



The Maturity Model in Action

CONTINUING PROFESSIONAL DEVELOPMENT



Toolkit

Guidance Series
for the development of
Professional Accountancy Organisations

CAPA CPD Toolkit

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CAPA CPD Toolkit

1. About the CPD Toolkit

The CAPA Continuing Professional Development (CPD) Toolkit has been prepared as part of a larger project, a *Program to Strengthen Accounting Capacity in Mongolia, the Philippines and Vietnam by improving the Continuing Professional Development (CPD) Systems*.

Commenced in early 2014, the project was funded by the World Bank and implemented by the Confederation of Asian and Pacific Accountants (CAPA) with the assistance of a joint venture between Accounting & Audit Reform Consultants Ltd (AARC) and the Association of Chartered Certified Accountants (ACCA). The project resulted in the development of a CPD Systems Toolkit (“the toolkit”) and a CAPA CPD Guide¹ as part the Maturity Model™ PAO development guidance series.

The guide provides a general analysis of the “why”, “what” and “how” of CPD. The toolkit is a “better practice” tool for the design and implementation of effective CPD systems. It has been developed to allow PAOs to both assess and improve their CPD systems.

The toolkit has been implemented by the Mongolian Institute of Certified Public Accountants, the Philippines Institute of Certified Public Accountants and the Vietnam Association of Certified Public Accountants. The guide, the toolkit and the associated training video have been made possible due to the ongoing support of the World Bank and the involvement and contributions of these three professional accountancy organisations.

2. Scope of CPD

CPD is learning and development that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. The core activities for CPD according to international benchmarks, can be summarized as follows:

- promote the importance of, and a commitment to, CPD and maintenance of professional competence;
- facilitate access to CPD opportunities and resources;
- require mandatory CPD for all professional accountants;
- establish a preferred approach to measurement of CPD activities; and,
- establish a systematic process to monitor and enforce compliance with CPD requirements

The core activities for CPD that Professional Accountancy Organisations (PAOs) normally undertake, or can undertake, are considered in the toolkit. PAOs at different stages of development are considered in order to help to understand varying needs and to assist in the preparation of a comprehensive guide and materials.

The International Education Standards (IESs) express the benchmarks that IFAC members are expected to meet in the preparation and continual development of professional accountants and auditors. They establish the essential elements of the content and process of education and development at a level that is aimed at gaining international recognition, acceptance and application. In this toolkit and in the guide the IESs are considered benchmarks for good practice, irrespective of the division of roles and responsibilities between standard setters, regulators and institutions of the accountancy profession.

¹ **The Maturity Model™ in Action – Continuing Professional Development** | PDF version | 32 pages-
<http://www.capa.com.my/maturity-model-guidance-series-cpd/>

CAPA CPD Toolkit

3. Purpose of the toolkit

The purpose of the toolkit is to develop the capacity of the accounting profession in selected countries through a program aimed at improving CPD systems of national PAOs. The purpose is achieved through this toolkit by assisting PAOs at various stages of development to assess and understand CPD systems, to review practice in other regional and global PAO's, to select sustainable priorities and to translate these into an actionable and timed plan and to access templates to assist in building CPD systems.

The content of the toolkit is in large part determined by the guidance in International Education standard 7 (IES 7), *Continuing Professional Development*, with attention for different approaches to adoption of standards and implementation that reflect local circumstances. The toolkit consists of distinct modules, each dealing with specific key components of CPD systems. Going through the content of each module will assist a PAO to understand requirements and benchmarks, evaluate its own present position, and decide on action plans if applicable.

The modular structure of the toolkit makes it possible to select topics without the need to consider all the material.



Separate modules cover different aspects of a CPD system. For all modules, applicable requirements and benchmarks are identified. Each theme-specific module includes practical guidance, e.g., good practice guidelines; short case studies of how PAOs with different characteristics have dealt with this issue and practical advice on how to overcome common challenges. To achieve clarity and ease of access for the users of the toolkit the same structure is followed for all modules.

THE ATTRIBUTE TABLES

Continuing Professional Development (CPD) - Maintaining and enhancing member competencies to enable delivery of high-quality services to business, government and the public.

Aspect	1	2	3	4	5
Policy	No CPD system	CPD is voluntary	CPD policy established Policy not monitored Active promotion of CPD and its importance	Policy monitored	Policy monitored and non-compliance addressed via investigation and discipline
Staffing and oversight	Volunteer-led and sponsored	Limited staff focus	Specific staff focus	Dedicated staff established CPD committee involvement	Comprehensive reporting to board or council
Programs and delivery	Limited and ad hoc training courses Volunteer trainers	Informal planning and delivery of training program Program influenced by supply and not demand Training materials accessed from other PAOs Quality of training inconsistent and not measured Courses generally provided for free or nominal amount	Reasonable training program established Links established with universities and other training suppliers Some regular, competent presenters identified Course fees generally charged	Comprehensive training program Pool of competent trainers identified	Dynamic program: topics regularly evaluated and prioritised Trainer accreditation requirements implemented Online CPD to support extensive program Learning outcomes verified and measured
SMO compliance ³⁴	Not active	Considering how to address the requirements of SMO 2	Has a defined plan to address the requirements of SMO 2	Executing and implementing the requirements of SMO 2	Ongoing commitment to continuous improvement in addressing requirements of SMO 2

General attributes that define good practice characteristics are discussed in the CAPA Maturity Model for the Development of Professional Accountancy Organisations. The model consists of sixteen key success areas (KSA) in four groups: sustainability, relevance, professionalism and member value. The KSAs provide benchmarks for improving CPD systems of national PAOs. The CAPA Attribute Table for CPD to support member competency is included here to illustrate the methodology.

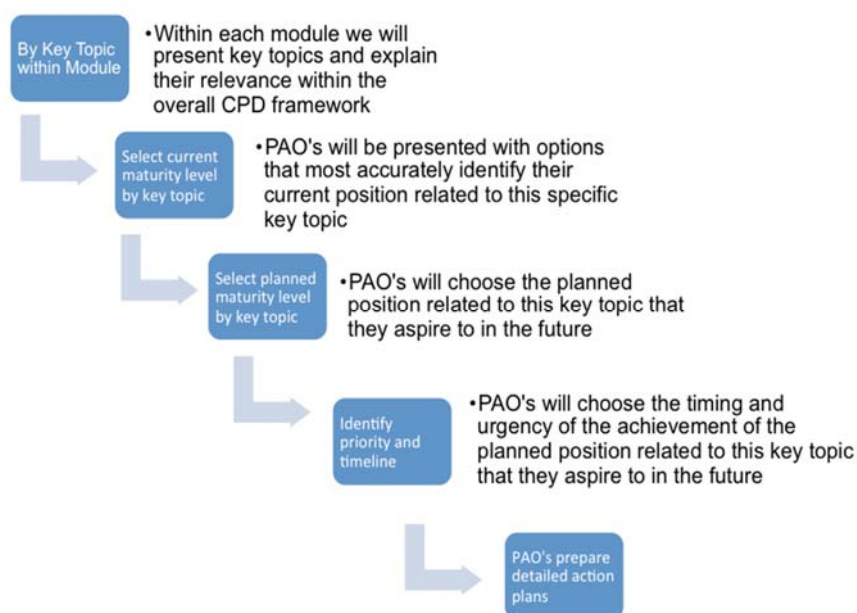
In the toolkit reference is made to other resources, including two publications by IFAC: *Guide to Establishing and Developing a Professional Accountancy Body*, and *Tools and Resources to Support the Development of the Accounting Profession*.

The purpose of the toolkit is to assist PAO's to enhance their CPD programs.

Therefore the toolkit will ultimately lead the PAO to develop a plan of action that should identify practice as it is and to set out the objective of what level of practice the PAO would like to achieve in the future. This should be at the level of the individual key topics identified within each module of the overall toolkit. In order to achieve this we must identify the characteristics of good practice within each key topic. The general attributes that define good practice characteristics are discussed in the CAPA Maturity Model for the Development of Professional Accountancy Organizations

Applying this methodology the toolkit will assist PAO's to identify maturity levels for the PAO at the level of each key topic within each individual module.

Thus the toolkit will create a highly detailed assessment of the current maturity level of the PAO within the CPD function and will assist the PAO to choose specific objectives that can feed into an action plan with prioritisation and timelines – refer to the basic steps from the application as they would apply to any modules.



CAPA CPD Toolkit

STEP 1 | Understand CPD Systems

4. The Five Modules

Module 1 (M1): Market Assessment

M1, Market Assessment, is designed to help a PAO consider factors that will influence the development of a CPD strategy, such as the regulatory environment, the PAO's member demographic position and other entities providing CPD in the market.

Purpose

The promotion of CPD is an important responsibility of PAOs that want to achieve international comparability and recognition. In order to develop their CPD systems PAOs need to understand the regulatory environment in which they operate and need to consider their market strategy. Module 1 covers factors that influence CPD policy and delivery within the market of the PAO. The influence of the legal system on CPD is considered, as well as the position of the PAO and the present regulation of CPD. Specific attention is given to the development of a market strategy and the potential influence of local market conditions. Examples are given from countries with different legal systems and economic background. The module will assist PAOs to adapt their CPD strategy to the regulatory environment and market conditions they operate in.

Guidance

According to IES 7 it is the responsibility of the professional accountant to develop and maintain professional competence by undertaking relevant CPD activities. The role of PAOs is threefold:

- foster a commitment to lifelong learning
- facilitate access to CPD opportunities and resources, and
- adopt requirements for CPD.

Countries around the world have different systems of CPD. In SMO 2 IFAC makes a distinction between a PAO that is responsible for CPD, and a PAO that is not responsible. In the first case compliance with IES 7 is required; in the second case the PAO should use its best endeavours to ensure compliance. In the CPD Toolkit all requirements of IES 7 and other applicable regulation, whether at present mandatory or not, whether under the responsibility of the PAO or not, are treated as equally relevant. The reason is that in global financial systems comparability of the professional competence of accountants and auditors has become increasingly important. IES 7 on CPD provides all PAOs with an internationally accepted benchmark.

The objective of *MOSAIC, the PAO Global Development Report*², is to increase the capacity of PAOs. Ten key areas of focus for PAO development are identified. Area 5, Develop PAO Education and Certification Capacity, includes CPD and is of specific interest for the toolkit. Legal and/or market recognition is an important characteristic of any PAO that wants to consider and develop its CPD system. Levels of maturity are defined in the *CAPA Maturity Model for the Development of Professional Accountancy Organisations*. In the toolkit they are used as benchmarks to identify the present position of the PAO and targets for the development of its CPD strategy.

References

- IAESB, IES 7, Continuing Professional Development
- IFAC, Statements of Membership Obligations, SMO 2, International Education Standards
- CAPA Maturity Model for the Development of Professional Accountancy Organizations
- MOSAIC, PAO Global Development Report

² **PAO Global Development Report – MOSAIC** | PDF version | 134 pages - <https://www.ifac.org/knowledge-gateway/developing-accountancy-profession/publications/professional-accountancy-organization-global-development-report>

M1 Key Topic 1: Regulatory Environment

The main function according to MOSAIC of all professional organizations, whether they represent the medical, engineering or accountancy fields, is to further the knowledge, skills, and abilities of aspiring professionals and to ensure up-to-date knowledge among those currently in practice. One of the Key Areas of Focus for MOSAIC is to develop PAO education and certification capacity, of which CPD is an important element. The CAPA CPD Toolkit addresses development of capacity for CPD. Scope of and possibilities for CPD activities of a PAO are influenced or maybe even determined by the regulatory environment in which the PAO operates.

