweb.com/cpd)

**CONTACT US:**  
E [cpd@icaweb.com](mailto:cpd@icaweb.com)  
T +44(0)1908 248 250  
[icaweb.com/cpd](http://icaweb.com/cpd)

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## Good Practice # 2 – Make the CPD requirement flexible

- » Both structured/verifiable and unstructured/unverifiable CPD should be admissible.
- » The structured/verifiable CPD should be a greater component of the overall CPD requirement
- » Structured CPD has:
  - » A specified learning outcome
  - » A means by which the learning can be measured
  - » A minimum duration of 30 minutes
  - » Relevant to role and adds to individual knowledge or skills
- » Fewer requirements need to be met for Unstructured CPD:
  - » Relevant to role and adds to individual knowledge or skills



# Examples



## Structured / Verifiable

- Studying for a suitable qualification
- Attending training, workshop or seminar
- e-learning or an online test
- Delivering training to others (where not normally part of an individual's role)
- Writing/researching a report



## Unstructured / Unverifiable

- Other reading where no test or reflection on the knowledge developed is carried out
- Attending a large event / exhibition where no participation is required or measure of knowledge developed is available

## Good Practice # 3 – Facilitate access to, and choice of, CPD offerings

- » Access to CPD can be achieved by:
  - » Directly providing CPD programs
  - » Facilitating programs offered by others
- » Access can increase if CPD programs by other firms (employers), training providers and third parties are recognized:
  - » Many firms have sophisticated staff training, competence records and development schemes in place which already capture the CPD requirement
- » Recognized programs should be published (e.g. the PAO website)
  - » The PAO should reserve the right to periodically monitor individual courses

## Good Practice # 4 – Use a range of learning methods

- » Studying for additional suitable qualification (provide list of acceptable ones)
- » Attending a training workshop or seminar
- » E-learning
- » Delivering training to others
- » Undertaking research / Writing a report
- » Reading or watching videos or webinars
- » Attending professional briefings
- » Coaching and Mentoring
- » On the job training

## Good Practice # 5 – Monitor compliance with CPD

- » Require members to provide an annual declaration confirming compliance with the CPD requirement
- » Perform an annual “audit” (say 10%) of individuals who make a declaration confirming their adherence to CPD
- » Auditing verifies that the CPD claimed by an individual:
  - » Meets the requirement for number of hours of CPD activity undertaken
  - » Is supported by an explanation of why the individual deems the CPD activity to be relevant to their role
  - » Is supported by tangible evidence that the CPD activity has been undertaken and learning outcomes documented



## Good Practice # 6 – Evaluate effectiveness and impact of CPD Programs

- » Regularly obtain feedback on quality of CPD trainers, CPD courses and programs
- » Use feedback to develop future CPD programs
- » Analyze if CPD sessions provide value to professionals and are sufficiently challenging
- » Periodically test knowledge to determine effectiveness of CPD learning (e-learning sessions may be effective means to achieve this)



## Good Practice # 7 – Promote CPD tools and resources

- » Promote a choice of programs to accommodate more experienced vs less experienced professional profiles as well as various sectors of the profession (e.g. practice vs accountant in business)
- » Provide tools to help professionals plan relevant CPD:
  - » Competency maps - List of competences for certain roles or sectors of the profession
  - » Learning plan templates - Professionals can use the templates to identify learning and development needs and how to close the gaps



## Good Practice # 8 – Integrate CPD Programs and Quality Assurance

- » Quality Assurance Reviews (QAR) are largely detective, an Integrated CPD/QAR system enables prevention
- » Feedback QAR findings in CPD programs
- » Have QAR teams present areas of frequent findings at CPDs
- » Select target audience identified during QAR that needs to receive specific CPD (e.g. working in specialist areas)
- » More rigorous monitoring of CPD requirement for those professionals who have greatest responsibility to the public during QAR

## Good Practice # 9 – Enforce CPD Requirements

- » Report to responsible oversight body members that have complied with the CPD requirement and members that have not
- » Send reminders to members who have not complied
- » Offer alternative CPD routes for various members (e.g. “ACCA approved employer route” and “IFAC member body route”)
- » Link meeting CPD requirement with license to practice

# Good Practice # 10 – Invest in CPD development

## » Invest in CPD Content:

- » Ethics should form mandatory part of the CPD
- » Balance core technical content with business content and softer skills
- » Develop specialized sessions

## » Invest in CPD Delivery:

- » Good speakers and current topics
- » Challenge the audience
- » Invest and develop CPD trainers