Throughout the toolkit case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate how selected PAOs have dealt with the subject. To enhance comparability each case study starts with a brief country fact file and with information about the accounting and audit profession. Information of the country includes economic position, legal system, business language and country affiliations.

PAO information includes recognition of the PAO as a regulatory and a disciplinary body, applicable CPD regulation, IFAC membership and affiliations.

Aspects for the regulatory environment that are considered in Module 1 of the toolkit are:

- **M1 KT1 Aspect 1: PAO characteristics**
- **M1 KT1 Aspect 2: PAO regulation**
- **M1 KT1 Aspect 3: CPD requirements**

The role of a PAO for CPD as identified in IES 7 covers the following activities:

- Promote the importance of CPD
- Facilitate access to CPD
- Require all professional accountants to undertake mandatory CPD
- Establish a system for monitoring and enforcement of CPD

The CAPA Maturity Model™ is created to help PAOs undertake an organisational self-assessment and identify opportunities for development and improvement. For a PAO to successfully implement CPD activities it should have achieved a certain level of organisational maturity.



For a successful start of CPD implementation at least informal practice should have been achieved with a group of committed experts working for the development of the accountancy profession. Considering market needs is a first step towards good practice.

Recognition by peer organisations and market stakeholders is part of the next level. IFAC membership or associate membership is an important indicator as an external recognition of PAO commitment to the public interest and the adoption and implementation of applicable international standards. For the CPD Toolkit focus is on the requirements and guidance of IES 7.

A specific part of the maturity level achieved by a PAO is its regulation. For the CPD Toolkit the primary distinction is that between informal, good and strong practice, defined as follows:

- Limited engagement with government and/or regulatory authorities (informal)
- Formal government recognition and collaboration with government and/or regulatory authorities (good)
- Statutory recognition in legislation and/or charter (strong)

It may take a long time for a new or developing PAO to achieve formal or statutory recognition. Past experience with PAOs that have now achieved a high level of maturity has shown that recognition was often based on achievements of the PAO as a voluntary body with its own bye-laws and internal regulation agreed with its members.

It is relevant for a PAO to consider its present level of CPD requirements before it starts a development project aimed at international standards and benchmarks for international comparability. Starting with informal practice four levels can be distinguished:

- CPD is voluntary
- CPD policy is consistent with IES 7
- CPD policy is monitored
- CPD policy is monitored and non-compliance is addressed

When working on CPD development a PAO should consider present and possible future regulation of CPD in the context of PAO regulation. Cooperation with the regulator is important to achieve compliance with requirements for mandatory CPD.

M1 Key Topic 2: Strategic Analysis

According to MOSAIC currently many PAOs lack a coherent operating model that directs the organisational, financial, technical, and overall development of their organization, defines key activities, and provides indicators to facilitate measurement of progress. CPD for a number of reasons is certainly one of the areas that needs consideration. Not only has a PAO a responsibility for ongoing professional quality that it shares with its members, a PAO is or should become a center of expertise on professional developments. In making this expertise available the PAO contributes to the maintenance of professional competences of its members.

In the CAPA Maturity Model legal and market recognition is considered to be the basis upon which the PAO exists and which establishes a clear mandate for it to operate. Actively working to meet market needs is one of the criteria for good practice, with CPD as a requirement for ongoing membership. It can be concluded that to meet expectations a PAO needs to consider its market for CPD and devise a strategy for meeting the demand for CPD in this market.

The market demand for CPD will arise from several sources including:

- Legal requirements
- Requirements set by the PAO itself
- The number of members and the fields they work in
- The gross demand this generates for CPD and how this is to be delivered taking into account external providers of CPD

In response to these demands a PAO needs to devise strategy which will satisfy this demand.

The usual topics to be considered include:

- Vision and values
- Objectives and priorities
- Allocation of resources
- Capabilities/People/Finance/Resources
- Action/Timetable/Responsibilities

Aspects for the strategic analysis that are considered in Module 1 of the toolkit are:

- **M1 KT2 Aspect 1: Market conditions for CPD**
- **M1 KT2 Aspect 2: Market strategy for CPD**

A PAO that engages in CPD needs to consider the following issues in its market environment:

- **Legal position**
What, if any, are the legal requirements for CPD? What is the PAO's own legal status, can it set CPD requirements or are these set by others e.g. the government or government agencies? Can the PAO enforce CPD requirements or are these enforced by others?
- **Size and function of the PAO**
What is the size and function of the PAO, how many members does it have, are these in public practice, industry and commerce, government or education?
- **Demand for CPD**
How much demand does this generate for CPD and how is this demand met? Are there other providers in the market?
- **Market**
What is the market appetite for different types of learning? Do members prefer face-to-face classroom events? Is e-learning growing in appeal?
- **Coaching**
What about coaching organised by the PAO, employers or other CPD providers?

As with all of a PAO's operations, CPD requires its own business planning and management.

- **Vision and values**
A PAO needs to agree its own vision and values in regard to CPD. For instance, the overall vision in regard to CPD may be to maintain and enhance member competences to enable delivery of high-quality services to business, government and the public. One key value may be to facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence in order to help them develop in their careers.
- **Outcomes**
As with the other parts of its operations a PAO needs to set objectives for its CPD programme. For instance does it intend to break even, make a surplus or subsidise CPD for its members? Does it intend to market CPD to non-members as well, possibly at premium rates? If it has limited capacity does it intend to work with partners (other professional bodies, universities, commercial training providers) to facilitate access to CPD?

In allocating resources, a PAO needs to prioritise CPD. For instance, in terms of staff resources, office accommodation, IT time, and timetabling.

A PAO needs to set and monitor performance indicators for its CPD program e.g. in terms of the number of courses offered, the (average) number of delegates attending, costs and income and customer satisfaction.

- **Capabilities**
A PAO needs to match its CPD program to the capabilities it has at its disposal. The most important of these are people: to prepare CPD material, deliver CPD courses, and manage and administer the program. A PAO needs to generate the finance to fund the program and provide other resources e.g. venue costs.
- **Action plans**
A PAO needs to devise and monitor an action plan at least once a year to implement its program. This should include a timetable and allocate responsibilities to people.

CAPA CPD Toolkit

Module 2 (M2): Governance of CPD

M2, Governance of CPD, explores a PAOs structural governance and policy arrangements. It covers all core activities of PAOs that are necessary to promote continuous professional development and lifelong learning by their members.

Purpose

Module 2 of the toolkit covers internal governance within the professional accountancy organization, as well as internal policies and procedures. The governance structure of CPD covers all core activities of PAOs that are necessary to promote continuous professional development and lifelong learning by their members. The module will assist PAOs to understand the requirements of good governance for CPD, and to achieve a level of good practice. A distinction is made between the governance structure for CPD and the policy and compliance framework for CPD. Case studies are given from PAOs with different legal traditions of governance structures that deal with issues surrounding governance of CPD, ranging from setting the CPD rules to monitoring and enforcement. (Templates are made available to assist development.)

Guidance

CPD is necessary, in the public interest, to provide high quality services to meet the needs of clients, employers, and other stakeholders. It is the role of a PAO to ensure professional accountants develop and maintain their competence. CPD according to IES 7 provides continuing development of:

- professional knowledge,
- professional skills,
- professional values, ethics and attitudes, and
- competence achieved during IPD

It is the role of PAOs to promote the importance of CPD, to facilitate access to CPD, to require all professional accountants to undertake mandatory CPD, and to establish a system for monitoring and enforcement of CPD.

General aspects of PAO governance are identified in the *CAPA Maturity Model for the Development of Professional Accountancy Organizations*. Consideration of constitution/charter, leadership/corporate - governance, member involvement, and reporting on outcomes is relevant for the development of CPD capacity. In the Maturity Model attention is also given to CPD as a requirement for on-going membership and to aspects of policy, staffing and oversight. In the toolkit these aspects are used as benchmarks to identify the present position of the PAO and the targets for development of CPD.

References

- IFAC, Statements of Membership Obligations, SMO 2
- IAESB, IES 7, International Education Standard 7, Continuing Professional Development
- IFAC, Establishing Governance: A Guide for Professional Accountancy Organizations
- IFAC, Guide to Establishing and Developing a Professional Accountancy Body
- CAPA Maturity Model for the Development of Professional Accountancy Organizations

M2 Key Topic 1: Governance Structure

According to the IFAC Guide on Establishing Governance “it is widely recognized that a strong and well governed professional accountancy body will produce and sustain a strong accountancy profession that is able to serve the public interest and contribute significantly to economic stability and growth”.

The Guide recognizes that in the early stages of establishing a professional body it will not always be possible to establish all of the expected structures for good governance. For e.g., a shortage of staff members might mean that some tasks need to be undertaken by Council members or other volunteers. According to the Guide, it is important to adhere to the principles of good governance, most particularly to ensure that individuals are not acting with conflicts of interest, and that there is adequate separation between executive and oversight functions.

The governance model of a PAO can cover all CPD activities of the PAO. The component guidance within the toolkit focuses specifically on the key elements of a PAO’s governing structure for CPD: corporate governance for CPD policy and compliance, and for product development, including possible division of responsibility between the Board, Committees and staff.

Principles of good governance apply to the governance structure of a PAO in general and to the governance of its CPD system. For good practice it is important to ensure that there is an adequate separation between governance and management roles and accountabilities. Safeguards are necessary in places where conflicts of interest may arise. A distinction should be made between corporate governance and responsibility (for e.g. of the Board; constitution and bye-laws), operational governance and responsibility (for e.g. of the CPD committee; terms of reference and documentation), and the roles of management and staff for CPD (for e.g. needs assessment; content development and delivery; monitoring, supervision and administration).

Case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate options for the governance structure of CPD and to assist PAOs to select a governance model that is appropriate for their legal system and local circumstances. Templates are made available to assist development.

Aspects for governance structure are:

- **M2 KT1 Aspect 1: Governance Structure**
- **M2 KT1 Aspect 2: Responsibility**
- **M2 KT1 Aspect 3: CPD requirements**
- **M2 KT1 Aspect 4: Documentation**

Promotion of CPD as a requirement for continuing membership is one of the key activities of a PAO, especially for those which want to meet international standards and benchmarks of good practice. Responsibility for CPD policy therefore has to be embedded in the overall PAO governance structure.

This can be achieved at different levels ranging from “informal practice” through volunteers, to a formal leadership and governance structure or government regulation. If the PAO has a Board or Council this will be expected to exercise its responsibilities in the overall framework of legal requirements and bye-laws, including – if applicable, external accountability and oversight.

Depending on the level of and complexity of the PAO, responsibility for CPD can be allocated to:

- The Board itself
- A separate CPD Committee
- Dedicated staff.

If responsibility for CPD is delegated to a separate CPD Committee this will need terms of reference (templates) which establish its roles and responsibilities. These should cover:

- Reporting responsibilities
- Purpose and objectives of the Committee
- Membership criteria

Operational procedures must be worked out for management and staff. Usually management and/or staff will be required to report to a CPD Committee or Board/Council. Management responsibilities will include:

- Organisation of CPD activities
- Quality control
- Budgets
- Administrative reports to the CPD Committee or Board/Council.

Roles and responsibilities of staff working on CPD (templates) should also be defined and may include organising:

- Needs assessments
- Content development
- Content delivery
- Monitoring and supervision of compliance with CPD requirements.

Enforcement of CPD requirements may be delegated to a separate Committee dealing with investigations and discipline with its own terms of reference.

In smaller PAOs management and staff roles and responsibilities may be undertaken by volunteers.

CPD requirements may be based on national regulations or international standards. In setting CPD requirements a PAO should take into account different classes of membership and any other special circumstances. A common distinction is that between accountants and auditors (accountants in public practice). Usually the term accountant refers to all professional accountants irrespective of their occupation (commerce, industry, government, education, as well as public practice). In all cases the PAO should bear in mind that to be relevant the CPD has to reflect the personal work roles and responsibilities of the members concerned. The more refined and flexible the requirements become the more meaning they will hold for members.

Membership requirements are worked out in

Module 3 (M3): Mandatory CPD.

Governance documentation is important for the internal operations of the PAO, for communication by the PAO with its members and for external accountability. Governance documentation can cover:

- Bye-laws
- CPD policies
- CPD procedures

Governance responsibilities should include:

- Fostering of a commitment to lifelong learning by members
- Facilitating access to CPD activities and resources for members
- Adopting prescribed requirements relating to the development and implementation of appropriate measurement, monitoring and compliance procedures, so as to help professional accountants to develop and maintain the professional competence necessary to protect the public interest.

M2 Key Topic 2: Policy & Compliance Framework

The policy and compliance framework follows the essential components of CPD that normally are part of the activities of a PAO. It starts with responsibility for the policy framework, including compliance with legal requirements and applicable standards for CPD. This is followed by consideration of CPD requirements; measurement of CPD; and monitoring and enforcement of CPD. The third subject is program development and delivery. Based on the general framework, governance and management of specific activities can be addressed. Management roles include support for needs assessment, program development, and program delivery; for mandatory CPD and measurement of CPD; and for monitoring and enforcement of CPD.

The starting point for PAOs that develop their system of CPD can be informal practice in which CPD is expected but not required. To achieve good practice CPD should be recognised as a requirement for on-going membership. Normal procedure for mandatory CPD is that CPD is monitored based on annual declarations by PAO members, and that CPD is enforced. This can only be achieved when adequate support by management and staff can be made available.

Case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate options for the policy and compliance framework of CPD and to assist PAOs to select an option that is appropriate for their legal system and local circumstances. Templates are made available to assist development.

Aspects for policy and compliance framework are:

- **M2 KT2 Aspect 1: CPD policy**
- **M2 KT2 Aspect 2: CPD requirements**
- **M2 KT2 Aspect 3: CPD organization**

It is important for a PAO to have a policy framework for CPD that at least covers the following subjects:

- Requirements for CPD
- Measurement of CPD
- Monitoring and enforcement of CPD
- CPD opportunities for members

Internally the PAO Board will have final responsibility for CPD policy, based on legal requirements, applicable standards and bye-laws of the PAO. Responsibility for CPD can be addressed on various levels:

- PAO Board
- CPD Committee
- Management and Staff

Externally the Board usually reports to government, oversight agencies and – last but not least – its members. Regular reporting of operational responsibilities should be required, depending on allocation of responsibilities.

- Staff to Management, CPD Committee or Board
- Management to CPD Committee or Board
- CPD Committee to Board

When a PAO considers CPD requirements the following subjects should be considered:

- setting clear and achievable requirements for its members;
- election of an input and/or output-based measurement methodology for verifiable CPD;
- making available a monitoring system to check on compliance by individual members
- in case of non-compliance, procedures for enforcement; and,
- communicate regulation of CPD requirements with its members

According to IES 7 it is the task of a PAO to make CPD opportunities available to its members. To achieve this target three steps can be distinguished:

- needs assessment through member surveys and consideration of applicable standards;
- program development by the PAO or in cooperation with external education providers; and,
- program delivery, again by the PAO or in cooperation with external education providers

Development of the CPD program is usually addressed by staff with proposals to PAO Board or Committee for CPD. In smaller organisations development of the CPD program may be undertaken directly by CPD Committee or Board.

Staff usually has operational responsibility for CPD programs with reports to PAO Board or Committee for CPD. The PAO Board normally has final responsibility. Decisions about preferred delivery mechanisms, course formats etc. depend on member needs and possibilities as evaluated under final responsibility of the PAO Board. Operational responsibility for selection of course formats can be delegated to the Committee for CPD or staff. The day-to-day management of program delivery would usually fall to staff with reports to PAO Board or Committee for CPD. CPD organization and administration would usually fall to staff with reports to management.

Monitoring of CPD policy is normally undertaken by staff with reports to PAO Board or Committee for CPD. Enforcement is part of the CPD process, but for governance reasons is best organised separately; for example under the responsibility of a Committee for Investigation and Discipline that also reports to the Board. Management of monitoring, supervision and enforcement would also usually fall to staff with reports to PAO Board, Committee for CPD or Committee for Investigation and Discipline.

CAPA CPD Toolkit

Module 3 (M3): Mandatory CPD

Module 3, Mandatory CPD, explores the elements of a mandatory CPD regime: establishing the CPD requirements for members, monitoring compliance and enforcement of those requirements, and setting sanctions for non-compliance.

Purpose

This module reviews approaches to mandatory CPD, the influence of legal systems, as well as issues and benefits of different systems. It will help PAOs understand the requirements for mandatory CPD, different approaches to measurement and specific elements of monitoring and enforcement. The overall principle of IES 7 is that CPD is mandatory. Accountants and auditors are required to undergo a minimum number of hours of CPD per year (input-based) or demonstrate achievement of learning outcomes (output-based) or a combination of both. CPD requirements should be enforced to ensure that accounting professionals meet CPD requirements. Examples are given from countries with different legal systems and economic background. Module 3 will assist PAOs to adapt their system of CPD to international requirements and best practices.

Guidance

CPD applies to all professional accountants. Depending on its regulatory position it is the role of a PAO to set the requirements, to require measurement, and to monitor and enforce CPD requirements, or to seek cooperation with the regulator to enforce CPD requirements.

Measuring the attainment of CPD can be achieved in three ways: an output-based approach, an input-based approach, or a combination approach.

In an output-based approach a PAO shall require each professional accountant to demonstrate the development and maintenance of appropriate professional competence by periodically providing evidence that has been:

- verified by a competent source; and
- measured using a valid competence assessment method.
- In an input-based approach a PAO shall require each professional accountant to:
 - ✓ complete at least 120 hours (or equivalent) of relevant professional development activity in each rolling three-year period, of which 60 hours (or equivalent) shall be verifiable
 - ✓ complete at least 20 hours (or equivalent) of relevant professional development activity in each year

A combination approach should comply with the requirements for output- and input-based approaches. The CAPA Maturity Model identifies levels of maturity for CPD requirements. These are used as benchmarks to identify the present position of the PAO and targets for development.

References

- CAPA Maturity Model for the Development of Professional Accountancy Organizations
- IFAC, IES 7, Continuing Professional Development
- IFAC Information Paper, Approaches to CPD Measurement

M3 Key Topic 1: CPD Requirements

Internationally mandatory CPD for professionals, whether in medicine, law, engineering or accountancy is considered to be good practice. Increasingly professional associations are held responsible by governments, standard setters and oversight agencies for monitoring and enforcement of CPD. Whether a PAO can set up an integrated system of mandatory CPD depends on its legal position and on the requirements for membership of the PAO.

- Legal position: a PAO that is recognized as a regulatory and a disciplinary body can set requirements for CPD, which may not be the case when the PAO is a voluntary body.
- Membership: for a system of mandatory CPD it is necessary that the PAO has the possibility to monitor and enforce compliance with the CPD requirements.

Careful consideration by a PAO is necessary of its approach to CPD requirements in relation to the (present or future) composition of its membership. Membership requirements play an important role. Often but not always membership of the PAO is required as a condition for professional use of the designated title. There are also situations in which a title, like for example accountant, is not protected or in which membership of the PAO is based on a qualification issued by an academic body. In a system of mandatory CPD it may be necessary to withdraw membership when individual members do not comply with CPD requirements but only after members have been given every chance to comply. Based on its specific situation each PAO has to decide how to approach CPD: expected, required, monitored, and/or enforced?

A reason often mentioned for mandatory CPD is 'public trust'. Highly important though this is, from the position of a PAO and of its individual members 'brand protection' is almost as important. A PAO can only fulfil its role in cooperation with governments, standard setters and oversight agencies if it is perceived as a high-quality body that adheres to high professional standards. For individuals membership of the PAO should demonstrate their professional expertise. This means the definition of CPD is important. A sufficiently wide definition can cover many of the activities which members frequently undertake on a day to day basis which in effect amounts to CPD.

It is widely recognized that professional accountants have a personal responsibility for their CPD. When a system of mandatory CPD is introduced that can be monitored and enforced it becomes necessary to make a distinction between verifiable and non-verifiable CPD. For verifiable CPD monitoring by the PAO is possible, for non-verifiable CPD the PAO can give guidance to its members. Finally any system of mandatory CPD should have a facility to cope with specific individual circumstances.

Aspects for CPD requirements are:

- **M3 KT1 Aspect 1: Requirements for accountants**
- **M3 KT1 Aspect 2: Requirements for audit professionals**
- **M3 KT1 Aspect 3: Verifiable and non-verifiable CPD**
- **M3 KT1 Aspect 4: Waiver policy**

Setting up a system of mandatory CPD can be achieved step- by-step corresponding to the maturity levels distinguished in the CAPA Maturity Model:

- CPD expected but not a requirement for members of the PAO
- CPD recognized as a requirement for ongoing membership
- CPD monitored and annual declarations by members required
- CPD not only monitored but also enforced

For full compliance all steps should be achieved.

For a PAO that considers a system of mandatory CPD it is important to communicate to its members what it means by CPD. Without a clear definition there will always be debate about compliance with CPD requirements. IES 7 takes an open approach as it defines lifelong learning to represent all learning and development activity, formal or informal, undertaken with the aim of enhancing knowledge, skills, values, ethics, and attitudes from personal, civic, social, and employment-related perspectives.

Lifelong learning, again according to IES 7, has relevance to all professional accountants, irrespective of whether they are involved in accounting fields or other areas.

PAOs can develop requirements or guidance on which CPD activities they consider relevant to the professional roles and functions their members typically have. Alternatively they may choose to rely on the judgment of the professional accountant to make decisions on the relevance of CPD activities for his or her professional competence. A PAO may also choose to set requirements in certain areas and to allow flexibility in other areas.

A simple classification can cover the following topics:

- Professional knowledge
- Professional skills
- Professional values, ethics and attitudes

The actual selection is PAO specific as it depends on the composition of its membership.

CPD requirements for audit professionals is a field in which a PAO sets specific requirements or in which – for example for licensing purposes – members of the PAO that work in public practice have to comply with specific government or oversight regulation. Relevant considerations for establishing CPD content for audit professionals can be found in the present version of IES 8 in which the following topics are included:

- Advanced knowledge of audit of historical financial information, financial accounting and reporting, and IT with specific attention for IFRSs, ISAs and other applicable standards and laws
- Applying and developing advanced professional skills in an audit environment
- Applying required professional values, ethics and attitudes in an audit environment.

In order to be able to develop a system for mandatory CPD that can be monitored, a PAO should consider the distinction between verifiable and non-verifiable CPD. To be verifiable it is necessary that participation in a CPD activity can be confirmed in an input-based approach, or that the outcome of the CPD activity can be identified in an output-based approach.

- Participation in courses, conferences and seminars as attendant or speaker
- Participation in technical committees
- Developing and delivering CPD courses
- On-the-job training and supervision for professional competence
- Professional re-examination or formal testing

Examples of non-verifiable CPD:

- Self-directed learning
- Formal study related to professional responsibilities
- Participation in research and publications

It is the responsibility of the PAO to prepare guidance on the differences between verifiable and non-verifiable CPD for members to consider when they select CPD activities. A PAO may also provide tools to help professional accountants to plan relevant CPD such as competency maps and learning plan templates.