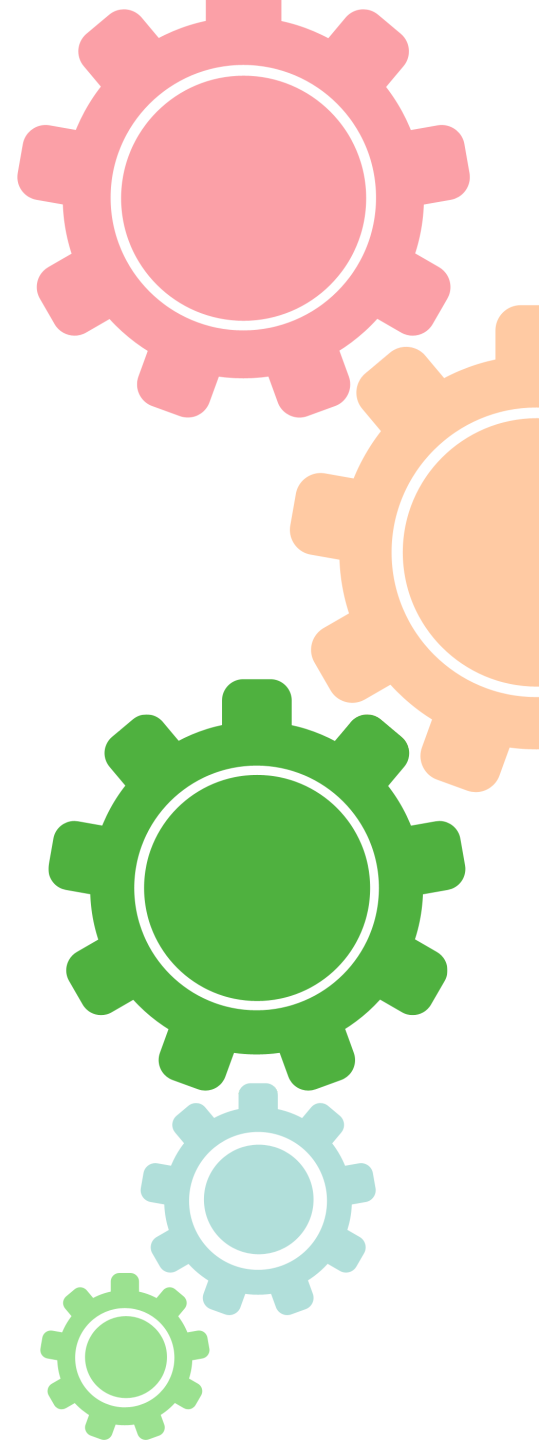
## » Use technology:

- » Good way to keep costs low
- » Access more members





# CPD Survey - Summary



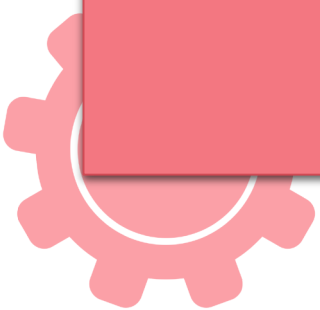
# CPD Survey

- » A survey of participants was conducted by the CFRR in 2015
  - » Almost everybody responded (92% response rate)
- » Based on the survey findings, good practices and challenges are considered for the following:
  - » CPD Requirement
  - » CPD Content
  - » CPD Access
  - » CPD Delivery
  - » CPD Monitoring, verification and evaluation
- » Proposed improvements and your feedback are also discussed
- » Finally, we looked at the PAO websites

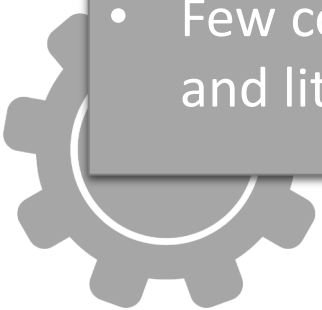


# CPD Requirement

## Good Practices:

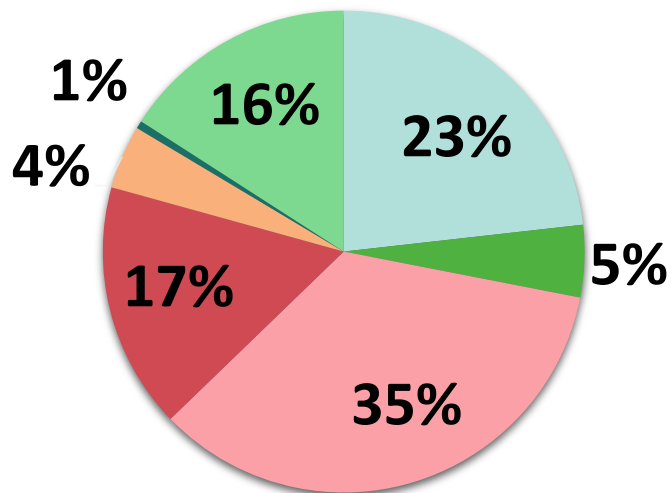
- Learning units required are consistent with IES 7
  - In most cases a input-based measurement approach is adopted
  - With a few exceptions, verifiable/unverifiable and structured/unstructured CPD is permissible
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## Issues:

- Output based measurement makes a clearer identification to competences achieved
  - In most cases CPD requirement is imposed by Law with a few exceptions whereby the PAO impose the requirement
  - Often maximum threshold determined by IAS 7 of up to 50% of unverifiable CPD units is utilized
  - Few consider subscribing to PAO journals and literature as unstructured CPD
- 

# CPD Content

## CPD hours per technical subject



- ISA
- Ethics
- IFRS / Accounting
- Tax
- Public Sector Accounting
- Quality control
- Other

## Good Practices:

- Good mix of technical content
- Other content includes relevant topics such as regulation update, AML and fraud prevention
- In most cases post event survey and feedback used to improve future CPD

## Issues:


- Few CPD programs cover quality control aspects
- Some programs covered ethics
- No offer of softer skills training (leadership, strategy, communication skills, staff development)
- No choice of programs or courses
- No specialized programs offered






## CPD Access

### Good Practices:

- Regional cooperation via bilateral agreements for mutual recognition of CPD agreements are emerging
  - Some PAOs have CPD recognition agreements with Global PAOs (such as ACCA)
  - Non practitioners and non members are allowed to attend
- 

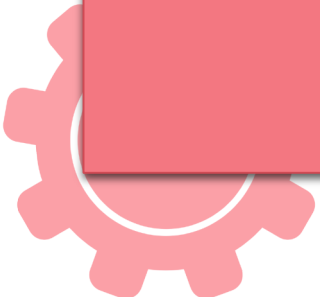
### Issues:

- Some country PAOs are the sole provider of CPD
  - CPD available only 2-3 times per year which makes access less flexible
  - Very few PAOs recognize on the job training provided by employers
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# CPD Delivery

## Good Practices:

- CPD outsourced by PAO to international accountancy firm
  - Classroom based learning allows for dynamic Q&A and personal interaction among professionals
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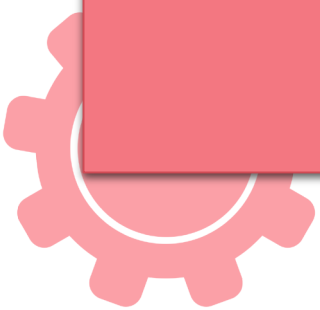
## Issues:

- Requirements for CPD trainers are not prescribed
  - Traditional teaching methods dominate and there is very little web-based learning
  - ISA CPD often lacks practical training component
  - Difficulty to access materials in local language and recognized experts
- 




# CPD Monitoring, Verifying and Evaluation

## Good Practices:

- CPD compliance linked to licensing in most countries
  - Most PAOs perform verification for each member individually permitted by smaller membership size
- 

## Issues:

- Requirement to complete members declarations of compliance with CPD not in place everywhere
  - More Public Oversight involvement in needed CPD matters
  - Require some form of test of knowledge gained through CPD – only one PAO requires a periodical test (every 3-5 years) for all members
  - Provide annual testing for members who did not meet audit requirement or dormant members returning to practice
- 

# Proposed improvements and feedback

## CPD Content:

- Introduce courses on topics such as soft skills and IT knowledge
- Teach more ethics and develop ethical case studies as a means of teaching
- Allow some choice in topics
- Introduce more quality assurance training and more on findings of QAR
- Develop separate training for advanced and more junior professionals
- Focused training for smaller groups
- Improve relevance of topics to members: make efforts that CPD is seen as need not an obligation

## CPD Delivery:

- More events sponsored by international accounting firms
- Introduce online teaching and webinars
- Practical training and case studies – using software as a teaching tool
- Find appropriate access to recognized international speakers
- Build the training tools and texts books
- Create a regional team of ISA trainers


## CPD Process:

- Introduce output based measurement approach
- ### CPD Monitoring, Verification and Evaluation:
- Amendments to legislation
  - Improve monitoring by requiring members declarations of compliance with CPD
  - Introduce annual test of knowledge content covered at CPD
  - Require a special test for members who did not meet CPD requirement




# Websites

## Good Practices:

- Publish CPD Policy
  - In one case CPD archive was available – short description of training events, presentations and CPD plan was publically available – however not all information was current
  - FAQ section
  - Link to international sources
- 

## Issues:

- No CPD section and/or visible tab
  - No members section
  - Lots of information about training offered, upcoming seminars, literature announcements but no clear link to CPD learning units and requirements
  - In most cases CPD program not available
  - Auditors sections poor in content – provides very little value to members
- 



**Discussion & Q&A...**