General requirements for mandatory CPD can include specific requirements for different membership requirements, nevertheless they will not cover all individual circumstances, for example:

- Accountants on career breaks who need additional or different expertise
- Accountants in education who use their professional qualification but do not engage in professional activities
- Accountants who have retired from full-time practice, but who continue to use their professional accountant designation, or continue to do some professional work
- Accountants who for individual reasons can temporarily not comply with CPD requirements

The examples are intended to illustrate that specific circumstances can have a major influence on the need for CPD. Not all examples are necessarily relevant for a waiver policy. An accountant re-entering public practice may have to be re-examined to get a license. This should be covered in the CPD requirements for public practice. However a PAO should also have a transparent policy in regard to waivers and exemptions that any individual accountant can ask to be applied in his or her situation.

M3 Key Topic 2: Measurement of CPD

IES 7 in its approach to measuring professional accountants' CPD activity requires PAOs to select a preferred approach from three options: an output-based approach to measurement, an input-based approach to measurement, or a combination approach to measurement. The actual choice is left to the PAO. A fundamental theme in the IFAC Information Paper, Approaches to CPD Measurement, is the debate between input- and output- based CPD measurement. The paper states that input-based measurement has been brought into question by many professional bodies. These bodies recognize that simply recording the time spent on CPD does not necessarily indicate that anything has been learned, or that CPD will lead to any change in practice.

In a climate of increased accountability and external pressures, professional bodies are turning to output-based measurement techniques that can measure exactly what input- based measurement cannot: the impact of CPD on the professionalism of practitioners. However it is also noted that there is some resistance to the implementation of output-based measurement, including perceived cost, and professionals feeling as if they are tested.

There is an interesting distinction between the output- and input-based measurements of CPD:

- For the output-based approach emphasis is on reliability of verification, with two key aspects: clear identification of the outcome or competence achieved, and use of a competent source that is able to confirm that the outcome or competence has been developed and maintained.
- For the input-based approach focus is on time spent on the learning activity with evidence for verification that can include course outlines and teaching materials, confirmation of participation and independent assessment that a learning activity has occurred.

Output-based assessment is intended to confirm that the learning objective has been achieved, compared with input-based assessment to confirm that the learning activity has taken place. There are no specific requirements for a combination approach except some indication of the situations in which this approach can be useful.

Overall there are several issues for a PAO to consider when selecting a measurement methodology for CPD including:

- the necessary expertise and resources available when devising and running a CPD system
- the objectives to be achieved by members e.g. using CPD as evidence of their expertise,
- for the PAO itself, to highlight the quality of the profession.

Aspects for measurement of CPD that are considered in Module 3 of the toolkit are:

- **M3 KT2 Aspect 1: Selection of a measurement methodology**
- **M3 KT2 Aspect 2: An output-based approach to measurement**
- **M3 KT2 Aspect 3: An input-based approach to measurement**
- **M3 KT2 Aspect 4: A combination approach to measurement**

A PAO that is considering selection of a measurement methodology is advised to consider both objectives and resources.

- What is the added value of the measurement methodology for individual accountants?
- What is the added value of the measurement methodology for the PAO?
- Can the resources be made available for the preferred measurement methodology?

The individual accountant can argue that output-based measurement helps to identify achieved competences and as such is valuable input for the selection of additional CPD. On the other hand just registering activities is easier and without risk of non-compliance when a test is failed.

The PAO has to consider what it needs to know about CPD of its members. Is registration of CPD activities by the PAO enough in addition to the individual responsibility of each accountant for the relevance of his or her CPD, or does the PAO want to monitor all or some CPD results by output- based measurement? Even if the PAO has a preference for an output-based approach to measurement, present resources may not be adequate.

In practice many PAOs work with a combination approach to measurement and accept that part of the CPD of an individual accountant is non-verifiable.

Once a PAO has selected a measurement methodology for CPD as a first step to good practice, regular monitoring of results against objectives, and enforcement of compliance by the members have to be considered.

When a PAO chooses to adapt a competence approach to CPD, **output-based assessment** of learning that has been achieved becomes a logical possibility. It is important to distinguish two objectives. First and most important is that the professional accountant is informed about achieved results of the learning activity as input for further development of competences. Use of a competence map can be very useful for a structured approach to CPD from present to intended future levels of competence. Secondly the use of output-based assessment gives the professional accountant the opportunity to inform the PAO about his or her CPD results and compliance with the results.

Output-based measurement of CPD has two cornerstones: identification of the outcome or competence achieved, and confirmation by a reliable source. Some examples of assessment methods are mentioned here:

- Assessments of learning outcomes achieved
- Re-examination or re-certification
- Specialist or other qualification
- Publication of professional or research articles
- Records of work performed

In addition to a selection of acceptable assessment methods, the PAO will have to decide what it considers relevant sources. This can, for example, include the PAO itself for CPD activities it makes available, universities and other providers of higher education, and employers. For all categories the PAO needs to be satisfied about available expertise for the activity, and about reliability of the assessment method.

Input-based approaches to measurement focus on verification that the learning activities have taken place. As indicated in IES 7, input-based approaches have limitations as, for example, they do not always measure the learning outcomes or competence. There are several ways to at least partially overcome this limitation:

- Clearly communicate the objective of the CPD activity to the participants
- Introduce quality benchmarks for course development, delivery and evaluation

If participants are aware of the objectives of a CPD activity, it will be possible to evaluate results although actual individual assessment may not be part of the program. Evaluation results can demonstrate the added value of the activity for CPD, but can also identify opportunities for improvement. Quality benchmarks can among other things cover available material, teaching staff, delivery methods and feedback from participants.

A PAO can recognise external providers of CPD by considering content expertise, quality of teaching staff, ongoing research, regular evaluation, systemic curriculum development, innovation, educational methods and, if applicable, quality of assessment. As an alternative a PAO can rely on external recognition, for example - government accreditation or independent review of university programs. Criteria for external recognition are also relevant as benchmarks for the CPD programs delivered by the PAO itself.

Measures of input-based CPD include:

- Time spent on a learning activity
- Units allocated to a learning activity by a CPD provider
- Units prescribed for a learning activity by the PAO

Evidence that can be used for verification in an input-based approach can include:

- Course outlines and teaching materials
- Confirmation of participation by a provider, instructor, employer, mentor or tutor
- Independent assessments that a learning activity has occurred

As a final consideration it is important to have a sufficiently broad offering of CPD programs from which individual practitioners can select CPD that is relevant for their needs. In general this can best be achieved in

cooperation between the PAO and external providers. The PAO has a double responsibility for identifying relevant CPD for its members, and for offering CPD from its own area of expertise. Practical approaches to needs assessment, content development and content delivery are discussed in Module 4.

The main advantage of adoption of a **combination approach to measurement** is that it provides flexibility for verification and flexibility for members on how to demonstrate that they have complied with CPD requirements.

For some CPD activities output-based measurement can be possible, for other CPD activities input-based measurement can be necessary. The PAO can provide guidance on the appropriate measurement methodology.

Individual members may need both methods to show that competence has been achieved.

M3 Key Topic 3: Monitoring and Enforcement

In a sense monitoring and enforcement is a partnership between each professional accountant who is a member of the PAO and the PAO itself. The process should begin with the PAO clearly communicating to its members why CPD is important, what are the requirements, how the requirements can be met, what the distinction is between verifiable and non-verifiable CPD, and how CPD can be measured to comply with PAO requirements. It is important that the PAO makes a distinction between membership categories and takes into account individual situations:

- CPD needs can vary between membership categories. In protecting the public interest PAOs may prescribe specific or additional CPD for professional accountants working in specialist areas. A specific example of this often is licensing of audit professionals.
- Specific CPD might be needed for accountants on career breaks that need additional knowledge and skills. Attention is needed for accountants that retire, but continue to use their professional designation. Personal circumstances can temporarily influence compliance.

To comply with CPD requirements members of the PAO have to submit declarations that they have met their obligations to maintain the necessary knowledge and skills to perform competently. With their declarations the members also confirm that they have complied with any specific requirements imposed by the PAO. Supervisory activities of the PAO come into play when CPD can be undertaken as part of workplace arrangements. In that case the PAO may require public practice employers to include CPD programs and effective monitoring systems in their quality assurance systems, and to track CPD activities as part of their time recording systems.

A system of mandatory CPD will operate more effectively when professional accountants who fail to meet their CPD obligations are brought into compliance on a timely basis. It is important for PAOs to determine the type of sanctions for non-compliance, after considering the legal and environmental conditions in their jurisdiction. Imposing sanctions is not an action to be taken lightly, in particular not when it comes to expel non-compliant professional accountants from membership or to deny them the right to practice. Members should be given every chance to comply before drastic action is called for.

Normally a PAO is accountable to its members, to oversight agencies and/or to the government for the way it manages monitoring and enforcement, including due diligence and an independent appeals process for decisions on non-compliance. Good governance as discussed in Module 2 is necessary, including reliable and transparent documentation that is available for public consultation. Privacy requirements should apply to individual records.

Aspects of monitoring and enforcement considered in the toolkit comprise:

- **M3 KT3 Aspect 1: Monitoring of CPD**
- **M3 KT3 Aspect 2: Supervision of CPD**
- **M3 KT3 Aspect 3: Enforcement of CPD**
- **M3 KT3 Aspect 4: CPD documentation**

Monitoring of CPD: A PAO that considers monitoring of CPD should start with clear communication with its members about compliance with CPD requirements:

- Applicable requirements for membership categories (input-base, output-based, or combination)
- Retention of records and documents related to CPD by the individual member
- Submittal of annual declarations that CPD requirements have been met
- Provision, on request, of verifiable evidence to demonstrate compliance with CPD requirements

PAOs need to establish a systematic process to monitor compliance with CPD requirements:

- Confirmation to members that CPD declarations have been received and comply with requirements
- Follow up if a declaration does not meet the requirements, or if a declaration was not received

Supplementary monitoring processes could involve:

- Auditing a statistically relevant sample of professional accountants to check compliance with CPD requirements
- Reviewing and assessing learning plans or CPD documents, for example as part of quality assurance program

Supervision of CPD can be considered to be a specific form of monitoring in which the PAO relies on employers to take responsibility for CPD of professional accountants in their organization. This happens most often in public practice but also in other organizations with sufficiently broad professional expertise and quality assurance programs.

To monitor compliance with CPD requirements a PAO can decide to require, for example, public practice employers to include CPD programs and effective monitoring systems in their quality assurance programs, and to track CPD activities as part of their time recording systems. With this approach 'recognised employers' can take responsibility for CPD of professional accountants in their organization with supervision by the PAO.

Enforcement of CPD: Based on the results of monitoring and supervision issues of non-compliance can be found. A PAO should establish a systemic and transparent process that, first, provides opportunities for compliance and, second as a last resort, considers sanctions.

- Inform the professional accountant that CPD requirements have not yet been met
- Give the professional accountant an additional opportunity to meet CPD requirements
- Consider remedial actions to comply with CPD requirements
- Consider sanctions when compliance with CPD requirements cannot be achieved in a reasonable time

The final sanction is to expel a non-compliant professional accountant from membership or the right to practice. Before this sanction is imposed the member should have access to an independent appeals process (se Module 2).

CPD documentation: All parts of the monitoring and enforcement process should be clearly documented with a distinction in general information (accessible to all interested parties) and individual information (limited access in view of privacy considerations).

CAPA CPD Toolkit

Module 4 (M4): Approaches to CPD

Module 4, Approaches to CPD, deals with facilitating access to CPD opportunities. It addresses training needs analysis, content development and content delivery. The module also considers cooperation with external partners and outsourcing.

Purpose

This module will assist PAOs to understand their role to facilitate access to CPD opportunities and resources to support professional accountants in meeting their responsibility for CPD and the maintenance of professional competence. In the training needs analysis, attention is given to applicable benchmarks for content, to evaluation of member needs, and to the use of a competency framework for lifelong learning. For content development a distinction is made between content development in-house and in cooperation with external parties. In content delivery attention is given to market analysis, to content delivery by the PAO and to accreditation of external providers. Examples of CPD approaches are given from countries with different legal systems and economic background. Attention is given to the influence of higher education on CPD. Module 4 will assist PAOs to adapt their approach to CPD to international requirements and best practices.

Guidance

It is good practice for PAOs to facilitate access to CPD opportunities and resources to assist professional accountants in meeting their personal responsibility for CPD and maintenance of professional competence. Lifelong learning represents all learning and development activity, formal or informal, undertaken with the aim of enhancing knowledge, skills, values, ethics and attitudes from personal, civic, social, and employment-related perspectives. In IES 7 examples are given of learning activities that may be undertaken as part of a planned program of CPD. According to the standard PAOs may directly provide CPD programs and/or facilitate access to programs offered by others. They may also provide tools to help their members plan CPD, such as competency maps, learning plan templates and guidance to identify competency or learning gaps.

In the CAPA Maturity Model levels of maturity for CPD are identified. The overall objective of CPD is to maintain and enhance member competencies to enable delivery of high-quality services to business, government and the public. Characteristics of different development stages of CPD programs and delivery are considered ranging from informal planning and delivery of training program to regularly evaluated and prioritised dynamic program. In the toolkit these are used as benchmarks to identify the present position of the PAO and targets for development of CPD.

References

- CAPA Maturity Model for the Development of Professional Accountancy Organisations
- IAESB, IES 2, Initial Professional Development - Technical Competence
- IAESB, IES 3, Initial Professional Development - Professional Skills
- IAESB, IES 4, Initial Professional Development - Values, Ethics and Attitudes
- IAESB, IES 7, Continuing Professional Development
- IAESB, IES 8, Competence Requirements for Audit Professionals

M4 Key Topic 1: Training Needs Analysis

Promoting CPD is a core activity for all PAOs. For good practice at least a reasonable training program should be established with links to universities and other training providers. The training needs analysis can be addressed from two perspectives:

- considerations of the professional body, and
- considerations of the individual professional accountant

A comprehensive program is needed that covers all subjects that are relevant for the profession in the country. Consideration should be given to:

- professional knowledge,
- professional skills,
- professional values, ethics and attitudes, and
- competence that professional accountants have achieved during IPD

Requirements for qualification change over the years. As a result updates for practising accountants become necessary. This makes it relevant to consider requirements in IES 2, IES 3 and IES 4 when conducting a training needs analysis for CPD. Advanced requirements for audit professionals can be found in the present version of IES 8. Specific attention is needed for international professional standards: IFRSs, IPSAS, and ISAs.

The need for CPD depends on the various work roles and competency areas of professional accountants and auditors. A survey of training needs should be flexible and reflect the varying backgrounds of members. Based on examples of good practice, the toolkit provides guidance on how regular surveys of members on training needs can be conducted. The toolkit also includes a guide for the adoption by PAOs of a “competency framework” which allows members to progressively build the competencies they require to enhance their competence and advance their careers.

Components of the training needs analysis for CPD with guidance for each component are summarized in the next paragraph. Case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate options for the training needs analysis of CPD and to assist PAOs to select a method that is appropriate in their situation. Templates are made available to assist development.

Aspects for training needs analysis are:

- **M4 KT1 Aspect 1: Competences and capabilities of accountants**
- **M4 KT1 Aspect 2: Competences and capabilities of audit professionals**
- **M4 KT1 Aspect 3: Member needs analysis**
- **M4 KT1 Aspect 4: Competence approach to CPD**

Qualification levels of competence and capabilities of professional accountants are set out in IAESB International Education Standards (IES) 2 to 4. A comparison of the levels achieved in a country with the requirements of the IES can also help to identify the objectives of a CPD programme. These three IES cover the following:

IES 2, Content of Professional Accounting Education Programs

- Accounting, finance and related knowledge
- Organizational and business knowledge
- IT knowledge

For a PAO that considers a system of mandatory CPD it is important to communicate to its members what it means by CPD. Without a clear definition there will always be debate about compliance with CPD requirements. IES 7 takes an open approach as it defines lifelong learning to represent all learning and development activity, formal or informal, undertaken with the aim of enhancing knowledge, skills, values, ethics, and attitudes from personal, civic, social, and employment-related perspectives. Lifelong learning, again according to IES 7, has relevance to all professional accountants, irrespective of whether they are involved in accounting fields or other areas.

IES 3, Professional Skills

- Intellectual skills
- Technical and functional skills
- Personal skills
- Interpersonal and communications skills
- Organizational and business management skills

IES 4, Professional Values, Ethics and Attitudes

Specific attention can also be given to IFRSs as a specific field of interest for all accountants. IPSAS are important for accountants involved in the public sector. Advanced competences for auditors are described in IES 8: Competence Requirements for Audit Professionals as follows:

- Advanced knowledge of audit of historical financial information, financial accounting and reporting, and IT
- Applying and developing advanced professional skills in an audit environment
- Applying required professional values, ethics and attitudes in an audit environment.

Specific attention is given to IFRSs, ISAs and other applicable standards and laws.

The needs of individual members depend on their present level of competence and capabilities and on their specific roles and responsibilities. Regular training needs questionnaires for members can determine which topics would be of interest and relevant to them. The results can be used to plan a PAO's CPD program. In a member needs questionnaire the following subjects can be included:

- Member background information
- Field of interest
- Selection of topics

Member background information should at least include qualification, year of qualification, and if applicable audit license. The questionnaire should be anonymous. The field of interest will in most cases coincide with the sector in which the accountant or auditor works.

The selection of core topics by a PAO reflects the actual need for CPD in a country. Normally areas that can be covered each year could include External Audit, IFRS, ISAs, Professional Ethics, Taxation, Laws and Regulation with special attention in regard to current issues in accounting and auditing.

Increasingly a competency based or output approach to CPD has been followed. This has a direct effect on the selection of topics which promote competence and on delivery methods. Competence requires the application of core capabilities to achieve outcomes.

These capabilities fall into three types and can be used to determine the selection of delivery methods.

- Knowledge
- Skills
- Values, ethics, and attitudes

During the training needs analysis phase attention should be given to the delivery methods that are relevant for the competences that are addressed. Delivery methods can be divided in various types:

- Distance and e-learning
- Conferences and seminars
- Class room teaching and workshops
- Workplace training
- Individual study

A CPD tool for members covering planning, action, results, and reflection can be made available by the PAO to assist members in achieving a structured approach to lifelong learning.

M4 Key Topic 2: Content Development

Facilitating access to CPD courses is an important role of a PAO. This can be achieved in two ways, the PAO itself can provide CPD programs or it can facilitate access to programs offered by others. The overall program should be comprehensive and regularly evaluated and updated. Normally when a PAO develops its own material, professional subjects are chosen from the core competencies of the PAO. When the PAO lacks the expertise or when the subject is more general, other providers can be considered. A distinction is made between content development in-house, cooperation with external partners and outsourcing.

When a PAO considers content development, it should start with identification of intended results and how they can be achieved. Contributions from external partners should be complementary to expertise and resources that the PAO can make available. Potential partners can be classified in three groups:

- professional associations,
- universities and comparable institutions, and
- external providers of education and training

In a country with separate PAOs, for example one for accountants and one for auditors, they can decide to pool resources as there is a significant overlap between CPD requirements for the two groups. Twinning with PAOs in other countries can provide access to additional expertise. Universities in a country can have a significant contribution to CPD based on the content of their qualification programs. Cooperation can be in their interest as new subjects in CPD can over time inform university programs. Sharing of professional and academic expertise can bring content development to a higher level.

Increasingly international associations, including IFAC, the IFRS Foundation, the IAAER and UNCTAD are involved in offering updates and training on ISAs, IFRS and comparable subjects. Finally there are areas of expertise, for example development of advanced systems of e-learning, for which input from specialised external providers can be necessary.

Components of content development for CPD with guidance for each component are summarized in the next paragraph. Case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate options for content development of CPD and to assist PAOs to select an option that is appropriate for their local circumstances. Templates are made available to assist development.

Aspects for approaches to CPD that are considered in Module 4 of the toolkit are:

- **M4 KT2 Aspect 1: Objective of content development**
- **M4 KT2 Aspect 2: Expertise and resources**
- **M4 KT2 Aspect 3: Development method**
- **M4 KT2 Aspect 4: Quality assurance**

Content development depends on the intended audience, more precisely on their present level of knowledge and skills, and on the intended outcomes of the type of learning provided.

It should start with detailed identification of the objectives, for example to:

- achieve new knowledge and skills,
- keep up to date,
- prepare for changing work roles, or
- increase general competence and capabilities

Content development is also influenced by delivery methods employed including:

- possible format (e.g. class room, e-learning etc.)
- assessment method for participants, and
- evaluation of the learning provided

Evaluation of the learning provided is important both for participants and for the PAO. A sample evaluation form that covers results, audience, and delivery is made available.

A distinction can be made between:

- expertise provided by practitioners, academics and commercial learning providers,
- expertise required for the development of CPD learning materials, and
- additional resources required for the development of CPD learning materials

Relevant expertise is required from the developers of CPD learning materials. Evaluation of qualifications, previous experience of developing CPD learning materials and any publications are all relevant in sourcing developers. Various roles for content developers can be distinguished, including:

- overall responsibility
- content specialists
- content writers
- content editors, and
- graphic designers

Depending on the complexity involved, roles may be combined or allocated to different specialists. If content development is undertaken on a regular basis, a permanent development team can be established with participation by selected content specialists. A sample job description form that covers expertise for content developers is made available. Consideration of the additional resources that are required (financial, production, etc.) is included in Module 5, Operational Model.

A distinction can be made between three approaches to content development:

- content development in-house,
- cooperation with other CPD providers, and
- outsourcing

Use of a decision table can help to select a preferred development method. For content development in-house the PAO should have access to adequate expertise and resources. Experts can be internal (staff), come from committees or be attracted from outside. As the PAO is directly responsible for costs, possible financial benefits but also risks have to be considered.

For most PAOs content development in-house is not part of its core business. Complementary expertise and resources can be sought elsewhere, for example in cooperation with universities and other external education providers. Respective responsibilities and roles should be clearly defined. Out-sourcing is a specific form of cooperation in which the PAO sets the objectives and commissions an external partner for content development according to specifications laid down by the PAO. Financial benefits but also risks have to be considered.

Requirements for quality assurance remain the same, whatever method of content development is selected. A distinction can be made between individual experts and institutions.

For experts the two most important criteria are:

- expertise in their field
- track record of content development

Institutions should confirm the general criteria, including:

- commitment to innovation,
- existence of a content development quality assurance system

Attention should be paid to the need to keep appropriate records as input for decisions about content development in the future including:

- content provided,
- delivery method(s) employed, and
- evaluation of the quality of content delivery

M4 Key Topic 3: Content Delivery

The general objective of CPD for professional accountants, to develop and maintain professional competence, can be achieved in different ways. Here we concentrate on participation in courses, conferences, and seminars; and on the use of IT platforms for the delivery of courses. A distinction is made between content delivery by the PAO; accreditation of external providers; and, accreditation of employers. Quality assurance is important for all three. Criteria remain the same whoever delivers the course. Over time a pool of competent presenters and trainers has to be identified and accreditation requirements implemented. On-line CPD is important to support the program and to make it easy to access. This section will provide examples of PAOs that have adopted an online delivery model for CPD. It will also include a guide including resources and tools to assist PAOs willing to adopt an online delivery model.

Overall considerations for content delivery vary from specific to general. If a PAO delivers courses it has to cover a broad area of subjects, ranging from market analysis, making material available, selection of presenters and course format, choosing a location and a timeframe. Adequate assessment for participants and evaluation of the course has to be in place. How all this can be included in an operational model for CPD is discussed in Module 5. The role of a PAO for accreditation of external providers and employers that supply courses and training that is relevant for CPD is more limited. The primary question that has to be answered is whether content and results can be recognised as part of mandatory CPD. Criteria for recognition of CPD are discussed in Module 3. Special consideration is necessary for competence requirements for audit professionals. In many countries auditors are seen as specialised accountants with the result that competence requirements are part of CPD.

Components of content delivery for CPD with guidance for each component are summarized in the next paragraph. Case studies are made available of PAOs from countries with different legal traditions and economic background.

The objective of the case studies is to illustrate options for content delivery of CPD and to assist PAOs to select an option that is appropriate for their local circumstances. Templates are made available to assist development.

Aspects for content delivery are:

- **M4 KT3 Aspect 1: Market analysis**
- **M4 KT3 Aspect 2: Content delivery by the PAO**
- **M4 KT3 Aspect 3: Accreditation of external providers**
- **M4 KT3 Aspect 4: Accreditation of employers**

Content delivery requires consideration of:

- Relevance of the learning for members, and if applicable non-members;
- preferred learning formats and assessment methods based on local considerations

It will also be necessary to consider:

- target participants,
- the position of competitors and
- the added value compared with CPD learning that is already available

A specific point of interest for CPD is the preferred timeframe. CPD is offered to professionals with usually very full agendas. For many PAOs the usual situation is that a timeframe is selected that interferes as little as possible with work requirements. Through the week this can be achieved by timing courses in the late afternoon and early evening or during the weekend. An alternative is to organize conferences or seminars of several days in relatively quiet periods.

A more detailed approach to the market analysis can be found in Module 5, Operational Model.

Based on a training needs analysis and the selection of how content is to be developed, a PAO can decide to deliver CPD courses and learning materials itself. To accomplish successful course management and learning delivery separate issues have to be considered.

- Material
- Presenters
- Course and learning formats
- Location
- Records

The PAO can make course and learning material available or it can stipulate objectives and leave selection of material to presenters, who for example can use text books and/or provide case studies. Presenters can be employed by the PAO as staff members, or external presenters can be used. For professional subjects cooperation with accountancy firms or commercial CPD providers can be considered and for academic subjects with universities. In both cases quality checks on expertise and experience are necessary. The most relevant distinction for course and learning formats is that between face-to-face courses and individual learning. Face-to-face courses work best if participants have easy access to locations. In big countries with limited transportation it may be necessary to use individual approaches to learning, including e-learning. Face-to-face courses can be held at the premises of the PAO but for larger conferences and courses university facilities, hotels or specialist conference centres can be used. Appropriate evaluation records should be kept and follow-up action taken as necessary.

Accreditation of external providers is an important role of a PAO's responsibility for monitoring and enforcement of CPD. Increasingly it is becoming common to use quality criteria for accreditation in an open market approach where members can select CPD that serves their individual need for continuous professional development. An example of an accreditation form for external providers is made available.

Most employers in the accountancy profession supply training for students and for professionals. Supervision of training for students is a normal role of PAOs. Training of professionals, either for a specialisation or for general purposes can be considered to be part of CPD and as such has to be recognised.

A specific situation exists for audit professionals. The responsibility for the development and assessment of their required competence is shared by IFAC member bodies, audit organizations, regulatory authorities, and other third parties. Accreditation by the PAO of training provided by audit organizations is necessary for recognition that audit professionals comply with competence requirements.

CAPA CPD Toolkit

Module 5: Operational Model

Module 5, Operational Model, focuses on the administrative systems and processes supporting the CPD function. The operational model will largely be decided by a PAO's capacity, expertise, resources and membership demographic.

Purpose

To enable a PAO to determine the right business model for delivery of CPD based on the resources available to it will require a choice between:

- providing CPD as a commercial venture for the PAO, or
- a purely member support service either run on a break-even basis or subsidized, or
- if the PAO has very limited resources will it just signpost activity or offer all/some CPD in conjunction with partners?

This module will also look at what is involved in the administration of CPD activity. Activities can include:

- determining who will offer the CPD, for example the PAO, commercial partners, employers, education providers;
- organising CPD face-to-face programs and developing products based on member needs analysis;
- promoting the variety of CPD opportunities to professional accountants either organized by the PAO or others; and
- the administrative processes.

The focus for the operational model in this module is on management, infrastructure, operations and funding for activities that are directly connected with CPD. Promotion of CPD in this toolkit is treated as part of marketing. Examples of operational approaches are given for PAOs from countries with different legal systems and economic backgrounds. Module 5 will assist PAOs to adapt their operational model to local circumstances and to achieve sustainability. There are no requirements how this should be achieved.

Guidance

The operational model will largely be decided by a PAO's capacity, expertise, resources and the membership demographic. The starting point is to determine the training needs of the membership base (see module 4). The PAO's CPD policy will also shape the CPD provided. For example, if the policy states that members must do 40 hours' face-to-face CPD per annum and attendance at audit courses is mandatory, then the onus will be on the PAO to organise (itself or through others) a range of audit courses and other face-to-face events. On the other hand, if the policy is reasonably flexible and allows a wide range of learning to constitute CPD as outlined in IES 7, then the PAO needs to make members aware of e-learning options, opportunities to participate in research etc.

It is important to also analyze the membership demographic, for instance the training needs of a small- to-medium sized practitioner will differ from a member in the corporate sector. It is also important to consider where members are based to ensure that they all have access to at least some face-to-face training. Once the PAO has an idea of the range of activity required to meet member needs, then it needs to consider whether it has the resources to do this or whether it is necessary to work with partners. Cost considerations are important. If the PAO has no facilities it will need to use external venues, either hotels or rooms at higher education institutions and may need to hire external speakers. Can the PAO recoup these costs and general administration overheads?

In Module 5 of the Toolkit reference is made to the CAPA Maturity Model and additional guidance. In the model aspects of good practice are identified for management and infrastructure, and for funding and the business model. These will be used as general benchmarks to evaluate business models for CPD.

References

- CAPA Maturity Model for the Development of Professional Accountancy Organizations
- IFAC, IES 7, Continuing Professional Development
- IFAC, Guide to Establishing and Developing a Professional Accountancy Body
- IFAC, Tools and Resources to Support the Development of the Accounting Profession
- Developing CPD Courses – a guide to good practice (add publisher)

M5 Key Topic 1: Business Management

In Module 4 of the toolkit, specific attention is given to needs assessment, content development and content delivery. In this, Module 5, the operational model is discussed. Like any other PAO activity, CPD needs to be managed in a business-like manner. Selection of the delivery model for CPD requires careful consideration. It will depend on the needs of members, how they wish to access CPD and the resources available both internal and external. Attention should be given to the distinction between face-to-face and distance learning and to the deployment of IT systems to manage online booking if the PAO is organising CPD itself. Communication with participants and, if applicable, with external partners is an important part of business management. Marketing to members and non- members requires careful attention. Financial matters are the final cornerstone of business management.

In its development to good and strong practice a PAO can gradually develop CPD opportunities, by working with external partners and by providing PAO specific courses. Targeting different membership categories with tailored products will highlight CPD relevance and enable more effective marketing of CPD. Based on a clear understanding of the business cycle, cash flow and revenue from CPD can contribute to the stable financial condition of the professional body.

Aspects for business management are:

- **M5 KT1 Aspect 1: Delivery model for CPD**
- **M5 KT1 Aspect 2: Providing relevant learning**
- **M5 KT1 Aspect 3: Marketing of CPD**
- **M5 KT1 Aspect 4: Financial considerations**

Usually a gradual development of the delivery model for CPD is a key part of business management. A distinction can be made between PAO delivery of CPD and PAO cooperation with external partners, both in selection of topics and of delivery models. Selection of the delivery model will depend on the needs of members, how they wish to access CPD and the resources available to the PAO and its members both internal and external. A PAO needs to consider how it will deliver CPD, for instance:

- What types of CPD will be provided (this may link to the PAO's CPD policy)? Face-to-face? E-learning modules or access to online articles or a library? Mentoring schemes? (Refer to IES 7 for ideas on a range of activities that can constitute CPD)
- Do members and regulators prefer face-to-face tuition to e-learning?
- One of the advantages of e-learning is delivery over distances. Is this a significant consideration in the distribution of members?
- If e-learning is used can members access this online? Is it important to offer mobile-friendly pieces of learning?
- If the PAO is delivering CPD itself, will content be developed in-house or by external consultants?
- Who will deliver the presentations? If the PAO develops a panel of expert external speakers they will probably write their own material.
- Do you only recognise activities run by yourself for your members?
- Do you accredit other commercial CPD providers or higher education institutions? It may be that the PAO leaves members to select their own CPD and does not formally accredit. If the PAO does decide to accredit, it will need to develop quality standards that providers must adhere to and monitor compliance with these standards.
- Do you want to offer CPD with partners? This could involve just highlighting a range of CPD options to members; co-branding events/e-learning and profit-share agreements; outsourcing everything to a third party (training needs analysis, program development and delivery). With the latter, the PAO may charge a fee to the provider: in return all income from the events or e-learning would go straight to the provider. Another option is to organise events in partnership with another body and split tasks and cost.
- If your member is a member of another IFAC body do you state that they can comply with that body's requirements and do not have to comply with your own requirements?
- Do you accredit employers? For example do you assess whether an employer has robust performance management procedures and plans the development of its staff?
- Are your courses open to non-members?

Differentiation in membership categories, either by areas of expertise or by employment sector, will help a PAO to better address specific needs for CPD. For example members in public practice may need to be informed about changes in IFRSs and ISAs, while government accountants probably are more interested in IPSAS. Targeting CPD requirements, material and programs at different membership categories will highlight relevance and promote attendance. Training needs analysis will help determine what content should be covered for each membership category.

For all attendants it is important to consider membership satisfaction and to get feedback on the program that is offered in order to constantly improve. For instance, are post-event appraisal forms handed out or sent after the course and completed online? Appraisal may cover:

- Course content
- Speakers
- Facilities (venue and catering)
- Timing
- Costs

Consideration should be given to the measurement of membership satisfaction e.g. number of repeat attendees, reaction to the speakers, and the satisfaction rating that was achieved.

Market strategy for CPD is part of Module 1. Specific market research is important to make sure CPD offered by the PAO fit the needs of potential audiences and is different from the CPD that is already available. Topics to be considered include:

- Target audience and competitors
- Existing CPD for the same target group
- Course format and delivery method

As part of its promotion of CPD a PAO needs to consider how it markets its CPD courses and learning materials as well as those of its partners. Marketing can take many forms:

- Direct mail is probably the most effective marketing option, but a PAO needs to determine frequency. For example one annual programme with a back-up programme half-way through the year or separate flyers for each event. This can be expensive, so the PAO should include these costs in their budget.
- E-mail campaigns with easy access to online CPD course bookings
- Telephone follow-up to potentially interested members and employers
- Social media channels such as Twitter and LinkedIn may also be used to promote courses and learning materials
- Existing membership communications and products e.g. established member magazines and newsletters.

Details of CPD opportunities should be included on the PAO's website.

A PAO needs to find out what is most effective with its membership. If the PAO is targeting non- members it needs to consider how to reach them, for example purchase of mailing lists. The PAO should include the costs of promoting CPD in their annual budget.

Generally financial considerations will follow more general reasons to offer CPD that are discussed in Modules 1 and 4. Two major reasons for a PAO to offer CPD are repeated here:

- Support members to achieve their CPD objectives for lifelong learning
- Enhance the profile of the PAO among external stakeholders e.g. employers.

If a PAO decides to offer CPD, it should clarify its financial policy on CPD; for example does the PAO aim to make a profit, break-even or can the training be subsidised. For each activity some specific questions can be asked:

- What is the going price for comparable activities?
- Do members get a discount or free participation?

M5 Key Topic 2: Performance Management

It is important to measure the performance of a PAO's CPD program against agreed objectives. For example, did delegate numbers match expectations, were income targets met and was the program delivered on budget?

Aspects for performance management are:

- **M5 KT2 Aspect 1: Activity management for CPD**
- **M5 KT2 Aspect 2: Allocation of resources**
- **M5 KT2 Aspect 3: Budget, costing and pricing**
- **M5 KT2 Aspect 4: Working with partners**

A distinction can be made between outcomes and measurement. Outcomes to be distinguished include:

- How many courses do you aim to run per annum?
- In how many locations do you aim to hold the courses?
- How many attendees per course and overall are you aiming for?
- What volume of other learning materials do you aim to produce per annum e.g. e-learning, technical guidance etc.?

Measurement of activities:

- Did you meet your targets for the number of courses run?
- Did you meet your attendance targets?
- Did you produce the volume of other learning materials planned for?
- What was the take up of these materials?
- Member satisfaction evident?
- Did you meet your budget targets?

The governance structure for CPD is discussed in Module 2. Here attention is given to the need to make CPD management subject to overview and internal audit with monitoring of performance outcomes on a regular basis.

Resources are necessary for needs assessment, for content development and for content delivery as discussed in Module 4. A distinction can be made between expertise and organizational costs.

- Needs assessment can be considered to be a normal role of a PAO irrespective of the volume of CPD that is delivered by the PAO.
- Content development by the PAO depends on the expertise that can be made available and on the budget for experts and material development that can be deployed.
- Content delivery requires, in addition to expertise of presenters, that organizational capacity be made available.

Financial considerations play an important role to enable allocation of adequate resources for CPD.

A PAO will need to agree and monitor its CPD budget. This should cover costs (fixed and variable, as well as direct and indirect), prices and income together with an agreed outcome.

The budget should cover needs assessment, content development and content delivery:

- Needs assessment: normally included in the overall budget of the PAO, possibly with a contribution from CPD to cover overheads
- Content development: budget, costing and pricing to be decided for each separate activity with costs either covered from course fees or from other sources (member fees, sponsoring)
- Content delivery: budget, costing and pricing to be decided for each separate activity with direct and indirect costs covered from course fees.

For good practice effective cost control is necessary. For strong and best practice the CPD budget should be linked to performance indicators and included in the PAO's overall budget planning cycle.

If the PAO works with external partners, how do each of these relationships work. As discussed above there are a wide range of options and a PAO could use a variety of these:

- The PAO just signposts learning opportunities to members, for example a list of what is available in the marketplace is included on the PAO's website. The PAO could charge to be included on the listing. The PAO may decide to formally accredit those that appear, but this involves a quality control checklist that providers must agree to comply with and monitoring compliance.
- The PAO outsources the development and running of its CPD programme. The programme could still have the PAO brand. A commercial arrangement would be in place with the provider.
- The PAO and a partner jointly organise events and agree a split of responsibilities: i.e. who does the administration and promotion, what about speakers and venues, do you operate income share arrangements?
- The PAO organises its own program but uses a panel of quality-checked external speakers who write the content and deliver it. Alternatively the PAO could outsource content development and delivery separately.

M5 Key Topic 3: Administration

The performance of any particular CPD program depends crucially on the administrative and IT systems put in place and run by the PAO. For good practice effective facilities and IT structures are necessary, with a structured approach to processes, payments and enrolments, and with effective cost control. The reputation of the PAO will be damaged if it does not offer excellent customer service.

Aspects for administration are:

- **M5 KT3 Aspect 1: Administration systems**
- **M5 KT3 Aspect 2: Administration processes**
- **M5 KT3 Aspect 3: Payments and enrolments**
- **M5 KT3 Aspect 4: Oversight of the operational systems**

In its development from informal practice to good or even strong practice a PAO needs to establish effective facilities and IT structure, a business support system with performance indicators and monitoring of performance outcomes on a regular basis.

If the PAO runs its own CPD program, how do members/non-members book to attend/purchase e-learning: telephone booking? Submit booking form? Book online?

A structured approach to administration processes is necessary to achieve good practice, with the use of IT systems and clear and transparent documentation. The PAO will need to make a decision concerning what expertise it has internally and what it needs to outsource.

There are a wide range of activities required to run a CPD program. These are as follows:

- market research skills: development of training needs analysis and results analysis
- program development: identifying the topics that need to be covered (see module 4)

Face-to-face courses require:

- sourcing speakers to deliver the content, booking dates, agreeing fees. Ensuring that the speakers have the right credentials. Sending speaker confirmation letters.
- booking venues, contracts and letter confirming event requirements
- if working with other partners to offer CPD: contract negotiation
- determining how to promote the program and developing a marketing schedule, writing copy, producing brochures etc.
- administering bookings: processing booking, raising invoice, joining instructions
- on-going liaising with speakers over hand-out material, equipment requirements
- liaising with venues, informing them of delegate numbers, room layout, equipment requirements, menu choices
- printing of delegate packs: programme, appraisal form, delegate list, hand-out material. Each event may need a registration sheet, delegate name badges, display stands, other promotional material
- on-the-day registration of delegates, making sure the event runs smoothly
- post-event analysis of appraisal forms (sharing with the speaker)

For e-learning the requirements include:

- sourcing partners who already deliver e-learning on relevant topics and contract negotiation
- If the PAO decides to develop its own e-learning modules it may need to source partners to write scripts, determine best approach – audio only, video etc. Where will the learning be hosted and accessed from – the PAOs website, partners platform or third-party software? Will it be a webinar with live interaction with delegates or a static piece of e-learning? Will there be delegate discussion forums? What supporting material will be available to delegates?
- Administering e-learning bookings

The size of the team will very much depend on the size of the program.

A structured approach to payments and enrolments normally with the use of IT facilities is a necessary requirement for good practice.

Practical issues have to be addressed, for example:

- Do you invoice or must delegates provide payment with booking?
- What types of payments can you accept?
- What is your cancellation/refund/transfer policy?

A PAO should have clear terms and conditions relating to their booking process.

If working with partners, what are their terms and conditions? A PAO could link to the partner's terms and conditions from their own website or on promotions.

Lastly, the management of a PAO needs to exercise oversight of the operational model chosen, monitor performance outcomes and take action to improve the CPD program as necessary.

CAPA CPD Toolkit

5. Case Studies & Templates

For the five modules, CAPA has a collection of case studies and templates to illustrate good practice examples from a range of PAOs globally.

Please contact the Secretariat for copies of the relevant case studies or templates.

Module 1: Market Assessment

Case Studies Regulatory Environment **(M1 Key Topic 1):**

- American Institute of Certified Public Accountants (AICPA)
- Association of Chartered Certified Accountants (ACCA)
- Chamber of Financial Auditors of Romania (CAFR)
- Chartered Accountants Australia & New Zealand (CA ANZ)
- Chartered Professional Accountants of Canada (CPA-Canada)
- CPA Australia (Australia)
- Chinese Institute of Certified Public Accountants (CICPA)
- Institute of Chartered Accountants of England and Wales (ICAEW)
- Institute of Chartered Accountants of India (ICAI)
- Japanese Institute of Certified Public Accountants (JICPA)
- Mongolian Institute of Certified Public Accountants (MonICPA)
- Philippines Institute of Certified Public Accountants (PICPA)
- Royal Nederlandse Beroepsorganisatie van Accountants (NBA)
- Society of Certified Accountants and Auditors of Kosovo (SCAAK)
- Vietnam Association of Certified Public Accountants (VACPA)

Case Study Strategic Analysis **(M1 Key Topic 2):**

- Association of Chartered Certified Accountants (ACCA) (Global)
- Mongolian Institute of Certified Public Accountants (MonICPA) (Mongolia)
- Vietnam Association of Certified Public Accountants (VACPA)

Templates:

- Framework for PAO Characteristics
- Market Objectives (VACPA)
- Regulation (VACPA)
- Regulatory Environment Questionnaire
- Strategic Analysis Questionnaire

Module 2: Governance of CPD

Case Studies Governance Structure **(M2 Key Topic 1):**

- American Institute of Certified Public Accountants (AICPA)
- Association of Chartered Certified Accountants (ACCA) (Global)
- Institute of Chartered Accountants of India (ICAI)
- Mongolian Institute of Certified Public Accountants (MonICPA)

Templates:

Case Studies Policy & Compliance Framework **(M2 Key Topic 2):**

- American Institute of CPA
- CPA Australia
- Institute of Chartered Accountants of India
- Philippines Institute of Certified Public Accountants (PICPA)
- AICPA Template
- CPD Committee Roles and Responsibilities
- Governance Structure Questionnaire
- ICAI Template Mission
- ICAI Template Requirements
- Policy & Compliance Framework Questionnaire

Module 3: Mandatory CPD

Case Studies CPD Requirements (M3 Key Topic 1):

- Chamber of Financial Auditors in Romania (CAFR)
- CPA Canada
- Institute of Chartered Accountants in England & Wales (ICAEW)
- Japanese Institute of Certified Public Accountants (JICPA)
- Philippines Institute of Certified Public Accountants (PICPA)

Case Studies Measurement of CPD (M3 Key Topic 2):

- Chamber of Financial Auditors in Romania (CAFR)
- Chinese Institute of Certified Public Accountants (CICPA)
- CPA Australia
- CPA Canada
- Institute of Chartered Accountants in England & Wales (ICAEW)
- Vietnam Association of Certified Public Accountants (VACPA)

Case Study Monitoring & Enforcement (M3 Key Topic 3):

- Chamber of Financial Auditors in Romania (CAFR)
- CPA Canada
- Institute of Chartered Accountants in England & Wales (ICAEW)
- Mongolian Institute of Certified Public Accountants (MonICPA)

Templates:

- CPABC CPD Fee Reduction
- CPABC CPD Medical Form
- CPABC CPD Retired Fees
- CPD Requirements Questionnaire
- CPE Requirements (MIA)
- Framework for CPD Requirements
- ICAI CPE Advisory - Structured Learning
- ICAI CPE Advisory - Unstructured Learning Activities
- Measurement of CPD Questionnaire
- Monitoring and Enforcement of CPD Questionnaire

Module 4: Approaches to CPD

Case Studies Training Needs Analysis (M4 Key Topic 1):

- Association of Chartered Certified Accountants (ACCA)
- Chartered Accountants Australia and New Zealand (CA ANZ)
- Society of Certified Accountants and Auditors of Kosovo (SCAAK)
- Vietnam Association of Certified Public Accountants (VACPA)

Case Studies Content Delivery (M4 Key Topic 3):

- Association of Chartered Certified Accountants (ACCA)
- Chartered Accountants Australia and New Zealand (CA ANZ)
- Mongolian Institute of Certified Public Accountants (MonICPA)
- Society of Certified Accountants and Auditors of Kosovo (SCAAK)

Case Studies Content Development (M4 Key Topic 2):

- Chartered Accountants Australia and New Zealand (CA ANZ)
- Illinois CPA Society (ICPAS)
- Philippines Institute of Certified Public Accountants (PICPA)
- Society of Certified Accountants and Auditors of Kosovo (SCAAK)

Templates:

- ACCA Guidance Notes for Lecturers 2014
- Content Delivery Questionnaire
- Content Development Questionnaire
- Criteria for the selection of teachers and trainers
- Training Needs Analysis Questionnaire
- Training Needs Analysis Template

Module 5: Operational Model

Case Study Business Management (M5 Key Topic 1):

- Association of Chartered Certified Accountants (ACCA)
- Mongolian Institute of Certified Public Accountants (MonICPA)
- Philippines Institute of Certified Public Accountants (PICPA)
- Royal Nederlandse Beroepsorganisatie van Accountants (NBA) (Netherlands)
- Vietnam Association of Certified Public Accountants (VACPA)

Case Study Performance Management (M5 Key Topic 2):

- Association of Chartered Certified Accountants (ACCA)
- Mongolian Institute of Certified Public Accountants (MonICPA)
- Philippines Institute of Certified Public Accountants (PICPA)
- Royal Nederlandse Beroepsorganisatie van Accountants (NBA) (Netherlands)
- Vietnam Association of Certified Public Accountants (VACPA)

Case Study Administration (M5 Key Topic 3):

- Association of Chartered Certified Accountants (ACCA)
- Mongolian Institute of Certified Public Accountants (MonICPA)
- Philippines Institute of Certified Public Accountants (PICPA)
- Royal Nederlandse Beroepsorganisatie van Accountants (NBA) (Netherlands)
- Vietnam Association of Certified Public Accountants (VACPA)

Templates:

- ACCA Appraisal Template
- Administration Questionnaire
- Business Management Questionnaire
- Performance Management Questionnaire
- Administration Questionnaire

CAPA CPD Toolkit

STEP 2 | Assess and Evaluate

6. Module Evaluation

An evaluation table is presented that is intended to facilitate assessment of the present position of the PAO and identification of achievable objectives for development. In the evaluation table aspects are selected from the CAPA Maturity Model that is relevant for the module.

Templates are made available to support evaluation, and to support implementation of an action plan.

For each aspect of the Key Topic, five levels of maturity are considered, ranging from ad hoc or no practice to best practice. Key characteristics that can be used as assessment criteria are identified for each level of maturity.



The most important distinction for the toolkit probably is that between level 2, Informal Practice, and level 3, Good Practice. However, considering the difference between PAOs that may consider the use of the toolkit, all levels are included. Use of the decision table makes it possible for a PAO to evaluate its own position and, based on the evaluation, to identify priorities for an action plan.

Module 1 (M1) Evaluation

To facilitate the preparation of a PAO specific action plan for Market Assessment and Strategic Considerations an evaluation table is presented that is intended to facilitate evaluation of the present position of the PAO and identification of achievable objectives for development. In the evaluation table aspects are selected from the CAPA Maturity Model that are relevant for market assessment and strategic considerations in regard to CPD

A distinction is made between:

- Regulatory Environment, and
- Strategic Analysis

For the Regulatory Environment attention is given to PAO characteristics, PAO regulation and CPD requirements. Unlike other key topics in the toolkit, it may not be possible to change the regulatory environment of the PAO as regulation can for example be the responsibility of government agencies. In this regard development of an action plan can be irrelevant. However, the evaluation of the regulatory environment is important as the results can provide insight in scope and possibilities for CPD development.

For the Strategic Analysis a distinction is made between market conditions for CPD and market strategy for CPD. For both components evaluation of the present position is important input for the development of an action plan for market strategy.

Module 2 (M2) Evaluation

To facilitate the preparation of a PAO specific action plan for Governance of CPD, a distinction is made between:

- Governance Structure, and
- Policy and Compliance Framework

For the Governance Structure attention is given to the overall structure, to responsibility for CPD, to membership categories, and to governance documentation. For the Policy and Compliance Framework attention is given to CPD policy, CPD requirements, and CPD organisation.

Module 3 (M3) Evaluation

To facilitate the preparation of a PAO specific action plan for Mandatory CPD, a distinction is made between:

- CPD Requirements
- Measurement of CPD
- Monitoring and Enforcement

For CPD requirements a distinction is made between CPD requirements for accountants and for auditors. This is followed by consideration of verifiable and non-verifiable CPD and of waiver policy. Measurement of CPD starts with general considerations on measurement methodology, followed by specifics of output-based, input-based and combination approaches to measurement. For monitoring and enforcement of CPD attention is given to monitoring, to supervision, to enforcement and to documentation.

Case studies are made available of PAOs from countries with different legal traditions and economic background. The objective of the case studies is to illustrate options for mandatory CPD and to assist PAOs to select an approach that is appropriate in their situation.

Module 4 (M4) Evaluation

To facilitate the preparation of a PAO specific action plan for Approaches to CPD, a distinction is made between:

- Training Needs Analysis,
- Content Development, and
- Content Delivery

For Training Needs Analysis attention is given to competences for accountants, competences for auditors, member needs analysis, and competence approach to CPD. For Content Development attention is given to objective, expertise and resources, development method and quality assurance. For Content Delivery attention is given to market analysis, content delivery by the PAO, accreditation of external providers and accreditation of employers.

Module 5 (M5) Evaluation

To facilitate the preparation of a PAO specific action plan for the operational mode, a distinction is made between:

- Business Management,
- Performance Management, and
- Administration

For business management attention is given to the delivery model for CPD, membership satisfaction in regard to CPD, marketing of CPD, and to financial considerations. Use of the evaluation model makes it possible for a PAO to consider development of its business management for CPD in the context of its present and intended future position in its market.

For performance management distinctions can be made between activity management of CPD, allocation of resources, budget, costing and pricing, and to communication with prospective clients and participants. Present and future performance management is a cornerstone for a successful CPD program.

For administration the focus should be on administration systems and processes, on payments and enrolments, and on oversight of the operational model.

STEP 2 | Assess and Evaluate

The full (1) Evaluation Tables and (2) Action Plan templates are provided in a separate document. Below is a guide showing examples from the extracted document on how to use the tables and templates.

EXAMPLE

TABLE | M1 Evaluation: Current Evaluation Table

[PAO to assess their current CPD activities across each key topic and aspect. Identify the current level of practice and select a tick for each row]

Key topic	Aspect	Adhoc Practice	Adhoc Level	Informal Practice	Informal Level	Good Practice	Good Level	Strong Practice	Strong Level	Best Practice	Best Level
1. Regulatory Environment	1. PAO characteristics	No or limited recognition of the need for a PAO	<input type="checkbox"/>	Group of committed individuals undertaking PAO activities	<input checked="" type="checkbox"/>	PAO in place with staff appointed: working to meet market needs	<input type="checkbox"/>	Recognised by peer organizations and market stakeholders	<input type="checkbox"/>	Recognised by the public as fulfilling a key societal role	<input type="checkbox"/>
	2. PAO regulation	No engagement with government and/or regulatory authorities	<input type="checkbox"/>	Limited engagement with government and/or regulatory authorities	<input checked="" type="checkbox"/>	Formal government recognition and collaboration with government and/or regulatory authorities	<input type="checkbox"/>	Statutory recognition in legislation and/or charter	<input type="checkbox"/>	Planned, regular and effective liaison with government and/or regulatory authorities	<input type="checkbox"/>
	3. CPD requirements	No CPD system	<input type="checkbox"/>	CPD is voluntary	<input checked="" type="checkbox"/>	CPD policy established	<input type="checkbox"/>	CPD policy monitored by collecting and evaluating member reports on CPD	<input type="checkbox"/>	Policy monitored and non-compliance addressed via investigation and discipline	<input type="checkbox"/>

TABLE | M1 Evaluation: Planned Evaluation Table

[Allows the PAO to consider the desired or planned level of maturity. Identify the planned level of practice and select a tick for each row]



Key topic	Aspect	Adhoc Practice	Adhoc Level	Informal Practice	Informal Level	Good Practice	Good Level	Strong Practice	Strong Level	Best Practice	Best Level
1. Regulatory Environment	1. PAO characteristics	No or limited recognition of the need for a PAO	<input type="checkbox"/>	Group of committed individuals undertaking PAO activities	<input type="checkbox"/>	PAO in place with staff appointed: working to meet market needs	<input checked="" type="checkbox"/>	Recognised by peer organizations and market stakeholders	<input type="checkbox"/>	Recognised by the public as fulfilling a key societal role	<input type="checkbox"/>
	2. PAO regulation	No engagement with government and/or regulatory authorities	<input type="checkbox"/>	Limited engagement with government and/or regulatory authorities	<input type="checkbox"/>	Formal government recognition and collaboration with government and/or regulatory authorities	<input checked="" type="checkbox"/>	Statutory recognition in legislation and/or charter	<input type="checkbox"/>	Planned, regular and effective liaison with government and/or regulatory authorities	<input type="checkbox"/>
	3. CPD requirements	No CPD system	<input type="checkbox"/>	CPD is voluntary	<input type="checkbox"/>	CPD policy established	<input type="checkbox"/>	CPD policy monitored by collecting and evaluating member reports on CPD	<input checked="" type="checkbox"/>	Policy monitored and non-compliance addressed via investigation and discipline	<input type="checkbox"/>

TABLE | M1 Assign Priorities and Timelines: Allocation Table

[Once the current level and planned level are assigned, the PAO then (1) determines where it is high, medium or low priority to address each specific matter and also (2) identified a time frame for action. After completing this step, proceed to draft comprehensive and detailed Action Plan using the template.]

M1 Key topic	Aspect	Current Maturity Level [insert selected practice]	Planned Maturity Level [insert selected practice]	Priority	Timeline	Detailed Activity
1. Regulatory Environment	1. PAO characteristics	Group of committed individuals undertaking PAO activities	PAO in place with staff appointed: working to meet market needs	Priority High	Timeline Within 12 months	Refer to Action Plan template
	2. PAO regulation	Limited engagement with government and/or regulatory authorities	Formal government recognition and collaboration with government and/or regulatory authorities	Priority Medium	Timeline Within 24 months	Refer to Action Plan template
	3. CPD requirements	CPD is voluntary	CPD policy monitored by collecting and evaluating member reports on CPD	Priority Low	Timeline Within 36 months	Refer to Action Plan template

STEP 3 | Take Action

EXAMPLE

Action Plan for [to state M1, M2, M3, M4 or M5] | Key Topic [to state 1 or 2 or 3] | Aspect [to state 1 or 2 or 3]: [to state name of the Aspect]

Priority: [copy from 'Assign priorities' table]

Timing: [copy from 'Assign priorities' table]

Objective: [PAO to identify the overall objective and fill in the box]

{An example for an Action plan Header should be the following:

Action Plan for M2 | Key Topic 2 | Aspect 1: **Governance Structure for CPD}**

Priority: Medium

Timing: Within 12 months

Objective

Establish a service-oriented one-stop center for CPD needs of PAO members and non-members

Step by step activity required to achieve the objective [PAO to identify the key steps]

Step 1:

Submission of proposition for resolution by PAO Board [state timeline to complete]

Step 2:

Obtain agreement from relevant council or board on the terms of reference (TOR) [state timeline to complete]

Step 3:

Obtain approval in principal of the TOR by relevant council or board [state timeline to complete]

Step 4:

Disseminate to CPD providers and PAO members [state timeline to complete]

Step 5:

Setting up secretariat support and inauguration of the one-stop CPD center [state timeline to complete]

Outcome **[Identify and state]**

CPD one-stop center established.	▲
	■
	▼

Key Stakeholders **[Set out the key stakeholders]**

Responsibility (R):

CPD one-stop center	▲
	■
	▼

Accountability (A):

PAO Board	▲
	■
	▼

Consult (C):

PAO CPD Committee	▲
	■
	▼

Inform (I):

PAO Members	▲
	■
	▼

Resources **[Identify the resource requirements]**

External Supports Required:

PAO voluntary representatives	▲
	■
	▼

Internal Supports Required:

Facility of the CPD office	▲
	■
	▼

Total Budget Required:

Internal resourcing from current budgets	▲
	■
	▼